

SYFM
Commodities.

02/05/2019

2.30 - 5.00 pm

Duration: 2 Hours & 30 Minutes

Pages: 2.

Paper / Subject Code: 77811 / Commodities Derivatives

Sem : IV Regular April-2019

(L)

60

Maximum Marks: 75

- Note: 1) All questions are compulsory, Subject to internal choice.
2) Figures to the right indicate full marks.

Q1A) Fill in the Blanks with appropriate answers. (Any 7) 07

- 1 _____ contract is an exchange traded standardised contract.
(Forward / Future / Options)
- 2 _____ is a important factor which affects all agricultural commodities.
(Monsoon / Inflation / Govt. Policies)
- 3 Economic uncertainty can influence prices of _____.
(Gold / Wheat / Natural Gas)
- 4 When investor purchase _____ asset, their basic intension is to earn returns & capital appreciation. (Investment / Consumption / Derivative)
- 5 _____ protects inventory Valuc.
(Speculation / Arbitrage / Hedging)
- 6 _____ for each commodity is determined by exchange based on its historical volatility. (Limit / Margin / MSP)
- 7 A _____ order remains in the system until the user cancels it.
(Good till Cancelled / Good till Date / Good till Day)
- 8 _____ is an alternative method for dispute resolution.
(Arbitration / Arbitrage / Arbitrator)
- 9 Clearing of trades that take place on an exchange are processed through _____.
(Clearing Bank / Clearing House / Clearing Trader)
- 10 _____ Act ensure easy availability of commodities to consumers and protects them from exploitation. (SCRA / ECA / SWMA)

Q1B) State weather following statements is True or False. (Any 8) 08

- 1 Regulations require to ensure transparency & fairness in trading.
- 2 The exchange operates on all days except Sunday and on holiday declared by exchange.
- 3 All new exchanges should have online trading and settlement system in their exchanges.
- 4 American style options can be exercised at any time prior to expiration.
- 5 Hedger wants to avoid risk in market, which is taken over by Speculators.
- 6 Consumption assets are typically held for Investment purpose.
- 7 Future Price = Spot Price – Cost of holding the Assets.
- 8 The difference between spot price & future price is called as revenue.
- 9 Maintenance Margin is higher than Initial Margin.
- 10 The commodities can be revalidated after expiry date if required.

Q2A) Define Settlement. Discuss the types of Settlement Methods. 07

B) Define Derivatives. Discuss the types of different Derivatives Products. 08

OR

P) Discuss in brief any 5 commodities available for trade at Commodity Markets in India. 15

- Q3A) Discuss in brief contribution of FMC in development of Commodities Market in India. 07
- B) What are the pre requisites for grant of recognition to an Commodity Exchange? 08
- OR**
- P) Discuss in brief any 5 Commodity Exchanges of India. 15
- Q4A) Discuss the participants of Commodity Market and their role. 07
- B) Discuss the Function of Derivative Markets. 08
- OR**
- P) Distinguish between Investment V/s. Consumption Assets. 07
- Q) Distinguish between Exchange Traded V/s. OTC Derivatives. 08
- Q5A) Discuss the regulatory framework of Commodity Markets in India. 07
- B) Discuss the factors influencing Cropping & pricing issues for Commodities. 08
- OR**
- P) Write Short Notes. (Any 3) 15
- 1 Warehousing
 - 2 Cost of Carry Model
 - 3 NSCCL
 - 4 Arbitration Rules
 - 5 Types of Margins
