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**MANAGEMENT PROGRAMME /
POST GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE**

Term-End Examination

June, 2014

MFP-003 : COMMODITY MARKETS

Time : 3 hours

Maximum Marks : 100

(Weightage :70%)

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- Note :** (i) *Attempt any five questions.*
(ii) *All questions carry equal marks.*
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1. Discuss the significance of commodity markets and the different components of commodity markets ecosystem. What are the basic characteristics that entitle a commodity for futures trading ?
2. Discuss the role and significance of Commodity Futures Trading Commission (CFTC). What are the major operating divisions of this Commission ?
3. Explain the types of orders that can be submitted by the exchange members based on price related conditions and time related conditions in the Multi Commodity Exchange (MCX).
4. What are 'warehouse receipts' ? Discuss in detail the procedure adopted for dematerialization of warehouse receipts and their rematerialization.

5. Discuss the factors that affect the prices of base metals. Describe the characteristics of Nickel.
 6. What do you understand by 'Power Exchange' ? Describe the operational procedure and the delivery procedure followed at the Indian Energy Exchange.
 7. Explain the terms 'Speculation', 'Long position in Futures', and 'Short position in Futures'. What is the role of Speculation in Futures market ? Discuss the mechanics of spread positions.
 8. Discuss the various factors that serve as inputs for the option valuation model used to determine the value of option's premium.
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