

**POST GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE**

Term-End Examination

June, 2016

MFP-003 : COMMODITY MARKETS

Time : 3 hours

Maximum Marks : 100

(Weightage :70%)

Note : Attempt any five questions. All questions carry equal marks.

1. What are commodity markets ? Discuss the benefits of trading in commodity markets.
2. Describe the regulatory framework for future delivery in commodity markets in India and discuss the statutory functions of Forward Market Commission.
3. Explain the various measures adopted by the Commodity Exchanges for the purpose of the Exchange Risk Management.
4. Explain the 'Delivery and Settlement' procedure for commodity trades on exchange.

5. What are the important base metals traded internationally on commodity exchanges ? Write a short note on any two base metals.
 6. What is 'Emissions Trading' ? Discuss the use of futures on carbon credits for mitigating risk of increasing costs in control of pollution.
 7. Explain the concept of convenience field and the theory of storage.
 8. How are commodity futures contracts priced ? What is the meaning of cost of carry, contango and backwardation ?
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