

DERIVATIVES AND COMMODITY MARKETS

Duration: 2 Hours

Max. Marks: 60

Instructions:

- *Figures to the right indicate maximum marks*
- *Start each new question on a fresh page*
- *Question **ONE** compulsory*
- *Answer any **FOUR** questions from **Q2 to Q6***

Q1. Write a short note on any THREE from the following:-

(3*4=12)

- a. Forward Contract
- b. Pricing of Futures Contract
- c. Mark to Market Margin
- d. Forward Market Commission

Q2.

- a. Explain the types of derivative Products. **(08)**
- b. Briefly discuss the shortcomings of Forward contract **(04)**

Q3.

- a. Explain the Pay Off position in Futures for Long Investor with the help of an example. **(08)**
- b. State the functions of Forward Market Commission. **(04)**

Q4.

- a. Discuss the types of transactions in Commodity Derivatives Market. **(08)**
- b. Briefly explain Risk Management in Commodity Market. **(04)**

Q5.

- a. Discuss the rules governing commodity derivatives exchanges. **(08)**
- b. State the recommendations of committee headed by K.N.Kabra on role of commodity future in India. **(04)**

Q6.

- a. Explain the Pay Off position of Long Position in Call Option with the help of an example. **(08)**
- b. Briefly explain American and European Options. **(04)**
