(2½ Hours) **[Total Marks: 75]**

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

Q 1 A) Multiple Choice Questions (Any 8): **08**

1) Hedging is a price risk management mechanism that is used by a large number of stakeholders who have _____.
- a) an exposure to the financial markets
- b) an exposure to the physical commodity
- c) only perceived exposure to the physical commodity
- d) little or no exposure to the physical commodity

2) The buyer of a European-style option contract can choose to exercise his option _______.
- a) before the date of expiration of the contract
- b) only on the date of expiration of the contract
- c) after the date of expiration of the contract
- d) either after or before the date of expiration of the contract

3) The profits for a seller of a PUT option will be _____.
- a) Limited , b) unlimited , c) negligible , d) None of the above

4) Any investor or intermediary who has any complaint can lodge/ register a complaint with _______ in the prescribed Client Complaint Form (CCF).
- a) fair trade association , b) the broker , c) the exchange ,
- d) the market regulator

5) The best buy order is the one having the _______.
- a) highest price , b)average price , c) lowest price
- d) mean of the highest and the lowest price

6) The Indian commodity exchanges are governed and regulated under the _____ and the rules framed there-under.
- a) Forward Markets Commission 1953
- b) International Commodity Trade Regulatory Commission
- c) The Securities Contracts (Regulation) Act, 1956
- d) Forward Contracts (Regulation) Act of 1952

7) The following is a quality of a commodity derivative market:
- a) commodities are available in large volumes
- b) identical products offered for trade
- c) many buyers and many sellers
- d) All of the above

8) For the first time, the Government of India issued licenses for setting up national-level, multi-commodity futures exchanges in ______.
- a) 1999-00 , b) 2001-02, c) 2002-03, d) 2003-04

9) Traders Workstation (TWS) is an _________ on an exchange.
- a) offline trading platform to facilitate placing of buy and sell orders
- b) online trading platform to facilitate placing of buy and sell orders
- c) online trading platform to clear buy and sell orders online
- d) trading platform to facilitate squaring up trades

10) Which is the biggest centre for gold trading in the world?
- a) Zurich
- b) Mumbai
- c) London
- d) Hongkong

Q 1 B) **State whether the following statements are True or False (Any 7):** **07**

1) The prices of commodities are discovered and disseminated continuously on commodity futures exchanges.
2) Technical analysis involves gathering, interpreting, and understanding the information pertaining to demand and supply of commodities and their effect on price behaviour of the asset.
3) Market makers are individual traders or representatives of brokerage firms or banks whose job it is to ensure liquidity in the markets through bids and offers to the participant in the absence of an offer from a counterparty.
4) Profit for buyer of a call option is unlimited and loss is limited.
5) Jamshedpur Metal Association was India's first organized futures market to be set up in 1875?
6) As against spot markets, a commodity derivatives exchange does not guarantee delivery of products.
7) The gold price in India is affected by Currency exchange rates the most.
8) The London Metal Exchange is the world's premier exchange for Bullion.
9) A derivative contract is an enforceable agreement whose value is derived from the value of an underlying asset.
10) India is the largest producer of Chana in the world.

Q 2 A) What are a few of the contract specifications mentioned in a Commodity Contract? **08**

B) What are the differences between commodity specific exchange and multi-commodity exchange? Mention examples for each. **07**

OR

P) What is Commodity Market? Discuss its features, participants, products and exchanges. **15**

Q 3 A) Explain in brief any 2 Global Commodity Exchanges. **08**

B) Write a note on the Kabra Committee Report on commodity markets. **07**

OR

P) What are margins and circuit filters? **08**

Q) What are Futures with respect to Commodity Markets? Explain with examples. **07**

Q 4 A) Write a note on the regulators of Commodity Derivative markets in India. **08**

B) What are the factors affecting commodity prices? **07**

OR

P) What are the various commodities traded on the Indian commodity exchanges? Mention the commodity groups & sub-groups, if any. **15**

Q 5 A) What is Hedging with respect to Commodity Markets? Explain with examples. **08**

B) How are grievances & arbitration handled while trading on a Commodity Exchange? **07**

OR

P) Write a Short Note on: **(Any 3)** **15**

i. NCDEX
ii. Options (Call and Put)
iii. Spot Market & Forward Market
iv. Warehousing
v. Essential Commodities Act, 1955
