(L)

PQ3ACS Commodity Derivatives

SYFin

**Time: 2 ½ Hours** **Marks 75**

**All questions are compulsory; subject of internal choice.**

**Q1 (A): Fill in the blanks** 10

a. A____ commodity market is desirable for the development of an economy.
b. Organized futures trade first started in ____ in the 17th century.
c. _____ trading was started in 1934.
d. The New York Cotton Exchange started in ______.
e. A major consideration while buying the product is ______.
f. Forward Contract Regulations were notified by the Central Govt. in _____.
g. Trading in futures provides two important functions of _____ & ______.
h. Organized futures markets in India emerged in _______.
i. An ____ is a marketplace for buying and selling commodities.
j. In state of ___ husk of wheat is being used to generate electricity.

**Q1 (B): Answers in one or two sentences** 05

a. Credit Risk b. Market Risk c. Spot Rate d. Exchange e. MSP

Q2. Write distinguished between exchanges traded Vs OTC Market. 15

**OR**

Q2 A) Mr. Das purchase the machinery from UK worth US$ 6,000. On 2nd January 2017 (on 2nd January 1$= INR 69.20). Amount payable on 2nd March 2017 (on 2nd March 1$=INR 66.80). Calculate profit/loss and suggest the suitable hedging strategy. 08

Q2 B) M/s. Aban sell goods worth US $ 4,000 to USA on 15th January 2017 (1$ = INR 68.70). Amount received on 15th February 2017 (1$ = INR 68.00). Calculate profit /loss and suggest the suitable hedging strategy. 07

Q3. Explain the options terminology. 15

**OR**

Q3. Calculate moneyness of various strike price of call and put in range of 42 to 51. If, spot rate is 47. 15

Q4. Explain the futures terminology. 15

**OR**

Q4. Mr. Khan Buy put option of gold at strike price of 28900 with premium of Rs. 40. On the day of expire spot rate is 29300. Calculate profit/loss. 15

Q5. Write short note on (attempt any 3): 15

a. NSCCL
b. Types of margin
c. hedging
d. Types of commodities
e. Functions of commodity market