

**NOTE :- ALL QUESTIONS ARE COMPULSORY.**

Q.1.A) State whether the following statements are True or False (Any 8)

(08)

- 1) Forward contract are bilateral contracts.
- 2) Hedgus want to avoid their risk.
- 3) MCX is largest commodity exchange in india.
- 4) Basis is the difference between spot and futures.
- 5) Initial margin is lower than maintenance margin.
- 6) MTM settlement is market to mark settlement.
- 7) In Vak V refers to value.
- 8) The seller of a option is called 'option writer'.
- 9) Derivative derived from underlyning asset.
- 10) SWAP is not a derivative.

Q.1.B) Match the column (Any 7)

(07)

- | A                                      | B                              |
|--|--------------------------------|
| 1) Forward                             | a) Right but not an obligation |
| 2) Futures                             | b) To avoid risk               |
| 3) Option                              | c) Spot Price > Strike price   |
| 4) Hedging                             | d) Standardised Contract       |
| 5) In the money option                 | e) Negotiated Contract         |
| 6) Process of exchange money and goods | f) Trading at lower price      |
| 7) Long position                       | g) Trading member              |
| 8) Backwardation                       | h) Circuit Filter              |
| 9) TM                                  | i) Number of purchase contract |
| 10) Control Wide Seings in price       | j) Settlement                  |

Q.2.A) Explain Features and Functions of Derivative Market.

(15)

OR

Q.2.B) Explain Hedging and its types.

(08)

Q.2.C) Explain the physical settlement mechanism of commodities.

(07)

Q.3.A) Discuss Various types of Derivatives.

(15)

OR

Q.3.B) Explain Cost of carry model in detail.

(15)

Q.4.A) Discuss various types of margins.

(08)

Q.4.B) What are the different types of order ? Explain Briefly.

(07)

OR

Q.4.C) Briefly explain the membership criterion and types of members of NCDEX

(15)

Q.5) Distinguish between forward and futures.

(15)

OR

Q.5) Short Notes (Any 3)

(15)

1) Arbitrage.

2) Kabra Committee

3) Speculators

4) FMC

5) Unfair Trading Practices