Maximum Marks: 75 Duration: 2 Hours & 30 Minutes

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

Q 1 A) Fill in the Blanks **(Any 8)** **08**

1) A put option is ITM is spot is _________ than strike.
2) Difference between future and spot price is called as ______________
3) In case of buy stop loss order, limit price is ___________ than trigger price.
4) In case of contango future price is ____________ than spot prices.
5) Initial margin is __________than maintenance margin.
6) Best Sell order is one with ___________ price.
7) Put option gives holder right to ________.
8) Commodity derivatives exchanges started in India in the year ________.
9) Amount paid by option buyer to option seller is called as ________.
10) Largest commodity derivative exchange in India is ___________.

Q 1 B) Match the Column **(Any 7)** **07**

	Group A		Group B
1	Refined Soyaoil	**A**	Crude Oil
2	NCDEX	**B**	Call option
3	Standard deviation	**C**	Agri commodity
4	Commodity Derivatives Market Regulator	**D**	Bullion
5	Important global commodity	**E**	Mark to market
6	Right but not obligation to buy	**F**	Largest agri commodity exchange in India
7	Gold and Silver	**G**	SEBI
8	MTM Settlement	**H**	Measure of Risk
9	Speculating	**I**	Takes place on day of expiry
10	Final Settlement	**J**	Taking Risk

Q 2 A) Explain difference between exchange traded and OTC derivatives. **08**
B) Discuss some important commodity derivative exchanges globally **07**

OR

C) Discuss some important option terminologies **08**
D) Write a note on "The Cost of Carry Model". **07**

Q 3 A) With an example explain speculation in commodity derivatives market. **08**
B) Explain briefly risk management mechanism in commodity derivatives market. **07**

OR

C) Discuss some important regulations applicable in case of commodity derivatives market. **08**
D) With proper diagrams explain call option payoff. **07**

Q 4	**A)**	A client had bought 10m grams of gold at Rs.32, 000. To hedge risk client decides to take position in commodity call option having strike price of 30, 000 and premium of Rs.3000. On expiry gold spot price is Rs 33,000. Calculate profit/loss to the client on expiry.	**08**
	B)	Explain different order types in commodity derivatives market based on time condition.	**07**
		OR	
	C)	A client had bought 1 Kg of silver at a price of Rs.44, 000. To hedge risk the client decides to take position in commodity futures at a price of Rs.43, 000. On expiry future closing price is Rs.46, 000. Calculate profit/loss to client on expiry.	**08**
	D)	Explain open interest limits.	**07**

Q 5 Write a Short Notes : **(Any 3)** **15**

1. Energy Commodities
2. Kabra committee report
3. SPAN
4. Arbitration rules in commodity derivatives market
5. ITM and OTM options.

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