

Name:	 UPES UNIVERSITY WITH A PURPOSE
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2019

Course: Commodities Program: BBA Financial Analysis & Services Course code: FINC3001 Instructions: Attempt all the questions	Semester: V Time: 03 Hours Max. Marks: 100
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SECTION A

(10*2 = 20 Marks)

1. Choose the correct answer

a.	The minimum networth required for Professional Clearing Member (PCM) on the NCDEX is? a) 50 Lacs b) 500 Lacs c) 5000 Lacs d) 5 lacs	CO4
b.	The total number of outstanding contracts (long/short) at any point in time is called? a) Hedge Limit b) Transaction Charge c) Delivery Lot d) Open Interest	CO1
c.	CHARJDEL is a symbol for the _____ futures contract traded on NCDEX a) Copper b) Chili c) Chana d) Crude Oil	CO2
d.	InterContinental Exchange (ICE) was established in 2000, to provide a platform for trading in? a) Energy products b) Agriculture products c) Metals d) Soft commodities	CO3
e.	Which option strategy gives the holder the right but not the obligation to buy an asset by a certain date for a certain price? Put b) ITM c) OTM d) Call	CO1
f.	The mission of the Commodity Future Trading Commission (CFTC) is to protect market participants and the public from fraud, manipulation, abusive practices and systemic risks related to the following derivatives are? a) Futures and Swaps b) Futures and Forwards c) Futures and options d) Futures and Exotic	CO4
g.	The Government of India issued, for the first time, licenses for setting up national-level, multi-commodity futures exchange in year? a) 2002-03 b) 2005-06 c) 2000-01 d) 1999-2000	CO1
h.	If the spot price of 10 g of gold on April 29, 2018, was Rs 22,175, whereas the June 15, 2018, gold future contract on MCX was trading at Rs 22,265, the basis is? a) +90 b) +110 c) -110 d) -90	CO3
i.	A person who studies the macro and micro factors that are influencing or likely to influence the price of commodities factors that affect the two key market forces demand and supply? a) Industry analyst b) Technical analyst c) Fundamental analyst d) Market analyst	CO1
j.	Commodity Exchange generally tie up with professionals' agencies who provide modern warehousing services and manage all storage, handling, and quality related issues by? a) Commodity producer b) Trader c) Collateral management service providers d) Insurance agencies	CO3

SECTION B		(4*5 = 20 Marks)
2.	Explain some of the risk associated in investing commodities?	CO3
3.	Provide the diagrammatic representation on positions pay-offs of future contract?	CO2
4.	Quote the difference between futures and forwards contracts?	CO1
5.	Suggest the advantages and disadvantages of hedging to the trading member?	CO4
SECTION-C		(3*10 = 30 Marks)
6.	Describe the functions of future contract in commodity derivative?	CO1
7.	The cost of 50 tons of Chana dal in the spot market is Rs 5,80,000 and the transit cost is 18% pa calculate 5 months of simple compounding interest on pricing of future contract.	CO2
8.	Briefly discuss about the trading member in commodity exchange, types and procedure for trading in commodity exchange?	CO4
SECTION-D		(30 Marks)
9.	<p>In 1 July 2019 West Texas Intermediate (WTI) Crude oil future trading company on New York Mercantile Exchange (NYMEX) increased by 1.95% and Closed @ \$59.13 per barrel on 5th July. Prices halted the two-day declining and started rising, despite oversupply worries from Organization of the Petroleum Exporting Countries) (OPEC). The US benchmark following ETFs like the United States Oil Fund LP (USO) and the pro shares Ultra DJ-UBS Crude Oil (UCO) also increased the day trade. It Rose by 1.22% and 2.59% respectively on 5th July.</p> <p>Question</p> <p>Enumerate briefly the causes for the Volatility of crude oil price in the recent days and what other situation that leads to price rise globally and control measures on it?</p>	CO3