

**Q.P. Code : 60586**

**Fourth Semester M.Com. Degree Examination,  
September/October 2020**

*(CBCS - 2014-2015 onwards)*

**Commerce**

**Paper 4.1 - COMMODITY MARKET**

*Time : 3 Hours]*

*[Max. Marks : 70*

*Instructions to Candidates : Answers all the Sections.*

**SECTION - A**

- I. Answer any **SEVEN** questions out of **TEN**. Each question carries **2** marks :  
**(7 × 2 = 14)**
- (a) What is commodity options?
  - (b) What is commodity grading?
  - (c) What is BIS?
  - (d) What is jugging?
  - (e) Define hedging.
  - (f) Define price discovery.
  - (g) Define arbitrage.
  - (h) Define Spot exchange.
  - (i) Define forward contract.
  - (j) Define mark to market (MTM).

**SECTION - B**

- II. Answer any **FOUR** questions out of **SIX**. Each question carries **5** marks :  
**(4 × 5 = 20)**
- 2. Describe the features of multi commodity futures exchange setup in India. Explain the initiatives taken by it.
  - 3. What are the major characteristics of bullion commodity?
  - 4. What do you understand by hedging? Explain long and short hedging. How can hedging optimized?

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5. Explain the important elements of quality assurance systems in minerals.
6. What are the compliance requirements that members are required to enter into with clients?
7. Explain the essentials of commodity market Act.

**SECTION - C**

III. Answer any **THREE** questions out of **FIVE** questions. Each question carries **12** marks : **(3 × 12 = 36)**

8. Explain in detail the cause and effects of the failure of national spot exchange.
9. Explain the role of warehouses in facilitating the process of delivery of commodities.
10. Discuss in detail issues of quality assurance in respect of agricultural commodities trade on NEM.
11. Explain the importance of derivative market.
12. Explain the clearing and settlement procedure at NCDEX.