

Name:  
Enrolment No:



**UNIVERSITY OF PETROLEUM & ENERGY STUDIES**  
**End Semester Examination December 2021**

**Program: BBA FAS**  
**Subject/Course: Commodities**  
**Course Code: FINC3001**

**Semester: V**  
**Max. Marks: 100**  
**Duration: 3 Hours**

**SECTION A**

Q.No		Marks	COs
1	Define a "Derivative".	2	CO1
2	What is the characteristic of a speculator?	2	CO1
3	A person who simultaneously enters into transactions in two or more markets to take advantage of the discrepancies between prices in these markets is called as _____.	2	CO1
4	_____ trading is to trade financial instruments such as stocks, bonds, commodities or derivatives directly between two parties without going through an exchange or other intermediary	2	CO1
5	What are Exchange Traded Derivatives (ETD)?	2	CO1
6	Difference between strike price and current price is called as _____.	2	CO2
7	Differentiate between a call and Put option.	2	CO2
8	An options that can be exercised only on the maturity date is known _____ option.	2	CO2
9	Differentiate between in the money and out of money options.	2	CO2
10	A swap is written and traded at _____ market .	2	CO2

**SECTION B**

11	Write a short note on Over the counter market.	5	CO2
12	Write a short note on 2 important commodity markets in India along with the commodities being traded in them.	5	CO2
13	Explain "Maintenance Margin".	5	CO3
14	Compare a forward and a future.	5	CO3

**SECTION C**

15	Discuss how a market is different from an institution with suitable examples?	10	CO3
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16	Who are the participants of a commodity market and what are their roles?	10	CO3
17	Discuss the economic benefits of derivatives.	10	CO3
<b>SECTION D</b>			
18	Enumerate the types of traders and their philosophy of trading in a commodity market.	15	CO4
19	Explain an option in derivatives. Discuss the mechanism of trading and terminologies with suitable example.	15	CO4