

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 600 086.**  
**(For candidates admitted during the academic year 2019-20 and thereafter)**

**COURSE CODE: 19CO/ME/CM45**

**B.COM DEGREE EXAMINATION - APRIL 2022**  
**CORPORATE SECRETARYSHIP**  
**SIXTH SEMESTER**

**COURSE : MAJOR – ELECTIVE**  
**PAPER : COMMODITIES MARKET**  
**TIME : 3 HOURS**

**MAX. MARKS : 100**

**SECTION – A**

**Answer ALL the questions:**

**(10 x 2 = 20)**

1. Define a Commodity.
2. Write a note on Over-Hedging.
3. How is a put option different from call option?
4. Write a brief note on Backwardation.
5. What is cash-and-carry trade?
6. Differentiate between soft and commodities.
7. State the four components of a Futures Contract Price.
8. Give a short note on Commodities Spot-Futures Arbitrage.
9. What is Mark-to-Market?
10. Distinguish a Physical Cash Market from a Derivatives Market.

**SECTION – B**

**Answer any FIVE questions:**

**(5 x 8 = 40)**

11. What is commodity exchange? Trace the evolution of Commodity Exchanges in India.
12. Discuss the participants in Commodities market.
13. Differentiate a Forward Contract from a Futures Contract.
14. Discuss the concept of Future-Spot Convergence with an example.
15. What is 'cost of carry model'? How is it different for normal and inverted market conditions?
16. Define Basis Risk. Explain the factors causing Basis Risk.
17. Bring out the objectives and functions of National Securities Clearing Corporation Limited.

**SECTION – C**

**Answer any TWO questions:**

**(2 x 20 = 40)**

18. Comment on the regulation of commodities market in India. Do you think the three-tier system followed in India is a prudent one?
19. What is a Derivative? Discuss the various Types of Derivatives contract.
20. Enumerate the Trading mechanism in the Derivatives market.
21. Explain the Hedging strategy of Buyers and Sellers in the Commodities market with suitable example.

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