IV SEMESTER M.COM EXAMINATIONS APRIL 2018		
COMMODITY MARKETS		
Duration: 2.5 Hours **Max. Marks: 70**		
SECTION - A		
I)	**Answer any EIGHT of the following questions. (8x2=16)**	
	1.	What is Spot Exchange?
	2.	Who are Speculators?
	3.	What is Quality?
	4.	What do you mean by Commodity Market?
	5.	What is Platinum?
	6.	What is TQM?
	7.	What is meant by commodity derivatives?
	8.	Define Quality Circle?
	9.	What is Six Sigma?
	10.	Who are Hedgers?
	11.	What is Mark to Market?
	12.	What is Kaizen?
SECTION - B		
II)	**Answer any THREE of the following questions. (3x8=24)**	
	13.	What is Swap? State its features?
	14.	Explain the functions of Warehousing?
	15.	Write a note on Forwards.
	16.	Distinguish between Grading and Standardization?
	17.	Discuss the risks of storage in India?
SECTION - C		
III)	**Answer any ONE of the following questions. (1x15=15)**	
	18.	What is Risk Management Explain risk management process?
	19.	Discuss about Food Corporation of India (FCI)?
	20.	Explain the trading and settlement process in Commodity Markets?
SECTION – D		
IV)	**Analyze the case and answer the questions. (1x15=15)**	
	21.	**CASE STUDY** Food price volatility and high transactions costs remain major problems in African food markets These persistent problems provide a strong theoretical justification for the development of commodity exchanges. However, the majority African commodity exchanges remain underdeveloped. Through a case study of the Zambian Agricultural Commodity Exchange (ZAMACE), this explores why agricultural commodity exchanges in the region have thus far failed to develop into sustainable trading platforms and identifies the most

		important changes needed to enhance their performances. Drawing on interviews and group discussions with the primary participants on ZAMACE, five main factors that impede volumes traded on the ZAMACE exchange are identified and analyzed: 1. The limited success in attracting financial institutions' commitment to commodity exchanges, 2. The anonymous nature of trading on a commodity exchange ,exacerbates the risks associated with contract non-compliance and opportunistic behavior, 3. The potential for conflict of interest among brokers, 4. The potential for market manipulation in a thinly traded market and 5. The high fixed costs that are imposed on actors trading in a thin market. Exacerbating all these factors is the unpredictability of government intervention in cereal markets Question: 1. How to develop commodity exchanges activities? Discuss