

Registration Number:

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**ST.JOSEPH’S UNIVERSITY, BENGALURU -27**

**M.COM– IV SEMESTER**

**SEMESTER EXAMINATION: APRIL 2024**

**(Examination conducted in MAY / JUNE 2024)**

**MCODEF0420- FINANCIAL AND COMMODITY MARKETS**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 50**

**This paper contains TWO printed pages and THREE parts**

**Section A**

I. Answer any **TWO** of the following  **(2 X 5 = 10 marks)**

1. Explain the Black Scholes Model?
2. What are the key differences between Commodity and Financial Derivatives?
3. Write a short note on:
4. Warehouse Receipts
5. Exotic options

**Section B**

II. Answer any **TWO** of the following (**2 x 15 = 30 marks)**

1. Discuss the importance of derivatives market and explain the different order types in derivatives market. (8 +7 marks)
2. What are options? Explain the types of options with a suitable example.
3. What is Risk? Explain the types of Risk.

**Section C**

III. **Answer the following (1 X 10 = 10 marks)**

1. Mr. Gupta is a farmer who grows wheat and wants to sell it at a future date. He has two options: a forwards contract and a futures contract. However, he is confused about which one to choose. As a Financial expert, explain to Mr. Gupta the difference between the two based on the following parameters and recommend to him the suitable option:
2. Standardization
3. Counterparty risk
4. Liquidity
5. Margin
6. Regulation.