Registration Number:

Date & session:

 

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

**BBA/BBASF – 6th SEMESTER**

**SEMESTER EXAMINATION: APRIL 2024**

**(Examination conducted in May /June 2024)**

**BADEF 6523: FINANCIAL AND COMMODITY MARKETS**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

**This paper contains two printed pages and four parts**

**Part A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. Mention any four types of membership in stock market.
2. What is commodity price risk?
3. Highlight any two advantages of spot exchanges.
4. What is the meaning of options?
5. Mention the factors which affect the commodity prices.
6. How SPAN margin is computed?

**Part B**

**II.** Answer ***any four*** of the following (**4x5 = 20 Marks)**

1. Differentiate between systematic and unsystematic risk.
2. Write a note on NCDEX.
3. Briefly explain about the contango and backwardation.
4. What is Swap? Write a short note on Interest rate swap.
5. Explain the roles of clearing house.

**Part C**

**III.** Answer ***any two*** of the following (**2x10 = 20 Marks)**

1. Discuss in detail about future and forward contract with their features.
2. Elaborate on tools and techniques to mitigate foreign exchange risk.
3. What is stock market? and explain the functions of stock exchange.

**Part D**

**IV. Answer the following (1x10=10 Marks)**

1. A factory owner wants 10,000 kg of a raw material after two months. The current price is Rs. 18 per kg. He wants to ensure that the raw material price does not go up beyond this level. A futures contract on the underlying maturing in three months is available and is going at Rs. 18.50. After two months, the raw material price goes up to Rs. 26. The future price at the end of two months is Rs. 30.
2. As a factory owner which position you would take and show how your benefited. 4 marks
3. Show whether the basis is strengthened or weakened. 2 marks
4. Write any two differences between call and put option. 4 marks