



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/MMA/SEM-3/MMA(RM)-309/2011-12**

**2011**

**COMMODITY MARKETING**

*Time Allotted : 3 Hours*

*Full Marks : 70*

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**GROUP – A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives for any *ten* of the following :

$10 \times 1 = 10$

- i) Which of the following is not true for a commodity ?
  - a) Possesses a physical attribute
  - b) Is a thing of value
  - c) Is produced by many different producers
  - d) Each unit is unique.
- ii) An act that provides for the control of production, supply and distribution of, and trade and commerce in certain commodities is the
  - a) Forward Contracts (Regulation) Act
  - b) Essential Commodities Act
  - c) Agricultural Produce Marketing (Regulation) Act
  - d) Securities Contracts (Regulation) Act.



- iii) Which of the following participants trades in the derivatives markets for risky profits ?
  - a) Arbitrageur                      b) Speculator
  - c) Hedger                              d) Both (a) and (b).
- iv) Name the exchange that runs electronic market places for futures trading with a focus on energy products
  - a) Chicago Mercantile Exchange
  - b) Inter-Continental Exchange
  - c) New York Mercantile Exchange
  - d) Chicago Climate Exchange.
- v) A hedger will take a long position in the futures market in order to
  - a) lock in a price now and protect against rising future prices
  - b) lock in a price now and protect against falling future prices
  - c) fix a price now and profit from rising future prices
  - d) fix a price now and profit from falling future prices.
- vi) In the organized Channel of distribution, members are benefited
  - a) farmers
  - b) farmers & the company
  - c) farmers, company & consumer
  - d) none of these.
- vii) Malls are the part of ..... channel of commodity distribution.
  - a) organised                              b) unorganised
  - c) semi-organised                      d) semi-unorganised.
- viii) Branding of commodity attracts ..... pricing.
  - a) premium                              b) semi-premium
  - c) normal                                  d) none of these.
- ix) Price helps in determining the ..... of the commodity.
  - a) quality                                      b) premiumness
  - c) nothing                                      d) none of these.



- x) ..... refers to the expansion of market trade to previously non-market areas, and to the treatment of things as if they were a tradable commodity.
- a) Re-commoditization      b) Decommoditization  
c) Commoditization      d) Both (a) and (c).
- xi) There are ..... types of commodity swaps.
- a) two      b) three  
c) four      d) five.
- xii) ..... is an agreement between two parties to exchange at some fixed future date a given quantity of a commodity for a price define today.
- a) Forward contract      b) Spot trading  
c) Hedging      d) Futures contracts.

#### **GROUP – B**

##### **( Short Answer Type Questions )**

Answer any *three* of the following.       $3 \times 5 = 15$

2. "There is almost an infinite amount of commodity trading strategies that traders can use." Briefly explain these strategies.
3. Why do you think commodity prices move up and down ? Explain with a case study on corn market illustrate the difference between future contract and forward contract in brief.
4. What do you understand by commodities exchange and commodities trading ? Name three Asian and three American commodity exchanges.       $2 + 3$
5. Explain non-conventional commodities with examples.
6. As a marketer how do you trade future (OTC) commodities ?



**GROUP – C**

**( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

7. a) What are the desirable features a commodity must possess in order to make it tradable as a contract ? 9  
b) What are the different types of commodities that are traded in these markets ? 6
8. a) What aspect of derivatives markets confounds their simple classification into options, futures, forwards and swaps ? 10  
b) Comment on the regulation of commodity markets in India. 5
9. a) What is the difference between a branded product and a commodity ? 3  
b) Discuss the components of brand value to consumers in commodities. 3  
c) What marketing strategies did the big players adopt to transform a commodity into a branded product ? 9
10. a) What are the factors affecting demand for a commodity ? 7  
b) Briefly discuss about the factors involved in determining commodity prices. 8
11. Write short notes on any *three* of the following :  $3 \times 5$ 
  - a) Functions of National Food Exchange
  - b) Future scope of agricultural commodity marketing
  - c) Commoditization
  - d) Multi-commodity Exchange (MCX)
  - e) Brand guidelines.

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