# Commodity Certification Course

## Topic - Commodity Exchange

**1.** A bilateral agreement in which a buyer and seller agree upon the delivery of a specified quality and quantity of a commodity on a specified future date at a pre-determined price is known as:

A. Cash Contract
B. Forward Contract
C. Spot Contract
D. Bilateral Contract

**2.** In India, wholesale agricultural commodity markets are known as:

A. Bazaar
B. Hyper Mart
C. Mandis
D. Super Markets

**3.** Chains that comprise all activities and services from primary producer to final consumers are known as:

A. Trade Chains
B. Trade Cycles
C. Manufacturing Cycle
D. Value Chains

**4.** The __________ price of a commodity is the price where the quantity demanded equals quantity supplied.

A. Market
B. Selling
C. Equilibrium
D. Supply

**5.** A commission agent as well as financier to the farmers is known as:

A. Arthiya
B. Broker
C. Shaukar
D. Munshi

6. Physical markets either trade in cash (spot contract) or ______.

   A. Futures Contracts
   B. Forward Contracts
   C. Rollover Contracts
   D. Swaps

7. In case of spot contracts, delivery and payments have to be made within ____ days.

   A. 7
   B. 9
   C. 10
   D. 11

8. In case of substitute goods, the fall of demand for one product would result in ______ in demand for the other.

   A. No change
   B. Decrease
   C. Increase

9. In case of complementary goods, the fall of demand for one product would result in ______ in demand for the other.

   A. No change
   B. Decrease
   C. Increase

10. Which of the following statement is not true for futures contract.

    A. Exchange traded
    B. Standardized
    C. Delivery takes place for all contracts traded
    D. No counter party risk

11. Options trading in commodity take place in Indian commodity exchanges

    A. True
    B. False

12. Commodity exchanges enable producers and consumer to hedge their ……………..given the uncertainty of the future.

    A. Seasonal risk
    B. Profit risk

C. Production risk
D. Price risk

**13.** Which of the following is not true about the national level exchanges?

A. Offers online trading
B. Recognized on permanent basis
C. Offers single commodity for trading
D. Volumes higher than regional exchanges

**14.** Which of the following Exchanges does not offer derivative trading in soybean?

A. LME
B. NCDEX
C. CBOT

**15.** ……………Exchanges provide real time, online, transparent and vibrant spot platform for commodities

A. Electronic Spot
B. Regional
C. Futures
D. Stock

**16.** The minimum net worth requirement for PCM on the NCDEX is………………

A. 50 Lacs
B. 500 Lacs
C. 5000 Lacs
D. Lacs

**17.** Members can opt to meet the security deposit requirement by way of…………….

A. Cash
B. Bank Guarantee
C. Fixed Deposit Receipts
D. All of the aboce

**18.** In the case of certain commodities like gold and silver, delivery is staggered over last days…………….. of the contract.

A. Two
B. Three
C. Five
D. Thirteen

**19.** CHARJDDEL is a symbol for the ……………futures contract traded on NCDEX:

A. Copper
B. Chilli
C. Chana
D. Crude Oil

**20.** Any person seeking to dematerialize a commodity has to open an account with an approved ………

A. Clearing house
B. Exchange
C. Depository Participant
D. Bank

## Topic – Understanding Derivatives

**21.** For a person who has gone short on a futures contract, if at the time of maturity of the contract, the delivery price is less than the spot price,

A. He makes a loss to the extent the delivery price is lesser than the spot price
B. He makes a profit
C. He cannot make a loss as it is a futures contract
D. He need not physically deliver

**22.** CAT Bonds are:

A. Energy derivatives
B. Weather derivatives
C. Insurance derivatives
D. None of the above

**23.** Which of the following market participants accept risk willingly?

A. Hedgers
B. Speculators
C. Arbitragers
D. Jobbers

**24.** Which of the following players help in restoring market equilibrium?

A. Hedgers
B. Speculators
C. Arbitrageurs
D. Market makers

**25.** A futures contract can be settled by:

A. Only physical delivery
B. Closing out also
C. Cash settlement Only
D. Both 1 and 3

**26.** Which of the following is true with reference to a swap?

A. Swaps are traded on Exchanges
B. The notional principal is to be exchanged
C. Swaps can only be cash settled
D. Clearing houses are not required for clearing swaps

**27.** The amount paid by a buyer to the seller for acquiring the right to buy or sell an underlying asset is known as _________.

A. Margin
B. Premium
C. Basis
D. Advance

**28.** All the warehouses should get registered with Warehousing Development and Regulatory Authority (WDRA), without which no warehouse in India can issue negotiable warehouse receipt.

A. True
B. False

**29.** Option payoffs are ______.

A. Linear
B. Constant
C. Non-linear
D. Equal to exercise price

**30.** Which of the following can be the underlying for a commodity derivative contract?

A. Interest Rate
B. Euro-Indian Rupee
C. Gold
D. NIFTY

**31.** A forward contract is an agreement between two entities to buy or sell the underlying asset at a future date, at today's pre-agreed price.

A. True
B. False

**32.** ……………….. can only trade through their account or on account of their clients and however clear their trade through PCMs/STCMs.

A. Trading cum Clearing Member
B. Trading Member
C. Commodity Participant
D. Associate Member

**33.** "A ………option gives the holder the right but not the obligation to buy an asset by a certain date for acertain price."

A. Put
B. ITM
C. OTM
D. Call

**34.** A Trading cum Clearing member can carry out transactions on their own account and also on their clients account.

A. True
B. False

**35.** Forward contracts are bilateral contracts and hence exposed to counter party risk.

A. True
B. False

**36.** A order, is an order which is valid for the day on which it is entered.

A. Good till offset
B. Good till day
C. Good till filled
D. Good till cancelled

**37.** The total number of outstanding contracts (long/short) at any point in time is called……………..

A. Hedge Limit
B. Transaction Charge
C. Delivery Lot
D. Open Interest

**38.** On introduction of new contracts, the base price is the ……………of the underlying commodity in the prevailing spot markets.

A. Previous days' average price
B. Previous days' closing price
C. Price decided by pre-open auction
D. Price decided by the exchange

**39.** The commodities cannot be revalidated after the Final Expiry Date (FED).

A. True
B. False

**40.** Mr. Vasu buys a Chilli contract on Day 1 at Rs.6435 per quintal. If on Day 2, the price falls to Rs.6320 and he square off his position. Then,

A. He makes a loss
B. He makes a profit
C. He cannot make a loss as it is a futures contract
D. He has to take physical delivery of the commodity

## Topic – Speculation and Arbitrage Strategies

**41.** A speculator, who foresees that the price of Gold will fall, should:

A. Buy Gold futures
B. Buy Gold from spot market
C. Sell Gold futures
D. Sell Gold in spot market

**42.** A speculator, who foresees that the price of Cotton will rise, should:

A. Buy Cotton futures
B. Buy Cotton from spot market
C. Sell Cotton futures
D. Sell Cotton in spot market

**43.** A person who is willing to take price exposure in order to make profits is called:

A. Arbitrageur
B. Speculator
C. Hedger
D. None of the above

**44.** A speculator holding long futures in a commodity will take delivery:

A. At the expiration of the contract
B. Any time during the currency of the contract
C. 15 days prior to the expiry of the contract
D. Never take delivery

**45.** When Corn/Maize trades in the spot market at Rs 14per kg, a speculator sells three month Corn/Maize futures at 13.75 per kg. Before expiry of the contract, he squares up the position by buying Corn/Maize futures at Rs. 13.25 per kg. In the entire transaction, he makes:

A. A profit of 0.25/kg
B. A profit of 0.50/kg
C. A loss of 0.25/kg
D. A loss of 0.50/kg

**46.** Buying December Copper futures at NCDEX and simultaneously selling December Copper futures at LME is called:

A. Hedging
B. Speculation
C. Inter-Exchange arbitrage
D. Cash and carry arbitrage

**47.** In a reverse cash and carry arbitrage, an arbitrageur would:

A. Buy the commodity in the spot and go short in futures market
B. Sell the commodity in the spot and go long in futures market
C. Buy the futures from one Exchange and go short in another Exchange
D. Buy the near month futures and go short on far month futures.

**48.** Buying October Jeera futures from NCDEX and simultaneously selling December Jeera futures at MCX is called:

A. Hedging
B. Speculation
C. Marking to market
D. Arbitrage

**49.** A processor investor buys Soybean futures and simultaneously sells Soy Oil and Soy Meal futures. This is called:

A. Cross-commodity arbitrage

B. Cash and carry arbitrage
C. Calendar spread arbitrage
D. Speculation

**50.** ……………… work at making profits by taking advantage of discrepancy between prices of the same product across different markets.

A. Arbitragers
B. Speculators
C. Exchange
D. Hedgers

**51.** Whenever the futures price moves away from the fair value, there would be opportunity for arbitrage

A. False
B. True

**52.** Gold trades at Rs.34000 per 10 gms in the spot market. Three-month gold futures trade at Rs.34150. One unit of trading is 1kg and the delivery unit for the gold futures contract on the NCDEX is 1 kg. A speculator who expects gold prices to rise in the near future buys 1 unit of gold futures. Two months later gold futures trade at Rs.33900 per 10 gms. He makes a profit/loss of……….

A. (+) 2,500
B. (+) 25,000
C. (-) 2,500
D. (-) 25,000

**53.** When the futures price of a commodity appears underpriced in relation to its spot price, an opportunity for………… arbitrage arises.

A. Reverse cash and carry
B. Cash and carry

**54.** A trader has sold crude oil futures at Rs.3750 per barrel. He wishes to limit his loss to 20%. He does so by placing a stop order to buy an offsetting contract if the price goes to or above…………

A. Rs. 4,650
B. Rs. 4,500
C. Rs. 3825
D. Rs. 3,925

**55.** An arbitrageur tries to make profit:

A. By protecting the existing price exposures
B. From price differentials

C. By entering into options contract
D. By willing to take risks

## Topic – Hedging Strategies

**56.** The basic objective of hedging is:

A. To make profit from price differentials of the same commodity in two different calendar months
B. To buy quality commodities at cheaper prices
C. To minimise the exposure to price risk
D. To make profit from price differentials of the same commodity in two different Exchanges

**57.** A long hedge strategy is to be used by one who wants to:

A. Sell the underlying commodity in the future
B. Buy the underlying commodity in the future
C. Arbitrage by selling the commodity in the spot and going long in futures market
D. Make speculative gains by selling the futures later when prices rise.

**58.** Which of the following statements is not true regarding EFP carried through NCDEX:

A. it involves transaction in futures contracts only
B. Price, quantity, quality, location, date and other terms of the physical market transaction should be negotiated and agreed upon by the parties to the transaction.
C. An EFP transaction need can be done through one or two clearing members
D. EFP is permitted only for closure or exchange of outstanding futures positions of both participants in the relevant commodity futures contract listed on the Exchange

**59.** In September, Ramu enters into a contract for supplying 100 MTs of Chilies to Gopal on 20th December, at the current spot price. Ramu feels that Chilli prices may rise during the next three months. To hedge his price risk, Ramu should :

A. Sell December Chilli futures for 100 MTs
B. Buy 100 MTs of Chilies from the spot market now itself
C. Buy December Chilli futures for 100 MTs
D. Request Gopal to compensate for the differential prices.

**60.** A sugar mill is holding 50,000 MTs of stock in June. Its sales plan for July is 10,000 MT and for August 40,000 MT. An international publication mentions that due to surplus global production, international prices are likely to fall in August. The mill should:

A. Buy August futures for 50,000 MTs
B. Buy August futures for 40,000 MTs

C. Sell August futures for 50,000 MTs
D. Sell August futures for 40,000 MTs

**61.** Gold trades at Rs. 34,500 per 10 grams in the spot market. The three-month futures contract is now trading at Rs. 34,650. One unit of trading at NCDEX is 100 grams. A trader buys 10 units of the futures. At the time expiry of the contact, futures trade at Rs. 34,500. The trader makes a?

A. Loss of Rs. 15,000
B. Profit of Rs. 15,000
C. Loss of Rs. 1,500
D. Profit of Rs. 1,500

**62.** Surrogate hedging is

A. A synonym for long hedging
B. A synonym for short hedging
C. Taking a hedge position in a similar commodity, which has a high price correlation with the original commodity
D. Taking a hedge position in a similar commodity, which has a low-price correlation with the original commodity

**63.** A refinery producing Furnace Oil from Crude Oil enters into a fixed price contract with a buyer for supply after three months. The refinery goes long with three-month Crude Oil futures. This is:

A. Speculation
B. Arbitrage
C. Surrogate hedging against exposure in crude oil
D. Surrogate hedging against exposure in furnace oil

**64.** On expiration of futures contract

A. The price of futures will normally be lower than the prevailing spot price
B. The price of futures will normally match with the prevailing spot price
C. The price of futures will normally be higher than the prevailing spot price
D. None of the above

**65.** By using the currency forward market to sell dollars forward, an………….. can lock on to a rate today and reduce his uncertainty.

A. Importer
B. Speculator
C. Exporter
D. Arbitrager

**66.** On the 15th of June a firm involved in spices exports knows that it will receive 3 MT of Pepper on August 15. The spot price of pepper is Rs.12680 per kg and the August Pepper futures price is Rs.13930. A unit of trading is 1 MT and the delivery unit is 1 MT. The exporter can hedge his position by…………

A. Buying 3 unit of August pepper futures
B. Buying 15 units of August Pepper futures
C. Selling 3 unit of August pepper futures
D. Selling 15 units of August Pepper futures

**67.** A company knows that it will require 33,000 MT of Wheat in three months. The hedge ratio works out to be 0.75. The unit of trading is 10 MT and the delivery unit for wheat on the NCDEX is 10 MT. The company can obtain a hedge by…………….

A. Buying 450 units of three-month wheat futures
B. Selling 2475 units of three-month wheat futures
C. Selling 450 units of three-month wheat futures
D. Buying 2475 units of three-month wheat future

**68.** A company that wants to sell an asset at a particular time in the future can hedge by taking short futures position.

A. True
B. False

**69.** A trader requires to take a long gold futures position worth Rs.8,50,00,000 as part of his hedging strategy. Two month futures trade at Rs.34000 per 10 gms. Unit of trading is 1Kg and delivery unit is one Kg. How many units must he purchase to give him the hedge?

A. 25 units
B. 14 units
C. 50 units
D. 20 units

**70.** Process of taking positions in commodity futures with higher risks in order to profit from anticipated price movement is called

A. Hedging
B. Arbitraging
C. Speculating
D. None of the above

## Topic - Price Analysis of Commodities (Technical Approach)

**71.** Technical analysis makes use of

A. Supply details
B. Demand details
C. Past prices
D. GDP

**72.** A dash on the right hand side of the bar in a daily bar chart denotes the

A. Closing price for the day
B. Highest traded price for the day
C. Opening price for the day
D. Lowest traded price for the day

**73.** A candle stick shaded in black in a 'candlestick chart' means that the

A. Closing price is lower than the opening level
B. Closing price is higher than the opening level
C. Opening price is equal to the closing level of the previous trade
D. Opening price is lower than the closing level of the previous trade

**74.** In a Points and Figure chart, the X-axis

A. Represents price
B. Denotes demand
C. Stands for supply
D. Does not represent any factor

**75.** An uptrend line is constructed by connecting

A. The significant lows in prices
B. The significant highs in prices
C. The closing price of the previous trade and the opening price of the subsequent trade
D. The lowest price during the previous trade and the highest price during the next trade

**76.** Support level represents

A. The minimum support price announced by the government
B. The level below which the price of a commodity rarely falls
C. Ratio of inventory to demand
D. Ratio of supply to demand

**77.** Stop-losses are always fixed

A Above the current market price for buying or above the current market price while selling
B Above the current market price for buying or below the current market price while selling
C Below the current market price for buying or below the current market price while selling
D Below the current market price for buying or above the current market price while selling

**78.** Pivot point is calculated using

A. The current trade's high, low and closing prices
B. The current trade's opening, high and closing prices
C The previous day's high, opening and closing prices
D The previous day's high, low and closing prices

**79.** Three major Fibonacci ratios are

A. 0 %, 50% and 100%
B. 38.2 %, 100% and 123.6%
C. 23.6 %, 100% and 161.8%
D. 23.6 %, 38.2% and 61.8%

**80.** An ascending triangle pattern denotes

A. A bullish pattern, with the likelihood of upside breakout
B. A bullish pattern, with the likelihood of downward breakout
C. A bearish pattern, with the likelihood of upside breakout
D. A bearish pattern, with the likelihood of downside breakout

## Topic - Trading

**81.** A major benefit of electronic trading platforms in commodity trading is

A. Giving full information about the counterparty before trading
B. The facility for price negotiation
C. Providing accessibility to customers even in interior areas of the country.
D. The opportunity to return the consignments if the buyer is not satisfied.

**82.** The entity through which Commodity Exchanges guarantee faithful compliance and financial settlement of all trade commitments on the futures segment undertaken through the electronic trading platform is known as

A. Clearing bank
B. Clearing house
C. Depository participant
D. Assayer

**83.** The responsibility for clearing of trading done through NCDEX is undertaken by

A. NCCL
B. NSDL
C. CDSL
D. NCMSL

**84.** Clearing houses have a legal relationship only with

A. Customers of clearing members
B. Stock Exchanges
C. Forward Markets Commission
D. Their clearing members

**85.** Daily settlement price is

A. The highest price of the relevant futures contract traded during the day
B. The lowest price of the relevant futures contract traded during the day
C. The opening price of the relevant futures contract for the trading day
D. None of the above

**86.** The practice by which details of the time of the day are added to an order is called

A. Order stamping
B. Time stamping
C. Tick
D. Activity log

**87.** The smallest price change permitted for a futures contract is called the

A. Basis risk
B. Snap quote
C. Tick size
D. Trigger price

**88.** On introduction of new contracts, the base price would be the

A. Last traded futures price during the previous month
B. Base price of the contract during the previous year
C. Final settlement price of the previous month's contract
D. Previous day's closing price of the underlying commodity in the prevailing spot markets

**89.** The base price of the contracts on all subsequent trading days would be the

A. Previous day's closing price of the underlying commodity in the prevailing spot markets
B. Daily settlement price of the futures contract on the previous trading day
C. The highest traded futures price during the previous trading day
D. The lowest traded futures price during the previous trading day

**90.** Unit of trading for Wheat at NCDEX is…………….

A. 1 MT
B. MT
C. 1 Kg
D. 10 MT

**91.** Some of the futures contract traded on NCDEX expires on day other than 20th of the month.

A. True
B. False

**92.** …………..is the last day on which the futures contract will be traded, at the end of which it will cease to exist.

A. Redemption Date
B. Expiry Date
C. Exercise Date
D. Maturity Date

**93.** An …………..option is an option that would lead to a zero cash flow to the holder if it were exercised immediately

A. In the money
B. At the money
C. Out of the money
D. Put

**94.** A Put option with a strike price of 150 trades in the market at Rs.8. The spot price is Rs.160. The intrinsic value of the option is Rs. ……..

A. 0
B. 8
C. 2
D. 10

**95.** A call option with a strike price of 150 trades in the market at premium of Rs.12. The spot price is Rs.160. The time value of the option is Rs. …………

A. 12
B. 10
C. 2
D. 8

**96.** A trader buys three-month put options on 1 unit of Guar Seed with a strike of Rs.4000/quintal at a premium of Rs.70. Unit of trading is 10 MT. On the day of expiration, the spot price of Guar Seed is Rs.3800/quintal. What is his net payoff?

A. (+) 13,000
B. (+) 20,000
C. (-) 13,000
D. (-) 20,000

**97.** One unit of trading for Guar Seed futures is 10 MT and delivery unit is 10 MT. A trader sells 1 unit of Guar Seed at Rs.2500/Quintal on the futures market. A week later Guar Seed futures trade at Rs.2550/Quintal. How much profit/loss has he made on his position?

A. (-) 5,000
B. (+) 5000
C. (+) 50,000
D. (-) 50,000

**98.** Consider a three-month futures contract on gold. The fixed charge is Rs.310 per deposit and the variable storage costs are Rs.52.5 per week. Assume that the storage costs are paid at the time of deposit. Assume further that the spot gold price is Rs.15000 per 10 grams and the risk-free rate is 7% per annum. What would the price of three month gold futures if the delivery unit is one kg? Assume that 3 months are equal to 13 weeks.

A. 15,27,491
B. 16,24,511
C. 17,41,200
D. 15,00,200

**99.** A Spread order is an order to buy or sell a stated amount of a commodity at a specified price, or at a better price, if obtainable at the time of execution.

A. True
B. False

**100.** A trader sells 5 units of Castor futures at Rs.5500/quintal. What is the value of his open short position? Unit of trading is 10 MT and delivery unit is 10 MT.

A. Rs. 27,500
B. Rs. 27,50,000
C. Rs. 2,25,000
D. Rs. 22,000

**101.** Where a trade cancellation is permitted and trading member wishes to cancel a trade, it can be done only with the approval of the……………

A. Clearing Corporation
B. SEBI
C. RBI
D. Exchange

**102.** If the last trading day as specified in the respective commodity contract is a holiday, the last trading day is taken to be the previous working day of the Exchange.

A. True
B. False

**103.** Order matching on the NCDEX electronic trading system is done on the basis of

A. Commodity
B. Price
C. Time
D. All the above

## Topic - Settlement

**104.** Settlement of commodity futures contract cannot be done by

A. Physical delivery
B. Cash settlement
C. Closing out open positions
D. Carrying forward the position

**105.** Final settlement price of a commodity futures contract is the

A. Closing price of the far month futures contract
B. Closing spot price of the underlying commodity
C. Closing futures price in CBOT exchange
D. None of the above

**106.** Warehouse storage charges till pay-in day for commodities deposited for physical delivery must be paid by the

A. Seller
B. Buyer
C. Commodity exchange
D. DP

**107.** Commodities with expired validity date can be offered for delivery after

A. Paying a penalty
B. Paying quality-related premium/discount
C. Revalidation
D. None of the above

**108.** The responsibility of paying sales tax and other levies to the local state government lies with the

A. Seller
B. Buyer
C. Buyer's clearing member
D. Seller's clearing member

**109.** Percentage of futures contracts in Indian commodity exchanges that end up in actual physical delivery of the underlying asset is

A. 100 %
B. 60 %
C. 35 %
D. 1-2 %

**110.** Quality-related premium/discount is the

A. Penalty for delivering commodities with expired validity dates
B. Penalty for delivering an identical commodity
C. Penalty for delivering a variety different from the one specified in the contract
D. Adjustment made to the final settlement price

**111.** In NCDEX, all contracts settling in cash are settled on

A. T+1 basis
B. T+2 basis
C. T+5 basis
D. T+7 basis

**112.** Revalidation of commodities with expired validity date is done by the

A. Warehouse
B. Assayer approved for that warehouse
C. DP
D. R&T Agent

**113.** Daily mark to market settlement is done …………….

A. Till the date of contract expiry
B. As long as the contract makes a loss
C. On the last day of week
D. On the last trading day of the month

**114.** …………….……………...is the actual process of exchanging money and goods.

A. Transfer
B. Settlement
C. Netting
D. Clearing

**115.** The cash settlement is only for the incremental gain/ loss as determined on the basis of……………

A. Final settlement price
B. Average price for the day
C. Opening price
D. Last traded price

**116.** The ………………position is considered for exposure and daily margin purposes.

A. Short
B. Long
C. Net
D. Open

**117.** A trading member has proprietary and client positions in a March Chilli futures contract. On his proprietary account, he bought 700 trading units at Rs.6000 per Quintal and sold 250 at Rs.6015 per Quintal. On account of client A, he bought 200 trading units at Rs.6012 per Quintal, and on account of client B, he sold 100 trading units at Rs.5990 per Quintal. What is the outstanding position on which he would be margined?

A. 750
B. 950

C. 450
D. 850

**118.** For Intention Matching and Seller's Right contracts traded at NCDEX, one of the components of the amount of penalty imposed on a seller in case of a delivery default would be ………….. percent of final settlement price.

A. 2
B. 2.5
C. 3
D. 3.5

**119.** A bread manufacturer bought five one-month wheat futures contracts at Rs.1155 per Quintal at the beginning of the day. The unit of trading is 10 MT and each contract is for delivery of 10 MT. The settlement price at the end of the day was Rs.1165 per Quintal. The trader's MTM account will show

A. (-) 2,500
B. (+) 2,500
C. (+) 5,000
D. (-) 5,000

**120.** Proprietary positions are netted at member level without any set-offs between client and proprietary positions.

A. True
B. False

**121.** On respective ………….day, clearing members effect depository delivery in the depository clearing system as per delivery statement in respect of depository deals.

A. Pay-in
B. Expiration
C. Settlement
D. Pay-out

**122.** …………………………refers to issue of physical delivery against the credit in the demat account of the constituent.

A. Securitization
B. De-materialization
C. Re-materialization
D. Liquidation

**123.** In case the members/constituents are not registered under relevant tax laws with the state in which delivery is affected, they can appoint a Carrying & Forwarding (C&F) agent who would undertake the activities related to the physical delivery of the commodity

A. False
B. True

**124.** Delivery of all deals for the final settlement in commodities is deemed to be completed

A. When the buyer physically takes delivery from warehouse after rematerialisation
B. Only when the buyer receives the invoice from the seller
C. When the beneficiary demat account of the buyer client is credited through the comtrack system
D. Only after the seller pays sales tax and other levies to the local state government

## Topic – Investor Grievance

**125.** One of the main category of members of a Commodity Exchange is

A. Depository Participants
B. Clearing Members
C. Professional Participants
D. Trading cum Clearing Members

**126.** Minimum Base Capital requirement for a Trading cum Clearing Member of a Commodity Exchange is

A. Rs. 1 lac
B. Rs. 50,000
C. Rs. 25 lacs
D. Rs. 30 lacs

**127.** Minimum Net Worth Requirement for a Professional Clearing Member of a Commodity Exchange is

A. Rs. 10 lacs
B. Rs. 50,000
C. Rs. 1000 lacs
D. Rs. 15 lacs

**128.** Two major types of risks involved with futures trading in commodities are

A. Credit risk and settlement risk
B. Credit risk and interest rate risk
C. Credit risk and operational risk
D. Settlement risk and operational risk

**129.** An example of non-cash capital towards minimum collateral security deposit for members of a Commodity Exchange is

A. Stocks of commodities
B. GOI securities
C. Building
D. Land

**130.** SPAN is

A. Special Performance Analysis Network
B. Standard Portfolio Analysis of Risk
C. Standard Performance Analysis Network
D. Standard Provisioning And Netting

**131.** In the Mark to Market Settlement system, all open positions of members are marked to market

A. Based on the settlement price as on the end of the month
B. Based on the settlement price on the day of expiry of the near month contract
C. Every day, based on the settlement price of the previous day
D. Every day, based on the settlement price for the day

**132.** Commodity Exchanges dealing with forward contracts must register themselves with

A. SEBI
B. Forward Markets Commission
C. Ministry of Consumer Affairs & Public Distribution
D. Commodity Board of Trading

**133.** Delivery in respect of all deals for the clearing in commodity happens through the

A. Depository clearing system
B. Forward Markets Commission
C. Agricultural Products Marketing Committee
D. SEBI

**134.** If the value of the claim, difference or dispute is up to Rs 25 lakhs,

A. It is referred to a sole arbitrator
B. It is referred to a court
C. The dispute must be settled by the concerned parties through mutual discussions
D. No hearing is required to be given to the parties to the dispute

**135.** If the value of claim, difference or dispute is more than …………. on the date of application, then such claim, difference or dispute are to be referred to a panel of three arbitrators.

A. Rs. 10 Lakh
B. Rs. 50 Lakh
C. Rs. 25 Lakh
D. Rs. 75 Lakh

**Answer key**

| **Question No.** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
|---|---|---|---|---|---|---|---|---|---|---|
| Answers | B | C | D | C | A | B | D | C | B | C |
| **Question No.** | **11** | **12** | **13** | **14** | **15** | **16** | **17** | **18** | **19** | **20** |
| Answers | A | D | C | A | A | C | D | C | C | C |
| **Question No.** | **21** | **22** | **23** | **24** | **25** | **26** | **27** | **28** | **29** | **30** |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Answers | A | C | B | C | C | B | B | A | C | C |
| **Question No.** | **31** | **32** | **33** | **34** | **35** | **36** | **37** | **38** | **39** | **40** |
| Answers | A | B | D | B | A | B | D | B | A | A |
| **Question No.** | **41** | **42** | **43** | **44** | **45** | **46** | **47** | **48** | **49** | **50** |
| Answers | C | A | B | D | B | C | B | D | A | A |
| **Question No.** | **51** | **52** | **53** | **54** | **55** | **56** | **57** | **58** | **59** | **60** |
| Answers | B | D | A | B | B | C | B | A | C | D |
| **Question No.** | **61** | **62** | **63** | **64** | **65** | **66** | **67** | **68** | **69** | **70** |
| Answers | A | C | D | B | D | C | D | A | A | C |
| **Question No.** | **71** | **72** | **73** | **74** | **75** | **76** | **77** | **78** | **79** | **80** |
| Answers | C | A | A | D | A | B | B | D | D | A |
| **Question No.** | **81** | **82** | **83** | **84** | **85** | **86** | **87** | **88** | **89** | **90** |
| Answers | C | B | A | D | D | B | C | D | B | D |
| **Question No.** | **91** | **92** | **93** | **94** | **95** | **96** | **97** | **98** | **99** | **100** |
| Answers | A | B | B | A | C | A | A | A | A | A |
| **Question No.** | **101** | **102** | **103** | **104** | **105** | **106** | **107** | **108** | **109** | **110** |
| Answers | D | A | D | D | D | A | C | A | D | D |
| **Question No.** | **111** | **112** | **113** | **114** | **115** | **116** | **117** | **118** | **119** | **120** |
| Answers | A | B | A | B | A | D | A | B | C | A |
| **Question No.** | **121** | **122** | **123** | **124** | **125** | **126** | **127** | **128** | **129** | **130** |
| Answers | A | C | B | C | D | D | C | A | B | B |
| **Question No.** | **131** | **132** | **133** | **134** | **135** | | | | | |
| Answers | D | B | A | A | B | | | | | |

**Disclaimer:**