



Shri Vaishnav Vidyapeeth Vishwavidyalaya, Indore
Shri Vaishnav Institute of Social Sciences, Humanities and Arts
Choice Based Credit System (CBCS) in Light of NEP-2020
Generic Elective for Post Graduation
Economics (2023-2025)

COURSE CODE	CATEGORY	COURSE NAME	TEACHING & EVALUATION SCHEME								
			THEORY			PRACTICAL		L	T	P	CREDITS
			END SEM University Exam	Two Term Exam	Teachers Assessment*	END SEM University Exam	Teachers Assessment*				
GPECO301	Generic Elective	Commodity Derivatives Market	60	20	20	0	0	3	0	0	3

Legends: L - Lecture; T - Tutorial/Teacher Guided Student Activity; P – Practical; C - Credit.

***Teacher Assessment** shall be based on following components: Quiz/Assignment/ Project/Participation in Class, given that no component shall exceed more than 10 marks.

Course Educational Objectives:

- CEO1:** To understand the concept of Commodity Derivatives.
- CEO2:** To enable students to identify Agriculture ecosystem.
- CEO3:** To understand the legal structure of Commodity Derivatives Market.
- CEO4:** To analyze different commodity Derivative contracts
- CEO5:** To exemplify the trading and settlement in Commodity Derivatives.

Course Outcomes:

Students will be able to:

- CO1:** Define basic concepts of Commodity Derivatives.
- CO2:** Comprehend the Agriculture ecosystem in India.
- CO3:** Assess the legal structure of Commodity Derivatives Market.
- CO4:** Categorize different Commodity Derivative contracts.
- CO5:** Deduce the trading and settlement in Commodity Derivatives.

Contents

UNIT I: Introduction to Commodity Market

History of Commodity Trading, Evolution of Commodity Exchanges, Commodities Overview- Investment, Consumptions, Agricultural and Non-Agricultural. Derivatives Market.

UNIT II: Agriculture Ecosystem

Participants in Commodity Derivatives Markets, Hedgers, Speculators, Arbitrageurs. Commodities Market Ecosystem, Factors Affecting the Commodity Prices.

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UNIT III: Commodity Index & Exchange

Index, Commodity Index, Types of Commodity Indices, Structure of Exchanges in India. NCDEX, NCCL, NERL, NeML, NICR, MCX.

UNIT IV: Commodity Derivatives

Forward Contract, Commodity Future, Cost – of- Carry, Spot and Future Prices, Fair Value, Options, Option Terminology, Long and Short Positions.

UNIT V: Trading & Settlement

Membership on Exchange, Trading System, Disclosure by Exchanges, Clearing Corporation, Clearing and Settlement Processes. Delivery Process

Suggested Readings:

1. Helyette Geman(2005), *Commodities and Commodity Derivatives*: John Wiely and Sons Ltd, London
2. Avdhani, V.K.(2009). *Securities Analysis and Portfolio Management*. Mumbai: Himalaya Publishing House
3. Gorden & Natrajan(2015). *Financial Markets and Services*, Mumbai: Himalaya Publishing House

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