



**Dr. V. N. Bedekar Institute of Management Studies, Thane**  
**Teaching Plan (MMS / PGDM)**  
**Academic Year (2014-15)**

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**Programme:** MMS

Semester: III

**Name of the Course:** Commodities Market

**Maximum marks:** 100

**No. of Sessions:** 15

**Name of the Faculty:** Thakkar

**Mobile No:**

**Email:**

**Web link**

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**Learning Objectives:**

**Reference Books:**

1. Commodities Rising , Jeffery M. Christian , John Wiley & Sons, 2006
  2. Dow Jones – Irwin Guide to Commodities Trading , Bruce Gould , Author House, 2003
  3. Commodity Fundamentals , Ronald Spurga, John Wiley & Sons, 2006
  4. Commodity Futures & Financial Markets, Louis Philips, 1990
  5. The Encyclopedia of Commodity & Financial Spreads , Steve Moore, John Wiley & Sons, 2008
  6. International Commodity Markets & The Role of Cartels , Mark s. Lechair, M.E. Sharpe ,2001
  7. Commodity Options , Larry D. Spears, Market Place Books, 1993
  8. Training The Pits: Technical Approach to Commodity Trading , Robert M. Barnes, John Wiley & Sons,
  9. Commodity Options, Terry S. Mayer , Prentice Hall ,1993
  10. Structured Products Vol. II Equity , Commodity , Credit & New Markets , Satyajit Das John Wiley & Sons, 2005
  11. Breaking Through Success : A Commodity Investor 's Guide Book, Patrick Lafferty & Nell Sloane
  12. Managing Commodity Price Risk & Developing Countries , Stijn Claessens & Ronald C. Dunkan, John Hopkins University Press, 1994
  13. The Commodities Glossary , Commodity Futures Trading Corporation, International Law & Taxation ,2005
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**Plan:**

Session No	Topics to be covered	Pedagogy	Remark
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1	Introduction to Commodity Derivatives Introduction to derivatives, products, participants and functions, derivatives markets, difference between commodity and financial derivatives.	Lecture	
2	Evolution of commodity exchanges, global commodity derivatives exchanges, latest developments. The NCDEX platform – Structure, exchange membership, risk management, clearing and settlement system and commodities traded on the NCDEX platform.	Lecture	
3	Historical changes and growth of global and domestic Commodities derivatives markets FCR Act 1952 and Regulatory structure of Commodities Derivatives Markets in India	Lecture	
4/5	Application of Commodity Futures	PPT, Case study, whiteboard	



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	<p>Instruments available for trading -</p> <p>Forward contracts, Introduction to futures and options, Payoff for F&amp;O, using futures versus options;</p> <p>Pricing commodity futures –</p> <p>Investment assets versus consumption assets, Cost of carry model, Futures basis; Using commodity futures for hedging, Speculation and arbitrage.</p>		
6	<p>Trading, Clearing and Settlement</p> <p>Trading - Futures trading system, Entities in the trading system,</p>	<p>PPT, Case study, whiteboard</p>	
7	<p>Commodity futures trading cycle, Order types and trading, Parameters, Margins for trading in futures, Charges, Hedge limits;</p> <p>Clearing and settlement - Clearing, Settlement, Risk management, Margining at NCDEX and Standard Portfolio Analysis of Risk (SPAN).</p>	<p>PPT, Case study, whiteboard</p>	



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8	Issues in Agricultural Commodities Markets Issues in Non-Agricultural Commodities Markets	PPT, Case study, whiteboard	
9	Delivery Related Issues like delivery centers, deliverable varieties, assaying Issues related to monitoring and surveillance by Exchanges and Regulator Role of intermediaries in Commodities Markets	PPT, Case study, whiteboard	
10/11	Basis Risk and its importance in pricing Agricultural Commodity Futures trading pattern in Exchange – Case study Non-Agricultural Commodity Futures trading pattern in Exchange – Case study International commodity indices and as a investment tool for investors	PPT, Case study, whiteboard	
12	Case Studies and Presentations	PPT, Case study, whiteboard	



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13	Case Studies and Presentations	PPT, Case study, whiteboard	
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**Evaluation:**

**I) Internal:**

<b>Component</b>	<b>Details</b>	<b>Marks</b>
Class Test, Assignment	2 tests, best of two	20
Presentation, etc.	Topic wise, Case study	10
Class Participation	Oral Questions, Debate, Query, Attendance	5
Student Conduct	Grooming, Behaviour	5

**Pradhan, Maonalisa**

**Signature of Faculty**

**Signature of Co-ordinator**