

3rd Semester	19MBA302G	Agricultural Commodity Trading	L-T-P 3-0-0	3 Credits	35 hrs
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Objective: To understand the marketing procedure for commodity futures through commodity exchanges

Module –I

Introduction to commodity derivatives and price risk management in agricultural markets; organizational setup of exchanges and specifications of futures contracts in world's leading commodity exchanges

Module-II

Mechanics of forward transaction and futures trading; hedging price risk using futures contracts; option transaction concept and mechanism, price discovery mechanism and market efficiency

Clearing house and margin system; clearing, settlement and delivery of contracts

Module – III

Market surveillance and risk control; trading in warehouse receipts (WRs): WRs and collateralized commodity financing

Regulation of futures and trading practices in leading national and regional exchanges in India.

Books:

- Hull, John C. 2017. *Fundamentals of futures and options markets*, Boston, Pearson publication.
- *Derivatives and Risk Management*, Srivastav, Oxford
- Ram, P. V. and Bala, S. D., 2016, *Strategic Financial Management*. Snow White Publ.