



## World Commodity Market.d

- 1 A \_\_\_\_\_ market is a market that trades in the primary economic sector rather than manufactured products, such as cocoa, fruit and sugar.
- 2 Traditionally \_\_\_\_\_ has been the largest producers of gold in the world.
- 3 Commodities, which are to be received by a clearing member, are delivered to him in the depository clearing system in respect of depository deals on the respective \_\_\_\_\_ day as per instructions of the exchange/ clearing house.
- 4 By using the currency forward market to sell dollars forward, an \_\_\_\_\_ can lock on to a rate today and reduce his uncertainty.
- 5 All the exchanges, which deal with forward contracts, are required to obtain certificate of registration from the \_\_\_\_\_.
- 6 This option to give delivery is given during a period identified as \_\_\_\_\_.
- 7 The first use of derivatives contract was \_\_\_\_\_.
- 8 A futures contract is nothing but a forward contract that is \_\_\_\_\_.
- 9 In matters where the exchange is a party to the dispute, the civil courts at \_\_\_\_\_ have exclusive jurisdiction.
- 10 Which of the following can be the underlying for a commodity derivative contract?
- 11 Daily mark to market settlement is done \_\_\_\_\_.
- 12 \_\_\_\_\_ is the actual process of exchanging money and goods.
- 13 \_\_\_\_\_ work at making profits by taking advantage of discrepancy between prices of the same product across different markets.
- 14 Commodity exchanges enable producers and consumer to hedge their \_\_\_\_\_ given the uncertainty of the future.
- 15 Which of the following is not true about the national level exchanges?
- 16 Which of the following Exchange does not offer derivative trading in Soybean?





- 17) \_\_\_\_\_ Exchanges provide real time, online, transparent and vibrant spot platform for commodities.
- 18) \_\_\_\_\_ can only trade through their account or on account of their clients and however clear their trade through PCMs/STCMs.
- 19) Members cannot opt to meet the security deposit requirement by way of \_\_\_\_\_.
- 20) The chart used to show the value of a \$1 through various investments and timeframes is called:
- 21) If a company files for bankruptcy, which of the following securities is most at risk of becoming virtually worthless
- 22) Which of the following has the highest level of risk?
- 23) Which is the most liquid form of savings?
- 24) A raw material or primary agricultural product that can be bought and sold, such as copper or coffee
- 25) Money set aside for unanticipated expenses or loss of income
- 26) Which statement describes SIMPLE interest?
- 27) Which is better for you when you are investing money?
- 28) Which of the following would increase the cost of capital to the firm (holding constant the other elements of the cost of capital)?
- 29) Which of the following is not traded in Bursa Malaysia?
- 30) Which of the following is not seen as an advantage of the gold standard?
- 31) With the decision to let sterling float in September 1931, the gold standard came to an end. The decision to let sterling float was taken because...
- 32) The Bretton Woods System is referred to as the "gold exchange standard" because...
- 33) The fatal flaw of the Bretton Woods system was that...
- 34) The functions of the International Monetary Fund include all of the following except...





- 35) The following three aspects of a monetary system are jointly incompatible: monetary policy independence; (A)\_\_\_\_\_ exchange rates; and (B)\_\_\_\_\_ .
- 36) Special drawing rights are not...
- 37) What is meant by the "band of fluctuation"?
- 38) Countries that had both gold and silver as their medium of exchange - as system called Bimetallism - not seldom faced troubles which were supposed to be tackled by Gresham's Law. What does Gresham's Law state?
- 39) Gold was often physically shipped abroad to pay for current account imbalances which affected the real domestic money supply. What is one consequence of this?
- 40) Which of the following investments is most liquid?
- 41) Which of the following statements is correct?
- 42) According to the investment pyramid, which relates the level of risk to investment objectives, which of the following statement is true?
- 43) Which of the following is not an equity investment?
- 44) Jenny bought a treasury bill for \$49,700 and later sold it for \$50,000.
- 45) Ann, who is looking for an investment with good protection from the ravages of inflation, should invest in which of the following?
- 46) Carl, who is looking for a highly liquid investment, should invest in which of the following?
- 47) Canadians, who are setting aside funds for an emergency, usually invest in:
- 48) Horst's portfolio of \$375,000 consists of 70% debt and 30% equity. He is investing an additional \$25,000 in his account today and wants to re-balance his investments to reduce the percentage of debt in his portfolio. What type of investment would he make?
- 49) Anwar, who has a marginal tax rate of 49%, realized a rate of return last year of 6% on his investment portfolio. If inflation is 3.5% during this time, what is his real, after-tax rate of return?
- 50) Speculation is based on a time horizon that is:





- 51) Which of the following has the most favorable tax treatment?
- 52) Kate has \$60,000 to invest strategically. Her strategy is to divide her money into three equal portions and invested in three GIC's. She put \$20,000 into a GIC with a one-year maturity, another \$20,000 into a GIC with a two-year maturity, a further \$20,000 into a GIC with a three-year maturity. Kate's investment strategy is known as
- 53) Mario has \$300,000 to invest strategically. His strategy is to divide his money into three equal portions and invest in three T-bills. He put \$100,000 into a T-bill with a thirty-day maturity, another \$100,000 into a T-bill with a sixty-day maturity, and a further \$100,000 into a T-bill with a ninety-day maturity. To correctly implement this laddering strategy, when the first T-bill matures in thirty days, Mario must buy another T-bill with
- 54) Sherry's risk tolerance as an investor will not depend on which of the following?
- 55) Debbie has decided to invest in gold There is a chance that the demand for gold may decline, lowering the price of gold and expose Debbie to what kind of risk?
- 56) When inflation quickly rises, house prices also tend to appreciate at the same or a higher rate, making houses:
- 57) Securities invested in for retirement purposes, should have good prospects for \_\_\_\_\_ growth.
- 58) The best way to save is to have:
- 59) Mario tends to spend money faster than he makes it. Any cash in his pockets is spent as fast as possible. The best way for Mario to save money is to
- 60) The payoffs for financial derivatives are linked to
- 61) Financial derivatives include
- 62) Financial derivatives include
- 63) Which of the following is not a financial derivative?
- 64) By hedging a portfolio, a bank manager
- 65) Which of the following is a reason to hedge a portfolio?





- 66 Hedging risk for a long position is accomplished by
- 67 Hedging risk for a short position is accomplished by
- 68 A contract that requires the investor to buy securities on a future date is called a
- 69 A long contract requires that the investor
- 70 A person who agrees to buy an asset at a future date has gone
- 71 A short contract requires that the investor
- 72 A contract that requires the investor to sell securities on a future date is called a
- 73 An option allowing the owner to sell an asset at a future date is a
- 74 To say that the forward market lacks liquidity means that
- 75 An advantage of a forward contract is that
- 76 If you buy a call option on treasury futures at 115, and at expiration the market price is 110,
- 77 The disadvantage of forward contracts are that they
- 78 The advantage of forward contracts over futures contracts is that they
- 79 an option that gives the owner the right to buy a financial instrument at the exercise price within a specified period of time is a

