

**B. K. Birla College of Arts, Science and Commerce, Kalyan**  
**Department of Management Studies**  
**B. Com. (Financial Management)**  
**"Derivatives and Commodity Market"**

**Certificate course on "Derivatives and Commodity Market"**

B. Com. (Finance)							
Certificate course on "Derivatives and Commodity Market"							
<b>Introduction</b>	Certificate course on 'Derivative and Commodity Market' is designed to give students knowledge about derivative and commodity market of the financial market in India. It shall provide information about derivative market in India, in abroad, its growing significance, commodity market, options, futures, swaps, hedging etc.						
<b>Objectives</b>	<ul style="list-style-type: none"> <li>To understand the concepts related to commodities and derivatives market.</li> <li>To understand various aspects related to options and futures</li> <li>To acquaint students with trading, clearance and settlement mechanism.</li> </ul>						
<b>Syllabus</b>	<p><b>Unit I: Derivatives</b></p> <ol style="list-style-type: none"> <li><b>Introduction to derivatives-</b> Meaning, history, and Origin, Elements of a derivative contract, factors driving growth of derivative market, types of derivatives, types of underlying assets, participants in derivative market, advantages and disadvantages of trading in derivatives, current volume of derivative trade in India.</li> <li><b>Introduction to futures &amp; options and swaps:</b> Future contract specification, terminologies, concept of convergence, relationship between future price and expected spot price, pricing of futures contract, cost of carry model. Options contract specification, difference between futures and options, call option, put option</li> <li><b>Trading:</b> Meaning and Concept, Trading mechanism</li> <li><b>Clearing and settlement-</b> Clearing mechanism, NSCCL- its objectives and functions, settlement mechanism</li> </ol> <p><b>Unit II: Commodity Market</b></p> <ol style="list-style-type: none"> <li><b>Basics of Commodity Markets</b> – Meaning, history, types, participants, trading, reasons for investing in commodities.</li> <li><b>Global Commodity Exchanges-</b> Commodity exchanges in India and abroad.</li> <li><b>Commodity trading eco-system-</b> Meaning and Concept, Trading mechanism</li> <li><b>Basic Principles of Hedging, Speculation and Arbitrage-</b> long hedge, short hedge, cash and carry arbitrage, reverse cash and carry arbitrage.</li> </ol>						
<b>About the programme</b>	<p><b>Duration:</b> 30 hours</p> <p><b>Eligibility:</b> HSC / 12<sup>th</sup> Pass</p> <p><b>Batch Size:</b> 60 students</p> <p><b>Fees structure :</b> Rs. 1000/- per student</p> <p><b>Examination Pattern</b></p> <table border="0"> <tr> <td>○ Written Test:</td> <td>30 Marks</td> </tr> <tr> <td>○ Assignment:</td> <td>10 Marks</td> </tr> <tr> <td>○ Attendance:</td> <td>10 Marks</td> </tr> </table> <p style="text-align: right;"><b>Credit Points: 02</b></p>	○ Written Test:	30 Marks	○ Assignment:	10 Marks	○ Attendance:	10 Marks
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○ Assignment:	10 Marks						
○ Attendance:	10 Marks						

**sources**

○ Total

50 Marks

- Persons : One coordinator,  
Resource Person  
One Attendant
- Printing & stationery
- Infrastructure: Classroom, Computer Lab with Internet Facility  
(whenever required).

**Financial Budget:**

Honorarium (Resource Person) Rs. 500 per hour *30	Rs. 15,000/-
Co-ordinator Remuneration	Rs. 5,000/-
Exam related Expenses	Rs. 2,000/-
Certificate printing @ Rs. 20/-	Rs. 1,000/-
20% of fees to college for providing Infrastructure (Class room/Computer lab with internet)	Rs. 12,000/-
Other incidental expenses	Rs. 5,000/-
<b>Total Expenditure</b>	Rs. 40,000/-
<b>Surplus from the course Rs. (60,000-40,000)</b>	Rs. 20,000/-