

School of Finance and Commerce

Commerce
ETE - May 2023

Time : 3 Hours

Marks : 50

Sem VI - BOFM6042 - Commodity Derivatives and Real Estate Markets

Your answer should be specific to the question asked

Draw neat labeled diagrams wherever necessary

1. Define any two commodity exchange platform in India. K2 CO1 (2)
2. Explain the formula to find out fair value of future contract. K2 CO2 (2)
3. Examine the role of RERA (Real Estate, Regulation and Development). K3 CO3 (2)
4. Demonstrate the difference between Primary vs. Secondary Property. K3 CO4 (2)
5. Explain the sustainability in real estate. K4 CO5 (2)
6. Cardamom's spot price is 714 per kg. What should a 3-M cardamom future contract cost if financing costs 10% p.a. with continuous compounding?
($e^{0.025} = 1.0253$) K3 CO1 (5)
7. Explain what a put option is and when the person will become the put option buyer. Also, draw a picture of the payoff. K3 CO2 (5)
8. Differences between residential and commercial real estate projects. K5 CO5 (6)
9. Explain property development land use regulations in India. K4 CO3 (8)
10. A private residence in Delhi's best place has a built-up space of 1,500 square feet. The land is leased, and the lease has 50 years left. The government gets Rs. 10,000 per year as ground rent. How much is the house worth if the net rental income is projected to be Rs. 200,000 per year? Assuming a 10% investment rate K4 CO4 (8)
11. Explain how property is taxed in India. K5 CO5 (8)