

X

NPTEL

reviewer1@nptel.iitm.ac.in ▼

Courses » Commodity Derivatives and Risk Management

Announcements Course Ask a Question Progress Mentor

Unit 8 - Week 7:

Course outline

How to access the portal?

Week 1

Week-2

Week 3

Week 4

Week 5

Week 6

Week 7:

- Lecture 31: Spot Trading of Electricity in India (Part- I)
- Lecture 32: Spot Trading of Electricity in India (Part- II)
- Lecture 33: Weather Derivatives (Part - I)
- Lecture 34: Weather Derivatives (Part - II)
- Lecture 35: Introduction to Carbon Credit Market
- Quiz : Assignment 7
- IEX data-Region - Lecture 31 Supplementary material
- MCP-MCV calculation -

Assignment 7

The due date for submitting this assignment has passed. **Due on 2016-09-07, 23:00 IST.**

Submitted assignment

1) Physical electricity cycle has four phases: Generation (A), Distribution(B), Transmission(C) **2 points** and Retailing(D). The CORRECT sequence is

- ABCD
- ACBD
- ABDC
- ADCB

No, the answer is incorrect.

Score: 0

Accepted Answers:

ACBD

2) At IEX and PXIL, following electricity contracts are traded leading to physical purchase/sale **2 points** of electricity

- Long term power purchase contracts
- Short term bilateral contracts
- Day-ahead contracts
- Base load contracts

No, the answer is incorrect.

Score: 0

Accepted Answers:

Day-ahead contracts

3) Choose the CORRECT statement:

2 points

- Unconstrained MCV for surplus area will be lower than unconstrained MCV for deficit area.
- Unconstrained MCP for surplus area will be lower than unconstrained MCP for deficit area
- Surplus area price will be lower than deficit area price.
- Surplus area price will be higher than deficit area price.

No, the answer is incorrect.

Score: 0

Accepted Answers:

Surplus area price will be lower than deficit area price.

4) To hedge price risk, a coal fired power producers will take

2 points

- Long futures in dark spread
- Short futures in dark spread

Lecture 31
Supplementary
material

- CERC report
Grid failure
3031 July 2012
- Lecture 31
Supplementary
material

- MISO Indiana
Hub -futures -
Lecture 32
Supplementary
material

- REC-IEX -
Lecture 32
Supplementary
material

- RISC2015_Karnataka_Br
- Lecture 33
Supplementary
material

- US Monthly
Weather
Heating Degree
Day - Lecture
33
Supplementary
material

- HDD options
and
Weatherproof
Garment -
Lecture 34
Supplementary
material

- Naming of
Cyclones -
Lecture 34
Supplementary
material

- Rainfall Index -
Lecture 34
Supplementary
material

- GHG-Sectors-
Limit-Kyoto
Protocol -
Lecture 35
Supplementary
material

- List of Futures-
Options -
Lecture 35
Supplementary
material

- Assignment 7
Solution

Week 8

- Short futures in spark spread
 Long futures in spark spread

No, the answer is incorrect.

Score: 0

Accepted Answers:

Long futures in dark spread

5) Choose the INCORRECT statement: One Renewable Energy Certificate(RECs) is **2 points**

- Equivalent to 1MWh of energy generated from renewable sources.
 In India, RECs can be Solar and Non-Solar
 Are generated by electricity generators who use non-renewable energy sources
 Are bought by companies having "Renewable Purchase Obligation"

No, the answer is incorrect.

Score: 0

Accepted Answers:

Are generated by electricity generators who use non-renewable energy sources

6) Choose the CORRECT sequence of "market clearing price (MCP)" determination in electricity trading **2 points**

- Unconstrained MCP, NLDC, RLDC, SLDC, Constrained MCP
 Unconstrained MCP, Constrained MCP,NLDC, RLDC, SLDC
 NLDC, RLDC, SLDC, Unconstrained MCP, Constrained MCP
 Constrained MCP, Unconstrained MCP, SLDC, RLDC and NLDC

No, the answer is incorrect.

Score: 0

Accepted Answers:

Unconstrained MCP, NLDC, RLDC, SLDC, Constrained MCP

7) Choose the INCORRECT option: In India, Rainfall Index **2 points**

- Is calculated and reported by Indian Meteorological Department
 Is calculated and reported for Mumbai, Indore, Jaipur
 Has a cap on the maximum daily rainfall to reduce the impact of rainfall on a single day
 Is calculated during monsoon season (June to October) of every year.

No, the answer is incorrect.

Score: 0

Accepted Answers:

Is calculated and reported by Indian Meteorological Department

8) Choose the INCORRECT statement **2 points**

- Power producers selling electricity at spot price are sellers of swap
 Distributors buying and selling electricity at spot prices are sellers of swap
 Distributors buying electricity at fixed price and selling electricity at spot price are sellers of swap.
 Consumers buying electricity at spot price are buyers of swap.

No, the answer is incorrect.

Score: 0

Accepted Answers:

Distributors buying and selling electricity at spot prices are sellers of swap

9) Choose the INCORRECT statement. **2 points**

- Nations Framework Conventions on Climate Change (UNFCCC) was nonbinding in nature
 Kyoto Protocol envisaged "common but differentiated responsibilities"
 Kyoto Protocol came into existence only after 100% of members agreed to abide by the protocol requirements
 Kyoto Protocol is a legally binding agreement

No, the answer is incorrect.

Score: 0

Accepted Answers:

Kyoto Protocol came into existence only after 100% of members agreed to abide by the protocol requirements

10) Cooling Degree days (HDD) is valued as

2 points

- Max (0, base temperature - actual temperature)
- Max (0, actual temperature - base temperature)
- Max {0, (base temperature - actual temperature)/2}
- Max {0, (actual temperature - base temperature)/2}

No, the answer is incorrect.

Score: 0

Accepted Answers:

Max (0, actual temperature - base temperature)

11) A cold drinks manufacturer fears _____ summer. This company will take _____ futures on _____ contracts **3 points**

- Milder, long, HDD
- Hotter, short, HDD
- Milder, short, CDD
- Milder, long, CDD

No, the answer is incorrect.

Score: 0

Accepted Answers:

Milder, short, CDD

12) Choose the INCORRECT pair:

2 points

- Hurricane Index: Saffir Simpson Index
- Hurricane Index: Carvill Index
- Insurance company: take long futures in hurricane index
- Insurance company: take short futures in hurricane index

No, the answer is incorrect.

Score: 0

Accepted Answers:

Insurance company: take short futures in hurricane index

13) Bombadier Corporation (which sells snowmobiles) bought a derivatives contract on Snowfall index. Bombadier feared that snowfall may be _____, hence it look _____ option. **3 points**

- Less, long call
- High, Long Call
- Less, Long Put
- High, Long Put

No, the answer is incorrect.

Score: 0

Accepted Answers:

Less, Long Put

14) Choose the CORRECT statement: Rainfall index

2 points

- for a city is calculated by keeping rain gauge at one place in the city.
- normally has a cap on amount of daily rainfall considered for index calculation.
- normally has a floor on the amount of daily rainfall considered for index calculation.
- Is calculated for all months in given year.

No, the answer is incorrect.

Score: 0

Accepted Answers:

normally has a cap on amount of daily rainfall considered for index calculation.

◀ Previous Page

End ▶

© 2014 NPTEL - Privacy & Terms - Honor Code - FAQs -



A project of



In association with



Funded by



Powered by

