



Unit 9 - Week 8

Course outline

How to access the portal?

Week 1

Week-2

Week 3

Week 4

Week 5

Week 6

Week 7:

Week 8

- Lecture 36: Carbon Derivatives
- Lecture 37: Physical Market for Freight, Freight Exchanges, Freight Indexes
- Lecture 38 : Hedging Freight rate Risk with Freight Rate Derivatives
- Lecture 39: Metal Derivatives and London Metal Exchange (LME)
- Lecture 40 : Real Estate Derivatives
- Quiz : Assignment - 8
- List of contract at CCX -

Assignment - 8

The due date for submitting this assignment has passed. **Due on 2016-09-14, 23:00 IST.**

Submitted assignment

1) Choose the INCORRECT statement:

2 points

- European Union Climate Change program started EU-ETS
- Certified Emission Reduction units trade at EU-ETS.
- Assigned Amount Units trade at EU-ETS.
- EU-ETS started in 2005

No, the answer is incorrect.

Score: 0

Accepted Answers:

Assigned Amount Units trade at EU-ETS.

2) Choose the INCORRECT statement.

3 points

- Allocated units < Actual Emission (in units) will be buyers of carbon credits
- Allocates units > Actual Emissions (in units) will be seller of carbon credits
- European Union Allowances are always freely given by EU-ETS to industrial operators
- Price of natural gas is positively correlated with carbon price.

No, the answer is incorrect.

Score: 0

Accepted Answers:

European Union Allowances are always freely given by EU-ETS to industrial operators

3) Acid rain program aims at minimizing

2 points

- Carbon Dioxide (CO₂) & Nitrous Oxide (NO_x) emission
- Methane(CH₄) & Nitrous Oxide (NO_x) emission
- Sulfur Oxide (SO₂) & Nitrous Oxide (NO_x) emission
- Chlorofluorocarbons & Nitrous Oxide (NO_x) emission

No, the answer is incorrect.

Score: 0

Accepted Answers:

Sulfur Oxide (SO₂) & Nitrous Oxide (NO_x) emission

4) Choose the INCORRECT statement:

2 points

- In case of time charter contracts, the charterer hires a ship for specific period of time.
- In case of voyage contracts, the charterer hires a "named" ship for a single voyage to carry cargo between load and discharge port.
- Ships carrying coal are known as "dirty tankers".

Lecture 36
Supplementary
material

- Acid Rain
Program -
Lecture 36
Supplementary
material
- World Bank
Carbon Finance
Unit - Lecture
36
Supplementary
material
- EUA futures
contract -
Lecture 36
Supplementary
material
- CONTRACTS
at CCX -
Lecture 36
Supplementary
material
- EMISSION
AUCTIONS AT
EEX - Lecture
36
Supplementary
material
- Baltic Exchange
Index
calculation -
lecture 37
Supplementary
material
- Registration
and Naming of
Ships - Lecture
37
Supplementary
material
- BALTIC-
CAPESIZE-
CALCULATION
- Lecture 37
Supplementary
material
- Voyage Charter
Contract -
Lecture 37
Supplementary
material
- Golbourne
Water Trading -
lecture 38
Supplementary
material
- dry-dirty-clean-
index - Lecture
38
Supplementary
material
- LME Ring-
Trading Time-
Official price -
Lecture 39

- Deadweight is weight of cargo alone and does not include the weight of the ship.

No, the answer is incorrect.

Score: 0

Accepted Answers:

Ships carrying coal are known as "dirty tankers".

5) Choose the INCORRECT option:

3 points

- Panamax and Capesize etc. indicate the size of the cargo ships measured by Deadweight (DWT) as well as other dimensional size such as length, width and depth.
- United Nations Convention on Conditions for Registration of Ships governs various parameters for registration of ships.
- Freight Forward Agreements are normally option contracts
- "Freight Indexes and Futures Committee (FIFC)" of Baltic exchange is responsible for calculating all freight indices reported by the exchange.

No, the answer is incorrect.

Score: 0

Accepted Answers:

Freight Forward Agreements are normally option contracts

6) (Choose the INCORRECT option) For calculating "freight rate index", the Baltic exchange

2 points

- Identifies different routes
- Allocates weight for specific route
- Requires Index base value
- Collects freight rates from charterers for specific route

No, the answer is incorrect.

Score: 0

Accepted Answers:

Collects freight rates from charterers for specific route

7) (Choose the INCORRECT option) Freight Forward Agreements(FFA) are

2 points

- Swap agreements
- The floating rate leg is normally benchmarked to Baltic index.
- A charterer fears freight rate will go up in future, hence buys FFA contracts.
- A ship owner fears freight rate will go down in future, hence buys FFA contracts.

No, the answer is incorrect.

Score: 0

Accepted Answers:

A ship owner fears freight rate will go down in future, hence buys FFA contracts.

8) S&P Case-Shiller® Home Price Indexes are (Choose the INCORRECT option)

2 points

- based on value weighted repeat sales methodology.
- are calculated on daily basis.
- the actual resale price of the homes are collected and compared with the first sale price - known as sales pair.
- Each sale pair is assigned weights based on the price difference between the pairs.

No, the answer is incorrect.

Score: 0

Accepted Answers:

are calculated on daily basis.

9) The 3 trading systems at LME are

2 points

- The Ring, LME Select, Inter-office telephone market
- The Ring, LME Select, LME Sword
- LME Select, LME Sword, Inter-office telephone market
- The Ring, LME Sword, Inter-Office telephone market

Supplementary material

- London Metal Exchange Landmark - Lecture 39 Supplementary material
- LME warehouse rents - Lecture 39 Supplementary material
- Copper-LMEX - Lecture 40 Supplementary material
- Residex-Futures-options - Lecture 40 Supplementary material
- S&P-home-price-indices - Lecture 40 Supplementary material
- Assignment 8-Solution

No, the answer is incorrect.

Score: 0

Accepted Answers:

The Ring, LME Select, Inter-office telephone market

10) JAPOs contracts traded at London Metal Exchange are

2 points

- Always trade as in-the-money options
- Only trades at Asian commodity exchanges
- Average Price Options
- Always trades as At-The-Money options

No, the answer is incorrect.

Score: 0

Accepted Answers:

Average Price Options

11) Choose the CORRECT sequence

2 points

- Copper mining, copper smelting, copper concentrate production, copper refining
- Copper mining, copper refining, copper smelting, copper concentrate production
- Copper mining, copper smelting, copper refining, , copper concentrate production
- Copper mining, copper concentrate production, copper smelting, copper refining

No, the answer is incorrect.

Score: 0

Accepted Answers:

Copper mining, copper smelting, copper refining, , copper concentrate production

12) Choose the INCORRECT option: London Metal Exchange

2 points

- Has 4 ring sessions and 2 kerb trading sessions
- Official price is arrived at second ring session
- Unofficial price is arrived at fourth ring session
- Closing price is also arrived during fourth session

No, the answer is incorrect.

Score: 0

Accepted Answers:

Closing price is also arrived during fourth session

13) Choose the INCORRECT one. Freight indexes normally considers

2 points

- Geographical balance
- Liquidity
- Standard voyage terms
- Age of the ships

No, the answer is incorrect.

Score: 0

Accepted Answers:

Age of the ships

14) Residex

2 points

- Is calculated by National Housing Bank of India
- Has the base index value of 100
- It is based on repeat sales prices
- Zonal indices are used to calculate city index

No, the answer is incorrect.

Score: 0

Accepted Answers:

It is based on repeat sales prices

Previous Page

End

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