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:

- 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:

- Allocated units < Actual Emission (in units) will be buyers of carbon credits  
- Allocated 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

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

No, the answer is incorrect.
Score: 0

**Accepted Answers:**
- **Sulfur Oxide (SO2) & Nitrous Oxide (NOx) emission**

4) Choose the INCORRECT statement:

- 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."

**Accepted Answers:**
- **In case of time charter contracts, the charterer hires a ship for specific period of time.**
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:

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.


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

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

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)

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

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
No, the answer is incorrect.
Score: 0

Accepted Answers:
The Ring, LME Select, Inter-office telephone market

10) TAPOs contracts traded at London Metal Exchange are

- 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:
The Ring, LME Select, Inter-office telephone market

11) Choose the CORRECT sequence

- 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

- 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

- 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

- 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