

Annexure I – Syllabus Outline

NISM-Series-XVI: Commodity Derivatives Certification Examination

Objective of the Examination

The examination seeks to create a common minimum knowledge benchmark for associated persons functioning as approved users and sales personnel of the trading members who are registered as such in the commodity derivatives segment of a recognized stock exchange.

The examination aims to enable a better understanding of various derivatives products available in commodity derivatives markets, regulations and risks associated with the products and the exchange mechanisms of trading, clearing and settlement. The examination also covers knowledge competencies related to the understanding of the importance of different rules and regulations governing the commodity derivatives markets in India.

On successful completion of the examination the candidate should:

- Know the basics of the Indian commodity derivatives markets.
- Understand various trading strategies that can be built using commodity derivatives.
- Understand the clearing, settlement and risk management as well as the operational mechanism related to commodity derivatives markets.
- Know the regulatory environment in which the commodity derivatives markets operate in India.

Examination Specifications

This is a computer-based examination with multiple choice questions.

The examination consists of 100 questions of 1 mark each adding to 100 marks.

The examination should be completed in 2 hours.

There shall be negative marking of 25% of the marks assigned to the question for each wrong answer.

The passing score for the examination is 60 marks.

Syllabus Outline with Weights

Unit No.	Unit Name	Weightage
Unit 1	Introduction to Commodity Markets	12%
Unit 2	Commodity Futures	13%
Unit 3	Commodity Options	25%
Unit 4	Uses of Commodity Derivatives	20%
Unit 5	Trading Mechanism	12%
Unit 6	Clearing, Settlement and Risk Management	10%
Unit 7	Accounting and Taxation	3%
Unit 8	Legal and Regulatory Environment	5%