Question #1 of 7

Question ID: 1577997

When the carrying cost exceeds the benefit of holding commodity:

A) the spot price is below the forward price.

B) there is an upward sloping forward curve.

C) the forward curve experiences backwardation.

Question #2 of 7

Question ID: 1577198

If a commodity futures market is in backwardation:

A) the commodity has a high convenience yield.

B) a long futures position will have a negative roll yield.

C) the futures price is of the commodity is higher than the spot price.

Question #3 of 7

Question ID: 1577996

The convenience yield of a commodity is *best* described as:

A) a benefit that reduces the forward price.

B) being directly related to the commodity's inventory levels.

C) a cash benefit from holding a physical commodity.

Question #4 of 7

Question ID: 1576517

Funds that invest in specific commodity sectors such as oil and gas or precious metals are *best* described as:

A) managed futures funds.

B) sector funds.

C) specialized funds.

Question #5 of 7

Question ID: 1577995

Which of the following types of alternative investment is *most likely* to provide steady cash flows?

A) Farmland.

B) Timberland.

C) Raw land.

Question #6 of 7

Question ID: 1577998

Which of the following is *least likely* to be a benefit of investing in commodities?

A) Current income.

B) Diversification.

C) Inflation hedge.

Question #7 of 7

Question ID: 1576516

If a commodity's convenience yield is close to zero, the futures market for that commodity is *most likely*:

A) in contango.

B) in backwardation.

C) at fair value.