candidates should be able to:

Demonstrate knowledge of the impact of forward contracts on assets with benefits and costs of carry. Including:

* Discuss the benefits and costs of carrying (i.e. holding) a cash position and the incorporation of convenience yields and storage costs in cost of carry models
* Calculate the forward price of a commodity
* Identify and discuss four factors that differentiate forward pricing on financial assets with those of physical assets
* Understand challenges involving measuring storage costs and convenience yields
* Discuss the difficulties of short-selling physical assets and the resulting implication to the formula for forward prices
* Calculate forward contracts with non-zero market value