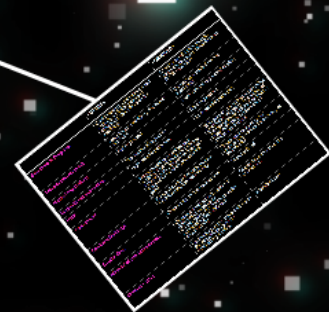


TheCaseSolutions.com

# Management Costs at CHIP: A Way Forward for a Pakistani NGO



Done by Fam Ann  
IFF 3-3

TheCaseSolutions.com

# Management Costs at CHIP: A Way Forward for a Pakistani NGO



Done by Fam Ann  
IFF 3-3

## Forwards Vs Futures

**Fundamentally, forward and futures contracts have the same function: both types of contracts allow people to buy or sell a specific type of asset at a specific time at a given price.**

**However, it is in the specific details that these contracts differ.**

[TheCaseSolutions.com](http://TheCaseSolutions.com)



## Forward Contract (Forwards)

**A forward contract is an agreement between two parties to buy or sell an asset (which can be of any kind) at a pre-agreed future point in time.**

*TheCaseSolutions.com*



Thank you for your  
attention!

[TheCaseSolutions.com](http://TheCaseSolutions.com)

# Future Contract (Futures)

**A futures contract is a standardized contract, traded on a futures exchange, to buy or sell a certain underlying instrument at a certain date in the future, at a specified price.**

[TheCaseSolutions.com](http://TheCaseSolutions.com)

## *Example of the Forward Contract*

**IT companies generally enter into forward contracts to lock the exchange rate of currencies, in order to preserve their profits. If locking of exchange rate is not done, then the profit can be diminished due to fluctuations in exchange rate.**

*TheCaseSolutions.com*



## Example of the Future Contract

For instance, coffee growers may enter into a forward contract with Starbucks (SBUX) to lock in their sale price of coffee, reducing uncertainty about how much they will be able to make.

[TheCaseSolutions.com](http://TheCaseSolutions.com)