

**POST GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE**

00110

Term-End Examination

June, 2015

MFP-4 : CURRENCY AND DEBT MARKETS

Time : 3 hours

Maximum Marks : 100

Note : Answer any five questions. All questions carry equal marks.

1. Explain the evolution of Indian Foreign Exchange market and discuss the major products in the Indian Foreign currency market.
2. Discuss, briefly, the main theories of Exchange rates determination and explain the major economic factors impacting the Exchange rate of a country's currency.
3. What is a 'Forward contract' ? What are the different types of forward contracts ? Differentiate between Futures contracts and Forward contracts.
4. What are 'Foreign Currency Options' ? Why are they used by the buyers and sellers ? Discuss the option Greeks.
5. Explain the significance and functions of Indian Debt markets and describe the main participants in these markets.

6. Why do 'governments issue securities' ? What are the advantages of Government Securities ? Discuss their different types.
 7. What is 'Interest Sensitivity Analysis' ? Discuss the broad parameters of Interest Rate Sensitivity Policy.
 8. What are 'Interest Rate Futures' ? Explain their salient features and the benefits to the users.
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