

**POST GRADUATE DIPLOMA IN FINANCIAL
MARKETS PRACTICE**

Term-End Examination

December, 2015

MFP-4 : CURRENCY AND DEBT MARKETS

Time : 3 hours

Maximum Marks : 100

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

1. What are 'Forex Markets' ? How do these markets differ from other segments of the financial markets ? What are the most widely traded currencies in Forex Markets ?
2. Discuss the structure of Indian Foreign Exchange Market and explain the major participants in this market.
3. Explain the different types of currency exposure and discuss the various techniques of exposure management.
4. What are 'Currency Futures' ? What are their advantages and disadvantages ? Discuss the investment strategies in Futures Market.
5. What are 'Repurchase Agreements' (Repos) ? Identify the different types of Repos and discuss the various uses of Repos.

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6. Discuss the different methods of trading in Government Securities in the primary market and the secondary market.
 7. What is 'Interest Rate Risk' ? What are the sources and effects of this Risk ?
 8. What are 'Interest Rate Swaps' ? Explain the process of pricing an Interest Rate Swap. Discuss the different types of Interest Rate Swaps.
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