

**Management Programme**

**ASSIGNMENT**  
**January 2022 Session**

**MFP-4: CURRENCY AND DEBT MARKETS**

**(Last date of submission  
for January 2022 session is 30<sup>th</sup> April, 2022)**



**School of Management Studies**  
**INDIRA GANDHI NATIONAL OPEN UNIVERSITY**  
**MAIDAN GARHI, NEW DELHI – 110 068**

## ASSIGNMENT

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<b>Course Code</b>	<b>:</b>	<b>MFP-4</b>
<b>Course Title</b>	<b>:</b>	<b>CURRENCY AND DEBT MARKETS</b>
<b>Assignment Code</b>	<b>:</b>	<b>MFP-4/TMA/JULY/2022</b>
<b>Coverage</b>	<b>:</b>	<b>All Blocks</b>

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**Note:** Attempt all the questions and submit this Assignment to the Coordinator of your Study Centre.  
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1. Explain the features of 'Foreign Exchange Market' and discuss the economic variables that impact Exchange Rates.
2. What are the various types of option? How are option contracts priced? Explain the 'Black Scholes' option valuation model with the help of an example.
3. What is a Money Market? Explain in detail the various types of money market instruments and compare their salient features.
4. What are 'Government Securities'? Explain their features and discuss about the various types of Government Securities.
5. How is Bond Valuation done? Explain the application of the concepts of *duration* and *convexity* in bond valuation.