

No. of Printed Pages : 2

**MFP-004**

**MANAGEMENT PROGRAMME / POST  
GRADUATE DIPLOMA IN FINANCIAL  
MARKET PRACTICE (MP/PGDFMP)**

**Term-End Examination**

**June, 2024**

**MFP-004 : CURRENCY AND DEBT MARKETS**

*Time : 3 Hours*

*Maximum Marks : 100*

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***Note** : Attempt any **five** questions. All questions  
carry equal marks.*

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1. Explain the meaning and need for Foreign Exchange markets. Describe the features of Foreign Exchange Markets.
2. What do you understand by Nominal, Real and Real Effective Exchange Rates (REER) ? Discuss the economic factors that affect these exchange rates.
3. What is Currency Exposure ? Discuss the various techniques of Currency Exposure Management.

**P. T. O.**

4. What are 'Currency Futures' ? Explain the Trading, Clearing and Settlement Process of Currency Futures in India.
5. Explain the significance and functions of Indian Debt Markets and describe the main participants in these markets.
6. What are Government Securities ? What are the advantages of Investing in Government Securities ? Discuss the distinguishing features of Government Securities.
7. Explain the term 'Conexisty'. Discuss how the value of a Zero Coupon Bond, a Premium bond, and a Discount bond calculated ?
8. Write short notes on any *four* of the following :
  - (a) Exchange-traded Derivatives market
  - (b) Option Greeks
  - (c) Asset Liability Management
  - (d) Interest Rate Futures (IRF)
  - (e) Credit Derivatives
  - (f) GAP Analysis