

Management Programme

ASSIGNMENT FIRST SEMESTER (January to June) 2021

This Assignment is being provided to only those students who are going to complete their maximum duration in the admission cycle January 2021 (TEE June 2021). For all other students the Assignments for this course will be available in July 2021 admission cycle (TEE December 2021) and therefore they should not attempt this Assignment.

MFP-4: CURRENCY AND DEBT MARKETS



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

ASSIGNMENT

Course Code	:	MFP-4
Course Title	:	CURRENCY AND DEBT MARKETS
Assignment Code	:	MFP-4/TMA/SEM-I/2021
Coverage	:	All Blocks

Note: 1. *This Assignment is being provided to only those students who are going to complete their maximum duration (validity period) in the admission cycle January 2021 (TEE June 2021). For all other students the Assignments for this course will be available in July 2021 admission cycle (TEE December 2021) and therefore they should not attempt this Assignment.*

2. Attempt all the questions and submit this Assignment to the Coordinator of your Study Centre on or before 30th April, 2021.

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.