

No. of Printed Pages : 2

MFP-004

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

**Term-End Examination
December, 2023**

MFP-004 : CURRENCY AND DEBT MARKET

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

Note : (i) *Attempt any five questions.*

(ii) *All questions carry equal marks.*

1. Explain the structure of the Indian foreign exchange market. Describe and discuss the products traded in the Indian foreign currency market.
2. What are 'Forward Rates' ? Discuss the factors determining the forward margin. How is Forward Premium/Discount calculated ?
3. Explain the following :
 - (i) Commercial Paper
 - (ii) Certificate of Deposit

P. T. O.

4. What are Government Securities ? Discuss the features of government securities and describe the different types of government securities.
5. Write short notes on the following :
 - (i) Non-Deliverable Forwards (NDF)
 - (ii) Hedging Strategies
 - (iii) 'When Issued' Market
 - (iv) Option Greeks
6. What is an 'Option' ? Describe the various trading strategies using 'Option' and discuss under what conditions they shall be used.
7. Explain the basics of 'Bond Valuation'. What is the 'duration' of a bond and explain its application in construction of an immunized bond portfolio ?
8. Explain the salient features of interest rate futures and describe the product features of 10 year National Coupon Bearing Government of India security futures. Describe the pricing mechanism of interest rate futures.