

**PG DIPLOMA IN FINANCIAL MARKETS
PRACTICE**

00633

Term-End Examination

December, 2010

MFP-004 : CURRENCY AND DEBT MARKETS

Time : 3 hours

Maximum Marks : 100

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

1. Describe the evolution of the Indian Foreign Currency Market and its present structure.
2. Distinguish between nominal and effective exchange rates ? What are the economic factors impacting the exchange rates?
3. What are non-deliverable forwards contracts ? How are premium and discount in forward rates determined ?
4. Explain the basics of currency futures and Discuss their advantages and disadvantages. Explain how are currency future contracts priced.
5. Explain the structure of debt markets in India and discuss the factors impacting Indian debt market.

6. How does trading takes place in debt instrument in the secondary market ? Explain.
 7. How are bonds valued ? Describe the different day count conversions.
 8. What are the salient features of Interest Rate Futures ? Describe some investment strategies using interest rate futures.
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