

No. of Printed Pages : 2

MFP-004

**MANAGEMENT PROGRAMME
(MP/PGDFMP)**

Term-End Examination

December, 2025

MFP-004 : CURRENCY AND DEBT MARKETS

Time : 3 Hours

Maximum Marks : 100

(Weightage 70%)

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

(ii) *All questions carry equal marks.*

1. Explain the meaning of Foreign Exchange and describe the structure and features of foreign exchange market. Compare Forex market vis-a-vis other segments of financial markets.
2. What are spot and forward rates ? Describe the convention for quotation of spot rates and forward rates. Discuss the factors determining forward margin.

3. Describe the various types of currency exposures. Discuss the internal techniques of exposure management.
4. Describe the various types of price-related condition orders and Time-related condition orders that can be placed in exchange for Currency Futures Trading. Explain the different investment strategies in Futures Markets.
5. Explain the following :
 - (a) Commercial Paper (CP).
 - (b) Certificate of Deposits (CD).
6. Explain the features of Government Securities and describe different types of government securities.
7. What is 'Interest Rate Risk' ? What are the sources and effects of this risk ?
8. Explain the following :
 - (a) Dollarisation
 - (b) Investment strategies using Interest Rate Futures

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