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**MFP-004**

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

**Term-End Examination**

**June, 2025**

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

*Time : 3 Hours*

*Maximum Marks : 100*

*Weightage : 70%*

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

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1. Explain the structure of Indian Foreign Exchange market and briefly discuss about the participants in this market. Describe the products traded in Indian Foreign Currency market.

2. Explain briefly the theories of exchange rates determination. Discuss the economic factors impacting exchange rates.
3. Explain the following :
  - (a) Currency Swaps
  - (b) Forward Rate Agreements (FRA)
4. Describe various risk management measures deployed by exchanges to contain risks arising out of Futures trading.
5. Explain different types of options. Discuss the factors that impact option price.
6. Explain the issuance process of government securities. Discuss the various ways in which government securities are traded.
7. What is meant by 'Duration of a bond' ? How is the duration and modified duration of a bond calculated ?
8. Explain the following :
  - (a) Interest Rate Swaps (IRS)
  - (b) Credit Derivatives

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