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**P.G. DIPLOMA IN FINANCIAL MARKETS
PRACTICE**

Term-End Examination

December, 2011

MFP-4 : CURRENCY AND DEBT MARKETS

Time : 3 hours

Maximum Marks : 100

Note : Answer any five questions.

All questions carry equal marks.

1. Explain the features of foreign exchange markets, and bring out the differences between this market and other segments of financial markets.

2. What are the conventions for quotation ? Compare spot rates with forward rates, merchant rates and buying and selling rates.

3. Explain the different types of currency exposures. Discuss the various techniques used for management of currency exposure.

4. Explain non - deliverable forwards. Differentiate between a futures contract and a forward contract.

5. What is a money market ? Who are the different participants in the money markets in India ?
 6. What are the features of Government Securities ? How are they traded ?
 7. How are interest rate futures priced ? Explain the use of interest rate futures for hedging interest rate risk.
 8. What are credit derivatives ? Explain credit default swaps and Total Return Swap.
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