

SECTION - A

ANSWER - 2

⇒ FORWARD MARKET :-

A forward market is an Over-the-Counter marketplace that sets of price on financial statement on asset for future day delivery. Forward market makes are used for trading a range of Instrument but the terms is primarily used with references to the foreign exchange market.

⇒ KEY TAKE AWAYS :-

① forward contracts life differ from future contracts in that they are less to more flexible in terms of size and length, or maturity terms.

② forward contracts pricing is based on interest rate differential.

③ The most commonly traded currencies in the forward are the same as on the spot market.