

Session 4

Foreign Exchange Market: Market Participants

Short Questions:

1. Why forex dealers give two-way quote in terms of Bid-Ask spread?
2. What is the difference among Hedgers, Speculators and Arbitrageurs? Do you think all forex speculation activities should be banned by regulatory bodies like RBI?
3. What is the responsibility of a “Market Maker” in a forex market ?
4. What is “Law of One Price” and what relevance it has got with forex trading ?
5. Explain the role of SWIFT in forex trading.