RYVOTRADE ACADEMY

FOREX TRADING FUNDAMENTALS | RTA-101

MODULE 02: Currency Pairs & Market Prices

Three structured lessons • examples • exercises • knowledge checks • instructor guidance

Learning objectives

By the end of this module, learners should be able to explain the core concepts, work through the examples, and demonstrate the relevant skill in a simulated trading environment.

Educational disclaimer

This material is for education only and is not financial advice. Leveraged forex and CFDs can cause substantial losses. Product terms, lot sizes and execution rules depend on the broker and jurisdiction.

LESSON 1: Base and Quote Currencies

Concepts and explanation

In EUR/USD, EUR is the base and USD is the quote. Buying the pair expresses a view that the base will strengthen against the quote; selling expresses the reverse.

Worked example

GBP/USD at 1.2500 means GBP 1 is quoted at USD 1.25.

Practical exercise

Classify EUR/USD, USD/JPY and EUR/GBP by base and quote.

Knowledge check

1. Define the main idea of base and quote currencies in your own words.

2. Explain one practical risk or limitation relevant to this lesson.

3. Apply the lesson to a fictional market example and show your reasoning.

Reflection

Record what you understood, what remains unclear, and one rule you would add to a demo-trading checklist.

LESSON 2: Major, Minor and Exotic Pairs

Concepts and explanation

Majors include USD and often have deep liquidity. Crosses omit USD. Emerging-market pairs may have wider spreads, different trading hours and sharper gaps.

Worked example

Compare a 1-pip spread and a 10-pip spread for a 10,000-unit position.

Practical exercise

Build a comparison table for three pairs: spread, typical news, and quote currency.

Knowledge check

1. Define the main idea of major, minor and exotic pairs in your own words.

2. Explain one practical risk or limitation relevant to this lesson.

3. Apply the lesson to a fictional market example and show your reasoning.

Reflection

Record what you understood, what remains unclear, and one rule you would add to a demo-trading checklist.

LESSON 3: Reading Quotes and Price Changes

Concepts and explanation

A pip is generally 0.0001 for most FX pairs and 0.01 for many JPY pairs; broker fractional-pip pricing varies. Percentage change helps compare pairs with different price scales.

Worked example

EUR/USD 1.0800 to 1.0835 is 35 pips; USD/JPY 150.20 to 149.95 is -25 pips.

Practical exercise

Calculate pip changes for five fictional quotes and verify sign and direction.

Knowledge check

1. Define the main idea of reading quotes and price changes in your own words.

2. Explain one practical risk or limitation relevant to this lesson.

3. Apply the lesson to a fictional market example and show your reasoning.

Reflection

Record what you understood, what remains unclear, and one rule you would add to a demo-trading checklist.

MODULE ASSESSMENT & INSTRUCTOR GUIDE

Student assignment

Submit the three lesson exercises, one annotated example or worksheet, and a 200-word reflection explaining how you would apply the material responsibly.

Assessment rubric (100 points)

Conceptual accuracy: 40 points. Correct calculations or worked examples: 25 points. Risk awareness: 20 points. Clarity and completeness: 15 points. Suggested passing mark: 70/100.

Instructor guidance

Start with a 10-minute recap, model each worked example, invite learners to explain assumptions, and review answers in pairs. Confirm that learners distinguish demo outcomes from live-trading expectations.

Review questions

1. Explain base and quote currencies and describe one common misconception.

2. Explain major, minor and exotic pairs and describe one common misconception.

3. Explain reading quotes and price changes and describe one common misconception.