Free Questions for AFE

Shared by Winters on 12-12-2023

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Question 1

Question Type: MultipleChoice

When securities repurchased under repos commonly have a principal amount that differs from principal amount of the security originally sold under the agreement, is known as:

Options:

A- Splintering act

B- Breakage

C- Rollover

D- None of the above

Answer:

B

Question 2

Question Type: MultipleChoice

The difference between the case-basis reserves and the estimated ultimate cost of such recorded claims is known as:

Options:

A- projected reserves

B- computing reserves

C- case-development reserves

D- claim reserves

Answer:

C

Question 3

Question Type: MultipleChoice

Home office record-maintenance methods may include:

Options:

A- duplication of branch records

B- maintenance of detailed entries for analytical purposes

C- use of planning procedures from main office for both premiums and cash

D- All of the above

Answer:

A

Question 4

Question Type: MultipleChoice

What is made on an instrument-by-instrument basis, generally when an instrument is initially recognized in the financial statements?

Options:

A- Election

B- Disclosure

C- Eligibility

D- Discount

Answer:

A

Question 5

Question Type: MultipleChoice

What represent legal agreements between buyers or sellers and represent commitments to buy or sell financial instruments at specified dates and prices?

Options:

A- Future contracts
B- Present contracts
C- Accounting contracts
D- Financial contracts

Answer:

A

Question 6

Question Type: MultipleChoice

is contractual right of recovery that entitles the insurer to any proceeds from the disposal of damaged property for which the claim has been made.

Options:

A- Claim adjustment
B- Claim recovery
C- Subrogation
D- Salvage

Answer:

D

Question 7

Question Type: MultipleChoice

Insurance entities usually write covered-call options because they consider the premium received for writing the options to be either:

Options:

A- an economic hedge between a decline in market price and security
B- a decrease in yield on the underlying risk security

C- Both A & B

D- Neither A nor B

Answer:

D

Question 8

Question Type: MultipleChoice

The date on which the contract becomes effective is known as _.

Options:

A- policy date

B- report date

C- reinsurance date

D- record date

Answer:

A


20%
DISCOUNT