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## Question 1

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**Question Type:** MultipleChoice

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agreements may contain par cap provisions that could significantly alter the economics of the transactions.

### Options:

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- A- Yield-maintenance
- B- Price-cap
- C- Fixed-coupon
- D- Accounting

### Answer:

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A

## Question 2

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**Question Type:** MultipleChoice

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Dollar rolls differ from regular repurchase agreements due to which of the following characteristics in the securities sold and repurchased.

**Options:**

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- A- they are represented by different certificates
- B- they are collateralized by different but similar mortgage pools
- C- they generally have different principal amounts
- D- All of the above

**Answer:**

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D

## Question 3

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**Question Type:** MultipleChoice

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As defined in Accounting Standards Codification, dollar purchase agreements are the agreements to sell and repurchase similar and identical securities.

**Options:**

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- A- True
- B- False

**Answer:**

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B

## Question 4

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**Question Type: MultipleChoice**

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The difference between the purchase price and the repurchase price, or sale price, plus accrued interest on the security represents:

**Options:**

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- A- Accounting agreement
- B- Investment income
- C- Dollar price

D- Saving price

**Answer:**

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B

## Question 5

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**Question Type: MultipleChoice**

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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:**

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A- Splintering act

B- Breakage

C- Rollover

D- None of the above

**Answer:**

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B

## Question 6

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**Question Type:** MultipleChoice

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The difference between the purchase price and the repurchase price, or sale price, plus accrued interest on the security represents:

**Options:**

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**A-** Accounting agreement

**B-** Investment income

**C-** Dollar price

**D-** Saving price

**Answer:**

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B

## Question 7

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**Question Type:** MultipleChoice

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What uses valuation techniques to convert future amounts to a single present amount?

**Options:**

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A- Risk approach

B- Market approach

C- Income approach

D- Cost approach

**Answer:**

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C

## Question 8

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**Question Type:** MultipleChoice

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Valuation technique should be used to measure fair value and is consistent with:

**Options:**

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- A- market, income and risk approach
- B- market, performance and cost approach
- C- security, income and risk approach
- D- market, income and cost approach

**Answer:**

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D



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