Free Questions for FMFQ by dumpssheet

Shared by Valentine on 15-04-2024

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Question 1

A spot FX trade would traditionally follow which of the following settlement conventions?

Options:

A- Same day

B- T + 1 day

C- T + 2 days

D- T + 3 days

Answer:

C

Question 2

When a rating agency is assessing a corporate bond rating/ which of the following will they take into consideration in giving their rating?

Options:

A- They assume all bonds will repay and so ignore the probability of default

B- They look at the severity of potential loss without considering the probability of default

C- They consider probability of default but must always assume 100% loss

D- They take into consideration both probability of default and specific severity of potential loss

Answer:

D

Question 3

Question Type: MultipleChoice

A company issues a share that has a par value of 100.00 and pays a fixed dividend of 2.0% annually? What type of share is this?

A- Ordinary share

B- Cumulative share

C- Deferred share

D- Preference share

Answer:

D

Question 4

Question Type: MultipleChoice

You have asked a bank to give you a rate at which you can sell SEK (Sweish Krone) and buy NOK (Norwegian Krone) for delivery in two days. What is the name of this sort of FX rate?

Options:

A- Quote rate

B- Cross rate

C- Forward rate

D- Dual rate

Answer:

B

Question 5

Question Type: MultipleChoice

What does the P/E ratio measure?

Options:

A- Price/Earnings

B- Profit/Earnings

C- Price/Estimated yield

D- Profit/Estimated yield

Answer:

A

Question 6

Question Type: MultipleChoice

The process by which a central clearing corporation manages its credit risk is known as:?

Options:

A- Margining

B- Matching

C- Migrating

D- Maturing

Answer:

A