ICMA FMFQ Practice Questions

Shared by Montoya on 11-11-2026

For More Free Questions and Preparation Resources

Check the Links on Last Page

Question 1

Question Type: MultipleChoice

You purchase a USD Treasury Bill. Which of the following sentences best describes the trade you have done?

Options:

A- You have purchased a credit risk free security for which you have paid face value and will receive at maturity face value plus accrued interest
B- You have purchased a credit risk free security for which you have paid less than face value and will receive at maturity face value
C- You have purchased an interest rate risk free security for which you have paid face value and will receive at maturity face value plus accrued interest
D- You have purchased an interest rate risk free security for which you have paid less than face value and will receive at maturity face value

Answer:

B

Question 2

Question Type: MultipleChoice

Which of the following best describes LIBOR?

Options:

A- The average rate at which wholesale bank deposits have taken place over the past 24 hours (since the last LIBOR fix)
B- The average rate at which wholesale banks are offering one another money at fixing time
C- The highest rate at which wholesale banks are offering one another money at fixing time
D- The average rate at which wholesale banks have offered money to their customers over the past 24 hours (since the last LIBOR fix)

Answer:

B

Question 3

Question Type: MultipleChoice

You have sold a put on a stock at a strike of EUR 46 for a premium of EUR 2.80. What is your maximum profit on this deal?

Options:

A- Cannot say - it depends on market movements
B- EUR 46.00
C- EUR 43.20
D- EUR 2.80

Answer:

D

Question 4

Question Type: MultipleChoice

A customer wants to sell SEK and asks 4 banks for a rate. Which of the following would be the best rate for the customer?

Options:

A- 6.5389
B- 6.5392
C- 6.5384
D- 6.6371

Answer:

C

Question 5

Question Type: MultipleChoice

You purchase a USD Treasury Bill. Which of the following sentences best describes the trade you have done?

Options:

A- You have purchased a credit risk free security for which you have paid face value and will receive at maturity face value plus accrued interest
B- You have purchased a credit risk free security for which you have paid less than face value and will receive at maturity face value
C- You have purchased an interest rate risk free security for which you have paid face value and will receive at maturity face value plus accrued interest
D- You have purchased an interest rate risk free security for which you have paid less than face value and will receive at maturity face value

Answer:

B

Question 6

Question Type: MultipleChoice

Futures contracts are described as fungible (i.e. each contract is the same as all others). Why is this true?

Options:

A- Because the contract terms are negotiable
B- Because the contract periods run consecutively
C- Because the clearing house acts as a counterparty to all trades
D- Because the clearing house is allowed to run long and short positions

Answer:

C

Question 7

Question Type: MultipleChoice

An EUR-denominated Eurobond matures on 15 January 2017 and pays an annual coupon of 5% on an act/act basis. The bond is trading at a yield to maturity of 6% for settlement on 10 March 2015. Which of the following ststements is true of its clean price?

Options:

A- Its price will be above 100
B- Its price will be below 100
C- Its price will be 100
D- Need more information

P2P exams

Answer:

B

Question 8

Question Type: MultipleChoice

Which of the following methods of raising funds will not be used by governments?

Options:

A- Direct borrowing from banks
B- Issuing bonds
C- Issuing short-term debt
D- Issuing equity

P2P exams

Answer:

D

Question 9

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 10

Question Type: MultipleChoice

You have bought a call option on a stock at a strike of EUR 29, and paid a premium of EUR 1.5 for this option. What is your breakeven price on this position?

Options:

A- EUR 27.50
B- EUR 29.00
C- EUR 30.50
D- EUR 32.00

Answer:

C

Question 11

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?

Options:

A- Ordinary share
B- Cumulative share
C- Deferred share

D- Preference share

Answer:

D

Question 12

Question Type: MultipleChoice

Which of the equity exchanges operates a quote-driven model?

Options:

A- NYSE
B- NASDAQ
C- LSE
D- Euronext

Answer:

B

To Get Premium Files for FMFQ Visit

https://www.p2pexams.com/products/fmfq

For More Free Questions Visit

https://www.p2pexams.com/icma/pdf/fmfq

