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Question 1

Question Type: MultipleChoice

The risk that the obligation will not be fulfilled and affects the value at which the liability is transferred is known as:

Options:

- A- performance risk
- B- nonperformance risk
- C- hypothetical risk
- D- relocation risk

Answer:

B

Question 2

Question Type: MultipleChoice

The highest and best use of the asset is , if the asset would provide maximum value to market participants principally on the standalone basis.

Options:

A- in-exchange

B- in-use

C- in-market

D- in-sale

Answer:

A

Question 3

Question Type: MultipleChoice

The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as:

Options:

- A- Transfer market
- B- Transport market
- C- Principal market
- D- Turn-around market

Answer:

C

Question 4

Question Type: MultipleChoice

is the price in a hypothetical transaction at the measurement date in the market in which the reporting entity would transact for the asset or liability

Options:

- A- Feasible financial price

- B-** Asset/Liability price
- C-** Principal price
- D-** Exchange price

Answer:

D

Question 5

Question Type: MultipleChoice

What encompasses investment income and gains and losses, as well as custody of investment and recordkeeping?

Options:

- A-** Valuation data
- B-** Verification note
- C-** Transaction cycle
- D-** Investment evaluation

Answer:

C

Question 6

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 7

Question Type: MultipleChoice

The options for securities that insurance entities own and can deliver if the options are exercised by the option buyers are called:

Options:

- A- concealed transactions
- B- covered-call options
- C- financial servicing
- D- safekeeping

Answer:

B

Question 8

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 9

Question Type: MultipleChoice

National Association of Insurance Commissioners stated that, has no effect on the valuation of securities for statutory accounting purposes, provided the amount of the collateral at least equals the required collateral.

Options:

- A- Safety act
- B- Investment security
- C- Insurance track
- D- Securities lending

Answer:

D

Question 10

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 11

Question Type: MultipleChoice

In what, securities involve in repos are not delivered on the settlement date of the agreement and the contract may be extended upon mutual agreement of the buyer-lender and seller-borrower.

Options:

- A-** Financial servicing
- B-** Price-cap
- C-** Rollover

D- Purchasing agreements

Answer:

C

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