

310-008 Exam

ACI DEALING CERTIFICATE



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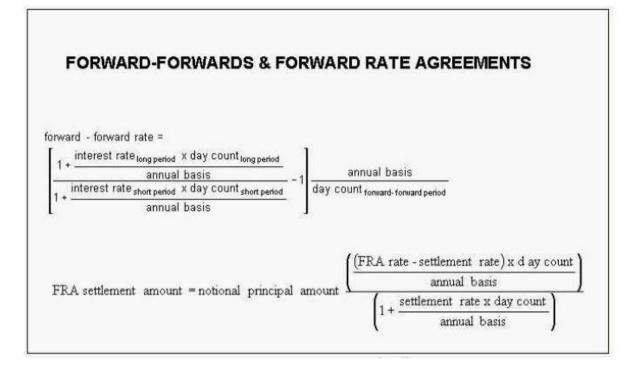
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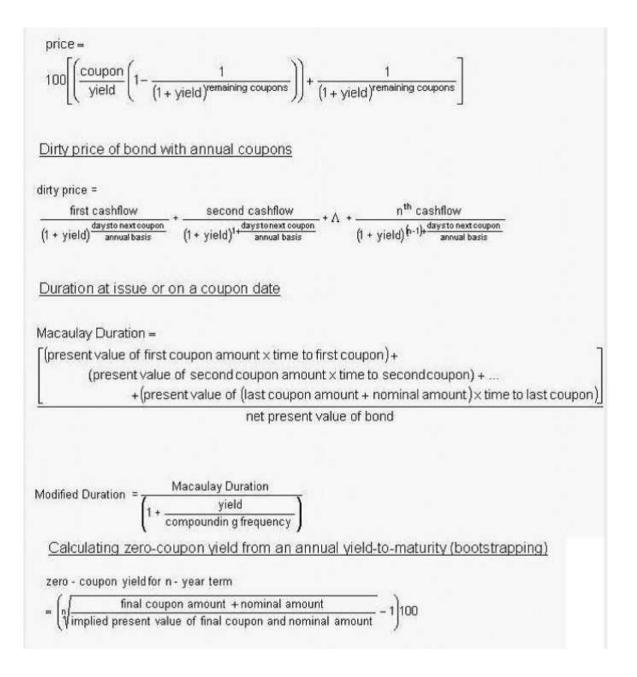
Question: 1

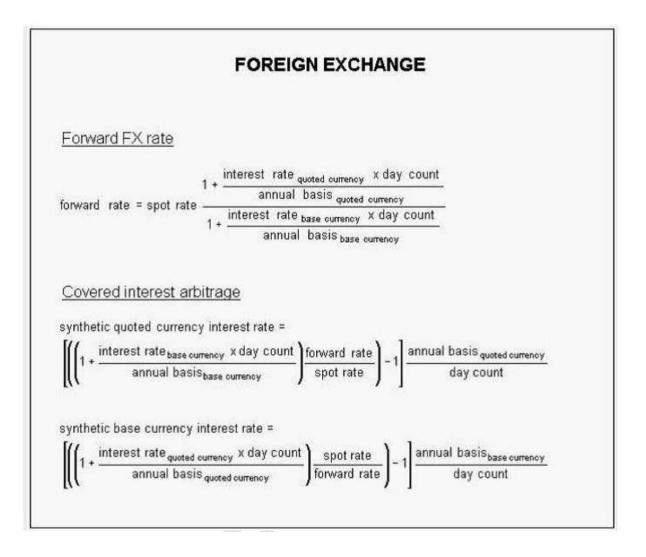
How many USD would you have to invest at 3.5% to be repaid USD125 million (principal plus interest) in 30 days?

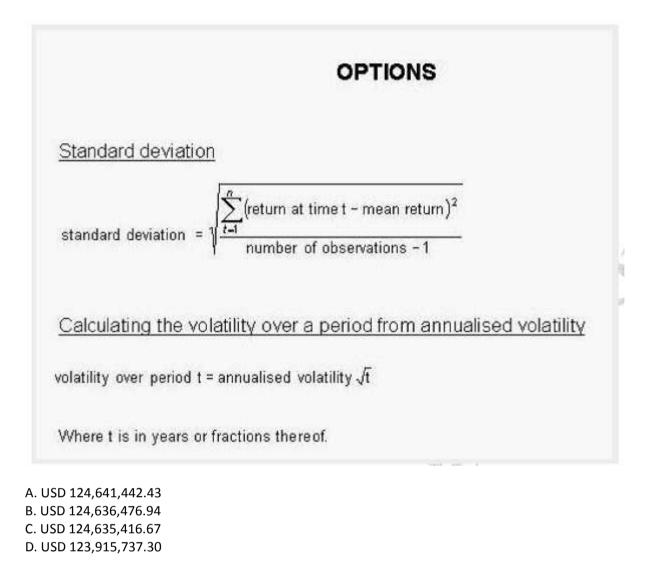
	INTEREST RATE CONVERSIONS
Converting bet	ween bond basis and money market basis (Act/360)
rate _{bond basis} = rate	moneymarket basis 365 360
rate _{money market basis}	s = rate _{bond basis} 360 365
Converting bet	ween annually and semi-annually compounding frequencie
rate annually-compound	$led = \left(1 + \frac{rate_{semi-annuality compounded}}{2}\right)^2 - 1$
rate _{semi-annually com}	pounded = $(\sqrt{1 + rate_{annually compounded}} - 1)2$
	for converting between annually and semi-annually rate apply only to rates quoted on a bond basis, not a mone











Answer: B

Question: 2

What is the day count/annual basis convention for euroyen deposits?

A. Actual/365 B. Actual/360 C. Actual/actual D. 30E/360

Answer: B

Question: 3

Todays date is Thursday 12th December. What is the spot value date? Assume no bank holidays.

- A. 14th December
- B. 15th December
- C. 16th December
- D. 17th December

Answer: C

Question: 4

EURIBOR is the:

- A. Daily fixing of EUR interbank deposit rates in the European market
- B. Daily fixing of EUR interbank deposit rates in the London market
- C. Another name for EUR EIBOR
- D. The ECBs official repo rate

Answer: A

Question: 5

Which of the following rates represents the highest investment yield in the euromarket?

- A. Semi-annual bond yield of 3.75 %
- B. Annual bond yield of 3.75 %
- C. Semi-annual money market yield of 3.75 %
- D. Annual money market rate of 3.75 %

Answer: C

Question: 6

Which of the following are transferable instruments?

A. Eurocertificate of deposit B. US Treasury bill

- C CD
- C. CP
- D. All of the above

Answer: D

Question: 7

Which of the following is always a secured instrument?

A. ECP

B. RepoC. Interbank deposit

D. CD

Answer: B

Question: 8

Which of the following is sometimes called two-name paper?

A. ECP

B. BA or bank bill

C. Treasury bill

D. CD

Answer: B

Question: 9

What usually happens to the collateral in a tri-party repo?

A. It is put at the disposal of the buyer

B. It is held by the seller in the name of the buyer

C. It is held by the tn-party agent in the name of the buyer

D. It is frozen in the sellers account with the tri-panty agent

Answer: C

Question: 10

Which type of repo is the least risky for the buyer?

A. Delivery repo

- B. HIC repo
- C. Tri-party repo
- D. There is no real difference

Answer: A

Question: 11

A customer gives you GBP 25 million at 6.625% same day for 7 days. Through a broker, you place the funds with a bank for the same period at 6.6875%. Brokerage is charged at 2 basis points per annum. What is the net profit or loss on the deal?

A. Profit of GBP 299.66

B. Profit of GBP 203.77C. Loss of GBP 299.66D. Loss of GBP 203.77

Answer: B

Question: 12

What are the secondary market proceeds of a CD with a face value of EUR 5 million and a coupon of 3% that was issued at par for 182 days and is now trading at 3% but with only 7 days remaining to maturity?

A. EUR 4,997,085.03 B. EUR 5,000,000.00 C. EUR 5,071,086.45 D. EUR 5,072,874.16

Answer: D

Question: 13

A CD with a face value of USD50 million and a coupon of 4.50% was issued at par for 90 days and is now trading at 4.50% with 30 days remaining to maturity. What has been the capital gain or loss since issue?

A. +USD 373,599.00 B. +USD 186,099.00 C. -USD 1,400.99 D. Nil

Answer: C

Question: 14

The tom/next GC repo rate for German government bonds is quoted to you at 1.75-80%. As collateral, you sell EUR10 million nominal of the 5.25% bund July 2012, which is worth EUR 11,260,000, with no initial margin. The Repurchase Price is:

A. EUR 10,000,500.00 B. EUR 10,000,486.11 C. EUR 11,260,563.00 D. EUR 11,260,547.36

Answer: C

Question: 15

The one-month (31-day) GC repo rate for French government bonds is quoted to you at 3.75-80%. As collateral, you are offered EUR25 million nominal of the 5.5% OAT April 2006, which is worth EUR 28,137,500. If you impose an initial margin of 1%, the Repurchase Price is:

A. EUR 27,947,276.43 B. EUR 27,946,077.08 C. EUR 27,950,071.43 D. EUR 27,948,871.97

Answer: D

Question: 16

If EUR/USD is quoted to you as 1.1050-53, does this price represent?

- A. The number of EUP per USD
- B. The number of USD per EUR
- C. Depends on whether the price is being quoted in Europe or the US
- D. Depends on whether the price is being quoted interbank or to a customer

Answer: B

Question: 17

How much is a big figure worth per million of base currency it EUR/GBP is 0.6990?

A. GBP 10,000 B. EUR 10,000 C. GBP 6,990 D. EUR 6,990

Answer: A

Question: 18

What is the incentive for market-making?

A. Bid/offer spread

- B. Flow information
- C. Relationships
- D. All of the above

Answer: D

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