

# **100%** Money Back **Guarantee**

**Vendor:** ACI

**Exam Code:** 310-013

**Exam Name:** ACI Operations Certificate

**Version:** Demo

**QUESTION 1**

You take a EUR deposit on Monday, 13 February. Assuming there are no intervening bank holidays, what is the one-month maturity date?

- A. Monday, 13 March
- B. Tuesday, 14 March
- C. Wednesday, 15 March
- D. Thursday, 16 March

**Correct Answer: C**

**QUESTION 2**

A broker:

- A. Is an agent who mediates between buyers and sellers, for their mutual financial interest
- B. Controls country limits in cooperation with the compliance officer
- C. Is responsible for reducing transaction fees
- D. Acts as a correspondent bank

**Correct Answer: A**

**QUESTION 3**

What does "modified following business day convention" mean?

- A. A convention whereby a transaction is dated the following business day, unless that day extends into the next month, in which case it is dated the preceding business day
- B. A convention whereby a transaction is dated the following business day
- C. A convention whereby a transaction is dated the preceding business day
- D. A convention whereby a transaction is dated the next business day that corresponds to the same numerical day of the month as the preceding payment

**Correct Answer: A**

**QUESTION 4**

What does ISDA stand for?

- A. International Swaps and Derivatives Association
- B. Integrated System Data Association
- C. International Swap Derivatives Agreement
- D. International Swaps Dealer Association

**Correct Answer: A**

**QUESTION 5**

What is volatility?

- A. The difference between the current price of an asset and its previous close
- B. A statistical measure of price fluctuations as an annualized percentage
- C. The measure of the liquidity of a contract or security
- D. The difference between the annual high and low of a security

**Correct Answer: B**

**QUESTION 6**

Which SWIFT message formats would you use for a foreign exchange confirmation and fixed money market confirmation, respectively?

- A. MT 400, MT 950
- B. MT 200, MT 100
- C. MT 300, MT 950
- D. MT 300, MT 320

**Correct Answer:** D

#### **QUESTION 7**

When do you use a SWIFT message type 202?

- A. For a foreign exchange confirmation
- B. For multiple general financial institution transfers
- C. For a general financial institution transfer
- D. For a customer transfer

**Correct Answer:** C

#### **QUESTION 8**

In the unexpected event that a public holiday is declared on the date a particular contract matures, what is the normal market practice?

- A. If that day is not the final trading day of the month, all contracts maturing on that day are extended to the next business day
- B. If that day is not the final trading day of the month, all contracts maturing on that day are shortened to the preceding business day
- C. All new maturity dates have to be agreed upon with the counterparties involved
- D. Decisions about the maturity dates of trading contracts are made by ACI's Committee for Professionalism on a case-by-case basis and must be adhered to

**Correct Answer:** A

#### **QUESTION 9**

How are accounting entries usually generated?

- A. They are generated based on a code profile held for each product type on a time event basis.
- B. They are generated based on a code profile held for each front office staff member.
- C. They are generated based on the nature of instruments (debits = first priority / credits = second priority).
- D. They are generated in the morning at start of business when there is no direct link to other systems.

**Correct Answer:** A

#### **QUESTION 10**

What is a SWIFT message type 210?

- A. A request for financial institution transfer
- B. A general financial institution transfer
- C. A financial institution transfer for its own account
- D. A notice to receive

**Correct Answer:** D

#### **QUESTION 11**

What is done with counterparties' confirmations?

- A. They are scanned for money laundering activities and afterwards destroyed
- B. They are forwarded to the deal capturer to check the completeness of the deal

- C. They are matched as soon as possible after receipt
- D. They are archived after reception

**Correct Answer: C**

**QUESTION 12**

What is the purpose of "internal cash reconciliation"?

- A. To control the bank's cash and derivative positions
- B. To reconcile and control the cash balance for the Bank for International Settlements (BIS)
- C. To reconcile and control the cash balance for the central bank
- D. Cash forecasting, cash collateral and cash positions control

**Correct Answer: D**

**QUESTION 13**

What information is essential for an interbank FX confirmation?

- A. Specification of the applicable law
- B. The value date
- C. The brokerage cost
- D. The name of the person(s) originating the deal

**Correct Answer: B**

**QUESTION 14**

What is the most frequently used settlement process for securities?

- A. Free of settlement payment
- B. Cash settlement
- C. Same day value settlement
- D. Delivery-versus-payment

**Correct Answer: D**

**QUESTION 15**

Which of the following types of payment demands extra diligence and review procedures?

- A. Nostro funding payment
- B. Third party payment
- C. Value spot USD payment
- D. Value spot payment for currency equivalents > USD 3,000,000.00

**Correct Answer: B**

**QUESTION 16**

Which of the following best describes TARGET2?

- A. The real-time gross settlement (RTGS) system owned and operated by the Eurosystem
- B. The system used in Germany for settling high value domestic securities transactions
- C. The pan-Europe netting system used for reducing credit risk for derivative transactions
- D. The system used by the European Banking Federation to clear cross border Euro payments

**Correct Answer: A**

**QUESTION 17**

What is a settlement date?

- A. The date by which the interest payment on an operation must be made
- B. The last date by which the minimum reserve amount can be paid to the central bank
- C. The date, on which settlement must be made on the contracted amount or the differential amount of an operation
- D. The date a deal is processed

**Correct Answer:** C

**QUESTION 18**

What is the main difference between TARGET and TARGET2?

- A. Finland did not participate in TARGET but it does participate in TARGET2
- B. The cut-off time for TARGET2 is 20:00 (8.00 p.m.) CET, whereas the cut-off time for TARGET was 18:00 (6.00 p.m.) CET
- C. TARGET2 runs on a single shared technical platform whereas TARGET did not
- D. TARGET2 processes payment orders denominated in EUR as well as USD

**Correct Answer:** C

**QUESTION 19**

Which of the following best describes the main benefit of the RTGS payment system?

- A. Final settlement of interbank funds transfers on a continuous, trade by trade basis throughout the day
- B. Lower costs through fewer payments passing through nostro accounts
- C. Lower costs through less labor intensive methods
- D. Reduced market risk due to smaller values of open positions

**Correct Answer:** A

**QUESTION 20**

A payment is made from Germany to a second Euro zone country. Which international payment system would normally be used?

- A. TARGET2
- B. Euro Link System (ELS)
- C. Euroclear
- D. Clearstream

**Correct Answer:** A

**QUESTION 21**

What are the principal functionalities of interbank funds transfer systems?

- A. The matching of confirmations
- B. The dealing and archiving of payment orders
- C. Reconciliation and correspondent banking
- D. The transfer of information and settlement

**Correct Answer:** D

**QUESTION 22**

Which of the following currencies is eligible for CLS settlement?

- A. ZAR
- B. TRY
- C. MYR

D. CNY

**Correct Answer: A**

**QUESTION 23**

A message received and accepted by SWIFT will be acknowledged with:

- A. OK
- B. ACK
- C. MAK
- D. NAK

**Correct Answer: B**

**QUESTION 24**

Which of the following processes are offered by the CLS settlement system?

- A. The close-out process
- B. The customer matching process
- C. The settlement process
- D. The securities lending process

**Correct Answer: C**

**QUESTION 25**

CHIPS is the name commonly used for the domestic clearing system in:

- A. London
- B. Frankfurt
- C. New York
- D. Hong Kong

**Correct Answer: C**

**QUESTION 26**

You have five outstanding amounts with five different values. Which of the following should be investigated first?

- A. The most recently processed deal
- B. The counterparties in your own country
- C. The counterparty which claims first
- D. Those positions with the highest loss potential

**Correct Answer: D**

**QUESTION 27**

What is the primary role of the position-keeper in a dealing room?

- A. To keep the multilateral limits updated
- B. To invest funds at the highest available interest rate
- C. To keep the balance or position of the accounts or nostros in each currency representing the accounts held by the bank's agents
- D. To keep the management informed about interest rate developments

**Correct Answer: C**

**QUESTION 28**

What is an essential feature of nostro reconciliations?

- A. That a daily nostro reconciliation report is sent out to the correspondent bank
- B. That they are performed before the next business day
- C. That they are performed in a timely and efficient way
- D. That open items are booked on an internal account

**Correct Answer:** C

**QUESTION 29**

You have two nostro accounts in USD, one account is long USD 5,000,000.00 and the other is short USD 5,000,000.00. What action should be taken to reconcile the accounts?

- A. No action is required. The credit interest earned on the credit balance will offset the debit interest incurred on the short balance
- B. You should borrow USD 5,000,000.00 to cover the short balance and leave the long balance as it is
- C. You should lend the surplus USD 5,000,000.00 in order to compensate the overdraft charges on the short balance with the interest earned on the loan
- D. You should instruct the bank with the long balance to transfer USD 5,000,000.00 to your nostro account at the other bank

**Correct Answer:** D

**QUESTION 30**

Which kind of report is a reconciliation system unable to produce?

- A. A "probable matched items report" (a report in which most fields match but there are some discrepancies)
- B. A "calculated fees report" (a report of the expected fees owed)
- C. A "matched items report" (a report of all fields that match)
- D. An "unmatched items report" (a report of items for which one is unable to find matches)

**Correct Answer:** B

**QUESTION 31**

What is the function of the cash positions keeper?

- A. He/she acts as a running control on the balance of a nostro, alerting the treasury dealer when funds are running too low or too high for a particular value day measured by agreed upon internal parameters
- B. He/she assists the dealer in deciding which currency to invest in
- C. He/she informs back office staff about which kind of confirmations are to be used
- D. He/she acts as a running control on the balance of an internal account, alerting the treasury dealer when fees are running too low or high for a particular value day

**Correct Answer:** A

**QUESTION 32**

What is the most important feature of a brokerage reconciliation?

- A. It must be processed once a year
- B. Brokers' bills should be reconciled during the night when no other system is running
- C. Brokers' bills must be reconciled promptly at month-end prior to payment
- D. The existence of a single reference currency for all the brokers with whom your institution is dealing

**Correct Answer:** C

**QUESTION 33**

What is the first task of the cash positions keeper every day?

- A. Makes sure the opening position for the current day is the agreed and reconciled position from the previous day
- B. Makes sure the previous day's pending position is the opening position for the current day
- C. He/she checks to see which dealer is in charge of which currency for that day
- D. He/she checks to see which countries have bank holidays that day

**Correct Answer:** A

**QUESTION 34**

When completing a nostro reconciliation, what does an unresolved ledger credit signify?

- A. The duplicate receipt of funds from a counterparty
- B. The non-payment of funds to a counterparty
- C. The duplicate payment of funds to a counterparty
- D. The non-receipt of funds from a counterparty

**Correct Answer:** B

**QUESTION 35**

What is a future nostro balances report?

- A. A list of the final maturity of bonds per value date
- B. An account of the possible fees to be paid
- C. A comparison of the overdraft interest to be paid on different nostro accounts
- D. A report produced to show the anticipated balance on the account as a result of running off existing business

**Correct Answer:** D

**QUESTION 36**

The use of standard settlement instructions (SSI's) is strongly encouraged because:

- A. A dealer does not need to confirm payment details by phone
- B. It splits differences arising from failed settlements between the two counterparties
- C. It eliminates the need to send out SWIFT payment authorizations on a case-by-case basis
- D. It avoids having to confirm each deal separately

**Correct Answer:** A

**QUESTION 37**

Which of the following is a fundamental element or module in the "securities dealing and processing" part of a treasury system?

- A. The financial reporting standard
- B. Brokerage accounting
- C. The custodian account reconciliation function
- D. The country limit overview

**Correct Answer:** C

**QUESTION 38**

An input message for the SWIFT network is composed of up to which five parts?

- A. 1. Basic header block, 2. Communication header block, 3. Currency block, 4. Text block, 5. Trailers block
- B. 1. Basic header block, 2. Application header block, 3. User header block (optional), 4. Text block, 5. Trailers block

- C. 1. Sending header block, 2. Application header block, 3. User header block, 4. Text block (optional), 5. Transmission block
- D. 1. Basic header block, 2. System header blocks (optional), 3. User header block, 4. Text block, 5. Security block

**Correct Answer:** B

**QUESTION 39**

How many characters does a BIC have? (Under ISO standard 9362: 2009)

- A. 6 or 9 characters
- B. 9 or 12 characters
- C. 7 or 10 characters
- D. 8 or 11 characters

**Correct Answer:** D

**QUESTION 40**

Which of the following BIC-addresses belongs to a bank based in Germany?

- A. FRNYUS33
- B. ECBFDEFF
- C. BCLXLULL
- D. SNBZCHZZ

**Correct Answer:** B

**QUESTION 41**

Which of the following statements best describes collateral?

- A. Liquid assets pledged by one or both counterparties to the other to reduce credit risk
- B. Deposits placed by a commercial bank with a central bank to fulfill reserve asset ratios
- C. Any deposit placed by an institution with another institution of a lower credit rating
- D. Any cross border payment of currency

**Correct Answer:** A

**QUESTION 42**

In the absence of his normal dealer contact, a counterparty calls the back office and asks the clerk for his opinion about how long his money should be placed on deposit. What action should the back office clerk take?

- A. He should give his opinion.
- B. He should give his opinion and tell the counterparty that he is not qualified to do so.
- C. He should tell the counterparty that he is not qualified to give an opinion and refer the counterparty to another dealer.
- D. He should give his opinion and refer the counterparty to another dealer.

**Correct Answer:** C

**QUESTION 43**

A middle or back office clerk receives an FX ticket in which the counterparty is not clearly identified. What should he/she do?

- A. Keep the ticket in "stand-by mode" until a matching confirmation is received
- B. Immediately refer the ticket to the compliance officer
- C. Refer the ticket to the FX dealer for further details
- D. Refer the ticket to the nostro account manager for further instructions

**Correct Answer: C**

**QUESTION 44**

Which risk factors fall under counterparty risk?

- A. Currency risk, interest rate risk and swap risk
- B. Settlement risk, delivery risk and replacement cost
- C. Operational risk
- D. Settlement risk and swap risk

**Correct Answer: B**

**QUESTION 45**

What are the three successive stages of money laundering?

- A. Integration, layering, placement
- B. Integration, placement, layering
- C. Placement, layering, integration
- D. Layering, integration, placement

**Correct Answer: B**

**QUESTION 46**

You spot a rate discrepancy between you and your counterparty on a AUD/USD deal. The deal was traded direct. You refer the discrepancy to the dealer and he tells you to change the rate.

What should you do?

- A. Amend the rate yourself
- B. Ask the settlements clerk to amend the rate for you
- C. Ask the dealer to manually amend the rate on the ticket and then pass it to the settlements clerk to amend
- D. Make no amendment

**Correct Answer: C**

**QUESTION 47**

You have been given collateral. In which case would you be least concerned about insisting on a "haircut"?

- A. Non-cash emerging markets collateral
- B. Cash collateral in JPY, your base currency is GBP
- C. Cash collateral in USD, your base currency is USD
- D. Non-cash high yield collateral

**Correct Answer: C**

**QUESTION 48**

You have just opened a position in EUR/USD that you run overnight. What risk is present?

- A. Settlement, counterparty and equity risk
- B. Only counterparty risk
- C. Only currency and interest rate risks
- D. Settlement, counterparty and market risk

**Correct Answer: D**

**QUESTION 49**

A EUR based bank has a USD-convertible bond. What market risks are present?

- A. Interest rate and currency risks
- B. Interest rate, stock price and currency risks
- C. Stock price and currency risks
- D. Stock price risk

**Correct Answer:** B

**QUESTION 50**

For which of the following transactions are proper and completed bilateral master agreements considered essential prior to any dealing?

- A. Spot FX
- B. Repo
- C. Forward FX
- D. FRAs

**Correct Answer:** B

**QUESTION 51**

Most non deliverable forwards (NDFs) are cash-settled in:

- A. GBP
- B. USD
- C. CHF
- D. EUR

**Correct Answer:** B

**QUESTION 52**

What information is not explicitly confirmed between the two counterparties of a FX swap transaction using a MT 300?

- A. The rate
- B. The amount
- C. The swap points
- D. Settlement information

**Correct Answer:** C

**QUESTION 53**

Which of the following statements apply to an FX Swap?

- A. It consists of two separate transactions, dealt with two different counterparties.
- B. It replaces a pair of foreign exchange transactions.
- C. It fully eliminates counterparty risk.
- D. It reduces credit risk with the counterparty, as compared to money market deals.

**Correct Answer:** D

**QUESTION 54**

Which interest rates are used to calculate the exchange rate of an outright transaction value tomorrow (over tom)?

- A. The overnight interest rates of both currencies

- B. The spot next interest rates of both currencies
- C. The one week interest rates of both currencies
- D. The torn next interest rates of both currencies

**Correct Answer:** D

**QUESTION 55**

Your FX swap dealer sold and bought 2 months USD/CHF 10,000,000.00; rates were set to 0.9300 against 0.9285. What payment is your bank expecting in two months from now?

- A. CHF 9,300,000.00
- B. CHF 10,770,059.24
- C. CHF 9,285,000.00
- D. USD 10,000,000.00

**Correct Answer:** D

**QUESTION 56**

A month ago, a customer placed NZD 100,000.00 at 2.00% on a time deposit for 90 days. Today, 30 days later, he requests an anticipated close of his deposit. 2 and 3 month interbank rates are 2.10% bid and 2.20% offered. What do you do?

- A. You agree and pay back to the customer the capital plus 2.00% interest calculated on 30 days
- B. You agree and pay back to the customer the capital plus 2.00% interest on 30 days less your refinancing costs of 0.20% calculated on 30 days
- C. You agree and pay back to the customer the capital plus 2.00% interest on 30 days less your refinancing costs of 0.10% calculated on 60 days
- D. You agree and pay back to the customer the capital plus 2.00% interest on 90 days minus the actualization of this amount at 2.20% calculated over 60 days

**Correct Answer:** D

**QUESTION 57**

If the 90-day rate is 3.10% and the 180-day is 3.50%, what is the 120-day rate using straight-line interpolation?

- A. 3.20%
- B. 3.21%
- C. 3.23%
- D. 3.30%

**Correct Answer:** C

**QUESTION 58**

Which of the following are considered money market, cash or derivative instruments?

- A. Currency futures
- B. Forward FXs
- C. Currency options
- D. Forward rate agreements (FRA)

**Correct Answer:** D

**QUESTION 59**

On Friday, your trader lends GBP 10,000,000.00 overnight at 0.60%. The instructions are for repayment of principal + interest. How much would you expect to be repaid?

- A. GBP 10,000,500.00

- B. GBP 10,000,164.38
- C. GBP 10,000,493.15
- D. GBP 10,000,166.67

**Correct Answer:** C

**QUESTION 60**

A Certificate of Deposit (CD) was issued at 2.50% which you now purchase at 1.75%. What would you expect to pay?

- A. The original face value of the CD
- B. More than the originally paid value
- C. Less than the originally paid value
- D. There is too little information to decide

**Correct Answer:** B

**QUESTION 61**

Internationally, USD FRAs are settled with reference to which market rate?

- A. LIBOR
- B. FEDFUNDS
- C. LIBID
- D. EURIBOR

**Correct Answer:** A

**QUESTION 62**

EURIBOR is a:

- A. Daily fixing of EUR interest rates within the EMU zone
- B. Daily fixing of EUR interest rates in London
- C. A rate used for the settlement of USD FRAs between European counterparties
- D. The official successor to LIBOR rates

**Correct Answer:** A

**QUESTION 63**

An interest rate CAP can be defined as:

- A. A series of American call options on FRAs
- B. A series of European call options on FRAs
- C. A series of American put options on FRAs
- D. A series of European put options on FRAs

**Correct Answer:** B

**QUESTION 64**

As to futures contracts:

- A. The maintenance margin is a predetermined fraction of initial margin
- B. The initial margin is a predetermined fraction of maintenance margin
- C. The maintenance margin represents the brokerage costs
- D. The maintenance margin represents management fees

**Correct Answer:** A

**QUESTION 65**

Which of these statements is correct?

- A. The strike price of a Bermudan option is an average.
- B. A Bermudan option can be exercised only on a few specific dates prior to expiration.
- C. A Bermudan option can be exercised at any time before its maturity date.
- D. A Bermudan option can be exercised only at maturity.

**Correct Answer:** B

**QUESTION 66**

You bought a 6x9 EUR 8,000,000.00 FRA at 0.75%. Settlement is now due and 3 months (90 days) EURIBOR is 0.25%. What amount do you pay or receive?

- A. Pay EUR 10,000.00
- B. Receive EUR 10,000.00
- C. Pay EUR 9,993.75
- D. Receive EUR 9,993.75

**Correct Answer:** C

**QUESTION 67**

What deals are usually associated with a collar?

- A. A purchase of a cap and a sale of a cap at higher reference rate
- B. A purchase of a floor and a sale of a cap or vice versa
- C. A purchase of a cap and a purchase of a floor
- D. A purchase of a step-up cap and a sale of a step-down floor

**Correct Answer:** B

**QUESTION 68**

Which of the following is true about interest rate swaps (IRS)?

- A. The fixed rate and the floating rate payers know the cash value of their payments at the outset
- B. There is exchange of principal at the start and at the end of the swap
- C. Payment netting is only allowed through a third party
- D. The notional amount of the swap is generally not exchanged between counterparties

**Correct Answer:** D

**QUESTION 69**

When is the settlement amount of a FRA normally payable?

- A. At the beginning of the forward period
- B. On the trade date
- C. On the maturity (final) date
- D. At any time before the contract's maturity date

**Correct Answer:** A

**QUESTION 70**

What financial product involves exchanging a fixed interest rate for a floating interest rate?

- A. A FX Swap
- B. A repurchase agreement
- C. An interest rate swap (IRS)

D. A dual swaption

**Correct Answer:** C

**QUESTION 71**

What is a junk bond?

- A. An AAA-rated security in payment default
- B. A sub-investment grade instrument
- C. An OECD Government bond
- D. A bond typically paying lower yields than an investment grade instrument

**Correct Answer:** B

**QUESTION 72**

In a scenario where long-term interest rates are higher than short-term interest rates, the yield curve would best be described as:

- A. Flat
- B. Negative or inverse
- C. Positive
- D. Neutral

**Correct Answer:** C

**QUESTION 73**

A USD 1,000,000.00 US Treasury Bill (91 days) is offered at a discount rate of 0.75%. The offer price will be:

- A. USD 1,000,000.00
- B. USD 998,104.17
- C. USD 992,500.00
- D. USD 998,130.14

**Correct Answer:** B

**QUESTION 74**

Major amendments to a prospectus can be made:

- A. At the discretion of the issuer and after the launch
- B. Only with the consent of the note holders
- C. Always in the case of default payment
- D. Only by the custodian with the consent of the issuer

**Correct Answer:** B

**QUESTION 75**

Which of the following are primary markets?

- A. Auction markets conducted by the U.S. Treasury for U.S. Treasury bills
- B. The repo market
- C. The foreign exchange market
- D. The over-the-counter market for U.S. Government Bonds

**Correct Answer:** A

**QUESTION 76**

In trade confirmation, which one of the following statements about "matching" is correct?

- A. Matching should be performed by no later than the day after trading day
- B. Matching processes are manual and may not be automated
- C. Matching should be performed as soon as possible upon receipt of the confirmation
- D. Confirmation matching should be a post-settlement workflow activity

**Correct Answer:** C

**QUESTION 77**

Which interest rate is to be applied in the calculation methodology for back-valuations in EUR?

- A. The flat ECB marginal lending facility rate
- B. The ECB marginal lending facility rate plus 25 b.p.
- C. The average of each day's EONIA rate minus 25 b.p.
- D. The average of each day's EONIA rate plus 25 b.p. unless that is higher than the ECB marginal lending facility rate

**Correct Answer:** D

**QUESTION 78**

In FX trading a "third party beneficiary" is best described as:

- A. The issuer of a payment for the relevant trade distinct from the counterparty
- B. The issuer of a payment for the relevant trade identical to the counterparty
- C. The recipient of a payment for the relevant trade distinct from the counterparty
- D. The recipient of a payment for the relevant trade identical to the counterparty

**Correct Answer:** C

**QUESTION 79**

How frequently should business contingency procedures be tested and updated?

- A. Quarterly tests / updates as needed
- B. At least every second year
- C. Half-yearly tests / yearly updates
- D. At least yearly

**Correct Answer:** D

**QUESTION 80**

Which of the following types of institutions do not generally make up the "buy side"?

- A. Corporate and governments
- B. Asset managers and insurance firms
- C. Retail banks and commercial banks
- D. Mutual and hedge funds

**Correct Answer:** C

**QUESTION 81**

Which of the following is the best description of a broken trade"?

- A. When a trade has been agreed to with dates (maturities) different from the standard dates
- B. When one of the parties to the deal unilaterally decides to withdraw from the on-going transaction
- C. When, due to a system break, one or both parties to the deal chooses to withdraw from the ongoing transaction
- D. When, due to a system break, one or both parties to the deal are unclear as to whether the deal has

been done

**Correct Answer: D**

**QUESTION 82**

Which one of the following statements regarding "single changes to default SSIs" is correct?

- A. The counterparty does not need to be notified about any alterations to original payment instructions or SSIs.
- B. Any alterations to original payment instructions or SSIs are to be agreed to by the relevant parties involved either by fax or e-mail.
- C. Alterations must be agreed to by the parties involved via a written legally binding document or an authenticated confirmation message.
- D. Alterations need to be agreed to by the relevant parties involved and must be verbally confirmed.

**Correct Answer: C**

**QUESTION 83**

Which details do not need to be mentioned in a trade confirmation?

- A. Economic: such as initial and final amounts, rates
- B. Product identification: counterparty, currency, index
- C. Identification of the dealer: identity, title, direct phone number
- D. Dates including the trade day: initial day, final day, settlement day

**Correct Answer: C**

**QUESTION 84**

What needs to be done in the event that a trade is amended by one or both parties?

- A. A new confirmation should be generated by both parties but there is no need to restart the confirmation cycle.
- B. The amending party should verbally inform the other party.
- C. A new confirmation should be generated and the confirmation cycle should restart and continue until the trade is completely matched by both parties.
- D. A new confirmation need not be generated but the confirmation cycle must restart and continue until the trade is completely matched by both parties.

**Correct Answer: C**

**QUESTION 85**

Which one of the following statements regarding the segregation of duties in the confirmation process is incorrect?

- A. Front office staff should not be able to modify confirmations.
- B. The staff who confirm trades should be distinct from those who agree to and execute trades.
- C. The process of confirming trades should be done only by Operations staff.
- D. Only staff who agree to and execute trades should be permitted to modify any details of the written confirmation.

**Correct Answer: D**

**QUESTION 86**

Which clearing system allows a transfer to be settled with immediate finality?

- A. EAF
- B. EBA
- C. RTGS

D. SWIFT

**Correct Answer:** A

**QUESTION 87**

In the Euro deposit markets, what is spot?

- A. Value one bank business day forward
- B. Value two bank business days forward
- C. Value one calendar day forward
- D. Value two calendar days forward

**Correct Answer:** B

**QUESTION 88**

What is the deadline for settling interbank spot-deals in EUR via the TARGET2 system?

- A. 10:00 CET
- B. 18:00 CET
- C. 12:00 CET
- D. 15:00 CET

**Correct Answer:** A

**QUESTION 89**

According to ISDA definitions, if an USD IRS payment is due value Saturday, 31 May and the documentation states that the "modified following business day convention" will be used, what value date should be applied to the payment?

- A. Saturday, 31 May
- B. Tuesday, 3 June
- C. Monday, 2 June
- D. Friday, 30 May

**Correct Answer:** A

**QUESTION 90**

Which one of the following excerpts completes this statement of a best market practice? "Any exception to the confirmation process should be resolved?"

- A. No later than the value date
- B. Within 2 days
- C. Within 1 week
- D. On the day it is discovered

**Correct Answer:** B

**QUESTION 91**

The organization "SWIFT" belongs to:

- A. The members of the system (member-owned cooperative)
- B. The European Banking Federation based in Brussels
- C. The European Central Bank
- D. The IMF

**Correct Answer:** B

**QUESTION 92**

Which of the following steps is typical for an interbank FX trade process flow?

- A. Physical delivery
- B. Collateral management
- C. Negotiation of fees
- D. Settlement

**Correct Answer:** A

**QUESTION 93**

Which SWIFT message type family is used for securities transactions?

- A. MT 3XX
- B. MT 2XX
- C. MT 5XX
- D. MT 1XX

**Correct Answer:** A

**QUESTION 94**

If the back office staff receive a trade that is incomplete, which information is absolutely essential for processing the trade?

- A. The clearing house phone number
- B. The account number to which fees are booked
- C. The identity of the counterparty's dealer
- D. The name of the counterparty

**Correct Answer:** A

**QUESTION 95**

The trade life cycle of a treasury deal starts with input and ends with:

- A. Accounting
- B. Adjustment of bilateral limits
- C. Netting
- D. Nostro reconciliation

**Correct Answer:** A

**QUESTION 96**

When would you use a SWIFT message type 103?

- A. For a foreign exchange confirmation
- B. For a multiple general financial institution transfer
- C. For a general financial institution transfer
- D. For a customer transfer

**Correct Answer:** C

**QUESTION 97**

Why are confirmations necessary?

- A. Confirmations authenticate the transaction to the risk manager, as well as providing essential information regarding bilateral limits.
- B. in order to authenticate the BIC-code of the counterparty when the confirmation is sent via SWIFT.
- C. in order to have the exact mailing address of the counterparty when the confirmation is sent via mail.

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