Exam Code: 310-008
Exam Name: ACI DEALING CERTIFICATE
Vendor: ACI
Version: DEMO
Part: A

1: Click on the Exhibit Button to view the Formula Sheet.
How many USD would you have to invest at 3.5% to be repaid USD125 million (principal plus interest) in 30 days?
A.USD 124,641,442.43
B.USD 124,636,476.94
C.USD 124,635,416.67
D.USD 123,915,737.30
Correct Answers: B

2: Click on the Exhibit Button to view the Formula Sheet.
What is the day count/annual basis convention for euroyen deposits?
A.Actual/365
B.Actual/360
C.Actual/actual
D.30E/360
Correct Answers: B

3: Click on the Exhibit Button to view the Formula Sheet. 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
Correct Answers: C

4: Click on the Exhibit Button to view the Formula Sheet. 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 LIBOR
D.The ECBs official repo rate
Correct Answers: A

5: Click on the Exhibit Button to view the Formula Sheet. Which of the following rates represents the highest investment yield in the euromarket?
A.Semi-annual bond yield of 3.75 %
B.Anual bond yield of 3.75 %
C.Semi-annual money market yield of 3.75 %
D.Annual money market rate of 3.75 %
Correct Answers: C

6: Click on the Exhibit Button to view the Formula Sheet. Which of the following are transferable instruments?
A. Eurocertificate of deposit  
B. US Treasury bill  
C. CP  
D. All of the above  
**Correct Answers: D**

7: Click on the Exhibit Button to view the Formula Sheet. Which of the following is always a secured instrument?  
A. ECP  
B. Repo  
C. Interbank deposit  
D. CD  
**Correct Answers: B**

8: Click on the Exhibit Button to view the Formula Sheet. Which of the following is sometimes called two-name paper?  
A. ECP  
B. BA or bank bill  
C. Treasury bill  
D. CD  
**Correct Answers: B**

9: Click on the Exhibit Button to view the Formula Sheet. 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 tri-party agent in the name of the buyer  
D. It is frozen in the seller’s account with the tri-party agent  
**Correct Answers: C**

10: Click on the Exhibit Button to view the Formula Sheet. 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  
**Correct Answers: A**

11: Click on the Exhibit Button to view the Formula Sheet.  
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 203.77
C. Loss of GBP 299.66
D. Loss of GBP 203.77
**Correct Answers: B**

12: Click on the Exhibit Button to view the Formula Sheet. 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
**Correct Answers: D**

13: Click on the Exhibit Button to view the Formula Sheet. A CD with a face value of USD 50 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
**Correct Answers: C**

14: Click on the Exhibit Button to view the Formula Sheet. 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
**Correct Answers: C**

15: Click on the Exhibit Button to view the Formula Sheet. 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
**Correct Answers: D**

16: Click on the Exhibit Button to view the Formula Sheet. If EUR/USD is quoted to you as
1.1050-53, does this price represent?
A. The number of EUR 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

Correct Answers: B

17: Click on the Exhibit Button to view the Formula Sheet. How much is a big figure worth per million of base currency if EUR/GBP is 0.6990?
A. GBP 10,000
B. EUR 10,000
C. GBP 6,990
D. EUR 6,990

Correct Answers: A

18: Click on the Exhibit Button to view the Formula Sheet. What is the incentive for market-making?
A. Bid/offerspread
B. Flow information
C. Relationships
D. All of the above

Correct Answers: D

19: Click on the Exhibit Button to view the Formula Sheet. The forward points are calculated from:
A. The level of interest rates in the base currency
B. The level of interest rates in the quoted currency
C. The interest rates in the two currencies
D. Your expectations of the future spot rate

Correct Answers: C

20: Click on the Exhibit Button to view the Formula Sheet. If 6-month EUR/AUD is quoted at 29/32, which of the following statements is correct?
A. EUR rates are higher than AUD rates in the 6-month
B. AUD rates are higher than EUR rates in the 6-month
C. There is a positive EUR yield curve
D. There is not enough information to decide

Correct Answers: B