

GARP.2016-FRR.v2026-09-08.q268

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□□□□:	Financial Risk and Regulation (FRR) Series
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https://www.krdump.com/GARP.2016-FRR.v2026-09-08.q268.html	

NEW QUESTION: 1

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Answer: D ([LEAVE A REPLY](#))

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□□: How Finance Works

NEW QUESTION: 2

Which one of the following activities is carried out by the back office?

- A. Risk management

- B. Confirmations
- C. Trading
- D. Marketing

Answer: B (LEAVE A REPLY)

Comprehensive and Detailed In-Depth Explanation:

The back office in a bank handles post-trade activities, including trade confirmations, settlement, clearing, and record-keeping, ensuring transactions are accurately processed and reconciled. Risk management (A) is typically a middle office function, trading (C) is front office, and marketing (D) is a business development role. Basel II and GARP's FRR emphasize the segregation of duties, with confirmations as a core back-office responsibility to mitigate operational risk.

Reference: GARP FRR Study Notes, Operational Risk Section; BCBS, "Basel II," June 2006, para. 665.

NEW QUESTION: 3

Alpha Bank determined that Delta Industrial Machinery Corporation has 2% change of default on a one-year no-payment of USD \$1 million, including interest and principal repayment. The bank charges 3% interest rate spread to firms in the machinery industry, and the risk-free interest rate is 6%. Alpha Bank receives both interest and principal payments once at the end the year. Delta can only default at the end of the year. If Delta defaults, the bank expects to lose 50% of its promised payment. Six months after Alpha Bank provides USD \$1 million loan to the Delta Industrial Machinery Corporation, a new competitor enters the machinery industry, causing Delta to adjust its prices and mark down the value of its inventory. Hence, the probability of default increases from 2% to 10% and the loss given default increases from 50% to 75%. If Alpha Bank can reprice the loan, what should the new rate be?

- A. 13%
- B. 10%
- C. 20.5%
- D. 16.5%

Answer: C (LEAVE A REPLY)

NEW QUESTION: 4

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NEW QUESTION: 5

A. 75%

B. 50%

C. 25%

D. 5%

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□□□ = 100% - LTV.

$$100\% - 75\% = 25\%.$$

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NEW QUESTION: 6

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Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 7

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- A. I, II
 B. I, III
 C. II, III
 D. I, II, III

Answer: D ([LEAVE A REPLY](#))

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NEW QUESTION: 8

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Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 9

To hedge a foreign exchange exposure on behalf of a client, a small regional bank seeks to enter into an offsetting foreign exchange transaction. It cannot access the large and liquid interbank market open primarily to larger banks. At which one of the following exchanges can the smaller bank trade the currency futures contracts?

- I. The Tokyo Futures Exchange
- II. The Euronext-Liffe Exchange
- III. The Chicago Mercantile Exchange

- A. III
- B. I
- C. II, III
- D. I, II, III

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 10

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- A. II □ III
- B. II, III, □ IV
- C. II □ IV
- D. I, II □ IV

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 11

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- A. □
- B. I, II, □ IV
- C. I □ IV

D. II □ III

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 12

DeltaFin wants to develop a control scoring method for its RCSA program. Which of the following statements

regarding scoring methods are correct?

I. DeltaFin can develop a control scoring method that assesses both the design and the performance of the control.

II. DeltaFin can combine the design and performance scores for each control to produce an overall control effectiveness score.

III. DeltaFin can use the control performance scores to compute an overall risk severity score.

IV. DeltaFin can determine its own appropriate control scoring method.

A. I, II and IV

B. I only

C. II, III, and IV

D. II and III

Answer: A (LEAVE A REPLY)

NEW QUESTION: 13

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Answer: (SHOW ANSWER)

NEW QUESTION: 14

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III. □□□□ □□

IV. ☐☐☐ ☐☐☐

A. I, III, IV

B. I, II

C. I, II, III

D. II, III, IV

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 15

Which one of the following areas does not typically report into a central operational risk function?

A. Business continuity planning

B. Information security

C. Geopolitical and strategic planning

D. Embedded operational risk coordinators or specialists or managers

Answer: C ([LEAVE A REPLY](#))

Areas that typically report into a central operational risk function include business continuity planning, information security, and embedded operational risk coordinators or specialists or managers. Geopolitical and strategic planning, while important, does not typically report into the central operational risk function but rather into separate strategic or planning departments.

References: Operational risk function organizational structure.

NEW QUESTION: 16

Unico Delta) 20% of the portfolio, 5% of the portfolio is 12% LIBOR.

3%. 12% of the portfolio is 12% of the portfolio.

A. 10.08%

B. 20.04%

C. 30.04%

D. 40.08%

Answer: B ([LEAVE A REPLY](#))

12% of the portfolio is 12% of the portfolio, 5% of the portfolio is 12% LIBOR.

$F = S \times e^{rd}t$

12%:

* $F = 20 \times e^{0.03 \times 0.05} \times 1 = 20.04$

* $S = 20$

* $r = 0.03$

* $d = 0.05$

* $t = 1$

12%:

$= 20 \times (0.03 \times 0.05) \times 1 = 20 \times 0.02 = 20.04$

20.04% of the portfolio is 12% of the portfolio.

12%

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[dump.html](https://www.dumptop.com/GARP/2016-FRR-dump.html) (390 Q&As Dumps, **30%OFF** Special Discount: **KrDump**)

NEW QUESTION: 17

A customer asks a broker employed by AlphaBank to buy Eureka Corporation bonds for her account. While

this trade was executed correctly and the bonds were bought, the trade was mistakenly accounted for as a sell

order. If the price of Eureka Corporation bonds goes up, this trade would result in a significantly larger loss

than if the market had remained stable. However, if the market drops, the customer will benefit from the

incorrect accounting and gain from this trade. This trading scenario can serve as an example that

- A. Strategic risk in this transaction can magnify operational risk.
- B. Market risk in this transaction can magnify operational risk.
- C. Liquidity risk in this transaction can magnify operational risk.
- D. Credit risk in this transaction can magnify operational risk.

Answer: (SHOW ANSWER)

NEW QUESTION: 18

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- A. I, II
- B. IV
- C. III, IV
- D. I, II, III □ IV

Answer: D (LEAVE A REPLY)

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NEW QUESTION: 19

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Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 20

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Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 21

A large energy company has a recurring foreign currency demands, and seeks to use options with a pay-off based on the average price of the underlying asset on either a few specific chosen dates or all dates within a specific pricing window. Which one of the following four option types would most likely meet these specific foreign currency demands?

- A. European options
- B. American options
- C. Asian options
- D. Chooser options

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 22

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Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 23

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- A. $\square\square\square\square = \square\square\square\square\square\square + \square\square \times \square\square\square\square$
- B. $\square\square\square\square = (1 - \square\square\square\square\square\square) + \square\square \times \square\square\square\square$
- C. $\square\square\square\square = \square\square\square\square\square\square + \square\square \times (1 - \square\square\square\square)$
- D. $\square\square\square\square = \square\square\square\square\square\square + 1/\square\square \times \square\square\square\square$

Answer: A ([LEAVE A REPLY](#))

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NEW QUESTION: 24

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- A. □□□ □□□□ □□ □□□□□ □□□ □□□ □□□□.
- B. □□□ □□ □□□□ □□□□ □□□□ □□□ □□ □ □□□ □□□□ □□ □□ □
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- C. □□□ □□□ □□ □□□ □□□□ □□□ □□□□.
- D. □□ □□□ □□ □□□□ □□□□ □□.

Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 25

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VolgaCorp□ 1□□ □□ □□□ □□ □□□□ □□□□ □□□□. □ □□□ □□□□ □
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- A. 100□ □□
- B. 70□ □□
- C. 50□ □□
- D. 40□ □□

Answer: C ([LEAVE A REPLY](#))

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□□□□□ $VaR = (\text{ThetaGroup} \square VaR)^2 + (VaR \text{ VolgaCorp})^2$ □□□□□ $VaR = (\text{ThetaGroup}$
 $\square VaR)^2 + (VaR \text{ of VolgaCorp})^2$ □□ □□□□□:

□□□□□ $VaR = (0.3)^2 + (0.4)^2 = 0.09 + 0.16 = 0.25 = 0.5$ □□□□□

$VaR = (0.3)^2 + (0.4)^2 = 0.09 + 0.16 = 0.25 = 0.5$ □□□ □□□□□ VaR□ 50□ □□□□□.

NEW QUESTION: 26

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Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 27

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A. □

B. II, III

C. I, II

D. I, II, III

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 28

The Sarbanes-Oxley Act includes one of the following four requirements for financial institutions in the United States:

A. Capital allocation requirements

B. Market discipline requirements

C. Regulatory response to systemic risk requirements

D. Risk and control requirements

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 29

Securitization is a process by which banks:

A. Increase the exogenous liquidity of the assets

B. Decrease their endogenous liquidity of the assets

C. Sell illiquid assets

D. Sell liquid assets

Answer: C ([LEAVE A REPLY](#))

Comprehensive and Detailed In-Depth Explanation:

Securitization involves pooling illiquid assets (e.g., mortgages, loans) and converting them into tradable securities sold to investors, thereby transferring risk and improving balance sheet liquidity. Option C is correct as it describes selling illiquid assets (e.g., loans) via securitization. Option A is vague ("exogenous liquidity" isn't a standard term), Option B is incorrect (securitization enhances, not reduces, liquidity), and Option D is wrong (liquid assets like cash aren't typically securitized). GARP's FRR confirms this process.

Reference: GARP FRR Study Notes, Credit Risk Section; BCBS, "Basel III: A Global Regulatory Framework," December 2010, para. 50-55.

NEW QUESTION: 30

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- B. ☐☐
- C. ☐☐
- D. ☐☐

Answer: C (LEAVE A REPLY)

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NEW QUESTION: 31

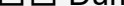
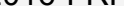
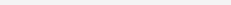
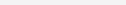
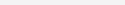
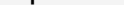
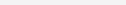
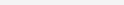
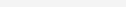
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- B.** □□ □□
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Answer: D (LEAVE A REPLY)

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[dump.html](https://www.dumptop.com/GARP/2016-FRR-dump.html) (390 Q&As Dumps, **30%OFF** Special Discount: **KrDump**)

NEW QUESTION: 32

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□, TED □□□□□ □□□□□?

- A. 0.5%**
B. -2.0%
C. 2.0%
D. 3.0%

Answer: ([SHOW ANSWER](#))

TED □□□□□ □□ □ □□ □□□ □□ □□□ □□□ □□□□□.

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$$2.5\% - 0.5\% = 2.0\%.$$

NEW QUESTION: 33

[illegible]

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III. ☐ ☐ ☐ ☐IV. ☐☐ ☐☐☐

A. I, II

B. IV

C. III, IV

D. I, II ☐ III

Answer: D (LEAVE A REPLY)

[illegible]

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NEW QUESTION: 34

Which one of the following four examples would not be considered a typical source of market risk?

A. Unexpected changes in the term structure of interest rates.

B. The JPY depreciating against the USD.

C. Increased default rate on commercial mortgages due to higher interest rates.

D. Changes in the oil price due to the discovery of new oil fields.

Answer: ([SHOW ANSWER](#))

Market risk typically involves risks that affect the entire market or market segment. These include:

- * Unexpected changes in the term structure of interest rates:
- * This affects the prices of bonds and other interest-rate-sensitive securities.
- * The JPY depreciating against the USD:
- * This is an example of foreign exchange risk, which is a type of market risk.
- * Changes in the oil price due to the discovery of new oil fields:
- * This affects commodities markets and can have broader economic implications.
- * Increased default rate on commercial mortgages due to higher interest rates:
- * This is more of a credit risk than market risk. It specifically relates to the creditworthiness of borrowers rather than the overall market movements.

Thus, the increased default rate on commercial mortgages due to higher interest rates is not a typical source of market risk.

References

Source: How Finance Works

NEW QUESTION: 35

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Answer: [\(SHOW ANSWER\)](#)

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NEW QUESTION: 36

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Answer: B [\(LEAVE A REPLY\)](#)

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NEW QUESTION: 37

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- B. □□□□
- C. □□□
- D. □□

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 38

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- D. □□ □□□ □□ □□ □□□ □□□□□.

Answer: A ([LEAVE A REPLY](#))

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NEW QUESTION: 39

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Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 40

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- A. RCSA □□ □□ □□□
- B. RCSA □□□ □□ □□
- C. RCSA □□ □□□ □□ □□
- D. RCSA □□□□ □□ □□□

Answer: B ([LEAVE A REPLY](#))

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NEW QUESTION: 41

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- A. □□□ □□ □□ □□□ □□□□ □□ □□, □□□ 90□ □□ □□□ □□ 150%
- B. □□ □□□□ □□ □□□ 75% □□□□ □□ □□□ 90□ □□ □□□ □□ 100%
- C. □□□ □□ □□ □□□ □□□□ □□□, □□ □□□ 120□ □□□ □□ 200%
- D. □□ □□□□ □□ □□□ 20%□ □□□□ □□ □□□ 120□ □□ □□□ □□ 125%

Answer: A ([LEAVE A REPLY](#))

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* BCBS, "□□ II: □□ □□ □ □□ □□□ □□□ □□", 6□

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* GARP FRR □□ □□, □□ □□ □□: "□□□□ □□□□ □□ □□ □□ □□□ □□□ □ □□□□ □□□ 90□ □□ □□□ □□ 150%□ □□ □□□□ □□□□□." □□: BCBS, "Basel II", 67□; GARP FRR □□ □□, □□ □□ □□.

NEW QUESTION: 42

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Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 43

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Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 44

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Answer: ([SHOW ANSWER](#))

NEW QUESTION: 45

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DumpTop 2016-FRR □□□ □□□□□. [https://www.dumptop.com/GARP/2016-FRR-](https://www.dumptop.com/GARP/2016-FRR-dump.html)
[dump.html](https://www.dumptop.com/GARP/2016-FRR-dump.html) (390 Q&As Dumps, **30%OFF** Special Discount: **KrDump**)

NEW QUESTION: 47

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D. □□□□ □ □□ □□□□□ □□ □□□ □□□□ □.

Answer: A (LEAVE A REPLY)

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NEW QUESTION: 48

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- I. □ □ □ □
II. □ □ □ □
III. □ □ □ □ □ □
IV. □ □ □ □

- A.** II □ □
B. I, II, III
C. □ □ □ □
D. I □ IV

Answer: C (LEAVE A REPLY)

NEW QUESTION: 49

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- A. ☐ ☐ ☐
- B. ☐ ☐
- C. ☐ ☐
- D. ☐ ☐

Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 50

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- A.** □ □ □ □
- B.** □ □ □ □
- C.** □ □ □ □ □ □
- D.** □ □ □ □ □ □

Answer: C (LEAVE A REPLY)

NEW QUESTION: 51

CDO-□□□ □□ □□ □□ □ □□□ □□ □□□□□□?

I. CDO-squared ☐ ☐ ☐ CDO ☐ CMO ☐ ☐ ☐ ☐ ☐ ☐.

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 54

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- A. □□ □□ □□ □□
- B. □□ □□□ □□
- C. □□□□ □□
- D. □□ □ □□ □□ □□

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 55

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- I. □□□ □□□ □□□ □□□ □ □□ □□.
 - II. □□□□□ □□□ □□□□ □□□ □□□□ □ □□ □□ □□.
 - III. □□ □□ □□□ □□ □□ □□.
 - IV. □□□ □ □□□□□ □□.

- A. II, III, IV
- B. I, II
- C. I, II, III, IV.
- D. III, IV

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 56

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- I. □□
- II. □□ □□□ □ □□
- III. □□
- IV. □□ □□□□

- A. □
- B. II
- C. I, II
- D. III, IV

Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 57

VaR □□□ □□□□□ □□ □□ □ □□ □□ □ □□ □□ □□□□□?
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- A.** VaR □□ □□ □□□ □□ □□ □□□ □□□□□.
- B.** VaR □□□□ □□□□ □□ □□□ □□□ □□□□□.
- C.** VaR □□□ □□□ □□□ □□ □□ □□□ □□□□ □□□ □
- D.** □□ □□□□ □□ □□□□ □□□□ □□□ □□ VaR □□□□ □□□□ □□□ □.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 58

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- A.** □□ □□
- B.** □□ □□
- C.** □□ □□
- D.** □□□ □□

Answer: B (LEAVE A REPLY)

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[illegible]

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1988□, □2□; GARP FRR □□ □□, □□ □□ □□.

NEW QUESTION: 59

[illegible]

- A.** □□□ □□□□ □□ □□□ □□□□□ □□□□ □□□□□ □□□ □□□ □□□□
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- C.** □□□ □□□□ □□ □□□ □□□□□ □□□□□ □□ □□□ □□□ □□□ □□□
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Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 60

Which one of the following statements describes Macauley's duration?

- A. The change in value of a bond when yields increase by 1 basis point.
- B. The weighted average life of the bond payments.
- C. The present value of the future cash flows of a bond calculated at a yield equal to 1%.
- D. □□ □□□□ 1% □□ □ □□ □□□ □□□ □□.

Answer: B ([LEAVE A REPLY](#))

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NEW QUESTION: 61

The operational risk policy should include:

- I. The firm's definition of risk
- II. The governance of operational risk including who owns it, what it owns, and how issues should be escalated
- III. The main activities and elements that are managed by the operational risk function

- A. I, III
- B. I, II, III
- C. II, III
- D. I, II

Answer: B ([LEAVE A REPLY](#))

2016-FRR □□ □□□ □□□□□ □□ DumpTop □□ □□□□ □□□ 2016-FRR □
□! DumpTop □ □□ **2016-FRR** □□ □□□ □□□□□□, DumpTop 2016-FRR □□
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DumpTop 2016-FRR □□□ □□□□□. <https://www.dumptop.com/GARP/2016-FRR-dump.html> (390 Q&As Dumps, **30%OFF** Special Discount: **KrDump**)

NEW QUESTION: 62

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- A.** ☐ ☐☐☐ ☐☐☐ 10,101 ☐☐ ☐☐☐ ☐☐☐☐.
- B.** ☐ ☐☐☐ ☐☐☐ 10,101 ☐☐☐ ☐☐☐ ☐☐☐☐.
- C.** ☐ ☐☐☐ ☐☐☐ 10,101 ☐☐ ☐☐☐ ☐☐☐☐☐.
- D.** ☐ ☐☐☐ ☐☐☐☐ 10,101 ☐☐☐☐ ☐☐☐☐☐☐.

Answer: A (LEAVE A REPLY)

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* $\frac{100,000,000 \text{ BRL}}{101} = \text{AUD } 990,099.0099 \frac{\text{BRL}}{101} = \text{AUD } 990,099.0099$

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$$\text{BRL } 100,000,000 \cdot \frac{1}{100} = \text{AUD } 1,000,000 \quad \frac{\text{BRL } 100,000,000}{100} = \text{AUD } 1,000,000$$

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□□: How Finance Works

NEW QUESTION: 63

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- A.** □□□; □□□
- B.** □□□; □□□
- C.** □□; □□□
- D.** □□□; □□

Answer: A (LEAVE A REPLY)

NEW QUESTION: 64

Which one of the following four exotic option types has another option as its underlying asset, and as a result

of its construction is generally believed to be very difficult to model?

- A. Compound options
- B. Spread options
- C. Binary options
- D. Chooser options

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 65

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- A. □□ □□□ □□□ □□ □□, □□□ □□□□ □□□ □□□□□ □□□□ □□ □□.
- B. □□□ □□□□ □□ □□ □□ □□□.
- C. □□□□ □ □□ □□□□□ □□ □□□ □□□□ □.
- D. □□□□ □□□ □□□□ □□ □□□□, □□□ □□ □□□□□ □□ □□□□□.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 66

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- A. □ □□□ □□ □□□ 10,101 □□ □□□ □□□ □□□□□.
- B. □ □□□ □□ □□□ 10,101 □□□ □□□ □□□ □□ □□□.
- C. □ □□□ □□□ 10,101 □□ □□□ □□□ □□□□□.
- D. □ □□□ □□□ 10,101 □□□ □□□ □□□ □□□□.

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 67

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- A. □□□□ □□□ □□□□□ □□ □□□□□.
- B. □□ □□□□ □□□□□ □□ □□□ □□□ □□ □□□□.
- C. □□□□ □□□□□ □□□□□ □□□ □□□ □□ □□□□.
- D. □□□□ □□□ □□□□□ □□□ □□ □□□□□ □□□□□.

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 68

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B. □□ □□□ □ □□ □□ □□□□ □□□□ □□□ □□□□ □□□ □□□□ □□□
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C. II □ IV

D. VaR □□□ □□, □□□ □□□ □□□□ □□□□ □□ □□ □□□□ □□□□□.

E. II, III, □ IV

F. □□ □□□ □□□ □□ □□□ □□ □□□□□ □□ □□□ □□□□ □□□□.

G. I, II □ III

H. □□□ □□ □□□ □□ □□ □□□□ □□□□□ □□□ □□□ □□□ □□□ □□
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VaR □□□ □□□□□.

Answer: (SHOW ANSWER)

NEW QUESTION: 69

A bank customer expecting to pay its Brazilian supplier BRL 100 million asks Alpha Bank to buy Australian dollars and sell Brazilian reals. Alpha bank does not hold reals so it asks for a quote to buy Brazilian reals in the market. The market rate is 100. The bank quotes a selling rate of 101 to its customer and sells the reals at this quoted price. Then the bank immediately buys the real at the market rate and completes foreign exchange matched transaction. What is the financial impact of this transaction for Alpha bank?

A. This transaction leaves the bank a profit of AUD 10,101.

B. This transaction leaves the bank a profit of BRL 10,101.

C. This transaction leaves the bank a loss of AUD 10,101.

D. This transaction leaves the bank a loss of BRL 10,101.

Answer: A (LEAVE A REPLY)

To calculate the financial impact of this transaction for Alpha Bank, follow these steps:

* Customer Transaction:

* Alpha Bank sells BRL 100 million at a quoted rate of 101 to the customer.

* The customer pays in AUD: $\text{BRL } 100,000,000 \times 101 = \text{AUD } 990,099.0099 \times \frac{\text{BRL } 100,000,000}{101} = \text{AUD } 990,099.0099 \times 101 \text{ BRL } 100,000,000 = \text{AUD } 990,099.0099$.

* Market Transaction:

* Alpha Bank buys BRL 100 million at the market rate of 100.

* The cost in AUD is: $\text{BRL } 100,000,000 \times 100 = \text{AUD } 1,000,000 \times \frac{\text{BRL } 100,000,000}{100} = \text{AUD } 1,000,000$

$1,000,000 \times 100 \text{ BRL } 100,000,000 = \text{AUD } 1,000,000$.

* Profit Calculation:

* Alpha Bank's profit = Amount received from customer - Cost in the market

* Profit = AUD1,010,000 - AUD1,000,000 = AUD10,000
AUD 1,010,000 - AUD 1,000,000 =

AUD10,000

AUD1,010,000 - AUD1,000,000 = AUD10,000.

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NEW QUESTION: 70

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D. □□ □□ □□ □□□ □□□ □□□□ □□□ □ □ □□□□ □□□□□.

Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 71

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B. □□□□ □□ □□□ □□ □□□ □□□□ □□□□□ □□□ □□□ □ □□□□.

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Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 72

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A. □□ □□

B. KRI □ □□□

C. 100 100 1000

D. 100 100

Answer: C ([LEAVE A REPLY](#))

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1000000(KRI) 100, 100 100 100 1000000 100000 1000, 100 1000 100 100 1000 100000. 100 II 100 100 1000000 GARP 1000 1000(FRR) 1000000 KRI 1000 100 1000 100000 10000.

* 100 100: KRI 100 1000 1000000(100: 1000 100 100).

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100 100000 1000 1000000:

* BCBS, "100 II: 100 100 100 1000 1000 100", 60

20060, 6640: "1000 100 100 100 1000000 100 100 1000 1000 1000000 1000... 1000 100000 1000 100 100000 100 10000 100, 100 100 100 1000 1000 1000000 10000."

* GARP FRR 100 100, 100 100 100: "100 100 100(KRI) 100 1000, 1000 100 100 1000 1000 1000. 100 1000 100 100000 100 100 1000 100 100000 100, KRI 1000 100000 1000 100000." 100: BCBS, "Basel II", 664-6650; GARP FRR 100 100, 100 100 100.

NEW QUESTION: 73

100 100 100 100 100 100 1000 1000 100 1000 100000 100000 100 100 100000 100000, 100 100 100000 100 100000 100000 100 1000 1000 100000000?

A. 100 100

B. 100 100

C. 100 100 100

D. 100000 100

Answer: ([SHOW ANSWER](#))

* 100 100: 100 100 1000 100 100 10000 100 10000 100000 100000 100000 100000 100 10000 100 100000 100000 100000 100 100000.

* 100 100: 10000 10000 100 100000 100000 10000 100 100 100 100 100 100 100 10000 100000000 100 10000 10000 100000, 100 10000 100 10000 10000 100000.

NEW QUESTION: 74

Given 1% VaR 99% is 200,000, H000 1% VaR is 100,000.

95% is 100,000, VaR is 100,000, H000 95% is 100,000?

A. 100,000 is 100,000, H000 95% is 100,000.

B. 100,000 is 100,000, H000 95% is 100,000.

C. VaR is 100,000, H000 95% is 100,000.

D. VaR is 100,000, H000 95% is 100,000.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 75

Which one of the following four formulas correctly identifies the expected loss for all credit instruments?

A. Expected Loss = Probability of Default x Loss Given Default + Exposure at Default

B. Expected Loss = Probability of Default x Loss Given Default x Exposure at Default

C. Expected Loss = Probability of Default x Loss Given Default - Exposure at Default

D. Expected Loss = Probability of Default x Loss Given Default / Exposure at Default

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 76

Alpha Bank determined that Delta Industrial Machinery Corporation has 2% change of default on a one-year no-payment of USD \$1 million, including interest and principal repayment. The bank charges 3% interest rate spread to firms in the machinery industry, and the risk-free interest rate is 6%. Alpha Bank receives both interest and principal payments once at the end the year. Delta can only default at the end of the year. If Delta defaults, the bank expects to lose 50% of its promised payment. What interest rate should Alpha Bank charge on the no-payment loan to Delta Industrial Machinery Corporation?

A. 8%

B. 9%

C. 10%

D. 12%

Answer: C ([LEAVE A REPLY](#))

To determine the appropriate interest rate to charge, Alpha Bank needs to cover the risk-free rate, the spread, and the expected loss due to default. The formula used is: Risk-free rate + Spread + (Probability of Default x Loss Given Default). Substituting the given values: 6% (risk-free rate) + 3% (spread) + (0.02 x 0.50) = 6% + 3% + 1% = 10%.

2016-FRR                          

NEW QUESTION: 77

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- II. □□ □□□ □□ □ □□ □□□ □□.
- III. □□□ □□□ □□ □□□ □ □□□ □□ □□ □□.
- IV. □□□□ □□□ □□□ □□ □ □□□ □□□ □□ □□□ □□□□ □□□.

- A.** I, II, IV
B. I, II, III
C. II, III, IV
D. I, III, IV

Answer: ([SHOW ANSWER](#))

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* II: □□ 11□ □□□ □□ □□□□ □□□□ □□ □□□ □□ □ □□ □□□ □□□ □
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* III: □□ 17□ □□ □□□ □□□□ □□□□ □□ □□□ □□ □□□□ □□□□□ □□
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NEW QUESTION: 78

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- I. □□□ □□ □□ □□□□□ □□□□ □□□.
- II. □□□□□ □□□ □□□ □□ □□ □□ □□
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- A. I, II**
- B. II, III**

C. ☐

D. III, IV

Answer: A (LEAVE A REPLY)

NEW QUESTION: 79

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B. ☐ ☐☐☐ ☐☐☐ ☐ ☐☐☐☐ ☐☐☐☐☐☐

C. □ □□ □□ □□□ □ □□□ □□□ □□.

D. ☐ ☐☐☐ ☐☐ ☐☐☐ ☐☐☐.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 80

100 0000 0000 0000 000 000 000 000 000 0000, 100 VaR(1000
 0) 800 000 000 00 00 000 0000 000. 100 0000 200 000
 0, 100 00 00 0000 600 00000. 0 0000 RAROC(100 00 00 0000) 0
 00000?

A. 25%

B. 17.5%

C. 33%

D. 12%

Answer: ([SHOW ANSWER](#))

□□ □□ □□ □□□(RAROC)□ □□□□ □□ □□ □□□ □□□□□.

RAROC = $\frac{\text{Economic Capital}}{\text{Risk Capital}} \times \text{VaR}$

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VaR 8,000,000 □ □ □ □ □ □ □ □. □ □ □ RAROC □ □ □ □ □ □ □ □. RAROC =

$$1,400,000 \text{ €} / 8,000,000 \text{ €} = 0.175 \text{ €} \text{ 17.5\%}$$

NEW QUESTION: 81

Which one of the four following non-statistical risk measures are typically not used to quantify market risk?

A. Option sensitivities

B. Net closed positions

C. Convexity

D. Basis point values

Answer: B (LEAVE A REPLY)

Non-statistical risk measures typically used to quantify market risk include:

* Option Sensitivities:

* Measures such as delta, gamma, vega, and theta which indicate how option prices are affected by various factors.

* Convexity:

* This measures the sensitivity of the duration of a bond to changes in interest rates, an important factor in bond risk management.

* Basis Point Values (BPV):

* This measures the change in the value of a financial instrument or portfolio for a one basis point change in yield, used to assess interest rate risk.

* Net Closed Positions:

* This is not typically used to quantify market risk. It simply represents the net value of positions that have been offset or closed out and does not provide a measure of risk exposure.

Thus, net closed positions are not typically used to quantify market risk.

References

Source: How Finance Works

NEW QUESTION: 82

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Answer: ([SHOW ANSWER](#))

NEW QUESTION: 83

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Answer: ([SHOW ANSWER](#))

NEW QUESTION: 84

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Answer: D (LEAVE A REPLY)

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NEW QUESTION: 85

Which of the following would a bank resort to as a "lender of last resort" in the event of an extreme liquidity crisis?

- A. Discount window
- B. LIBOR markets
- C. U.S treasury markets
- D. Futures Markets

Answer: A (LEAVE A REPLY)

NEW QUESTION: 86

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Answer: A (LEAVE A REPLY)

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500#300+100=300

How many times does the digit 3 appear in the number 300?

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00: How Finance Works

NEW QUESTION: 87

Which of the following is a true statement about the number 300?

A. The number 300 is a prime number.

B. The number 300 is a composite number.

C. The number 300 is a perfect square.

D. The number 300 is a perfect cube.

Answer: C ([LEAVE A REPLY](#))

* Option A: The number 300 is a prime number. This is false because 300 is a composite number.

* Option B: The number 300 is a composite number. This is true because 300 is a composite number.

* Option C: The number 300 is a perfect square. This is true because 300 is a perfect square.

* Option D: The number 300 is a perfect cube. This is false because 300 is not a perfect cube.

* Option E: The number 300 is a perfect fourth power. This is false because 300 is not a perfect fourth power.

* Option F: The number 300 is a perfect fifth power. This is false because 300 is not a perfect fifth power.

* Option G: The number 300 is a perfect sixth power. This is false because 300 is not a perfect sixth power.

* Option H: The number 300 is a perfect seventh power. This is false because 300 is not a perfect seventh power.

NEW QUESTION: 88

Which of the following is a true statement about the number 300?

I. The number 300 is a prime number.

II. The number 300 is a composite number.

III. The number 300 is a perfect square.

IV. The number 300 is a perfect cube.

A. I, II

B. I, III

C. II, III

D. I, II, IV

Answer: ([SHOW ANSWER](#))

* Option I: "The number 300 is a prime number." This is false because 300 is a composite number.

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NEW QUESTION: 89

Bank Alpha is making a decision about lending 10-year loans in a sector that is fairly illiquid and is looking at various options to fund the loans. Which of the following options to fund the loans exhibits the most exogenous liquidity risk?

- A. Overnight interbank markets
- B. The 6-month LIBOR markets
- C. The 1-year treasury markets
- D. Foreign exchange markets

Answer: (SHOW ANSWER)

Bank Alpha is making a decision about lending 10-year loans in a sector that is fairly illiquid. This type of lending requires stable and long-term funding sources to match the loan duration and illiquidity. Among the options provided:

- * Overnight interbank markets: This option involves very short-term borrowing which needs to be rolled over frequently. The liquidity risk is high because the market conditions can change daily, making it the most exogenous liquidity risk as the availability and cost of funds can vary widely and unpredictably.
- * The 6-month LIBOR markets: This is a short to medium-term funding option, still involving some liquidity risk due to the need for periodic refinancing, but less frequent than overnight markets.
- * The 1-year treasury markets: Treasury markets are generally more stable and have lower liquidity risk compared to interbank markets. However, they still require annual refinancing.
- * Foreign exchange markets: These markets add the complexity of currency risk along with liquidity risk.

Thus, overnight interbank markets exhibit the most exogenous liquidity risk due to the need for daily refinancing.

How Finance Works, relevant pages discussing liquidity risks associated with different funding options.

NEW QUESTION: 90

An associate from the finance group has been identified as an operational risk coordinator (ORC) for her department. To fulfill her ORC responsibilities the associate will need to:

- I. Provide main communication contact with operational risk department
- II. Provide main reporting contact with audit department
- III. Coordinate collection of key risk indicators in her area
- IV. Coordinate training and awareness activities in her area

A. I, II

B. II, III, IV

C. I, II, III

D. I, III, IV

Answer: D (LEAVE A REPLY)

An operational risk coordinator (ORC) needs to provide the main communication contact with the operational risk department (I), coordinate the collection of key risk indicators in her area (III), and coordinate training and awareness activities in her area (IV). The main reporting contact with the audit department (II) is not typically an ORC responsibility. References: Operational risk coordinator responsibilities as outlined in Financial Risk and Regulation documents.

NEW QUESTION: 91

Which one of the following four factors typically drives the pricing of wholesale products?

A. Marketing considerations

B. Prevailing market price

C. Long-term competitiveness

D. Overall risk exposure

Answer: (SHOW ANSWER)

The pricing of wholesale products is primarily driven by prevailing market prices. Unlike retail products, where marketing and customer retention strategies might influence pricing, wholesale products are priced based on the current market conditions, supply and demand dynamics, and competitive landscape. This ensures that the prices reflect the true market value and risks associated with the products.

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NEW QUESTION: 92

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Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 93

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Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 94

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- A. I, II, III
- B. II, III, IV
- C. II, IV
- D. I, III

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 95

Using a forward transaction, Omega Bank buys 100 metric tones of aluminum for delivery in six-months' time. However, after two months, the bank becomes concerned with the potential fluctuations in aluminum prices and wants to hedge its potential exposure against a possible decline in aluminum prices. Which one of the following four strategies could the

bank use to offset the risk from its current exposure to aluminum as it sets the price for selling the commodity in four-months' time?

- A. Sell an aluminum futures contract
- B. Buy an aluminum futures contract
- C. Sell an aluminum forward contract
- D. Buy an aluminum forward contract

Answer: A (LEAVE A REPLY)

To hedge against potential declines in aluminum prices, Omega Bank should take a position that benefits from a price drop. Here are the steps and strategies:

* Current Position:

* Omega Bank has bought 100 metric tons of aluminum for delivery in six months.

* Hedging Strategy:

* To protect against a decline in aluminum prices, the bank should take a short position in the aluminum futures market. This involves selling aluminum futures contracts.

* Execution:

* By selling an aluminum futures contract, Omega Bank locks in a price for selling aluminum in the future, thus offsetting the risk of price declines.

The correct strategy is to sell an aluminum futures contract, which effectively hedges the bank's exposure to a potential drop in aluminum prices.

References

Source: How Finance Works

NEW QUESTION: 96

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Answer: B (LEAVE A REPLY)

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NEW QUESTION: 97

Typically, which one of the following four option risk measures will be used to determine the number of options to use to hedge the underlying position?

- A. Vega
- B. Rho
- C. Delta
- D. Theta

Answer: C (LEAVE A REPLY)

Delta is the most commonly used risk measure to determine the number of options needed to hedge an underlying position. Delta measures the sensitivity of the option's price to changes in the price of the underlying asset. A delta-neutral portfolio, where the total delta is zero, effectively hedges against small movements in the underlying asset's price. Thus, risk managers frequently adjust their hedging strategies based on the delta of their positions.

NEW QUESTION: 98

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Answer: D (LEAVE A REPLY)

NEW QUESTION: 99

By foreign exchange market convention, spot foreign exchange transactions are to be exchanged at the spot date based on the following settlement rule:

- A. One-day rule
- B. Four-day rule
- C. Two-day rule
- D. Three-day rule

Answer: C (LEAVE A REPLY)

NEW QUESTION: 100

A risk associate responsible for the operational risk function wants to evaluate the upward reporting governance structure and to assess its critical features. Which one of the four attributes does not represent a critical feature of the upward reporting governance structure?

- A. Independence
- B. Importance
- C. Relevance
- D. Security

Answer: D (LEAVE A REPLY)

When evaluating the upward reporting governance structure in the context of operational risk, critical features include independence, importance, and relevance. Security is not typically considered a critical feature of the upward reporting governance structure. The focus is on ensuring that the governance structure is independent, important, and relevant

to the organization's operational risk management. References: Upward reporting governance structure guidelines.

NEW QUESTION: 101

Which of the following is a key principle of operational risk management?

- A. Operational risk management is a one-time exercise, and should be performed only once.
- B. Operational risk management is a continuous process, and should be updated regularly.
- C. Operational risk management is a reactive process, and should only be implemented after a risk event has occurred.
- D. Operational risk management is a proactive process, and should be implemented before a risk event occurs.

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 102

Which of the following is a key principle of Value-at-Risk (VaR)?

- A. VaR is a measure of the maximum potential loss over a given time period.
- B. VaR is a measure of the maximum potential loss over a given time period, and is calculated using historical data.
- C. VaR is a measure of the maximum potential loss over a given time period, and is calculated using a statistical model.
- D. VaR is a measure of the maximum potential loss over a given time period, and is calculated using a statistical model, and is updated regularly.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 103

The main building blocks of an operational risk framework include all of the following options EXCEPT:

- A. Loss data collection
- B. Risk and control self-assessment
- C. Compliance document preparation
- D. Scenario analysis

Answer: C ([LEAVE A REPLY](#))

The main building blocks of an operational risk framework typically include:

- * Loss data collection: Gathering historical loss data to understand past incidents and their impact.
- * Risk and control self-assessment (RCSA): Assessing and documenting the risks and controls within the organization.
- * Scenario analysis: Developing and analyzing potential future risk scenarios to understand their impact.

Compliance document preparation, while important for regulatory compliance, is not considered a core building block of an operational risk framework.

NEW QUESTION: 104

AlphaBank's management is evaluating how changes in its business environment could materially impact risk categories. As a result, bank's management decides to implement the structure, which facilitates the discussion in an integrative context, spanning market, credit, and operational risk factors, and encourages transparency and communication between risk disciplines. Which one of the following four approaches should the management choose to achieve this strategic goal?

- A. Regulatory risk management approach
- B. Enterprise risk management approach
- C. Scenario-based risk management approach
- D. Taxonomy-based risk management approach

Answer: B (LEAVE A REPLY)

To achieve a strategic goal that facilitates discussion in an integrative context spanning market, credit, and operational risk factors, and encourages transparency and communication between risk disciplines, AlphaBank's management should choose the enterprise risk management (ERM) approach. ERM integrates all types of risks and promotes a comprehensive risk management culture within the organization. References: Enterprise risk management approach as described in Financial Risk and Regulation documents.

NEW QUESTION: 105

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Answer: (SHOW ANSWER)

NEW QUESTION: 106

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Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 107

Floating rate bonds typically have _____ duration which means they have _____ sensitivity to interest rate changes.

- A. long, small
- B. long, high
- C. short, high
- D. short, small

Answer: (SHOW ANSWER)

Floating rate bonds typically have a short duration because their interest payments reset periodically, aligning closely with current interest rates. This frequent resetting makes them less sensitive to changes in interest rates compared to fixed-rate bonds, which have a long duration and are more sensitive to interest rate fluctuations.

NEW QUESTION: 108

John owns a bond portfolio worth \$2 million with duration of 10. What positions must he take to hedge this portfolio against a small parallel shifts in the term structure.

- A. Short position worth \$20 million with duration of 1.
- B. Short position worth \$2 million with duration of 10.
- C. Long position worth \$20 million with duration of 1.
- D. Long position worth \$2 million with duration of 10.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 109

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A. II

B. I, II

C. I, III

D. III

Answer: B ([LEAVE A REPLY](#))

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NEW QUESTION: 110

Which one of the following four statements about regulatory capital for a bank is accurate?

A. Regulatory capital is less than the regulatory capital requirement.

B. Regulatory capital is determined by rules imposed by an outside authority, such as a supervisor or central bank.

C. Regulatory capital reflects the economic tradeoffs of the bank as accurately as the bank can represent them.

D. Regulatory capital is the lowest level of economic capital the bank should have to meet regulatory requirement.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 111

Answer: A (LEAVE A REPLY)

NEW QUESTION: 114

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Answer: B ([LEAVE A REPLY](#))

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□□: How Finance Works

NEW QUESTION: 115

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- A. III, IV
- B. I, III, IV

C. I, II, III, IV

D. I, IV

Answer: (SHOW ANSWER)

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NEW QUESTION: 116

What is the role of market risk management function within a bank?

- I. Control and minimize the risks the bank should take.
- II. Establish a comprehensive market risk policy framework.
- III. Define, approve and monitor risk limits.
- IV. Perform stress tests and other qualitative risk assessments.

A. II and IV

B. I, II and III

C. I and III

D. II, III, and IV

Answer: D (LEAVE A REPLY)

NEW QUESTION: 117

When considering the advantages of operational risk function owned by the Chief Compliance Officer in a

financial institution, an operational risk manager consultant suggests that this governance approach will have

all of the following advantages except:

A. The operational risk function is closely linked in a partnership with the compliance function to leverage data and assessment activities.

B. The operational risk function quickly inherits an existing reporting structure, established meeting

schedules and functional reporting cycles from the compliance function.

C. In accordance with Basel II Accord, the operational risk function should report directly into the audit

function and strengthen that function.

D. This governance structure maintains an independent operational risk function.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 118

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Answer: B ([LEAVE A REPLY](#))

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NEW QUESTION: 119

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A. I, II

B. I, III

C. II, III

D. I, II, IV

Answer: A ([LEAVE A REPLY](#))

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NEW QUESTION: 120

A bank owns a portfolio of bonds whose composition is shown below.

Bond	Value	Modified Duration
3-year floater	\$200 MM	0.25
5-year floater	\$120 MM	0.25
10-year fixed	\$50 MM	8

What is the modified duration of the portfolio?

- A. 1.30
- B. 8.5
- C. 2.30
- D. 0.5

Answer: (SHOW ANSWER)

- * Calculate the weighted average of modified durations:
- * The modified duration of the portfolio is a weighted average of the durations of the individual bonds, where the weights are the proportions of the total portfolio value.
- * Calculate the total value of the portfolio: \$200 MM (3-year floater) + \$120 MM (5-year floater) + \$50 MM (10-year fixed) = \$370 MM.
- * Calculate the weights for each bond:
- * 3-year floater: $\$200 \text{ MM} / \$370 \text{ MM} = 0.5405$
- * 5-year floater: $\$120 \text{ MM} / \$370 \text{ MM} = 0.3243$
- * 10-year fixed: $\$50 \text{ MM} / \$370 \text{ MM} = 0.1351$
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- * $(0.5405 * 0.25) + (0.3243 * 0.25) + (0.1351 * 8) = 0.1351 + 0.0811 + 1.081 = 1.297$
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NEW QUESTION: 121

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Answer: C (LEAVE A REPLY)

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[dump.html](https://www.dumptop.com/GARP/2016-FRR-dump.html) (390 Q&As Dumps, **30%OFF** Special Discount: **KrDump**)

NEW QUESTION: 122

If a bank is long £500 million pounds, short £300 million in delta-equivalent pound options, and long £100 million in pound-denominated stocks, what is the amount of pound exposure that would be shown in the aggregated risk reports?

A. £300 million pounds

B. £500 million pounds

C. £800 million pounds

D. £900 million pounds

Answer: A (LEAVE A REPLY)

To determine the pound exposure in the aggregated risk reports, we sum the net positions:

* Long £500 million:

* The bank holds a long position of £500 million.

* Short £300 million in delta-equivalent pound options:

* This position reduces the exposure by £300 million.

* Long £100 million in pound-denominated stocks:

* This adds £100 million to the exposure.

Net exposure: $500 - 300 + 100 = 300$ million pounds
 $500 - 300 + 100 = 300$ million pounds
Thus, the pound exposure shown in the aggregated risk reports is £300 million.

ReferencesSource: How Finance Works

NEW QUESTION: 123

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Answer: B ([LEAVE A REPLY](#))

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NEW QUESTION: 124

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Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 125

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- B. II □ III
- C. I, II □ III
- D. II, III, IV

Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 126

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Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 127

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Answer: C ([LEAVE A REPLY](#))

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□: How Finance Works

NEW QUESTION: 128

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D. III, IV

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 129

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Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 130

Samuel Teng owns a portfolio of bonds and is trying to compute the convexity of his portfolio. Which of the following choices equals the convexity of Samuel's portfolio?

- A. Minimum of the convexities of the component bonds
- B. Value-weighted average convexity of the component bonds
- C. Coupon-weighted average convexity of the component bonds
- D. Maximum of the convexities of the component bonds

Answer: B (LEAVE A REPLY)

* Explanation:

* The convexity of a portfolio of bonds is calculated as the value-weighted average convexity of the individual bonds. This considers the proportion of each bond's value in relation to the total portfolio value.

References Explanation based on portfolio management principles.

NEW QUESTION: 131

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- A. 10%
- B. 15%
- C. 25%
- D. 40%

Answer: (SHOW ANSWER)

* CAPM $\square \square\square\square\square \square\square \square\square\square\square \square\square\square\square\square$: $\square\square \square\square\square = \square\square\square \square\square\square + \square\square \times \square\square \square\square \square\square\square\square$

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NEW QUESTION: 132

Which one of the following four metrics represents the difference between the expected loss and unexpected loss on a credit portfolio?

- A. Credit VaR**
B. Probability of default
C. Loss given default
D. Modified duration

Answer: A (LEAVE A REPLY)

Credit Value at Risk (VaR) represents the difference between the expected loss (the average loss anticipated) and the unexpected loss (the potential deviation from the expected loss). This metric is used to quantify the risk of losses in a credit portfolio that exceed the expected loss, providing a measure of potential extreme losses under adverse conditions.

References

* Verified information from the document

NEW QUESTION: 133

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C. I, III
D. I, II, III

Answer: D (LEAVE A REPLY)

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NEW QUESTION: 134

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A. III, IV

B. I, II

C. I, II, III, IV

D. II, III

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 135

Which of the following assets on the bank's balance sheet has greatest endogenous liquidity risk?

A. A 2-year U.S treasury bond

B. A 1-week corporate loan with a AAA rated company

C. A 10-year U.S treasury bond

D. A 3-year subprime mortgage

Answer: D ([LEAVE A REPLY](#))

Endogenous liquidity risk refers to the risk arising from the inherent characteristics of the asset itself, which can affect its liquidity under stress conditions.

* A 2-year U.S. Treasury bond (Option A) and a 10-year U.S. Treasury bond (Option C) are both highly liquid because they are backed by the U.S. government and have deep, well-functioning markets.

* A 1-week corporate loan with a AAA-rated company (Option B) has high credit quality and a short duration, making it relatively liquid.

* A 3-year subprime mortgage (Option D), however, carries significant credit risk and is less liquid due to its lower credit quality and the potential for higher default rates, particularly under stress conditions.

This makes it the asset with the greatest endogenous liquidity risk.

ReferencesBased on information on liquidity risks and the inherent risk characteristics of various assets as discussed in the document.

NEW QUESTION: 136

NEW QUESTION: 139

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A. I, II, III, IV

B. I, II

C. II, III

D. I, II, III

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 140

An asset and liability manager for a large financial institution has to recognize that retail products ____ include

embedded options, which are often not rationally exercised, while wholesale products ____ carry penalties for

repayment or include rights to terminate wholesale contracts on very different terms than are common in retail products.

A. Hardly ever; typically

B. Frequently; typically

C. Frequently; rarely

D. Hardly ever; rarely

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 141

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Answer: B ([LEAVE A REPLY](#))

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* BCBS, "□□ II: □□ □□ □ □□ □□□ □□□ □□", 6□

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* GARP FRR □□ □□, □□ □□ □□: "□□□□ □□□□ □□ □□ □□□ □□□ □□
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□□□□ □□□ □□□□□." □□: BCBS, "Basel II", 672□; GARP FRR □□ □□, □□
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NEW QUESTION: 142

Gamma Bank has \$300 million in loans and \$200 million in deposits. If the modified duration of the loans is estimated to be 2, and the modified duration of the deposits is estimated to be 1, then the change in Gamma

Bank's equity value per 1% change in yield will be:

- A. -\$2 million
- B. -\$1 million
- C. -\$3 million
- D. -\$4 million

Answer: D (LEAVE A REPLY)

NEW QUESTION: 143

Which one of the following statements is an advantage of using implied volatility as an input when calculating VaR?

- A. Implied volatility assumes volatilities are constant which makes it easy to implement in models.
- B. Current market data is used to determine implied volatilities, which makes them forward looking measures
- C. Implied volatilities are better at predicting actual volatilities
- D. Loss probabilities from the standard normal distribution are used to compute implied volatilities, which makes it easy to compute the.

Answer: B (LEAVE A REPLY)

Implied volatility is an estimate of the volatility of a security's price derived from market prices of options.

One of the key advantages of using implied volatility in VaR calculations is its forward-looking nature.

* Forward-Looking: Implied volatility reflects the market's expectations of future volatility. It is derived from the prices of options, which incorporate the collective market view on future price fluctuations.

* Current Market Data: Since implied volatility is based on current market prices, it adjusts to new information more quickly than historical volatility measures, making it a more timely indicator of risk.

Using implied volatility can provide a more accurate and responsive measure of risk, especially in dynamic market conditions.

References

* How Finance Works.pdf, p. 232

NEW QUESTION: 144

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- B.** □□□□□□ □□ □□ □□□ □□□□ □□□ □□ □□□□□□.
- C.** □□□ □ □□ □□□ □□□ □□□ □ □□□ □□ □□□ □□□ □□□.
- D.** □□ □□□ □□□□□.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 145

[illegible]

- A.** □ □□□□ □□ □□□□ □□ □□□□ □□ □□□□ □□□□□□
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- D.** □□□ □□□□ □□ □□□□ □□□□□ □□□□□□.

Answer: D (LEAVE A REPLY)

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NEW QUESTION: 146

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- B.** $\square\square\square\square\square = \square\square\square\square\square\square\square \pm \square\square\square\square + \square\square\square\square\square\square\square$
- C.** $\square\square\square\square\square = \square\square\square\square\square\square\square \pm \square\square\square\square\square + (1 + \square\square\square\square\square\square\square)$

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NEW QUESTION: 149

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- B. □□ □□□□ 0.01% □□□ □ □□ □□□ □□.
- C. □□ □□□□ 1% □□ □ □□ □□□ □□□ □□.
- D. □□ □□□□ 1 □□□□ □□□ □□□ □ □□ □□□ □□□ □□.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 150

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- A. II, III
- B. I, II
- C. □
- D. II, III, IV

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 151

For a bank a 1-year VaR of USD 10 million at 95% confidence level means that:

- A. There is a 5% chance that the worst loss would be USD 10 million in a year.
- B. There is a 5% chance that the bank would lose less than USD 10 million in a year.
- C. There is a 5% chance that the least loss would be USD 10 million in a year.
- D. There is a 5% chance that the bank would lose more than USD 10 million in a year.

Answer: D ([LEAVE A REPLY](#))

2016-FRR                          

NEW QUESTION: 152

[illegible]

- A. □□□□□□□□□□□□□□□□□□□□
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- B. □□□□□□□□□□□□□□□□□□□□.
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- C. □□□□□□□□□□□□□□□□.
- D. □□□□□□□□□□□□.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 153

Which one of the following four exercise features is typical for the most exchange-traded equity options?

- A. A shout option exercise feature**
B. European exercise feature
C. Asian exercise feature
D. American exercise feature

Answer: D (LEAVE A REPLY)

NEW QUESTION: 154

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- A.** □□□ □□.
- B.** □□□ □□
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Answer: C (LEAVE A REPLY)

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NEW QUESTION: 155

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- A. 100□ □□
- B. 70□ □□
- C. 50□ □□
- D. 40□ □□

Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 156

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Answer: ([SHOW ANSWER](#)**)**

NEW QUESTION: 157

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Answer: ([SHOW ANSWER](#))

NEW QUESTION: 158

□□ □ VaR(Value-at-Risk)□ □□□□ □□□ □□□□□?

A. VaR□ □□ □□ □□ □□ □□ □□ □□ □□□□□□□ □□□ □ □□ □□□ □□□□□.

B. VaR□ □□□ □□□ □□□ □□□□ □□ □□ □□ □□ □□ □□□□□□ □□□ □□□□ □□ □□ □□□□□.

C. VaR□ □□ □□ □□ □□□ □□ □□ □ □□□□□□.

D. VaR□ □□□ □□□ □□□ □□□□ □□ □□ □□ □□ □□ □□ □□ □□ □□ □□□ □□□□ □□□ □ □□ □□ □□ □□□□□.

Answer: ([SHOW ANSWER](#))

VaR(Value-at-Risk)□ □□ □□ □□ □□□□□□ □□ □□□ □□□□ □ □□□□ □ □□ □□□□□. □□ □□□ □□ □□ □□□ □□ □□□□ □□□ □ □□ □□ □□□ □ □□□□□.

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* Confidence Level: VaR is defined at a certain confidence level, typically 95% or 99%. This means there is a 95% (or 99%) probability that the loss will not exceed the VaR estimate.

For instance, a daily VaR of \$1 million at a 99% confidence level implies that there is only a 1% chance that the portfolio will lose more than \$1 million in a day.

References

* How Finance Works.pdf, p. 201

NEW QUESTION: 159

Bank Sigma has an opportunity to do a securitization deal for a credit card company, but has to retain a portion of the residual risk of the deal with an estimated VaR of \$8 MM. Its fees for the deal are \$2 MM, and the short-term financing costs are \$600,000. What would be the RAROC for this transaction?

A. 25%

B. 17.5%

C. 33%

D. 12%

Answer: ([SHOW ANSWER](#))

To calculate the Risk-Adjusted Return on Capital (RAROC), we use the formula:

$$\text{RAROC} = \frac{\text{Net Income}}{\text{Value at Risk (VaR)}}$$

Here, the net income from the transaction is the fees minus the financing costs:

$2,000,000 - 600,000 = 1,400,000$. $\text{VaR} = 8,000,000$.
 $\text{RAROC} = \frac{1,400,000}{8,000,000} = 0.175$ or 17.5%

NEW QUESTION: 160

DeltaFin RCSA is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets. Which of the following statements is correct?

DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets. II. DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets. III. DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets. IV. DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

III. DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

IV. DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

A. I, II, III, IV

B. II, III

C. I, II, IV

D. II, III, IV

Answer: C (LEAVE A REPLY)

* I: DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

* II: DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

* III: DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

* IV: DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

* DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

* DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

* IV: DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

* DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

NEW QUESTION: 161

Which of the following statements is correct?

A. DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

B. DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

C. DeltaFin is based on the assumption that the risk of a portfolio is the sum of the risks of the individual assets.

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Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 162

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B. Solvency II

C. □□□□□□□□

D. □□□□□□□□ □

Answer: D ([LEAVE A REPLY](#))

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NEW QUESTION: 163

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Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 164

What is the objective of a bank's risk management department?

A. Dictate best practices and proper risk tolerances to traders

B. Identify and execute trades that reduce the risk exposure of a firm

C. Provide timely and accurate risk information to decision-makers

D. Mitigate all risk no matter the size

Answer: (SHOW ANSWER)

Comprehensive and Detailed In-Depth Explanation:

The primary objective of a bank's risk management department is to provide timely and accurate risk information to decision-makers (e.g., senior management, board) to support informed risk-taking and compliance with regulatory standards. This aligns with Basel II's Pillar 1 and Pillar 2 requirements, which emphasize risk measurement, monitoring, and reporting. Option A is incorrect as risk management advises, not dictates, tolerances.

Option B is a trading function, not risk management's role. Option D is impractical, as eliminating all risk would hinder profitability-risk management balances risk and return.

Reference:BCBS, "Basel II: International Convergence of Capital Measurement and Capital Standards," June

2006, para. 718-720; GARP FRR Study Notes, Risk Governance Section.

NEW QUESTION: 165

Which of the following reports have been suggested by the FDIC that banks should produce in addition to the usual probabilistic analysis and stress tests in order to gauge liquidity issues?

- I. Cash flow gaps
- II. Funding availability
- III. Critical assumptions used in credit projections

A. I, II, III

B. I, II

C. I

D. I, III

Answer: A (LEAVE A REPLY)

NEW QUESTION: 166

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B. □□ □□□□ □□ □□□□ 50% □□□□□.

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D. □□ □□□□ □□ □□□□ 100% □□□□□.

Answer: B (LEAVE A REPLY)

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DumpTop 2016-FRR □□□ □□□□□. <https://www.dumptop.com/GARP/2016-FRR-dump.html> (390 Q&As Dumps, **30%OFF** Special Discount: **KrDump**)

NEW QUESTION: 167

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- C. 1.5 □□.
- D. 1.5 □□.

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 168

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Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 169

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- B. 550□□
- C. 750□□
- D. 1,050□□

Answer: C (LEAVE A REPLY)

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NEW QUESTION: 170

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IV. □□□ □□ □□ □□□

A. I □ II

B. III

C. I □ IV

D. III □ IV

Answer: A (LEAVE A REPLY)

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NEW QUESTION: 171

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A. I, II

B. I, III

C. II, IV

D. I, II, III, IV

Answer: D ([LEAVE A REPLY](#))

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NEW QUESTION: 172

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A. 50%

B. 10%

C. 500%

D. 20%

Answer: ([SHOW ANSWER](#))

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□□□□ □□: How Finance Works

NEW QUESTION: 173

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Answer: C (LEAVE A REPLY)

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NEW QUESTION: 174

A bank customer expecting to pay its Brazilian supplier BRL 100 million asks Alpha Bank to buy Australian dollars and sell Brazilian reals. Alpha bank does not hold reals so it asks for a quote to buy Brazilian reals in the market. The market rate is 100. The bank quotes a selling rate of 101 to its customer and sells the real at this quoted price. Then the bank immediately buys the real at the market rate and completes foreign exchange matched transaction. What is the impact of this transaction on the bank's risk profile?

- A. This transaction eliminates counterparty risk.
- B. This transaction eliminates operational risk.
- C. This transaction eliminates credit risk.
- D. This transaction eliminates market risk.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 175

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- A. I, II
- B. IV
- C. III, IV
- D. I, II, III □ IV

Answer: D ([LEAVE A REPLY](#))

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NEW QUESTION: 176

The market risk manager of SigmaBank is concerned with the value of the assets in the bank's trading book.

Which one of the four following positions would most likely be not included in that book?

- A. 300,000 options on IBM shares worth \$10,000,000.
- B. \$10,000,000 loan to IBM worth \$9,800,000.
- C. \$10,000,000 bond issued by IBM worth \$11,000,000.
- D. 10,000 shares of IBM worth \$10,000,000.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 177

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- B.** □□ □□□ □ □□□□ □□ □□□ □□□□ □□ □□□□□□.
- C.** □□ □□□ □ □□□□ □□ □□□ □□□ □□ □□□□□ □□ □ □□□□.
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Answer: ([SHOW ANSWER](#))

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* How Finance Works: "Counterparty credit risk and its management through collateral provisions is a critical aspect of financial risk management."

NEW QUESTION: 178

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- G.** I, II □ III
- H.** II, III, □ IV

Answer: A (LEAVE A REPLY)

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NEW QUESTION: 179

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Answer: C (LEAVE A REPLY)

NEW QUESTION: 180

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Answer: D (LEAVE A REPLY)

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NEW QUESTION: 181

Which one of the following four alternatives correctly identifies the purpose of a clearinghouse in trading activities?

- A. Reduction of counterparty risk and liquidity risk**
B. Reduction of basis risk and mark-to-market risk
C. Reduction of operational risk and credit risk
D. Reduction of market risk and credit risk

Answer: A (LEAVE A REPLY)

A clearinghouse serves several vital functions in trading activities, mainly focusing on reducing various types of risk:

* Counterparty Risk:

* The clearinghouse acts as an intermediary between buyers and sellers, ensuring that each party fulfills its contractual obligations. This reduces the risk that one party will default.

* Liquidity Risk:

* By centralizing and standardizing transactions, the clearinghouse enhances market liquidity, making it easier to buy and sell without causing significant price changes.

* Operational Risk:

* The clearinghouse standardizes and streamlines the clearing and settlement processes, reducing the risk of errors and delays.

* Credit Risk:

* The clearinghouse requires margin deposits and marks positions to market daily, minimizing credit risk.

Thus, the primary purpose of a clearinghouse is to reduce counterparty and liquidity risk.

ReferencesSource: How Finance Works

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NEW QUESTION: 182

To manage its credit portfolio, Beta Bank can directly sell the following portfolio elements:

I. Bonds

II. Marketable loans

III. Credit card loans

A. I

B. I, II

C. II

D. II, III

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 183

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Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 184

Mega Bank holds a \$250 million mortgage loan portfolio, which reprices every 5 years at LIBOR + 10%. The bank also has \$150 million in deposits that reprices every month at LIBOR + 3%. What is the amount of Mega Bank's rate sensitive assets?

A. \$100 million

B. \$150 million

C. \$200 million

D. \$250 million

Answer: ([SHOW ANSWER](#))

The amount of Mega Bank's rate-sensitive assets includes the \$250 million mortgage loan portfolio, which reprices every 5 years at LIBOR + 10%. Since this portfolio is subject to repricing based on LIBOR, it is considered a rate-sensitive asset.

NEW QUESTION: 185

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Answer: B (LEAVE A REPLY)

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NEW QUESTION: 186

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C. II, III

D. I, II, III

Answer: (SHOW ANSWER)

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NEW QUESTION: 187

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Answer: C (LEAVE A REPLY)

NEW QUESTION: 188

In the United States, stock investors must comply with the Regulation T of the Federal Reserve Bank and may borrow up to ____ of the value of the securities from their brokers.

A. 30%

B. 40%

C. 50%

D. 60%

Answer: C (LEAVE A REPLY)

* T Identify the regulation:

* Regulation T of the Federal Reserve Bank governs the amount of credit that brokers and dealers can extend to investors for the purchase of securities.

* Borrowing limit:

* Regulation T allows investors to borrow up to 50% of the value of the securities from their brokers.

* Explanation:

* This regulation is in place to limit the amount of leverage investors can use when buying securities, aiming to reduce the risk of significant market volatility and potential defaults.

References:

* From the search results and standard financial regulations knowledge, the limit specified in Regulation T is consistent with 50% of the value of the securities.

opic 3, Volume C

NEW QUESTION: 189

In addition to the commodity-specific risks, which of the following risks represent the main commodity derivative risks?

I. Basis

II. Term

III. Correlation

IV. Seasonality

A. I, II

B. II, III

C. I, IV

D. I, II, III, IV

Answer: D (LEAVE A REPLY)

Commodity derivative risks encompass a variety of factors, and among the main risks are:

* Basis Risk: This arises from the difference between the spot price of the commodity and the futures price of the commodity.

* Term Risk: This refers to the risk associated with the time to maturity of the derivative contract.

* Correlation Risk: This involves the risk that the price of the commodity does not move in correlation with the derivative being used to hedge.

* Seasonality Risk: This arises from the predictable fluctuations in commodity prices due to seasonal patterns.

All these risks are essential in understanding the complete risk profile associated with commodity derivatives.

References

Information verified based on the financial risk and regulation context provided in the book "How Finance Works".

NEW QUESTION: 190

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Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 191

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Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 193

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Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 194

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NEW QUESTION: 195

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Answer: A ([LEAVE A REPLY](#))

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NEW QUESTION: 196

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Answer: A ([LEAVE A REPLY](#))

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NEW QUESTION: 197

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D. 9□ □□□

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 198

A risk associate is trying to determine the required risk-adjusted rate of return on a stock using the Capital Asset Pricing Model. Which of the following equations should she use to calculate the required return?

A. Required return = risk-free return + beta x market risk

B. Required return = (1-risk free return) + beta x market risk

C. Required return = risk-free return + beta x (1 - market risk)

D. Required return = risk-free return + 1/beta x market risk

Answer: A ([LEAVE A REPLY](#))

* The Capital Asset Pricing Model (CAPM) equation used to calculate the required return on a stock is:

Required return = risk-free return + beta × (market risk premium).

* This formula helps determine the return an investor should expect for taking on additional risk compared to a risk-free asset.

NEW QUESTION: 199

A retail credit score of above 680 is generally considered to be "prime." The term "prime" means the borrower is what?

A. Low quality with low risk of default

B. High quality with high risk of default

C. Low quality with high risk of default

D. High quality with low risk of default

Answer: D ([LEAVE A REPLY](#))

Comprehensive and Detailed In-Depth Explanation:

In credit risk assessment, a "prime" borrower is one with a high credit score (e.g., above 680 on the FICO scale), indicating high credit quality and a low probability of default (PD). This classification is widely used in retail lending (e.g., mortgages, auto loans) to denote borrowers who are less risky, justifying lower interest rates. The Basel II framework, under the Internal Ratings-Based (IRB) approach, links credit quality to PD, where "prime" aligns with lower PD bands. Option D correctly pairs high quality (strong creditworthiness) with low risk of default. Option A is contradictory (low quality implies higher risk), Option B

reverses the risk profile, and Option C describes "subprime" borrowers (typically below 620).

Exact Extract from Official Source:

* BCBS, "Basel II: International Convergence of Capital Measurement and Capital Standards," June

2006, para. 211: "Under the IRB approach, banks must categorize banking-book exposures into broad classes of assets with different underlying risk characteristics... For retail exposures, this includes distinguishing between high-quality (low PD) and lower-quality (higher PD) borrowers."

* GARP FRR Study Notes, Credit Risk Section: "Prime borrowers, typically with credit scores above

680, are considered high-quality obligors with a low likelihood of default, contrasting with subprime borrowers who exhibit higher risk profiles." Reference:BCBS, "Basel II," para.211-215; GARP FRR Study Notes, Credit Risk Section.

NEW QUESTION: 200

Alpha Bank estimates its 1-month, 95% VaR is 30 million EUR. This means that in the next month, there is a

- A. 95% chance that AlphaBank will lose exactly 30 million EUR.
- B. 95% chance that AlphaBank will at least lose 30 million EUR.
- C. 95% chance that AlphaBank can lose more than 30 million EUR.
- D. 95% chance that AlphaBank can lose at most 30 million EUR.

Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 201

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Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 202

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Answer: C ([LEAVE A REPLY](#))

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2006□, 644-645□; GARP FRR □□ □□, □□ □□ □□.

NEW QUESTION: 203

Which one of the following four model types would assign an obligor to an obligor class based on the risk

characteristics of the borrower at the time the loan was originated and estimate the default probability based on

the past default rate of the members of that particular class?

A. Credit rating models

B. Causal models

C. Historical frequency models

D. Dynamic models

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 204

On January 1, 2010 the TED (treasury-euro dollar) spread was 0.4%, and on January 31, 2010 the TED spread is 0.9%. As a risk manager, how would you interpret this change?

A. The decrease in the TED spread indicates a decrease in credit risk on interbank loans.

B. The decrease in the TED spread indicates an increase in credit risk on interbank loans.

C. Increase in interest rates on both interbank loans and T-bills.

D. Increase in credit risk on T-bills.

Answer: ([SHOW ANSWER](#))

The TED spread measures the difference between the interest rates on interbank loans (Eurodollars) and short-term U.S. government debt (T-bills). An increase in the TED

spread indicates a higher perceived risk of default on interbank loans relative to T-bills. If the TED spread increased from 0.4% to 0.9%, it reflects an increase in credit risk

associated with interbank loans compared to T-bills.

NEW QUESTION: 205

Which one of the four following activities is NOT a component of the daily VaR computing process?

- A.** Updating factor interrelationships.
- B.** Computing portfolio risk by delta-normal or delta-gamma method.
- C.** Producing the VaR report.
- D.** Updating individual risk factor models.

NEW QUESTION: 206

- A.** 97.12.
B. 2.97.
C. 2,507.
D. 2.88.

NEW QUESTION: 207

- A.** The delta-hedging strategy.
B. The gamma-hedging strategy.
C. The vega-hedging strategy.
D. The theta-hedging strategy.

In the context of options trading, delta hedging involves managing the delta (rate of change of the option's price with respect to changes in the underlying asset's price) to be neutral.

* Execution risk: The risk of being unable to adjust positions quickly enough in response to market changes.

ReferencesSource: How Finance Works

[illegible]

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Answer: C (LEAVE A REPLY)

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NEW QUESTION: 209

For which one of the following four reasons do corporate customers use foreign exchange derivatives?

I. To lock in the current value of foreign-denominated receivables

II. To lock in the current value of foreign-denominated payables

III. To lock in the value of expected future foreign-denominated receivables IV. To lock in the value of expected future foreign-denominated payables

A. II

B. I and IV

C. II and III

D. I, II, III, IV

Answer: D (LEAVE A REPLY)

Corporate customers use foreign exchange derivatives for several reasons:

* To lock in the current value of foreign-denominated receivables (I)

* To lock in the current value of foreign-denominated payables (II)

* To lock in the value of expected future foreign-denominated receivables (III)

* To lock in the value of expected future foreign-denominated payables (IV) These derivatives are used as a hedging mechanism to manage currency risk and provide certainty regarding future cash flows and

* costs.

NEW QUESTION: 210

According to a Moody's study, the most important drivers of the loss given default historically have been all of the following EXCEPT:

I. Debt type and seniority

II. Macroeconomic environment

III. Obligor asset type

IV. Recourse

A. I

B. II

C. I, II

D. III, IV

Answer: D (LEAVE A REPLY)

* Key Drivers of Loss Given Default: According to Moody's study, the most important drivers of loss given default (LGD) historically have been debt type and seniority, and the macroeconomic environment. These factors directly impact the severity of losses in the event of default by determining the priority of debt repayments and the overall economic conditions affecting the obligor's ability to recover.

* Exclusions: The asset type of the obligor and recourse are not considered primary drivers of LGD in Moody's historical analysis. While they can influence the recovery process, they do not hold the same level of importance as the debt structure and economic conditions.

NEW QUESTION: 211

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A. 33.3%.

B. 50%.

C. 58%.

D. 72%.

Answer: A ([LEAVE A REPLY](#))

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□□ = $1 \square \square\square$, $5 \square\square \square\square + 5 \square\square \square\square = 1 \square \square\square$

* $\text{VaR}(\square\square\square\square)$: □□ □□□ □□□□ □□□□ □□□ □, □ $\text{VaR} \square \square\square\square \square\square\square\square$.

$\$100\text{million} + \$150\text{million} = \$250\text{million}$ $\$100 \text{ \, , \, } \text{million} + \$150 \text{ \, , \, } \text{million} = \$250 \text{ \, , \, }$
 $1 \square \square\square + 1 \square 5 \square\square \square\square = 2 \square 5 \square\square \square\square$

* RAROC □□: $\frac{\text{Residual Account Reduction Rate}}{\text{VaR}} = \frac{100 \text{ \, , \, } \text{million}}{250 \text{ \, , \, } \text{million}}$,

□□ = 0.4 □□ 40%

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NEW QUESTION: 212

James manages a loans portfolio. He has to evaluate a large number of loans to choose which of them he will

keep in the bank's books. Which one of the following four loans would he be most likely to sell to another bank?

- A.** Loan to a borrower who has been delinquent previously, but now is performing as agreed.
- B.** Loan made to a highly risky borrower that is fully collateralized by the customer's deposits.
- C.** Loan to a commercial customer with a good payment history and collateral.
- D.** Loan to a major customer who is also a director and a large owner.

Answer: C (LEAVE A REPLY)

NEW QUESTION: 213

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- A. 3**
B. 1.5
C. 0.8
D. 5

Answer: D (LEAVE A REPLY)

NEW QUESTION: 214

Which one of the following four features is NOT a typical characteristic of futures contracts?

- A.** Fixed notional amount per contract
B. Fixed dates for delivery
C. Traded Over-the-counter only
D. Daily margin calls

Answer: C (LEAVE A REPLY)

Futures contracts have several key characteristics that differentiate them from other types of financial instruments. The features include a fixed notional amount per contract, fixed dates for delivery, and daily margin calls to manage credit risk. Futures are standardized contracts traded on exchanges, not over-the-counter (OTC). OTC trading typically refers to securities or derivatives that are not listed on formal exchanges and are traded directly between parties, which is not a feature of futures contracts.

NEW QUESTION: 215

A bank considers issuing new capital to increase its Tier 1 capital levels. Which of the following financial instruments would most likely to be considered?

- A. Long-term and callable debt convertible to equity**

- B. Convertible preferred shares
- C. Short-term callable debt
- D. Short-term debt convertible to non-cumulative preferred shares

Answer: B (LEAVE A REPLY)

When a bank looks to issue new capital to increase its Tier 1 capital levels, the following instrument is most likely considered:

* Convertible Preferred Shares: These shares can be converted into common stock. They are considered part of Tier 1 capital because they have characteristics of equity, such as absorbing losses while the bank remains a going concern.

Long-term and callable debt, short-term callable debt, and short-term debt convertible to non-cumulative preferred shares do not typically qualify as Tier 1 capital because they do not provide the same level of loss absorption as equity instruments.

How Finance Works, sections discussing the components of Tier 1 capital and the suitability of different financial instruments.

NEW QUESTION: 216

Which of the following statements regarding collateralized debt obligations (CDOs) is correct?

- I. CDOs typically have loans or bonds as underlying collateral.
- II. CDOs generally less risky than CMOs.
- III. There is a correlation among defaults in the CDO collateral which should be considered in valuation of these complex instruments.

- A. I only
- B. I and III
- C. II and III
- D. I, II, and III

Answer: B (LEAVE A REPLY)

Collateralized debt obligations (CDOs) typically have loans or bonds as underlying collateral (Statement I).

There is also a correlation among defaults in the CDO collateral, which should be considered in their valuation due to the complexity of these instruments (Statement III).

Therefore, the correct statements are I and III.

NEW QUESTION: 217

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Answer: C (LEAVE A REPLY)

NEW QUESTION: 218

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Answer: A (LEAVE A REPLY)

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□□: How Finance Works

NEW QUESTION: 219

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- A. 10%**
B. 25%

C. 40%

D. 15%

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 220

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Answer: ([SHOW ANSWER](#))

NEW QUESTION: 221

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Answer: B ([LEAVE A REPLY](#))

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NEW QUESTION: 222

Alpha Bank, a small bank, has a long position with larger BetaBank and has an identical short position with another larger bank GammaBank. Each large bank requires a 20% initial collateral to support the trade. As prices fluctuate in either direction, one large bank will require additional collateral from the small bank, while the risk of loss to the other large bank will increase. By running the trades through a clearinghouse, the small bank can achieve all of the following objectives EXCEPT:

A. Eliminating the collateral requirement

B. Protecting itself against increases in future collateral demands

C. Protecting against the risk of the failure of one of the large banks

D. Mitigating option hedging risks and altering margin requirement

Answer: D ([LEAVE A REPLY](#))

Running trades through a clearinghouse provides several advantages for the small bank, including:

* Eliminating the Collateral Requirement:

- * The clearinghouse nets positions and reduces the need for bilateral collateral postings.
- * Protecting Against Increases in Future Collateral Demands:
- * Centralized clearing reduces the potential for unexpected margin calls as prices fluctuate.
- * Protecting Against the Risk of the Failure of One of the Large Banks:
- * The clearinghouse acts as a central counterparty, reducing the impact if one large bank fails.

However, the clearinghouse does not specifically address option hedging risks or alter margin requirements directly related to options. Therefore, the correct answer is that running trades through a clearinghouse does not achieve the objective of mitigating option hedging risks and altering margin requirements.

ReferencesSource: How Finance Works

NEW QUESTION: 223

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Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 224

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- A. II, III, □ IV
- B. I □ II
- C. I, II □ III
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Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 225

Which of the following is a characteristic of a money market fund?

- A. It invests in a diversified portfolio of stocks and bonds.
- B. It invests in a portfolio of short-term, high-quality debt securities.
- C. It invests in a portfolio of long-term, high-quality debt securities.
- D. It invests in a portfolio of short-term, high-quality debt securities, but it also invests in a small amount of equity securities.

Answer: C ([LEAVE A REPLY](#))

Money market funds are a type of mutual fund that invests in a portfolio of short-term, high-quality debt securities. They are designed to provide investors with a safe and stable investment option that can generate a steady stream of income.

* Money market funds:

* They invest in a portfolio of short-term, high-quality debt securities, such as Treasury bills, commercial paper, and certificates of deposit.

* They are designed to provide investors with a safe and stable investment option that can generate a steady stream of income.

* They are typically considered to be a low-risk investment option.

* They are typically considered to be a low-risk investment option.

* They are typically considered to be a low-risk investment option.

* The funds are deposited or invested in high-yield instruments denominated in the high-interest currency.

* The profit arises from the differential between the interest paid on the borrowed currency and the interest earned on the invested currency.

This strategy benefits from interest rate differentials and can yield significant profits if exchange rates remain stable or move favorably.

ReferencesSource: How Finance Works

NEW QUESTION: 226

Which of the following is a characteristic of a money market fund?

- A. It invests in a diversified portfolio of stocks and bonds.
- B. It invests in a portfolio of short-term, high-quality debt securities.
- C. It invests in a portfolio of long-term, high-quality debt securities.
- D. It invests in a portfolio of short-term, high-quality debt securities, but it also invests in a small amount of equity securities.

Answer: C ([LEAVE A REPLY](#))

Money market funds are a type of mutual fund that invests in a portfolio of short-term, high-quality debt securities. They are designed to provide investors with a safe and stable investment option that can generate a steady stream of income.

* Money market funds:

* They invest in a portfolio of short-term, high-quality debt securities, such as Treasury bills, commercial paper, and certificates of deposit.

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[dump.html](https://www.dumptop.com/GARP/2016-FRR-dump.html) (390 Q&As Dumps, **30%OFF** Special Discount: **KrDump**)

NEW QUESTION: 227

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D. III, IV

Answer: A ([LEAVE A REPLY](#))

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NEW QUESTION: 228

To protect the oranges harvest price level, a farmer needs to take a hedge position. Provided that he produces the amount he hedged, which one of the following four strategies will allow the farmer to accomplish his goal?

- A. Going short on oranges futures contracts
- B. Going long on oranges futures contracts
- C. Entering into a customized forward contract with the bank
- D. Negotiating a credit line facility

Answer: A (LEAVE A REPLY)

* To hedge against the price risk of a future harvest, a farmer would take a position opposite to their exposure.

* By going short on futures contracts, the farmer locks in a selling price for the oranges, protecting against a potential decline in market prices at the time of harvest.

* This strategy effectively sets a future selling price, ensuring revenue stability regardless of market

* fluctuations.

NEW QUESTION: 229

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Answer: C (LEAVE A REPLY)

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NEW QUESTION: 230

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Answer: D (LEAVE A REPLY)

NEW QUESTION: 231

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A. I, II

B. I, III

C. II, IV

D. I, II, III, IV

Answer: D ([LEAVE A REPLY](#))

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NEW QUESTION: 232

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Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 233

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- A. 8%
- B. 17%
- C. 30%
- D. 35%

Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 234

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- A. I, IV
- B. I, III
- C. II, IV
- D. I, II

Answer: A (LEAVE A REPLY)

NEW QUESTION: 235

On January 1, 2010 the TED (treasury-euro dollar) spread was 0.9%, and on January 31, 2010 the TED spread

is 0.4%. As a risk manager, how would you interpret this change?

- A.** The decrease in the TED spread indicates a decrease in credit risk on interbank loans.
- B.** The decrease in the TED spread indicates an increase in credit risk on interbank loans.
- C.** Increase in credit risk on T-bills.
- D.** Increase in interest rates on both interbank loans and T-bills.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 236

A trader inadvertently booked a trade with incorrect information. A subsequent market move resulted in a gain

to the bank. Should the bank include this amount of gain into its operational loss event data program?

- I. The bank should include this gain in its operational loss event data program as a gain realized due to operational risk events.
- II. The bank should include this gain in its operational loss event data program as it indicates that a control failed or a process is flawed.
- III. The bank should include this event in its operational loss event data program and record the gain as a loss resulting from operational risk. The bank should not include this event in its operational loss event data program as it is not a loss event, but a market risk event.

- A.** I, II and III
- B.** I and II
- C.** II and III
- D.** I and III

Answer: B (LEAVE A REPLY)

NEW QUESTION: 237

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C. 100 000; 100 000; 100 000

D. 100 000, 100 000, 100 000

Answer: B ([LEAVE A REPLY](#))

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NEW QUESTION: 238

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A. II, III

B. I, II

C. I, II, III

D. I, IV

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 239

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C. 00 00 00 10000 000 00000 1,000,000 00 000 00000.

D. 00 00 10500 00 00000 00 00000 1,050,050 00 000 00000.

Answer: A ([LEAVE A REPLY](#))

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□□: How Finance Works

NEW QUESTION: 240

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Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 241

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Answer: B ([LEAVE A REPLY](#))

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DumpTop 2016-FRR □□□ □□□□□. <https://www.dumptop.com/GARP/2016-FRR-dump.html> (390 Q&As Dumps, 30%OFF Special Discount: **KrDump**)

NEW QUESTION: 242

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Answer: C ([LEAVE A REPLY](#))

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NEW QUESTION: 243

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Answer: ([SHOW ANSWER](#))

NEW QUESTION: 244

Which one of the following is a definition of spread risk?

- A.** The risk of a change in the price of the credit without a change in the underlying credit rating
- B.** The risk of a change in the value of collateral or the recoverability on the exposure
- C.** The risk of a downgrade in internal or external credit ratings
- D.** The risk of a change in the differences in loss estimates between structural and reduced form models

Answer: A ([LEAVE A REPLY](#))

Comprehensive and Detailed In-Depth Explanation:

Spread risk refers to the risk of a change in an instrument's price due to fluctuations in its credit spread (the yield premium over a risk-free rate), without a change in its credit rating. This is a market risk factor, often affecting bonds or CDS, driven by market perceptions rather than rating agency actions. Option B relates to collateral risk, Option C to credit rating risk, and Option D to modeling discrepancies-none define spread risk. GARP's FRR and Basel III market risk rules support this definition.

Reference:GARP FRR Study Notes, Market Risk Section; BCBS, "Basel III: A Global Regulatory Framework," para. 689.

NEW QUESTION: 245

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Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 246

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Answer: ([SHOW ANSWER](#))

NEW QUESTION: 247

A trader for EtaBank wants to take a leveraged position in Collateralized Debt Obligations. If these CDOs can be used in a repo transaction at a 20% haircut, what is the maximum leverage factor for a transaction with the CDOs?

A. 0.8

B. 1.5

C. 3

D. 5

Answer: C ([LEAVE A REPLY](#))

* Identify the variables:

* Haircut in a repo transaction: 20%

* This implies that the lender will provide cash equivalent to 80% of the value of the collateral (CDOs in this case).

* Calculate the maximum leverage factor:

* The leverage factor can be calculated as the reciprocal of the proportion of the value after the haircut.

Leverage factor = $\frac{1}{\text{Haircut percentage}}$ Leverage factor = $\frac{1}{0.20}$

* Given a 20% haircut, the calculation is:

Leverage factor = $\frac{1}{0.20} = 5$ Leverage factor = $\frac{1}{0.20} = 5$

* However, in practice, leverage is often cited with respect to the additional amount borrowed relative to the initial equity. Thus, the effective leverage factor here is:

Leverage factor = $\frac{1}{0.20} = 5$ Leverage factor = $\frac{1}{0.20} = 5$

References:

* This detailed calculation is consistent with the principles outlined in financial risk management practices and the information provided in the document.

NEW QUESTION: 248

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D. □□□, □□, □□□.

Answer: A ([LEAVE A REPLY](#))

NEW QUESTION: 249

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Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 250

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Answer: D ([LEAVE A REPLY](#))

NEW QUESTION: 251

According to Basel II what constitutes Tier 1 capital?

- A. Equity capital and core capital
- B. Profits to reserves and innovative Tier 1 capital
- C. Equity capital and accrued profits to reserves
- D. Core capital and innovative Tier 1 capital.

Answer: C ([LEAVE A REPLY](#))

Under Basel II, Tier 1 capital, also known as core capital, includes:

* Equity Capital: This includes common stock and retained earnings. It is the highest quality of capital because it is fully available to cover losses.

* Accrued Profits to Reserves: Profits that are retained and not distributed as dividends are added to reserves, increasing the bank's capital base.

This combination of equity capital and retained earnings ensures that Tier 1 capital is robust and able to absorb significant losses, thereby providing a strong financial

cushion. References: How Finance Works, sections on regulatory capital requirements and the components of Tier 1 capital.

NEW QUESTION: 252

Which of the following is not a component of Tier 1 capital?

A. Common stock, including noncumulative preferred stock.

B. Noncumulative preferred stock with a noncumulative dividend rate of 2% or less.

C. Cumulative preferred stock with a dividend rate of 2% or less.

D. Cumulative preferred stock with a dividend rate of 2% or less, provided the dividend is in arrears for 90 days.

Answer: D ([LEAVE A REPLY](#))

According to the Basel Accords, Tier 1 capital is the core of a bank's capital. It consists of common equity, including noncumulative preferred stock, and noncumulative preferred stock with a noncumulative dividend rate of 2% or less. Cumulative preferred stock with a dividend rate of 2% or less is not included in Tier 1 capital, even if the dividend is in arrears for 90 days.

NEW QUESTION: 253

Bank A has a capital ratio of 10% (Big Bath) and a 5% capital ratio. Bank B has a capital ratio of 5% and a 5% capital ratio. Bank C has a capital ratio of 5% and a 2% capital ratio. Bank D has a capital ratio of 5% and a 2% capital ratio.

50% of the capital ratio is the capital ratio. Which of the following is the capital ratio?

A. 500%

B. 750%

C. 1,000%

D. 1,300%

Answer: ([SHOW ANSWER](#))

Bank A has a capital ratio of 10% (Big Bath) and a 5% capital ratio. Bank B has a capital ratio of 5% and a 5% capital ratio. Bank C has a capital ratio of 5% and a 2% capital ratio. Bank D has a capital ratio of 5% and a 2% capital ratio.

* Bank A (EAD - EAD): 100,000%

* Bank B: 55,000%

* Bank C (EAD - EAD): 100,000% - 55,000% = 45,000%

* Bank D (LGD): 50% of 50% = 50% × 45,000% = 22,500% LGD

50% × \$45,000 = \$22,500

* Bank A (EAD - EAD): 2%

* Bank B: 55,000% × LGD

Bank A = 2% × 22,500% = 0.02 × 22,500% = 450%. Bank B = 55,000% × 2% = 1,100%.

Bank C = 45,000% × 2% = 900%. Bank D = 22,500% × 2% = 450%.

Bank A = 450% × LGD × 50% = 450% × 50% = 225%.

NEW QUESTION: 254

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Answer: B (LEAVE A REPLY)

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NEW QUESTION: 255

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B. II

C. I, III

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Answer: (SHOW ANSWER)

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NEW QUESTION: 256

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Answer: A ([LEAVE A REPLY](#))

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2016-FRR □□ □□□ □□□□□ □□ DumpTop □□ □□□□ □□□ 2016-FRR □ □! DumpTop □ □□ **2016-FRR** □□ □□□ □□□□□□, DumpTop 2016-FRR □□ □□□ □□□□□□□□ □□□ □□□□□□□□. □□□□ □□□ □□□□ □□ DumpTop 2016-FRR □□□ □□□□□. <https://www.dumptop.com/GARP/2016-FRR-dump.html> (390 Q&As Dumps, **30%OFF** Special Discount: **KrDump**)

NEW QUESTION: 257

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- A. 500□□
- B. 750□□
- C. 1,000□□
- D. 1,300□□

Answer: C (LEAVE A REPLY)

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NEW QUESTION: 258

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- A. □□ 1,200□ □□
- B. □□ 200□ □□
- C. □□ 500□ □□
- D. □□ 900□ □□

Answer: D (LEAVE A REPLY)

NEW QUESTION: 259

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IV. □□ □□ □□ □□ □ □□ □□ □□

A. III

B. I, II, IV

C. I, II

D. IV

Answer: B ([LEAVE A REPLY](#))

NEW QUESTION: 260

□□ II□ □□□ □□□□(Tier 2 capital)□□ □□□ □□□□□?

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Answer: ([SHOW ANSWER](#))

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NEW QUESTION: 261

Mega Bank holds a \$250 million mortgage loan portfolio, which reprices every 5 years at LIBOR + 10%. The

bank also has \$150 million in deposits that reprices every month at LIBOR + 3%. What is the amount of Mega

Bank's rate sensitive assets?

A. \$200 million

B. \$100 million

C. \$250 million

D. \$150 million

Answer: C ([LEAVE A REPLY](#))

NEW QUESTION: 262

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A. □□ □□ □□□□ □□□

B. VaR(Value-at-Risk) □□□□

C. □□□ □□ □□ □□

D. 100 million people

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 263

Which of the following is NOT a characteristic of the Garman-Kohlhagen model?

1. The model assumes that the interest rate is constant.

A. The model assumes that the interest rate is constant.

B. The model assumes that the interest rate is constant.

C. Garman-Kohlhagen model assumes that the interest rate is constant.

D. The Garman-Kohlhagen model assumes that the interest rate is constant.

Answer: ([SHOW ANSWER](#))

NEW QUESTION: 264

Which of the following is NOT a characteristic of the Garman-Kohlhagen model?

I. The model assumes that the interest rate is constant.

II. The Garman-Kohlhagen model assumes that the interest rate is constant.

III. The Garman-Kohlhagen model assumes that the interest rate is constant.

A. II

B. I, II

C. I, III

D. III

Answer: B ([LEAVE A REPLY](#))

* I: The Garman-Kohlhagen model assumes that the interest rate is constant.

* The Garman-Kohlhagen model assumes that the interest rate is constant, and the interest rate is constant. The Garman-Kohlhagen model assumes that the interest rate is constant.

* II: The Garman-Kohlhagen model assumes that the interest rate is constant.

* The Garman-Kohlhagen model assumes that the interest rate is constant (the interest rate is constant) and the interest rate is constant. The Garman-Kohlhagen model assumes that the interest rate is constant.

* III: The Garman-Kohlhagen model assumes that the interest rate is constant.

* The Garman-Kohlhagen model assumes that the interest rate is constant and the interest rate is constant.

The Garman-Kohlhagen model assumes that the interest rate is constant.

100 million people

100 million people: How Finance Works

NEW QUESTION: 265

Which of the following is NOT a characteristic of the Garman-Kohlhagen model?

- I. $\frac{1}{2}$ of the total number of people who attended the conference were from outside the country.
- II. $\frac{1}{3}$ of the total number of people who attended the conference were from outside the country.
- III. $\frac{1}{4}$ of the total number of people who attended the conference were from outside the country.
- IV. $\frac{1}{5}$ of the total number of people who attended the conference were from outside the country.

- A. I, II
- B. I, III
- C. II, III
- D. I, II, IV

Answer: (SHOW ANSWER)

- $\frac{1}{2}$ of the total number of people who attended the conference were from outside the country.
- * $\frac{1}{3}$ of the total number of people who attended the conference were from outside the country.
- * $\frac{1}{4}$ of the total number of people who attended the conference were from outside the country.
- * $\frac{1}{5}$ of the total number of people who attended the conference were from outside the country.
- * $\frac{1}{6}$ of the total number of people who attended the conference were from outside the country.
- * $\frac{1}{7}$ of the total number of people who attended the conference were from outside the country.
- * $\frac{1}{8}$ of the total number of people who attended the conference were from outside the country.
- * $\frac{1}{9}$ of the total number of people who attended the conference were from outside the country.
- * $\frac{1}{10}$ of the total number of people who attended the conference were from outside the country.

NEW QUESTION: 266

- $\frac{1}{2}$ of the total number of people who attended the conference were from outside the country.
- A. $\frac{1}{3}$ of the total number of people who attended the conference were from outside the country.
 - B. $\frac{1}{4}$ of the total number of people who attended the conference were from outside the country.
 - C. $\frac{1}{5}$ of the total number of people who attended the conference were from outside the country.
 - D. $\frac{1}{6}$ of the total number of people who attended the conference were from outside the country.

Answer: A (LEAVE A REPLY)

NEW QUESTION: 267

- $\frac{1}{2}$ of the total number of people who attended the conference were from outside the country.
- A. $\frac{1}{3}$ of the total number of people who attended the conference were from outside the country.
 - B. $\frac{1}{4}$ of the total number of people who attended the conference were from outside the country.
 - C. $\frac{1}{5}$ of the total number of people who attended the conference were from outside the country.
 - D. $\frac{1}{6}$ of the total number of people who attended the conference were from outside the country.

Answer: B (LEAVE A REPLY)

NEW QUESTION: 268

- $\frac{1}{2}$ of the total number of people who attended the conference were from outside the country.
- A. $\frac{1}{3}$ of the total number of people who attended the conference were from outside the country.
 - B. $\frac{1}{4}$ of the total number of people who attended the conference were from outside the country.
 - C. $\frac{1}{5}$ of the total number of people who attended the conference were from outside the country.

D. □□□ □□

Answer: C ([LEAVE A REPLY](#))

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