



Exam Code: 3I0-008

Exam Name: ACI DEALING CERTIFICATE

Vendor: ACI

Version: DEMO

Part: A

1: Click on the Exhibit Button to view the Formula Sheet.

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

- A.USD 124,641,442.43
- B.USD 124,636,476.94
- C.USD 124,635,416.67
- D.USD 123,915,737.30

Correct Answers: B

2: Click on the Exhibit Button to view the Formula Sheet.

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

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

Correct Answers: B

3: Click on the Exhibit Button to view the Formula Sheet. Today's date is Thursday 12th December.

What is the spot value date? Assume no bank holidays.

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

Correct Answers: C

4: Click on the Exhibit Button to view the Formula Sheet. EURIBOR is the:

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

Correct Answers: A

5: Click on the Exhibit Button to view the Formula Sheet. Which of the following rates represents the highest investment yield in the euromarket?

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

Correct Answers: C

6: Click on the Exhibit Button to view the Formula Sheet. Which of the following are transferable instruments?

- A.Eurocertificate of deposit
- B.US Treasury bill
- C.CP
- D.All of the above

Correct Answers: D

7: Click on the Exhibit Button to view the Formula Sheet. Which of the following is always a secured instrument?

- A.ECP
- B.Repo
- C.Interbank deposit
- D.CD

Correct Answers: B

8: Click on the Exhibit Button to view the Formula Sheet. Which of the following is sometimes called two-name paper?

- A.ECP
- B.BA or bank bill
- C.Treasury bill
- D.CD

Correct Answers: B

9: Click on the Exhibit Button to view the Formula Sheet. What usually happens to the collateral in a tri-party repo?

- A.It is put at the disposal of the buyer
- B.It is held by the seller in the name of the buyer
- C.It is held by the tri-party agent in the name of the buyer
- D.It is frozen in the sellers account with the tri-party agent

Correct Answers: C

10: Click on the Exhibit Button to view the Formula Sheet. Which type of repo is the least risky for the buyer?

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

Correct Answers: A

11: Click on the Exhibit Button to view the Formula Sheet.

A customer gives you GBP 25 million at 6.625% same day for 7 days.

Through a broker, you place the funds with a bank for the same period at 6.6875%.

Brokerage is charged at 2 basis points per annum.

What is the net profit or loss on the deal?

- A.Profit of GBP 299.66

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

Correct Answers: B

12: Click on the Exhibit Button to view the Formula Sheet. What are the secondary market proceeds of a CD with a face value of EUR 5 million and a coupon of 3% that was issued at par for 182 days and is now trading at 3% but with only 7 days remaining to maturity?

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

Correct Answers: D

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

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

Correct Answers: C

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

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

Correct Answers: C

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

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

Correct Answers: D

16: Click on the Exhibit Button to view the Formula Sheet. If EUR/USD is quoted to you as

1.1050-53, does this price represent?

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

Correct Answers: B

17: Click on the Exhibit Button to view the Formula Sheet. How much is a big figure worth per million of base currency if EUR/GBP is 0.6990?

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

Correct Answers: A

18: Click on the Exhibit Button to view the Formula Sheet. What is the incentive for market-making?

- A.Bid/offer spread
- B.Flow information
- C.Relationships
- D.All of the above

Correct Answers: D

19: Click on the Exhibit Button to view the Formula Sheet. The forward points are calculated from:

- A.The level of interest rates in the base currency
- B.The level of interest rates in the quoted currency
- C.The interest rates in the two currencies
- D.Your expectations of the future spot rate

Correct Answers: C

20: Click on the Exhibit Button to view the Formula Sheet. If 6-month EUR/AUD is quoted at 29/32, which of the following statements is correct?

- A.EUR rates are higher than AUD rates in the 6-month
- B.AUD rates are higher than EUR rates in the 6-month
- C.There is a positive EUR yield curve
- D.There is not enough information to decide

Correct Answers: B