

DUMPS ARENA

ACI Dealing Certificate

ACI 310-012

Version Demo

Total Demo Questions: 20

Total Premium Questions: 740

Buy Premium PDF

<https://dumpsarena.co>

sales@dumpsarena.co

sales@dumpsarena.co
dumpsarena.co

Topic Break Down

Topic	No. of Questions
Topic 1, Volume A	100
Topic 2, Volume B	100
Topic 3, Volume C	100
Topic 4, Volume D	100
Topic 5, Volume E	100
Topic 6, Volume F	100
Topic 7, Volume G	140
Total	740

QUESTION NO: 1

The major risk to the effectiveness of netting is:

- A. Credit risk
- B. Settlement risk
- C. Liquidity risk
- D. Legal risk

ANSWER: D**QUESTION NO: 2**

What is the recommended follow-up procedure in case of a settlement discrepancy?

- A. All investigation cases should be handled within the same day
- B. All investigation cases should be handled within 2 days
- C. Investigation cases received before noon should be handled within the same day and those received after midday should be handled before noon the next day
- D. Investigation cases received before noon should be handled within the same day and those received after midday within 24 hours

ANSWER: C**QUESTION NO: 3**

Today's spot value date is Friday 27th February. What is normally the 1-month maturity date? Assume no bank holidays.

- A. 28th March
- B. 29th March
- C. 30th March
- D. 31st March

ANSWER: D

QUESTION NO: 4

Which of the following correctly states the Model Code's recommendations regarding terms and documentation?

- A. Such documentation should be bi-laterally signed by the dealers of both principals intending to transact business.
- B. When using such agreements... the wording in the agreement must be changed to match the actual transaction details after trading.
- C. Such documentation should be signed, in many cases before any applicable market transactions are entered into.
- D. For instruments where standard terms do not exist, the Model Code recommends that no documentation should be used.

ANSWER: C**QUESTION NO: 5**

The two-week repo rate for the 5.25% bund 2007 is quoted to you at 3.33-38%. You agree to reverse in bonds worth EUR 266,125,000 with no initial margin. You would earn repo interest of

- A. EUR 349,806
- B. EUR 344,632
- C. EUR 319,315
- D. EUR 324,110

ANSWER: B**QUESTION NO: 6**

Which of the following will tend to have the higher yield?

- A. Treasury bill
- B. Repo against Treasury bill collateral
- C. They have the same yield
- D. Cannot say

ANSWER: B**QUESTION NO: 7**

You are quoted the following rates:

Spot USD/JPY 97.10-15

3M USD/JPY swap 9/6

Spot USD/CHF 0.9320-23 3M USD/CHF swap 11/8

Where can you sell CHF against JPY 3-month outright?

- A. 104.14
- B. 104.21
- C. 104.23
- D. 104.30

ANSWER: A

QUESTION NO: 8

If you lend for 3 months and borrow for 6 months, you may be said to:

- A. Be over-lent
- B. Have a negative gap
- C. Be exposed to higher interest rates
- D. Be over-borrowed

ANSWER: D

QUESTION NO: 9

Under Basel Securitization rules the highest potential risk weight is:

- A. 350%
- B. 750%
- C. 1250%
- D. 1500%

ANSWER: C

QUESTION NO: 10

If the yield curve is upward sloping, a bank would not profit from:

- A. borrowing short and lending long
- B. borrowing long and lending short
- C. paying a higher rate on deposits than the market
- D. increasing the banks leverage

ANSWER: B**QUESTION NO: 11**

If I say that I have “bought and sold” EUR/USD in an FX swap, what have I done?

- A. Bought EUR and sold USD spot, and sold EUR and bought USD forward
- B. Bought EUR/USD spot and sold EUR/USD forward
Taken a EUR loan in exchange for making a USD loan with the same counterparty
- C. All of the above

ANSWER: C**QUESTION NO: 12**

The Liquidity Coverage Ratio imposed by Basel III requires a bank:

- A. to keep enough highly liquid assets to cover its net liabilities for the next 10 days to guard against severe liquidity stress
- B. to keep enough highly liquid assets to cover its net liabilities for the next 30 days to guard against severe liquidity stress
- C. to keep enough highly liquid assets to cover its net liabilities for the next 60 days to guard against severe liquidity stress
- D. to retain enough liquidity to cover its assets against severe default risk

ANSWER: B**QUESTION NO: 13**

In which type of repo is “double dipping” a risk?

- A. Delivery repo
- B. HIC repo
- C. To-party repo
- D. "Double dipping" is never a risk in any type of repo

ANSWER: B

QUESTION NO: 14

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

- A. Both parties know what their future payments will be at the outset of the swap
- B. There is payment of principal at maturity
- C. Payments are always made gross
- D. The fixed rate payer knows what his future payments will be at the outset of the swap

ANSWER: D

QUESTION NO: 15

You have quoted your customer the following eurodollar deposit rates:

1M 5.375-25%

2M 5.4375-3125% 3M 5.5-375%

The customer says, "I give you USD 20 million in the two's". What have you done?

- A. Borrowed USD 20 million at 5.3125%
- B. Lent USD 20 million at 5.4375%
- C. Borrowed USD 20 million at 5.4375%
- D. Lent USD 20 million at 5.3125%

ANSWER: A

QUESTION NO: 16

Which of the following statements about “standard settlement instructions” (SSI) is correct?

- A. The Head of Operations has the sole responsibility of ensuring the correctness and validity of the SSI set up.
- B. SSIs should be stored and maintained in the bank’s general static data system.
- C. Each institution should have a separate SSI team to prevent I minimise the potential risk of fraud.
- D. SSI staff should be fully integrated within Operations to insure consistent and reliable settlement guidelines.

ANSWER: C

QUESTION NO: 17

In the event that standard settlement instructions are provided by a third party, full authentication and authorization of those SSIs should be independently performed by?

- A. Sales I trading staff
- B. Operations staff
- C. Nostro staff
- D. Front office staff

ANSWER: B

QUESTION NO: 18

You are quoted the following rates:

Spot cable 1.5340-43

O/N cable swap 0.14/0.11

T/N cable swap 0.16/0.13

S/N cable swap 0.43/0.37

At what rate can you buy cable for value tomorrow?

- A. 1.534284
- B. 1.534316
- C. 1.534287
- D. 1.534313

ANSWER: B

QUESTION NO: 19

The outright forward FX rate is not a function of which of the following?

- A. The interest rates of the two currencies
- B. The spot exchange rate
- C. The daycount
- D. Market expectation

ANSWER: D

QUESTION NO: 20

If a 12-month AUD/NZD swap is quoted 53/47, which of the following statements would you consider to be correct?

- A. 12-month AUD rates are higher than 12-month NZD rates
- B. 12-month AUD rates are lower than 12-month NZD rates
- C. Spot AUD/NZD will be higher by approximately 50 points in 12 months
- D. The AUD yield curve is positive, whilst the NZD curve is negative

ANSWER: A