Exam : **002-101**

Title : ACI Dealing Certificate New Version Exam

Version : DEMO

1.If the yield curve is upward sloping, a bank would not profit from:
A. Borrowing long and lending short
B. Borrowing short and lending long
C. Paying a higher rate on deposits than the market
D. Increasing the bank's leverage
Answer: A

2.How can material divergences between the value of cash and collateral be managed in a documented sell/buy-back?
A. Margin maintenance
B. Either of the above, but usually re-pricing
C. Either of the above, but usually margin maintenance
D. Re-pricing
Answer: B

3.When a broker needs to switch a name, this should be done:
A. Only after approval by the broker's senior management
B. Only if the switching transaction is done at the current market rate
C. Only after consultation with the local regulator
D. Only provided that such transactions are identified as switching transactions
Answer: D

4.What is the maximum maturity of a US Treasury bill?
A. 5 years
B. 270 days
C. One year
D. 183 days
Answer: C

5.3-month USD/CHF is quoted at 12/10. Interest rates in Switzerland are reduced but USD rates, which are higher, are unchanged.
What would you expect the 3-month forward USD/CHF rate to be?
A. Unchanged
B. 10/8
C. 15/13
D. 6/4
Answer: C