

04-Liquidity and Treasury Risk Measurement and Man

单项选择题

1. Which of the following is the most likely output of a bank's liquidity stress test report?

- A. Cash flow survival horizon
- B. Net interest income projection
- C. Leverage ratio of unsecured debt to equity
- D. Return on equity versus threshold and target

参考答案: A

【莽学解析】The most important thing to a liquidity stress test report is to output a cash flow survival horizon(0)

2. On opening day, Master Fund LP has the following economic balance sheet:

Cash	\$100million
Financial assets	\$200million
Debt	\$180million
Equity	\$120million

Assume Master Fund LP finances a long position in \$100million worth of an equity at the margin requirement of 30%. It invests \$30million of its own funds and borrows \$70 from a commercial bank, immediately after the trade, its margin account has \$30million of equity and \$70million of loan. What is the change in the firm's leverage ratio after this trade?

- A. From 1.5 to 2.5
- B. From 2.50 to 3.08
- C. From 2.5 to 4.11
- D. From 1.500 to 1.500

参考答案: B

【莽学解析】From 2.5 to 3.08 • Initial leverage = assets/equity = 300/120 = 2.5. • After the trade, assets = \$70(cash)+\$300(financial assets)=\$370 • After the trade, liabilities = \$180debt + \$70 margin loan = \$250; such that equity = \$370- 250 = \$120; and leverage = 370/120 = 3.08(0)

3. Consider the following four definitions related to liquidity risk: (1). Liquidity risk: The event that in the future the bank receives smaller than expected amounts of cash flows to meet its payment obligations. (2) Funding cost risk: The event that in the future the bank has to pay greater than expected cost (spread) above the risk-free rate to receive funds from sources of liquidity that are available (3) Liquidity generation capacity: The ability of a bank to generate positive cash flows, beyond contractual ones, from the sources of liquidity available in the balance sheet and off the balance sheet at a given date. (4) Cash flow at Risk: The amount of economic losses due to the fact that on a given date the algebraic sum of positive and negative cash flows and of existing cash available at that date, is different from some (desired)

expected level. Which of the following statements about these definitions is TRUE?

- A. Liquidity risk is inaccurate, but the other three are correct
- B. Funding cost risk is inaccurate, but the other three are correct
- C. Cash risk at Risk (CFaR) is inaccurate, but the other three are correct
- D. All four definitions are correct

参考答案: C

【莽学解析】Cash risk at Risk (CFaR) is inaccurate but the other three are correct. The definition given for (C) is a second definition for liquidity risk: The amount of economic losses due to the fact that on a given date the algebraic sum of positive and negative cash flows and of existing cash available at that date, is different from some (desired) expected level.

4. Firms generally use a stoplight system in representing and communicating their performance against the thresholds of their EWIs. A green indicator means the measure is within normal bounds; An amber indicator means the measure should be investigated further; A red indicator should be a source for significant concern and may warrant an immediate response. Which of the following is the most suitable way to start a calibration of these thresholds?

- A. The boundaries for which an EWI moves from green to yellow should be narrow enough.
- B. Historical data can inform the calibration of thresholds
- C. Practitioners observe that this stoplight system is effective because it can be set very wide.
- D. The threshold should not be subject to back-testing

参考答案: B

【莽学解析】Historical data can inform the calibration of thresholds. In regard to (A), (C) and (D), each is FALSE (0)

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6. An investment bank finds that current market has been highly volatile but its own capital base is large enough. However, the counterparty of this bank asks for higher and higher collateral for the bank's repo and repo rollover. This phenomenon shows:

- A. balance sheet risk
- B. transactions liquidity risk
- C. systematic risk
- D. maturity transformation risk

参考答案: A

【莽学解析】Funding liquidity risk or balance sheet risk results when a borrower's credit position is either deteriorating or is perceived by market participants to be deteriorating. It also occurs when the market deteriorates. Under these conditions, creditors may withdraw credit or change the terms of credit. In this case, the lender is increasing the haircut and is thus changing the terms of credit. Glenn Fund's creditworthiness does not actually have to decline for a lender to withdraw credit or change the terms of credit. (0)

7. An analyst in a commercial bank is evaluating the available funds gap for the next month. After analysis, he found that 1) the qualified loan requests accepted is \$150 Million, 2) a major customer of the bank is going to withdraw \$135 Million, 3) the bank has plan to invest in bond markets for \$ 50 Million, 4) the current deposit is \$160 Million and \$ 100 Million is expected to come next month, 5) \$10 Million will be added to available funds gap for a cushion. Which of the following is the amount of funds that the bank needs to finance from non-deposit sources?

- A. 85 Million
- B. 75 Million
- C. 65 Million
- D. 335 Million

参考答案: A

【莽学解析】计算 AFG, 也就是除了存款维持以外的资金需求, 根据公式: 可用资金缺口 (AFG) = 贷款机构希望进行的当前和预计的贷款和投资 - 当前和预期的存款流入以及其他可用资金 + 为 AFG 估算添加少量金额 = \$150M + \$135M + \$50M - \$160M - \$100M + \$10M = \$85M. (0)

8. How many of the following statements is most likely correct? I. The special spreads usually derives from the difference between the general collateral rate and the repo rate if the collateral securities are on-the-run (OTR) T-bonds. II. An important reason that special trade usually uses on-the-run (OTR) bonds is the brilliant liquidity involved in new-issued T-bonds, and the liquidity has been cherished by both investors who hold long positions and short sellers. III. Special spread would usually become largest immediately after auctions and smallest before auctions.

- A. Zero
- B. One
- C. Two
- D. Three

参考答案: C

【莽学解析】Only the last statement is wrong. Spreads tend to be small immediately after auctions and to peak before auctions. Immediately after an auction of a new OTR security,

shorts can stay in the previous OTR security or shift to the new OTR. This substitutability tends to depress special spreads. Extra supply of the OTR security immediately following a re-opening auction tends to depress special spreads. (0)

9. All risk management frameworks start with a governance structure that defines the roles and responsibilities of various bank employees and committees in overseeing risk-related activities. Effective governance includes the oversight of intraday liquidity risk. Which of the following statements is true about intraday liquidity risk management?

- A. Payments on large value payment systems should not be considered as a intraday liquidity.
- B. Roles and responsibilities should be defined by Treasury department.
- C. PCS Systems should only be a source of funds; if PCS becomes a use of funds, then a yellowflag should be triggered
- D. Intraday liquidity risk should be incorporated in the risk taxonomy and is a component of riskself-assessment including settlement risks

参考答案: D

【莽学解析】 Payments on large value payment systems are an important use of intraday credit; Roles and responsibilities should be defined by ALCO; Payment, clearing, and settlement (PCS) Systems can be either a source or use of funds. So in regard to (A), (B) and (C), each is FALSE. (0)

10. Which of the following below is best describes the term structure of expected liquidity, aka the TSL(e)?

- A. TSL(e) is the cumulative change in the term structure of available assets.
- B. TSL(e) is a combination of the term structures of cash flow at risk and liquidity at risk.
- C. TSL(e) is a combination of the term structure of expected cash, change in working capital, and change in deposits.
- D. TSL(e) is a combination of the term structures of cumulative expected cash flows and liquidity generation capacity.

参考答案: D

【莽学解析】 The term structure of expected liquidity, TSL(e), is a combination of the term structures of cumulative expected cash flows (TSECCF) and liquidity generation capacity (TSLGC). In regard to (A), (B) and (C), each is FALSE. (0)

11. A deposit institution has accepted \$30 million qualified loan request. The management is considering issuing \$30 million negotiable CDs with current interest rate of 6% to finance funds, the noninterest cost in the form of flotation cost in 0.2%, and legal reserve requirements is 5% of the total loan amount. What is the effective financing cost rate by issuing negotiable CDs?

- A. 6.2%
- B. 6.53%
- C. 6.6%
- D. 5.8%

参考答案: B

【莽学解析】

$$\text{cost of rate} = \frac{\$30M * (6\% + 0.2\%)}{\$30(1 - 5\%)} \approx 6.53\%$$

12. An investor holds two positions: Long shares worth \$35,000 where the bid-offer spread has a mean and standard deviation of 0.040. Long shares worth \$40,000 where the bid-offer spread has a mean and standard deviation of 0.060. Under 99.0% confidence, which of the following is the nearest to the worst expected cost of unwinding? (assumed bi-ask spread is normally distributed)

- A. \$6,327
- B. \$2,950
- C. \$3,240
- D. \$6,500

参考答案: A

【莽学解析】The 99.0% confident worst expected spread for each position is given by: $\$35,000 * (0.040 + 0.040 * 2.33) = \$4,662$ $\$40,000 * (0.060 + 0.060 * 2.33) = \$7,992$ Total cost of unwinding with 99.0% confidence is therefore $(4,662 + 7,992) / 2 = \$6,327$

13. One of the board members has suggested that the CIO look at several hedge funds that have reported strong performance in recent years. The CRO is familiar with many of these funds and is aware that several invest heavily in illiquid assets and that this may cause standard risk measures based on daily returns to give a misleading picture of their risk. Which of the following statements about daily risk measures applied to hedge funds that invest in illiquid assets is correct?

- A. Correlation with other investments will be artificially lowered, giving the appearance of low systematic risk.
- B. Infrequent trading reduces the smoothing effects from mark-to-market valuation, giving the appearance of high volatility.
- C. Returns of illiquid assets tend to exhibit negative serial correlation, leading to higher long-term volatility.
- D. All else being equal, illiquid assets tend to have lower Sharpe ratios, causing the incorrect appearance of an illiquid premium.

参考答案: A

【莽学解析】B is incorrect. Infrequent trading makes the insufficient data smooth, giving the appearance of low volatility. C is incorrect. Returns of illiquid assets tend to exhibit positive serial correlation. D is incorrect. All else being equal, illiquid assets tend to have higher Sharpe ratios.

14. Following the collapse of Lehman Brothers in September 2008, many banks faced severe difficulties securing short-term US dollar funding, especially those European banks. Which of the following statements about US dollar shortage is NOT correct?

- A. Higher cross-currency funding, higher the funding risk banks faced when their hedging requirements and FX swap transactions have to be rolled over.
- B. The US dollar gap faced roll over risk due to the maturity mismatch.
- C. US dollar investment to non-banks with funds from various counterparties, subjected to

funding risk.

D.A help method for release pressure of dollar shortage is selling structured finance product claimed on non-bank entities to other banks cause these products actually had high inside value.

参考答案: D

【莽学解析】当时金融危机下，结构性金融产品等非银行实体的债权一旦出售面临着巨大的损失，并不能用来缓解美元短缺的压力。(0)

15.Over the next 24 hours, Golden state Bank estimates that the following cash inflows and outflows (all figures in millions) will occur:

Deposit withdrawals	\$70
Deposit inflows	\$100
Scheduled loan repayments	\$60
Acceptable loan requests	\$90
Borrowing from the money market	\$80
Sales of bank assets	\$30
Stockholder dividend payments	\$20

What is the bank's projected net liquidity position?

- A. -30.0 million
- B. +10.0 million
- C. +40.0 million
- D. +90.0 million

参考答案: B

【莽学解析】英 中Inflows include: Deposit inflows = 100 Scheduled loan repayments = 60 Borrowings from the money market = 80 Sales of bank assets = 30 Revenues from sale of non-deposit services = 10 for total inflows of \$100 + \$60 + \$80 + \$30 + \$10 = 280.0 million.

Outflows include: Deposit withdrawals = 70 Acceptable loan requests = 90 Stockholder dividend payments = 20 Repayment of bank borrowings = 50 Operating expenses = 40; for total outflows of \$70 + \$90 + \$20 + \$50 + \$40 = \$270.0 millionTherefore, the projected net liquidity position = \$280 - 270 = +10.0 million(0)

16.Changing interest rates also changes the market value of assets and liabilities, thereby changing each financial institution's net worth. Shareholders' may pay more attention to the management of net worth, which of the following statements about duration gap management is least correct?

- A. The larger the leverage-adjusted duration gap, the more sensitive will be the net worth (equity capital) of a financial institution to a change in interest rates.
- B. A financial firm with longer-duration assets than liabilities will suffer a greater decline in net worth when market interest rates rise.
- C. Net worth is more sensitive to interest rate when rate is at high level than at low due to the existence of convexity.
- D. In practice, duration gap management considers only the liner relationship between the change of interest rate and the asset\liability price, which is a limitation.

参考答案: C

【莽学解析】Net worth is more sensitive to interest rate when it is at low level than high. (0)

17. Malaysia Bank currently has the following simplified balance sheet:

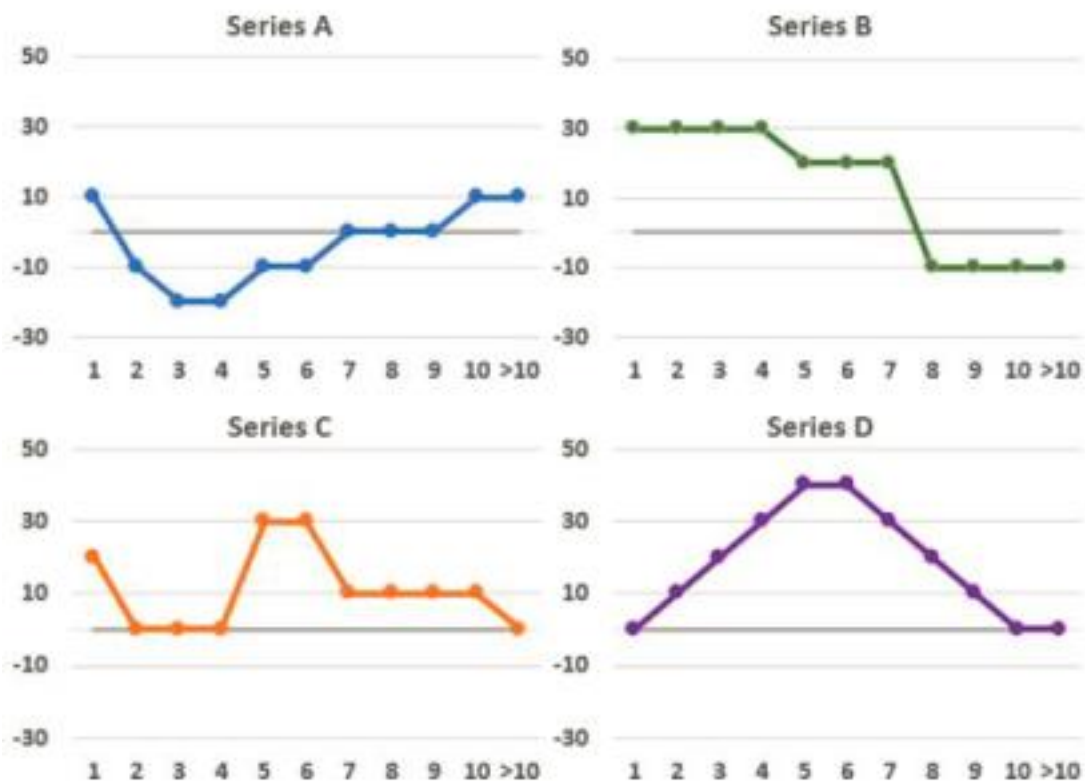
Assets		Liabilities	
Bonds	\$30	Deposits	\$30
Loans	\$70	Bonds	\$50
		Equity	\$20

Further, the maturities of these accounts are as follows: (1) Assets: The bonds (\$30.0 million) expire in one year. In regard to the loans (\$70.0), \$40.0 million expire in five (5) years, \$10.0 million expire in seven (7) years, and \$20.0million expire in ten (10) years. (2) Liabilities: In regard to the deposits (\$20.0 million), \$10.0 million expire in one (1) year, and \$20.0 million expire in two (2) years. In regard to the bonds (\$50.0 million), \$10.0 million expire in five (5) years, \$30.0 million expire in seven (7) years, and \$10.0 million expire in beyond ten(>10) years. (3) Equity (\$20.0 million) is presumed to expire in ten (10) yearsWhich term structure of cumulated expected cash flows is accurate for Malaysia Bank?

- A. Series A
- B. Series B
- C. Series C
- D. Series D

参考答案: C

【莽学解析】



Maturity	Assets	Liabilities	Δ	Net
1	30	10	20	20
2		20	-20	0
5	40	10	30	30
7	10	30	-20	10
10	20	20	0	10
>10		10	-10	0
Sum	100	100		

18. James, an analyst in liability management department, has to propose an appropriate non-deposit financing sources for the bank's coming \$ 50 million investment requirement next week. After investigate, he gets the following information and both ways require deposit insurance fee:

Which of the following statements are most likely accurate?

- A. The effective cost rate of the Fed funds is 6.3%
- B. The effective cost rate of the commercial paper is 7.2%
- C. James should suggest the Fed Funds for financing due to the lower effective cost rate.
- D. James should suggest the commercial paper for financing due to the lower effective cost rate.

Interest rate for the Fed funds	6%
Current commercial paper rate	7%
Noninterest cost for the Fed	0.25%
Issuing cost for commercial paper	0.2%
Deposit insurance	\$0.003 per dollar of deposit
Immediate cash needs	\$2 million

参考答案: C

【莽学解析】

$$\text{Cost rate of the Fed funds} = \frac{\$50M * (6\% + 0.25\%)}{\$50M - \$2m - \$50 * 0.003} \approx 6.5\%$$

$$\text{Cost rate of commercial paper} = \frac{\$50M * (7\% + 0.2\%)}{\$50M - \$2m - \$50 * 0.003} \approx 7.5\%$$

19. Each of the following is a measure for quantifying and/or monitoring risk levels except which is a measure for understanding intraday flows?

- A. Total payments
- B. Client intraday credit usage
- C. Intraday credit relative to tier 1 capital
- D. Daily maximum intraday liquidity usage

参考答案: A

【莽学解析】Total payments is a measure for understanding intraday flows In regard to (B), (C) and (D), each is a measure for quantifying and/or monitoring risk levels(0)

20. The main business lines of large dealer banks are: (1) securities dealing, underwriting, and trading; (2) over-the-counter derivatives; (3) prime brokerage and asset management.

About these main business lines, each of the following statements is true except which is false?

- A. A tri-party repo agreement (between the dealer, the investor and a clearing bank) is used to mitigate counterparty risk and/or reduce burden of collateral management.
- B. For most over-the-counter (OTC) derivatives, one of the counterparties is a dealer who typically lays off much (or all) of the risk of its client-initiated trades by running a matched book.
- C. With respect to over-the-counter (OTC) derivatives, the best measure of their systemic risk is the total market value of all outstanding contracts; further, master swap agreements do not reduce their actual risks (although they do lower the administrative burden of OTC derivative contracts).

D. Some large dealers are Prime Brokers who provide clients a range of services including management of securities holdings, clearing, cash-management, securities lending, financing, reporting (e.g., risk measurement), and tax accounting.

参考答案: C

【莽学解析】Master swap agreements reduce risk via netting and standardized collateral arrangements; further, the total market value of all derivative contracts is zero. In regard to (A), (B) and (D), each is TRUE. (0)

21. The framework of Early Warning Indicators can be summarized as M.E.R.I.T" and "M" means "Measures". Which of the following is true about a good Early Warning Indicator (EWI) measures?

- A. Forward-looking and sharp measures
- B. Measures are not linked from the escalation process
- C. Leading indicators provide Information and signal potential stress after the occurrence of an actual event
- D. Banks should consider only internal but not external measures

参考答案: A

【莽学解析】Escalation process is included in Measures; Leading indicators provide Information and signal potential stress prior to occurrence of an actual event; Banks should consider both internal and external measures. (0)

22. Liquidity reserve is the cushion for banks when they are caught in a liquidity problem. A treasurer is calculating the liquidity requirements after divided the deposits and other funds into volatile liabilities, vulnerable funds and stable funds, which of the following statements is NOT true?

- A. The stable funds, usually long-term deposits, are least possible to flow out.
- B. Volatile liabilities should be weighted the most when calculate liquidity reserves.
- C. Vulnerable funds are those funds might be withdrawn recently.
- D. Stable funds should not be considered in liquidity reserve calculation.

参考答案: D

【莽学解析】volatile liabilities, 也叫热钱, 是那些对利率变动特别敏感的存款以及借款或者那些确定会在近期被取出的资金, Vulnerable funds, 相对脆弱的资金是有可能在近期取出的, stable fund 是比较稳定的常常是长期的存款, 这三种资金都需要提取一定比例的流动性准备金, 比重分别是 0.95, 0.3 和 0.15. (0)

23. While smaller banks and thrift institutions usually rely most heavily on deposits for their funding needs, leading depository institutions around the globe have come to regard the nondeposit funds market as a key source of short-term money to meet both loan demand and unexpected cash emergencies. The most popular domestic source of borrowed reserves among depository institutions is the Federal funds market. Which of the following statement about the Federal funds market is most likely accurate?

- A. Specific collateral is needed for all Federal funds.
- B. The Fed has set three levels of credit, primary, secondary and seasonal, to meet needs of different institutions.
- C. The Federal funds market allows depository institutions short of reserves to meet their legal reserve requirements or to satisfy loan demand by tapping immediately usable funds from other

institutions possessing temporarily idle funds.

D. The Federal funds market improves the liquidity of home mortgages by allowing troubled institutions to use the home mortgages they held in their portfolios as collateral for emergency loans.

参考答案: C

【莽学解析】Overnight funds 一般不需要抵押, A 错 B 选项是 Federal Reserve Banks 的特征, 不是 the Federal funds market 的特征, B 错 C 正确, the Fed 就是通过把别的银行暂时不用的存款借给有需要的银行 D 选项是 The Federal Home Loan Banks (FHLB) 的特征, D 错 (0)

24. Asset-liability committee (ALCO), meets regularly to manage the financial firm's interest rate risk and other risk exposure, and estimates the firm's risk exposure. As a member of ALCO, Jason finds that the bank has negative interest-sensitive gap, which of the following statements is correct?

A. The bank is asset sensitive.

B. If interest rates rise, bank's net interest margin will decrease.

C. If interest rates rise, bank's net interest margin will increase.

D. The Interest Sensitivity Ratio (ISR) is more than 1.

参考答案: B

【莽学解析】Interest-sensitive gap = Interest-sensitive assets - Interest-sensitive liabilities, 小于 0 代表利率敏感的负债多于利率敏感的资产, 银行是负债敏感型的, 利率上升, 负债端支出的利息增加多于资产端收入的利息增加, 银行净息差下降。当利率为负缺口时, 利率敏感比率小于 1。(0)

25. The liquidity management department of Bank ABC, is estimating liquidity needs for the next month. Liquidity rises as deposits increase and loans decrease and declines when deposits decrease and loans increase, therefore the changes in deposits and loans must be forecasted. For the deposit, the department estimates that the trend component is \$1,200, the seasonal component is \$70, and the cyclical component is - \$38. Which is the estimated deposit should be in next month?

A. \$1380

B. \$1092

C. \$1232

D. \$1168

参考答案: C

【莽学解析】简单法估计一定周期内的存款, 考虑趋势性, 季节性和周期性。Estimated total deposit = trend estimate for deposit + seasonal elements + cyclical elements = \$1,200 + \$70 - \$38 = \$1232 (0)

26. Consider the following four definitions related to liquidity risk: (1). Liquidity risk:

The event that in the future the bank receives smaller than expected amounts of cash flows to meet its payment obligations. (2) Funding cost risk: The event that in the future the bank has

to pay greater than expected cost (spread) above the risk-free rate to receive funds from

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Risk: The amount of economic losses due to the fact that on a given date the algebraic sum of positive and negative cash flows and of existing cash available at that date, is different from

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27. A small commercial bank wants to know the minimum rate of return it has to earn for the next year. Jack a treasurer from the investing department, starts from the total cost of capital, he found that next year, all coming funds is \$ 400 million, however, 10% of them cannot be invested, and the current average interest rate is 5%, and operating expense, is about \$ 10 million. According to the information above, please help Jack figure out the hurdle rate for investing.

- A. 7.5%
- B. 8.3%
- C. 2.5%
- D. 5.5%

参考答案: B

【莽学解析】

$$\text{Hurdle rate of return over all earning assets} = \frac{\$400 * 5\% + \$10}{400 * (1 - 10\%)} = 8.3\%$$

28. A credit analyst is evaluating the liquidity of a small regional bank while preparing a report for a credit committee meeting. With quarterly financial statements, the analyst calculates some relevant liquidity indicators over the past three years. Which of the following trends over this period should the analyst be most concerned about in the credit risk report?

- A. The bank's average net federal funds and repurchase agreements position has been increasing.
- B. The bank's capacity ratio has been increasing.
- C. The bank's pledged securities ratio has been decreasing.
- D. The bank's loan commitments ratio has been decreasing.

参考答案: B

【莽学解析】B is correct. Capacity ratio is the ratio of net loans and leases to total assets, so liquidity decreases when net loans and leases increase relative to total assets, because they are often illiquid. A is incorrect. Liquidity increases when overnight loans increase relative to overnight borrowing. C is incorrect. Liquidity increases when fewer securities are pledged/unavailable to sell relative to total securities. D is incorrect. Liquidity increases莽学教育官网 www.mangxuejy.com 版权所有

when loan commitments decreases relative to total assets(0)

29. In a deposit institution, savings deposits, checking accounts, NOW accounts, Christmas Club accounts, time deposits, cashiers' checks, money orders, officers' checks, and any outstanding drafts normally are protected by federal insurance. About the deposit insurance, which of the following is the least accurate?

- A. Deposit insurance allows institutions to sell deposits at relatively low rates of interest.
- B. Only members of Federal Deposit Insurance Corporation (FDIC) have deposit insurance.
- C. Liquidity risk for institutions is eliminated by deposit insurance because customers are less panic about the loss of their funds in deposit institutions.
- D. There is a limit on the deposit insurance, customers only get part of their deposit back if any crisis happened.

参考答案: C

【莽学解析】存款保险不能消除流动性风险，只能缓释流动性风险。(0)

30. Important indicators of management's effectiveness are whether or not funds deposited by the public have been raised at the lowest possible cost and whether sufficient deposits are available to fund all those loans and projects management wishes to pursue. Which of the following statements about deposit pricing methods are most appropriate? I. Conditional pricing is sensitive to the types of customers each depository institution plans to serve and the cost that serving different types of depositors will present to the offering institution. II. Marginal revenue should be determined at the beginning when using marginal cost pricing method. III. Free-pricing may attract too much volatile funds when market rate is high, which actually adverse to deposit institutions. IV. Relationship pricing promotes greater customer loyalty and makes the customer more sensitive to the prices posted on services offered by competing financial firms.

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

参考答案: C

【莽学解析】Statement IV: Relationship pricing promotes greater customer loyalty and makes the customer less sensitive to the prices posted on services offered by competing financial firms. (0)

31. Deposits provide much of the raw material for making loans and, thus, may represent the ultimate source of profits and growth for a depository institution. A deposit manager is trying to make the appropriate interest rate for deposits in order to balance the cost and profit. Among the following statements, which is correct?

- A. The optimal interest rate should be determined when marginal cost rate equals to marginal revenue rate.
- B. Margin cost rate decrease at first and increases as the rises of interest rate.
- C. Higher interest rate should always be taken therefore to appeal more deposits.
- D. Amount of profit earned always decreases when interest rate increases.

参考答案: A

【莽学解析】用边际成本的方法确定存款价格。随着存款利率的上升，利润额先增加后减少，当边际成本率
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等于边际收益率的时候，利润额达到最大，此时的对应存款利率为最优利率。边际成本利率随着存款利率的增加而增加，高利率也意味这高成本，并不是越高越好。(0)

32. Covered interest parity has been systematically violated since the Great Financial Crisis. Severe interpretations are available towards these puzzling and consistent phenomena. Which of the following is NOT the possible reason led to the violation of CIP?

- A. Banks' business model be doomed to use currency derivatives, such as FX swap, to hedge the mismatch of currencies.
- B. This circumstance reflects that CIP may be an incorrect theory, more research needs to be done to verify the effectiveness of CIP.
- C. Structural changes in pricing market, credit, counterparty and liquidity risks post-crisis has tightened the limits to arbitrage.
- D. Activities on foreign currency market of institutional investors and non-financial firms induces imbalance on FX swap market.

参考答案: B

【莽学解析】CIP is the closest thing to a physical law in international finance. When violation happens, it doesn't mean CIP is incorrect, and two hypotheses are used to explain the violation: the increasing demand for currency hedges and arbitrage limits. (0)

33. The treasurer of ABC, a large industrial firm, is considering issuing a 7-year bond to fund a planned expansion. In order for the debt issuance to be successful, the treasurer feels that the bond must be attractive to investors in terms of potential return and liquidity. To get a sense of the current market and how investors might receive the new debt issuance, the treasurer asks the risk department to conduct an analysis of the historical trading activity and performance of bonds issued by firms similar to ABC. The bonds range in their initial maturity from 6 to 8 years but vary significantly in liquidity with some bonds traded several times a week and others that may only trade a few times a year. When analyzing the information, the risk department should be concerned that an illiquid bond, when compared to a liquid bond, could exhibit:

- A. Lower returns and bid-ask spreads.
- B. Higher autocorrelation of returns.
- C. A lower calculated Sharpe ratio.
- D. A higher beta to the market.

参考答案: B

【莽学解析】For illiquid bonds, market in reported earnings often adopts the way of income smoothing, that is a reference in front of the data to estimate a value, this value is estimated, with the previous data have great links, so the autocorrelation is relatively large. The more illiquid the assets, the higher the bid-ask spreads. Illiquid assets tend to have lower market beta, higher Sharpe ratio and lower volatility. (0)

34. A risk analyst in a hedge fund is gauging the liquidity risk exposure of a portfolio which allocates on illiquid assets such as private equity, convertible bond, treasure assets, etc. Which one of following statements about risk and return biases of illiquid assets is incorrect?

- A. The risk analyst found a significant first-order autocorrelation coefficient of 0.5 for the quarterly historical returns. This can be seen as an indicator of historical return smoothing.

- B. For an illiquid asset, the correlation between asset return and market return will be artificially biased upward, giving the appearance of high systematic risk.
- C. If there is survivorship bias in this portfolio, the returns tend to be biased upward.
- D. The price impact of large trades can be seen as an illiquidity variable to measure the illiquidity in equity market.

参考答案: B

【莽学解析】A. 显著的自相关系数表明这个组合的收益率之间呈现自相关。一般来说交易不频繁的资产由于可以观测到的收益率很少，收益率会被平滑，呈现自相关，这是非流动性资产的一个特点。A 正确 B. 非流动性资产的收益率和大盘（或是其他一些流动性资产）之间的相关性会低估，并非高估。B 错误 C. 如果存在幸存者偏差（留下好的资产收益率的数据），会导致非流动性资产收益率高估。C 正确 D. 大额交易的市场影响是评估股票市场的流动性的一个指标。如果大额交易对市场影响较小，流动性较好。(0)

35. In recent year, large dealer banks financed significant fractions of their assets using short-term, often overnight, repurchase (repo) agreements in which creditors held bank securities as collateral against default losses. The table below shows the quarter-end financing of four broker-dealer banks. All values are in USD billions.

	Bank A
Financial Instruments Owned	823
Pledged as collateral	272

If repo creditors become nervous about a bank's solvency, which bank is least vulnerable to a liquidity crisis?

- A. Bank A
- B. Bank B
- C. Bank C
- D. Bank D

参考答案: A

【莽学解析】A liquidity crisis could materialize if repo creditors become nervous about a bank's solvency and choose not to renew their positions. If enough creditors choose not to renew, the bank could likely be unable to raise sufficient cash by other means on such short notice, thereby precipitating a crisis. However, this vulnerability is directly related to the proportion of assets a bank has pledged as collateral. Bank A is least vulnerable since it has the least dependence on short-term repo financing (i.e., the lowest percentage of its assets out of the four banks is pledged as collateral: $272/823 = 33\%$). (0)

36. Each of the following is true about the liquidity risk typology except which is false?

- A. Liquidity risk has three major types: 1. Transaction (aka, asset, market); 2. Funding (aka, cashflow, balance sheet); and 3. Systemic (aka, crisis)
- B. Transaction liquidity risk (aka, asset or market liquidity risk) can be modeled by either or both of an exogenous-spread approach or an endogenous price approach

C. A key example of funding (aka, cash flow or balance sheet) liquidity risk is the rollover risk created by the maturity transformation function in a traditional depository institution
D. The liquidity risk typology is well-defined into three buckets because the three major liquidity risk types do not interrelate

参考答案: D

【莽学解析】D is False, the opposite is the case. In general, the liquidity risks are related in potentially causal chains. (0)

37. No financial manager can completely avoid one of the toughest and potentially most damaging forms of risk that all financial institutions must face—interest rate risk. An analyst is evaluating four banks interest risk management, the information is as follows:

	Bank A	Bank B
Interest-sensitive gap	\$50million	\$-30million

Which of the following statements are appropriate strategies these banks can adopt?
I. Bank A should increase investing in interest-sensitive assets if rate increases 1%.
II. Bank B should decrease its interest-sensitive liabilities if rate decreases 2%.
III. Bank C should purchase more assets with longer maturity and decreasing liabilities with longer maturity if rate falls from 4% to 2%.
IV. Bank D should decrease duration of assets and increase duration of liabilities if rate raises from 2% to 4%.

A. I, III & IV

B. II & IV

C. I, II & III

D. I, II, III & IV

参考答案: A

【莽学解析】Positive interest-sensitive gap means ISA is more than ISL, if rate raises, increasing ISA can increase net interest income, because ISA can earn more interest rate than interest cost by ISL, otherwise, for negative interest-sensitive gap, if rate falls, increasing ISL can increase net interest income, because ISL can cost less. For duration gap, if interest rate raises, negative duration gap is better to maximum net worth, because the price of liabilities decrease more quickly than that of assets. If interest rate falls, positive duration gap can maximum net worth, because the price of assets increase more quickly than that of assets. (0)

38. Allen holds a portfolio with 100,000 shares of a stock and the value of the position is \$4.0 million. The bid price of the stock is \$39 and the offer price is \$41. The stock's daily volatility is 2.59%. Allen is interesting in calculating the LVaR of the portfolio, Let's assume the stock's arithmetic returns are normally distributed (aka, normal VaR) and the expected daily return rounds to zero. Which is NEAREST to the position's one-day 99.0% confident liquidity-adjusted value at risk (LVaR)?

A. \$123,000

B. \$276,000

C. \$340,000

D. \$400, 000

参考答案: C

【莽学解析】The one-day 99.0% VaR is calculated by $0 + 2.59\% \times 2.326 \times \$4.0 \text{ million} = \$240,973$. The liquidity cost (LC) is given by $(41.00 - 39.00)/40.00 \times 0.5 \times \$4.0 \text{ million} = \$100,000$. The one-day 99.0% VaR is therefore $240,973 + 100,000 = \$340,973(0)$

39.The Rosenfeld Investment Firm wants to invest in bond portfolios. Based on its multi-year fabulous expertise in bond investment, it can choose from among the following maturity strategies: Ladder Policy, Front-end Load Maturity Policy, Back-end Load Maturity Policy, Barbell Strategy, or Rate Expectations Approach. The firm's goal for the portfolio is neither to maximize income nor to seek to maximize the upside potential for earnings. Instead, the primary goal is to use the portfolio as a source of liquidity. For that purpose, which of the following strategy is the most suitable?

A.Barbell strategy

B.Front-end Load Maturity Policy

C.Back-end Load Maturity Policy

D.Ladder policy

参考答案: B

【莽学解析】The Front-end Load Maturity Policy purchases short-term securities that mature within a short time interval. Its primary goal is liquidity rather than income or maxim upside. (0)

40.Alan Chen, a staff of JY bank, is considering developing an appropriate contingency funding plan, all of the following statements should be considered in building Contingency Funding Plan EXCEPT:

A.Aligned to business and risk profiles

B.Integrated with broader risk management frameworks

C.Theoretical basis for precoded instruction set

D.Inclusive of appropriate stakeholder groups

参考答案: C

【莽学解析】In regard to (A), (B) and (D), are all correct design considerations to CFP, except for C., the five considerations are correct. The five design considerations are "Aligned to business and risk profiles; Integrated with broader risk management frameworks; Operational and actionable, but flexible playbook; Inclusive of appropriate stakeholder groups; and Supported by a communication plan. (0)

41.Darcy is estimating the total financing cost included deposit and nondeposit funds. By reviewing the bank's past expense, he concluded that the following table:

Which of the following statement is NOT correct?

A.The weighted average of interest expense is 6.25%

B.The break-even cost rate is 12%

C.The weighted average overall cost of capital is 15%

D.The least return of rate the bank should earn is 16.615%

参考答案: D

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Total interest expense	\$ 50 million
Total operating expense	\$ 10 million
Shareholder's investment	\$ 150 million
Total funds raised	\$ 800 million
All earning assets	\$ 500 million
Required return of rate of shareholder (before tax)	10%
Tax rate	35%

【莽学解析】

$$\text{The weighted average of interest expense} = \frac{\$50}{\$800} = 6.25\%$$

$$\text{The break - even cost rate} = \frac{\$50 + \$10}{\$500} = 12\%$$

$$\text{The weighted average overall cost of capital} = 12\% + 10\% * \frac{\$150}{\$500} = 15\%$$

42. Which of the following types of liquidity is available in the form of the institution's liquidity asset buffer and represents liquidity available to meet general financial obligations under a stress scenario?

- A. Operational
- B. Strategic
- C. Contingent
- D. Restricted

参考答案: C

【莽学解析】The liquidity that is available to meet general financial obligations under a stress scenario. In regard to (A), (C) and (D), each is unavailable to meet general financial obligations under a liquidity stress test. (0)