**MCQ International Finance – JF Verdié**

**1. To manage a short and conditional USD position, you should**

a. sell a forward EUR/USD.

b. buy a forward EUR/USD.

c. buy a CALL EUR/USD.

d. buy a PUT EUR/USD.

**2. Given the following strategies, which one is the least risky?**

a. Short PUT EUR/USD.

b. Long PUT EUR/USD.

c. Buy CALL EUR/USD, Sell PUT EUR/USD (same strike).

d. Short CALL EUR/USD.

**3. Given the following parameters, which one is not taken into account in the currencies options premium pricing?**

a. Foreign exchange rate volatility.

b. Return on Equity.

c. Currencies interest rates.

d. Foreign exchange spot rates.

**4. Within the European Monetary Union, you presently have:**

a. 12 countries.

b. 15 countries.

c. 19 countries.

d. 20 countries.

**5. What currency is pegged with the US Dollar?**

a. Euro.

b. Yuan from China.

c. Great Britain Pound (GBP: Sterling).

d. Japanese Yen (JPY).

**6. You have bearish anticipations on the EUR/USD market. The objective is to speculate without investing any money, I should**

a. buy CALL EUR/USD.

b. sell PUT EUR/USD.

c. buy PUT EUR/USD.

d. sell CALL EUR/USD.

**7. Hedging consists in:**

a. closing the position.

b. staying in a long position.

c. staying in a short position.

d. selling put options.

**8) According to Interest Rates Parity Theory (covered), strong currencies have:**

a. high interest rates.

b. low interest rates.

c. it depends of the GDP growth rate.

d. There is no link between interest rates and exchanges rates.