1. **Correct answer: A**

The higher the quality of the collateral, the lower the difference between the market value of the security used as collateral and the value of the loan—that is, the repo margin.

2. **Correct answer: B.**

Under a shelf registration, the issuer prepares a single, all-encompassing offering circular that describes a range of future bond issuances, all under the same document. This master prospectus can be in place for years before it is replaced or updated, and it can be used to cover multiple bond issuances in the meantime.

A is incorrect because a private placement is a non-underwritten, unregistered offering of bonds that are sold only to an investor or a small group of investors.

C is incorrect because an underwritten offering guarantees the sale of the bond issue at an offering price that is negotiated with the issuer.

3. **Correct answer: A.**

Commercial paper, whether U.S. commercial paper or Eurocommercial paper, is negotiable—that is, investors can buy and sell commercial paper on secondary markets. B is incorrect because Eurocommercial paper can be denominated in any currency. C is incorrect because Eurocommercial paper is more frequently issued on an interest-bearing (or yield) basis than on a discount basis.

4. **Correct answer: C.**

The longer the length of the repurchase agreement, the higher the repo margin (haircut). A is incorrect because the higher the quality of the collateral, the lower the repo margin. B is incorrect because the higher the credit quality of the counterparty, the lower the repo margin.

5. **Correct answer: A.**

If the credit event does not occur, the issuer must make all promised cash flows as scheduled-that is, the regular coupon payments and the par value at maturity.