CFASpace CFA论坛

标题: Reading 70: Futures Markets and Contracts-LOS b 习题精选

作者: 1215 **时间:** 2011-3-31 11:49 **标题:** [2011]Session17-Reading 70: Futures Markets and Contracts-LOS b 习题精选

Session 17: Derivatives
Reading 70: Futures Markets and Contracts

LOS b: **Distinguish** between futures contracts and forward contracts.

Which of the following is NOT a feature that distinguishes futures contracts from forward contracts? Futures contracts:

A) are regulated by the government.

B) are not customized securities.

C) cover a specific quantity of the underlying asset.

Both futures contracts and forward contracts cover a specific quantity of the underlying asset. The other characteristics only apply to futures contracts.

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Madison Bailey recently purchased a futures contract. The transaction did NOT:

A) use a structured contract.

B) take place through a private party.

C) include a guaranty by a clearinghouse.

A futures transaction is an exchange-traded contract. A forward contract occurs between private parties. The following table illustrates the differences between forwards and futures:

Forwards	*Futures*
Private contracts	Exchange-traded contracts
Unique contracts	Structured contracts
Default Risk	Guaranteed by clearinghouse
No up front cash	Margin Account
Low/no regulation	Regulated

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Which of the following statements about forward contracts and futures contracts is NOT correct? Forwards:

A) are private contracts, unlike futures.

B) are unique contracts, unlike futures.

C) have no default risk, unlike futures.

Forwards have default risk because the seller may not deliver and the buyer may not accept delivery.

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Which of the following is a *difference* between futures and forward contracts? Futures contracts are:

A) over-the-counter instruments.

B) larger than forward contracts.

C) standardized.

As opposed to forward contracts, futures contracts are traded over an organized exchange and are standardized in size, maturity, quality of deliverable, etc.

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Which of the following statements about futures and forwards is NOT correct?

A) Futures contracts are highly structured; forward contracts are unique to each transaction.

B) An individual could sell an asset in the future using either a future or a forward contract.

C) The buyer of a forward posts a margin directly with the seller.

Although forward contracts are between private parties, no margin is required. The other statements are true. Futures and forwards are both contracts to sell an asset in the future.

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Standardized futures contracts are an aid to increased market liquidity because:

A) standardization of the futures contract stabilizes the market price of the underlying commodity.

B) standardization results in less trading activity.

C) uniformity of the contract terms broadens the market for the futures by appealing to a greater number of traders.

Although a forward may have value to someone other than the original counterparties, the non-standardized terms limit the level of interest, hence its marketability and liquidity. The standardized terms of a future give it far more flexibility to traders, giving rise to a strong secondary market and greater liquidity.

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Futures have greater market liquidity than forward contracts, because futures are:

A) developed with specific characteristics to meet the needs of the buyer.

B) sold only for widely traded commodities, unlike forwards.

C) standardized contracts.

Forward contracts do not have standardized terms as futures have. Forwards have the same terms as futures, but those terms are written to meet the specific needs of the two or more parties to the contract. This specialization limits the marketability, hence liquidity, of the forward contact.

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Which of the following statements regarding futures and forward contracts is *least* accurate?

A) Futures contracts are highly standardized.

B) Forwards require no cash transactions until the delivery date, while futures require a margin deposit when the position is opened.

C) Both forward contracts and futures contracts trade on organized exchanges.

Forward contracts are custom-tailored contracts and are not exchange traded while futures contracts are standardized and are traded on an organized exchange.

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Which of the following statements regarding forwards and futures is NOT correct?

A) Unlike futures, forwards carry counterparty risk.

B) Like futures, forwards are priced to have zero value at contract initiation.

C) Unlike forwards, futures are always deliverable contracts.

There are both deliverable and cash settlement futures contracts, just as with forwards.

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Which of the following statements regarding both futures contracts and forward contracts is *least* accurate?

A) They carry counterparty risk.

B) They are priced to have zero value at the initiation of the contract.

C) For deliverable contracts, the short must deliver the underlying asset at a future date.

The clearinghouse of the futures exchange is the counterparty to all futures contracts so that, unlike forward contracts, counterparty risk is not a concern with futures contracts.

作者: luqian55 **时间:** 2011-10-8 11:08

thanks a lot