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Started on Tuesday, 15 March 2022, 2:20 PM

State Finished

Completed on Tuesday, 15 March 2022, 2:24 PM

Time taken 4 mins 13 secs

Marks 16.00/16.00

Grade 10.00 out of 10.00 (100%)

Question 1

Correct

Mark 1.00 out of 1.00

What is the effect on spending and inflation when a central bank lowers interest rates?

Select one:

- ☒ a. It encourages Spending and increases inflation ✓
- ☐ b. It encourages spending and decreases inflation
- ☐ c. It encourages saving and decreases inflation
- ☐ d. It encourages saving and increases inflation

Question 2

Correct

Mark 1.00 out of 1.00

Which of the below are clients of an investment bank? (Select all that apply.)

Select all appropriate answers:

- ☒ a. Investment firms ✓
- ☒ b. Pension funds ✓
- ☒ c. Hedge funds ✓
- ☒ d. World Bank ✓
- ☒ e. Central Banks ✓
- ☒ f. Asset Managers ✓

Question 3

Correct

Mark 1.00 out of 1.00

True or False: LIBOR stands for London Interbank Offered Rate.

Select one:

- ☒ True ✓
- ☐ False

Question 4

A sell side firm can be defined as:

Correct

Mark 1.00 out
of 1.00

Select one:

- ☐ a. A company that sells financial instruments to others
- ☐ b. A company that creates and sells financial instruments to others
- ☒ c. A company that creates and trades financial instruments to others



Question 5

Correct

Mark 1.00 out
of 1.00

Where can you buy and sell securities?

Select one:

- ☐ a. Primary market
- ☒ b. Secondary market



Question 6

Correct

Mark 1.00 out
of 1.00

Name the three main types of risk impacting investment banks.

Select one:

- ☒ a. Operational, market and credit
- ☐ b. Operational, volatility and market
- ☐ c. Volatility, market and credit



Question 7

Correct

Mark 1.00 out
of 1.00

Select all of the services below that a retail bank would provide:

Select all appropriate answers:

- ☒ a. Current accounts
- ☐ b. Company restructuring
- ☒ c. Savings accounts
- ☐ d. Brokerage
- ☒ e. Mortgages
- ☒ f. Personal loans
- ☐ g. Mergers and acquisitions
- ☒ h. Checks



Question 8

Correct

Mark 1.00 out
of 1.00

True or False: A sell side company trades with its own money only.

Select one:

- ☐ True
- ☒ False



Question 9

What does APR stand for?

Correct

Mark 1.00 out
of 1.00

Select one:

- ☐ a. Automatic Percentage Rate of interest
- ☐ b. Annual Payment Record
- ☐ c. Annual Percentage Record of Interest
- ☒ d. Annual Percentage Rate of interest



Question 10

Correct

Mark 1.00 out
of 1.00

What is the front office of an investment bank responsible for?

Select one:

- ☐ a. Supporting client transactions
- ☒ b. Interacting with clients and building relationships
- ☐ c. Verifying client transactions
- ☐ d. Financial reporting



Question 11

Correct

Mark 1.00 out
of 1.00

Shares are a type of security that aims to raise funds for the company from the market.

Select one:

- ☒ True ✓
- ☐ False

Question 12

Correct

Mark 1.00 out
of 1.00

What services do corporate banks offer in addition to retail banking services? (Select all that apply.)

Select all appropriate answers:

- ☒ a. Multi bank syndicated loans
- ☒ b. Foreign exchange facilities
- ☐ c. Brokerage services
- ☒ d. Cash management services
- ☒ e. Letters of credit and guarantees
- ☒ f. Lines of credit



Question 13

Correct

Mark 1.00 out
of 1.00

What is an example of a central bank?

Select one:

- ☒ a. US Federal Reserve
- ☐ b. Morgan Stanley
- ☐ c. Deutsche Bank



True or False: Quantitative easing is the process by which a retail bank creates new money electronically

Question 14

Correct

Mark 1.00 out of 1.00

in order to increase lending supply and lower the cost of borrowing.

Select one:

- ☐ True
- ☒ False ✓

Question 15

Correct

Mark 1.00 out of 1.00

A buy side firm can be defined as:

Select one:

- ☐ a. A company that uses its own money to buy financial instruments
- ☒ b. A company that uses its own money to trade financial instruments ✓
- ☐ c. A company that uses client's money to trade financial instruments
- ☐ d. A company that uses client's money to buy financial instruments

Question 16

Correct

Mark 1.00 out of 1.00

True or False: Netting is the process of offsetting a position in one security with another.

Select one:

- ☒ True ✓
- ☐ False

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