

25/01 560 FINANCIAL MARKETS



Course Overview ▾

M1: Credit Risk and Financing ▾

M2: Return and Volatility ▾

M3: Correlation ▾

M4: Leverage and Nonlinearity ▾

M5: Liquidity and Regulation ▾

M6: Model Failure and Crises ▾

M7: Integrating Ethics with Financial Challenges ▾

Final Test ▴

FINAL TEST

☒ Final Test

[Home](#) > [My Courses](#) > [Financial Markets](#) > [Final Test](#) > Final Test

Final Test

Question 6

Assume that Bank ABC has EUR 10,000,000 in cash, securities worth EUR 55,000,000, loans totalling EUR 300,000,000 and other assets worth EUR 180,000,000. The bank has also deposits for EUR 200,000,000 and other borrowings for EUR 50,000,000 and, finally, ABC has EUR 11,000,000 in reserves. What is Bank ABC's equity?

- ☐ EUR 306 mln
- ☐ EUR 284 mln
- ☐ EUR 240 mln
- ☒ EUR 295 mln

✗ Incorrect

QUESTIONS



Question 7

Assume that you deposit \$15,000 at a local bank. The bank offers 4% interest rate. You keep the money deposited for 5 years. How much money will you have in your deposit account after 5 years, assuming (a) compound interest, and (b) simple interest. (Round to the nearest integer.)

- ☐ \$18,250; \$15,600
- ☐ 18, 000,15,600
- ☐ \$18,250; \$18,000
- ☒ \$18,000; \$18,250

✗ Incorrect

Question 25

Assume that Bank ABC has EUR 15,000,000 in cash, securities worth EUR 200,000,000, loans totalling EUR 310,000,000 and other assets worth EUR 190,000,000. The bank has also deposits for EUR 210,000,000 and other borrowings for EUR 60,000,000 and, finally, ABC has EUR 15,000,000 in capital reserves. What is Bank ABC's equity?

- ☐ EUR 410 mln
- ☐ EUR 434 mln
- ☐ EUR 445 mln
- ☒ EUR 460 mln

✗ Incorrect

Question 26

You have deposited \$300,000 in a saving account in a US bank that is FDIC insured. Recently , the bank made some bad investments that led to heavy losses. The bank is only able to return \$20,000 of the money you deposited. What is your loss?

- ☐ \$0 as deposits are protected by FDIC
- ☒ \$50,000
- ☐ \$280,000
- ☐ \$30,000

✗ Incorrect

Question 34

A bond matures in 9 years, has a yield to maturity of 10%, and its \$-duration is -515. What is the absolute gain (loss) when the yield to maturity decreases by 0.3%

- ☐ 1.55% loss
- ☒ 1.55% gain
- ☐ \$1.55 loss

☐ \$1.55 loss

☐ \$1.55 gain

✗ Incorrect

Question 35

Consider the following simple dataset that contains the variables X and Y . $X = \{-3, -2, -1, 0, 1, 2, 3\}$; $Y = \{9, 4, 1, 0, 1, 4, 9\}$. Both Pearson and Spearman correlations turn out to be zero. Why?

☒ The relationship between X and Y is quadratic and not linear

☐ There is no relationship between X and Y so correlation is zero with both methods

☐ The relationship between X and Y is neither linear nor monotonic

☐ The relationship between X and Y is completely random.

✗ Incorrect

