
Question #1 of 8

Question ID: 439273

The highest speculative grade rating assigned by Moody's is:

- A) B.
- B) Ba.
- C) Caa.
- D) Baa.

Question #2 of 8

Question ID: 439274

In Moody's credit rating scheme, a B2 would be comparable to what S&P rating?

- A) B.
- B) B+.
- C) Baa.
- D) B-.

Question #3 of 8

Question ID: 439272

In the S&P credit rating scheme, the least risky speculative investment rating is:

- A) Ba.
- B) BB.
- C) Aaa.
- D) AAA.

Question #4 of 8

Question ID: 439271

In S&P's credit rating scheme, one investment grade rating is:

- A) C.
 - B) B.
 - C) BBB.
 - D) BB.
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Question #5 of 8

Question ID: 439278

The empirical evidence regarding the performance of bond ratings assigned by Moody's and Standard and Poor's is **NOT** consistent with a:

- A) large increase in incidence of default for speculative versus investment grade securities.
 - B) positive correlation between rating and yields.
 - C) positive correlation between rating and price.
 - D) negative correlation between rating and incidence of default.
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Question #6 of 8

Question ID: 439277

Rating agencies are paid fees by the issuers of the securities that they rate. The primary reason that this arrangement has not eroded the credibility of the rating process is:

- A) the need for rating agencies to maintain their reputational capital.
 - B) the stringent oversight of regulators.
 - C) indifference on the part of the investment community.
 - D) the transparency of the rating process.
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Question #7 of 8

Question ID: 439276

According to Moody's credit rating scheme, a rating below investment grade is:

- A) Aa.
 - B) Aaa.
 - C) Ba.
 - D) Baa.
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Question #8 of 8

Question ID: 439275

A credit rating of B1 is a rating given by:

- A) The Bank Credit Rating system.
- B) Standard & Poors.
- C) Fitch.
- D) Moody's.