Quiz 09 for Sept 26

Started: Sep 24 at 2:09pm

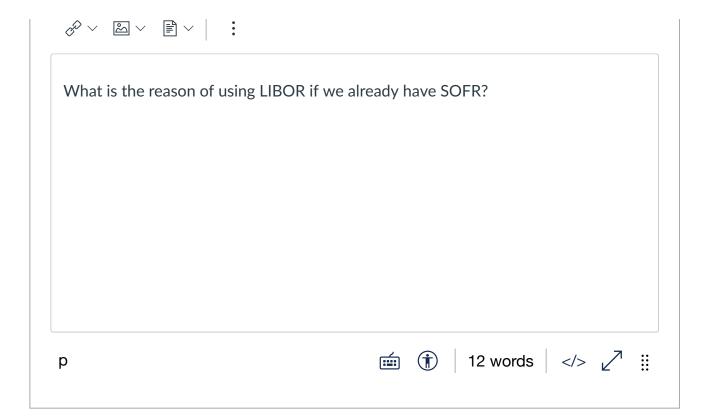
Quiz Instructions

Complete this quiz by 11:00 a.m. on Monday September 26. Use care in submitting your answer according the the question's instructions. No credit will be given for entering your answer incorrectly.

Question 1	1 pts
If the forward rate for a contract starting in 2 years and ending in 3 yea	rs is 4.00%
the expectation of the one-year interest rate that will be observed two years to be equal to 4.00%.	from now is likely
the expectation of the one-year interest rate that will be observed three years likely to be less than 4.00%.	s from now is
the risk-neutral expectation of the one-year interest rate that will be observed now is likely to be greater than 4.00%.	I two years from
the expectation of the one-year interest rate that will be observed two years to be less than 4.00%.	from now is likely

	erest expense for borrowing \$50 million under a repurchase days if the repo rate for a term of 4 days is 3.80%?
State your answer ir	n dollars to the nearest \$1, e.g., 7458.

Question 3	1 pts
The Risk-adjusted Expectations Hypothesis implies that the yield curve can new downward sloping.	er be
True	
○ False	
Question 4	1 pts
The main differences between SOFR and the effective federal funds rate (EFFR that	t) is
 SOFR is based on longer-term repurchase agreement rates and the EFFR is a secured set by the Federal Reserve. 	I rate
 SOFR is based on overnight Treasury repurchase agreement rates and the EFFR is an unsecured rate for borrowing bank reserves. 	
 SOFR reflects bank term borrowing costs better than the EFFR, which is why it was cho to replace LIBOR. 	osen
o since SOFR is based on repurchase agreements, it reflects more default risk than the E	FFR.
Question 5	1 pts
Ask one or more questions or make one or more comments on the material coverage for this class.	ered
Edit View Insert Format Tools Table	
12pt \vee Paragraph \vee B I $\underline{\cup}$ $\underline{\wedge}$ \vee $\underline{\wedge}$ \vee \top^2 \vee	



Quiz saved at 2:10pm

Submit Quiz