

QUESTIONS & ANSWERS

Kill your exam at first Attempt



ACI

310-012

ACI Dealing Certificate

Answer: B

QUESTION: 327

A dealer has been asked by a broker to go to an exclusive club for the third time in a week. He should:

- A. Agree. Entertainment is a normal part of business.
- B. Refuse. This entertainment is excessive in value and frequency.
- C. Agree but insist on paying half the cost.
- D. Refuse. Going back to the same club is clearly excessive entertainment.

Answer: B

QUESTION: 328

The use of off-market rates is discouraged and should be permitted only:

- A. When the bank's income is secured on the trade.
- B. If the unsecured credit is taken into account.
- C. If the bank knows the customer very well.
- D. When there are written procedures and policies for such transactions.

Answer: D

QUESTION: 329

Dealers are allowed to trade for their own account if:

- A. The dealers have good track records in their dealing both for the institution and for themselves.
- B. There has been no previous conflicts of interest in the dealing room.
- C. There is a clearly laid down policy.
- D. The dealers see no conflict of interest in such dealing.

Answer: C

QUESTION: 330

When a stop-loss/profit order is taken, the rate specified in the order:

- A. Must be transacted regardless of where the market moved.
- B. Must be transacted if a broker confirms that the rate specified was reached.
- C. Cannot be taken as a fixed-price guarantee.
- D. None of the above.

Answer: C

QUESTION: 331

The use of mobile phones from within the dealing room for transacting business:

- A. Is not considered good practice.
- B. Is accepted in case of direct deal input into the bank's system.
- C. Is accepted for senior dealers.
- D. Is accepted for hedging transactions.

Answer: A

QUESTION: 332

When a broker makes an error on payment instructions The Model Code recommends that

- A. The broker remains liable for the resulting difference for 3 full business days following the date of the transaction.
- B. The broker remains liable until the error is discovered.
- C. The broker is not liable at all.
- D. The broker's liability should be limited as he is not in a position to directly rectify the situation.

Answer: D

QUESTION: 333

Under the Model Code, if a broker shouts “done” or “mine” at the very moment a dealer shouts “off”:

- A. No deal is done.
- B. The deal is done.
- C. It should be resolved in consultation with senior management.
- D. The central bank should be consulted.

Answer: B

QUESTION: 334

Market participants should, where activity justifies it, aim to reduce settlement and related credit risk on currency transactions by:

- A. Establishing realistic daylight limits for counterparties.
- B. Monitoring all payments to counterparties who are known to be experiencing difficulties.
- C. Establishing legally binding bilateral netting agreements with counterparties or participating in a multilateral netting system.
- D. Seeking pre-payment.

Answer: C

QUESTION: 335

What does the Model Code say about the responsibility of a broker in handling suspicious transactions?

- A. Suspicious transactions should be reported by the principals.
- B. Brokers need to make staff aware of the problem and exercise vigilance.
- C. A broker should report any suspicions about a transaction to the other counterparty.
- D. Brokers should advise clients to reject the name.

Answer: B

QUESTION: 336

A person who appears to be a technician asks for your help in accessing treasury systems as he has forgotten his list of access codes. The Model Code recommends:

- A. You should provide all reasonable assistance.
- B. You should report the request immediately to senior management.
- C. Do not get involved; you may be at risk.
- D. There is no recommendation in the Model Code.

Answer: B

QUESTION: 337

One of your brokers asks you to buy and sell EUP/USD at the same price net of brokerage in order to allow him to clear a transaction.

- A. You must have prior senior management approval.
- B. You must have the authority to switch names.
- C. You must execute such transactions as promptly as possible within policy guidelines
- D. All of the above.

Answer: D

QUESTION: 338

It is up to the vendors of electronic dealing platforms to ensure that dealers are trained to use their systems.

- A. Management should ensure dealers fully understand the systems they use and dealers should read the manuals.
- B. Management, dealers and vendors share responsibility.
- C. Dealers are required to pass the ACI Dealing Certificate before being allowed to access electronic dealing platforms.
- D. Given the wide range of electronic dealing platforms used by banks, it is the responsibility of the vendors to ensure individual users are adequately trained.

Answer: A

QUESTION: 339

When using legal documentation proposed modifications:

- A. Should be documented as soon as possible after a deal is done.
- B. Should be clearly stated before a deal.
- C. Can be agreed verbally.
- D. Are not permissible.

Answer: B

QUESTION: 340

What are IMM dates?

- A. The 10th of March, June, September and December.
- B. The third Wednesdays of January, April, July and October.
- C. The Mondays before the third Wednesdays of March, June, September and December.
- D. The third Wednesdays of March, June, September and December.

Answer: D

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