

# ACI Dealing Certificate

## New Version

Exam Code 002-101

### Sample Questions

*“Setting the benchmark in  
certifying the financial  
industry globally”*

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## **1 – Financial Markets Environment**

**1.1 Which of the following types of persons or organisations does the FX Global Code state would generally be expected to engage in FX Market activities as Market Participants (as defined in the FX Global Code)?**

- A An individual retail client
- B A high-net-worth individual acting as a private banking client
- C A pricing display platform
- D→** A family office running treasury operations

**1.2 When can a market be considered efficient?**

- A When prices of products never reflect the available information
- B→** When prices of products always reflect the available information
- C When prices of products sometimes reflect the available information
- D When prices of products reflect the available information from the Central Bank

**1.3 Identify the correct phases in a financial markets transaction:**

- A Execution, placement, layering and liquidation
- B Registration, affirmation, placement and confirmation
- C→** Execution, registration, confirmation and settlement
- D Integration, placement, layering and dissolution

**1.4 What are the four main economic agents for a country?**

- A→** Government, Households, Corporations and Financial Institutions
- B Government, Brokers, Funds and Banks
- C Major Banks, Major Corporations, Family Offices and Debt Management Agency
- D Government, World Bank, International Monetary Fund and Organisation for Economic Co-operation and Development

**1.5 Which of the following products is currently out of scope of the MiFID II regulatory package?**

- A→** FX Spot
- B FX Forwards
- C Government Bonds
- D FX Options

## 2 – Foreign Exchange

**2.1 You are a customer asking four banks to provide Spot FX quotes in EUR/GBP. Which is the best price for you to buy GBP?**

- A 0.8735
- B 0.8717
- C 0.8727
- D→ 0.8737**

**2.2 If USD/CHF is quoted to you as 0.9675-0.9680, does this price represent?**

- A→** The number of CHF per 1 USD
- B The number of USD per 1 CHF
- C It is not clear, as it will depend if the price is quoted in Switzerland or in the United States
- D It is not clear, as it will depend if the price is quoted by a bank or by a broker

**2.3 A customer asks for a price in 6-month EUR/USD. You quote 53-63 and he deals at 53. What have you done?**

- A Bought EUR against USD 6-month forward only
- B Sold EUR against USD 6-month forward only
- C Sold USD against EUR on Spot and bought USD against EUR on 6-month forward
- D→** Sold EUR against USD on Spot and bought EUR against USD on 6-month forward

**2.4 What do forward points in FX represent?**

- A The expected appreciation or depreciation of the base currency
- B The expected appreciation or depreciation of the quoted currency
- C Only the interest rate differential between two currencies
- D→** The interest rate differential between two currencies, amongst other factors

**2.5 Spot USD/JPY is quoted at 107.60-107.65 and JPY interest rates are lower than USD interest rates. Would you expect the USD/JPY forward points?**

- A To be added to the Spot price
- B To have no impact in the Spot price
- C To be subtracted from the bid of the Spot only
- D→** To be subtracted from the Spot price

**2.6 You wish to sell a customer EUR/CHF for value tomorrow. How can you hedge yourself?**

- A Sell EUR/CHF Spot, and Sell and Buy EUR/CHF tom/next
- B→ Buy EUR/CHF Spot, and Buy and Sell EUR/CHF tom/next**
- C Buy and Sell EUR/CHF tom/next only
- D Sell and Buy EUR/CHF tom/next only

**2.7 Spot USD/JPY is quoted to you at 107.50-55. If you bought JPY 500,000,000.00 at this quote, how many USD would you have to sell in exchange?**

- A USD 4,644,681.84
- B USD 4,649,000.46
- C→ USD 4,651,162.79**
- D USD 4,653,327.13

**2.8 Spot GBP/USD is quoted at 1.2522-1.2527 and Spot USD/JPY is quoted at 107.70-107.75. What is the GBP/JPY cross rate?**

- A 134.85-134.95
- B→ 134.86-134.98**
- C 134.90-134.95
- D 0.01162599-0.01162674

**2.9 You quote to a customer a Spot EUR/USD of 1.1370-73 but the customer asks the rate quoted in EUR per USD. What do you quote?**

- A 1.1373-70
- B 0.8795-93
- C→ 0.8793-95**
- D 0.8792-96

### **3 – Rates**

**3.1 The maturity of a 3-month deposit would fall on a Sunday, which happens to be the last day of the month. What is the actual deposit settlement date?**

- A→ The previous Friday
- B The following Monday
- C Sunday
- D The previous Thursday

**3.2 What is the day count/annual basis convention for ZAR money market deposits?**

- A 30E/360
- B ACT/ACT
- C ACT/360
- D→ ACT/365

**3.3 Which counterparty in a classic repo usually takes an initial margin?**

- A The seller
- B→ The buyer
- C Both
- D Neither

**3.4 What happens when a coupon is paid on bond collateral during the term of a sell/buy-back?**

- A→ The equivalent value plus reinvestment income is deducted from the buy-back price
- B Nothing
- C A margin call is triggered on the seller
- D A manufactured payment is made to the seller

**3.5 Which of the following instruments is not transferable?**

- A→ A money market deposit
- B Euro certificate of deposit
- C US Treasury bill
- D CD

- 3.6 You quote your customer a price of 0.75%-0.80% for a 1-month USD deposit and the customer says: “20 yours”. What have you done?**
- A You lent USD 20,000,000.00 at 0.80%
  - B You lent USD 20,000,000.00 at 0.75%
  - C→ You borrowed USD 20,000,000.00 at 0.75%**
  - D You borrowed USD 20,000,000.00 at 0.80%
- 3.7 An overnight deposit of USD 20,000,000.00 is made on Friday at 0.15% and is then rolled on Monday at 0.10%, on Tuesday at 0.09%, on Wednesday at 0.11% and on Thursday at 0.12%. How much is repaid (principal plus interest) on the following Friday?**
- A→ USD 20,000,483.34**
  - B USD 20,000,416.67
  - C USD 20,000,292.35
  - D USD 20,000,355.56
- 3.8 How many EUR would you have to invest at 0.25% to be repaid EUR 5,000,000.00 (principal plus interest) in 182 days?**
- A EUR 4,995,721,35
  - B EUR 4,994,325,03
  - C→ EUR 4,993,688.53**
  - D EUR 4,996,889,27
- 3.9 The tom/next GC repo rate for German government bonds is quoted to you at 1.75%-1.80%. As collateral, you sell EUR 10,000,000.00 nominal of the 5.25% Bund July 20XX, which is worth EUR 11,260,000.00. If you have to give an initial margin of 2.00%, the repurchase price is:**
- A→ EUR 11,039,767.65**
  - B EUR 11,035,351.74
  - C EUR 11,039,752.32
  - D EUR 11,035,336.41

## **4 – FICC Derivatives**

### **4.1 Purchasing a GBP/USD Call Option is equivalent to:**

- A Selling a USD/GBP Put Option
- B Selling a GBP/USD Put Option
- C→** Purchasing a USD/GBP Put Option
- D Purchasing a USD/GBP Call Option

### **4.2 Which of the following statements is correct for an American-style option?**

- A An option contract that gives the buyer the right to exercise the option only at the end of the contract
- B→** An option contract that gives the buyer the right to exercise the option at any time during its life
- C An option contract that gives the buyer the right to exercise the option at several distinct points during its life
- D An option contract that is transacted in the United States of America

### **4.3 A bank lending EUR for 12 months and borrowing them for 6 months creates:**

- A An over-borrowing position
- B A forward-forward liability
- C→** A forward-forward asset
- D A neutral exposure to interest rates

### **4.4 It is April. You are over-lent from June to September on your deposit book. How would you hedge using FRAs?**

- A Sell a 2x5 FRA
- B Buy a 3x6 FRA
- C Sell a 3x6 FRA
- D→** Buy a 2x5 FRA

### **4.5 You bought a USD 10,000,000.00 3x6 FRA at 1.50%. The settlement rate for 3-months (90 days) fixes at 1.77%. What is the settlement amount at maturity?**

- A→** You receive USD 6,720.26
- B You receive USD 9,206.96
- C You pay USD 6,720.26
- D You pay USD 9,206.96

- 4.6 Consider that you setup a trading strategy today for 5 years with the following positions:**
- You Sell a Cap on EURIBOR 3 Months, Strike +0.60% with quarterly observations in advance, Premium 0.80% of Bullet Notional
  - You Buy a Floor on EURIBOR 3 Months, Strike -0.60% with quarterly observations in advance, Premium 0.55% of Bullet Notional

Assuming that EURIBOR 3 Months will always set within a range of -0.60%/+0.60% during the life of this strategy, what could be the maximum positive result, in % of Bullet Notional, that can be achieved by this strategy?

- A→** +0.25%
- B +0.80%
- C +0.55%
- D +1.35%

- 4.7 Consider that you setup a 1-month trading strategy with the following positions:**
- You Sell a EUR Call / USD Put, Strike 1.1100 Premium 34 USD pips
  - You Buy a EUR Put / USD Call, Strike 1.0700 Premium 26 USD pips

With EUR/USD Spot at expiry at 1.1050, what could be the maximum positive result, in USD pips, that can be achieved by this strategy?

- A You receive 34 USD pips
- B You receive 60 USD pips
- C You receive 26 USD pips
- D→** You receive 8 USD pips



## **5 – Financial Markets Applications**

### **5.1 The Value at Risk (VaR) is higher with?**

- A A confidence level below 84%
- B A confidence level between 85% and 89%
- C A confidence level between 90% and 94%
- D→** A confidence level above 95%

### **5.2 Which of the following methods can be used to mitigate credit risk?**

- A Trade only on electronic platforms
- B Trade only cash/spot products
- C→** Enter into collateral agreements
- D Trade only with major banks

### **5.3 Under the Basel Accords, which one of the following statements is correct?**

- A Pillar 2 is the concept of market discipline and Pillar 3 is the supervisory review process
- B Pillar 2 is the concept of regulatory capital charges and Pillar 3 is the concept of market discipline
- C Pillar 2 is the supervisory review process and Pillar 3 is the concept of regulatory capital charges
- D→** Pillar 2 is the supervisory review process and Pillar 3 is the concept of market discipline

### **5.4 You have just bought USD 10,000,000.00 against CAD on a Spot transaction. What type of risks apply to this transaction?**

- A Market risk and basis risk
- B Market risk only
- C Settlement risk only
- D→** Market risk and settlement risk

### **5.5 Which of the following does not represent an operational risk as defined by the Basel Accords?**

- A Cyber crime
- B Internal fraud
- C Usage of incorrect documentation
- D→** Loss of reputation