

2016-FRR^{Q&As}

Financial Risk and Regulation (FRR) Series

Pass GARP 2016-FRR Exam with 100% Guarantee

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.pass2lead.com/2016-frr.html>

100% Passing Guarantee
100% Money Back Assurance

Following Questions and Answers are all new published by GARP
Official Exam Center

- ⚙️ **Instant Download** After Purchase
- ⚙️ **100% Money Back** Guarantee
- ⚙️ **365 Days** Free Update
- ⚙️ **800,000+** Satisfied Customers



QUESTION 1

The value of which one of the following four option types is typically dependent on both the final price of its underlying asset and its own price history?

- A. Stout options
- B. Power options
- C. Chooser options
- D. Basket options

Correct Answer: A

QUESTION 2

The potential failure of a manufacturer to honor a warranty might be called ____, whereas the potential failure of a borrower to fulfill its payment requirements, which include both the repayment of the amount borrowed, the principal and the contractual interest payments, would be called ____.

- A. Credit risk; market risk
- B. Market risk; credit risk
- C. Credit risk; performance risk
- D. Performance risk; credit risk

Correct Answer: D

QUESTION 3

From the bank's point of view, repricing the retail debt portfolio will introduce risks of fluctuations in:

- I. Duration
- II. Loss given default
- III. Interest rates
- IV. Bank spreads

A.

I

B.

- II
- C.
- I, II
- D.
- III, IV

Correct Answer: D

QUESTION 4

Which of the following statements explain how securitization makes the retail assets highly liquid and the balance sheet easier to manage?

- I. By securitizing assets any lack of capital can be accommodated by selling the securitized bonds.
- II. Any need to diversify credit risk can be achieved by selling bank's own securitized bonds and buying other bonds that increase diversification.
- III.
Securitization could be used to promote hedging by using limited market instruments.

- A.
- I, II
- B.
- I, II, III
- C.
- II, III
- D.
- II

Correct Answer: A

QUESTION 5

To safeguard its capital and obtain insurance if the borrowers cannot repay their loans, Gamma Bank accepts financial collateral to manage its credit risk and mitigate the effect of the borrowers' defaults. Gamma Bank will typically accept all of the following instruments as financial collateral EXCEPT?

- A. Unrated bonds issued and traded on a recognized exchange
- B. Equities and convertible bonds included in a main market index

C. Commercial debts owed to a company in a form of receivables

D. Mutual fund shares and similar unit investment vehicles subject to daily quotes

Correct Answer: C

[2016-FRR PDF Dumps](#)

[2016-FRR Practice Test](#)

[2016-FRR Braindumps](#)