

ICMA

SOFQ Exam

Securities Operations Foundation Qualification

Questions & Answers Demo

Version: 4.0

Question: 1

The two choices for the settlement method utilised within a securities market are:

- A. 'Account Settlement' and 'Tumbling Settlement'
- B. 'Tumbling Settlement' and 'Continuing Settlement'
- C. 'Continuing Settlement' and 'Account Settlement'
- D. 'Rolling Settlement' and 'Account Settlement'

Answer: D

Explanation:

Question: 2

The International Monetary Fund is an example of:

- A. A supranational organisation
- B. A sovereign wealth fund
- C. An investment bank
- D. A securities market regulator

Answer: A

Explanation:

Question: 3

A cash amount of GBP 5,909,658.47 lent on a Thursday until the second Monday (just over 1 week later) at a rate of 2.973%, would attract:

- A. 7 days of interest and a cash interest amount of GBP 3369.48
- B. 9 days of interest and a cash interest amount of GBP 4392.35
- C. 13 days of interest and a cash interest amount of GBP 6344.51
- D. 11 days of interest and a cash interest amount of GBP 5294.89

Answer: D

Explanation:

Question: 4

Within internal books and records, the recording of the trading book on a securities trade facilitates:

- A. Reconciliation of settled positions, per trading book and per security - between the trading department and operations
- B. Reconciliation of settled positions, per trading book and per security - between operations and the firm's custodian
- C. Reconciliation of trading positions, per trading book and per security - between the firm's counterparty and the firm's custodian
- D. Reconciliation of trading positions, per trading book and per security - between the trading department and operations

Answer: D

Explanation:

Question: 5

A 'put' option on a bond allows:

- A. The stock exchange to force the bondholder to redeem the bonds prior to the bond's scheduled maturity date
- B. The regulator to force the issuer to redeem the bonds prior to the bond's scheduled maturity date
- C. The bondholder to redeem their bonds prior to the bond's scheduled maturity date
- D. The bond issuer to force redemption of bonds prior to the bond's scheduled maturity date

Answer: C

Explanation:

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