ICMA

SOFQ
Securities Operations Foundation Qualification (SOFQ)

Questions & Answers PDF

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Question: 1

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

A. 'Account Settlement1 and Tumbling Settlement'
B. Tumbling Settlement' and 'Continuing Settlement'
C. 'Continuing Settlement'and'Account Settlement'
D. 'Rolling Settlement' and 'Account Settlement’

Answer: D

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

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

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

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