

## IN-CLASS QUIZZ 02

Which instruments are the most traded on the foreign exchange market?

- a) spot transactions
- b) swaps
- c) forwards
- d) futures

Which parameter of a forward transaction is NOT agreed upon on the day of agreement?

- a) volume
- b) exchange rate
- c) premium
- d) date of settlement

What is the situation called when the forward rate exceeds the spot rate?

- a) forward discount
- b) forward premium
- c) forward swap
- d) forward limit

What is a position in which we have a commitment to sell called?

- a) Short
- b) long
- c) open
- d) closed

When is a long forward position in profit?

- a) if the forward rate is the same as the spot rate
- b) if the forward rate is lower than the spot rate
- c) if the forward rate is higher than the spot rate
- d) if the forward rate is higher than the swap rate