Respuesta incorrecta.

La respuesta correcta es: A derivative gives to its owner a right on another asset and yields a return that is linked to the evolution of this asset.

Pregunta 3
Correcta
Puntúa 1,00 sobre 1,00
Marcar pregunta

Bonds as fixed income

Seleccione una:

- a. Bonds often are referred to as "fixed income" investments because they typically offer fixed interest payments ✔
- b. When you purchase a bond issued by a corporation or government, you are actually taking a loan from the issuer
- c. Bonds often are referred to as "fixed income" investments because they never change their value along time
- d. Typically, when interest rates fall , bond prices go down and vice versa.

Respuesta correcta

La respuesta correcta es: Bonds often are referred to as "fixed income" investments because they typically offer fixed interest payments

Pregunta 4
Correcta

Derivatives:

Tiempo empleado	13 minutos 5 segundos
Calificación	**8,00** de 10,00 (**80**%)

Pregunta **1**
Correcta
Puntúa 1,00 sobre 1,00
Marcar pregunta

Real assets and financial assets:

Seleccione una:

- a. The main feature to differentiate between financial assets and real assets is that a financial security is an asset for its owner and a liability for its issuer
- b. All answers are correct ✔
- c. A financial security is an asset for its owner and a liability for its issuer
- d. An asset can be defined as any object, tangible or intangible, that is of value to its owner

Respuesta correcta

La respuesta correcta es: All answers are correct

Pregunta **2**
Incorrecta
Puntúa 0,00 sobre 1,00
Marcar pregunta

Primitive assets versus derivative assets.

Seleccione una:

- a. A derivative gives to its owner a right on another asset and yields a return that is linked to the evolution of this asset.

Respuesta correcta

La respuesta correcta es: Valuation (share price).

Pregunta **10**

Correcta

Puntúa 1,00 sobre 1,00

Marcar pregunta

One of the main functions of Market index is:

Seleccione una:

- a. To serve as underlying for certain derivative financial instruments such as futures or options.
- b. All the answers are correct ✔
- c. To serve as a reference or benchmark for managing personal or business assets
- d. To be an Indicator of the development of a market

Respuesta correcta

La respuesta correcta es: All the answers are correct

Finalizar revisión

◄ Cheat Sheet | Ir a... | Topic 2 problem ►

Respuesta correcta

La respuesta correcta es: Amount of money for which one investor would exchange a risky asset

Pregunta 7
Correcta
Puntúa 1,00 sobre 1,00
Marcar pregunta

Risk attitudes

Seleccione una:

- a. A risk averse individual accepts to renounce to some expected value in order to avoid risk.
- b. A risk neutral individual does not care about assuming risk or not
- c. A risk lover individual would only renounce to risk if he receives an additional compensation over the expected value
- d. All answers are correct ✔

Respuesta correcta

Las respuestas correctas son: A risk neutral individual does not care about assuming risk or not, All answers are correct

Pregunta 8
Correcta
Puntúa 1,00 sobre 1,00

Which of the following sentences about Financial markets is **WRONG**?

La respuesta correcta es: The most important functions of a financial market are: Mobilisation of Savings, Facilitation of Price Rising, Ease of Liquidity to Financial Assets and Reduction of the number of transactions.

Pregunta **9**
Correcta
Puntúa 1,00 sobre 1,00
Marcar pregunta

One of the main functions of a stock exchange for a **COMPANY** is:

Seleccione una:

- a. Share the management of the company by voting.
- b. Valuation (share price). ✔
- c. Channelling savings
- d. Provide liquidity to securities trading.

Respuesta correcta

La respuesta correcta es: Valuation (share price).

Pregunta **10**
Correcta
Puntúa 1,00 sobre 1,00
Marcar pregunta

One of the main functions of Market index is:

Seleccione una:

- a. To serve as underlying for certain derivative financial instruments such as futures or options.
- b. All the answers are correct ✔

Respuesta correcta

La respuesta correcta es: A Call option is a contract to BUY a specific financial product, in the future at a certain price

Pregunta 5

Incorrecta

Puntúa 0,00 sobre 1,00

Marcar pregunta

Which sentence about Basic operations in finance is **RIGHT**?

Seleccione una:

a. Speculators assume risk searching for profits below the average ✖

b.
In an investment funds are applied to obtain a (positive) rate of return.

c.
An arbitrage manages to make a profit by investing and assuming risk since it takes advantage from a temporary inefficiency on the financial market.

d.
A perfect hedging can give the investor either profit or loss

Respuesta incorrecta.

La respuesta correcta es:
In an investment funds are applied to obtain a (positive) rate of return.

La respuesta correcta es:
In an investment funds are applied to obtain a (positive) rate of return.

Pregunta **6**
Correcta
Puntúa 1,00 sobre 1,00
Marcar pregunta

Certainty Equivalent

Seleccione una:

- a. All the answers are correct
- b. It is the result of adding the net present value of the risk premium to the investment
- c. It is the value for a certain risky investment that is equivalent to another risky investment
- d. Amount of money for which one investor would exchange a risky asset ✔

Respuesta correcta

La respuesta correcta es: Amount of money for which one investor would exchange a risky asset

Pregunta **7**
Correcta
Puntúa 1,00 sobre 1,00
Marcar pregunta

Risk attitudes

Seleccione una:

- a. A risk averse individual accepts to renounce to some expected value in order to avoid risk.
- b. A risk neutral individual does not care about assuming risk or not
- c. A risk lover individual would only renounce to risk if he receives an additional

d. Typically, when interest rates fall , bond prices go down and vice versa.

Respuesta correcta

La respuesta correcta es: Bonds often are referred to as "fixed income" investments because they typically offer fixed interest payments

Pregunta 4

Correcta

Puntúa 1,00 sobre 1,00

Marcar pregunta

Derivatives:

Seleccione una:

a. A Call option is a contract to BUY a specific financial product, in the future at a certain price ✔

b. A Call option is a contract to SELL a specific financial product, which is called underlying derivative

c. A Put option is a contract to BUY a specific financial product, in the future at a certain price

d. A Put option is a contract to SELL a specific financial product, which is called underlying derivative

Respuesta correcta

La respuesta correcta es: A Call option is a contract to BUY a specific financial product, in the future at a certain price

Respuesta correcta

La respuesta correcta es: All answers are correct

Pregunta **2**

Incorrecta

Puntúa 0,00 sobre 1,00

Marcar pregunta

Primitive assets versus derivative assets.

Seleccione una:

a. A derivative gives to its owner a right on another asset and yields a return that is linked to the evolution of this asset.

b. Stocks, bonds and interest rates are derivative securities. ✖

c.
The return on a derivative asset does fully depend on the financial status of its issuer.

d. The return on a primitive asset does not depend on the financial status of its issuer.

Respuesta incorrecta.

La respuesta correcta es: A derivative gives to its owner a right on another asset and yields a return that is linked to the evolution of this asset.

Pregunta **3**

Correcta

Puntúa 1,00

Bonds as fixed income

Seleccione una:

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10,00 de 10,00 (100%)

We have project that has the following flows:

-1000	30	30	1030

If the risk free rate is a 3%, which is the risk attitude that corresponds a CERTAINTY EQUIVALENT of 970?

Seleccione una:

a. Risk averse ✔

b. Risk lover

c. None

d. Risk neutral

Respuesta correcta

La respuesta correcta es: Risk averse

Respuesta correcta

Las respuestas correctas son: A risk neutral individual does not care about assuming risk or not, All answers are correct

Pregunta 8

Correcta

Puntúa 1,00 sobre 1,00

Marcar pregunta

Which of the following sentences about Financial markets is **WRONG**?

Seleccione una:

- a. The financial market is helpful to the investors in giving them proper price.
- b. Financial Market is a broad term describing any marketplace where buyers and sellers participate in the trade of assets such as equities bonds, currencies and derivatives.
- c. The most important functions of a financial market are: Mobilisation of Savings, Facilitation of Price Rising, Ease of Liquidity to Financial Assets and Reduction of the number of transactions. ✔
- d. Financial markets are typically defined by having transparent pricing, basic regulations on trading, costs and fees and market forces determining the prices of securities that trade.

Respuesta correcta

La respuesta correcta es: The most important functions of a financial market are: Mobilisation of Savings, Facilitation of Price Rising, Ease of Liquidity to Financial Assets and Reduction of the number of transactions.

× Netflix × Question about Market indexes: × +

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1- Define the concept of FREE FLOAT:

2- Choose one of the market indexes proposed in class and write a short dissertation (100 words) mentioning, at least, the following information:

a. Market that represents

b. Number of companies in the index

c. Type of index

d. Criteria for inclusion in the index

e. If the concept of FREE FLOAT is considered for the composition (weighting) of the index and how.

The free flot is a methodot calulate the capital capitalization of a stock market index.

The market rappresents the 80% of the markets and also the listed stock coporations in Germany.

The German index (DAX 30) rappresents 30 companies.

The index is fixed because there is the Base Date of 1987 with the Base value of 1000, and it is long

the criteria are based o n free flot and also they considered the turnover at extra (almost ot 30 companies), and traded at xestra.

In this case we have at least 10% of free flot, and market capitalization considered one of the