

100% Money Back
Guarantee

Vendor:AFP

Exam Code:CTP

Exam Name:Certified Treasury Professional

Version:Demo

QUESTION 1

Liquidity reserves for opportunistic requirements are typically maintained in the form of:

- A. short-term investments.
- B. short-term borrowing facilities.
- C. working capital.
- D. long-term investments.

Correct Answer: A

QUESTION 2

BEA Company has determined its breakeven dollar amount for concentrating remote funds is \$550.00. BEA Company has a daily earnings rate of 6% and gains one day of accelerated funds. If a wire costs BEA \$35.00 dollars, what is the cost of an electronic funds transfer for BEA Company?

- A. \$1.00
- B. \$2.00
- C. \$3.00
- D. \$4.00

Correct Answer: B

QUESTION 3

Which of the following is NOT a drawback to using ROI as a performance measure?

- A. It may be misleading when cash flows are not evenly distributed over time.
- B. It does not consider the profit generated by a project.
- C. It does not include a charge for cost of capital.
- D. It may lead to rejection of a positive NPV project.

Correct Answer: B

QUESTION 4

A U.S. bank regularly transmits international payments to European based XYZ Bank. The payments flow through an intermediary bank. Recently regulators audited the intermediary bank and discovered the bank may be unknowingly facilitating illegal activities. What payment method was MOST LIKELY used?

- A. Cover payments
- B. Drawdown wires
- C. CHIPS payments
- D. Semi repetitive wires

Correct Answer: A

QUESTION 5

Which of the following factors would the cash manager consider when deciding whether to make a payment via Fedwire or ACH? 1. Cost of the payment 2. Payment due date 3. Availability of customer's funds 4. Loss of float

- A. 1
- B. 1 and 2
- C. 3 and 4
- D. 2, 3, and 4

Correct Answer: B

QUESTION 6

A currency swap is BEST described as an:

- A. immediate exchange of bank drafts.
- B. agreement to convert an obligation in one currency to another.
- C. agreement to deliver or purchase a currency in two days.
- D. option traded on a recognized exchange.

Correct Answer: B

QUESTION 7

An L/C in favor of a U.S. exporter is issued by a bank in an emerging-market country, and it is confirmed by the exporter's bank. What risk is reduced for the U.S. exporter?

- A. Credit risk
- B. Currency risk
- C. Re-investment risk
- D. Valuation risk

Correct Answer: A

QUESTION 8

Without regard to costs, which of the following concentration mechanisms maximizes investment income in a multi-bank environment?

- A. Wire transfer
- B. Zero balance account
- C. ACH
- D. DTC

Correct Answer: A

QUESTION 9

Due to a loss of proprietary information held for clients, ABC Company has been named in a billion dollar lawsuit. It was determined that the loss of information was due to a breach in its computer system firewalls by outside parties. When the lawsuit became public, the company experienced a steep drop in its stock price. This scenario is an example of what kind of risk?

- A. Internal technology
- B. Compliance
- C. External theft/fraud
- D. Market

Correct Answer: C

QUESTION 10

Check MICR line information includes which of the following? I.Bank of deposit identification number II.Payee bank identification number III.Federal Reserve bank code IV.Payor's account number

- A. I only
- B. III and IV only
- C. II, III, and IV only
- D. I, II, III, and IV

Correct Answer: B

QUESTION 11

A company in the market to purchase a treasury management system (TMS) has issued a request for proposal to evaluate various vendors. One of the evaluation factors focuses on the long-term viability of the vendor. The company may have to choose between an untested new vendor with a superior product and an established vendor with an incomplete product suite. This dimension of the RFP is measuring what type of risk?

- A. Reputational risk
- B. Supplier risk
- C. Technology risk
- D. Financial risk

Correct Answer: B

QUESTION 12

XYZ Inc. is a publicly traded company with revenues of \$1B and an operating profit of 7.5%. The treasury organization consists of a treasurer and an assistant treasurer. The assistant treasurer is responsible for the creation and approval of all payments. The treasurer is responsible for compilation of the financial statements. Under Section 404 of the Sarbanes-Oxley Act, what should be viewed as a concern?

- A. Audit committee governance
- B. Segregation of duties
- C. Subcertification
- D. Signature on SEC Form 10-K

Correct Answer: B