

FMRP MCQ Revision Bank

This bank contains 300 one-best-answer questions: 48 source-reference questions adapted from Appendix A of the supplied study guide and 252 original questions based on the teaching guide. Every question has four choices. Answers and rationales are inside collapsed disclosure blocks in HTML; the printable PDF is question-only.

Source-reference questions retain the source's statement-combination style where used. The source questions are reproduced for scope and format practice and should not be treated as a complete syllabus.

Source-reference questions - Appendix A

Chapter 1 - Introduction

1. [Source reference | Combination choice] [FMRP §1.2.2] Which of the following asset classes / products are covered in the Blue Book?

- (a) Equity securities
- (b) Non-deliverable forwards (NDFs)
- (c) Money market instruments
- (d) OTC derivatives

Choose one:

- A. (a) and (b)
- B. (b) and (c)
- C. (b), (c) and (d)
- D. (a), (b) and (c)

Answer: C. (b), (c) and (d)

Rationale: The Blue Book scope includes NDFs, money-market instruments and OTC derivatives; equity securities are not part of this stated scope.

2. [Source reference | Single choice] [FMRP §1.4.4] Which of the following statements relating to Capital Markets Services (CMS) licences is CORRECT?

- a. A CMS Licence holder must either be a Bank or a Merchant Bank and cannot be other types of financial institutions.
- b. Merchant Banks can carry out any regulated activities under the Securities and Futures Act (SFA) without being separately licensed as a CMS Licence holder under the SFA.
- c. Merchant Banks can ignore the business conduct requirements prescribed in the SFA in respect of the regulated activities under the SFA.
- d. The MAS must grant a CMS Licence to merchant banks in order for them to conduct any regulated activities under the SFA.

Answer: D. The MAS must grant a CMS Licence to merchant banks in order for them to conduct any regulated activities under the SFA.

Rationale: The licensing position depends on the applicable authorisation or exemption. A merchant bank is not automatically free of the SFA requirements, and the source identifies the MAS CMS licence requirement in the stated case.

Chapter 2 - Ethics, Behavioural Standards and Professional Conduct

3. [Source reference | Single choice] [FMRP §2.3.3] Which of the following statements relating to guidelines on entertainment, gifts and favours is TRUE?

- a. Representatives can buy gifts for customers that are not so excessive that they are viewed as an offer of inducement to conduct business.

- b. IDBs cannot make lunch appointments with Representatives.
- c. IDBs must obtain permission from the Compliance Department before making any dinner appointments with customers.
- d. Without approval from the Compliance department, Representatives cannot buy gifts for customers.

Answer: A. Representatives can buy gifts for customers that are not so excessive that they are viewed as an offer of inducement to conduct business.

Rationale: Gifts and hospitality must not be excessive or an inducement. The source does not impose an absolute ban on ordinary meetings or every gift.

4. [Source reference | Single choice] [FMRP §2.3.4] Which of the following statements relating to dealing for personal accounts is TRUE?

- a. Representatives can start trading for their own account once they have provided the account details to the Compliance department.
- b. Representatives cannot execute any personal trade on the same securities placed by customers.
- c. Representatives must avoid any conflicts of interest with their professional roles while dealing for personal accounts.
- d. Representatives should strictly not be allowed to deal for personal accounts.

Answer: C. Representatives must avoid any conflicts of interest with their professional roles while dealing for personal accounts.

Rationale: Personal dealing is not automatically prohibited, but it must be controlled so that it does not conflict with professional responsibilities or customer interests.

5. [Source reference | Combination choice] [FMRP §2.3.2] Which of the following are considered persons deemed connected to a dealing staff member?

- (a) Friends connected through Facebook.
- (b) A nephew living in the same house as the staff.
- (c) A staff member's spouse.
- (d) Step-children of the staff member.

Choose one:

- A. (a) and (b)
- B. (b) and (c)
- C. (b), (c) and (d)
- D. (c) and (d)

Answer: C. (b), (c) and (d)

Rationale: The source identifies a co-resident nephew, spouse and step-children as connected persons for the relevant dealing controls; a social-media connection alone is not enough.

6. [Source reference | Single choice] [FMRP §2.6] Under which circumstance would a Market Participant be required to submit a Misconduct Report to MAS?

- a. The Representative has been fined for smoking in a non-smoking area.
- b. The Representative has done trades which artificially inflate market prices.
- c. The Representative has done trades with a counterparty with a low credit rating.
- d. The Representative has the habit of buying lottery tickets on a weekly basis.

Answer: B. The Representative has done trades which artificially inflate market prices.

Rationale: Trades that artificially inflate market prices are potential market misconduct and may trigger the prescribed reporting obligation.

7. [Source reference | Single choice] [FMRP §2.5.4] Which statement most correctly describes the appropriate action a Market Participant should take when it receives money from or on behalf of a customer?

- a. The Market Participant can use the money for purposes approved by the Compliance Department.
- b. The Market Participant can use the money for purposes approved by the Head of Trading.
- c. The Market Participant cannot use the money at all.
- d. The Market Participant must use the money for any purpose as instructed by the customer.

Answer: C. The Market Participant cannot use the money at all.

Rationale: Customer money cannot be used by the Market Participant for its own purposes; it must be handled under the applicable customer-money and settlement requirements.

8. [Source reference | Single choice] [FMRP §2.5.1] Under what situation must a Market Participant provide its customer with a separate written risk disclosure document as prescribed under the Securities and Futures Act?

- a. When the customer wants to open a leveraged foreign exchange trading account.
- b. When the customer wants to open a securities trading account.
- c. When the Market Participant does not perform Enhanced Due Diligence.
- d. When the trade has increased the risk exposure of the customer.

Answer: A. When the customer wants to open a leveraged foreign exchange trading account.

Rationale: The source points to the prescribed disclosure for a leveraged foreign-exchange trading account, where the customer faces amplified losses.

Chapter 3 - Confidentiality and Information Sharing

9. [Source reference | Single choice] [FMRP §3.3.1] Which of the following statements is TRUE about confidentiality and customer anonymity principles?

- a. Customer data should be disclosed in accordance with the applicable laws and regulations.
- b. Customer verification can only be done by checking with the customer directly.
- c. The customer must complete the account opening form in front of the employee in the bank branch.
- d. The responsibility for maintaining confidentiality of information rests with the customer.

Answer: A. Customer data should be disclosed in accordance with the applicable laws and regulations.

Rationale: Confidentiality is governed by applicable law and regulation. The other choices impose unsupported absolute requirements or wrongly place responsibility on the customer.

10. [Source reference | Combination choice] [FMRP §3.2.1] Which of the following would be considered confidential information in relation to financial markets?

- (a) Customer or counterparty name, and any other information that may lead to identification.
- (b) Details of a Market Participant's order book.
- (c) Spread matrices provided by Market Participants to their clients.
- (d) Spreads on bids and offers available in the market.

Choose one:

- A. (a), (b) and (c)
- B. (b) and (c)
- C. (b), (c) and (d)
- D. (c) and (d)

Answer: A. (a), (b) and (c)

Rationale: Customer-identifying information, order books and client spread matrices are confidential. General market bids and offers are not automatically confidential.

11. [Source reference | Combination choice] [FMRP §3.3.1] Market Participants only disclose confidential information to internal and / or external parties under specific circumstances, such as:

- (a) When required under the Income Tax Act (Cap 134).
- (b) When required under the Banking Act, Section 47 - Banking Secrecy and Parts I and II of the Third Schedule.
- (c) To investigate or prosecute an offence that is alleged or suspected to have been committed.
- (d) When required by other Market Participants.

Choose one:

- A. (a), (b) and (c)
- B. (a) and (d)
- C. (a), (c) and (d)
- D. (b), (c) and (d)

Answer: A. (a), (b) and (c)

Rationale: Legal or law-enforcement bases may permit disclosure. A request from another Market Participant alone does not create authority.

12. [Source reference | Combination choice] [FMRP §3.4.1] Market Participants should communicate in a manner that is clear, accurate, professional and not misleading. To ensure this, Market Participants should do which of the following?

- (a) Not communicate false information.
- (b) Not provide misleading information in order to protect confidential information, for example when executing partial orders.
- (c) Decline to disclose whether their request to transact is in the full quantity of the order or not.
- (d) Not identify opinions as opinions.

Choose one:

- A. (a), (b) and (c)
- B. (b) and (c)
- C. (a) and (b)
- D. (c) and (d)

Answer: C. (a) and (b)

Rationale: The first three practices support accurate and non-misleading communication. Opinions should be identified as opinions, so statement (d) is wrong.

13. [Source reference | Combination choice] [FMRP §3.4.2] Which of the following are examples of inappropriate disclosure of information when providing market colour?

- (a) A bank salesperson to a hedge fund: We have seen large interest from Royal Bank of Singapore this morning.
- (b) An asset manager to a bank market maker: Can you give me some colour around the 100 point rally in GBP/USD in the past hour?
- (c) A bank salesperson to a hedge fund: We have seen large NZD/USD demand from Royal Bank of Singapore this morning.
- (d) A market maker to a hedge fund: Yen liquidity has deteriorated; it took me 15 ticks to cover a sale of 100 million USD/JPY to a Japanese automaker.

Choose one:

- A. (a) and (d)
- B. (b) and (c)
- C. (a) and (b)
- D. (c) and (d)

Answer: D. (c) and (d)

Rationale: Naming the participant or revealing a traceable customer amount is inappropriate. General discussion of a rally or liquidity can be permissible.

Chapter 4 - Governance, Risk Management and Compliance

14. [Source reference | Single choice] [FMRP §4.4] Which one of the following statements relating to segregation of duties is TRUE?

- a. Back office staff should not have any communication with front office personnel.
- b. It is acceptable for front office, middle office and back office to share access to their respective systems.
- c. Management should establish appropriate information barriers between trading, risk management and processing units.
- d. Market Participants should not share any trading profit and loss reports with the middle office.

Answer: C. Management should establish appropriate information barriers between trading, risk management and processing units.

Rationale: Information barriers and separated system access reduce the risk that one function can originate, alter and conceal a transaction. Segregation does not mean zero communication.

15. [Source reference | Single choice] [FMRP §4.4] What would be an effective internal control procedure to mitigate the risk of rogue traders committing fraud?

- a. Front office personnel cannot communicate to staff in the processing unit to resolve issues.
- b. Front office personnel should not contact middle office staff to resolve trade related issues.
- c. Front office personnel should not have access rights to middle office systems to process trades.
- d. Front office personnel should not physically be at the back office department area.

Answer: C. Front office personnel should not have access rights to middle office systems to process trades.

Rationale: Restricting front-office access to middle-office systems is a direct control over unauthorised processing and concealment. Physical proximity or communication alone is not the key control.

16. [Source reference | Combination choice] [FMRP §4.10.1] Which of the following constitute AML and KYC requirements relevant to Market Participants?

- (a) Establish internal procedures and controls to mitigate AML and KYC risk.
- (b) Establish procedures to inform customers when a report has been made to the authorities for suspicious transactions.
- (c) Maintain records of all CDD documentation.
- (d) Perform customer due diligence for all customers.

Choose one:

- A. (a) and (b)
- B. (c) and (d)
- C. (a) and (c)
- D. (a), (c) and (d)

Answer: D. (a), (c) and (d)

Rationale: Procedures, CDD records and customer due diligence are core controls. Informing a customer that a suspicious transaction report has been made may constitute tipping off.

17. [Source reference | Single choice] [FMRP §4.9.3] Which of the following is an example of operational risk?

- a. Risk of losses as a result of an adverse movement in the markets.
- b. Risk of losses due to holding a short position in a particular financial instrument.

- c. Risk as a result of inadequate processes and controls.
- d. Risk caused by a counterparty going bankrupt.

Answer: C. Risk as a result of inadequate processes and controls.

Rationale: Inadequate processes and controls are a classic operational-risk source. Market movements are market risk and counterparty failure is credit risk.

18. [Source reference | Single choice] [FMRP §4.9.2] Which action should be taken to minimise losses when a customer fails to meet margin top-up requirements?

- a. Close out the customer's positions if margin calls remain unanswered.
- b. Contact the customer to request settlement instructions.
- c. Execute a trade for the customer that hedges against the loss-making position.
- d. Issue a contract note on the trade done.

Answer: A. Close out the customer's positions if margin calls remain unanswered.

Rationale: If margin calls remain unanswered, closing out under the agreement and procedures limits further exposure. A dealer should not invent a hedge or wait without control.

19. [Source reference | Single choice] [FMRP §4.6.3] Which is a key control that should be implemented for off-premises dealing?

- a. Trade details of off-premises trades should be documented only on the Market Participant's letterhead.
- b. Trade details should be clearly reported to the Compliance Department.
- c. Trade details should be clearly reported to the Risk Department.
- d. Trade details should be promptly reported to the counterparty via approved communication channels.

Answer: D. Trade details should be promptly reported to the counterparty via approved communication channels.

Rationale: Prompt approved communication with the counterparty creates a contemporaneous record and allows terms to be confirmed while the facts are fresh.

20. [Source reference | Single choice] [FMRP §4.6] In business-continuity planning, which of the following is MOST important?

- a. A contingency plan for front-office representatives to ensure they can continue dealing in any disruption.
- b. A contingency plan for treasury operations in the front, middle and back offices to ensure operations can continue in any disruption.
- c. A contingency plan for representatives to work from home to continue treasury operations in all areas.
- d. Internal standing instructions to withhold all payments during any disruption.

Answer: B. A contingency plan for treasury operations in the front, middle and back offices to ensure operations can continue in any disruption.

Rationale: Continuity must preserve the whole treasury process, including front, middle and back office functions, rather than focusing only on trading or automatically stopping payments.

21. [Source reference | Combination choice] [FMRP §4.6.2] Which statements are TRUE about the use of technology within trading and risk management?

- (a) Open-source system architecture is encouraged to allow integration of customer systems.
- (b) Representatives should have ready access to all systems to facilitate timely processing.
- (c) Sufficient capacity should be maintained for normal and peak loads.
- (d) Data confidentiality should be preserved by encrypting messages.

Choose one:

- A. (a) and (d)

- B. (b) and (d)
- C. (a) and (c)
- D. (c) and (d)

Answer: D. (c) and (d)

Rationale: Capacity and encryption are appropriate controls. Broad access to all systems is not, and the source does not make open-source architecture an unconditional requirement.

22. [Source reference | Single choice] [FMRP §4.7] Why should Market Participants obtain their own legal, tax and accounting advice before executing any OTC derivative trade?

- a. To advise on the credit risk posed by derivative transactions.
- b. To determine if their licence legally allows derivative trading.
- c. To determine the pay-out accounting structure that results in the lowest tax payable.
- d. To gain clarity on the handling of market disruptions, as well as tax and accounting implications.

Answer: D. To gain clarity on the handling of market disruptions, as well as tax and accounting implications.

Rationale: OTC derivatives can create legal, tax, accounting and disruption questions that the participant must understand for its own circumstances.

23. [Source reference | Combination choice] [FMRP §4.5] Which of the following should be undertaken when a Market Participant appoints an IDB?

- (a) Conduct the Know Your Customer process of the IDB.
- (b) Determine the position limits assigned to the IDB.
- (c) Perform a credit evaluation of the IDB.
- (d) Ask the IDB to provide market colour and predict investment trends.

Choose one:

- A. (a) and (b)
- B. (c) and (d)
- C. (a), (b) and (c)
- D. (a), (c) and (d)

Answer: C. (a), (b) and (c)

Rationale: The participant should conduct due diligence, set or understand limits and evaluate credit. Asking an IDB to predict investment trends is not a control requirement.

Chapter 5 - Execution and Handling of Orders

24. [Source reference | Single choice] [FMRP §5.10.1] What should an IDB do when it receives an order from a principal with special conditions?

- a. An IDB must accurately relay the special conditions to the counterparties.
- b. An IDB should advise the principal not to impose the special conditions.
- c. An IDB should exclude the special conditions.
- d. An IDB should increase its brokerage for orders with special conditions.

Answer: A. An IDB must accurately relay the special conditions to the counterparties.

Rationale: Special conditions are part of the order and must be relayed accurately so counterparties can decide whether to deal on that basis.

25. [Source reference | Single choice] [FMRP §5.10.1] Which action should NOT be done by IDBs?

- a. Engage in taking its own positions by executing its own trades.
- b. Provide settlement instructions to the counterparties.

- c. Provide the names of counterparties after the deal has been concluded.
- d. Relay price quotations upon receipt of an order from a counterparty.

Answer: A. Engage in taking its own positions by executing its own trades.

Rationale: An IDB should intermediate rather than take its own proprietary positions in the transaction. The other functions can be part of proper intermediation.

26. [Source reference | Single choice] [FMRP §5.1.2] If a price maker's price is dealt simultaneously by two or more IDBs, what must the price maker do?

- a. Choose which IDB to honour his quoted amount.
- b. Honour, subject to limit, his quoted amount, split equally with each IDB.
- c. Honour, subject to limit, his quoted amount, with each IDB.
- d. Honour, subject to limit, the minimum dealing amount with each IDB.

Answer: D. Honour, subject to limit, the minimum dealing amount with each IDB.

Rationale: The market convention requires the price maker to honour the minimum dealing amount with each IDB, subject to the applicable limit.

27. [Source reference | Combination choice] [FMRP §5.9] What types of transactions are restricted under MAS regulations on lending Singapore dollars to non-resident financial institutions?

- (a) A foreign bank buys SGD 10 million from its European head office in the first leg of a EUR/SGD swap.
- (b) A foreign bank sells SGD 10 million to its European head office in the first leg of a EUR/SGD swap.
- (c) A foreign bank lends SGD 6 million to a finance company licensed in Singapore.
- (d) A foreign bank lends SGD 6 million to its head office in Europe.

Choose one:

- A. (a) and (d)
- B. (b) and (d)
- C. (a) and (c)
- D. (b) and (c)

Answer: B. (b) and (d)

Rationale: The restricted structures are those that lend SGD to the non-resident head office, including the economically relevant swap direction; the Singapore-licensed finance-company loan is treated differently in the source.

28. [Source reference | Single choice] [FMRP §5.1.6] Which of the following is TRUE about stop-loss orders?

- a. There is no guarantee of fixed-price execution to the counterparty.
- b. The trade should be immediately concluded at the highest market price.
- c. The trade should be immediately concluded at the lowest market price.
- d. The trade will be executed at a fixed price.

Answer: A. There is no guarantee of fixed-price execution to the counterparty.

Rationale: A stop-loss instruction is triggered by a market level but does not guarantee a fixed execution price in a moving or illiquid market.

29. [Source reference | Single choice] [FMRP §5.3.6] What is the appropriate practice for trade cancellations?

- a. Trades can be cancelled before the settlement date.
- b. Trades must always be cancelled if the price is not representative of the prevailing market price.
- c. Trades are subject to cancellation only where both parties agree to the cancellation.
- d. Trades with minor errors in notional value should always be cancelled.

Answer: C. Trades are subject to cancellation only where both parties agree to the cancellation.

Rationale: Cancellation is governed by the applicable convention and generally requires agreement of both parties; it is not an automatic remedy for regret or every minor error.

30. [Source reference | Single choice] [FMRP §5.4.1] What are the market trading hours for foreign-exchange transactions?

- a. 0500h Sydney time on Monday to 1700h New York time on Friday.
- b. 0900h to 1700h daily.
- c. 0900h to 1700h from Monday to Friday.
- d. 0900h Sydney time on Monday to 1700h New York time on Friday.

Answer: A. 0500h Sydney time on Monday to 1700h New York time on Friday.

Rationale: The source convention describes the global FX week from 0500 Sydney Monday to 1700 New York Friday.

31. [Source reference | Combination choice] [FMRP §5.4.5] Which should be observed when trading FX swaps?

- (a) The forward rate of the far leg should be determined on the value date of the near leg.
- (b) The near leg must always be value spot.
- (c) The price maker has the right to set the spot rate in an FX swap.
- (d) The setting of the spot rate should be done immediately after a price has been hit and before clearing the counterparty's name.

Choose one:

- A. (a) and (d)
- B. (c) and (d)
- C. (a) and (c)
- D. (b) and (c)

Answer: A. (a) and (d)

Rationale: The forward rate is set by the agreed convention at the near-leg value date, and the spot rate should be set promptly after the price is dealt and before name clearance.

32. [Source reference | Single choice] [FMRP §5.4.6] What should Jane do before transacting an off-market-rate FX trade with a corporate customer?

- a. Obtain the express approval of her own senior management.
- b. Obtain the express approval of the customer's senior management.
- c. Obtain the express approval of MAS.
- d. Obtain the express approval of SFEMC.

Answer: A. Obtain the express approval of her own senior management.

Rationale: An off-market trade needs the Market Participant's senior-management approval and a legitimate, documented basis; MAS or SFEMC approval is not the routine answer.

33. [Source reference | Single choice] [FMRP §5.1.2] A Market Participant lacks sufficient limits for a counterparty's full amount but is trying to raise limits. What should it do?

- a. Ask the IDB to commit the trade with the counterparty.
- b. Execute the trade and obtain credit approval later.
- c. Indicate the minimum amount required that can be done.
- d. Inform the IDB that it does not have sufficient limits.

Answer: D. Inform the IDB that it does not have sufficient limits.

Rationale: The participant must be transparent about its limit constraint and must not ask an intermediary to commit an unauthorised trade.

34. [Source reference | Single choice] [FMRP §5.2.4] What should a Market Participant do before entering into a trade as principal with a customer in securities traded on an exchange?

- a. Indicate the types of securities to be dealt with.
- b. Instruct the customer to engage an agent.
- c. Notify the customer that it acts as counterparty to the customer.
- d. State the name of the exchange that it will use.

Answer: C. Notify the customer that it acts as counterparty to the customer.

Rationale: The customer must know that the Market Participant is acting as principal and therefore is the counterparty, not merely an agent.

35. [Source reference | Single choice] [FMRP §5.8.1] Which statement concerning conduct of business in Singapore Government Securities is CORRECT?

- a. A dealer must send a confirmation note not later than the next business day.
- b. A dealer must send a confirmation note on trade day via MEPS+.
- c. A dealer must send a confirmation note on trade date via secured media.
- d. A dealer must send a confirmation note on trade day via SWIFT.

Answer: A. A dealer must send a confirmation note not later than the next business day.

Rationale: The source identifies the timing requirement as no later than the next business day; it does not prescribe the specific channels in the other choices as universal requirements.

36. [Source reference | Single choice] [FMRP §5.6.1] To avoid misunderstanding while executing money-market transactions, what should Market Participants do?

- a. Apply the standard value date, tenor and marketable amount when quoting.
- b. State the precise settlement amount clearly when quoting.
- c. State the settlement dates clearly when quoting.
- d. State the trade date clearly when quoting.

Answer: C. State the settlement dates clearly when quoting.

Rationale: Clear settlement dates remove ambiguity about when principal is exchanged; the market convention also requires clarity on the other economic terms.

37. [Source reference | Single choice] [FMRP §5.6.2] Which statement about delta hedges in interest-rate option transactions is TRUE?

- a. Delta hedges apply only to FX options.
- b. A simultaneous delta hedge is assumed.
- c. A simultaneous delta hedge is not assumed.
- d. There is no standard convention; delta hedges should be explicitly discussed.

Answer: D. There is no standard convention; delta hedges should be explicitly discussed.

Rationale: The delta-hedge assumption should be explicitly discussed because the convention is not automatic for an interest-rate option transaction.

Chapter 6 - Confirmation and Settlement

38. [Source reference | Combination choice] [FMRP §6.2.3] What are purposes of generating trade confirmations?

- (a) Advise the counterparty of the full details of the trade executed.
- (b) Detect incorrect economic details of the trade.
- (c) Minimise operational risk.
- (d) Obtain senior-management approval for the trade executed.

Choose one:

- A. (a), (b) and (c)
- B. (a) and (d)
- C. (b) and (d)
- D. (a), (c) and (d)

Answer: A. (a), (b) and (c)

Rationale: Confirmations communicate terms, detect mismatches and reduce operational risk. They are not a substitute for prior trade authority or senior-management approval.

39. [Source reference | Single choice] [FMRP §6.3.3] Which statement relating to market practices on settlement is CORRECT?

- a. The beneficiary must always be the counterparty or one of its branches.
- b. The beneficiary must only be requested at the time of payment.
- c. Third-party payments can be made if instructed by the counterparty with a valid reason and documentation.
- d. Third-party payments must be reported to MAS whenever made.

Answer: C. Third-party payments can be made if instructed by the counterparty with a valid reason and documentation.

Rationale: Third-party payments may be permitted with a valid documented reason and appropriate controls; they are not automatically prohibited or automatically reportable.

40. [Source reference | Single choice] [FMRP §6.3.2] What is TRUE about the rights of the non-defaulting party under an ISDA Master Agreement?

- a. It may apply margin received to reduce the outstanding amount.
- b. It may close out and net all transactions with all counterparties.
- c. It may close out and net transactions with the defaulting counterparty covered by the Master Agreement.
- d. It may demand payment to reduce the outstanding amount.

Answer: C. It may close out and net transactions with the defaulting counterparty covered by the Master Agreement.

Rationale: Close-out netting applies to covered transactions with the defaulting counterparty, subject to the agreement and applicable law; it does not net unrelated counterparties.

41. [Source reference | Combination choice] [FMRP §6.2.8] What are the core documents that make up the ISDA Master Agreement?

- (a) Credit Support Annex.
- (b) Master Agreement.
- (c) Schedule.
- (d) Trade confirmation template.

Choose one:

- A. (b) and (c)
- B. (a) and (d)
- C. (a), (b) and (d)
- D. (b), (c) and (d)

Answer: A. (b) and (c)

Rationale: The core ISDA contractual architecture in the source is the Master Agreement and its Schedule. A CSA and confirmation may be important but are not the combination identified here.

Chapter 7 - Handling Market Disruptions

42. [Source reference | Combination choice] [FMRP §7.3] What are possible actions SFEMC may take to manage a market disruption?

- (a) Convene a meeting of members to discuss issues.
- (b) Discuss proposals with regulators and relevant Market Participants.
- (c) Issue statements to get Market Participants to follow announced measures and codes of conduct.
- (d) Make clear recommendations on procedures to determine the fixing rate.

Choose one:

- A. (a) and (b)
- B. (c) and (d)
- C. (a), (b) and (c)
- D. (a), (b), (c) and (d)

Answer: D. (a), (b), (c) and (d)

Rationale: SFEMC can use all four coordination, communication and recommendation measures described in the source.

43. [Source reference | Single choice] [FMRP §7.4] What is the most important action that Market Participants should take during market disruptions?

- a. Maintain effective communication with counterparties, settlement agents, customers and MAS.
- b. Maintain non-stop communication with counterparties, customers and MAS.
- c. Record all communications with counterparties and report to MAS.
- d. Use multimedia to communicate effectively with counterparties, customers and MAS.

Answer: A. Maintain effective communication with counterparties, settlement agents, customers and MAS.

Rationale: Effective communication with all relevant parties is the core response; it must be reliable and purposeful rather than merely continuous or multimedia-based.

44. [Source reference | Single choice] [FMRP §7.6.3] Which action should be undertaken during a market disruption to ensure proper settlement of SGD trades?

- a. Follow settlement instructions issued by MAS.
- b. Follow guidelines given by SFEMC.
- c. Follow the agreed settlement instruction stated in the trade confirmation.
- d. Follow recommendations made by SFEMC and MAS.

Answer: D. Follow recommendations made by SFEMC and MAS.

Rationale: The source points to the recommendations of both SFEMC and MAS for SGD settlement disruption handling.

Chapter 8 - Benchmark Rate Setting

45. [Source reference | Combination choice] [FMRP §8.2] Which parties are involved in the benchmark rate-setting process?

- (a) Benchmark Administrator.
- (b) Benchmark Submitter.
- (c) The Association of Banks in Singapore (ABS).
- (d) The Monetary Authority of Singapore (MAS).

Choose one:

- A. (a) and (b)
- B. (c) and (d)
- C. (a) and (c)
- D. (b) and (c)

Answer: A. (a) and (b)

Rationale: The administrator and submitter are the process roles identified in the source question. ABS and MAS have relevant industry or regulatory roles but are not the two roles in this combination.

46. [Source reference | Single choice] [FMRP §8.3.2] With regard to customer fixing orders in relation to Traded Benchmarks, which action is acceptable?

- a. Buying a larger amount than the customer's interest to inflate the price against the customer.
- b. Collecting all customer interest and executing the net amount.
- c. Informing other Market Participants of a specific customer dealing at the fixing rate.
- d. Showing large interest during the fixing window to manipulate the fixing price.

Answer: B. Collecting all customer interest and executing the net amount.

Rationale: Aggregating and executing net customer interest can be an acceptable handling method. Inflating price, disclosing a specific customer and manipulating the fixing are not.

47. [Source reference | Single choice] [FMRP §8.4.2] To avoid conflicts of interest, what action should be taken by a dealer responsible for benchmark contributions and opinions on benchmarks?

- a. Provide opinions on benchmarks for which he is responsible as long as they are not published.
- b. Declare the conflict and express opinions only after benchmark publication.
- c. Stop providing opinions on benchmarks.
- d. Ask a colleague to submit the benchmark contribution on his behalf.

Answer: B. Declare the conflict and express opinions only after benchmark publication.

Rationale: The source prefers no pre-publication commentary by the contributor; if commentary is provided, conflicts must be disclosed and the timing restriction observed.

48. [Source reference | Single choice] [FMRP §8.5.5] Which statement describes best practice for a dealer responsible for determining benchmark contributions?

- a. The dealer should be seated in a separate location clearly segregated from the trading room.
- b. The dealer should retain submission documentation for 90 days.
- c. The dealer should not attend any briefing given by the Market Participant's economist.
- d. The dealer should not provide contribution information to any party not responsible for the contribution process.

Answer: D. The dealer should not provide contribution information to any party not responsible for the contribution process.

Rationale: Contribution information is confidential and should not be sent to people outside the contribution process, except where a permitted disclosure applies. The source calls for much longer record retention than 90 days.

Original questions

Chapter 1 - Introduction

49. [Original | Single choice] [FMRP §1.1] Which statement best describes the purpose of the FMRP guide?

- a. It replaces MAS notices whenever a market convention is clearer.
- b. It is a contract that automatically authorises every dealer.
- c. It is limited to equity-market trading.
- d. It is a study aid that must be read with current law, rules and procedures.

Answer: D. It is a study aid that must be read with current law, rules and procedures.

Rationale: The correct conclusion follows from the guide's treatment of the purpose of the FMRP guide.

50. [Original | Single choice] [FMRP §1.2.1] A market participant is reviewing the economic function of financial markets. Which conclusion is correct?

- a. They exist only to set tax rates for financial institutions.
- b. They prevent participants from hedging or raising capital.
- c. They allocate funding and liquidity and transfer financial risk between participants.
- d. They eliminate all counterparty risk by guaranteeing every transaction.

Answer: C. They allocate funding and liquidity and transfer financial risk between participants.

Rationale: The correct conclusion follows from the guide's treatment of the economic function of financial markets.

51. [Original | Single choice] [FMRP §1.2.1] For information in a wholesale market, which practice should be followed?

- a. Information is irrelevant once a trade has settled.
- b. Quotes, orders and completed transactions contribute to price discovery, subject to confidentiality and conduct rules.
- c. Every customer order must be published with the customer's name.
- d. Only government announcements can influence a market price.

Answer: B. Quotes, orders and completed transactions contribute to price discovery, subject to confidentiality and conduct rules.

Rationale: The correct conclusion follows from the guide's treatment of information in a wholesale market.

52. [Original | Combination choice] [FMRP §1.2.2] Which option is most accurate about the product scope normally associated with the Blue Book?

- (a) NDFs are covered wholesale products.
- (b) Money-market instruments are covered wholesale products.
- (c) OTC derivatives are covered wholesale products.
- (d) Every listed equity security is covered by the Blue Book.

Choose one:

- A. (a), (b) and (c)
- B. (a) and (d)
- C. (b) and (c)
- D. (b) and (d)

Answer: A. (a), (b) and (c)

Rationale: The first three statements describe products in scope; the statement about every listed equity security is too broad.

53. [Original | Single choice] [FMRP §1.2.2] A dealer is assessing an over-the-counter market. What should the dealer conclude?

- a. It means the MAS guarantees the final price.
- b. It allows parties to ignore confirmations and settlement.
- c. It can be used only for listed equities.
- d. Trading is negotiated directly or through intermediaries rather than on a single central exchange order book.

Answer: D. Trading is negotiated directly or through intermediaries rather than on a single central exchange order book.

Rationale: The correct conclusion follows from the guide's treatment of an over-the-counter market.

54. [Original | Single choice] [FMRP §1.3.1] In an examination scenario about the role of a bank in financial markets, which answer is best?

- a. A bank can never act as a market maker.
- b. A bank's only role is to insure policyholders.
- c. A bank may provide funding, payments, market making, custody or risk-management services within its permissions.
- d. A bank is automatically permitted to conduct every regulated activity.

Answer: C. A bank may provide funding, payments, market making, custody or risk-management services within its permissions.

Rationale: The correct conclusion follows from the guide's treatment of the role of a bank in financial markets.

55. [Original | Single choice] [FMRP §1.3.1] Which statement best describes why a bank's status must be checked before dealing?

- a. Banking status removes the need for credit limits.
- b. Different licences, exemptions and business lines create different permissions and restrictions.
- c. All banks have identical permissions in every jurisdiction.
- d. A bank's name alone determines the trade's settlement currency.

Answer: B. Different licences, exemptions and business lines create different permissions and restrictions.

Rationale: The correct conclusion follows from the guide's treatment of why a bank's status must be checked before dealing.

56. [Original | Single choice] [FMRP §1.3.2] A market participant is reviewing the core function of an IDB. Which conclusion is correct?

- a. It intermediates between market participants and relays prices or orders while applying market conventions.
- b. It takes a proprietary position in every order it receives.
- c. It guarantees the creditworthiness of both principals without controls.
- d. It replaces the principal's need for settlement instructions.

Answer: A. It intermediates between market participants and relays prices or orders while applying market conventions.

Rationale: The correct conclusion follows from the guide's treatment of the core function of an IDB.

57. [Original | Single choice] [FMRP §1.3.2] For anonymity in IDB dealing, which practice should be followed?

- a. Names must always be disclosed before any price is quoted.
- b. Names may be sold to other dealers after a quote.
- c. Anonymity means the trade never needs confirmation.
- d. Names should be disclosed at the appropriate point under convention and credit controls, not indiscriminately at first contact.

Answer: D. Names should be disclosed at the appropriate point under convention and credit controls, not indiscriminately at first contact.

Rationale: The correct conclusion follows from the guide's treatment of anonymity in IDB dealing.

58. [Original | Single choice] [FMRP §1.3.3] Which option is most accurate about a finance company's institutional role?

- a. It can issue government securities for MAS.
- b. It is legally identical to an insurer.
- c. It provides financing but is not thereby a bank with every deposit-taking or banking permission.
- d. It is automatically a central bank.

Answer: C. It provides financing but is not thereby a bank with every deposit-taking or banking permission.

Rationale: The correct conclusion follows from the guide's treatment of a finance company's institutional role.

59. [Original | Single choice] [FMRP §1.3.4] A dealer is assessing an insurer's principal business. What should the dealer conclude?

- a. It is exempt from investment and prudential controls.
- b. It pools policyholder risks and invests premiums subject to insurance regulation.
- c. It takes retail deposits as its defining function.
- d. It acts only as an IDB.

Answer: B. It pools policyholder risks and invests premiums subject to insurance regulation.

Rationale: The correct conclusion follows from the guide's treatment of an insurer's principal business.

60. [Original | Single choice] [FMRP §1.3.5] In an examination scenario about a capital-markets intermediary, which answer is best?

- a. It must operate within its licensed or exempt regulated activities and associated conduct conditions.
- b. It may perform any financial activity without authorisation.
- c. It needs no customer or risk controls if it is wholesale.
- d. It can disregard contractual settlement terms.

Answer: A. It must operate within its licensed or exempt regulated activities and associated conduct conditions.

Rationale: The correct conclusion follows from the guide's treatment of a capital-markets intermediary.

61. [Original | Single choice] [FMRP §1.3.6] Which statement best describes the appropriate basis for financial advice?

- a. Advice is unrestricted if the customer is sophisticated.
- b. Advice is the same as anonymous broking.
- c. Advice never needs to disclose a conflict.
- d. Advice should be within the adviser's authorised activity and should address suitability and conflicts.

Answer: D. Advice should be within the adviser's authorised activity and should address suitability and conflicts.

Rationale: The correct conclusion follows from the guide's treatment of the appropriate basis for financial advice.

62. [Original | Single choice] [FMRP §1.3.7] A market participant is reviewing the role of an insurance broker. Which conclusion is correct?

- a. It is an MAS benchmark calculation agent.
- b. It is a securities exchange.
- c. It intermediates between insurance customers and insurers rather than acting as the insurer itself.
- d. It automatically underwrites all customer losses.

Answer: C. It intermediates between insurance customers and insurers rather than acting as the insurer itself.

Rationale: The correct conclusion follows from the guide's treatment of the role of an insurance broker.

63. [Original | Single choice] [FMRP §1.3.8] For a trust company's control priority, which practice should be followed?

- a. It has no need for records because a trust is informal.
- b. It should segregate and administer property according to the trust authority and beneficiary obligations.
- c. It may use trust property for any employee expense.
- d. It can treat trust assets as the firm's unrestricted capital.

Answer: B. It should segregate and administer property according to the trust authority and beneficiary obligations.

Rationale: The correct conclusion follows from the guide's treatment of a trust company's control priority.

64. [Original | Single choice] [FMRP §1.3.9] Which option is most accurate about a money-changing or remittance business?

- a. It provides currency conversion or transfer services subject to its own permissions and AML controls.
- b. It has the full powers of a commercial bank by definition.
- c. It can bypass customer identification for small transfers.
- d. It is prohibited from maintaining any transaction record.

Answer: A. It provides currency conversion or transfer services subject to its own permissions and AML controls.

Rationale: The correct conclusion follows from the guide's treatment of a money-changing or remittance business.

65. [Original | Single choice] [FMRP §1.4.1] A dealer is assessing MAS's role. What should the dealer conclude?

- a. MAS is a professional association with no supervisory authority.
- b. MAS only publishes voluntary dealer etiquette.
- c. MAS is the clearing account of every participant.
- d. MAS combines central-bank and financial-regulatory functions relevant to monetary and financial stability.

Answer: D. MAS combines central-bank and financial-regulatory functions relevant to monetary and financial stability.

Rationale: The correct conclusion follows from the guide's treatment of MAS's role.

66. [Original | Single choice] [FMRP §1.4.1] In an examination scenario about the relationship between law and MAS material, which answer is best?

- a. A market convention cancels a binding notice.
- b. Internal policy can remove a statutory obligation.
- c. MAS notices and guidelines operate within the applicable statutory and regulatory framework and must be read with current law.
- d. A guideline automatically overrides an Act.

Answer: C. MAS notices and guidelines operate within the applicable statutory and regulatory framework and must be read with current law.

Rationale: The correct conclusion follows from the guide's treatment of the relationship between law and MAS material.

67. [Original | Single choice] [FMRP §1.4.2] Which statement best describes banking-licence analysis?

- a. Licence category matters only after settlement.
- b. A dealer should verify the actual licence category and permissions of the institution and transaction.
- c. The words 'bank' and 'merchant bank' prove identical permissions.
- d. A foreign bank can trade every product without local analysis.

Answer: B. A dealer should verify the actual licence category and permissions of the institution and transaction.

Rationale: The correct conclusion follows from the guide's treatment of banking-licence analysis.

68. [Original | Single choice] [FMRP §1.4.3] A market participant is reviewing a regulated-activity permission. Which conclusion is correct?

- a. The institution and person must be authorised or exempt for the particular service and product being provided.
- b. Any financial institution is authorised for all regulated activities.
- c. A customer's request creates the licence automatically.
- d. An internal email is equivalent to a statutory licence.

Answer: A. The institution and person must be authorised or exempt for the particular service and product being provided.

Rationale: The correct conclusion follows from the guide's treatment of a regulated-activity permission.

69. [Original | Single choice] [FMRP §1.4.4] For a CMS licence, which practice should be followed?

- a. It authorises every activity under every Singapore law.
- b. It applies only to personal bank accounts.
- c. It removes all business-conduct requirements.
- d. It authorises specified capital-markets services subject to conditions, rather than granting a general financial-services passport.

Answer: D. It authorises specified capital-markets services subject to conditions, rather than granting a general financial-services passport.

Rationale: The correct conclusion follows from the guide's treatment of a CMS licence.

70. [Original | Single choice] [FMRP §1.4.4] Which option is most accurate about merchant-bank treatment under the SFA?

- a. Merchant banks may delegate legal responsibility to an IDB.
- b. Merchant banks need approval only for office furniture.
- c. A merchant bank's status does not by itself allow it to ignore SFA conduct requirements or licensing conditions.
- d. Merchant banks are outside the SFA in all circumstances.

Answer: C. A merchant bank's status does not by itself allow it to ignore SFA conduct requirements or licensing conditions.

Rationale: The correct conclusion follows from the guide's treatment of merchant-bank treatment under the SFA.

71. [Original | Single choice] [FMRP §1.5.1] A dealer is assessing SFEMC's market role. What should the dealer conclude?

- a. It guarantees the P&L of every dealer.
- b. It develops wholesale market guidance and can coordinate market responses to market-practice issues and disruptions.
- c. It is the court that enforces every private trade.
- d. It grants all CMS licences.

Answer: B. It develops wholesale market guidance and can coordinate market responses to market-practice issues and disruptions.

Rationale: The correct conclusion follows from the guide's treatment of SFEMC's market role.

72. [Original | Single choice] [FMRP §1.5.1] In an examination scenario about an SFEMC recommendation, which answer is best?

- a. It informs market practice but does not authorise conduct prohibited by law.
- b. It overrides criminal law if adopted by two banks.
- c. It is a substitute for customer consent.
- d. It automatically changes every contract.

Answer: A. It informs market practice but does not authorise conduct prohibited by law.

Rationale: The correct conclusion follows from the guide's treatment of an SFEMC recommendation.

73. [Original | Single choice] [FMRP §1.5.2] Which statement best describes the function of a market code?

- a. It permits conduct that legislation prohibits.
- b. It replaces the need for risk limits.
- c. It is relevant only to retail advertising.
- d. It translates integrity and best-practice expectations into shared dealing and control standards.

Answer: D. It translates integrity and best-practice expectations into shared dealing and control standards.

Rationale: The correct conclusion follows from the guide's treatment of the function of a market code.

74. [Original | Single choice] [FMRP §1.5.3] A market participant is reviewing ACI's relevance. Which conclusion is correct?

- a. ACI is a settlement platform for SGS.
- b. ACI is an AML reporting portal.
- c. ACI supports professional standards and education for financial-market and treasury practitioners.
- d. ACI is Singapore's central bank.

Answer: C. ACI supports professional standards and education for financial-market and treasury practitioners.

Rationale: The correct conclusion follows from the guide's treatment of ACI's relevance.

75. [Original | Single choice] [FMRP §1.5.4] For ABS's role, which practice should be followed?

- a. ABS replaces the benchmark administrator.
- b. ABS represents banks and publishes industry guidance, including rate-setting benchmark material.
- c. ABS issues criminal convictions.
- d. ABS grants representative licences directly.

Answer: B. ABS represents banks and publishes industry guidance, including rate-setting benchmark material.

Rationale: The correct conclusion follows from the guide's treatment of ABS's role.

76. [Original | Single choice] [FMRP §1.5.5] Which option is most accurate about IBF's role?

- a. IBF supports competency, accreditation and continuing professional development for the banking sector.
- b. IBF approves every customer trade.
- c. IBF is the only source of Singapore statutes.
- d. IBF guarantees a representative's financial soundness.

Answer: A. IBF supports competency, accreditation and continuing professional development for the banking sector.

Rationale: The correct conclusion follows from the guide's treatment of IBF's role.

77. [Original | Single choice] [FMRP §1.5.5] A dealer is assessing the Appendix B reading list. What should the dealer conclude?

- a. It consists only of newspaper articles.
- b. It excludes all Singapore statutes.
- c. It is an official scoring document.
- d. It includes legislation, MAS material, SFEMC guidance, the FX Global Code and ABS benchmark material.

Answer: D. It includes legislation, MAS material, SFEMC guidance, the FX Global Code and ABS benchmark material.

Rationale: Appendix B is a reference list covering statutory, regulatory, professional and market-practice materials.

78. [Original | Single choice] [FMRP §1.4.4] In an examination scenario about a licence-condition check, which answer is best?

- a. A market code grants the missing permission.
- b. A customer can waive the licence condition.
- c. Before dealing, confirm the CMS licence or exemption covers the relevant regulated activity, product and client arrangement.
- d. A licence for one activity covers every other activity.

Answer: C. Before dealing, confirm the CMS licence or exemption covers the relevant regulated activity, product and client arrangement.

Rationale: The correct conclusion follows from the guide's treatment of a licence-condition check.

Chapter 2 - Ethics, Behavioural Standards and Professional Conduct

79. [Original | Single choice] [FMRP §2.1] Which statement best describes ethical conduct in a market role?

- a. Ethics permits hidden conflicts if the transaction settles.
- b. Ethics requires fair dealing, protection of information, conflict management and escalation, not just technical trade accuracy.
- c. Ethics applies only when a trade loses money.
- d. Ethics is satisfied whenever a customer signs a form.

Answer: B. Ethics requires fair dealing, protection of information, conflict management and escalation, not just technical trade accuracy.

Rationale: The correct conclusion follows from the guide's treatment of ethical conduct in a market role.

80. [Original | Single choice] [FMRP §2.2.1] A market participant is reviewing the honesty and integrity assessment. Which conclusion is correct?

- a. It considers relevant misconduct, candour, seriousness, recency, repetition and remediation.

- b. It considers only the person's current salary.
- c. It ignores regulatory breaches if no loss occurred.
- d. It is determined solely by social-media popularity.

Answer: A. It considers relevant misconduct, candour, seriousness, recency, repetition and remediation.

Rationale: The correct conclusion follows from the guide's treatment of the honesty and integrity assessment.

81. [Original | Single choice] [FMRP §2.2.1] For a misleading regulatory disclosure, which practice should be followed?

- a. It is irrelevant if the person passed an examination.
- b. It becomes acceptable once a colleague signs it.
- c. It is a purely private matter with no compliance impact.
- d. It can undermine fitness even if the person later performs trades competently.

Answer: D. It can undermine fitness even if the person later performs trades competently.

Rationale: The correct conclusion follows from the guide's treatment of a misleading regulatory disclosure.

82. [Original | Single choice] [FMRP §2.2.1] Which option is most accurate about a fit-and-proper review after past misconduct?

- a. The person should destroy older records.
- b. The person should let a customer decide whether it matters.
- c. The person should provide complete facts and evidence of remediation so the firm can assess relevance and risk.
- d. The person should conceal it unless asked the same question twice.

Answer: C. The person should provide complete facts and evidence of remediation so the firm can assess relevance and risk.

Rationale: The correct conclusion follows from the guide's treatment of a fit-and-proper review after past misconduct.

83. [Original | Single choice] [FMRP §2.2.2] A dealer is assessing competency and capability. What should the dealer conclude?

- a. A profitable trade proves capability permanently.
- b. A representative needs knowledge, skill, experience, supervision and resources for the activity.
- c. An exam pass permits dealing in every product.
- d. Seniority alone proves competence.

Answer: B. A representative needs knowledge, skill, experience, supervision and resources for the activity.

Rationale: The correct conclusion follows from the guide's treatment of competency and capability.

84. [Original | Single choice] [FMRP §2.2.3] In an examination scenario about financial soundness as a conduct factor, which answer is best?

- a. Financial pressure can create conflicts or impaired judgement and may need disclosure and assessment.
- b. Personal financial pressure is never relevant to conduct.
- c. Only the firm's balance sheet matters.
- d. A representative may hide insolvency to preserve a licence.

Answer: A. Financial pressure can create conflicts or impaired judgement and may need disclosure and assessment.

Rationale: The correct conclusion follows from the guide's treatment of financial soundness as a conduct factor.

85. [Original | Single choice] [FMRP §2.2.4] Which statement best describes a change in regulated activity?

- a. The representative may start and notify later.
- b. A customer can authorise the new activity.
- c. An IDB can grant the activity permission.
- d. The representative should complete the required notification, approval, training or licensing step before beginning the activity.

Answer: D. The representative should complete the required notification, approval, training or licensing step before beginning the activity.

Rationale: The correct conclusion follows from the guide's treatment of a change in regulated activity.

86. [Original | Combination choice] [FMRP §2.2] A market participant is reviewing fit-and-proper factors. Which conclusion is correct?

- (a) Honesty and integrity are relevant.
- (b) Competency and capability are relevant.
- (c) Financial soundness is relevant.
- (d) A person's favourite market colour is a formal fit-and-proper criterion.

Choose one:

- A. (a), (b) and (d)
- B. (a), (c) and (d)
- C. (a), (b) and (c)
- D. (c) and (d)

Answer: C. (a), (b) and (c)

Rationale: The three substantive fit-and-proper factors are honesty and integrity, competency and capability, and financial soundness.

87. [Original | Single choice] [FMRP §2.3.1] For acting for one principal, which practice should be followed?

- a. A customer order automatically authorises a second mandate.
- b. A representative must not secretly serve competing principals or misuse one principal's confidential information.
- c. A representative may serve any principal if trades are profitable.
- d. Confidential information can be shared after the trade.

Answer: B. A representative must not secretly serve competing principals or misuse one principal's confidential information.

Rationale: The correct conclusion follows from the guide's treatment of acting for one principal.

88. [Original | Single choice] [FMRP §2.3.1] Which option is most accurate about a potential dual-principal arrangement?

- a. It requires explicit authorisation and controls, or the representative should decline or recuse.
- b. It can be handled by deleting the first principal's records.
- c. It requires no disclosure if both principals are banks.
- d. It is permitted whenever an IDB is involved.

Answer: A. It requires explicit authorisation and controls, or the representative should decline or recuse.

Rationale: The correct conclusion follows from the guide's treatment of a potential dual-principal arrangement.

89. [Original | Single choice] [FMRP §2.3.2] A dealer is assessing a close personal relationship with a customer. What should the dealer conclude?

- a. It should be concealed to avoid embarrassment.
- b. It permits preferential pricing automatically.
- c. It makes the customer a connected person for every law without analysis.
- d. It should be disclosed and managed through recusal, reassignment or another documented control.

Answer: D. It should be disclosed and managed through recusal, reassignment or another documented control.

Rationale: The correct conclusion follows from the guide's treatment of a close personal relationship with a customer.

90. [Original | Single choice] [FMRP §2.3.3] In an examination scenario about acceptable hospitality, which answer is best?

- a. It is acceptable whenever it follows a profitable trade.
- b. It is prohibited only when paid in cash.
- c. It is reasonable, transparent, policy-compliant and not intended to influence business judgement.
- d. It is acceptable if no one records it.

Answer: C. It is reasonable, transparent, policy-compliant and not intended to influence business judgement.

Rationale: The correct conclusion follows from the guide's treatment of acceptable hospitality.

91. [Original | Single choice] [FMRP §2.3.3] Which statement best describes a secret expensive gift from a counterparty?

- a. It can be exchanged for a better quote.
- b. It should be declined or escalated because it can be an inducement or corruption risk.
- c. It should be accepted if the customer is sophisticated.
- d. It should be hidden in the representative's personal account.

Answer: B. It should be declined or escalated because it can be an inducement or corruption risk.

Rationale: The correct conclusion follows from the guide's treatment of a secret expensive gift from a counterparty.

92. [Original | Single choice] [FMRP §2.3.4] A market participant is reviewing personal dealing controls. Which conclusion is correct?

- a. They protect customer orders and require compliance with pre-clearance, disclosure and restricted-list procedures where applicable.
- b. They allow front running if the amount is small.
- c. They are unnecessary for wholesale customers.
- d. They apply only to trades made during office hours.

Answer: A. They protect customer orders and require compliance with pre-clearance, disclosure and restricted-list procedures where applicable.

Rationale: The correct conclusion follows from the guide's treatment of personal dealing controls.

93. [Original | Single choice] [FMRP §2.3.4] For a personal trade in a security on a customer order, which practice should be followed?

- a. The representative should trade first and disclose later.
- b. The representative may trade if the market is liquid.
- c. The representative can ask an unrelated friend to trade instead.
- d. The representative should not trade ahead or create a conflict and should follow the firm's restriction and escalation process.

Answer: D. The representative should not trade ahead or create a conflict and should follow the firm's restriction and escalation process.

Rationale: The correct conclusion follows from the guide's treatment of a personal trade in a security on a customer order.

94. [Original | Single choice] [FMRP §2.3.5] Which option is most accurate about disclosure of an interest?

- a. It should be made only after the customer complains.
- b. It is required only for gifts above a fixed amount in every case.
- c. It gives the firm information needed to assess, control and if necessary disclose or avoid the conflict.
- d. It always cures the conflict without further action.

Answer: C. It gives the firm information needed to assess, control and if necessary disclose or avoid the conflict.

Rationale: The correct conclusion follows from the guide's treatment of disclosure of an interest.

95. [Original | Single choice] [FMRP §2.3.6] A dealer is assessing why gambling can be a conduct concern. What should the dealer conclude?

- a. It is unrelated to fit-and-proper assessment.
- b. It can create financial pressure or impaired judgement and may need restriction or escalation.
- c. It is always a criminal offence for every employee.
- d. It improves market risk decisions.

Answer: B. It can create financial pressure or impaired judgement and may need restriction or escalation.

Rationale: The correct conclusion follows from the guide's treatment of why gambling can be a conduct concern.

96. [Original | Single choice] [FMRP §2.3.7] In an examination scenario about an ethical culture, which answer is best?

- a. It is supported by management tone, training, supervision, fair incentives, safe escalation and consequences for misconduct.
- b. It is created by a single annual email.
- c. It depends only on the compliance department.
- d. It means targets are more important than controls.

Answer: A. It is supported by management tone, training, supervision, fair incentives, safe escalation and consequences for misconduct.

Rationale: The correct conclusion follows from the guide's treatment of an ethical culture.

97. [Original | Single choice] [FMRP §2.4] Which statement best describes professional knowledge?

- a. It means knowing only how to enter an order.
- b. It expires after the first examination pass.
- c. It is needed only by back office staff.
- d. It includes products, conventions, regulation, codes, systems, risk controls and limits of authority.

Answer: D. It includes products, conventions, regulation, codes, systems, risk controls and limits of authority.

Rationale: The correct conclusion follows from the guide's treatment of professional knowledge.

98. [Original | Single choice] [FMRP §2.5] A market participant is reviewing fair customer dealing. Which conclusion is correct?

- a. Fair dealing means guaranteeing a profit.
- b. A signed mandate removes the need for accurate communication.

- c. The firm should communicate clearly, execute within mandate, disclose capacity and safeguard customer money and assets.
- d. The firm may prioritise its own book without disclosure.

Answer: C. The firm should communicate clearly, execute within mandate, disclose capacity and safeguard customer money and assets.

Rationale: The correct conclusion follows from the guide's treatment of fair customer dealing.

99. [Original | Single choice] [FMRP §2.5.1] For a useful risk disclosure, which practice should be followed?

- a. It is needed only after the first loss.
- b. It is provided before the activity, is understandable and accurately describes material risks.
- c. It is effective if hidden in a long document.
- d. It can promise that leverage cannot cause losses.

Answer: B. It is provided before the activity, is understandable and accurately describes material risks.

Rationale: The correct conclusion follows from the guide's treatment of a useful risk disclosure.

100. [Original | Single choice] [FMRP §2.5.2] Which option is most accurate about a managed-account disclosure?

- a. It should explain mandate, discretion, fees, risks, valuation and reporting arrangements.
- b. It allows the manager to trade beyond the mandate.
- c. It replaces all customer reporting.
- d. It makes conflicts irrelevant.

Answer: A. It should explain mandate, discretion, fees, risks, valuation and reporting arrangements.

Rationale: The correct conclusion follows from the guide's treatment of a managed-account disclosure.

101. [Original | Single choice] [FMRP §2.5.3] A dealer is assessing dealing as principal. What should the dealer conclude?

- a. The Market Participant is automatically an agent.
- b. The customer bears no counterparty risk.
- c. Principal capacity need not be recorded.
- d. The Market Participant is the customer's counterparty and should disclose that capacity before the transaction.

Answer: D. The Market Participant is the customer's counterparty and should disclose that capacity before the transaction.

Rationale: The correct conclusion follows from the guide's treatment of dealing as principal.

102. [Original | Single choice] [FMRP §2.5.4] In an examination scenario about customer money, which answer is best?

- a. It belongs to the dealer once received.
- b. It never requires records or reconciliation.
- c. It must be handled only as permitted and must not be diverted for the firm's convenience or another customer's benefit.
- d. It may be used with head-of-trading approval.

Answer: C. It must be handled only as permitted and must not be diverted for the firm's convenience or another customer's benefit.

Rationale: The correct conclusion follows from the guide's treatment of customer money.

103. [Original | Single choice] [FMRP §2.6] Which statement best describes a suspected misconduct report?

- a. It is optional if the person is senior.
- b. It should be escalated through approved procedures and submitted to MAS where the applicable notice requires it.
- c. It should be deleted after an informal conversation.
- d. It should be disclosed to all customers immediately.

Answer: B. It should be escalated through approved procedures and submitted to MAS where the applicable notice requires it.

Rationale: The correct conclusion follows from the guide's treatment of a suspected misconduct report.

104. [Original | Combination choice] [FMRP §2.5] A market participant is reviewing customer-dealing safeguards. Which conclusion is correct?

- (a) Give required risk disclosures.
- (b) Disclose principal capacity where relevant.
- (c) Protect customer money and assets.
- (d) Use customer orders to improve the representative's personal position.

Choose one:

- A. (a), (b) and (c)
- B. (b) and (d)
- C. (c) and (d)
- D. (a), (b) and (d)

Answer: A. (a), (b) and (c)

Rationale: The first three are customer safeguards; using a customer order for personal advantage is prohibited conduct.

105. [Original | Single choice] [FMRP §2.3.7] For a sound remuneration design, which practice should be followed?

- a. It should pay only on gross revenue regardless of conduct.
- b. It should remove all performance measures.
- c. It should reward employees who avoid documenting trades.
- d. It should avoid rewarding short-term volume in a way that encourages misconduct or hidden risk.

Answer: D. It should avoid rewarding short-term volume in a way that encourages misconduct or hidden risk.

Rationale: The correct conclusion follows from the guide's treatment of a sound remuneration design.

106. [Original | Single choice] [FMRP §2.2.4] Which option is most accurate about reporting a change of particulars?

- a. It can be delayed until annual leave.
- b. It is unnecessary if the representative changes teams internally.
- c. It should be made through the prescribed firm or regulatory process and supported by accurate information.
- d. It is needed only when a customer requests it.

Answer: C. It should be made through the prescribed firm or regulatory process and supported by accurate information.

Rationale: The correct conclusion follows from the guide's treatment of reporting a change of particulars.

107. [Original | Single choice] [FMRP §2.3.2] A dealer is assessing a family relationship involving a trade. What should the dealer conclude?

- a. The relationship is irrelevant if the trade is verbal.
- b. The relationship can create an actual or perceived conflict even if the trade price is fair.
- c. A fair price automatically removes every conflict.
- d. Family relationships matter only for retail sales.

Answer: B. The relationship can create an actual or perceived conflict even if the trade price is fair.

Rationale: The correct conclusion follows from the guide's treatment of a family relationship involving a trade.

108. [Original | Single choice] [FMRP §2.3.5] In an examination scenario about a conflict disclosure, which answer is best?

- a. Disclosure should be timely, clear and accompanied by a control or decision about whether to proceed.
- b. Disclosure should be vague so the customer cannot object.
- c. Disclosure is required only after completion.
- d. Disclosure allows the representative to ignore the conflict.

Answer: A. Disclosure should be timely, clear and accompanied by a control or decision about whether to proceed.

Rationale: The correct conclusion follows from the guide's treatment of a conflict disclosure.

109. [Original | Single choice] [FMRP §2.4] Which statement best describes continuing professional development?

- a. It is unnecessary after licensing.
- b. It is relevant only to people changing employers.
- c. It substitutes for supervision and risk limits.
- d. It keeps knowledge current as products, technology, conventions and regulation change.

Answer: D. It keeps knowledge current as products, technology, conventions and regulation change.

Rationale: The correct conclusion follows from the guide's treatment of continuing professional development.

110. [Original | Single choice] [FMRP §2.6] A market participant is reviewing handling evidence of misconduct. Which conclusion is correct?

- a. Confront the subject before preserving evidence.
- b. Ask the customer to conduct the investigation.
- c. Preserve records, escalate promptly and avoid alerting the subject in a way that compromises the investigation.
- d. Delete informal messages to protect reputation.

Answer: C. Preserve records, escalate promptly and avoid alerting the subject in a way that compromises the investigation.

Rationale: The correct conclusion follows from the guide's treatment of handling evidence of misconduct.

Chapter 3 - Confidentiality and Information Sharing

111. [Original | Single choice] [FMRP §3.1] For the purpose of confidentiality, which practice should be followed?

- a. It applies only to written information.
- b. It protects customers, counterparties, firms and the integrity of price formation.
- c. It prevents any internal risk function from seeing a trade.
- d. It means all market information is secret forever.

Answer: B. It protects customers, counterparties, firms and the integrity of price formation.

Rationale: The correct conclusion follows from the guide's treatment of the purpose of confidentiality.

112. [Original | Single choice] [FMRP §3.1] Which option is most accurate about information that may identify a customer?

- a. A combination of amount, timing, currency, direction and context can identify a customer even without a name.
- b. Only a legal name can identify a customer.
- c. An order is public once a dealer hears it.
- d. A small order cannot be confidential.

Answer: A. A combination of amount, timing, currency, direction and context can identify a customer even without a name.

Rationale: The correct conclusion follows from the guide's treatment of information that may identify a customer.

113. [Original | Single choice] [FMRP §3.2.1] A dealer is assessing confidential market information. What should the dealer conclude?

- a. All published central-bank data is confidential.
- b. General market direction can never be shared.
- c. Only information marked secret is confidential.
- d. Customer names, orders, positions, strategies and client-specific pricing can be confidential.

Answer: D. Customer names, orders, positions, strategies and client-specific pricing can be confidential.

Rationale: The correct conclusion follows from the guide's treatment of confidential market information.

114. [Original | Single choice] [FMRP §3.2.1] In an examination scenario about a customer spread matrix, which answer is best?

- a. It can be sent to a competitor for comparison.
- b. It is safe to disclose if the customer is a bank.
- c. It is confidential client or firm information and should not be shared without authority.
- d. It is public because it contains prices.

Answer: C. It is confidential client or firm information and should not be shared without authority.

Rationale: The correct conclusion follows from the guide's treatment of a customer spread matrix.

115. [Original | Single choice] [FMRP §3.2.1] Which statement best describes general market colour?

- a. It permits a dealer to invent flow.
- b. It can describe broad liquidity, direction or volatility without exposing a customer or traceable order.
- c. It must include a customer's name to be useful.
- d. It must state the exact amount and time of every trade.

Answer: B. It can describe broad liquidity, direction or volatility without exposing a customer or traceable order.

Rationale: The correct conclusion follows from the guide's treatment of general market colour.

116. [Original | Single choice] [FMRP §3.2.2] A market participant is reviewing need-to-know access. Which conclusion is correct?

- a. Access should be limited to staff whose role requires the information and should be monitored and reviewed.
- b. Every employee should have full access for convenience.
- c. Access control is needed only for paper records.

- d. A senior title eliminates the need for review.

Answer: A. Access should be limited to staff whose role requires the information and should be monitored and reviewed.

Rationale: The correct conclusion follows from the guide's treatment of need-to-know access.

117. [Original | Single choice] [FMRP §3.2.2] For an information barrier, which practice should be followed?

- a. It requires all departments to stop communicating.
- b. It is a marketing tool for customer acquisition.
- c. It allows front office to bypass compliance.
- d. It separates sensitive information or activities so that unauthorised use and disclosure are reduced.

Answer: D. It separates sensitive information or activities so that unauthorised use and disclosure are reduced.

Rationale: The correct conclusion follows from the guide's treatment of an information barrier.

118. [Original | Single choice] [FMRP §3.2.2] Which option is most accurate about electronic protection of confidential data?

- a. Personal messaging is preferred for sensitive instructions.
- b. A printed copy is automatically secure.
- c. Role-based permissions, encryption, logging and controlled devices are appropriate safeguards.
- d. A shared password is the strongest control.

Answer: C. Role-based permissions, encryption, logging and controlled devices are appropriate safeguards.

Rationale: The correct conclusion follows from the guide's treatment of electronic protection of confidential data.

119. [Original | Single choice] [FMRP §3.3.1] A dealer is assessing a lawful disclosure. What should the dealer conclude?

- a. Disclosure is always required if information is interesting.
- b. Disclosure may be made when required by law, regulator, court or a permitted legitimate business purpose.
- c. Disclosure is allowed whenever another dealer asks.
- d. Disclosure is allowed whenever it helps a sale.

Answer: B. Disclosure may be made when required by law, regulator, court or a permitted legitimate business purpose.

Rationale: The correct conclusion follows from the guide's treatment of a lawful disclosure.

120. [Original | Single choice] [FMRP §3.3.1] In an examination scenario about a request from another market participant, which answer is best?

- a. It should be checked against the firm's authority and confidentiality rules before any information is shared.
- b. It is automatic authority to identify a customer.
- c. It overrides the Banking Act.
- d. It permits the exact order to be broadcast.

Answer: A. It should be checked against the firm's authority and confidentiality rules before any information is shared.

Rationale: The correct conclusion follows from the guide's treatment of a request from another market participant.

121. [Original | Single choice] [FMRP §3.3.2] Which statement best describes the first step before sharing sensitive information?

- a. Send the information first and verify later.
- b. Ask the recipient to decide whether disclosure is lawful.
- c. Remove only the customer's name and disclose everything else.
- d. Confirm the recipient, authority, purpose, scope and approved communication channel.

Answer: D. Confirm the recipient, authority, purpose, scope and approved communication channel.

Rationale: The correct conclusion follows from the guide's treatment of the first step before sharing sensitive information.

122. [Original | Single choice] [FMRP §3.3.2] A market participant is reviewing uncertainty about a disclosure request. Which conclusion is correct?

- a. Forward the request to every dealer.
- b. Delete the request so there is no record.
- c. Pause and consult compliance or legal rather than guessing or giving a misleading response.
- d. Invent a false answer to protect the firm.

Answer: C. Pause and consult compliance or legal rather than guessing or giving a misleading response.

Rationale: The correct conclusion follows from the guide's treatment of uncertainty about a disclosure request.

123. [Original | Single choice] [FMRP §3.4.1] For clear and non-misleading communication, which practice should be followed?

- a. A dealer may mislead to avoid every disclosure.
- b. Facts, assumptions, uncertainty and opinions should be distinguished and material qualifications should not be hidden.
- c. Opinions should be stated as guaranteed facts.
- d. A partial fill should be described as complete.

Answer: B. Facts, assumptions, uncertainty and opinions should be distinguished and material qualifications should not be hidden.

Rationale: The correct conclusion follows from the guide's treatment of clear and non-misleading communication.

124. [Original | Single choice] [FMRP §3.4.1] Which option is most accurate about communicating an incomplete customer order?

- a. The dealer should accurately explain the status without revealing protected customer identity or strategy.
- b. The dealer should invent a different customer.
- c. The dealer should disclose the customer's name to prove the order.
- d. The dealer should say the order is complete when it is not.

Answer: A. The dealer should accurately explain the status without revealing protected customer identity or strategy.

Rationale: The correct conclusion follows from the guide's treatment of communicating an incomplete customer order.

125. [Original | Single choice] [FMRP §3.4.2] A dealer is assessing appropriate market colour. What should the dealer conclude?

- a. A named customer's exact sale is always appropriate colour.
- b. A precise order and timestamp should be shared freely.
- c. Market colour permits false statements about flow.

- d. A comment about deteriorating liquidity or broad demand can be appropriate if it does not identify a specific customer or order.

Answer: D. A comment about deteriorating liquidity or broad demand can be appropriate if it does not identify a specific customer or order.

Rationale: The correct conclusion follows from the guide's treatment of appropriate market colour.

126. [Original | Single choice] [FMRP §3.4.2] In an examination scenario about an inappropriate market-colour statement, which answer is best?

- a. Describing volatility without a customer is prohibited.
- b. Discussing general market depth is prohibited in all cases.
- c. Naming the customer behind a specific order or revealing its exact size and instrument is inappropriate.
- d. Describing a broad rally is always inappropriate.

Answer: C. Naming the customer behind a specific order or revealing its exact size and instrument is inappropriate.

Rationale: The correct conclusion follows from the guide's treatment of an inappropriate market-colour statement.

127. [Original | Single choice] [FMRP §3.4.3] Which statement best describes approved communications?

- a. Use any platform if the message is later remembered.
- b. Use firm-approved recorded channels for dealing, instructions and material customer communications.
- c. Use personal messaging because it is faster.
- d. Use an unrecorded private phone for all customer orders.

Answer: B. Use firm-approved recorded channels for dealing, instructions and material customer communications.

Rationale: The correct conclusion follows from the guide's treatment of approved communications.

128. [Original | Single choice] [FMRP §3.4.3] A market participant is reviewing why unapproved channels are risky. Which conclusion is correct?

- a. They may prevent surveillance, reliable recordkeeping, access control and reconstruction of the trade.
- b. They always improve execution price.
- c. They automatically create legal privilege.
- d. They eliminate the need for confirmation.

Answer: A. They may prevent surveillance, reliable recordkeeping, access control and reconstruction of the trade.

Rationale: The correct conclusion follows from the guide's treatment of why unapproved channels are risky.

129. [Original | Single choice] [FMRP §3.5] For confidentiality training, which practice should be followed?

- a. It is needed only once at hiring.
- b. It should be limited to the legal department.
- c. It can be replaced by a generic poster.
- d. It should use practical scenarios and be refreshed and evidenced for staff with sensitive access.

Answer: D. It should use practical scenarios and be refreshed and evidenced for staff with sensitive access.

Rationale: The correct conclusion follows from the guide's treatment of confidentiality training.

130. [Original | Combination choice] [FMRP §3.2] Which option is most accurate about confidentiality controls?

- (a) Classify sensitive information.
- (b) Limit access by role.
- (c) Maintain appropriate information barriers.
- (d) Give every employee unrestricted access for efficiency.

Choose one:

- A. (a), (c) and (d)
- B. (b), (c) and (d)
- C. (a), (b) and (c)
- D. (a), (b) and (d)

Answer: C. (a), (b) and (c)

Rationale: Classification, need-to-know access and barriers are controls; unrestricted access is not.

131. [Original | Combination choice] [FMRP §3.3] A dealer is assessing permitted disclosure principles. What should the dealer conclude?

- (a) A disclosure may be required by law.
- (b) A disclosure may support an authorised investigation.
- (c) A disclosure should be limited to what is necessary.
- (d) Another dealer's curiosity is sufficient authority.

Choose one:

- A. (a), (b), (c) and (d)
- B. (a), (b) and (c)
- C. (a), (c) and (d)
- D. (b), (c) and (d)

Answer: B. (a), (b) and (c)

Rationale: Lawful purpose, necessary scope and investigation are valid principles; curiosity is not authority.

132. [Original | Single choice] [FMRP §3.4] In an examination scenario about a complete communication record, which answer is best?

- a. It should show what was said, by whom, when, through which channel and under what authority.
- b. It should record only the final price.
- c. It should exclude rejected instructions.
- d. It is unnecessary if the trade settled.

Answer: A. It should show what was said, by whom, when, through which channel and under what authority.

Rationale: The correct conclusion follows from the guide's treatment of a complete communication record.

133. [Original | Single choice] [FMRP §3.2.2] Which statement best describes removing access after a role change?

- a. Access should remain permanently for convenience.
- b. The employee should keep access as a reward.
- c. Only the customer can remove access.
- d. Access should be reviewed and removed or changed when the person no longer needs the information.

Answer: D. Access should be reviewed and removed or changed when the person no longer needs the information.

Rationale: The correct conclusion follows from the guide's treatment of removing access after a role change.

134. [Original | Single choice] [FMRP §3.3.2] A market participant is reviewing minimum-necessary disclosure. Which conclusion is correct?

- a. Share the data with all counterparties.
- b. Share a guess when facts are incomplete.
- c. Share only the information required for the permitted purpose with the authorised recipient.
- d. Share the full customer file to avoid follow-up.

Answer: C. Share only the information required for the permitted purpose with the authorised recipient.

Rationale: The correct conclusion follows from the guide's treatment of minimum-necessary disclosure.

135. [Original | Single choice] [FMRP §3.4.1] For expressing an opinion, which practice should be followed?

- a. The representative should attribute it to a customer without permission.
- b. The representative should identify it as an opinion rather than present it as verified fact.
- c. The representative should label it as a guarantee.
- d. The representative should omit the basis to sound confident.

Answer: B. The representative should identify it as an opinion rather than present it as verified fact.

Rationale: The correct conclusion follows from the guide's treatment of expressing an opinion.

136. [Original | Single choice] [FMRP §3.5] Which option is most accurate about testing the confidentiality programme?

- a. Testing should include access reviews, communication surveillance, scenario exercises and remediation of exceptions.
- b. Testing should focus only on whether a policy exists.
- c. Testing should be performed by the person being tested with no record.
- d. Testing is unnecessary for electronic systems.

Answer: A. Testing should include access reviews, communication surveillance, scenario exercises and remediation of exceptions.

Rationale: The correct conclusion follows from the guide's treatment of testing the confidentiality programme.

137. [Original | Single choice] [FMRP §3.2] A dealer is assessing anonymity as a market principle. What should the dealer conclude?

- a. Anonymity means no one may ever know the counterparty.
- b. Anonymity permits a dealer to ignore settlement.
- c. Anonymity prevents a regulator from receiving information.
- d. Anonymity protects counterparties during price discovery but does not remove the need for authorised disclosure, credit controls or confirmation.

Answer: D. Anonymity protects counterparties during price discovery but does not remove the need for authorised disclosure, credit controls or confirmation.

Rationale: The correct conclusion follows from the guide's treatment of anonymity as a market principle.

138. [Original | Single choice] [FMRP §3.4.2] In an examination scenario about using a participant name in market colour, which answer is best?

- a. A name is public once a salesperson hears it.
- b. A name can be shared if the amount is rounded.
- c. The name should not be used where it could identify a customer or reveal a protected order.
- d. A name is always safe if the order is profitable.

Answer: C. The name should not be used where it could identify a customer or reveal a protected order.

Rationale: The correct conclusion follows from the guide's treatment of using a participant name in market colour.

Chapter 4 - Governance, Risk Management and Compliance

139. [Original | Single choice] [FMRP §4.1] Which statement best describes governance accountability?

- a. Governance means the board approves every individual quote.
- b. The board and senior management should assign responsibility, authority, challenge and escalation across control functions.
- c. Governance is the sole responsibility of each dealer.
- d. Governance ends once a trade is booked.

Answer: B. The board and senior management should assign responsibility, authority, challenge and escalation across control functions.

Rationale: The correct conclusion follows from the guide's treatment of governance accountability.

140. [Original | Single choice] [FMRP §4.1] A market participant is reviewing an effective governance structure. Which conclusion is correct?

- a. It makes ownership of risks and control decisions clear and gives control functions access and independence.
- b. It hides risk ownership in informal conversations.
- c. It gives front office unrestricted control of all functions.
- d. It removes the need for escalation.

Answer: A. It makes ownership of risks and control decisions clear and gives control functions access and independence.

Rationale: The correct conclusion follows from the guide's treatment of an effective governance structure.

141. [Original | Single choice] [FMRP §4.2] For a conduct-sensitive remuneration structure, which practice should be followed?

- a. It should reward revenue regardless of how it was earned.
- b. It should pay only for the number of trades.
- c. It should penalise every employee who escalates a concern.
- d. It should balance performance with risk, customer outcomes and conduct and may use deferral, malus or clawback.

Answer: D. It should balance performance with risk, customer outcomes and conduct and may use deferral, malus or clawback.

Rationale: The correct conclusion follows from the guide's treatment of a conduct-sensitive remuneration structure.

142. [Original | Single choice] [FMRP §4.2] Which option is most accurate about a risky sales incentive?

- a. It eliminates the need for supervision.
- b. It guarantees accurate valuations.
- c. A bonus based only on short-term volume can encourage hidden risk and misconduct and should be controlled.
- d. It is automatically safe in wholesale markets.

Answer: C. A bonus based only on short-term volume can encourage hidden risk and misconduct and should be controlled.

Rationale: The correct conclusion follows from the guide's treatment of a risky sales incentive.

143. [Original | Single choice] [FMRP §4.3] A dealer is assessing a misconduct reporting process. What should the dealer conclude?

- a. It should close a report when a customer is satisfied.
- b. It should provide confidential channels, preserve evidence, investigate fairly and escalate material matters.
- c. It should require staff to resolve every issue privately.
- d. It should publish the reporter's identity to deter reports.

Answer: B. It should provide confidential channels, preserve evidence, investigate fairly and escalate material matters.

Rationale: The correct conclusion follows from the guide's treatment of a misconduct reporting process.

144. [Original | Single choice] [FMRP §4.3] In an examination scenario about non-retaliation, which answer is best?

- a. Staff should be able to report concerns in good faith without retaliation or pressure to withdraw them.
- b. Retaliation is acceptable if the report is inconvenient.
- c. Only senior staff need protection.
- d. A report should be ignored if it concerns a profitable trader.

Answer: A. Staff should be able to report concerns in good faith without retaliation or pressure to withdraw them.

Rationale: The correct conclusion follows from the guide's treatment of non-retaliation.

145. [Original | Single choice] [FMRP §4.4] Which statement best describes segregation of duties?

- a. Segregation means front and back office can never communicate.
- b. Segregation is achieved by moving desks closer together.
- c. Segregation is unnecessary for electronic trades.
- d. Separate functions and controlled communication reduce the risk that one person can originate, process and conceal a trade.

Answer: D. Separate functions and controlled communication reduce the risk that one person can originate, process and conceal a trade.

Rationale: The correct conclusion follows from the guide's treatment of segregation of duties.

146. [Original | Single choice] [FMRP §4.4] A market participant is reviewing front-office access to middle-office systems. Which conclusion is correct?

- a. All staff should share one account.
- b. Access rights do not affect fraud risk.
- c. It should be restricted to authorised functions and subject to independent controls.
- d. Front office should have administrator access for speed.

Answer: C. It should be restricted to authorised functions and subject to independent controls.

Rationale: The correct conclusion follows from the guide's treatment of front-office access to middle-office systems.

147. [Original | Combination choice] [FMRP §4.4] For segregation safeguards, which practice should be followed?

- (a) Use information barriers.
- (b) Restrict system permissions by role.
- (c) Allow independent control functions to challenge trades.
- (d) Give the dealer unrestricted access to processing records.

Choose one:

- A. (b) and (c)
- B. (a), (b) and (c)
- C. (a) and (c)
- D. (a) and (d)

Answer: B. (a), (b) and (c)

Rationale: Barriers, role-based permissions and independent challenge are safeguards; unrestricted access defeats segregation.

148. [Original | Single choice] [FMRP §4.5] Which option is most accurate about the relationship between risk and compliance?

- a. Risk measures exposures while compliance interprets obligations, tests adherence and escalates breaches; both need independence and information.
- b. Compliance replaces all risk limits.
- c. Risk management is only a post-trade accounting task.
- d. Neither function needs front-office access.

Answer: A. Risk measures exposures while compliance interprets obligations, tests adherence and escalates breaches; both need independence and information.

Rationale: The correct conclusion follows from the guide's treatment of the relationship between risk and compliance.

149. [Original | Single choice] [FMRP §4.5] A dealer is assessing a risk-management framework. What should the dealer conclude?

- a. It consists only of a limit number.
- b. It applies only when markets are calm.
- c. It is a list of products with no controls.
- d. It links appetite, limits, measurement, monitoring, escalation, validation and remediation.

Answer: D. It links appetite, limits, measurement, monitoring, escalation, validation and remediation.

Rationale: The correct conclusion follows from the guide's treatment of a risk-management framework.

150. [Original | Single choice] [FMRP §4.6] In an examination scenario about a risk framework in stress, which answer is best?

- a. A stress test replaces all live monitoring.
- b. A market disruption permits limit breaches without records.
- c. It should address stressed conditions, liquidity, operational dependencies and contingency escalation, not only normal trading.
- d. Stress conditions are outside risk management.

Answer: C. It should address stressed conditions, liquidity, operational dependencies and contingency escalation, not only normal trading.

Rationale: The correct conclusion follows from the guide's treatment of a risk framework in stress.

151. [Original | Single choice] [FMRP §4.6.1] Which statement best describes approval of risk limits?

- a. Limits need no owner if the desk is profitable.
- b. Limits should be documented, approved by the appropriate authority, assigned and reviewed when the risk profile changes.
- c. A dealer may set a limit after exceeding it.
- d. An informal chat is always enough approval.

Answer: B. Limits should be documented, approved by the appropriate authority, assigned and reviewed when the risk profile changes.

Rationale: The correct conclusion follows from the guide's treatment of approval of risk limits.

152. [Original | Single choice] [FMRP §4.6.1] A market participant is reviewing an urgent limit request. Which conclusion is correct?

- a. The participant should use the authorised approval route and wait for confirmation before trading beyond the current limit.
- b. The IDB can approve the limit on the firm's behalf.
- c. The dealer can trade and regularise later.
- d. A customer instruction overrides a credit limit.

Answer: A. The participant should use the authorised approval route and wait for confirmation before trading beyond the current limit.

Rationale: The correct conclusion follows from the guide's treatment of an urgent limit request.

153. [Original | Single choice] [FMRP §4.6.2] For risk measures, which practice should be followed?

- a. One measure captures every risk.
- b. Only accounting profit is a risk measure.
- c. Risk measures should be removed when markets are volatile.
- d. Notional, sensitivity, stop-loss, stress, liquidity, counterparty and concentration measures can complement one another.

Answer: D. Notional, sensitivity, stop-loss, stress, liquidity, counterparty and concentration measures can complement one another.

Rationale: The correct conclusion follows from the guide's treatment of risk measures.

154. [Original | Single choice] [FMRP §4.6.2] Which option is most accurate about technology in risk controls?

- a. Encryption reduces the need for access control.
- b. A manual spreadsheet is always more reliable than a controlled system.
- c. Systems should maintain capacity, protect data, control access and preserve reliable audit trails.
- d. All users should access all systems.

Answer: C. Systems should maintain capacity, protect data, control access and preserve reliable audit trails.

Rationale: The correct conclusion follows from the guide's treatment of technology in risk controls.

155. [Original | Single choice] [FMRP §4.6.3] A dealer is assessing risk monitoring. What should the dealer conclude?

- a. Monitoring should be performed only by the dealer who caused the exception.
- b. Monitoring compares exposures, limits, P&L, exceptions and stress results and escalates anomalies promptly.
- c. Monitoring is needed only at month end.
- d. A breach is harmless if the desk expects profit.

Answer: B. Monitoring compares exposures, limits, P&L, exceptions and stress results and escalates anomalies promptly.

Rationale: The correct conclusion follows from the guide's treatment of risk monitoring.

156. [Original | Single choice] [FMRP §4.6.3] In an examination scenario about a limit breach, which answer is best?

- a. It should be escalated, investigated, documented and resolved under the approved process.
- b. It should be hidden until the position is profitable.
- c. It should be deleted from the exception report.
- d. It should be ignored if caused by a senior dealer.

Answer: A. It should be escalated, investigated, documented and resolved under the approved process.

Rationale: The correct conclusion follows from the guide's treatment of a limit breach.

157. [Original | Combination choice] [FMRP §4.6.3] Which statement best describes effective risk monitoring?

- (a) Review exposures against limits.
- (b) Investigate exceptions.
- (c) Escalate material breaches promptly.
- (d) Treat repeated overrides as normal practice.

Choose one:

- A. (b), (c) and (d)
- B. (a), (b), (c) and (d)
- C. (a) and (b)
- D. (a), (b) and (c)

Answer: D. (a), (b) and (c)

Rationale: Review, investigation and escalation are controls; normalising repeated overrides is a weakness.

158. [Original | Single choice] [FMRP §4.6.4] A market participant is reviewing independent model validation. Which conclusion is correct?

- a. The trader who builds a model is its only validator.
- b. Model validation is unnecessary for OTC products.
- c. Valuation models need documented assumptions, testing, independent challenge and periodic review.
- d. A model is permanent once approved.

Answer: C. Valuation models need documented assumptions, testing, independent challenge and periodic review.

Rationale: The correct conclusion follows from the guide's treatment of independent model validation.

159. [Original | Single choice] [FMRP §4.6.4] For why a model may need revalidation, which practice should be followed?

- a. Revalidation is prohibited during market stress.
- b. New products, market conditions, data changes or altered assumptions can make an earlier validation unsuitable.
- c. Only a software upgrade can require revalidation.
- d. Profitability proves the model is valid.

Answer: B. New products, market conditions, data changes or altered assumptions can make an earlier validation unsuitable.

Rationale: The correct conclusion follows from the guide's treatment of why a model may need revalidation.

160. [Original | Single choice] [FMRP §4.7] Which option is most accurate about a compliance framework?

- a. It translates laws and codes into policies, training, surveillance, testing, issue management and reporting.

- b. It is only a legal library.
- c. It is a substitute for employee judgement.
- d. It excludes market conduct because trading is wholesale.

Answer: A. It translates laws and codes into policies, training, surveillance, testing, issue management and reporting.

Rationale: The correct conclusion follows from the guide's treatment of a compliance framework.

161. [Original | Single choice] [FMRP §4.7] A dealer is assessing a risk-based compliance review. What should the dealer conclude?

- a. It tests every issue identically regardless of risk.
- b. It reviews only the easiest transactions.
- c. It ends when a policy is published.
- d. It gives more attention to higher-risk products, activities, systems, people and known control weaknesses.

Answer: D. It gives more attention to higher-risk products, activities, systems, people and known control weaknesses.

Rationale: The correct conclusion follows from the guide's treatment of a risk-based compliance review.

162. [Original | Single choice] [FMRP §4.8] In an examination scenario about evidence of adherence, which answer is best?

- a. Profit proves compliance.
- b. Only customer complaints can demonstrate adherence.
- c. Supervision, surveillance, reconciliations, training records, testing and closed remediation actions demonstrate operation.
- d. A policy statement alone proves adherence.

Answer: C. Supervision, surveillance, reconciliations, training records, testing and closed remediation actions demonstrate operation.

Rationale: The correct conclusion follows from the guide's treatment of evidence of adherence.

163. [Original | Single choice] [FMRP §4.8] Which statement best describes a recurring control exception?

- a. It should be blamed on the customer automatically.
- b. It should be analysed for root cause, assigned, remediated and escalated if material or persistent.
- c. It should be waived indefinitely.
- d. It should be hidden from internal audit.

Answer: B. It should be analysed for root cause, assigned, remediated and escalated if material or persistent.

Rationale: The correct conclusion follows from the guide's treatment of a recurring control exception.

164. [Original | Single choice] [FMRP §4.9] A market participant is reviewing interaction among risk types. Which conclusion is correct?

- a. A single trade can create market, counterparty, liquidity, operational and conduct risk at the same time.
- b. Risk types are mutually exclusive.
- c. A profitable trade creates no operational risk.
- d. Credit risk matters only after settlement.

Answer: A. A single trade can create market, counterparty, liquidity, operational and conduct risk at the same time.

Rationale: The correct conclusion follows from the guide's treatment of interaction among risk types.

165. [Original | Single choice] [FMRP §4.9.1] For market risk, which practice should be followed?

- a. It is the risk that a process fails.
- b. It is the risk that a counterparty defaults.
- c. It is the risk that a customer changes address.
- d. It is the risk of loss from adverse movements in rates, prices, spreads, volatility or correlations.

Answer: D. It is the risk of loss from adverse movements in rates, prices, spreads, volatility or correlations.

Rationale: The correct conclusion follows from the guide's treatment of market risk.

166. [Original | Single choice] [FMRP §4.9.1] Which option is most accurate about a market-risk control?

- a. A credit review controls all market risk.
- b. A customer disclosure replaces a desk limit.
- c. Limits, valuation, hedging, stress testing and timely escalation can manage market risk.
- d. A trade confirmation eliminates price risk.

Answer: C. Limits, valuation, hedging, stress testing and timely escalation can manage market risk.

Rationale: The correct conclusion follows from the guide's treatment of a market-risk control.

167. [Original | Single choice] [FMRP §4.9.2] A dealer is assessing counterparty risk. What should the dealer conclude?

- a. It is the risk that a quote is too wide.
- b. It is the risk that the other party fails to perform its obligations.
- c. It is only the risk of a rate move.
- d. It is the risk of a system outage.

Answer: B. It is the risk that the other party fails to perform its obligations.

Rationale: The correct conclusion follows from the guide's treatment of counterparty risk.

168. [Original | Single choice] [FMRP §4.9.2] In an examination scenario about a counterparty-risk control, which answer is best?

- a. Credit limits, collateral, margin, netting, settlement controls and close-out rights can reduce exposure.
- b. A market quote removes default risk.
- c. An IDB's involvement guarantees payment.
- d. A customer signature eliminates legal exposure.

Answer: A. Credit limits, collateral, margin, netting, settlement controls and close-out rights can reduce exposure.

Rationale: The correct conclusion follows from the guide's treatment of a counterparty-risk control.

169. [Original | Single choice] [FMRP §4.9.3] Which statement best describes operational risk?

- a. It is only the risk of currency depreciation.
- b. It is the same as a counterparty rating.
- c. It is eliminated by having a profitable desk.
- d. It arises from failed or inadequate people, processes, systems or external events.

Answer: D. It arises from failed or inadequate people, processes, systems or external events.

Rationale: The correct conclusion follows from the guide's treatment of operational risk.

170. [Original | Single choice] [FMRP §4.9.3] A market participant is reviewing an operational-risk example. Which conclusion is correct?

- a. A counterparty defaulting is operational risk only.
- b. A customer choosing a different product is operational risk.
- c. An erroneous booking caused by weak controls is operational risk.
- d. A bond price falling is operational risk.

Answer: C. An erroneous booking caused by weak controls is operational risk.

Rationale: The correct conclusion follows from the guide's treatment of an operational-risk example.

171. [Original | Combination choice] [FMRP §4.9] For risk-classification examples, which practice should be followed?

- (a) An adverse FX movement is market risk.
- (b) A counterparty bankruptcy is credit risk.
- (c) A failed process is operational risk.
- (d) A customer complaint is always market risk.

Choose one:

- A. (b), (c) and (d)
- B. (a), (b) and (c)
- C. (a), (b) and (d)
- D. (a), (c) and (d)

Answer: B. (a), (b) and (c)

Rationale: The first three statements give the standard classifications; a complaint is not automatically market risk.

172. [Original | Single choice] [FMRP §4.10] Which option is most accurate about the purpose of AML/KYC?

- a. It identifies customers and risks, detects unusual activity and supports lawful escalation and reporting.
- b. It exists only to set trading limits.
- c. It applies only to cash deposits.
- d. It removes the need to know beneficial owners.

Answer: A. It identifies customers and risks, detects unusual activity and supports lawful escalation and reporting.

Rationale: The correct conclusion follows from the guide's treatment of the purpose of AML/KYC.

173. [Original | Single choice] [FMRP §4.10.1] A dealer is assessing an AML control. What should the dealer conclude?

- a. Customer due diligence is performed only after a suspicious report.
- b. AML is satisfied by checking a company logo.
- c. AML controls apply only to the back office.
- d. Risk-based CDD, screening, transaction monitoring, escalation, record retention and training are AML controls.

Answer: D. Risk-based CDD, screening, transaction monitoring, escalation, record retention and training are AML controls.

Rationale: The correct conclusion follows from the guide's treatment of an AML control.

174. [Original | Single choice] [FMRP §4.10.1] In an examination scenario about tipping off, which answer is best?

- a. It is the same as a risk disclosure.

- b. It is encouraged to obtain more customer information.
- c. Telling a customer that a suspicious transaction report has been made can be prohibited and should be handled under the firm's process.
- d. It is always required for transparency.

Answer: C. Telling a customer that a suspicious transaction report has been made can be prohibited and should be handled under the firm's process.

Rationale: The correct conclusion follows from the guide's treatment of tipping off.

175. [Original | Single choice] [FMRP §4.10.1] Which statement best describes CDD recordkeeping?

- a. Records are optional for wholesale customers.
- b. CDD documentation should be maintained so the firm can evidence identity, risk assessment and ongoing review.
- c. CDD documents should be deleted after onboarding.
- d. Only the customer's verbal statement is needed.

Answer: B. CDD documentation should be maintained so the firm can evidence identity, risk assessment and ongoing review.

Rationale: The correct conclusion follows from the guide's treatment of CDD recordkeeping.

176. [Original | Single choice] [FMRP §4.10.2] A market participant is reviewing the Singapore financial-crime framework. Which conclusion is correct?

- a. It includes relevant statutes and MAS notices on laundering, terrorism financing, confiscation and related assistance.
- b. It consists solely of voluntary trading conventions.
- c. It applies only to securities exchanges.
- d. It has no recordkeeping implications.

Answer: A. It includes relevant statutes and MAS notices on laundering, terrorism financing, confiscation and related assistance.

Rationale: The correct conclusion follows from the guide's treatment of the Singapore financial-crime framework.

177. [Original | Single choice] [FMRP §4.10.2] For a risk-based AML response, which practice should be followed?

- a. Every customer must receive exactly the same review.
- b. High risk permits less information.
- c. Low risk permits knowingly false data.
- d. The intensity of due diligence and monitoring should reflect the customer's and activity's risk.

Answer: D. The intensity of due diligence and monitoring should reflect the customer's and activity's risk.

Rationale: The correct conclusion follows from the guide's treatment of a risk-based AML response.

178. [Original | Single choice] [FMRP §4.10.3] Which option is most accurate about customer onboarding?

- a. Use the salesperson's memory as the record.
- b. Treat a sophisticated customer as automatically low risk.
- c. Verify identity, authority, beneficial ownership, purpose, expected activity and risk before granting access.
- d. Open the account first and resolve all inconsistencies later.

Answer: C. Verify identity, authority, beneficial ownership, purpose, expected activity and risk before granting access.

Rationale: The correct conclusion follows from the guide's treatment of customer onboarding.

179. [Original | Single choice] [FMRP §4.10.3] A dealer is assessing beneficial ownership. What should the dealer conclude?

- a. The IDB identifies the owner for the firm.
- b. The firm should identify the natural person or persons who ultimately own or control the customer where required.
- c. A company name is always sufficient.
- d. Beneficial ownership matters only for retail customers.

Answer: B. The firm should identify the natural person or persons who ultimately own or control the customer where required.

Rationale: The correct conclusion follows from the guide's treatment of beneficial ownership.

180. [Original | Single choice] [FMRP §4.10.3] In an examination scenario about ongoing KYC, which answer is best?

- a. Customer information and risk should be refreshed when circumstances or activity change and at appropriate review points.
- b. KYC ends when the first trade settles.
- c. Only the customer can identify a change.
- d. High-risk customers need no monitoring after approval.

Answer: A. Customer information and risk should be refreshed when circumstances or activity change and at appropriate review points.

Rationale: The correct conclusion follows from the guide's treatment of ongoing KYC.

181. [Original | Single choice] [FMRP §4.6.2] Which statement best describes capacity for normal and peak loads?

- a. Peak capacity is irrelevant because markets always slow down.
- b. Capacity can be increased after a failure with no plan.
- c. Only the trading screen needs capacity.
- d. Technology should be tested and sized for normal volumes, peak volumes and disruption scenarios.

Answer: D. Technology should be tested and sized for normal volumes, peak volumes and disruption scenarios.

Rationale: The correct conclusion follows from the guide's treatment of capacity for normal and peak loads.

182. [Original | Single choice] [FMRP §4.10.3] A market participant is reviewing inconsistent onboarding information. Which conclusion is correct?

- a. Ask another customer to confirm it.
- b. Change the record without evidence.
- c. The inconsistency should be resolved or escalated before activity proceeds.
- d. Ignore it to meet a revenue target.

Answer: C. The inconsistency should be resolved or escalated before activity proceeds.

Rationale: The correct conclusion follows from the guide's treatment of inconsistent onboarding information.

183. [Original | Single choice] [FMRP §4.4] For middle-office access to P&L reports, which practice should be followed?

- a. Sharing P&L automatically breaches segregation.
- b. Middle office should receive information necessary for independent risk control and review.
- c. P&L must be hidden from middle office.
- d. Only front office may see any risk data.

Answer: B. Middle office should receive information necessary for independent risk control and review.

Rationale: The correct conclusion follows from the guide's treatment of middle-office access to P&L reports.

Chapter 5 - Execution and Handling of Orders

184. [Original | Single choice] [FMRP §5.1.1] Which option is most accurate about a complete quote?

- a. It should identify product, side, amount, tenor, value date and conditions that affect price.
- b. It needs only a bid or offer with no product.
- c. It is always firm regardless of wording.
- d. It can omit value date because settlement is separate.

Answer: A. It should identify product, side, amount, tenor, value date and conditions that affect price.

Rationale: The correct conclusion follows from the guide's treatment of a complete quote.

185. [Original | Single choice] [FMRP §5.1.1] A dealer is assessing an ambiguous dealing response. What should the dealer conclude?

- a. Assume the best possible terms.
- b. Book the trade and ask questions later.
- c. Let the IDB decide the missing terms.
- d. Clarify whether the price is firm, the amount and the relevant terms before treating it as a deal.

Answer: D. Clarify whether the price is firm, the amount and the relevant terms before treating it as a deal.

Rationale: The correct conclusion follows from the guide's treatment of an ambiguous dealing response.

186. [Original | Single choice] [FMRP §5.1.2] In an examination scenario about a limit constraint during execution, which answer is best?

- a. Execute and seek approval later.
- b. Let the customer waive the limit.
- c. Be transparent about the available limit and do not commit an unauthorised amount.
- d. Ask an IDB to commit the full trade secretly.

Answer: C. Be transparent about the available limit and do not commit an unauthorised amount.

Rationale: The correct conclusion follows from the guide's treatment of a limit constraint during execution.

187. [Original | Single choice] [FMRP §5.1.3] Which statement best describes when an IDB should disclose a name?

- a. Never, because anonymity is permanent.
- b. At the appropriate point under market convention and after the necessary credit or permission checks.
- c. Before any indicative quote.
- d. Only after settlement.

Answer: B. At the appropriate point under market convention and after the necessary credit or permission checks.

Rationale: The correct conclusion follows from the guide's treatment of when an IDB should disclose a name.

188. [Original | Single choice] [FMRP §5.1.3] A market participant is reviewing misusing a counterparty name. Which conclusion is correct?

- a. Using it to bypass limits or reveal confidential information is improper.
- b. It is required to increase brokerage.
- c. It is acceptable if the name is memorable.
- d. It eliminates the need for a credit review.

Answer: A. Using it to bypass limits or reveal confidential information is improper.

Rationale: The correct conclusion follows from the guide's treatment of misusing a counterparty name.

189. [Original | Single choice] [FMRP §5.1.4] For direct dealing, which practice should be followed?

- a. Direct dealing requires no record.
- b. Capacity never matters between institutions.
- c. Direct trades cannot create counterparty risk.
- d. The parties should understand identity, capacity, authority, terms and settlement instructions.

Answer: D. The parties should understand identity, capacity, authority, terms and settlement instructions.

Rationale: The correct conclusion follows from the guide's treatment of direct dealing.

190. [Original | Single choice] [FMRP §5.1.4] Which option is most accurate about a principal's capacity?

- a. Principal dealing is always prohibited.
- b. A customer mandate makes capacity irrelevant.
- c. The dealer should make clear whether it acts as agent or principal before the transaction.
- d. Capacity can be changed after settlement without disclosure.

Answer: C. The dealer should make clear whether it acts as agent or principal before the transaction.

Rationale: The correct conclusion follows from the guide's treatment of a principal's capacity.

191. [Original | Single choice] [FMRP §5.1.5] A dealer is assessing electronic trading rules. What should the dealer conclude?

- a. They apply only to manual trades.
- b. They address quote validity, acceptance, timestamps, error handling and confirmation.
- c. They allow a user to exploit an obvious error.
- d. They remove the need to understand status messages.

Answer: B. They address quote validity, acceptance, timestamps, error handling and confirmation.

Rationale: The correct conclusion follows from the guide's treatment of electronic trading rules.

192. [Original | Single choice] [FMRP §5.1.5] In an examination scenario about an electronic-platform error, which answer is best?

- a. Follow the platform's error-trade and escalation process and preserve the audit trail.
- b. Keep the error secret if it benefits the desk.
- c. Alter the timestamp manually.
- d. Assume the other party must accept any system result.

Answer: A. Follow the platform's error-trade and escalation process and preserve the audit trail.

Rationale: The correct conclusion follows from the guide's treatment of an electronic-platform error.

193. [Original | Single choice] [FMRP §5.1.6] Which statement best describes order priority?

- a. The dealer may select the most profitable customer.
- b. Orders need no timestamp if verbal.
- c. A personal order can always go first.
- d. Orders should be time-stamped and handled fairly within the customer's mandate and applicable priority rules.

Answer: D. Orders should be time-stamped and handled fairly within the customer's mandate and applicable priority rules.

Rationale: The correct conclusion follows from the guide's treatment of order priority.

194. [Original | Single choice] [FMRP §5.1.6] A market participant is reviewing a stop-loss instruction. Which conclusion is correct?

- a. It must be filled at the best historical price.
- b. It can be withheld until the market improves.
- c. It should be explained as subject to market execution and not as a guaranteed fixed price.
- d. It guarantees the trigger price.

Answer: C. It should be explained as subject to market execution and not as a guaranteed fixed price.

Rationale: The correct conclusion follows from the guide's treatment of a stop-loss instruction.

195. [Original | Combination choice] [FMRP §5.1] For order-handling safeguards, which practice should be followed?

- (a) Record the order promptly.
- (b) Preserve customer confidentiality.
- (c) Execute within the mandate and applicable priority.
- (d) Trade personally ahead of the order.

Choose one:

- A. (b) and (d)
- B. (a), (b) and (c)
- C. (a) and (d)
- D. (b) and (c)

Answer: B. (a), (b) and (c)

Rationale: Prompt records, confidentiality and fair mandate-based execution are safeguards; personal trading ahead is not.

196. [Original | Single choice] [FMRP §5.2.1] Which option is most accurate about inside information?

- a. It is material non-public information that must not be misused for trading or improper communication.
- b. It is any public price quote.
- c. It is only a customer's preferred currency.
- d. It is information that has already been widely published.

Answer: A. It is material non-public information that must not be misused for trading or improper communication.

Rationale: The correct conclusion follows from the guide's treatment of inside information.

197. [Original | Single choice] [FMRP §5.2.2] A dealer is assessing front running a known customer order. What should the dealer conclude?

- a. It is executing a customer order promptly.
- b. It is hedging after a customer trade is complete with controls.
- c. It is a normal spread quote.
- d. It is trading ahead of a known customer order to benefit from its expected price effect.

Answer: D. It is trading ahead of a known customer order to benefit from its expected price effect.

Rationale: The correct conclusion follows from the guide's treatment of front running a known customer order.

198. [Original | Single choice] [FMRP §5.2.3] In an examination scenario about withholding a customer order, which answer is best?

- a. It is harmless if the market is liquid.
- b. It is permitted after the customer signs a risk disclosure.
- c. It is improper when done to benefit the dealer, another customer or a personal position.
- d. It is always required for large orders.

Answer: C. It is improper when done to benefit the dealer, another customer or a personal position.

Rationale: The correct conclusion follows from the guide's treatment of withholding a customer order.

199. [Original | Single choice] [FMRP §5.2.4] Which statement best describes disclosing a customer order?

- a. It is acceptable if the order is large.
- b. It requires a permitted basis and only the necessary information for execution or control.
- c. It is permitted to all market participants for price discovery.
- d. It is required to competitors.

Answer: B. It requires a permitted basis and only the necessary information for execution or control.

Rationale: The correct conclusion follows from the guide's treatment of disclosing a customer order.

200. [Original | Single choice] [FMRP §5.2.5] A market participant is reviewing bucketing. Which conclusion is correct?

- a. It involves handling an order in a way that conceals whether it was executed as represented, often by taking the opposite side.
- b. It is the normal use of an IDB.
- c. It is a valid settlement instruction.
- d. It is only a small booking error.

Answer: A. It involves handling an order in a way that conceals whether it was executed as represented, often by taking the opposite side.

Rationale: The correct conclusion follows from the guide's treatment of bucketing.

201. [Original | Single choice] [FMRP §5.2.6] For cornering, which practice should be followed?

- a. It is ordinary competitive trading.
- b. It is a confirmation mismatch.
- c. It is the same as a customer limit order.
- d. It seeks to control supply or price so others are forced to transact at distorted levels.

Answer: D. It seeks to control supply or price so others are forced to transact at distorted levels.

Rationale: The correct conclusion follows from the guide's treatment of cornering.

202. [Original | Single choice] [FMRP §5.2.7] Which option is most accurate about false trading?

- a. It is a transparent customer allocation.
- b. It is a standard market-making quote.
- c. It creates an appearance of active trading or price movement without genuine economic purpose.
- d. It is an ordinary hedge.

Answer: C. It creates an appearance of active trading or price movement without genuine economic purpose.

Rationale: The correct conclusion follows from the guide's treatment of false trading.

203. [Original | Single choice] [FMRP §5.2.8] A dealer is assessing fraudulent inducement. What should the dealer conclude?

- a. It is a confirmed settlement instruction.
- b. It uses false statements, deceptive promises or material omissions to induce a person to trade.
- c. It is a clear opinion with a disclosed basis.
- d. It is a genuine competitive quote.

Answer: B. It uses false statements, deceptive promises or material omissions to induce a person to trade.

Rationale: The correct conclusion follows from the guide's treatment of fraudulent inducement.

204. [Original | Single choice] [FMRP §5.2.9] In an examination scenario about a deceptive device, which answer is best?

- a. A scheme designed to mislead or circumvent market rules can be prohibited even if it is not a named example.
- b. A compliant hedge is always deceptive.
- c. Only conduct causing a realised loss is deceptive.
- d. A written trade cannot involve deception.

Answer: A. A scheme designed to mislead or circumvent market rules can be prohibited even if it is not a named example.

Rationale: The correct conclusion follows from the guide's treatment of a deceptive device.

205. [Original | Single choice] [FMRP §5.2.10] Which statement best describes illegal transaction information?

- a. It should be circulated to improve market colour.
- b. It should be published before investigation.
- c. It should be sold to an IDB.
- d. It should be escalated and not disseminated to encourage, conceal or repeat the conduct.

Answer: D. It should be escalated and not disseminated to encourage, conceal or repeat the conduct.

Rationale: The correct conclusion follows from the guide's treatment of illegal transaction information.

206. [Original | Single choice] [FMRP §5.2.11] A market participant is reviewing position parking. Which conclusion is correct?

- a. It is required for every month-end close.
- b. It is the same as lawful netting.
- c. It can conceal risk or shift P&L and therefore requires genuine purpose, authority, documentation and controls.
- d. It is safe because the position is temporary.

Answer: C. It can conceal risk or shift P&L and therefore requires genuine purpose, authority, documentation and controls.

Rationale: The correct conclusion follows from the guide's treatment of position parking.

207. [Original | Combination choice] [FMRP §5.2] For market-misconduct examples, which practice should be followed?

- (a) Front running uses a customer order.
- (b) False trading creates an artificial appearance of activity.
- (c) Bucketing can conceal execution capacity.
- (d) A genuine competitive trade is automatically manipulation.

Choose one:

- A. (a), (c) and (d)
- B. (a), (b) and (c)
- C. (c) and (d)
- D. (a), (b) and (d)

Answer: B. (a), (b) and (c)

Rationale: The first three describe misconduct risks. A genuine competitive trade is not automatically manipulation merely because it affects price.

208. [Original | Single choice] [FMRP §5.3.1] Which option is most accurate about an intraday deal check?

- a. It compares records while an error can still be corrected before settlement or exposure grows.
- b. It is only an end-of-year audit.
- c. It replaces all confirmations.
- d. It is performed only after a complaint.

Answer: A. It compares records while an error can still be corrected before settlement or exposure grows.

Rationale: The correct conclusion follows from the guide's treatment of an intraday deal check.

209. [Original | Single choice] [FMRP §5.3.2] A dealer is assessing complete confirmation content. What should the dealer conclude?

- a. It needs only a notional amount.
- b. It should omit special conditions.
- c. It is complete if the trader remembers the quote.
- d. It includes parties, capacity, product, amount, price or rate, dates, settlement details, fees and special terms.

Answer: D. It includes parties, capacity, product, amount, price or rate, dates, settlement details, fees and special terms.

Rationale: The correct conclusion follows from the guide's treatment of complete confirmation content.

210. [Original | Single choice] [FMRP §5.3.3] In an examination scenario about an out-trade, which answer is best?

- a. It is a customer complaint by definition.
- b. It can be ignored until maturity.
- c. It is a mismatch that should be escalated and reconciled promptly without silently changing records.
- d. It is a profitable trade that needs no review.

Answer: C. It is a mismatch that should be escalated and reconciled promptly without silently changing records.

Rationale: The correct conclusion follows from the guide's treatment of an out-trade.

211. [Original | Single choice] [FMRP §5.3.4] Which statement best describes a customer complaint?

- a. It is automatically evidence of misconduct.
- b. It should be recorded, acknowledged, investigated and resolved under the firm's process.
- c. It should be discouraged to protect the desk.
- d. It should be answered by deleting the trade record.

Answer: B. It should be recorded, acknowledged, investigated and resolved under the firm's process.

Rationale: The correct conclusion follows from the guide's treatment of a customer complaint.

212. [Original | Single choice] [FMRP §5.3.5] A market participant is reviewing arbitration. Which conclusion is correct?

- a. The parties should follow the agreed procedure, preserve evidence and respect the applicable decision.
- b. It permits the parties to ignore confirmations.
- c. It is always decided by the IDB.
- d. It removes the need for legal analysis.

Answer: A. The parties should follow the agreed procedure, preserve evidence and respect the applicable decision.

Rationale: The correct conclusion follows from the guide's treatment of arbitration.

213. [Original | Single choice] [FMRP §5.4.2] For an FX spot value date, which practice should be followed?

- a. It is always two Singapore business days regardless of currency.
- b. It is the same as trade date.
- c. It can be chosen after settlement without agreement.
- d. It depends on the business-day calendars of both currencies and the relevant market convention.

Answer: D. It depends on the business-day calendars of both currencies and the relevant market convention.

Rationale: The correct conclusion follows from the guide's treatment of an FX spot value date.

214. [Original | Single choice] [FMRP §5.4.3] Which option is most accurate about an unforeseen FX holiday?

- a. The trade automatically disappears.
- b. The dealer should withhold all payments permanently.
- c. The parties should communicate and apply the agreed or recommended fallback rather than act unilaterally.
- d. The dealer should invent a new value date.

Answer: C. The parties should communicate and apply the agreed or recommended fallback rather than act unilaterally.

Rationale: The correct conclusion follows from the guide's treatment of an unforeseen FX holiday.

215. [Original | Single choice] [FMRP §5.4.4] A dealer is assessing the two legs of an FX swap. What should the dealer conclude?

- a. The legs have no relationship in the confirmation.
- b. The near leg exchanges currencies and the far leg reverses or re-exchanges them on a later value date.
- c. Both legs are independent customer options.
- d. Only the far leg transfers currencies.

Answer: B. The near leg exchanges currencies and the far leg reverses or re-exchanges them on a later value date.

Rationale: The correct conclusion follows from the guide's treatment of the two legs of an FX swap.

216. [Original | Single choice] [FMRP §5.4.7] In an examination scenario about a currency option, which answer is best?

- a. Its terms include option rights or obligations, strike, expiry, premium and exercise or settlement conventions.
- b. It is an obligation for both parties with no asymmetry.
- c. It has no expiry.
- d. It can be confirmed with only a currency pair.

Answer: A. Its terms include option rights or obligations, strike, expiry, premium and exercise or settlement conventions.

Rationale: The correct conclusion follows from the guide's treatment of a currency option.

217. [Original | Single choice] [FMRP §5.5.1] Which statement best describes NDF trading hours?

- a. All NDFs trade only during Singapore office hours.
- b. The fixing window is irrelevant to an NDF.
- c. The customer chooses the market clock after execution.
- d. The dealer should follow the relevant market's dealing and fixing-window conventions.

Answer: D. The dealer should follow the relevant market's dealing and fixing-window conventions.

Rationale: The correct conclusion follows from the guide's treatment of NDF trading hours.

218. [Original | Single choice] [FMRP §5.5.2] A market participant is reviewing an NDF fixing disruption. Which conclusion is correct?

- a. Cancel every NDF automatically.
- b. Use an unrecorded estimate without disclosure.
- c. Apply the contract's fallback or disruption provisions and communicate promptly.
- d. Choose a rate based on the dealer's position.

Answer: C. Apply the contract's fallback or disruption provisions and communicate promptly.

Rationale: The correct conclusion follows from the guide's treatment of an NDF fixing disruption.

219. [Original | Single choice] [FMRP §5.5.3] For a complete NDF quote, which practice should be followed?

- a. It uses the same convention for every currency without checking.
- b. It identifies currency pair, direction, rate units, notional currency, tenor and whether the quote is firm or indicative.
- c. It requires only a forward points number.
- d. It can omit quote direction.

Answer: B. It identifies currency pair, direction, rate units, notional currency, tenor and whether the quote is firm or indicative.

Rationale: The correct conclusion follows from the guide's treatment of a complete NDF quote.

220. [Original | Single choice] [FMRP §5.5.4] Which option is most accurate about fixing date versus maturity?

- a. The fixing date determines the reference rate while maturity or settlement follows the contract convention.
- b. They are always the same date.
- c. Maturity determines the fixing rate by itself.
- d. The dealer can choose either date after the trade.

Answer: A. The fixing date determines the reference rate while maturity or settlement follows the contract convention.

Rationale: The correct conclusion follows from the guide's treatment of fixing date versus maturity.

221. [Original | Single choice] [FMRP §5.5.5] A dealer is assessing NDF settlement. What should the dealer conclude?

- a. It requires physical delivery of the non-deliverable currency.
- b. It is always the full notional in both currencies.
- c. It is calculated only from the spot rate on trade date.

- d. It is normally the net cash difference based on the contracted and fixing rates, paid under the agreed currency and date convention.

Answer: D. It is normally the net cash difference based on the contracted and fixing rates, paid under the agreed currency and date convention.

Rationale: The correct conclusion follows from the guide's treatment of NDF settlement.

222. [Original | Single choice] [FMRP §5.6.1] In an examination scenario about a clear money-market quote, which answer is best?

- a. It omits tenor because the customer knows the market.
- b. It uses the trade date as settlement date automatically.
- c. It states or makes clear value date, tenor, marketable amount and the relevant settlement dates.
- d. It states only the rate.

Answer: C. It states or makes clear value date, tenor, marketable amount and the relevant settlement dates.

Rationale: The correct conclusion follows from the guide's treatment of a clear money-market quote.

223. [Original | Single choice] [FMRP §5.6.2] Which statement best describes an interest-rate option delta hedge?

- a. A delta hedge is prohibited in all interest-rate options.
- b. The assumption should be explicitly discussed because it is not automatic under the convention.
- c. A simultaneous hedge is always assumed.
- d. Delta hedges apply only to FX.

Answer: B. The assumption should be explicitly discussed because it is not automatic under the convention.

Rationale: The correct conclusion follows from the guide's treatment of an interest-rate option delta hedge.

224. [Original | Single choice] [FMRP §5.7.1] A market participant is reviewing a debt-security holiday. Which conclusion is correct?

- a. It can change the settlement date under the relevant currency, security or platform calendar.
- b. It never affects settlement.
- c. It cancels the coupon automatically.
- d. It changes the issue price retroactively.

Answer: A. It can change the settlement date under the relevant currency, security or platform calendar.

Rationale: The correct conclusion follows from the guide's treatment of a debt-security holiday.

225. [Original | Single choice] [FMRP §5.7.2] For a debt-security price quote, which practice should be followed?

- a. It needs only a rounded number.
- b. Accrued interest is never relevant.
- c. The buyer and seller may use different quotation bases.
- d. It should state price or yield basis, units and accrued-interest treatment so consideration can be calculated.

Answer: D. It should state price or yield basis, units and accrued-interest treatment so consideration can be calculated.

Rationale: The correct conclusion follows from the guide's treatment of a debt-security price quote.

226. [Original | Single choice] [FMRP §5.7.3] Which option is most accurate about accrued interest?

- a. It is always included in a clean price.
- b. It is unrelated to coupon terms.
- c. It compensates the seller for coupon earned since the last coupon date under the applicable day-count convention.
- d. It is a penalty for early settlement.

Answer: C. It compensates the seller for coupon earned since the last coupon date under the applicable day-count convention.

Rationale: The correct conclusion follows from the guide's treatment of accrued interest.

227. [Original | Single choice] [FMRP §5.7.4] A dealer is assessing an irregular coupon period. What should the dealer conclude?

- a. It changes the issuer's identity.
- b. It may require attention to special first or last periods, ex-coupon status and business-day adjustments.
- c. It is always treated as a full regular period.
- d. It removes the need for a confirmation.

Answer: B. It may require attention to special first or last periods, ex-coupon status and business-day adjustments.

Rationale: The correct conclusion follows from the guide's treatment of an irregular coupon period.

228. [Original | Single choice] [FMRP §5.7.5] In an examination scenario about a settlement platform control, which answer is best?

- a. The platform, eligibility, cut-offs and account details should be captured in the confirmation.
- b. The platform is irrelevant after the price is agreed.
- c. Any account can settle any security.
- d. Only the front office should know the platform.

Answer: A. The platform, eligibility, cut-offs and account details should be captured in the confirmation.

Rationale: The correct conclusion follows from the guide's treatment of a settlement platform control.

229. [Original | Single choice] [FMRP §5.8.2] Which statement best describes the SGS market-practice guide?

- a. It overrides a binding MAS directive.
- b. It applies only to equity securities.
- c. It is optional after an oral agreement.
- d. It sets operational conventions that dealers should use with current binding MAS rules and directives.

Answer: D. It sets operational conventions that dealers should use with current binding MAS rules and directives.

Rationale: The correct conclusion follows from the guide's treatment of the SGS market-practice guide.

230. [Original | Single choice] [FMRP §5.8.3] A market participant is reviewing SGS trading hours. Which conclusion is correct?

- a. SGS uses only the New York FX close.
- b. Trading hours matter only to the customer.
- c. A dealer should follow SGS hours and cut-offs rather than assume FX hours apply.
- d. SGS trades at all times without cut-offs.

Answer: C. A dealer should follow SGS hours and cut-offs rather than assume FX hours apply.

Rationale: The correct conclusion follows from the guide's treatment of SGS trading hours.

231. [Original | Single choice] [FMRP §5.8.4] For an SGS quotation, which practice should be followed?

- a. Tick size has no effect on a trade.
- b. It should follow the market price or yield convention, tick size and accrued-interest treatment.
- c. It can omit whether it is price or yield.
- d. Every quote is a firm settlement instruction.

Answer: B. It should follow the market price or yield convention, tick size and accrued-interest treatment.

Rationale: The correct conclusion follows from the guide's treatment of an SGS quotation.

232. [Original | Single choice] [FMRP §5.8.5] Which option is most accurate about an SGS market-lot transaction?

- a. The dealer should identify whether the amount is standard or non-standard and obtain agreement for the relevant convention.
- b. Every amount is automatically a market lot.
- c. Odd lots can be hidden until settlement.
- d. Market lots are relevant only to equity trades.

Answer: A. The dealer should identify whether the amount is standard or non-standard and obtain agreement for the relevant convention.

Rationale: The correct conclusion follows from the guide's treatment of an SGS market-lot transaction.

233. [Original | Single choice] [FMRP §5.8.6] A dealer is assessing securities borrowing and lending. What should the dealer conclude?

- a. It is an unsecured gift of securities.
- b. It requires no collateral or records.
- c. It eliminates all counterparty risk.
- d. It requires agreed terms, collateral, authorisation and controls for counterparty, settlement and recall risk.

Answer: D. It requires agreed terms, collateral, authorisation and controls for counterparty, settlement and recall risk.

Rationale: The correct conclusion follows from the guide's treatment of securities borrowing and lending.

234. [Original | Single choice] [FMRP §5.9] In an examination scenario about a restricted SGD-lending structure, which answer is best?

- a. Only cash loans count, never swaps.
- b. A customer can waive a MAS notice.
- c. The dealer must assess whether the borrower is a non-resident and whether an SGD loan or FX swap falls within a MAS restriction or exemption.
- d. Any SGD transaction is automatically unrestricted.

Answer: C. The dealer must assess whether the borrower is a non-resident and whether an SGD loan or FX swap falls within a MAS restriction or exemption.

Rationale: The correct conclusion follows from the guide's treatment of a restricted SGD-lending structure.

235. [Original | Single choice] [FMRP §5.10.1] Which statement best describes an IDB receiving special conditions?

- a. It should take the principal's position.
- b. It should relay the conditions accurately and without omission.
- c. It should remove conditions to speed execution.
- d. It should charge a higher brokerage without disclosure.

Answer: B. It should relay the conditions accurately and without omission.

Rationale: The correct conclusion follows from the guide's treatment of an IDB receiving special conditions.

236. [Original | Single choice] [FMRP §5.10.2] A market participant is reviewing a prime-broker arrangement. Which conclusion is correct?

- a. It should allocate authority, execution, give-up, margin, limits, settlement and default obligations clearly.
- b. It makes the executing dealer immune from counterparty risk.
- c. It removes the need for confirmations.
- d. It permits any client trade without limits.

Answer: A. It should allocate authority, execution, give-up, margin, limits, settlement and default obligations clearly.

Rationale: The correct conclusion follows from the guide's treatment of a prime-broker arrangement.

237. [Original | Single choice] [FMRP §5.10.3] For an e-trading platform outage, which practice should be followed?

- a. Use a personal chat without recording the trade.
- b. Assume all unconfirmed orders executed.
- c. Delete orders that cannot be seen on screen.
- d. Use the approved contingency and error-handling process and preserve the order and timestamp record.

Answer: D. Use the approved contingency and error-handling process and preserve the order and timestamp record.

Rationale: The correct conclusion follows from the guide's treatment of an e-trading platform outage.

238. [Original | Single choice] [FMRP §5.4.4] Which option is most accurate about a clear FX-swap confirmation?

- a. It can omit the far-leg date.
- b. It treats a swap as one unqualified spot trade.
- c. It records both legs, currencies, amounts, rates or points, value dates and settlement instructions.
- d. It records only the near-leg rate.

Answer: C. It records both legs, currencies, amounts, rates or points, value dates and settlement instructions.

Rationale: The correct conclusion follows from the guide's treatment of a clear FX-swap confirmation.

Chapter 6 - Confirmation and Settlement

239. [Original | Single choice] [FMRP §6.1.1] A dealer is assessing processing capacity. What should the dealer conclude?

- a. Capacity cannot be tested before a disruption.
- b. It should handle normal and peak volumes and be tested for disruption scenarios.
- c. It only needs to handle the average day.
- d. It is a front-office concern with no settlement impact.

Answer: B. It should handle normal and peak volumes and be tested for disruption scenarios.

Rationale: The correct conclusion follows from the guide's treatment of processing capacity.

240. [Original | Single choice] [FMRP §6.1.2] In an examination scenario about straight-through processing, which answer is best?

- a. It passes accurate trade data through confirmation, settlement and accounting with minimal re-entry.
- b. It eliminates the need for exception review.

- c. It means every trade is processed manually.
- d. It allows unauthorised changes without a log.

Answer: A. It passes accurate trade data through confirmation, settlement and accounting with minimal re-entry.

Rationale: The correct conclusion follows from the guide's treatment of straight-through processing.

241. [Original | Single choice] [FMRP §6.1.3] Which statement best describes data integrity?

- a. Data integrity means a trade is profitable.
- b. Only the price needs protection.
- c. A confirmation can repair any corrupted data without controls.
- d. Trade data should be complete, accurate, consistent, authorised and protected from unauthorised change.

Answer: D. Trade data should be complete, accurate, consistent, authorised and protected from unauthorised change.

Rationale: The correct conclusion follows from the guide's treatment of data integrity.

242. [Original | Single choice] [FMRP §6.2.1] A market participant is reviewing segregated confirmation functions. Which conclusion is correct?

- a. Segregation prevents all communication.
- b. Segregation matters only for cash trades.
- c. Execution, confirmation, settlement and reconciliation should not be under one person's unrestricted control.
- d. One dealer should control every lifecycle stage.

Answer: C. Execution, confirmation, settlement and reconciliation should not be under one person's unrestricted control.

Rationale: The correct conclusion follows from the guide's treatment of segregated confirmation functions.

243. [Original | Single choice] [FMRP §6.2.2] For as soon as practicable, which practice should be followed?

- a. It means confirmation must occur before negotiation.
- b. Timely confirmation permits prompt matching and correction before value date and exposure increases.
- c. Confirmation can wait until maturity.
- d. Timing is irrelevant if the counterparty is trusted.

Answer: B. Timely confirmation permits prompt matching and correction before value date and exposure increases.

Rationale: The correct conclusion follows from the guide's treatment of as soon as practicable.

244. [Original | Single choice] [FMRP §6.2.3] Which option is most accurate about key confirmation data?

- a. It includes parties, capacity, product, amount, price or rate, dates, settlement details, fees and special terms.
- b. It includes only the notional.
- c. It excludes payment instructions.
- d. It is satisfied by a trader's notebook.

Answer: A. It includes parties, capacity, product, amount, price or rate, dates, settlement details, fees and special terms.

Rationale: The correct conclusion follows from the guide's treatment of key confirmation data.

245. [Original | Single choice] [FMRP §6.2.4] A dealer is assessing a single-party confirmation process. What should the dealer conclude?

- a. The party can change any term without notification.
- b. A counterparty never needs a record.
- c. A single-party process removes operational risk.
- d. It should still include independent controls, matching and exception monitoring.

Answer: D. It should still include independent controls, matching and exception monitoring.

Rationale: The correct conclusion follows from the guide's treatment of a single-party confirmation process.

246. [Original | Single choice] [FMRP §6.2.5] In an examination scenario about an auto-generated confirmation, which answer is best?

- a. Any employee may edit the template.
- b. Auto-generation guarantees the trade was authorised.
- c. It is effective only with reliable source data, controlled templates, access rights and exception handling.
- d. Automation removes the need for change controls.

Answer: C. It is effective only with reliable source data, controlled templates, access rights and exception handling.

Rationale: The correct conclusion follows from the guide's treatment of an auto-generated confirmation.

247. [Original | Single choice] [FMRP §6.2.6] Which statement best describes a block transaction?

- a. Block trades need no counterparty record.
- b. Allocations should preserve economics, identify beneficiaries and produce accurate individual confirmations.
- c. A block can remain unallocated indefinitely.
- d. Allocation can change the agreed economics without approval.

Answer: B. Allocations should preserve economics, identify beneficiaries and produce accurate individual confirmations.

Rationale: The correct conclusion follows from the guide's treatment of a block transaction.

248. [Original | Single choice] [FMRP §6.2.7] A market participant is reviewing a confirmation discrepancy. Which conclusion is correct?

- a. It should be investigated, documented and resolved by authorised staff before settlement where possible.
- b. Silently amend whichever system is convenient.
- c. Let settlement proceed on a guess.
- d. Delete the counterparty confirmation.

Answer: A. It should be investigated, documented and resolved by authorised staff before settlement where possible.

Rationale: The correct conclusion follows from the guide's treatment of a confirmation discrepancy.

249. [Original | Single choice] [FMRP §6.2.8] For product-specific confirmation, which practice should be followed?

- a. One generic template is sufficient for every product.
- b. Product terms are only relevant to traders.
- c. A product-specific confirmation creates legal risk and should be avoided.
- d. Content should reflect product features such as option exercise, swap legs, NDF fixing or securities accrual.

Answer: D. Content should reflect product features such as option exercise, swap legs, NDF fixing or securities accrual.

Rationale: The correct conclusion follows from the guide's treatment of product-specific confirmation.

250. [Original | Single choice] [FMRP §6.3.1] Which option is most accurate about mitigating settlement risk?

- a. Use an unverified account to avoid delay.
- b. Settlement risk is eliminated by a wide spread.
- c. Delivery-versus-payment, valid instructions, matching, cut-off monitoring and escalation reduce settlement risk.
- d. Settle first and verify later.

Answer: C. Delivery-versus-payment, valid instructions, matching, cut-off monitoring and escalation reduce settlement risk.

Rationale: The correct conclusion follows from the guide's treatment of mitigating settlement risk.

251. [Original | Single choice] [FMRP §6.3.2] A dealer is assessing netting. What should the dealer conclude?

- a. It allows the firm to ignore settlement dates.
- b. It can reduce payment numbers and values when legally enforceable, within the agreed scope and operationally supported.
- c. It is valid for every party without an agreement.
- d. It increases every principal payment.

Answer: B. It can reduce payment numbers and values when legally enforceable, within the agreed scope and operationally supported.

Rationale: The correct conclusion follows from the guide's treatment of netting.

252. [Original | Combination choice] [FMRP §6.3] In an examination scenario about settlement controls for third-party and late payments, which answer is best?

- (a) Use valid settlement instructions.
- (b) Match confirmations.
- (c) Escalate failed or late payments.
- (d) Make any third-party payment without documentation.

Choose one:

- A. (a), (b) and (c)
- B. (a), (c) and (d)
- C. (b), (c) and (d)
- D. (a), (b), (c) and (d)

Answer: A. (a), (b) and (c)

Rationale: Valid instructions, matching and escalation are controls; undocumented third-party payments are not.

253. [Original | Single choice] [FMRP §6.3.3] Which statement best describes a third-party payment?

- a. It is always prohibited.
- b. It is always permitted on a phone request.
- c. It needs no counterparty confirmation.
- d. It requires a valid documented reason, appropriate approval and fraud and AML controls.

Answer: D. It requires a valid documented reason, appropriate approval and fraud and AML controls.

Rationale: The correct conclusion follows from the guide's treatment of a third-party payment.

254. [Original | Single choice] [FMRP §6.4] A market participant is reviewing standing settlement instructions. Which conclusion is correct?

- a. They are never reviewed after onboarding.
- b. A last-minute change is safer than a standing instruction.
- c. They should be authorised, independently checked and changed through controlled procedures.
- d. They can be changed by any dealer in a chat.

Answer: C. They should be authorised, independently checked and changed through controlled procedures.

Rationale: The correct conclusion follows from the guide's treatment of standing settlement instructions.

255. [Original | Single choice] [FMRP §6.4] For a suspicious SSI change, which practice should be followed?

- a. Delete the prior SSI without evidence.
- b. Verify it through an independent approved channel and escalate before using it.
- c. Use it immediately to meet the cut-off.
- d. Ask the sender to confirm by the same channel only.

Answer: B. Verify it through an independent approved channel and escalate before using it.

Rationale: The correct conclusion follows from the guide's treatment of a suspicious SSI change.

256. [Original | Single choice] [FMRP §6.5] Which option is most accurate about nostro balance monitoring?

- a. Forecasts, intraday liquidity, cut-offs and escalation help ensure expected payments can be made.
- b. Nostro balances are relevant only after a payment fails.
- c. A positive end-of-day balance guarantees every payment.
- d. Treasury need not know expected settlement flows.

Answer: A. Forecasts, intraday liquidity, cut-offs and escalation help ensure expected payments can be made.

Rationale: The correct conclusion follows from the guide's treatment of nostro balance monitoring.

257. [Original | Single choice] [FMRP §6.5.1] A dealer is assessing SGD payment controls. What should the dealer conclude?

- a. SGD payments use every currency's calendar identically.
- b. Local cut-offs never matter.
- c. SGD payments can be withheld without coordination.
- d. They should account for local settlement systems, MAS or market cut-offs and disruption procedures.

Answer: D. They should account for local settlement systems, MAS or market cut-offs and disruption procedures.

Rationale: The correct conclusion follows from the guide's treatment of SGD payment controls.

258. [Original | Single choice] [FMRP §6.6] In an examination scenario about account reconciliation, which answer is best?

- a. Only annual reconciliation is necessary.
- b. Unresolved breaks should be netted away.
- c. Breaks should be identified, aged, assigned, investigated and escalated promptly.
- d. A reconciliation is complete if the closing balance looks plausible.

Answer: C. Breaks should be identified, aged, assigned, investigated and escalated promptly.

Rationale: The correct conclusion follows from the guide's treatment of account reconciliation.

259. [Original | Single choice] [FMRP §6.7] Which statement best describes late-payment penalties?

- a. They never need to be communicated.
- b. They should be calculated and settled under the applicable trade or governing agreement and repeated failures escalated.
- c. They are optional if the delay is short.
- d. They can be set by the dealer after default.

Answer: B. They should be calculated and settled under the applicable trade or governing agreement and repeated failures escalated.

Rationale: The correct conclusion follows from the guide's treatment of late-payment penalties.

260. [Original | Single choice] [FMRP §6.2.7] A market participant is reviewing resolving a mismatch. Which conclusion is correct?

- a. Identify the source, contact the relevant party, document the agreed correction and update controlled records.
- b. Change records without explaining the difference.
- c. Wait until a complaint is received.
- d. Book a compensating trade automatically.

Answer: A. Identify the source, contact the relevant party, document the agreed correction and update controlled records.

Rationale: The correct conclusion follows from the guide's treatment of resolving a mismatch.

261. [Original | Single choice] [FMRP §6.3.1] For principal settlement risk, which practice should be followed?

- a. It guarantees the counterparty's solvency forever.
- b. It applies only to unsecured loans.
- c. It means no confirmation is needed.
- d. Delivery-versus-payment reduces the risk of paying without receiving the corresponding asset.

Answer: D. Delivery-versus-payment reduces the risk of paying without receiving the corresponding asset.

Rationale: The correct conclusion follows from the guide's treatment of principal settlement risk.

262. [Original | Single choice] [FMRP §6.2.8] Which option is most accurate about an NDF confirmation?

- a. It can omit the fixing source.
- b. It uses only the original notional as settlement.
- c. It should include fixing source, fixing date, settlement currency and the net-settlement convention.
- d. It needs physical delivery of the restricted currency.

Answer: C. It should include fixing source, fixing date, settlement currency and the net-settlement convention.

Rationale: The correct conclusion follows from the guide's treatment of an NDF confirmation.

Chapter 7 - Handling Market Disruptions

263. [Original | Single choice] [FMRP §7.1] A dealer is assessing the objective during a market disruption. What should the dealer conclude?

- a. Stop all communication until prices normalise.
- b. Preserve fair dealing, reliable communication, contractual performance and orderly settlement.
- c. Maximise the desk's advantage from scarce liquidity.
- d. Suspend every contract automatically.

Answer: B. Preserve fair dealing, reliable communication, contractual performance and orderly settlement.

Rationale: The correct conclusion follows from the guide's treatment of the objective during a market disruption.

264. [Original | Single choice] [FMRP §7.2] In an examination scenario about a market disruption, which answer is best?

- a. It can affect prices, communication, payments, fixing, clearing or settlement because of system, infrastructure or external events.
- b. It is limited to a price move.
- c. It occurs only when MAS declares it.
- d. It removes all contractual obligations.

Answer: A. It can affect prices, communication, payments, fixing, clearing or settlement because of system, infrastructure or external events.

Rationale: The correct conclusion follows from the guide's treatment of a market disruption.

265. [Original | Single choice] [FMRP §7.3] Which statement best describes SFEMC's role in disruption?

- a. SFEMC can guarantee every payment.
- b. SFEMC can replace a court in every dispute.
- c. SFEMC can authorise market manipulation.
- d. SFEMC can convene members, discuss proposals, issue statements and recommend procedures with regulators and participants.

Answer: D. SFEMC can convene members, discuss proposals, issue statements and recommend procedures with regulators and participants.

Rationale: The correct conclusion follows from the guide's treatment of SFEMC's role in disruption.

266. [Original | Single choice] [FMRP §7.4] A market participant is reviewing effective disruption communication. Which conclusion is correct?

- a. Communicate only with the front office.
- b. Send unverified rumours to all customers.
- c. Maintain documented, reliable communication with counterparties, customers, agents, regulators and internal functions.
- d. Use only the normal channel even when unavailable.

Answer: C. Maintain documented, reliable communication with counterparties, customers, agents, regulators and internal functions.

Rationale: The correct conclusion follows from the guide's treatment of effective disruption communication.

267. [Original | Single choice] [FMRP §7.5] For conduct during disruption, which practice should be followed?

- a. A disruption removes the duty to record decisions.
- b. Normal integrity, confidentiality and fair-dealing obligations continue during stress.
- c. A disruption permits front running.
- d. A disruption permits fabricated prices.

Answer: B. Normal integrity, confidentiality and fair-dealing obligations continue during stress.

Rationale: The correct conclusion follows from the guide's treatment of conduct during disruption.

268. [Original | Single choice] [FMRP §7.6.1] Which option is most accurate about alternative settlement?

- a. Use an approved contractual or market-recommended alternative with documented authority, timing and terms.

- b. Choose any convenient account without confirmation.
- c. Change settlement unilaterally and silently.
- d. Cancel the trade automatically.

Answer: A. Use an approved contractual or market-recommended alternative with documented authority, timing and terms.

Rationale: The correct conclusion follows from the guide's treatment of alternative settlement.

269. [Original | Single choice] [FMRP §7.6.2] A dealer is assessing unilateral payment suspension. What should the dealer conclude?

- a. It is the default response to any outage.
- b. It is always required to protect liquidity.
- c. It can be imposed by one dealer.
- d. It should be avoided unless authorised by law, agreement or competent authority.

Answer: D. It should be avoided unless authorised by law, agreement or competent authority.

Rationale: The correct conclusion follows from the guide's treatment of unilateral payment suspension.

270. [Original | Single choice] [FMRP §7.6.3] In an examination scenario about an SGD settlement disruption, which answer is best?

- a. Withhold all SGD payments indefinitely.
- b. Use a new rate without documenting it.
- c. Follow relevant MAS and SFEMC instructions or recommendations and the agreed settlement terms.
- d. Follow whichever instruction benefits the desk.

Answer: C. Follow relevant MAS and SFEMC instructions or recommendations and the agreed settlement terms.

Rationale: The correct conclusion follows from the guide's treatment of an SGD settlement disruption.

271. [Original | Single choice] [FMRP §7.7] Which statement best describes CCP rules during disruption?

- a. CCP involvement eliminates all operational risk.
- b. The CCP rulebook governs margin, default management, settlement and emergency powers for cleared trades.
- c. The CCP rulebook is optional during stress.
- d. A participant may replace CCP procedures with a private chat.

Answer: B. The CCP rulebook governs margin, default management, settlement and emergency powers for cleared trades.

Rationale: The correct conclusion follows from the guide's treatment of CCP rules during disruption.

272. [Original | Combination choice] [FMRP §7.4] A market participant is reviewing disruption-response priorities. Which conclusion is correct?

- (a) Communicate with relevant counterparties and agents.
- (b) Use approved alternative channels if necessary.
- (c) Record decisions and communications.
- (d) Stop all payments without authority.

Choose one:

- A. (a), (b) and (c)
- B. (b) and (c)
- C. (b) and (d)
- D. (c) and (d)

Answer: A. (a), (b) and (c)

Rationale: Communication, alternatives and records support an orderly response; unauthorised payment suspension does not.

273. [Original | Single choice] [FMRP §7.2] For a disruption fallback, which practice should be followed?

- a. One universal fallback applies to every product.
- b. A dealer can choose any fallback after seeing P&L.
- c. Fallbacks are irrelevant if communication is available.
- d. It should be based on the product, contract, affected function and applicable market recommendation.

Answer: D. It should be based on the product, contract, affected function and applicable market recommendation.

Rationale: The correct conclusion follows from the guide's treatment of a disruption fallback.

274. [Original | Single choice] [FMRP §7.3] Which option is most accurate about the limit of SFEMC guidance?

- a. It grants individual trading licences.
- b. It makes participant controls unnecessary.
- c. It informs and coordinates market practice but does not remove a participant's legal or contractual duty.
- d. It automatically changes all contracts.

Answer: C. It informs and coordinates market practice but does not remove a participant's legal or contractual duty.

Rationale: The correct conclusion follows from the guide's treatment of the limit of SFEMC guidance.

275. [Original | Single choice] [FMRP §7.4] A dealer is assessing a failed primary communication channel. What should the dealer conclude?

- a. Send one generic message and assume it was received.
- b. Use a documented approved alternative and verify receipt with the relevant party.
- c. Use an unrecorded personal channel with no verification.
- d. Wait until settlement fails.

Answer: B. Use a documented approved alternative and verify receipt with the relevant party.

Rationale: The correct conclusion follows from the guide's treatment of a failed primary communication channel.

276. [Original | Single choice] [FMRP §7.5] In an examination scenario about scarce liquidity during disruption, which answer is best?

- a. A dealer must not exploit the condition through deception, unfair withholding or fabricated pricing.
- b. Scarce liquidity permits any price manipulation.
- c. Customers have no rights during disruption.
- d. The best control is to hide all market information.

Answer: A. A dealer must not exploit the condition through deception, unfair withholding or fabricated pricing.

Rationale: The correct conclusion follows from the guide's treatment of scarce liquidity during disruption.

277. [Original | Single choice] [FMRP §7.6.1] Which statement best describes documenting a settlement workaround?

- a. Only the new account number matters.
- b. A verbal agreement is sufficient without evidence.
- c. Documentation should be created after any dispute.
- d. Record the reason, authority, revised terms, communications and controls used.

Answer: D. Record the reason, authority, revised terms, communications and controls used.

Rationale: The correct conclusion follows from the guide's treatment of documenting a settlement workaround.

278. [Original | Single choice] [FMRP §7.6.2] A market participant is reviewing coordination with a counterparty. Which conclusion is correct?

- a. Coordination is unnecessary if the market is stressed.
- b. Only the settlement agent decides every term.
- c. Coordinate before changing timing or payment so the parties do not create mismatched exposures.
- d. The first participant to suspend is protected.

Answer: C. Coordinate before changing timing or payment so the parties do not create mismatched exposures.

Rationale: The correct conclusion follows from the guide's treatment of coordination with a counterparty.

279. [Original | Single choice] [FMRP §7.1] For a disruption response plan, which practice should be followed?

- a. It is needed only after an event occurs.
- b. It should identify triggers, responsibilities, communication channels, fallback procedures, approvals and post-event review.
- c. It should consist only of a list of phone numbers.
- d. It should authorise every desk to suspend trades independently.

Answer: B. It should identify triggers, responsibilities, communication channels, fallback procedures, approvals and post-event review.

Rationale: The correct conclusion follows from the guide's treatment of a disruption response plan.

280. [Original | Single choice] [FMRP §7.7] Which option is most accurate about a CCP margin call during disruption?

- a. The participant should follow the CCP rulebook, maintain liquidity planning and escalate any inability to meet the call.
- b. The participant may ignore the call because the market is disrupted.
- c. The CCP must waive every margin requirement.
- d. A private counterparty agreement automatically overrides the CCP rulebook.

Answer: A. The participant should follow the CCP rulebook, maintain liquidity planning and escalate any inability to meet the call.

Rationale: The correct conclusion follows from the guide's treatment of a CCP margin call during disruption.

Chapter 8 - Benchmark Rate Setting

281. [Original | Single choice] [FMRP §8.1.1] A dealer is assessing a traded benchmark. What should the dealer conclude?

- a. It is based solely on an anonymous opinion survey.
- b. It has no transaction eligibility rules.
- c. It is exempt from audit trails.
- d. It is calculated from eligible transaction data under its methodology.

Answer: D. It is calculated from eligible transaction data under its methodology.

Rationale: The correct conclusion follows from the guide's treatment of a traded benchmark.

282. [Original | Single choice] [FMRP §8.1.2] In an examination scenario about IOSCO principles, which answer is best?

- a. They set every local benchmark value directly.
- b. They are a customer order-management system.
- c. They provide an international reference for benchmark governance, methodology, quality, accountability and oversight.
- d. They replace Singapore law.

Answer: C. They provide an international reference for benchmark governance, methodology, quality, accountability and oversight.

Rationale: The correct conclusion follows from the guide's treatment of IOSCO principles.

283. [Original | Single choice] [FMRP §8.2.1] Which statement best describes an oversight committee?

- a. It calculates every transaction price manually.
- b. It provides governance challenge over methodology, conflicts, complaints and changes.
- c. It secretly trades to move the benchmark.
- d. It replaces every submitter.

Answer: B. It provides governance challenge over methodology, conflicts, complaints and changes.

Rationale: The correct conclusion follows from the guide's treatment of an oversight committee.

284. [Original | Single choice] [FMRP §8.2.2] A market participant is reviewing a benchmark administrator. Which conclusion is correct?

- a. It oversees methodology, governance, contributors and the publication process.
- b. It is merely a customer submitting a quote.
- c. It is the same as every market participant.
- d. It has no responsibility for methodology.

Answer: A. It oversees methodology, governance, contributors and the publication process.

Rationale: The correct conclusion follows from the guide's treatment of a benchmark administrator.

285. [Original | Single choice] [FMRP §8.2.3] For a calculation agent, which practice should be followed?

- a. It chooses a rate to benefit its trading book.
- b. It accepts every input without validation.
- c. It is responsible for customer onboarding.
- d. It applies the published methodology to eligible inputs and calculates the benchmark.

Answer: D. It applies the published methodology to eligible inputs and calculates the benchmark.

Rationale: The correct conclusion follows from the guide's treatment of a calculation agent.

286. [Original | Single choice] [FMRP §8.2.4] Which option is most accurate about a submitter?

- a. It can submit any rate that benefits its position.
- b. It is independent of all internal controls.
- c. It contributes authorised, representative, evidence-based rates or data on behalf of a market participant.
- d. It may copy a competitor's intended contribution.

Answer: C. It contributes authorised, representative, evidence-based rates or data on behalf of a market participant.

Rationale: The correct conclusion follows from the guide's treatment of a submitter.

287. [Original | Single choice] [FMRP §8.3.1] A dealer is assessing a reasonable basis for a contribution. What should the dealer conclude?

- a. It is determined after publication.
- b. It can include eligible transactions, relevant market data, quotes or documented expert judgement under the evidence hierarchy.
- c. It is whatever rate produces the desired result.
- d. It must always be a personal estimate with no support.

Answer: B. It can include eligible transactions, relevant market data, quotes or documented expert judgement under the evidence hierarchy.

Rationale: The correct conclusion follows from the guide's treatment of a reasonable basis for a contribution.

288. [Original | Single choice] [FMRP §8.3.3] In an examination scenario about limited-liquidity evidence, which answer is best?

- a. A submitter may use permitted related or proxy data, indicative prices or expert judgement with documented adjustments.
- b. A submitter may use any invented price.
- c. Limited liquidity removes all recordkeeping.
- d. The contributor may ask a competitor for its desired rate.

Answer: A. A submitter may use permitted related or proxy data, indicative prices or expert judgement with documented adjustments.

Rationale: The correct conclusion follows from the guide's treatment of limited-liquidity evidence.

289. [Original | Single choice] [FMRP §8.4.1] Which statement best describes submitter policies?

- a. They should reward contributions that move the benchmark.
- b. They should permit undocumented overrides.
- c. They should prevent audit trails.
- d. They should support methodology compliance, objective evidence, conflict mitigation, electronic data integrity and protection from influence.

Answer: D. They should support methodology compliance, objective evidence, conflict mitigation, electronic data integrity and protection from influence.

Rationale: The correct conclusion follows from the guide's treatment of submitter policies.

290. [Original | Single choice] [FMRP §8.4.3] A market participant is reviewing collusion. Which conclusion is correct?

- a. Collusion is required for consistency.
- b. Only written collusion is prohibited.
- c. A submitter must not discuss intended contributions or allow internal or external preferences to influence the submission.
- d. Collusion is acceptable when two banks agree.

Answer: C. A submitter must not discuss intended contributions or allow internal or external preferences to influence the submission.

Rationale: The correct conclusion follows from the guide's treatment of collusion.

291. [Original | Single choice] [FMRP §8.4.3] For withholding a bona fide trade, which practice should be followed?

- a. The submission process overrides market conduct rules.

- b. Deliberately withholding it from a window or venue to exclude it from a traded benchmark can be prohibited.
- c. Withholding is always required in low liquidity.
- d. A trade can be withheld to help a position.

Answer: B. Deliberately withholding it from a window or venue to exclude it from a traded benchmark can be prohibited.

Rationale: The correct conclusion follows from the guide's treatment of withholding a bona fide trade.

292. [Original | Single choice] [FMRP §8.4.4] Which option is most accurate about a non-overseen benchmark?

- a. Follow the relevant owner's laws, regulations and practices; use Blue Book requirements as guidance if none exist.
- b. Apply no conduct standard.
- c. Use the contributor's preferred rules.
- d. Assume MAS publishes every such benchmark.

Answer: A. Follow the relevant owner's laws, regulations and practices; use Blue Book requirements as guidance if none exist.

Rationale: The correct conclusion follows from the guide's treatment of a non-overseen benchmark.

293. [Original | Single choice] [FMRP §8.5.1] A dealer is assessing a benchmark contributor's qualifications. What should the dealer conclude?

- a. An intern is suitable if the senior dealer is busy.
- b. Authority is irrelevant if the benchmark is small.
- c. Training can be replaced by a market rumour.
- d. The person should have appropriate experience, seniority, fit-and-proper character, training and formal authority.

Answer: D. The person should have appropriate experience, seniority, fit-and-proper character, training and formal authority.

Rationale: The correct conclusion follows from the guide's treatment of a benchmark contributor's qualifications.

294. [Original | Single choice] [FMRP §8.5.2] In an examination scenario about dual control for submissions, which answer is best?

- a. A checker need not understand the methodology.
- b. Dual control means two traders choose the same preferred rate.
- c. A sufficiently senior checker should validate and be able to challenge the submitter's input.
- d. The submitter should approve their own input with no review.

Answer: C. A sufficiently senior checker should validate and be able to challenge the submitter's input.

Rationale: The correct conclusion follows from the guide's treatment of dual control for submissions.

295. [Original | Single choice] [FMRP §8.5.3] Which statement best describes benchmark information management?

- a. A submitter should keep records personally with no oversight.
- b. Historical submissions, trends and exceptions should be analysed and presented to an appropriate risk forum.
- c. Only the final published rate matters.
- d. Trend analysis is prohibited.

Answer: B. Historical submissions, trends and exceptions should be analysed and presented to an appropriate risk forum.

Rationale: The correct conclusion follows from the guide's treatment of benchmark information management.

296. [Original | Single choice] [FMRP §8.5.4] A market participant is reviewing benchmark record retention. Which conclusion is correct?

- a. Relevant market data, submissions, supporting documents and queries should normally be retained for at least five years or longer if required.
- b. Retention is limited to 90 days.
- c. Only the final rate must be saved.
- d. Records may be deleted after publication.

Answer: A. Relevant market data, submissions, supporting documents and queries should normally be retained for at least five years or longer if required.

Rationale: The correct conclusion follows from the guide's treatment of benchmark record retention.

297. [Original | Single choice] [FMRP §8.5.6] For segregation in benchmark setting, which practice should be followed?

- a. All three roles should share one terminal.
- b. Segregation is unnecessary for surveyed benchmarks.
- c. The trader should control the checker.
- d. Seating, access and reporting separation should minimise conflicts among submitters, traders and reviewers.

Answer: D. Seating, access and reporting separation should minimise conflicts among submitters, traders and reviewers.

Rationale: The correct conclusion follows from the guide's treatment of segregation in benchmark setting.

298. [Original | Single choice] [FMRP §8.5.7] Which option is most accurate about escalating a suspicious contribution?

- a. Ask the suspected person to approve the report.
- b. Wait until the benchmark is published before recording it.
- c. Use internal escalation and, where appropriate, notify the administrator and MAS under the relevant process.
- d. Adjust the rate quietly.

Answer: C. Use internal escalation and, where appropriate, notify the administrator and MAS under the relevant process.

Rationale: The correct conclusion follows from the guide's treatment of escalating a suspicious contribution.

299. [Original | Single choice] [FMRP §8.5.8] A dealer is assessing electronic communication surveillance. What should the dealer conclude?

- a. Surveillance is unnecessary if the rate is reasonable.
- b. Relevant communications between submission parties should be surveilled, retained and escalated where suspicious.
- c. Surveillance should stop at publication.
- d. Only phone calls require surveillance.

Answer: B. Relevant communications between submission parties should be surveilled, retained and escalated where suspicious.

Rationale: The correct conclusion follows from the guide's treatment of electronic communication surveillance.

300. [Original | Single choice] [FMRP §8.5.9] In an examination scenario about independent assurance, which answer is best?

- a. The process should be covered annually by independent audit or assurance, with results available to MAS on request.
- b. The submitter alone should certify the process.
- c. Audit is needed only after manipulation.
- d. Independent review is prohibited for benchmark processes.

Answer: A. The process should be covered annually by independent audit or assurance, with results available to MAS on request.

Rationale: The correct conclusion follows from the guide's treatment of independent assurance.

Coverage audit

The table maps each numbered guide section to at least one question. Parent sections are covered by questions tagged to their numbered child sections; Appendix A is represented by all source-reference questions, and Appendix B is represented by the reading-list question in Chapter 1.

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