



Eurex Exchange Trader Exam

Questions and answers

January 2018

All intellectual property, proprietary and other rights and interests in this publication and the subject matter hereof (other than certain trademarks and service marks listed below) are owned by DBAG and its affiliates and subsidiaries including, without limitation, all patent, registered design, copyright, trademark and service mark rights. While reasonable care has been taken in the preparation of this publication to provide details that are accurate and not misleading at the time of publication. DBAG, Clearstream, Eurex, Eurex Clearing, Eurex Bonds, Eurex Repo as well as the Eurex Exchanges and their respective servants and agents (a) do not make any representations or warranties regarding the information contained herein, whether express or implied, including without limitation any implied warranty of merchantability or fitness for a particular purpose or any warranty with respect to the accuracy, correctness, quality, completeness or timeliness of such information, and (b) shall not be responsible or liable for any third party's use of any information contained herein under any circumstances, including, without limitation, in connection with actual trading or otherwise or for any errors or omissions contained in this publication.

This publication is published for information purposes only and shall not constitute investment advice respectively does not constitute an offer, solicitation or recommendation to acquire or dispose of any investment or to engage in any other transaction, including without limitation, any action that would require DBAG or its affiliates to make any filing or report to the relevant government body or to obtain any approval, consent, or license therefrom. This publication is not intended for solicitation purposes but only for use as general information. All descriptions, examples and calculations contained in this publication are for illustrative purposes only.

Eurex derivatives are currently not available for offer, sale or trading in the United States or by United States persons (other than EURO STOXX 50® Index Futures, EURO STOXX 50® ex Financials Index Futures, EURO STOXX® Select Dividend 30 Index Futures, EURO STOXX® Index Futures, EURO STOXX® Large/Mid/Small Index Futures, STOXX® Europe 50 Index Futures, STOXX® Europe 600 Index Futures, STOXX® Europe 600 Banks/Industrial Goods & Services/Insurance/Media/Travel & Leisure/Utilities Futures, STOXX® Europe Large/Mid/Small 200 Index Futures, Dow Jones Global Titans 50 IndexSM Futures (EUR & USD), DAX®/Mini-DAX®/MDAX®/TecDAX® Futures, SMIM® Futures, SLI Swiss Leader Index® Futures, MSCI World/Europe/ Europe Value/Europe Growth/Emerging Markets/Emerging Markets Latin America/Emerging Markets EMEA/Emerging Markets Asia/China Free/India/Japan/Malaysia/South Africa/Thailand/AC Asia Pacific ex Japan Index Futures, FX Futures, VSTOXX® Futures, Gold and Silver Futures as well as Eurex property and interest rate derivatives).

Trademarks and Service Marks:

Buxl®, DAX®, DivDAX®, eb.rexx®, Eurex®, Eurex Bonds®, Eurex Repo®, Eurex Strategy Wizard, Euro GC Pooling®, EXTF®, FDAX®, FWB®, GC Pooling®, GCPI®, MDAX®, ODAX®, SDAX®, TecDAX®, USD GC Pooling®, VDAX®, VDAX-NEW®, Xetra® und XTF Exchange Traded Funds® are registered trademarks of DBAG.

All MSCI indexes are service marks and the exclusive property of MSCI Barra.

ATX®, ATX® five, CECE® and RDX® are registered trademarks of Vienna Stock Exchange AG.

IPD UK Annual All Property Index is a registered trademark of Investment Property Databank Ltd. (IPD) and has been licensed for the use by Eurex for derivatives.

SLI®, SMI® and SMIM® are registered trademarks of SIX Swiss Exchange Ltd.

The names of other companies and third party products may be the trademarks or service marks of their respective owners.

Table of contents

1	Rules and regulations of Eurex Exchanges	3
	Exchange Rules	3
	Trading Conditions	8
2	Functionality of trading at Eurex	11
	Trading process flow	11
	Orders	14
	Protection mechanisms	16
	Market Making.....	17
	Matching	18

Information material

The Exchange Trader Examination deals with the two subject areas “Rules and Regulations of Eurex” and “Functionality of trading at Eurex”.

You will find information on these topics on www.eurexchange.com.

Questions in chapter 1 are based on the rules and regulations for the Eurex Exchanges (Eurex Deutschland and Eurex Zürich). Exam questions refer to Exchange Rules and the Conditions for Trading at Eurex (<https://www.eurexchange.com/exchange-en/resources/rules-regulations>).

Information on chapter 2 can be found in the T7 system documentation “Functional Reference” (<http://www.eurexchange.com/exchange-en/technology/t7/system-documentation/release6>).

Furthermore, the following circulars are relevant for the exam:

- Eurex Circular 17/2017 Eurex Trading-on-Behalf service
- Eurex Circular 40/2017 MiFID II Participant reference data
- Eurex Circular 82 and 102/2017 Market Making

The management board of the exchange informs trading participants about all changes and innovations by circulars (<https://www.eurexchange.com/exchange-en/resources/circulars>).

1 Rules and regulations of Eurex Exchanges

Exchange Rules

1

What tasks and rights does the Trading Surveillance Office have?

B|C|D

- A: Impose sanctions on breaking the rules
- B: Systematically and completely collect all data regarding futures and options trading
- C: Demand information from trading participants insofar as it is necessary to fulfill its duties
- D: Right to access the business premises of the trading participants during regular working hours

2

What sanctions can the Disciplinary Committee impose in case of a rule violation?

A|B|D

- A: Imposing a fine against an exchange trader for breaching the crossing rules
- B: Excluding an exchange participant from trading for up to 30 trading days
- C: Withdrawing an exchange trader admission
- D: Reprimanding an exchange trader

3

Which issues are sanctioned by the Disciplinary Committee?

A|C|D

- A: Order entries which can potentially effect an artificial price level
- B: Trades based on insider information
- C: Knowingly entry of opposite orders in continuous trading by one exchange trader without cross request
- D: Trades that lead to erroneous signals for bid and ask

4

Which of the following is not a task of the Trading Surveillance Office?

A

- A: Sanctioning of exchange traders for breaking exchange related rules
- B: Collecting all data regarding futures and options trading
- C: Monitoring the settlement of exchange transactions
- D: Informing the Exchange Supervisory Authority if an exchange participant has breached exchange related rules

5

What is the Trading Surveillance Office not allowed to do in connection with the performance of its duties?

C

- A: Conduct inspections of business premises of exchange participants
- B: Demand information
- C: Suspend trading if insider trading is suspected
- D: Inform the Board of Management if it is suspected that an exchange participant has breached exchange related rules

6

Which statement in connection with the Trading Surveillance Office or the Disciplinary Committee is correct?

- D**
- A: The Trading Surveillance Office can exclude exchange traders from trading up to 30 trading days.
 - B: The Disciplinary Committee has the right to withdraw an exchange trader's admission to trading.
 - C: The Trading Surveillance Office decides on the suspension of trading.
 - D: None of the above.

7

What is the purpose of position limits in trading?

- B**
- A: They are the basis for margin calculation.
 - B: To avoid a delivery bottleneck in the underlying for contracts with physical delivery
 - C: They define the entitlement to the default fund.
 - D: To avoid volatile market situations

8

What are position limits?

- B**
- A: A minimum number of contracts in a product which an exchange participant must hold for its own account or for one of its customers
 - B: A maximum number of contracts in a product which an exchange participant is permitted to hold for its own account or for one of its customers
 - C: A volume weighted average price for contracts in a product which an exchange participant may not exceed for its own account or for one of its customers
 - D: None of the above.

9

Which statement regarding an exceeded position limit is wrong?

- D**
- A: Immediate reduction of the position to discontinue the exceeding of the position limit.
 - B: If an exchange participant fails to fulfil its obligation to reduce the position within a reasonable period, the management board of the exchange can take measures to reduce the relevant positions.
 - C: Upon request by the trading surveillance office, an exchange participant must provide evidence with regard to a single position of its customer account, irrespective of a position limit being exceeded.
 - D: A position reduction must be carried out until 14:00 CET of the next trading day.

10

When can the management board of the exchange instruct cash settlement instead of physical delivery upon the exercise of stock options?

- A|C**
- A: To maintain orderly market conditions
 - B: Due to a high number of options in the money
 - C: In case of a delisting of the underlying
 - D: Due to a temporarily trading suspension of the underlying

11

Which measures can the management board of the exchange take in case of an underlying is delisted?

- B|C**
- A: Replacement of the underlying for open positions
 - B: Cash settlement instead of physical delivery
 - C: Discontinuation of trading and early termination of affected derivatives transactions
 - D: Automatically close open positions and reopen them in an equivalent underlying

12

When can the management board of the exchange suspend trading in futures and options contracts?

- A|C**
- A: If orderly exchange trading appears to be temporarily threatened
 - B: If an exchange participant has technical problems
 - C: In order to protect the public
 - D: If the trading surveillance office suspects insider trading in a product

13

How is the procedure in accordance with the exchange rules if physical delivery for futures contracts is excluded?

- B**
- A: The positions will be closed out at the last traded price before the exclusion of physical delivery was announced.
 - B: All rights and obligations shall be deemed to be performed upon the last daily settlement payment.
 - C: The opening price of the previous day is used as settlement price.
 - D: None of the above.

14

Which statement in connection with a suspension of futures and options trading is correct?

- C**
- A: During the suspension it is possible to enter orders.
 - B: Only existing quotes will be deleted.
 - C: All existing orders and quotes will be deleted.
 - D: It is possible to enter orders and quotes during the suspension.

15

Which statement in connection with a suspension of futures and options trading is wrong?

- D**
- A: All existing orders and quotes will be deleted.
 - B: It is not possible to exercise open positions.
 - C: It is not possible to close out open positions.
 - D: Futures and options trading is resumed within the trading phase in which the suspension was triggered.

16

It is forbidden to enter orders into the system without an intention to trade.

- T** True False

17

Orders which are not in line with common market practice are unproblematic in terms of the market integrity clause, the clause applies to trades only.

- F** True False

18

In order to ensure orderly futures and options trading, the trading surveillance office verifies electronic trading strategies and trading algorithms of an exchange participant prior to the application.

F True False

19

What is regulated by the market integrity clause?

- C**
- A: Anonymity of the order book
 - B: Equal technical access for all exchange participants
 - C: Prohibition of entering orders in the trading system, which have the potential to influence the price in an erroneous or misleading way
 - D: Tasks of the trading surveillance office

20

Which statement regarding the order to trade ratio is wrong?

- D**
- A: Exchange participants are obligated to ensure an adequate ratio between order entries and contracts traded.
 - B: Exchange participants are obligated to ensure an adequate ratio between order modifications and contracts traded.
 - C: Exchange participants are obligated to ensure an adequate ratio between quote entries and contracts traded.
 - D: Exchange participants are obligated to ensure an adequate ratio between limit and market orders.

21

Which special provisions apply to algorithmic orders and quotes?

- A**
- A: They must be marked in the trading system.
 - B: The trader, who is responsible for the entry, needs an additional qualification.
 - C: They are only allowed in continuous trading but not in auctions.
 - D: It is not allowed to enter them during fast market status.

22

Each exchange participant is obligated to guarantee the presence of a sufficient number of qualified personnel on its business premises during trading hours and to guarantee the availability by telephone.

T True False

23

The board of management of the exchange takes appropriate measures for emergency planning and management for each exchange participant.

F True False

24

Each exchange participant is obliged to name a contact person for the event of a technical disruption

T True False

25

Which possibilities do exchange traders have in the event that their front end system is temporarily non-functional?

A|B

A: Use of the trading-on-behalf service to enter new orders

B: Use of the mass deletion functionality

C: Use of another trader ID of the company which is not affected by this technical problem

D: Use of the trading-on-behalf service to enter new quotes

26

Which statements regarding the on exchange trading-on-behalf service are correct?

A|B|D

A: Orders are placed by phone with Eurex market supervision.

B: All orders placed by telephone have to be confirmed by mail or fax.

C: Verbally placed orders are keyed in the T7 Entry Service.

D: The legitimation for data entry is verified on the basis of the active user ID.

27

Which statements regarding trading system access are correct?

A|C|D

A: An admitted exchange trader obtains a personal user ID.

B: By passing the trader examination an access code to the trading system is automatically assigned to the trader.

C: The personal user ID may only be used by the person it has been assigned to.

D: Exchange participants are obliged to inform Eurex about all changes in connection with owners of user IDs.

Trading Conditions

28

Which statement regarding cross trades in continuous trading is correct?

- D**
- A: They are admissible, if there was no knowledge about the immediate executable orders.
 - B: Knowing entry of opposite orders which are immediately executable is admissible, if a rule-consistent cross request has been entered before.
 - C: When a cross request is placed, order entry must be performed in a predefined time window so that a cross trade is admissible.
 - D: All answers are correct.

29

Which statement regarding pre-arranged trades is correct?

- D**
- A: They are prohibited in any case.
 - B: They are only prohibited in the opening auction.
 - C: They are permissible if a cross request has been placed immediately after the trade.
 - D: They are permissible if one individual involved has entered a rule-consistent cross request prior to the order entry.

30

Which functionality can be used to avoid crossings in continuous trading?

- C**
- A: Match request
 - B: Quote request
 - C: Self-Match prevention
 - D: None of the above.

31

Cross-IDs for the Self-Match Prevention functionality will be assigned by the exchange.

- F**
- True False

32

To avoid a pre-arranged trade from breaching the rules, a cross request must always be entered beforehand.

- T**
- True False

33

Two orders of an exchange participant which are entered knowingly and could immediately be executed against each other, are only admissible if one individual involved has entered a rule-consistent cross request in advance.

- T**
- True False

34

Which of the following statements in connection with a cancellation of a transaction are correct?

C|D

A: The application have to be submitted always within 30 minutes after conclusion of the transaction.

B: In order that the trading surveillance office cancels a transaction, the price of the transaction must be deviate more than the mistrade range from the reference price.

C: The management board of the exchange determines the mistrade ranges.

D: If the minimum damage exceeds 25,000 €, a mistrade application can be submitted after 30 minutes of the conclusion of the transaction.

35

Which of the following statements in connection with a cancellation of a transaction are wrong?

C|D

A: In case of option transactions concluded in the opening auction the benefited exchange participant can choose between cancellation of the transaction or price correction.

B: In order that the management board of the exchange cancels a transaction, the price of the transaction must be deviate more than the mistrade range from the reference price.

C: The benefited exchange participant can always choose between cancelation of the transaction or price correction.

D: All business parties are entitled to submit a mistrade application.

36

Which details are mandatory for a mistrade application?

A|B|C|D

A: Time of execution (matching) of the order or quote

B: Name of contract

C: Price of executed transaction

D: Company of applicant and name of exchange trader including Eurex user ID

37

In case of option transactions concluded in the opening auction and outside the mistrade range, a price correction is always done despite the request for cancellation.

F

True False

38

If the minimum damage is 25,000 €, a mistrade application can be submitted up to 3 hours after the conclusion of the transaction (but before expiration of 30 minutes after termination of the trading period of the respective product on the trading day).

T

True False

39

All business parties i.e. the discriminated and the benefited exchange participant are entitled to submit a mistrade application.

F

True False

40

Which statement regarding off-book trades (T7 Entry Service) is correct?

- B**
- A: There are no contract specifications for futures and options.
 - B: Trades are concluded outside the central order book.
 - C: Trades do result in an exchange price.
 - D: There is no time limit for entering off-book trades into the T7 Entry Service after the counterparties have agreed on the trade.

41

Which statement regarding off-book trades (T7 Entry Service) is wrong?

- B**
- A: The futures and options contracts eligible for off-book trading are determined by the management board of the exchange.
 - B: Trades are concluded in the central order book.
 - C: Trades do not result in an exchange price.
 - D: A trade will be concluded by confirmation of the involved exchange participants only.

42

Which statement regarding off-book trades (T7 Entry Service) is correct?

- D**
- A: The offer conditions of the initiating exchange participant have to be confirmed by the recipient exchange participant within 15 minutes.
 - B: The offer conditions (filling the input fields in the T7 Entry Service) can also be entered by an exchange participant who is not involved as counterparty in the trade.
 - C: The offer conditions can only be confirmed by the exchange participants involved in the trade.
 - D: All answers are correct.

43

When a trade shall be concluded in the T7 Entry Service, the offer conditions have to be entered within 15 minutes by an exchange participant after the joint agreement to conclude the trade at the Eurex Exchanges.

- T** True False

44

The offer conditions have to be confirmed by the counterparty within 15 minutes after the entry into the T7 Entry Service.

- T** True False

45

In order that an off-book trade can be concluded at the Eurex Exchanges, the period between the off-exchange agreement and the confirmation in the T7 Entry Service by the counterparty should not exceed 15 minutes.

- F** True False

2 Functionality of trading at Eurex

Trading process flow

46

Separate order books are maintained for complex instruments.

T True False

47

In off-book trading, orders and quotes are matched automatically.

F True False

48

Identical trading parameters apply to simple instruments (outright contracts) of a given product.

T True False

49

Which statements are true?

- A|D** A: In on-book trading, the order book is anonymous.
B: Complex instruments may only be traded off-book.
C: Off-book (TES) trades are not published.
D: Off-book trades are pre-arranged between the trading participants involved (pre-arranged trades).

50

Which instrument status can a complex instrument have?

- A|B|D** A: Continuous
B: Book
C: Auction
D: Closed

51

Which statements regarding complex instruments are true?

- B|D** A: They are defined exclusively by the Exchange.
B: Not all order types are supported.
C: They are only available in off-book trading.
D: They comprise various simple instruments (legs).

52

Which statements regarding products and instruments are true?

- A|B|C|D** A: Instruments ODAX Jun18 and ODAX Sep18 belong to product ODAX.
B: Simple instruments of the same product have identical trading parameters.
C: Each contract month of a futures contract represents an instrument.
D: Each instrument has an ISIN code.

53

Which statements regarding the Auction instrument status are true?

A|C

- A: Orders and quotes can be entered.
- B: A closing auction is carried out for all products.
- C: The potential auction price (or the best bid/ask limit) is published.
- D: Orders and quotes cannot be modified.

54

Which statements do not apply to Continuous instrument status?

A|C

- A: Only the best bid limit and the best ask limit are published ("top of book").
- B: Market data are published on an aggregated basis (per limit).
- C: Continuous trading is interrupted by an intraday auction.
- D: For certain instruments, continuous trading may be interrupted by a volatility auction.

55

Which statements regarding the Book (Pre- and Post-Trading) instrument status are true?

C|D

- A: The potential auction price (or the best bid/ask limit) is published.
- B: Quotes cannot be entered.
- C: No current market data is published.
- D: Orders can be modified.

56

Which statements regarding continuous trading are true?

B|C|D

- A: It starts with an auction phase for all instruments (simple and complex).
- B: In the event of a crossed order book, uncrossing takes place prior to the start of continuous trading.
- C: Several allocation methods are used for order execution.
- D: Market data is published on an aggregated basis (per limit).

57

What are the allocation methods in continuous trading?

A|C|D

- A: Price/time priority
- B: Volume/time priority
- C: Pro-rata allocation
- D: Time/pro-rata allocation

58

What applies to restricted instrument status?

D

- A: Trading in the instrument is suspended.
- B: Quotes are deleted automatically.
- C: No current market data are published.
- D: All answers are correct.

59

What statement does not apply to Closed (Start of Day/End of Day) instrument status?

- C**
- A: No current market data are published.
 - B: Quotes are deleted automatically.
 - C: Orders can be modified.
 - D: No matching takes place.

60

When is the T7 Entry Service (TES) available during the trading day?

- A**
- A: From the start of the Trading Period (Trading product status) until the Post-Trading Period
 - B: From the start of the Pre-Trading Phase
 - C: Only during the Trading Period
 - D: Only during the Closing Period

61

Which statement regarding End-of-Day Processing is untrue?

- B**
- A: Pending TES trades are deleted.
 - B: Pending TES trades are transferred to the next business day.
 - C: Orders whose validity has elapsed are deleted.
 - D: Contracts which have reached their expiry/maturity date are deleted.

62

Which statement regarding Fast Market status is correct?

- C**
- A: Non-persistent orders are deleted.
 - B: Quotes are deleted automatically.
 - C: Wider price corridors apply to validation upon order entry.
 - D: All instruments are in Restricted status.

63

Which status does not exist?

- D**
- A: Holiday
 - B: Halt
 - C: Fast Market
 - D: All of the above exist.

Orders

64

It is not possible to enter market orders for equity options.

F True False

65

It is not possible to enter stop orders for equity options.

T True False

66

A market order in a Fixed Income Futures product cannot be entered with the restriction BOC (Book-or-Cancel).

T True False

67

Which statements apply to Immediate-Or-Cancel (IOC) orders?

A|C A: IOC orders are executed immediately and in full, or to the extent possible.

B: Any unexecuted parts are entered into the order book.

C: Any unexecuted parts of the order are cancelled immediately.

D: IOC orders are not available for futures contracts.

68

Which statements apply to order entry?

C|D A: A Client ID must always be assigned.

B: No new orders can be entered during a volatility auction.

C: A Trading Capacity (trading account) must always be assigned.

D: Not all order types can be used for each instrument.

69

Which statements are true, at the time of order entry, for One-Cancels-the-Other (OCO) orders?

B|C A: The stop limit of a sell OCO order must be higher than the highest bid limit in the order book.

B: The stop limit of a sell OCO order must be lower than its limit, and lower than the highest ask limit in the order book.

C: It has a limit and stop limit.

D: No further validity constraints are possible.

70

Which of the following orders can be entered in a futures contract if the last traded price was 5056.5?

A|B|D A: Buy market order for 10 contracts, Immediate-Or-Cancel (IOC)

B: Stop buy order for 10 contracts, stop limit 5123.5

C: Stop sell order for 10 contracts, stop limit 5066

D: Sell limit order for 10 contracts at 5090, Good-till-Cancelled (GTC)

71

Which of the following orders can be entered in an ODAX contract if the last traded price was 50.6?

A|C|D A: Buy market order for 10 contracts

B: Stop buy order for 10 contracts, stop limit 59

C: Buy limit order for 10 contracts at 58, Immediate-Or-Cancel (IOC)

D: Buy limit order for 10 contracts at 28, Good-till-Cancelled (GTC)

72

Which order attributes are mandatory?

A|B|D

A: Trading Capacity (trading account) – proprietary or customer (agent) order

B: Client ID for customer orders

C: Cross ID

D: Algo ID, provided that the investment decision was predominantly taken by an algorithm

73

How are stop orders triggered?

B

A: Based on the best bid or ask limit

B: Based on the last (traded) price

C: Based on auction prices (including the closing auction)

D: All buy stop orders and sell stop orders having the same stop limit are triggered simultaneously.

74

Which statement does not apply to Book-or-Cancel (BOC) orders?

C

A: They are never executed immediately upon entry.

B: They must have a limit.

C: They can be entered as limit orders or market orders.

D: No further trading restrictions are possible.

75

Which trading restriction can be selected for auctions?

A

A: Closing Auction Only

B: Opening Auction Only

C: Volatility Auction Only

D: Auction Only

76

Which attribute is mandatory for customer orders?

D

A: Trading Capacity A (Agent)

B: Client ID

C: Number of contracts

D: All answers are correct.

77

Which attribute is not mandatory for proprietary orders?

B

A: Trading Capacity

B: Cross ID

C: Investment Qualifier

D: Investment ID

78

Which statement regarding the flagging of algorithmic orders is false?

C

A: Orders must have Execution Qualifier "22".

B: The "Execution Identifier" must contain the Algo ID.

C: The Algo ID is allocated by the Exchange.

D: Eurex Deutschland must provide data identifying the algorithm to BaFin.

Protection mechanisms

79

An extreme price deviation in a complex instrument triggers a volatility interruption.

F True False

80

The parameters for volatility interruptions are set in a way that volatility interruptions only occur in extreme market situations.

T True False

81

Volatility interruptions are only triggered in simple futures instruments.

T True False

82

Which protection mechanisms are generally available?

- A|C|D**
- A: Volatility interruption – if the potential execution price deviates extremely from the last traded price
 - B: Volatility interruption – if the price of a new trade deviates extremely from the last traded price
 - C: Price corridors for price reasonability checks of the order limit upon order entry
 - D: Market Order Matching Range

83

Which pre-trade checks is a trading venue required to perform, pursuant to MiFID II?

- A|B|C**
- A: Upon entry, limit orders must be validated against defined price corridors.
 - B: A maximum order value must be defined for each trader.
 - C: A maximum quantity per order must be defined for each trader.
 - D: The principle of dual control must be observed when entering market orders.

84

Which statements apply to volatility interruptions (volatility auctions)?

- B|C|D**
- A: The order book is fully visible during the volatility auction.
 - B: During a volatility auction, the best bid and best ask limit or the potential auction price is/are published.
 - C: The parameters (price corridors and time intervals) which trigger a volatility auction are not published.
 - D: Matching/uncrossing takes place in the same way as with a regular auction.

Market Making

85

Which obligations must a Regulatory Market Maker fulfil?

B|D

A: Quoting during stressed market conditions and in exceptional circumstances

B: Posting firm, simultaneous two-way quotes in at least one product

C: Participation during at least 80% of continuous trading hours

D: Participation during at least 50% of continuous trading hours

86

Which statements regarding Market Making are correct?

A|B|C|D

A: No quotation obligations apply if the Exchange's Management Board has announced exceptional circumstances.

B: Firm, simultaneous two-way quotes must be quoted in at least one product.

C: A distinction is made between Regulatory Market Making and Liquidity Provisioning (Eurex Liquidity Provider).

D: Liquidity Providers may choose between various Market Making building blocks.

87

A trading venue must define requirements for certain market conditions as a prerequisite for the provision of additional liquidity. Which statements are true?

A|C|D

A: The Exchange's Management Board decides on whether exceptional circumstances prevail, and makes a corresponding announcement (via a Newsboard Message).

B: No quotation obligations apply during stressed market conditions.

C: Less stringent quotation obligations apply for Liquidity Providers during stressed market conditions.

D: No quotation obligations apply during exceptional circumstances.

Matching

88

If an opening price has been determined in a futures contract, all existing market orders are executed at this price.

F True False

89

No time priority applies to Equity Index Futures contracts in continuous trading.

F True False

90

The Market Order Matching Range is active for futures and options contracts.

T True False

91

Which statements regarding on-book matching are correct?

- A|D**
- A: Product-specific allocation methods apply in continuous trading.
 - B: Price/time priority applies to all products in continuous trading.
 - C: The order book is open during auctions, with accumulated volumes shown for each limit.
 - D: The principle of maximum volume execution applies during auctions.

92

Which statements regarding on-book matching are correct?

- B|C**
- A: The same price-determination rules apply to continuous trading and to auctions.
 - B: Partial executions are possible in continuous trading and in auctions.
 - C: Auction prices are determined in accordance with the principle of maximum volume execution.
 - D: An exchange price can only be determined if a Regulatory Market Maker quote was involved in price determination.

93

Which basic principles apply to on-book matching?

- A|B|C**
- A: Special rules apply to market orders in continuous trading.
 - B: The principle of maximum volume execution applies during auctions.
 - C: During continuous trading, each new incoming order is immediately checked for executability and is matched to the extent possible.
 - D: Orders are always executed according to the price/time priority.

94

Which statement does not apply to auction price determination?

- C**
- A: Following price determination/uncrossing, the best bid limit is lower than the best ask limit.
 - B: The auction price is not lower than the best bid limit, and not higher than the best ask limit remaining in the order book following price determination.
 - C: All existing market orders are executed.
 - D: Market orders enjoy priority over limit orders.

95

In which case no auction price can be determined?

- B**
- A: If the potential auction price is outside the Market Order Matching Range.
 - B: If only market orders exist on both sides of the order book.
 - C: If the Exchange's Management Board has determined a Fast Market period.
 - D: If the auction price triggers stop orders.

96

Which auction price is determined in the following order book, and how many contracts are executed? The tick size is 1 point.

Bid quantity	Bid	Ask	Ask quantity
5	M	M	10
20	3131	3128	15
25	3127	3132	10

- C**
- A: 25 contracts at 3128
 - B: 25 contracts at 3129.80
 - C: 25 contracts at 3129
 - D: 25 contracts at 3131

97

When does uncrossing take place, in principle?

- D**
- A: Before the start of continuous trading in complex instruments
 - B: Following a volatility auction
 - C: Following a closing auction
 - D: All answers are correct.

98

Which auction price is determined in the following order book, and how many contracts are executed? The tick size is 0.5 points.

Bid quantity	Bid	Ask	Ask quantity
2	M	M	5
5	12,500	12,499	15
10	12,497		

- D**
- A: 7 contracts at 12,499.37
 - B: 7 contracts at 12,499.50
 - C: 5 contracts at 12,499
 - D: 7 contracts at 12,499

99

How will a new incoming sell limit order for 100 contracts, with a limit of 3123, be executed in continuous trading? Price/time priority applies.

Bid quantity	Bid	Ask	Ask quantity
30	3125	3125.50	12
30	3124		
50	3123		

- C A: 50 contracts at 3123, 30 contracts at 3124, and 20 contracts at 3125
- B: 50 contracts at 3123 and 40 contracts at 3124.50
- C: 30 contracts at 3125, 30 contracts at 3124, and 40 contracts at 3123
- D: 100 contracts at 3123.90

100

How does allocation take place in continuous trading, if several matching orders are executable in an ETF Options contract, with different contract quantities?

- C A: Price/time priority
- B: Volume/time priority
- C: Pro-rata allocation
- D: Time/pro-rata allocation

101

How does allocation take place in continuous trading, if several matching orders are executable in a Money Market Futures contract, with different contract quantities?

- D A: Price/time priority
- B: Volume/time priority
- C: Pro-rata allocation
- D: Time/pro-rata allocation

102

The following three orders are executable against a new incoming order for 25 contracts in continuous trading. How does allocation take place under pro-rata matching?

The sequence of orders shows their time priority.

Order #1	20 contracts
Order #2	20 contracts
Order #3	50 contracts

- C A: Order #1: 20 contracts, Order #2: 5 contracts
- B: Order #3: 25 contracts
- C: Order #1: 6 contracts, order #2: 5 contracts, order #3: 14 contracts
- D: None of the above answers are correct.

103

How will a new incoming buy market order for 30 futures contracts be executed in continuous trading? Price/time priority applies; the Market Order Matching Range is 10 points.

Bid Quantity	Bid	Ask	Ask Quantity
		12,510	6
		12,511	3
		12,513	9

- A: No execution; the market order will be entered into the order book.
- B: No execution; the market order will be rejected.
- C: 6 contracts at 12,510
- D: 6 contracts at 12,510, 3 contracts at 12,511, and 9 contracts at 12,513

104

How will a new incoming buy limit order for 6 futures contracts, with a limit of 12,518, be executed in continuous trading? Price/time priority applies; the Market Order Matching Range is 10 points. The last traded price was 12,511.

Bid quantity	Bid	Ask	Ask quantity
30	(Market)*	12,510	6
		12,511	3
		12,513	9

*Only visible for the purposes of this example; not displayed in the order book.

- A: 6 contracts at 12,510
- B: 6 contracts at 12,518
- C: Not at all; the market order in the order book is partially executed (18 contracts).
- D: 6 contracts at 12,511

105

How will a new incoming buy limit order for 20 options contracts, with a limit of 4.11, be executed in continuous trading? Price/time priority applies; the last traded price was 4.08.

Bid quantity	Bid	Ask	Ask quantity
		(Market)*	20
		3,16	20
		3,17	20

*Only visible for the purposes of this example; not displayed in the order book.

- A: 20 contracts at 3.16
- B: 20 contracts at 4.08
- C: 20 contracts at 4.11
- D: Not at all.