

**Exchange Trader Exam  
Frankfurter Wertpapierbörse  
(FWB<sup>®</sup>, the Frankfurt Stock Exchange)**

**Questions and answers**

**March 2019**

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## Information material

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

You will find information on these topics on [www.xetra.com](http://www.xetra.com).

Questions in chapter 1 are based on the rules and regulations for the Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange). Exam questions refer to Exchange Rules, Conditions for Transactions and Trading Regulation for the Regulated Unofficial Market on the Frankfurter Wertpapierbörse (<http://www.xetra.com/xetra-en/meta/rules-and-regulations>).

Xetra and Börse Frankfurt are the two trading venues operated by Deutsche Börse for the Frankfurt Stock Exchange. Both trading venues are subject of the exam.

Information on chapter 2 can be found in the menu item Trading > Trading models > Continuous trading with auctions. The market model for the trading venue Xetra and the market model Continuous Auction for Börse Frankfurt can be downloaded under “Further information” at the bottom of the page.

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## 1 Rules and Regulations of FWB

### 1.1 Exchange Rules I





#### Exchange Bodies

1.	Which of the following tasks is not performed by the Exchange Council?
<input type="radio"/>	Adoption of the Exchange Rules
<input type="radio"/>	Supervision of the Board of Management
<input type="radio"/>	Appointment of the head of the Trading Surveillance Office
<input checked="" type="radio"/>	Admission of securities
2.	Which Exchange body decides on the commencement, suspension, interruption and discontinuation of the price fixing for securities?
<input type="radio"/>	Cash Markets Operations
<input type="radio"/>	Trading Surveillance Office
<input checked="" type="radio"/>	Board of Management of the Exchange
<input type="radio"/>	Exchange Council
3.	For which of the following functions is the Board of Management of the Exchange responsible?
<input type="radio"/>	Monitoring of exchange trading as the implementing body of the Supervisory Authority
<input checked="" type="radio"/>	Definition of start and end of price determination
<input type="radio"/>	Brokerage of exchange transactions
<input type="radio"/>	Prosecution of insider trading violations

4. Which German law requires every exchange to establish and operate a Trading Surveillance Office?
- German Securities Trading Act
  - German Banking Act
  - German Exchange Act
  - German Exchange Supervisory Act
5. The Exchange Rules stipulate that companies must provide sufficient collateral for the performance of their transactions. Which body is responsible for monitoring compliance with the security framework of individual trading participants?
- Board of Management of the Exchange
  - Trading Surveillance Office
  - German Federal Financial Supervisory Authority (BaFin)(BaFin)
  - Exchange Supervisory Authority
6. Which of the following measures is not available to the Disciplinary Committee to take action against a trading participant?
- Reprimand
  - Fine of up to 1,000,000 €
  - Suspension from the Exchange for up to 30 trading days
  - Irrevocable withdrawal of the trading license

## 1.2 Exchange Rules II

### Technical Problems, Suspension and Cessation of Trading on the Regulated Market, Settlement Systems, Market Integrity

7.	For certain securities determined by Board of Management, receivables and liabilities are offset via a clearing house.
	<input type="radio"/> True
	<input type="radio"/> False
8.	The central counterparty for transactions in CCP-eligible securities is Deutsche Börse AG.
	<input type="radio"/> True
	<input type="radio"/> False
9.	Settlement for trades concluded on FWB is done in principle via Clearstream Banking AG or via another central securities depository recognised in the Exchange Rules.
	<input type="radio"/> True
	<input type="radio"/> False
10.	When will trading on the Frankfurt Stock Exchange be suspended in the regulated market pursuant to § 59 of the Exchange Rules?
	<input type="radio"/> If orderly settlement is temporarily at risk.
	<input type="radio"/> On the day before the annual financial statement of a stock corporation is released.
	<input type="radio"/> If it is deemed necessary in order to protect investors.
	<input type="radio"/> On the day of the stock corporation's annual general meeting.

11.

Who must the Management Board inform immediately if trading in the regulated market is suspended??

The Trading Surveillance Office and the Exchange Supervisory Authority



The German Federal Financial Supervisory Authority (BaFin) and the Exchange Supervisory Authority

The Exchange Council and the Trading Surveillance Office

The Exchange Supervisory Authority and the Exchange Council

12.

Which statement is wrong?

If trading in the regulated market is suspended by the Management Board existing orders are deleted.

Suspension of trading may be limited to parts of trading.



Suspension of trading cannot be limited to parts of trading.

If trading in the regulated market is interrupted by the Management Board existing orders are not deleted.

13.

What is prohibited according to the market integrity clause (section 121 Exchange Rules for the FWB)?

Concluding OTC trades.

Placing orders in accordance with the common market practice.



Effect a price which is not in line with the market or an artificial price level in the Exchange EDP.

None of the above.



14. Which of the following circumstances does violate the market integrity clause (section 121 Exchange Rules for the FWB)??

- Causing an artificial price level.
- Entering orders that are suitable to erroneously or deceptively influence offer and demand in a security.
- Influencing the price of a security due to orders of one trading participant.
- All of the above.

15. Which area is not covered by the market integrity clause (section 121 Exchange Rules for the FWB)?

- Exchange trade settlement
- Order entry in the Exchange EDP
- Quote entry in the Exchange EDP
- Entry and settlement of OTC trades

16. Which statement is not correct in case of technical problems?

- In the event of blocking the access to the exchange EDP for all companies, no more entries can be effected.
- In the event that the trading system of a company is non-functional, the Management Board may, upon request, enter data into the exchange EDP on behalf of such trading participant.
- A breakdown of the telephone system or another failure which prevents a communication via telephone shall immediately be made known to the Management Board by the company or the concerned exchange trader.
- Trading Surveillance Office can block the access to the exchange EDP for one, several or all companies.

17. When can the Board of Management block the access to the exchange EDP?



In case of technical problems.

If orderly exchange trading is endangered.

As a rule, the access to the trading system cannot be locked.

None of the above.

18. How is the identity of participants verified for "trading on behalf" in emergencies?

By mentioning a personal identification number.

Via a recall by employees of Cash Markets Operations.



By mentioning an active user ID.

By mentioning the system password.

### 1.3 Exchange Rules III

#### Special Provisions for the Trading of Structured Products in Continuous Auction

19. When does the quote provider not have to specify an ask limit in its indicative quote for the specialist?



When the security is completely sold out by the issuer (sold-out status).



If the security has been terminated by the issuer.

When the market is sufficiently liquid.



If the security is affected by a legal amendment in such a way that a purchase of the security is no longer possible.

20.	Which of the following obligations must quote providers fulfil in trading with structured products?
<input type="checkbox"/>	The indicative quote which they make available to the specialists must always have a bid and a ask limit.
<input checked="" type="checkbox"/>	They must provide the specialists with at least one indicative quote on each trading day.
<input checked="" type="checkbox"/>	They must provide the Management Board with an expert contact person who is admitted for the company as a exchange trader at the Frankfurt Stock Exchange and a technical contact person.
<input checked="" type="checkbox"/>	They shall name a binding quote to the Specialists upon their request.
21.	What are the specific rules applicable to structured products in the Continuous Auction?
<input checked="" type="checkbox"/>	Short sales are not permitted.
<input checked="" type="checkbox"/>	The issuer must name a quote provider for the respective security in the application for introduction to trading.
<input type="checkbox"/>	The quote provider must submit indicative quotes with bid and ask limits in every situation.
<input type="checkbox"/>	The Trading Surveillance Office may interdict quote providers the quotation in whole or in part.
22.	Who determines the quote provider for a security?
<input checked="" type="radio"/>	Issuer
<input type="radio"/>	Trading Surveillance Office
<input type="radio"/>	Specialist
<input type="radio"/>	Board of Management of the Exchange

**23.** Which of the following statements does not apply to quote providers for structured products?

They must be available by telephone to the Management Board of the Exchange and the Specialists from one hour before the start of trading until one hour after the end of electronic trading.

They shall ensure that the necessary human, technical and financial resources are available to meet the quote requirement.



They must be identical with the issuer.

They need an expert contact person who is admitted for the company as exchange trader at the Frankfurt Stock Exchange.

**24.** What applies to quote providers if there are quote restrictions on their side?

They must indicate this immediately by a quotation with a bid and ask limit of "0".






If the reason is a system failure, they can inform the Management Board and the Trading Surveillance Office in writing in addition to the quotation with "0".

At the request of the Management Board or the Trading Surveillance Office, they shall provide information on the reason for and the expected duration of the quote restrictions.









All the answers are correct.

#### 1.4 Conditions for Transactions

25.	For Exchange transactions due for settlement the seller is obligated to pay the corresponding cash amount for the securities.
	<input type="radio"/> True
	<input type="radio"/> False
26.	For Exchange transactions due for settlement the buyer is obligated to pay the corresponding cash amount for the securities earliest on the third day after trade conclusion.
	<input type="radio"/> True
	<input type="radio"/> False
27.	Exchange transactions must be settled on the second day after the trade day.
	<input type="radio"/> True
	<input type="radio"/> False
28.	Which statements are correct for pre-arranged trades according to section 3 of the Conditions of Transactions on the Frankfurt Stock Exchange?
	<input type="checkbox"/> During continuous trading (trading model continuous trading with intraday auctions) they are admissible if one of the participants, prior to entering his/her order, has entered an appropriate cross request.
	<input type="checkbox"/> During continuous trading (trading model continuous trading with intraday auctions) they are always forbidden.
	<input type="checkbox"/> The order leading to the pre-arranged trade must to be entered earliest 5 seconds and latest 35 seconds after the cross request.
	<input type="checkbox"/> None of the above

29.	Which of the following circumstances violate section 3 of the Conditions of Transactions on the Frankfurt Stock Exchange?
<input type="checkbox"/>	The entry of opposite orders concerning the same security and executable immediately by several traders of one company.
<input checked="" type="checkbox"/>	A knowing cross trade without cross request before.
<input checked="" type="checkbox"/>	A pre-arranged trade without cross request before.
<input checked="" type="checkbox"/>	Orders entered with the intention of influencing the price of the relevant security in midpoint order matching.
30.	When is a cross trade or a pre-arranged trade permitted according to section 3 of the Conditions of Transactions on the Frankfurt Stock Exchange?
<input checked="" type="checkbox"/>	If one of the involved traders had entered a cross request in continuous trading (trading model continuous trading with intraday auctions) before.
<input checked="" type="checkbox"/>	If the order leading to the cross trade or pre-arranged trade had been entered earliest 5 seconds and latest 35 seconds after the cross request.
<input type="checkbox"/>	If one of the involved traders had announced the cross trade or pre-arranged trade to trading surveillance office.
<input type="checkbox"/>	If the phase crossing is active in the trading system.
31.	Which statements are correct for cross trades?
<input type="checkbox"/>	During continuous trading (trading model continuous trading with intraday auctions) they are always forbidden.
<input checked="" type="checkbox"/>	If the self match prevention function is used by a trading participant, unintended crossings during continuous trading (trading model continuous trading with intraday auctions) are prevented by the trading system.
<input checked="" type="checkbox"/>	During continuous trading (trading model continuous trading with intraday auctions) they are admissible if one of the participants, prior to entering his/her order, has entered an appropriate cross request.
<input type="checkbox"/>	None of the above

32.	Which details must a cross request contain?
<input type="checkbox"/>	Trader ID
<input checked="" type="checkbox"/>	Quantity
<input type="checkbox"/>	Limit
<input checked="" type="checkbox"/>	Security
33.	Cross-Trades and Pre-Arranged Trades ...
<input checked="" type="checkbox"/>	are admissible during continuous trading (trading model continuous trading with intraday auctions), if they have been announced by a cross request and the deadline of order entry has been met.
<input checked="" type="checkbox"/>	are possible in auctions and volatility interruptions.
<input type="checkbox"/>	are always forbidden.
<input type="checkbox"/>	can be entered into the system anytime.
34.	Which deadline must be considered in connection with a mistrade application?
<input type="checkbox"/>	In case of securities traded in Continuous Trading with intra-day auctions or in auctions, the Mistrade application shall be submitted within three trading hours upon receipt of the execution confirmation.
<input type="checkbox"/>	In case of securities traded in Continuous Auction, the Mistrade application shall be submitted within one trading hour upon receipt of the execution confirmation.
<input checked="" type="checkbox"/>	In case of trades in securities traded in Continuous Auction, the Mistrade application shall be submitted within two trading hours upon receipt of the execution confirmation.
<input checked="" type="checkbox"/>	In case of securities traded in Continuous Trading with intra-day auctions or in auctions, the Mistrade application shall be submitted within ten minutes upon receipt of the execution confirmation.

35.	Under which circumstances can the Board of Management cancel a transaction?
	<input type="checkbox"/> The price of the transaction in question is not in line with market conditions.
	<input type="checkbox"/> The price of the transaction in question is in line with market conditions.
	<input type="checkbox"/> An admissible application was submitted
	<input type="checkbox"/> The involved parties reach an agreement without involving the Exchange and notify the Exchange within 24 hours.
36.	Which details must a mistrade application contain?
	<input type="checkbox"/> Company and contact person of the applicant
	<input type="checkbox"/> Time, volume and price of transaction
	<input type="checkbox"/> Details regarding the price in line with the market
	<input type="checkbox"/> Company and contact person of the counterparty
37.	What happens if one of the counterparties in a direct transaction between two trading participants (without Central Counterparty) does not perform in a timely manner?
	<input type="radio"/> Compulsory enforcement
	<input type="radio"/> Compulsory auction
	<input type="radio"/> Compulsory settlement
	<input type="radio"/> Compulsory cancellation



- 38.** Can compulsory settlement under section 6 of the Conditions for Transactions on the Frankfurt Stock Exchange be enforced in the case of a CCP trade?
- Yes, section 6 of the Conditions for Transactions on the Frankfurt Stock Exchange also applies to these transactions.
  - No, the measures for enforcing the clearing member to meet its obligations are governed by the clearing conditions of the Frankfurt Stock Exchange.
  - No, the measures for enforcing the clearing member to meet its obligations are governed by the Eurex clearing conditions.
  - None of the above
- 39.** What conditions must be observed so that compulsory settlement of an Exchange transaction within a non CCP security which has not been performed in a timely manner is effective against the defaulting counterparty?
- The Board of Management of the Exchange must be notified of the compulsory settlement.
  - The Trading Surveillance Office must be notified of the compulsory settlement.
  - The German Federal Financial Supervisory Authority (BaFin) must be notified of the compulsory settlement.
  - The defaulting party must be notified of the compulsory settlement.

### 1.5 Off-book Trading

40.	Which statement regarding Off-book-Trading is correct?
<input type="radio"/>	For trades concluded via the TES order functionality, order volume and price can be arbitrarily agreed.
<input type="radio"/>	The trading participant shall specify a minimum order volume for its off-book trades.
<input checked="" type="radio"/>	Trades can only be concluded if the price is within a defined range.
<input type="radio"/>	The TES order functionality can only be used by admitted exchange traders.
41.	When is an off-book trade prohibited?
<input type="radio"/>	If the trade was entered into the system by mistake.
<input checked="" type="radio"/>	If the beneficial owner is identical on the purchase and sale side.
<input type="radio"/>	If the trade has not been confirmed by the end of the off-book trading period.
<input type="radio"/>	If the trade was entered by an employee of the trading participant who is not admitted to trading.
42.	Which specifications must to be taken into account for an off-book trade?
<input type="radio"/>	After the agreement on the trade has been reached, the trade details must be entered within a specified period of time.
<input type="radio"/>	The confirmation of the trade details must take place within a specified period of time.
<input type="radio"/>	The specified minimum order volume must be exceeded.
<input checked="" type="radio"/>	All answers are correct.

## 1.6 Trading Regulation for the Regulated Unofficial Market









43.	Which of the following statements is not applicable for trading funds (w/o ETFs) in Continuous Auction?
<input type="radio"/>	The quotation of the Specialist shall be made on the basis of the current order book situation and the price of the funds calculated by the Specialists.
<input type="radio"/>	In the event of special situations, such as the suspension of issuance or repurchase of fund units by the issuer, the specialist must immediately inform the Management Board and the Trading Surveillance Office of the Frankfurt Stock Exchange in writing.
<input checked="" type="radio"/>	The quotation of the specialist is based exclusively on the current order book situation.
<input type="radio"/>	In particular, the Management Board may suspend trading in the relevant fund units in the event of a suspension of the repurchase of fund units or the closure of a fund.
44.	Where are the tasks for the Specialists in trading funds (w/o ETFs) in addition to the Exchange rules regulated?
<input checked="" type="radio"/>	In the trading regulation for the Regulated Unofficial Market on Frankfurter Wertpapierbörse (FWB).
<input type="radio"/>	In the general terms and conditions for Xetra.
<input type="radio"/>	In the conditions for transactions on the Frankfurter Wertpapierbörse (FWB).
<input type="radio"/>	None of the above.
45.	Which statement regarding the quotation duty of Specialists in trading funds (w/o ETFs) is correct?
<input checked="" type="radio"/>	If the issuer suspends the issue of fund units, the specialist is exempted from the obligation to quote on the ask side.
<input type="radio"/>	If the issuer suspends the issue of fund units, the specialist is exempted from the obligation to quote on the bid side.
<input type="radio"/>	If the repurchase of fund units by the issuer is suspended, the specialist is obliged to provide indicative quotes.
<input type="radio"/>	During trading hours, binding quotes must be submitted on an ongoing basis.

## 2 Functionality of trading at FWB

### 2.1 Xetra

Trading model „Continuous Trading (CT) with Auctions“

#### 2.1.1 CT Fundamental Principles

<b>46.</b>	To what extent is Xetra trading anonymous?
	<input type="checkbox"/> As all securities are processed through a central counterparty (CCP), market participants cannot identify the counterparty.
	<input type="checkbox"/> Market participants cannot identify which market participant entered an order pre-execution.
	<input type="checkbox"/> As all securities are included in the clearing process, the anonymity extends to the settlement layer.
	<input type="checkbox"/> Due to the clearing process the identity of the originator counterparty for each trade is displayed.
<b>47.</b>	Which of the following statements are valid for continuous trading in connection with auctions?
	<input type="checkbox"/> All whole-number order sizes are tradable in all auctions.
	<input type="checkbox"/> In opening auctions also fractions are supported.
	<input type="checkbox"/> Auctions are only called when required.
	<input type="checkbox"/> During the call phase the order book is partially closed.
<b>48.</b>	Which statements are valid for continuous trading in connection with auctions?
	<input type="checkbox"/> The trading model is order driven.
	<input type="checkbox"/> Orders are executed according to price/time priority.
	<input type="checkbox"/> Trading of fractions is supported.
	<input type="checkbox"/> Trading is anonymous.

**49.** Which securities are tradeable in the trading model continuous trading in connection with auctions?

- All securities listed at Frankfurt Stock Exchange.
- Selected shares, bonds, Exchange Traded Funds and Exchange Traded Products.
- Selected shares, Exchange Traded Funds and Exchange Traded Products.
- None of the above.

**50.** Which statement is correct for the trading venue Xetra?

- Three hierarchy levels of traders are distinguished.
- Information users without trader admission are possible.
- Traders can be organized in trader groups.
- All of the above.

**51.** In the trading model continuous trading in connection with auctions a trader can act as ...

- Issuer.
- Designated Sponsor.
- Specialist.
- Quote provider.

## 2.1.2 CT Trading Process

**52.** In auctions time price/time priority is valid so that the maximum of one order, which is either limited at the auction price or unlimited, can be partially executed.



True

False

**53.** In continuous trading each new incoming order (including stop orders) is immediately checked whether it is executable against orders on the other side of the order book.

True



False

**54.** Iceberg orders do not participate with their full volume in auctions.

True



False

**55.** Which statement regarding pre- or post-trading phase is correct?

Market Participants can see the order book situation without restrictions.



Market participants can enter, modify and delete orders and quotes during the pre-trading phase.

Market participants can enter, modify and delete orders for the next trading day.

The indicative auction price of the opening call is displayed during the pre-trading phase.

**56.** Which statement regarding the trading models offered on the trading venue Xetra is wrong?

The call phase of an auction is partially closed.



Each trading day starts with an IPO Auction.

Auction price determination is effected according to the principle of most executable volume.

The order book in continuous trading is open.

**57.** Which auction form does not exist on the trading venue Xetra?

Opening Auction

Intraday Auction



Midpoint Auction

IPO Auction

**58.** The duration of the random end for an auction call phase in the trading model continuous trading in connection with auctions is:



0-30 Seconds

15 Seconds

Only a few seconds

Minimum of 15, maximum of 30 seconds

59.

Which statement is wrong?

- During a call phase, market participants are informed about the indicative price and the executable volume at that price as well as a possible market surplus of the respective order book side.
- The order book is open during continuous trading; each limit is displayed with the associated member ID.
- The trading day starts with an opening auction.
- Continuous trading is interrupted by the start of the intraday auction.

60.

Which statement regarding auctions is correct?

- The order book is open during the call phase.
- The order book is partially closed during the call phase.
- It ends in a freeze phase after the maximum duration of its call phase at the latest.
- Market surpluses are not displayed.

61.

Is it possible for the lead manager to balance a surplus during the determination of the first exchange price (IPO auction)?

- No, the lead manager cannot balance a surplus before price determination in an IPO auction.
- Yes, from a particular time on only the lead manager can balance a surplus.
- All trading participants can balance a surplus before price determination in an IPO auction.
- None of the above.



- 62.** Which of the following phases is part of an auction for a first price determination (Auction)?
- Price determination
  - Freeze
  - IPO Call
  - All of the above.
- 63.** Which of the following statements regarding trading of subscription rights is wrong?
- They are solely tradeable in IPO auctions.
  - They can be traded continuously during a limited period.
  - On the last trading day trading might end ahead of the regular trading hours.
  - The Management Board may determine that the first price determination is carried out in an IPO Auction.

### 2.1.3 CT Orders

- 64.** Which order types are supported on the trading venue Xetra?
- Iceberg Orders.
  - Hidden Orders.
  - Stop Limit Orders.
  - All-or-None Orders.

<b>65.</b>	In which of the following cases does a modification of a limit order not result in a new time priority?
<input type="checkbox"/>	If the limit is changed.
<input checked="" type="checkbox"/>	If the text field is changed.
<input checked="" type="checkbox"/>	If the volume of the order is reduced.
<input type="checkbox"/>	If the order modification has an adverse effect on the execution priority of other orders in the order book.
<b>66.</b>	Which statements regarding the functionality of volume discovery orders are correct?
<input type="checkbox"/>	The total volume is executable against iceberg orders.
<input checked="" type="checkbox"/>	The volume discovery order builds on the functionality of the iceberg order.
<input checked="" type="checkbox"/>	The hidden part will only be executed at the current midpoint against other hidden parts of volume discovery orders.
<input type="checkbox"/>	The order type can only be used in auctions.
<b>67.</b>	In which of the following cases the overall volume of an iceberg order is visible during an auction?
<input type="checkbox"/>	Always.
<input checked="" type="checkbox"/>	If, in the case of a uncrossed order book, the total volume of the iceberg order is part of the displayed cumulative volumes at the best bid/ask limit.
<input checked="" type="checkbox"/>	If the total volume of the iceberg order is part of the indicative auction surplus.
<input type="checkbox"/>	Never.

68. Which order types are supported in continuous trading?

Hidden order



Iceberg order



Volume Discovery order

Order-on-event

69. Which statements concerning book-or-cancel orders are correct?



They permit passive execution only.

They are executed as well in volatility interruptions.

They must have a predefined minimum volume.



If immediate execution is possible, the order is rejected.

70. In which of the following ways is a fill-or-kill order executed?

Immediate execution to the extent possible, deletion of the unexecuted part of the order.

Only during auctions.

Only if there are no iceberg orders in the order book.



Immediately and fully or not at all.

71.

In which of the following ways is an immediate-or-cancel order executed?

- Identical execution to that of ordinary limit or market orders.
- Immediate execution to the extent possible, deletion of the unexecuted part of the order.
- Immediate execution in full, or if this is not possible, deletion of the order.
- None of the above.

72.

Which statement regarding modification of an order is correct?

- A modifications always leads to a new time priority.
- The order number remains always unchanged even if the order receives a new time priority.
- During auctions order modifications are not permissible.
- A modifications effects a deletion of the existing order and a new order entry with new time priority and new order number.

73.

Which validity restriction does not exist for orders?

- Good-for-day (GFD)
- Good-till-auction (GTA)
- Good-till-date (GTD)
- Good-for-day (GFD)

74.

Which of the following is correct for one-cancels-other orders?

- It combines a market order and a stop order.
- It combines a limit order and a stop market order.
- All execution conditions and trading restrictions are supported.
- In case of a partial execution the non-executed parts of the order are deleted.

75.

Which of the following is correct for trailing stop orders?

- If the reference price of a trailing stop sell order falls, the dynamic stop limit is not adjusted.
- Further execution conditions and trading restrictions are not supported.
- The dynamic stop limit is continuously monitored.
- All of the above.

76.

Which statement concerning the treatment of orders in the order book at a suspension or an interruption of trading is correct?

- Unexecuted orders are deleted in both cases.
- Existing orders are deleted at a suspension of trading.
- Existing orders are deleted at an interruption of trading.
- Neither event has an influence on unexecuted orders.

<b>77.</b>	According to the Exchange Rules for the FWB which specification is not necessary for order entry?
<input type="radio"/>	Orders generated through algorithmic trading have to be marked.
<input checked="" type="radio"/>	Orders must have a member internal order number.
<input type="radio"/>	There has to be an adequate ratio between order and bindings quotes entries, modifications and deletions and trades (Order to Trade Ratio).
<input type="radio"/>	Orders need to be specified as proprietary or agent orders.

<b>78.</b>	Which of the following events does not lead to a deletion of orders?
<input type="radio"/>	Granting of subscription rights.
<input type="radio"/>	Dividend payments.
<input checked="" type="radio"/>	Significant price deviations from the last price.
<input type="radio"/>	Suspension of trading.

#### 2.1.4 CT Safeguards

<b>79.</b>	With volatility interruptions the number of determined prices will be increased.
<input type="radio"/>	True
<input checked="" type="radio"/>	False

<b>80.</b>	A volatility interruption can be initiated only if the potential next price lies outside both price ranges.
<input type="radio"/>	True
<input checked="" type="radio"/>	False

81. The static and dynamic price ranges are stipulated individually for each security.



True

False

82. The static price range is re-set by the following prices:



Auction price of the opening auction



Auction price of an intraday auction

Reference price in continuous trading

Indicative auction price

83. Which of the following is correct for an extended volatility interruption?



The automatic trading period control is not active.

It is only triggered if the potential execution price is outside the static price corridor.

It can not occur in a closing auction.



It will be terminated automatically once there is no longer an executable order book situation.

84. In which ways can a volatility interruption be initiated?



The indicative price lies outside the dynamic price range and within the static price range.








The indicative price lies within the dynamic price range and outside the static price range.



The indicative price lies outside the dynamic and the static price range.

The indicative price corresponds to the reference price.

## 2.1.5 CT Designated Sponsor

<b>85.</b>	Designated Sponsors have to provide double-sided quotes or orders for a certain minimum time during continuous trading.
	<input type="radio"/> True
	<input type="radio"/> False
<b>86.</b>	For Designated Sponsor quotes all validity constraints are possible.
	<input type="radio"/> True
	<input type="radio"/> False
<b>87.</b>	Only Designated Sponsors can enter quotes.
	<input type="radio"/> True
	<input type="radio"/> False
<b>88.</b>	Which of the following obligations has a Designated Sponsor?
	<input type="checkbox"/> In case of "stressed market conditions" stricter quote requirements.
	<input type="checkbox"/> Provision of additional liquidity for at least 50 shares.
	<input type="checkbox"/> Participation in auctions and volatility interruptions.
	<input type="checkbox"/> Provision of liquidity by double-sided quotes or corresponding orders for certain minimum times during continuous trading.



89.

A quote by a Designated Sponsor is ...

- the non-binding indication of a price level.
- typically the simultaneous entry of a buy and sell limit order.
- valid in continuous trading only.
- good for day.

90.

What are the duties of Designated Sponsors?

- Provision of additional liquidity
- Responding to quote requests by entering quotes
- Setting reference prices
- Involvement in auctions by entering quotes

## 2.1.6 CT Price Determination

91.	In which of the following cases is the reference price considered for stipulating the auction price?
<input type="checkbox"/>	If there is a surplus of offerings, which is not caused by a market order.
<input type="checkbox"/>	If there is a surplus of demand, which is not caused by a market order.
<input checked="" type="checkbox"/>	If there are several possible limits and there is both an ask surplus and a bid surplus.
<input checked="" type="checkbox"/>	If there are several possible limits and there is no surplus on hand.
92.	In addition to the maximum executable order volume, which of the following criteria are also used to determine the auction price:
<input checked="" type="checkbox"/>	Reference price
<input type="checkbox"/>	Volume-weighted average of limits contained in the order book
<input checked="" type="checkbox"/>	Surplus
<input type="checkbox"/>	Theoretical price derived from a benchmark (e.g. Euro STOXX Future)
93.	If during the call phase of an auction no price can be determined, what information is shown?
<input type="checkbox"/>	The lowest bid limit with volume
<input checked="" type="checkbox"/>	The highest bid limit with volume
<input checked="" type="checkbox"/>	The lowest ask limit with volume
<input type="checkbox"/>	The highest ask limit with volume

**94.**

What is the auction price based on the following auction order book situation?

The reference price is 340. Tick Size 1 €.

Bid				Ask		
Quantity	Acc. Quantity	Surplus	Limit	Surplus	Acc. Quantity	Quantity
5.000			Market			
			345			500
			344			
1.000			343			
500			342			5.000
3.500			341			1.000
10.000			340			

339

342



343

None of the above.

**95.**

What is the auction price based on the following auction order book situation?

The reference price is 340. Tick Size 1 €.

Bid				Ask		
Quantity	Acc. Quantity	Surplus	Limit	Surplus	Acc. Quantity	Quantity
3.000			344			
1.000			343			2.000
500			342			1.000
			341			2.000
			340			
3.500			339			1.000

341

340



342

343

**96.**

What is the auction price based on the following auction order book situation?

The reference price is 181. Tick Size 1 €.

Bid				Ask		
Quantity	Acc. Quantity	Surplus	Limit	Surplus	Acc. Quantity	Quantity
1.000			Market			
			182			
			181			1.000
1.000			180			
			179			
			Market			1.000

180



181

182

None of the above.

**97.**

Which execution(s) result(s) from the incoming market order (reference price 182) -sell 5,000 - in this order book in continuous trading?

Bid		Ask	
Quantity	Limit	Limit	Quantity
3.500	180	183	1.500
10.000	178	185	5.000

- 5.000 at 178.
- 5.000 at 180.
- 1.500 at 180 and 3.500 at 178.
- 3.500 at 180 and 1.500 at 178.

**98.**

Which execution(s) result(s) from the incoming market order (reference price 179) - sell 5,000 - in this order book in continuous trading?

Bid		Ask	
Quantity	Limit	Limit	Quantity
5.000	Market		

- No execution - volatility interruption.
- No execution until a limit order is entered.
- Full execution of both market orders at the reference price.
- None of the above.

**99.**

Which execution(s) result(s) from the incoming immediate-or-cancel order -sell 5,000, limit 9.10 - in this order book in continuous trading?

Bid		Ask	
Quantity	Limit	Limit	Quantity
5.000	9,08	9,10	1.500
10.000	9,05	9,13	500

- 5,000 at 9.08.
- 1,500 at 9.10.
- No execution, the order is placed in the order book.
- No execution, the order is rejected without entry in the order book.

**100.**

Which execution(s) result(s) from the incoming limit order -buy 500, limit 23 - in this order book in continuous trading?

Bid		Ask	
Quantity	Limit	Limit	Quantity
500	21,90	22,50	120
300	21,50	22,95	280
		23,00	500

- 500 at 21.90.
- 500 at 23.
- 120 at 22.50, 280 at 22.95 and 100 at 23.
- 100 at 22.50, 100 at 22.95 and 300 at 23.

**101.**

Which execution(s) result(s) from the incoming fill-or-kill order - sell 5,000, limit 23 - in this order book in continuous trading?

Bid		Ask	
Quantity	Limit	Limit	Quantity
500	23,00	23,50	120
4.500	22,95	23,95	280
5.000	22,90	24,00	500

- 500 at 23.
- 500 at 23 and 4,500 at 22.95.
- 5,000 at 22.90.
- No execution.

**102.**

How are market orders executed in continuous trading if they encounter an order book with only market orders on the opposite order book side?

- At the highest bid or lowest ask limit in the order book.
- At the lowest bid or highest ask limit in the order book.
- At the reference price.
- None of the above.



### 2.1.7 Off-book Trading (LIS)

**103.** Participants require a separate admission for off-book trading.

True



False

**104.** For off-book trades participants can agree on a settlement date from T+1 up to T+89.



True

False

**105.** Off-book transactions must have a minimum volume, which is determined by the management board of the FWB (large-in-scale).










True

False

## 2.2 Börse Frankfurt

### Trading model „Continuous Auction (CA)“

#### 2.2.1 CA Fundamental Principles

<b>106.</b>	Which of the following statements apply to the Continuous Auction?
	<input type="checkbox"/> There is exactly one specialist per security.
	<input type="checkbox"/> The specialist can enter orders in his own name and for other trading participants.
	<input type="checkbox"/> During the main trading phase, the order book is fully open to market participants (order book depth 10).
	<input type="checkbox"/> The quote provider is able to identify the originator of an order.
<b>107.</b>	Which of the following statements apply to the Continuous Auction?
	<input type="checkbox"/> Execution conditions (FOK or IOC) are not supported.
	<input type="checkbox"/> Stop orders are triggered on the basis of a specialist quote.
	<input type="checkbox"/> All order sizes can be traded.
	<input type="checkbox"/> Only orders valid Good-for-day are permitted.
<b>108.</b>	Which of the following statements apply to stop orders in the trading model Continuous auction with specialist?
	<input type="checkbox"/> A stop loss order is triggered if the bid limit of the specialist quote is equal to or below the stop limit.
	<input type="checkbox"/> A stop loss order is triggered when the last price is equal to or below the stop limit.
	<input type="checkbox"/> Stop Limit and Stop Market Orders are supported.
	<input type="checkbox"/> Stop orders in the order book are visible to all market participants.

**109.**

In the Continuous Auction with Specialist trading model, the order book is ...

 completely open during the main trading phase (order book depth 10). closed during the pre-trading phase. is partially closed during the pre-trading phase. is closed during the post-trading phase.**110.**

Which statements apply to quotes in the Continuous Auction?

 They can have a quantity greater than or equal to zero. In principle, they must be two-sided, whereby the bid limit must be greater than zero. The ask limit can be equal to or higher than the bid limit. Standard quotes can be modified or deleted.**111.**

What roles are there in the trading model Continuous auction with specialist?

 Specialist Quote Provider Liquidity Provider Designated Sponsor

**112.** Which securities are traded in the Continuous Auction?



Mutual Funds



Exchange Traded Funds



Bonds



Shares

**113.** Which of the following statements do not apply to the Continuous Auction?



There are several specialists per security.



There are volatility interruptions to ensure price continuity.

Orders are executed according to price/time priority.

The specialist can identify the originator of an order.

**114.** Which of the following statements about the Continuous Auction with Specialist are correct?

After price determination, unexecuted parts of the specialist quote remain in the order book.



The matching quote is deleted after price determination.



The price is determined according to modified principle of highest executable volume.

Orders in the order book are executed according to volume/time priority.

115.

How is the price determined in the Continuous Auction with Specialist?

- According to the modified principle of highest executable volume exclusively to the bid or ask limit of the specialist quote.
- According to the modified principle of highest executable volume within the range specified by the specialist quote or to the bid or ask limit of the quote.
- According to the modified principle of highest executable volume, only within the range specified by the specialist quote.
- According to the modified principle of highest executable volume, only within the range specified by the order book.

116.

How are stop loss orders triggered in the Continuous Auction with Specialist?

- If the ask limit of the specialist quote equals or falls below the stop limit.
- If the ask limit of the specialist quote equals or exceeds the stop limit.
- If the bid limit of the specialist quote equals or exceeds the stop limit.
- If the bid limit of the specialist quote equals or falls below the stop limit.

117.

How are stop buy orders triggered in the Continuous Auction with Specialist?

- If the bid limit of the specialist quote equals or falls below the stop limit.
- If the bid limit of the specialist quote equals or exceeds the stop limit.
- If the ask limit of the specialist quote equals or exceeds the stop limit.
- If the ask limit of the specialist quote equals or falls below the stop limit.

**118.** In the 'Continuous Auction with Specialist' trading model, market participants can place a quote requests for structured products, which is answered by the Specialist and can be accepted with a corresponding order.



True

False

**119.** The Specialist may enter orders in his own name and in the securities assigned to him for other trading participants.



True

False

**120.** In the "Continuous Auction with Specialist" trading model, several specialists can assume the indicative quotation for a security.

True



False

## 2.2.2 CA Specialist

**121.** For certain German Government bonds a Special Auction is carried out several times a day by the Specialist.

True



False

**122.** Provided that a Special Auction is scheduled, it is performed once a day.



True

False

**123.** Specialists initiate a separate auction for orders with the trading restriction Special Auction.



True

False

**124.** A single auction is executed once a day for certain securities in the trading model Continuous Auction with Specialist.



True

False

**125.** For all securities in the trading model Continuous Auction with Specialist an additional single auction is carried out once a day.

True



False

**126.** There are no Single auctions in the Continuous Auction Specialist model.

True



False

**127.** Which statements on the transparency of the order book apply to the Continuous Auction with Specialist?



During the freeze phase the order book is fully open for the Specialist.

During the pre-call phase the order book is partially closed for the Specialist.

During the freeze phase the order book is completely closed.



During the pre-call phase the order book is partially closed for trading participants.

**128.** How are prices determined in a Continuous Auction with Specialist?



The price is determined by the trading system.



The price determination takes place after a matching quote entry of the respective Specialist.



If there are several possible limits and the consideration of the surplus does not lead to a clear auction price, the midpoint of the possible prices is included as an additional criterion.



The auction price is determined on the basis of the binding Specialist quote and the order book situation stipulated at the end of the freeze phase.



**129.** Which tasks and duties shall Specialists fulfil for structured products?



Provision of indicative quotes based on the order book situation and the indicative quotes entered by the quote provider (issuer).



In order to avoid prices not in line with market conditions, validation of the binding quotes of the quote provider.

In case of a knock-out/stop loss event they are obliged to inform the exchange about the knock-out/stop loss immediately.



On a quote request with quote ID, they shall response within a predefined period.

**130.** Which of the following statements are applicable for Continuous Auctions with Specialist?



After the freeze phase a price determination or a phase change to the pre-call phase is possible.



During this pre-call phase the order book is fully open for Specialist only, i.e. the Specialist is able to see each order and its originator.



Orders that are entered during the freeze phase are stored and will enter the order book immediately after it gets unlocked.

After price determination any remaining parts of the Specialist quote are not deleted.

**131.** For which of the following security types a Special Auction can be executed by the Specialists?



Subscription rights

Mutual funds



German Government Bonds

Covered warrants

**132.** What kind of order types are available in the trading model continuous auction with Specialist?



Stop Order

Market-to-Limit Order

Iceberg Order



Order-on-Event

**133.** What kind of quotes exist in Continuous auction with Specialists?



Standard quotes for information purpose



Matching quotes, dedicated to terminate a freeze phase



Indicative quotes with quote ID as response to a quote request with quote ID



Price-without-turnover quotes, dedicated to determine a price without turnover

**134.** Which statements are applicable for a freeze phase of a Continuous Auction with Specialist?



Only the Specialist quote is displayed.

It has a random end.



The Specialist is able to enter orders on own behalf or on behalf of other trading participants and can modify or delete these orders.



There is no predetermined minimum period.

**135.** Which statements are applicable for a pre-call phase of a Continuous Auction with Specialist?

Trading participants cannot enter orders.

The order book is completely open.



The Specialist can enter own orders or orders on behalf of other trading participants and can modify or delete these orders.



The Specialist may enter or delete quotes.

**136.** What must the specialist do if the expected price of a share whose current price is greater than 5 euros differs by more than 10%?



Enter an adjusted indicative quote and start the freeze phase only after a period of 10 minutes.

Enter an adjusted binding quote and start the freeze phase only after a period of 10 minutes.

Enter an adjusted indicative quote and start the freeze phase only after a period of 15 minutes.

Enter an adjusted indicative quote and start the pre-call phase only after a period of 10 minutes.

**137.** What must a Specialist take into account when entering a PWT quote (price without turnover) to determine a price without turnover if there are no buy orders?

Entry is only allowed after having consulted the Trading Surveillance Office.

Entry is only allowed if an indicative quote without volume was entered before.



Entry is only allowed if an indicative quote with volume was entered before.

None of the above.

**138.** Which of the following statements are applicable for quote request driven trading in Continuous Auction with Specialist?

- This service is currently offered for structured products only.
- The quote request must contain a numeric value, the so called quote ID.
- The quote answer of the Specialist and the order based upon that answer refer to each other (direct exchange trading).
- All of the above.

**139.** Who is entitled to get information about the surplus within the indicative quote during the freeze phase of a first price determination in the Specialist model?

- All market participants
- The quote provider
- The lead bank
- None of the above.

**140.** Which minimum requirements must the limit control system of the Specialist fulfil?

- Permanent monitoring of all new and existing orders in the order book.
- Immediate display of stop loss orders if they have reached the bid limit of the indicative quote.
- Immediate display of stop buy orders if they have reached the ask limit of the indicative quote.
- All of the above mentioned requirements.

<b>141.</b>	Which entry is not possible for the Specialist during the freeze phase ?
<input type="radio"/>	Order entry on behalf of other trading participants.
<input type="radio"/>	Entry of an exchange rate.
<input type="radio"/>	Additional indicator for a price determination which is made in cooperation with the German Central Bank (Deutsche Bundesbank).
<input checked="" type="radio"/>	Entry of a standard quote.

### 2.2.3 CA Price Determination

<b>142.</b>	If there is no executable order book situation, a price without turnover can be generated on the basis of the bid side of the specialist quote.
<input checked="" type="radio"/>	<input type="radio"/> True
	<input type="radio"/> False
<b>143.</b>	In the Continuous Auction, the auction price is determined solely on the basis of the specialist quote.
	<input type="radio"/> True
<input checked="" type="radio"/>	<input type="radio"/> False
<b>144.</b>	If the consideration of the surplus in the Continuous Auction does not lead to a clear auction price, the reference price is used as a further criterion.
	<input type="radio"/> True
<input checked="" type="radio"/>	<input type="radio"/> False

**145.** How is the auction price determined in the Continuous Auction with Specialist?

The average value of all limits available at the end of the call Phase will be the auction price.

Within a price range specified by Cash Markets Operations.



Within the price range specified by the specialist's quote (including the bid/ask limit of the quote).



Based on the specialist quote and the order book position fixed at the end of the freeze phase.

**146.** How is a price without turnover determined in the specialist model?

Cash Markets Operations determines the price.



Price determination is triggered by entering a separate quote (price-without-turnover quote).



After entering a price-without-turnover quote, the price without turnover is generated on the basis of the bid side of the quote.

The price is calculated from the average value of the available order limits.

**147.** What are the basic rules for price determination in Continuous Auction with Specialist?



The auction price is determined according to the modified principle of highest executable volume.

The auction price is determined by the specialist.



If no executable orders are available, it is not possible to determine an auction price with turnover.



The auction price is determined by the electronic trading system.

148.

What happens in Continuous Auction with Specialist if there is more than one limit with the highest executable order volume and the lowest surplus?



If, for each of the limits, the Surplus lies within the price range (including the bid and ask limits of the specialist quote) on the bid side, the highest possible limit is used to calculate the auction price.

The auction price is determined by the specialist.

No auction price can be determined.

None of the above answers is correct.

149.

When does a Continuous Auction with Specialist result in a price without turnover?

If the price variance from the last price exceeds a certain percentage.

If the security is suspended from trading.

If the surplus in the order book is too large at the time of price determination.



If a corresponding quote has been entered and there is no executable order book situation.

150.

What happens if the consideration of the surplus in a price determination of a Continuous Auction with Specialist does not lead to a clear auction price?

The reference price is used to determine the auction price.

The auction price is determined by the specialist.



The midpoint is calculated from the highest and lowest possible limit and serves as auction price.

None of the above answers is correct.