



clear to trade

Back-Office Test

Questions and answers

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1. Product Overview

1.	The Eurex Exchange offers on-exchange trading for a wide range of products as well as services for entering trades outside the order book (off-book trades).
	<input type="radio"/> True
	<input type="radio"/> False
2.	Options on ETFs are not included product portfolio of Eurex.
	<input type="radio"/> True
	<input type="radio"/> False
3.	Beside interest rate derivatives, equity and equity index derivatives also commodity derivatives can be traded at the Eurex Exchange.
	<input type="radio"/> True
	<input type="radio"/> False
4.	Equity options at Eurex are typically american-style options.
	<input type="radio"/> True
	<input type="radio"/> False
5.	The last trading day of the Euro-Bund Futures is one exchange day prior to the delivery day.
	<input type="radio"/> True
	<input type="radio"/> False

6. The close of trading for equity index futures on the last trading day is consistent with the close of trading for equity index futures on any other exchange trading day.
- True
-  False
7. It is not possible to enter off-order book transactions into the Eurex system.
- True
-  False
8. Clearing Members with open short positions must notify Eurex on the Last Trading Day of the maturing futures which debt instrument they will deliver.
-  True
- False
9. A position limit is the maximum number of futures or option contracts in a product that maybe held by one Exchange Participant for one of its customers or for its own account.
-  True
- False
10. How many exchange days prior to the delivery day is the last trading day of the Euro-Bund Futures?
- 1
-  2
- 3
- 10

11.	How many exchange days prior to the Delivery Day is the Last Trading Day of the Euro-Bobl Futures?
<input type="radio"/>	1
<input checked="" type="radio"/>	2
<input type="radio"/>	3
<input type="radio"/>	10
12.	The determination of the Final Settlement Prices for equity index futures is
<input checked="" type="radio"/>	<input type="radio"/> established by Eurex on the Final Settlement Day of the respective contract.
<input type="radio"/>	<input type="radio"/> always based on the volume-weighted average of the prices of the last two trading minutes
<input type="radio"/>	<input type="radio"/> for all maturity months based on the average bid/ask spread of the combination order book
<input type="radio"/>	<input type="radio"/> performed on the last trading day of the contract, which is the third Thursday of each maturity month.
13.	Which of the following statements in respect to equity index futures is incorrect?
<input type="radio"/>	<input type="radio"/> The Last Trading Day is the Final Settlement Day
<input checked="" type="radio"/>	<input type="radio"/> The Final Settlement Day is the third Thursday of each maturity month
<input type="radio"/>	<input type="radio"/> Cash Settlement is payable on the first exchange day following the Final Settlement Day.
<input type="radio"/>	<input type="radio"/> The Final Settlement Price is established by Eurex.





14. What is the fundamental difference between equity and equity index options trading at the Eurex Exchange?

- The choice of exercise price is less important for the equity index option than for the equity option.
- The underlying instrument has less effect on the equity option than on the equity index option.
- Equity index options are exercised european-style, while equity options are mostly exercised american-style.
- Potential profits and losses of equity index options are more calculable than potential profits and losses of equity options.

15. Which statement is correct?

- Put options grant the seller the right to sell a security.
- Put options grant the buyer the right to buy a security.
- Call options grant the buyer the right to purchase a security.
- Call options grant the buyer the right to sell a security.

2. Clearing Conditions

16.	In case a Clearing Member does not fulfil delivery obligations out of a fixed income futures position in time, interest and penalties will be calculated.
	<input type="radio"/> True
	<input type="radio"/> False
17.	All internal position accounts are held on a net basis.
	<input type="radio"/> True
	<input type="radio"/> False
18.	A DC Market Participant is only allowed to have a contractual relationship to one Clearing Member.
	<input type="radio"/> True
	<input type="radio"/> False
19.	A short position of an Undisclosed Direct Client or Indirect Client must be recorded in the relevant Customer Account separately from a long position of another Undisclosed Direct Client or Indirect Client in the same option series or in the same futures contract.
	<input type="radio"/> True
	<input type="radio"/> False

20. The amount of own funds that has to be demonstrated by a Clearing Member is calculated without dynamic component.

True



False

21. Positions are held net on all transaction accounts (A, P and M) of Clearing-Member.

True



False

22. Any kind of OTC transaction can be entered into the Eurex system for clearing.

True



False

23. Eurex Clearing may at any time re-evaluate and adjust the Default Fund contributions for each Clearing Member.



True

False

24. For Alternative Contracts, which could be entered via the Eurex Trade Entry Services, all contract specifications are negotiable.

True



False

25. The following consequences will occur in the event of failure to carry out the delivery notification for a Euro-Bund Futures position in good time:

The Clearing Member taking delivery of the bond determines the bond to be delivered by the respective other Clearing Member.



Eurex Clearing determines the bond to be delivered by the Clearing Member.

The bond to be delivered is determined by the Clearing Members.

The Cheapest-to-Deliver (CTD) is set to be the bond to be delivered.

26. Eurex Clearing assigns the German government bonds which have been notified for delivery to Clearing Members with open long Euro-Bund Futures positions in the following manner:

First in - First out (FIFO)

Last in - First Out (LIFO)

Highest in - First out (HIFO)



by using a selection procedure that ensures the neutrality of the allocation process.

27. Which measure can Eurex Clearing take if a Clearing Member does not fulfil its delivery obligation arising out of a short position in Euro Bund futures?

Obtain the outstanding bonds by securities lending

Designate another bond than the notified from the basket of deliverable bonds.

Make a replacement purchase (buy-in).



All of the above.

3. Transaction Management

28. A Transaction Separation is only possible for transactions on M accounts.

True



False

29. German equity options can only be exercised on the last trading day until 20:00 CET.

True



False

30. The deadline for exercising equity options is identical for the majority of Eurex equity options regardless of their home country.



True

False

31. Eurex Clearing will allocate exercised contracts to holders of short options.



True

False

32. Russian equity options are european-style and can only be exercised on the last trading day until the end of the Post-Trading Full Period.



True

False

33. In case a Clearing Member has not defined minimum in-the-money-amounts for certain options, Eurex will automatically exercise them in line with the default parameters.



True

False

34. An automated exercise of Eurex options only happens on the last trading day.



True

False

35. DC Market Participants are able to carry out notifications and allocations of futures contracts themselves.

True



False

36. Trading of the expiring fixed income futures contract closes at a different time on the last trading day compared to other trading days.



True

False

37. Notifications of fixed income futures contracts are always performed by the member holding the long position.

True



False

38. The "Take-up History" report (CB150) does not show rejected give-ups.

True



False

39. In the Eurex Clearing system all DC Market Participants/Clearing Members can inquire into daily position movements as well as view their current positions in any account.



True

False

40. The "Contract Expiration" report (CE710) provides information related to option series with a time till expiry of not more than ten trading days.



True

False

41. The report "Deliverable Bonds" (CE038) contains information on deliveries resulting from notification or allocation notice.

True



False

42. The delivery notification takes place on the delivery day of the futures contract (10th calendar day of the delivery month).

True



False

43. The "Notification/Allocation Summary" report (CE075) is not available for DC Market Participants.



True

False

44. The "Notification/Allocation Information" report (CE775) provides information on deliveries resulting from notification or allocation notice



True

False

45. A trade with closing error cannot happen in a P-position account of a member.



True

False

46. External position transfers are "real-time".



True

False

47. In the Post-Late1 phase, the entry of TES trades is not possible.



True

False

48. Pending give-up processes are cancelled during a booking cut (EOD processing).

True



False

49. Give-ups are only possible for open transactions (opening transactions).



True

False

50. Give-up trades can only be done from A position accounts.

True



False

51. DC Market Participants can take-up transactions without the acceptance of their Clearing Members.

True



False

52. Which of the following statements regarding Give-ups are correct?



All Give-up/Take-up requests by Exchange Members require the approval of their respective Clearing Member.



Only transactions in status "to open" may be used in a Give-up.

DC Market Participants generally may not receive any Give-ups and accept them.



Clearing Members may specify auto-approve per Exchange Member.

53. Which of the following statements are correct?

In principle DC Market Participants can take-up transactions without the acceptance of their Clearing Members.



In principle DC Market Participants can't take-up transactions without the acceptance of their Clearing Members.



Give-ups can be performed for transactions which were done a maximum of 3 exchange trading days ago.

Give-ups can be performed for transactions which were done a maximum of 4 exchange trading days ago.

54. Give-ups are only possible ...



for "open" transactions on agent accounts.

for all transactions on agent accounts.



on T, T+1, T+2 and T+3.

on trading day T.

55. Which statements regarding notifications are correct?

Notifications can be performed on the "Notification Detail Overview" window at any time.


















Notifications can be performed on the "Notification Detail Overview" window only on the Last Trading Day.

Notifications can be performed on the "Notification Detail Overview" window by DC Market Participants or Clearing Members.



Notifications can be performed on the "Notification Detail Overview" window by Clearing Members only.

56.	Which statements regarding allocations are correct?
	<input type="checkbox"/> The securities nominated in the delivery notification are randomly allocated.
	<input type="checkbox"/> Clearing Members are not informed about the allocations.
	<input type="checkbox"/> Clearing Members must pay a fee for the allocation.
	<input type="checkbox"/> The allocation of securities obliges the holder of short positions in fixed income futures contracts to accept the securities against payment
57.	Which reports are necessary for option positions?
	<input type="checkbox"/> CE010 In-the-money Advisory
	<input type="checkbox"/> CE030 Member Expiration
	<input type="checkbox"/> CE070 Exercise and Assign Summary
	<input type="checkbox"/> CE038 Deliverable Bonds
58.	Which data is included in the "Exercise and Assign Overview" report (CE770)?
	<input type="checkbox"/> Exercises and assignments across all traded products
	<input type="checkbox"/> Exercises of options on futures
	<input type="checkbox"/> Exercises of equity options
	<input type="checkbox"/> Assignments of equity options

59.	Which reports are needed for give-ups and take-ups?
	<input type="checkbox"/> CB130 Give-up Trades History
	<input type="checkbox"/> CB140 Accepted Give-up Trades
	<input type="checkbox"/> CB150 Take-up Trades History
	<input type="checkbox"/> CE075 Notification/Allocation Summary
60.	Transactions are adjustable for a limited period, known as the transaction duration. The limit is set to allow adjustments on
	<input type="checkbox"/> T (Trade Day)
	<input type="checkbox"/> T+1
	<input type="checkbox"/> T+2
	<input type="checkbox"/> T+3
61.	To split transaction in C7 done 1 or 2 days ago, it is necessary to...
	<input type="radio"/> perform a HITT (historical trade transfer) first and then a transaction separation.
	<input type="radio"/> just do a transaction separation.
	<input type="radio"/> call Eurex Exchanges and ask to reverse the transaction and reopen it correctly.
	<input type="radio"/> just amend it in the internal back office system of the Clearing Member.

62. At what time does trading stop in a maturing fixed income futures contract on the last trading day, on which notification must also be made?

11:30 CET



12:30 CET

13:30 CET

20:00 CET

63. What is the deadline for the notification in maturing fixed income futures on the last trading day?

11:00 CET



20.00 CET

13:30 CET

19:00 CET

64. Which statement regarding notifications is incorrect?

Usually the holder of the short positions notifies the bond which is the cheapest for him to deliver (CTD).

The delivery notification is made on the last trading day of the futures contract,

For delivery notifications the Clearing Member has to pay a fee.



Usually the holder of the long positions notifies the bond which is the cheapest for him to deliver (CTD).

65. Which situation will result in a trade closing error?
- If an order is entered without open/closing indicator.
 - If a trader enters a closing order into the system which is bigger than the open positions on the account involved is sufficient.
 - If a trader enters a closing order into the system which is bigger than the open positions on the account involved.
 - Always in the event of erroneous entry of a closing order into the system.

66. What happens if a transaction is specified as a closing transaction without sufficient open positions existing in the specific P-account?
- Automatic opening of a position in the account, with the size being equivalent to the number of contracts which could not be closed out
 - Automatic notification of the Exchange Participant and request to give an explanation
 - Classification of transaction as an 'out trade'
 - Automatic reduction of the position the account, equivalent to the size which could not be closed out

67. Who bears the transaction fees for an accepted transaction given-up from an A-account?
- The DC Market Participant/Clearing Member performing the transaction
 - The DC Market Participant/Clearing Member taking up the transaction
 - The DC Market Participant/Clearing Member giving up the transaction
 - It will be split between the two involved DC Market Participants/Clearing Members

68. You have to give up parts of a Euro-Bund Futures trade to three different members. Which windows are you going to use?

Position Overview; Position Transfer Entry

Give-up Overview; Give-up Maintenance

Position Detail Overview; Trade Separation; Position Detail Maintenance - Account Transfer



Transaction Overview; Transaction Separation; Give-up Overview; Give-up Maintenance

69. Which of the following answers concerning transaction separations is correct?

Transaction separations cannot be performed on P-accounts.

Transaction separations are only possible within the Post-Trading-Period.



To perform a transaction separation the Transaction Overview window has to be opened and the transaction to be separated has to be selected.

Transaction separations can be performed only on the trading day (T).

70. What is the exercise deadline for American Eurex equity options?

17:00 CET on the Last Trading Day

19:00 CET on the Expiration Day






20:00 CET on the Last Trading Day

18:30 CET on the Expiration Day

71.	Which statement concerning the exercise of stock options is correct?
<input type="radio"/>	Only in-the-money options may be exercised.
<input type="radio"/>	All Eurex stock options may only be exercised on the last trading day.
<input checked="" type="radio"/>	The exercise has to be conducted by the exchange member holding the position.
<input type="radio"/>	Automatic exercise cannot be abandoned for stock options.
72.	Which options are automatically exercised on the last trading day according to the in-the-money minimum amount defined by the exchange participant?
<input type="radio"/>	Equity options which are at least EUR 1.00 in-the-money
<input type="radio"/>	None
<input type="radio"/>	Only index options and options on a Three-Month Euribor Future booked in the member principal position accounts.
<input checked="" type="radio"/>	All long option positions that have the in-the-money minimum amount according to the standard parameters.

4. Risk Management

73.	What happens in case a Clearing Member uses the Stop button to suspend one of its DC Market Participants from trading?
<input checked="" type="checkbox"/>	Open orders and quotes are deleted.
<input type="checkbox"/>	Open quotes are deleted.
<input checked="" type="checkbox"/>	Further trading and clearing activities are prohibited.
<input type="checkbox"/>	Eurex Trade Entry services (TES) are still available.

74.	Which statements regarding "Stop" or "Release" actions via the Stop Button in C7 are correct?
	<input type="checkbox"/> The entries have to be done manually.
	<input type="checkbox"/> The four-eye principle optionally applies.
	<input type="checkbox"/> Clearing Members and DC Market Participants are not allowed to take "Stop/Release" action on themselves.
	<input type="checkbox"/> The actions are done automatically in case special limits are reached.
75.	Which answers are correct concerning the Stop Button in C7?
	<input type="checkbox"/> Members are informed immediately about the Stop/Release action by messages in English and German in the Eurex system.
	<input type="checkbox"/> Optionally the four-eye principle applies.
	<input type="checkbox"/> Eurex Trade Entry services (TES) are still available.
	<input type="checkbox"/> Further trading and clearing activities are prohibited.
76.	Which of the following statements is wrong?
	<input type="radio"/> A Liquidation Group combines all products that share similar risk profiles.
	<input type="radio"/> Current Liquidating Margin is calculated for futures and future-styled options.
	<input type="radio"/> When determining margin requirements forward and backward-looking margin components are considered.
	<input type="radio"/> Variation Margin is a backward-looking margin component.

77. Which statement regarding Premium Margin is correct?

Premium margin must be deposited by the buyer of an option.



Premium margin must be deposited by the seller of an option.

Premium margin is calculated once a day at the end of trading.

Premium margin is a forward-looking margin.

78. The forward-looking margin type within Prisma is called ...

Variation Margin



Initial Margin

Premium Margin

Additional Margin

79. Which margin type is calculated for traditional options like Eurex equity options or Eurex index options?

Variation Margin

Additional Margin

Current Liquidating Margin



Premium Margin

80. Which statement concerning Prisma is not correct?



- The margin requirement is calculated for a small number of liquidation groups.
- The risk evaluation is based on single products namely margin classes and groups.
- The risk calculation depends on the number of days corresponding to the holding period.
- The risk is calculated using simulations.

81. Which of the following statements concerning the initial margin is not correct?





- The initial margin can be covered both during the day and at the end of the day by securities or cash collateral.
- The calculation methodology for the initial margin takes potential correlation and netting effects within liquidation groups into account.
- When calculating the initial margin, the two main subcomponents market and liquidity risk as well as event risk are taken into account.
- The initial margin is calculated retrospectively at the end of each day.

82. Which answer is correct concerning Advanced Risk Protection?











- If both Clearing Member and DC Market Participant set limits, the more restrictive limit will be applied.
- If both Clearing Member and DC Market Participant set limits, the Clearing Member's limit will be applied.
- If both Clearing Member and DC Market Participant set limits, the DC Market Participant's limit be applied.
- If both Clearing Member and DC Market Participant set limits, the last set limit will be applied.

83.	Which window is used to set limits for the Advanced Risk Protection in C7?
	<input type="radio"/> Panic Cancel
	<input type="radio"/> Event Log Limit
	<input type="radio"/> Limit Maintenance
	<input type="radio"/> Risk Limit

84.	A Level 2 action within Advanced Risk Protection ...
	<input type="radio"/> is an alert message.
	<input type="radio"/> means that the trading status of the member is set to "Halt".
	<input type="radio"/> is a slowing down of the entry of orders/quotes of the member.
	<input type="radio"/> is a deletion of all orders and quotes.

5. Collateral Management

85.	Equities in which currencies are accepted by Eurex Clearing as collateral?
	<input type="checkbox"/> EUR
	<input type="checkbox"/> USD
	<input type="checkbox"/> GBP
	<input type="checkbox"/> CHF

86.	What kind of securities are not accepted generally by Eurex Clearing as collateral?
	<input type="checkbox"/> Own issues
	<input type="checkbox"/> Close link securities
	<input type="checkbox"/> Bonds
	<input type="checkbox"/> Equities
87.	The range of Eurex Clearing admissible collateral includes ...
	<input type="checkbox"/> Bonds
	<input type="checkbox"/> Equities
	<input type="checkbox"/> Cash in EUR
	<input type="checkbox"/> Cash in USD
88.	Which statement concerning collateral eligibility is correct?
	<input type="radio"/> Eurex Clearing accepts only cash collateral.
	<input type="radio"/> Eurex Clearing accepts cash and securities collateral.
	<input type="radio"/> Eurex Clearing takes no haircuts into account in case of securities collateral.
	<input type="radio"/> Gold and the financial product "Xetra Gold" are accepted as collateral.

89. Which of the following securities does Eurex Clearing accept as collateral?

Own Issues.

Unsecured Bank Bonds.



ETFs.

Debt securities with a remaining term of 30 or less calendar days.

90. Which statement about Haircuts is correct?

Eurex Clearing takes no haircuts into account in case of securities collateral.

Eurex Clearing applies maximum haircuts for bonds and equities to cover specific risks of these assets.



The higher the haircut, the higher the risk of the asset and the lower the value as collateral.

None of the above.