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Self-Made Assignment- Advanced Accounting

Money Market and Instruments

Solve this MCQ Questions

1. What is the money market used for?
 - a) Long-term investments
 - b) Short-term borrowing and lending
 - c) Buying stocks
 - d) Real estate deals
2. What is the typical duration for money market instruments?
 - a) More than 5 years
 - b) 1 to 5 years
 - c) Up to 1 year
 - d) Over 10 years
3. Which instrument is backed by the government?
 - a) Commercial Paper
 - b) Treasury Bills
 - c) Certificates of Deposit
 - d) Repurchase Agreements
4. What are Treasury Bills (T-Bills)?
 - a) Long-term bank loans
 - b) Short-term government securities
 - c) Company shares
 - d) Mutual funds
5. How are T-Bills sold?
 - a) At face value
 - b) At a premium
 - c) At a discount
 - d) With interest payments
6. Who issues Certificates of Deposit (CDs)?
 - a) Government
 - b) Corporations
 - c) Banks and financial institutions
 - d) Insurance companies
7. Can you withdraw money early from a Certificate of Deposit without a penalty?
 - a) Yes
 - b) No
 - c) Sometimes

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d) Only on weekends

8. What is the typical maturity for CDs?

- a) 1 to 5 years
- b) 3 months to 1 year
- c) Over 10 years
- d) 5 to 10 years

9. Who issues Commercial Paper?

- a) Banks
- b) Government
- c) Large Corporations
- d) Small businesses

10. What is a key feature of Commercial Paper?

- a) Secured by property
- b) Issued by the public
- c) Unsecured debt
- d) Requires a credit card

11. What is a Repurchase Agreement (Repo)?

- a) A loan from a customer
- b) A long-term loan
- c) A short-term sale and repurchase deal
- d) A type of bond

12. What is the usual duration of a Repo?

- a) 1 year
- b) Overnight
- c) 1 month
- d) 5 days

13. Who commonly uses Repos?

- a) Farmers
- b) Retail customers
- c) Banks and financial institutions
- d) Tourists

14. What is an Interbank Loan?

- a) Loan to a business
- b) Loan between banks
- c) Loan from government

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d) Loan to customers

15. What does the money market help with?

- a) Long-term investments
- b) Building houses
- c) Managing short-term liquidity
- d) Buying gold



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