

# FTT Practice Test Questions and Answers

## 1. What is a 'closing routine' on SGX?

- A) An auction process at the end of the trading day that determines the closing price through order matching
- B) The process of reconciling all trades at end of day by CDP
- C) A period when only closing orders can be submitted to cancel positions
- D) The time when settlement instructions are sent to CDP

## 2. What is 'delta' in options trading?

- A) The rate of change in an option's price for a one-unit change in the price of the underlying asset
- B) The rate of change in theta over time
- C) The sensitivity of the option price to changes in implied volatility
- D) The time to expiry of an option contract

## 3. A put option is 'in-the-money' when:

- A) The current market price of the underlying asset is below the option's strike price
- B) The current market price is above the strike price
- C) The option has been exercised profitably
- D) The option's premium exceeds the strike price

## 4. What is a 'structured warrant' on SGX?

- A) A derivative instrument issued by a financial institution giving the holder the right to buy or sell an underlying asset at a specified price
- B) A government guarantee on a company's debt
- C) A type of preference share with special conversion rights
- D) A warrant issued as part of a rights issue by the listed company itself

**Answers: 1-A 2-A 3-A 4-A**

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