

Download File PDF Cfa Level 3 Essay Answers

#Jenny



Finally I get this ebook, thanks for all these I can get now!

#Rio



Cool! I'am really happy

#Markus Jensen



I did not think that this would work, my best friend showed me this website, and it does! I get my most wanted eBook

#Hun Tsu



wtf this great ebook for free?!

#Che Salsa



My friends are so mad that they do not know how I have all the high quality ebook which they do not!

#Diego Butler



so many fake sites. this is the first one which worked! Many thanks

in which AS would pay interest in real to the counterparty at 12.20 percent and receive interest in yen from the counterparty at 7.10 percent. The current exchange rate is ¥40/R.
In addition to the current needs, in six months AS will enter into a four-year, quarterly payment, ¥250,000,000 loan to fund local projects. Darian expects to borrow these funds at a floating rate and convert the loan to fixed using an interest rate swap. She explains to Serra that AS can commit to a fixed rate of 14.3 percent for the future loan by buying a payer swaption today with an exercise rate of 14.3 percent for a four-year swap with quarterly payments and a notional principal amount of ¥250,000,000.

7. Darian's explanation of her plan to convert the four-year loan from floating to fixed is most likely:
- A. correct.
 - B. incorrect, because the fixed loan rate will be 15.30%.
 - C. incorrect, because the swap should be entered to pay STER.
8. Darian's characterization of the interest rate swap as a hedge for the bank loan is most likely:
- A. correct.
 - B. incorrect, because the swap increases the cash flow risk of AS.
 - C. incorrect, because the swap increases the market value risk of AS.
9. The duration of the interest rate swap described in Exhibit 1 is closest to:
- A. -2.41 years.
 - B. -2.66 years.
 - C. -2.91 years.
10. In order to reduce the duration of his bond portfolio to the desired level, Serra will enter into a pay-fixed swap position with a notional principal closest to:
- A. \$17.5 million.
 - B. \$27.5 million.
 - C. \$42.0 million.
11. If AS enters into the yen-real currency swap with a notional principal of ¥1.2 billion (¥40/0 million), net yen interest expense for each year is closest to:
- A. ¥28.80 million.
 - B. ¥35.20 million.
 - C. ¥114.00 million.

[Download PDF version of :](#)
Cfa Level 3 Essay Answers