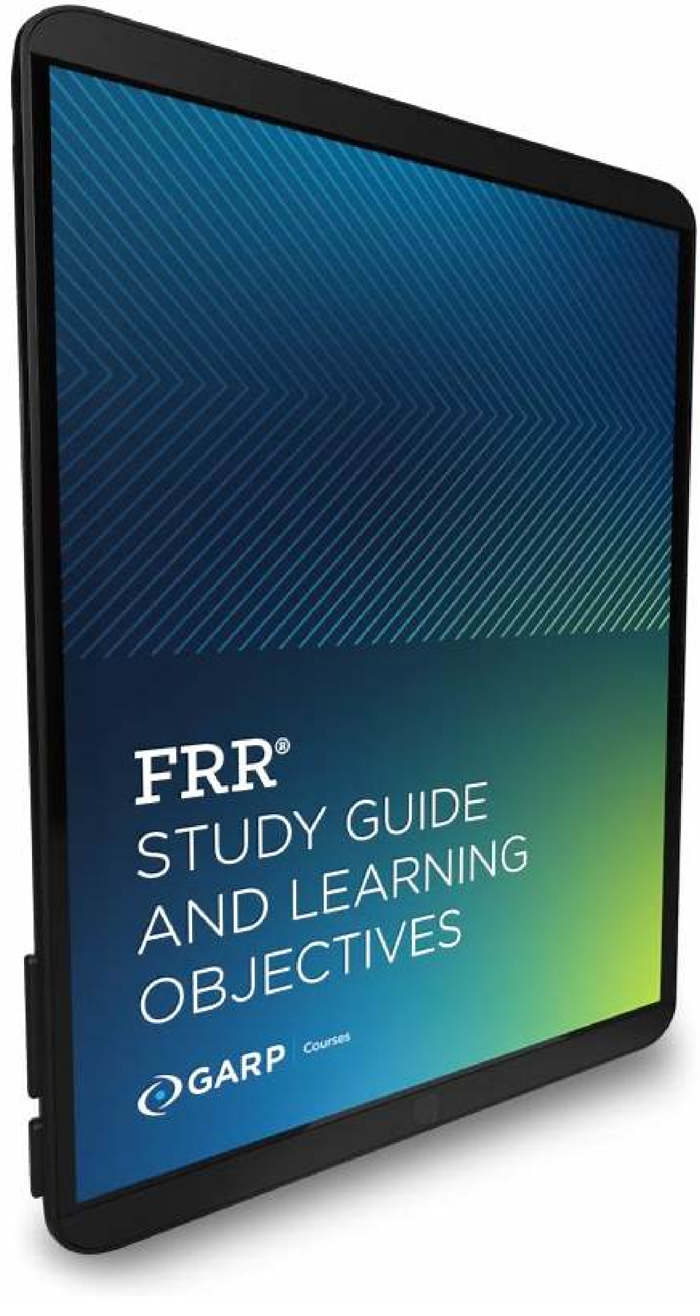
Financial Risk and Regulation (FRR) Series Exam Training Guide Improve Your Efficiency - TrainingDump



P.S. Free & New 2016-FRR dumps are available on Google Drive shared by TrainingDump: https://drive.google.com/open?id=1FbBotaLG2OKX-giBOXqHv_wsxfyPgpBx

Getting the Financial Risk and Regulation (FRR) Series (2016-FRR) certification is the way to go if you're planning to get into GARP or want to start earning money quickly. Success in the Financial Risk and Regulation (FRR) Series (2016-FRR) exam of this credential plays an essential role in the validation of your skills so that you can crack an interview or get a promotion in an GARP company. Many people are attempting the Financial Risk and Regulation (FRR) Series (2016-FRR) test nowadays because its importance is growing rapidly.

The most recent FRR exam, GARP 2016-FRR, was released in 2016 and covers a wide range of topics related to financial risk management and regulation. 2016-FRR Exam is divided into two parts: Part I covers topics such as quantitative analysis, financial markets and products, and valuation and risk models, while Part II focuses on regulatory and ethical issues, including global regulatory frameworks, risk governance, and professional conduct.

The Global Association of Risk Professionals (GARP) is an internationally recognized professional organization that is dedicated to the advancement of the risk management profession. The organization offers a range of educational programs, certifications, and resources that help risk professionals develop the skills and knowledge needed to navigate the complex landscape of financial risk. One of the key offerings of GARP is the Financial Risk and Regulation (FRR) Series Exam.

The Global Association of Risk Professionals (GARP) is a non-profit organization that focuses on the education and advancement of risk management professionals. One of GARP's primary initiatives is the creation of certification programs that validate individuals' knowledge and expertise in various aspects of risk management. The Financial Risk and Regulation (FRR) Series is one such certification program that focuses on financial risk management and regulatory compliance.

2016-FRR New Exam Bootcamp - New 2016-FRR Braindumps Sheet

The Financial Risk and Regulation (FRR) Series (2016-FRR) certification exam is one of the hottest and most industrial-recognized credentials that has been inspiring beginners and experienced professionals since its beginning. With the Financial Risk and Regulation (FRR) Series (2016-FRR) certification exam successful candidates can gain a range of benefits which include career advancement, higher earning potential, industrial recognition of skills and job security, and more career personal and professional growth.

GARP Financial Risk and Regulation (FRR) Series Sample Questions (Q271-Q276):

NEW QUESTION # 271
Which of the following statements represents a methodological difference between variance-covariance and full revaluation methods?

- A. Variance-covariance approach uses only historic data to compute the covariance matrix.
- B. Variance-covariance approach prices positions more accurately than the full revaluation approach.
- C. Variance-covariance approach computes the VAR for each position separately, while the full revaluation method computes the VAR on a portfolio basis.
- D. Variance-covariance approach provides computational advantages over the full revaluation approach.

Answer: D

Explanation:
The variance-covariance approach, also known as the parametric approach, simplifies calculations by assuming that returns are normally distributed and by using the covariance matrix of asset returns to estimate portfolio risk. This approach provides significant computational advantages because it reduces the complexity involved in risk calculations. On the other hand, the full revaluation method (often used in Monte Carlo simulations) involves revaluing the entire portfolio under various simulated scenarios, which is computationally intensive. Thus, option A correctly identifies a key methodological difference.

NEW QUESTION # 272
Which of the following bank events could stress the bank's liquidity position?
I. Obligations to fund assets like mortgages
II. Unusually large depositor withdrawals
III. Counterparty collateral calls
IV. Nonperforming assets

- A. IV
- B. I, II
- C. I, II, III and IV
- D. III, IV

Answer: C

NEW QUESTION # 273
ThetaBank has extended substantial financing to two mortgage companies, which these mortgage lenders use to finance their own lending. Individually, each of the mortgage companies has an exposure at default (EAD) of $20 million, with a loss given default (LGD) of 100%, and a probability of default of 10%. ThetaBank's risk department predicts the joint probability of default at 5%. If the default risk of these mortgage companies were modeled as independent risks, what would be the probability of a cumulative $40 million loss from these two mortgage borrowers?

- A. 0.01%
- B. 10%
- C. 0.1%
- D. 1%

Answer: D

Explanation:
* If the default risks of the two mortgage companies were independent, the probability of both defaulting at the same time would be the product of their individual probabilities of default.
* Probability of a single default is 10%, so for both to default: 0.1 * 0.1 = 0.01 or 1%.
References:
* How Finance Works: "The probability of independent default events occurring simultaneously is the product of their individual probabilities."

NEW QUESTION # 274
Modified duration of a bond measures:

- A. The percentage change in a bond price when yields increase by 1 basis point.
- B. The change in value of a bond when yields increase by 1 basis point.
- C. The present value of the future cash flows of a bond calculated at a yield equal to 1%.
- D. The percentage change in a bond price when the yields change by 1%.

Answer: D

Explanation:
Modified duration of a bond measures the sensitivity of the bond's price to changes in interest rates. It approximates the percentage change in the price of the bond for a 1% change in yield, helping investors understand the bond's interest rate risk.

NEW QUESTION # 275
What is it called when obligors default at the same time?

- A. Speculative bias
- B. Default bias
- C. Divergent behavior
- D. Herd behavior

Answer: D

Explanation:
Comprehensive and Detailed In-Depth Explanation:
Herd behavior in the context of financial risk refers to the phenomenon where multiple obligors (borrowers or counterparties) default simultaneously or in a clustered manner, often due to correlated economic or market conditions. This term is widely used in credit risk modeling and operational risk analysis to describe synchronized default events driven by systemic factors, such as economic downturns or industry-specific shocks. The Basel II framework, under the Internal Ratings-Based (IRB) approach, implicitly accounts for such behavior through correlation assumptions in default probabilities (PD). Herd behavior contrasts with divergent behavior (unrelated defaults), default bias (systematic error in default estimation), and speculative bias (bias in speculative investment decisions), making "herd behavior" the correct term. GARP's FRR materials emphasize this concept in discussions of systemic risk and portfolio credit risk.
Reference:BCBS, "International Convergence of Capital Measurement and Capital Standards" (Basel II), June 2006, Annex 4, para. 272-273; GARP FRR Study Notes, Credit Risk Section.

NEW QUESTION # 276
......

Financial Risk and Regulation (FRR) Series (2016-FRR) PDF dumps are compatible with smartphones, laptops, and tablets. If you don't have time to sit in front of your computer all day but still want to get into some Financial Risk and Regulation (FRR) Series (2016-FRR) exam questions, 2016-FRR Pdf Format is for you. The Financial Risk and Regulation (FRR) Series (2016-FRR) PDF dumps are also available for candidates to print out the Financial Risk and Regulation (FRR) Series (2016-FRR) exam questions at any time.