Multiple Choice Questions Forex Test

Obtaining a good score does not mean you are guaranteed to make profits trading forex
This test is purely offered as an educational tool.

1.
If you bought 1 000 000 usd Vs the Jpy at 105.50 and sold 1 000 000 usd Vs jpy at 105.93 have you made a profit and how much

a) No profit a loss of jpy 430 000
b) A profit of jpy 430 000
c) A profit of usd 430 000
d) A profit of usd 43000

2.
If you bought 1 000 000 usd Vs jpy at 105.50 and sold usd 500 000 at 105.86
What is your current position and average rate?

a) Long usd 500 000 @ 105.14
b) Short usd 500 000 @ 105.14
c) Long usd 500 000@ 105.50
d) Long usd 500 000 @ 105.24

3.
If you bought 1 000 000 usd Vs jpy at 105.50 and sold usd 300 000 @ 105.62 and sold 350 000 usd @ 105.93 what is your current position and average rate?

a) Long usd 350 000 @ 105.40
b) Long usd 300 000 @ 104.96
c) Long usd 350 000 @ 104.96
d) Square with profit of $ 4960

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If you bought jpy 105 000 000 @ 105.50 and sold jpy 105 000 000 @ 105.12 have you made a profit and how much?

a) A profit of jpy 35 900
b) A profit of usd 3 597
c) No profit a loss of usd 3597
d) A loss of jpy 35 900

5
If you bought usd 500 000 @ 105.50 and bought usd 500 000 @ 105.90
Versus Japanese yen and sold usd 1 000 000 @ 1.6600 versus Swiss Francs
What position have you and at what rate?

a. square euro yen at 63.79
b. long SWF 1 660 000 @ 63.67
c. Short SWF 1 660 000 @ 63.67
d. Long SWF 1 660 000 @ 175.46

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6
If you sold 1 000 000 gbp @ 1.5750, bought 500 000 gbp @ 1.5810 and
Bought 300 000 gbp @ 1.5650 and bought 200 000 gbp 1.5735 all against
The US Dollar have you made a profit and how much?

a. no profit a loss of $ 300
b. a profit of $ 500
c. a profit of $ 300
d. a profit of $ 30

7
If the market for euro/usd is trading @ .9850/55 and you wish to place a limit order which instructions are correct?

a. work to buy 1 000 000 Euro @ .9870
b. work to buy 1 000 000 Euro @. 9820
c. work to sell 1 000 000 Euro @ .9890
d. work to sell 1 000 000 Euro @ .9830

8
If the market for euro/usd is trading @ .9960/65 and you wish to place a stop
order which instructions are correct?

a. work to buy 1 000 000 Euro @ .9950
b. work to sell 1 000 000 Euro @ .9993
c. work to buy 1 000 000 Euro @ .9995
d. work to sell 1 000 000 Euro @ .9985

9
Which of the following order instructions have no relevance in spot forex trading?

a. stop orders
b. limit orders
c. O.C.O (one cancels the other)
d. M.O.C (market on close)

10
If you are working on a 4% margin and have $ 30 000 as trading equity what is the maximum size position allowed?

a. $ 120 000
b. $ 500 000
c. $ 750 000
d. $ 30 000

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11
It is 20.00 hrs you wish to go out but have a profitable long dollar position versus yen @ 105.50 and the current market rate is 105.90 which of the following options is least favorable?

a. Close position at current market rate 105.90 making 40 pips profit and enjoy the evening!
b. do nothing hoping the dollar continues to move higher
c. place a stop at entry level leaving the position open
d. place an O.C.O at 105.60 and 106.30

12
When asking your broker / bank for a quote which of the following bits of information should you refrain from passing over

a. your account number
b. the currency pair you wish to trade
c. the size of the deal required
d. whether you wish to buy or sell

13
When your broker / bank sends you a confirmation note should you

a. Phone him saying you are in receipt of the confirmation
b. Check the relevant details agree with the trade in your perception
c. File them in a relevant place for tax purposes or any other
d. Treat them as " junk mail" as the trade has already been done.

14
Which of the following is <u>not</u> a recognized technical analysis study

a. Fibbonacci
b. Elliot wave theory
c. Reverse polarity stochastics
d. Swing trading

15
Which of the following is not a recognized trading currency pair

a. EUR/USD
b. EUR/ZAR
c. USD/SWF
d. EUR/XAU

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16
If you buy Euro v Usd, sell Swf v Usd, buy Gbp v Euro all trades for equal amounts what positions have you?

a. Long Euro short Swf
b. Long Swf short gbp
c. Long gbp short Swf
d. Square on all currencies

17
A position is against you by 50 pips, which of the following action is the most adverse?

a. Place a stop a further 50 pips away - hoping for the market to move in your favour.
b. Do nothing – wait for the market to move in your favour.
c. Take out a new position in a differing currency pair
d. Double up on position providing you have sufficient equity and place a stop for the whole position size 50 pips away.

18
You are long gbp against jpy and you hold the position overnight do you

a) Lose on the rollover
b) Gain on the rollover
c) Make no gain or loss

19
The tom/next rollover points on usd/jpy are .015/.01 you have a position of 500,000 short usd against jpy are you gaining or losing on the rollover and how much

a) Profit jpy 7500
b) Profit usd 7500
c) Loss jpy 7500
d) Loss usd 7500

20
The tom/next rollover points on usd/jpy are .015/.01 you have a position of 250,000 long usd against jpy are you gaining or losing on the rollover and how much

a) Loss jpy 2500
b) Profit jpy 2500
c) Loss usd 2500
d) Profit usd 2500

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21
Your current position is long eur against usd at 0.9725 with the current market trading at 0.9710, which of the following are stop orders

a) Sell euro at 0.9685
b) Sell euro at 0.9705
c) Sell euro at 0.9755
d) Buy euro at 0.9610

22
Your current position is short eur against usd at 0.9725 with the current market trading at 0.9710, which of the following are stop orders

a) Sell euro at 0.9685
b) Sell euro at 0.9705
c) Sell euro at 0.9755
d) Buy euro at 0.9610

23
Your current position is short gbp against usd at 1.6570 with the current market trading at 1.6520, which of the following are limit orders

a) Buy gbp at 1.6505
b) Sell gbp at 1.6570
c) Buy gbp at 1.6555
d) Sell gbp at 1.6470

24
After asking your broker for a quote in 250,000 usd/jpy the reply is 105.10/15 you say sell what price would you have dealt at?

a) 105.15
b) 105.05
c) 105.10

25
If you have just dealt in half a million cable what two currencies would have been involved

a) Usd/jpy
b) Eur/usd
c) Gbp/usd
d) Gbp/jpy

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26
If an order is left GTC is it

a) Good till cancelled
b) Good till close
c) Good till called

27
If your broker is offering you margin of 5% and you had on deposit $70,000 what is the maximum exposure allowed in the market.

a) $2,300,000
b) $4,100,000
c) $800,000
d) $1,400,000

28
Which of the following is not a US recognized economic statistic?
a) Non Farm Payroll
b) PPI
c) Inventories
d) Housing Completions

29
What is the current REFI Interest rate in the Eurozone?

a. 4.50%
b. 4.25%
c. 1.5%
d. 5.00%

30
If you went "short" usd/yen have you

a. bought yen and sold dollars
b. sold yen and bought dollars
c. had a yen sell and buy rollover done
d. had a yen buy and sell rollover done

31
If you had a sell and buy yen swap done have you

a. sold yen and bought dollars
b. bought yen and sold dollars
c. had a rollover long/short dollars done
d. had a rollover short/long dollars done

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Answers

1.b
2.a
3.c
4.b
5.b
6.c
7.b
8.c
9.d
10.c
11.b
12.d
13.b
14.c
15.d
16.c
17.b
18.b
19.c
20.b
21.a & b
22.a & b sell stops are always below the current market price regardless of your position
23.a
24.c
25.c
26.a
27.d
28.d
29.c (subject to change just be familiar with interest rates of currency pairs traded)
30.a
31.c

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