

Provide Valid 8004 Dumps To Help You Prepare For PRM Certification - Exam IV: Case Studies; Standards: Governance, Best Practices and Ethics Exam Dec 31, 2023 [Q36-Q54]

Provide Valid 8004 Dumps To Help You Prepare For PRM Certification - Exam IV: Case Studies; Standards: Governance, Best Practices and Ethics Exam Dec 31, 2023
PRMIA 8004 Dumps Questions [2023] Pass for 8004 Exam

QUESTION 36

Which of the following regarding Orange County is FALSE?

- * Bob Citron engaged in risky strategies to benefit personally
- * Bob Citron tried to ride the yield curve;
- * Bob Citron heavily leveraged his positions using repos
- * Citron's losses were eventually exposed by massive margin calls

QUESTION 37

The Q4 2003 trading strategy of China Aviation Oil was

- * to buy puts and sell calls
- * to buy calls and sell puts
- * to sell puts and buy calls
- * to sell calls and buy puts

QUESTION 38

Which of the following was NOT a factor in the National Australia Bank case?

- * Rogue traders
- * Improper or insufficient Board-level communication regarding the importance of risk management and oversight
- * Inadequate back office procedures
- * Money laundering using foreign exchange trades for political leaders

QUESTION 39

For the sentence

"The organization should have at its disposal employees who have adequate _____, _____ and _____ to perform the tasks assigned to them";,

Choose the correct combination of words from the following options:

- * knowledge, skills, expertise
- * experience, skills, previous successes
- * risk appetite, knowledge, expertise
- * track record, expertise, skills

QUESTION 40

Which of the following was not received by Northern Rock as official support from the UK banking and government authorities?

- * A covert money market support operation designed to cover up the difficulties Northern Rock was facing
- * The Bank of England's role as Lender-Of-Last-resort was activated at a penalty interest rate of 150 basis points above the Bank Rate
- * The UK government offered to guarantee all existing and new retail deposits, and to most other creditors
- * The Bank of England provided an additional unlimited facility secured on the collateral of all Northern Rock assets

QUESTION 41

How much of Washington Mutual's assets were funded by customer deposits for the decade ending in 2006?

- * 30%
- * 40%
- * 50%
- * 60%

QUESTION 42

The financial intermediary services provided by Fannie Mae and Freddie Mac were designed to

- * Offer loans directly to the consumer
- * Compete directly with banks in selling mortgaged to would-be home owners
- * Repackage mortgage loans made by banks and sell them on to investors as asset backed securities
- * Buy mortgage-backed loans for banks and keep them all on their books, using them as collateral for the US government to borrow

QUESTION 43

What is (are) the lesson(s) of the Barings' failure?

- * Incentive plans have risk management implications
- * Front and back offices need to be independent
- * Large profits can be an indicator of risk
- * All of the above

QUESTION 44

The Chair, Vice Chair, Secretary and Treasurer of the PRMIA Board of Directors are elected by:

- * All PRMIA Fellow Members
- * The Regional Directors
- * The Blue Ribbon Advisory Panel
- * A two-thirds affirmative vote of all members

QUESTION 45

The Chief Risk Officer is responsible for the management of the Risk Management Infrastructure, and as such helps the Board define, and then implements throughout the organization, the risk appetite of the organization.

Which of the following is also the responsibility of the Chief Risk Officer?

- * Maintaining appropriate assurance measures to ensure that the Governance and Risk framework of the organization is effective, and, if any shortcomings are discovered, to escalate these to the Board so that remedial action can be taken in an appropriate and timely manner
- * ensuring that all employees understand the rules and regulations (both internal and external) with which they must comply and the

implications, for them and for the organization, of non-compliance

- * Ensures that reporting of risk and governance-related matters are produced in a timely and accurate manner
- * Acts as sponsor for risk throughout the organization and ensures that a risk culture is implemented, and maintained

QUESTION 46

Up until 2006, which of the following was not a primary driver for Washington Mutual's earning?

- * Lending to consumers and small businesses.
- * Deposit taking activities which generated net interest income.
- * The provision of fee based services to its customers.
- * Complex derivative trades based on volatility indices.

QUESTION 47

Which of the following are PRMIA Governance Principles?

I Independence of Key Parties

II Disclosure and Transparency

III Internal Validation

IV Solvency

- * I and II only
- * I, II and III only
- * I, II and IV only
- * All are PRMIA Governance Principles

QUESTION 48

Washington Mutual's acquisition of Long Beach Financial changed its business model and increased its credit loss profile because

- * The resulting loss rate for Washington Mutual was more than 3 times higher than other mortgage lenders tracked by the FDIC
- * the two banks were focussed in different markets
- * Long Beach Financial had losses which it hadn't realized at the time of the takeover
- * Of a general deterioration of credit quality generally

QUESTION 49

Which of the following would have contributed to noticing and preventing Leeson's violations at Barings?

- * Separation of front and back offices
- * More senior level involvement at Barings regarding use of derivatives
- * Recognition that large profits can be an indicator of higher risk
- * All of the above

QUESTION 50

A risk manager finds that a client is engaged in a practice that looks like money laundering.

According to the PRMIA Standards of Best Practice, Conduct and Ethics (Code of Conduct), the risk manager should:

- * Approach the client about the concern, regardless of what their reaction might be
- * Respect the client's confidentiality as that takes precedence
- * Report this conduct to their immediate supervisor
- * Report the findings immediately to authorities

QUESTION 51

Which of the following are PRMIA Governance Principles?

I Sufficiency of Key Resources and Process

II State of the Art Risk Management Technology

III Ongoing Education and Discernment

IV Sufficiency of Key Competencies

- * I, II and IV only
- * I and II only
- * I, III and IV only
- * All of these are PRMIA Governance Principles

QUESTION 52

The Chair of the PRMIA Board of Directors may hold the following offices:

- * Parliamentarian
- * Secretary
- * Vice Chair
- * Chair only

QUESTION 53

The problems at WorldCom can best be characterized as related to:

- * Market Risk
- * Credit Risk
- * Operational and Regulatory Compliance Risk
- * All of the Above

QUESTION 54

Which US regulatory authority resolved the restructuring of Washington Mutual?

- * The Office of Thrift Supervision
- * Federal Deposit Insurance Corporation
- * The Federal Reserve Bank
- * None of the above

Achieve Success in Actual 8004 Exam 8004 Exam Dumps:

<https://www.examcollectionpass.com/PRMIA/8004-practice-exam-dumps.html>