ICBRR Q&As

International Certificate in Banking Risk and Regulation (ICBRR)

Pass GARP ICBRR Exam with 100% Guarantee

Free Download Real Questions & Answers **PDF** and **VCE** file from:

https://www.passapply.com/icbrr.html

100% Passing Guarantee
100% Money Back Assurance

Following Questions and Answers are all new published by GARP Official Exam Center

QUESTION 1

Which one of the following four statements correctly defines credit risk?

A. Credit risk is the risk that complements market and liquidity risks.

B. Credit risk is a form of performance risk in contractual relationship.

C. Credit risk is the risk arising from execution of a company\\'s strategy.

D. Credit risk is the risk that summarizes the exposures a company or firm assumes when it attempts to operate within a given field or industry.

Correct Answer: B

QUESTION 2

A credit associate extending a loan to an obligor suspects that the obligor may change his behavior after the loan has been originated. The obligor in this case may use the loan proceeds for purposes not sanctioned by the lender, thereby increasing the risk of default. Hence, the credit associate must estimate the probability of default based on the assumptions about the applicability of the following tendency to this lending situation:

A. Speculation

B. Short bias

C. Moral hazard

D. Adverse selection

Correct Answer: C

QUESTION 3

To improve the culture and awareness of the operational risk, Gamma Bank\\'s CRO decides to promote three activities within her organization. Which one of the following four activities is NOT typically used to develop an operational risk framework?

A. Marketing

B. Planning

C. Training

D. Auditing

Correct Answer: D

QUESTION 4

Which of the following correctly identifies reasons for collecting internal operational risk event and loss information?

A. Assessing the risk of specific areas of concern.

II. Evaluating risk events and outcomes.

III. Collecting data for capital modeling.

IV. Getting insight into risk events in other firms in the industry.

B. I and II

C. II and III

D. I, II and III

E. II, III, and IV

Correct Answer: C

QUESTION 5

To estimate the forward price of oil, a commodity trader would most likely use the following pricing relationship:

A. Oil forward price = Expected future oil price ?Oil market risk premium

B. Oil forward price = Expected future oil price ?storage cost + Oil market risk premium

C. Oil forward price = Expected future oil price ?Oil storage cost + (1 + Oil market risk premium)

D. Oil forward price = Expected future oil price ?Oil storage cost + (1 - Oil market risk premium)

Correct Answer: A