

Education

1 What is the highest level of education you have achieved?

- a. Bachelor's or master's degree in economics / law / math / technical field with a focus on finance
- b. Bachelor's or master's degree in economics / law / math / technical field without a focus on finance
- c. Degree in another field / completed high school w/ school leaving exam
- d. Expert secondary school w/o completed leaving exam / studied w/o completing leaving exam / basic (elementary) school
- e. None of the above

Profession

2 Do you work, or have you worked, for at least one year in the financial services sector in a role that required knowledge of forward trades?

- a. Yes
- b. No

Experience

Have you carried out any of the following trades in the last 5 years?

3 Spot trades

Number (count) of all transactions:

- a. So far never
- b. 10 max
- c. More than 10
- d. More than 50
- e. I don't know

The full volume of transactions executed up to 1 mil. CZK
 The full volume of transactions executed between 1 - 5 mil. CZK
 The full volume of transactions executed exceed 5 mil. CZK

4 Limit orders (automatic orders)

Number (count) of all transactions:

- a. So far never
- b. 10 max
- c. More than 10
- d. More than 30
- e. I don't know

The full volume of transactions executed up to 1 mil. CZK
 The full volume of transactions executed between 1 - 5 mil. CZK
 The full volume of transactions executed exceed 5 mil. CZK

5 Forwards, futures or swaps

Number (count) of all transactions:

- a. So far never
- b. 10 max
- c. More than 10
- d. More than 30
- e. I don't know

The full volume of transactions executed up to 1 mil. CZK
 The full volume of transactions executed between 1 - 5 mil. CZK
 The full volume of transactions executed exceed 5 mil. CZK

6 Options

Number (count) of all transactions:

- a. So far never
- b. 5 max
- c. More than 5
- d. I don't know.

The full volume of transactions executed up to 1 mil. CZK
 The full volume of transactions executed between 1 - 5 mil. CZK
 The full volume of transactions executed exceed 5 mil. CZK

Knowledge / Skills

7 What is a currency forward? (check the correct answer)

- a. A currency conversion in the future at an exchange rate that is not predetermined
- b. The right, in no way the obligatin, to convert a currency at a predetermined exchange rate
- c. A currency conversion in the future at a predetermined exchange rate
- d. A currency conversion at the current exchange rate
- e. I don't know.

8 What is the difference between a Currency Forward and a Swap? (check the correct answer)

- a. None, they are different names for the same product.
- b. A Swap is a currency conversion at the current exchange rate, a forward is a currency conversion at a future rate.
- c. A Forward serves to hedge an exchange rate in the future, a Swap involves shifting/delaying the maturity of a currency conversion.
- d. They are counter (opposite) trades. A Forward involves purchase of a currency in the future. A Swap involves the sale of a currency in the future.
- e. I don't know.

17 **A Strike Rate (Strike) involves:** (check all correct answers)

- a. A fixed fee for agreeing an Option. It is a non-refundable amount that is normally paid at the start of a trade.
- b. A predetermined exchange rate where the Option buyer has the right to execute a currency conversion in the future.
- c. Current spot rate on the day the Option is agreed
- d. Daily fixing announced by the CNB (Czech National Bank)
- e. Expressed as an amount in the secondary currency for one unit of the reference (main) currency
- f. I don't know.

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18 **Knock-Out (KO) barrier:** (check all correct answers)

- a. An exchange rate level where once achieved the option deactivates
- b. An exchange rate level where once achieved the option activates
- c. An exchange rate level where once achieved the option's volume rises (lever effect)
- d. A fixed exchange rate valid at the moment of agreeing a forward
- e. In the case of a US barrier it is monitored constantly.
- f. I don't know.

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19 **"Cost-free" product:** (check all correct answers)

- a. It means that the client does not pay any fee (premium) for an Option purchased. The option price is paid for by the sale of another option from which specific obligations for the client arise.
- b. It's free and without risk.
- c. Always contains a lever (the obligation to execute a currency conversion in a larger volume)
- d. Does not mean that it is also risk-free.
- e. It means that the client pays the fee for it only at the time of settlement.
- f. I don't know.

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20 **Which is true about the TARF option structure?** (check all correct answers)

- a. The product is free and without risk.
- b. The product terminates either with the achievement of a predetermined profit value (expressed either in the secondary currency or by calculating the profit fixings) or based on the final fixing (whichever happens first)
- c. It is a series of currency forwards for which the client has the right (but not the obligation) to make use of the eventual, more advantageous exchange rate as opposed to the actual exchange rate on the settlement date.
- d. It is a series of forward transactions that represent a fixed obligation by the client to buy or sell a preagreed amount of a given currency in a different currency at a specific date in the future.
- e. It usually has no fees attached.
- f. I don't know.

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21 **Which claim is true in the case of a Knock-In (KI) barrier?** (check all correct answers)

- a. It is the exchange rate level where, once achieved, the option deactivates.
- b. It is the exchange rate level where, once achieved, the option activates.
- c. It is a barrier that, once crossed, the client sells an exponential volume per the agreed lever.
- d. It is usually part of participatory option strategies.
- e. In the case of a European barrier it is monitored only on the expiration date.
- f. I don't know.

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22 **Are Option Structures riskier than Forward Trades?** (check all correct answers)

- a. Yes, Option Structures are always riskier.
- b. No, Option Structures are always safer (less risky).
- c. It depends on the structure in question. Some are riskier, others less so (safer).
- d. I don't know.

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23 **In what way can an option structure terminate?** (check all correct answers)

- a. By achieving the predetermined profit value (provided it involves a TARF structure, for example)
- b. A request by phone to terminate it (termination is always free-of-charge)
- c. Its depletion upon achieving the final fixing (expiration)
- d. By achieving the limit for accumulated loss
- e. By achieving the Knock-In barrier
- f. I don't know.

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24 **Does the value of all your financial instruments and cash exceed EUR 500,000?**

- a. Yes
- b. No

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25 **Have you executed on average 10 Forward transactions in the last 4 quarters, each with a volume exceeding EUR 100,000 per quarter?**

- a. Yes
- b. No

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