

IBM M2020-621 Exam

Volume: 24 Questions

Question No: 1

What would most concern a credit risk analyst has within commercial banking?

- A. Having access to reports on Potential Future Exposure on a portfolio of FX products
- B. Having access to reports on loan origination and credit limit utilization
- C. Having tools to validate the market risk factors for scenario generation
- D. Having tools to report on wrong-way risk in the trading book portfolio

Answer: B

Question No: 2

Which bank has successfully applied the Integrated Market and Credit Risk solution to provide pre-deal CVA measures to the front office?

- A. Nedbank
- B. Scotiabank
- C. Citigroup
- D. Bank of New York Mellon

Answer: B

Question No: 3

What is a key value proposition for the Strategic Business Planning solution?

- A. Provides a central and single view of the customer, control over the entire credit sanctioning, approval and activation process
- B. Correlates risks through integrated stress testing which prepares the bank for market-wide stress situations
- C. Runs RiskWatch-based calculations to ensure consistency across all calculations and risk areas

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D. Takes a "top-down" view that aggregates pre-calculated results from multiple risk systems (Algorithmics, IBM.in-house, other vendors), providing risk and return analysis

Answer: D

Question No: 4

Which piece of regulation will drive global demand for sell-side solutions and requires banks to maintain suitable levels of capital and liquidity to enable them to survive without outside assistance in the event of a shock?

A. Dodd-Frank

B. Basel III

C. Volcker III

D. EMIR

Answer: B

Question No: 5

Which solution is not an "operationally oriented solution" as described in the Introduction and overview of Algorithmics Banking and Financial Markets Business presentation by John Macdonald?

A. Balance Sheet Risk Management

B. Credit Lifecycle Management

C. Collateral Management

D. Strategic Business Planning

Answer: D

Question No: 6

Which sell-side solution does not rely on Monte Carlo simulation?

A. Liquidity Risk & Asset Liability Management

B. Economic Capital & Solvency II

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- C. Credit Lifecycle Management
- D. Integrated Market and Credit Risk

Answer: B

Question No: 7

Which solution offers the benefits of mitigation management?

- A. Credit Lifecycle Management
- B. Integrated Market and Credit Risk
- C. Liquidity Risk & Asset Liability Management
- D. Strategic Business Planning

Answer: B

Question No: 8

Name a typical Market Risk Factor.

- A. Equity values
- B. Yield curves
- C. Operational Risk
- D. Transfer values

Answer: A

Question No: 9

Which solution offers the benefits of real-time pricing of counterparty credit risk with CVA?

- A. Credit Lifecycle Management
- B. Integrated Market and Credit Risk
- C. Liquidity Risk & Asset Liability Management