

### Question #1 of 11

Question ID: 1814274

Which of the following is most likely a buy-side participant in the alternative investment environment?

- A) A commercial bank.
  - B) A plan sponsor.
  - C) A dealer bank.
  - D) A prime broker.
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### Question #2 of 11

Question ID: 1814271

The additional risk undertaken by a portfolio manager in order to deviate from the benchmark return is the:

- A) active risk.
  - B) return diversification.
  - C) relative risk.
  - D) absolute risk.
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### Question #3 of 11

Question ID: 1814272

Absolute return standards evaluate the returns of an investment relative to:

- A) the market.
  - B) a standard of zero or the risk-free rate.
  - C) a peer group of portfolio managers.
  - D) a benchmark portfolio.
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### Question #4 of 11

Question ID: 1404868

Ann Tenner, an analyst with TWJ Securities, is analyzing the return distributions of alternative investments. She has discovered that they are often not normal. Which of the following structures are most likely the source of the non-normal return distributions?

- A) Trading and regulatory structures.
  - B) Regulatory structures only.
  - C) Trading and securities structures.
  - D) Regulatory and securities structures.
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### Question #5 of 11

Question ID: 1485408

Which of the following categories of assets is most likely classified as an alternative asset?

- A) Cash.
  - B) Convertible bonds.
  - C) Real assets.
  - D) Preferred stocks.
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### Question #6 of 11

Question ID: 1814273

Which of the following participants in the alternative investment environment is a commercial bank that both underwrites and trades investment securities and derivatives?

- A) Dealer banks.
  - B) Plan sponsors.
  - C) Prime brokers.
  - D) Retail brokers.
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### Question #7 of 11

Question ID: 1706096

Which of the following best describes collateralized debt obligations?

- A)** Assets with contingent payoffs linked to the credit risk of underlying reference assets.
  - B)** The debt of a firm that is likely to or has already filed for bankruptcy protection.
  - C)** The private debt of a firm with seniority between that of senior debt and equity.
  - D)** Tranched securities with varying levels of risk and seniority that are backed by an underlying portfolio.
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### Question #8 of 11

Question ID: 1706095

Equity investments made for the launch, early development, or expansion of a business are known as:

- A)** venture capital.
  - B)** initial public offerings.
  - C)** incubators.
  - D)** angels investments.
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### Question #9 of 11

Question ID: 1485412

The alternative asset investments class is least associated with which of the following characteristics?

- A)** Non-normal returns.
  - B)** Illiquidity.
  - C)** Efficient pricing.
  - D)** Diversification.
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### Question #10 of 11

Question ID: 1404867

Alternative assets have return distributions that exhibit non-normality over medium and long-term intervals. The structures that result in non-normality for alternative assets include:

- A)** only the securities structure.
  - B)** only the trading structure.
  - C)** both the trading and securities structure.
  - D)** neither the trading nor the securities structure.
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### Question #11 of 11

Question ID: 1485407

Which of the following are most likely considered traditional investments?

- A)** Long positions in cash, bonds, and publicly traded stocks.
- B)** Long positions in bonds, publicly traded stocks, commodities, and currencies.
- C)** Long and short positions in bonds, publicly traded stocks, commodities, and currencies.
- D)** Long and short positions in cash, bonds, and publicly traded stocks.