**IFTA**

Institution: **Bastiat Institute Ghana**

Course Name: Finance & Investment (Forex Trading)

Course Code: FCT20172806

Hours: 3hrs

Supervisor: Prof. Emmanuel Tweneboah Senzu

Examination Regulations

- Eligibility of handwriting, accuracy and clearness of expression, contribute to assessment grading

- The Assessment is measured in four Part, categorized as A, B, C and D with A&B taking 3hrs to complete in theoretical written, C takes 1hr for experiential assessment, while D takes 6-12month of research project submission

- If supplementary answer sheets are used, you must have your name and Index number written on all of them and bind it together for submission

- Make sure your answers bear the question numbers you are responding to in a correct order, on the answer sheets to aid easy marking by the scripts markers and examiners

- In the event of any encountered difficulties during the exams session, request for the supervisor assistance through any of the Invigilators

# PART A.

1. In the study of Investment Banking, what makes the spot trading unique and distinguished in terms of investment rate of return (IRR) from the other Instrument

    [5mks]

2. State the 5 major factors, as features required on a brokers platform, that will guide you as a trader, to distinguish a fraudulent broker from a quality broker

    [10mks]

3. Define the equipment and tools needed to qualify a competent on-line securities trader

    [10mks]

4. State the features and policies to examine, before selecting an online forex broker to work with

    [5mks]

5. In the Fx-Market, which currencies are qualified as 'FAB' and why

    [5mks]

6. Discuss the role of fundamental analysis in forex trading market

    [5mks]

7. Discuss the use of the following tools on the trading platform

i. Stochastic

ii. Parabolic Stop and Reversal

iii. Bollinger Bands

iv. Relative Strength Index

v. Fibonacci Retracement

    [20mks]

8. Discuss the relevancy in knowing the market time zone to forex trading

    [5mks]

9. Why Pivot Point are preferred most as a trend monitoring tool by short term traders

    [5mks]

10. Why the need for the planning of trade and trading the plan

    [10mks]

11. There are six ideal steps to develop a trading system, state them

[12mks]


12. Describe how you will test the quality of your developed system


[5mks]


13. Discuss the general role candle-stars plays in candlesticks charting techniques of the eastern method of forecasting in the trade room

[8mks]


# PART B.

1. Dr. Saleh Nasser was trading EUR/USD on the 23rd January, 2017. The Bids price of the EUR/USD was 1.2538; Calculate the Profit generated by him within 8hrs of trading, with the price shooting to 1.2638 in the 8th hour, taken into consideration of his margin observed to be $5000, leverage provided by the broker was 3:500

[20mks]


2. On the 1st February 2017, Prof. Asante technically forecasted on the trade of USD/JPY in the International forex exchange market; expecting a rise in the value of Yen against the US-Dollar to be ¥118.34; however unexpected situation happened and the Yen value fall to ¥ 118.04 in the 12 hours period of the trade. Calculate the extent of lost by Asante's Client, who adhered to his consultancy advice, trading in a standard lots provided by her broker as $1,000,000

[20mks]


3. You are to determine the simple moving average of spot trade of US-Dollar against JPY; when a six period moving average graph was plotted within 4hrs interval trades. Based on the event above, respond to the questions below.


a. Calculate the hours needed to determine the closing prices of the entire trade for SMA Calculations                                                                 [5mks]

b. Calculate the Simple Moving Average Value when the closing trades within the periods were determined as follows;  2pm-5pm EST-------112.15, 6pm- 9pm EST-------113.55, 10pm- 1am EST------114.25, 2am- 5am EST--------114.95, 6am- 9am EST--------115.25, 10am- 1pm EST-------115.25

[10mks]

c. What is the difference between a Simple moving average and Exponential moving average in the trade room

[10mks]

d. Describe how to use "Period" to distinguish a plotting graph of a Simple Moving Average from an Exponential Moving Average in the Trade room

[10mks]

e. Calculate the MACD of the USD/JPY

[5mks]

f. You have been permitted by your broker to use a leverage of 4:200 to trade and had a margin account of $1000 to trade with, calculate the lot accessible to trade with.

[10mk]

g. You are in the verge of graduation out of this course, discuss your trading system with your examiner to establish a confidence on why he/she could trust and recommend you as a competent professional securities trader, to client in the investment market

[10mk]