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Exam : AFE

**Title : Accredited Financial
Examiner**

Version : DEMO

1. When policy periods expire, the premiums written are earned and are recognized as:

- A. Liabilities
- B. Expenses
- C. Revenues
- D. None of the above

Answer: C

2. As defined in Accounting Standards Codification, dollar purchase agreements are the agreements to sell and repurchase similar and identical securities.

- A. True
- B. False

Answer: B

3. For immediate annuities, this is the _____, defined by the sequence of periodic annuity benefit payments the policyholder is promised.

- A. maximum credited rate
- B. minimum credited rate
- C. implicit interest rate
- D. explicit interest rate

Answer: C

4. The profitability of an insurance entity on a statutory basis is generally gauged by:

- A. combined ratio and its operating ratio
- B. single module ratio and its operating ratio
- C. Net ratio
- D. Gross ratio and actual ratio

Answer: D

5. The two most common types of dollar rolls are:

- A. Fixed-coupon and yield-maintenance agreements
- B. Variable-coupon and yield-maintenance agreements
- C. Fixed-coupon and Accounting agreements
- D. Variable -coupon and Principal agreements

Answer: A