



## Professional Development Month: week 1

### Cash management quiz

#### Question 1: SCR Regulation change – Fraud prevention

From 14 March 2022 a new SCA regulation changed the way that customers confirm their identity when making purchases online. They now have to go through an extra layer of authentication to prove who they are directly to their card-issuing bank – rather than the place they are shopping with.

Which of the following must be confirmed when making a purchase?

- 1) Something they are (fingerprint or facial recognition);
- 2) Something they have (a mobile phone or tablet);
- 3) Something they know (a pin or a password).

Answers:

- a) 1
- b) Any two of above
- c) 2
- d) All of the above

*The right answer is b) Any two of the above*

<https://www.treasurers.org/hub/treasurer-magazine/strong-customer-authentication-do-new-rules-work>

#### Question 2: Investment policy

Common objectives include:

- Principal preservation;
- Sufficient liquidity/meeting forecasted cash-flow requirements;
- Provide yield/income;
- Provide tax-advantaged returns; and
- Seeking above-benchmark returns.

What other **key** considerations should be included?

- 1) Alignment with Corporate strategy (including the Company's ESG policy)
- 2) Real time MTM within the TMS
- 3) Scope of policy – global, regional, business unit level or just Treasury
- 4) Dealing authority levels Including Limits

Answers:

- a) 1, 3 & 4
- b) 2, 3 & 4
- c) 1, 2 & 3
- d) All of above

*The correct answer is a) 1, 3 and 4.*

<https://hub.treasurers.org/fundamentals-of-investment-management-design-of-the-investment-policy/>

### **Question 3: Ultra Short Duration Funds**

USFs are open-ended bond funds that occupy the investment space between MMFs and Short Duration Fixed Income Bond Funds.

What are the main characteristics of these funds?

- 1) A mix of longer-dated securities and lower-quality investment-grade investments
- 2) Investment exposure to BBB- securities typically capped to 75%
- 3) Enhanced returns
- 4) Maximum maturity = 3 years
- 5) Broader range of investments (sector wise)

Answers:

- a) 1, 2, 3, 5
- b) 1, 3, 5
- c) 1, 3, 4, 5
- d) All of above

*The correct answer is c) 1, 3, 4 and 5*

<https://hub.treasurers.org/ultra-short-duration-funds-short-by-name-hybrid-by-nature/>

### **Question 4: Cash Conversion cycle**

The formula for the cash conversion cycle (Cash outflows into cash inflows or amount of liquidity measured in days) is:

- a) Inventory days + payable days – receivables days
- b) Inventory days + receivable days
- c) Inventory days + payable days
- d) Inventory days + receivables days - payables days

*The correct answer is d) Inventory days + receivables days - payables days*

<https://www.treasurers.org/system/files/APR17TTqualifications44-45.pdf>

### Question 5: Cyber-Security

Which is the closest description for Cyber Security - APT (Advanced Persistent Threat) Attacks:

- a) Cyber related attack that compromises an e-mail system and potentially results in payment fraud.
- b) Cyber attack that is initiated by stealing (and potentially logging) data by way of flash-drive to access systems and underlying business applications.
- c) Cyber attack with the objective of establishing and extending footholds deep within the information technology infrastructure of organisations.
- d) Cyber attack that compromises a system's ability to respond to service requests.
- e) Cyber attack that is caused by opening up an attachment with an embedded virus that later spreads malware to the computer or system network

*The correct answer is c) Cyber attack with the objective of establishing and extending footholds deep within the information technology infrastructure of organisations.*

<https://www.treasurers.org/hub/blog/payments-january>  
[Advanced Persistent Threat - ACT Wiki \(treasurers.org\)](#)