



# CTP<sup>Q&As</sup>

Certified Treasury Professional

## Pass AFP CTP Exam with 100% Guarantee

Free Download Real Questions & Answers **PDF** and **VCE** file from:

<https://www.pass4itsure.com/ctp.html>

100% Passing Guarantee  
100% Money Back Assurance

Following Questions and Answers are all new published by AFP Official Exam Center

-  **Instant Download** After Purchase
-  **100% Money Back** Guarantee
-  **365 Days** Free Update
-  **800,000+** Satisfied Customers





### QUESTION 1

In evaluating alternative capital investments, a company should consider qualitative factors such as:

- A. projected cash flows.
- B. estimated economic returns.
- C. corporate strategy.
- D. estimated costs.

Correct Answer: C

---

### QUESTION 2

A construction company just received a notification from its bank advising it of an altered dollar amount on a check. This notification is MOST LIKELY the result of:

- A. the use of positive pay.
- B. the use of controlled disbursement.
- C. automated reconciliation services.
- D. reverse positive pay.

Correct Answer: A

---

### QUESTION 3

The principal roles of corporate finance include which one of the following combination of functions?

- A. Maintaining liquidity and optimizing cash
- B. Capital budgeting and financial risk management
- C. Establishing credit terms and collection policies
- D. Shareholder relations and dividend decisions

Correct Answer: B

---

### QUESTION 4

Which of the following business practices does NOT comply with the Uniform Commercial Code?

- A. A company reconciles its bank statements within 30 days of receipt.



- B. A company receives a check marked "paid in full" and disputes it 120 days later.
- C. A bank exercises ordinary care when it examines signatures on checks received.
- D. A bank elects to return stale-dated items.

Correct Answer: B

---

#### QUESTION 5

In which of the following instances does the clientele effect come into play?

- A. When a company announces its earnings forecast
- B. When a company submits its 10-Q to the SEC
- C. When a company declares a dividend
- D. When a company increases its sales

Correct Answer: C

---

#### QUESTION 6

Which of the following is considered a financing decision?

- A. Issuing medium-term bonds or preferred stock
- B. Comparing risk and return of projects
- C. Allocating capital among different projects
- D. Distributing or retaining current earnings

Correct Answer: A

---

#### QUESTION 7

A company has negotiated a credit facility with the following terms:

\$5,000,000 line of credit \$3,000,000 average borrowing 30 basis point commitment fee on the unused portion of the line  
Interest rate on advances is 1-month LIBOR plus 4% 1-month LIBOR is currently 2%

What is the annual interest rate on the line of credit?

- A. 6.0%
- B. 6.2%
- C. 9.0%



D. 9.3%

Correct Answer: B

---

#### QUESTION 8

Company XYZ is a manufacturer of industrial equipment and has enjoyed a large percentage increase in profits from a small increase in revenues. Sales recently plummeted resulting in steep decline in profitability. Which of the following BEST describes the cost structure of the company?

- A. Low contribution margin
- B. High financial leverage
- C. Low variable costs
- D. High operating leverage

Correct Answer: D

---

#### QUESTION 9

XYZ Company is considering selling treasury stock but is concerned about the amount of capital it will raise given the current high volatility of the stock market. What is the BEST strategy a firm can employ to reduce its uncertainty?

- A. Hire an investment banker to underwrite the stock on a full underwriting basis.
- B. Hire an investment banker to issue the stock using a master registration statement.
- C. Hire an investment banker to underwrite the stock with no flotation costs.
- D. Hire an investment banker to underwrite the stock on a best efforts basis.

Correct Answer: A

---

#### QUESTION 10

A farmer who plans to sell his/her corn crop in three months would benefit MOST from which of the following?

- A. A long futures contract and falling prices
- B. A long futures contract and steady prices
- C. A short futures contract and rising prices
- D. A short futures contract and falling prices

Correct Answer: D

---

**QUESTION 11**

Check MICR line information includes which of the following? I. Bank of deposit identification number II. Payee bank identification number III. Federal Reserve bank code IV. Payor's account number

- A. I only
- B. III and IV only
- C. II, III, and IV only
- D. I, II, III, and IV

Correct Answer: B

---

**QUESTION 12**

Why would a company establish a short-term credit facility?

- A. Short-term interest rates are expected to rise.
- B. The company would like to improve bank relationships.
- C. Cash shortages are being forecasted due to seasonality.
- D. There is an anticipated failure of the company's main depository bank.

Correct Answer: C

---

**QUESTION 13**

ABC Company, a leading provider of office supplies, has successfully implemented EDI based on a request from one of its customers. ABC will not only benefit from the strategic alliance that will result, but as more of ABC's customers adopt the program, ABC will also experience a positive impact on its:

- A. EFT costs.
- B. C2C levels.
- C. value added networks.
- D. inventory levels.

Correct Answer: D

---

**QUESTION 14**

A company's Chief Financial Officer assigns a team reporting to the Treasurer to restructure the company's complex debt instruments and equipment leasing arrangements. The team executes the required settlement transactions using wire payments to facilitate the new debt structure, and in the process violates the lending requirements of the company's bank. What should the Treasurer have done to prevent the violation?



- A. Set up an exception management process.
- B. Established covenant monitoring and compliance controls.
- C. Restricted access to the company's payment processing system.
- D. Segregated the team's duties for the debt structuring and transaction activities.

Correct Answer: B

---

#### QUESTION 15

Company XYZ sends an ACH debit file valued at \$300,000 with an average item value of \$1,000. The file settlement date is March 10. The file contains no duplicate items and items are split equally between corporate and consumer items. One percent of consumer items and 2% of corporate items were returned. What would be the final net settlement value for Company XYZ?

- A. \$291,000
- B. \$295,500
- C. \$297,000
- D. \$298,500

Correct Answer: B

[CTP VCE Dumps](#)

[CTP Practice Test](#)

[CTP Exam Questions](#)