1. A frequent bond issuer returns to market with a new offering. Compared with a first-time issuer's process, its issuance process is most likely:

a. More abbreviated
b. More prolonged
c. Essentially identical

2. An issuer increases the size of one of its existing bonds at a price well away from par, rather than launching a new security. This is known as:

a. A private placement
b. A reopening
c. A shelf registration

3. A high-yield issuer with complex covenants comes to market. The financial intermediary most likely acts as:

a. A guarantor underwriting the sale
b. A buyer holding the whole issue
c. A broker on a best-efforts basis

4. A small, little-known issuer wants to sell bonds with customized terms to a handful of investors. The most appropriate route is:

a. A private placement
b. A public offering
c. A bond reopening

5. A frequent issuer raises more capital in both equity and bond markets. When it returns to each of the markets (equity; bonds) for more capital, it most likely issues:

a. A new share class; the identical existing bond
b. More identical shares; a new near-par bond
c. More identical shares; the identical existing bond

6. Rank these by liquidity, tightest bid-offer spread first: an on-the-run sovereign, a recent frequent-issuer corporate, and a seasoned infrequent-issuer corporate.

a. Seasoned corporate, recent corporate, sovereign
b. Recent corporate, sovereign, seasoned corporate
c. Sovereign, recent corporate, seasoned corporate

7. A dealer widens its quoted bid-offer spread on a bond from a few basis points to over 20. This most likely signals that the bond has become:

a. Less liquid
b. More liquid
c. Higher rated

8. When a bond becomes distressed, the typical sellers and buyers are, respectively:

a. The issuer itself; index funds
b. Ratings-restricted investors; opportunistic funds
c. Opportunistic funds; ratings-restricted investors

9. Distressed debt typically trades well below par because:

a. The bonds have been delisted from the exchange
b. Issuers must legally discount the bonds
c. Expected interest and principal may not be paid in full

10. A rarely traded seasoned bond suddenly trades far more frequently. The most likely cause is:

a. A sharp deterioration in its credit quality
b. A reopening of the bond near par
c. Its addition to a shelf registration