1. **How does the Treasury of Aldenmark, a sovereign issuer, most likely bring a new bond to market?**

   a. Through a private negotiation with one dealer
   b. Through underwriters placing it opportunistically
   c. Through a public auction led by the treasury

2. **An investor submits a non-competitive bid at a government bond auction. This investor:**

   a. Is always allotted securities, at the auction-determined price
   b. Is allotted securities only if its price clears the auction
   c. Sets the coupon rate the issuer must pay

3. **A debt manager chooses a single-price rather than a multiple-price auction. This most likely:**

   a. Narrows the distribution of submitted bids
   b. Has no impact on the distribution of submitted bids
   c. Broadens the distribution of submitted bids

4. **In a single-price auction, a competitive bid submitted above the cut-off yield:**

   a. Is the only type of bid that is filled
   b. Receives securities at its own higher yield
   c. Receives no securities, while all winners pay the single stop yield

5. **As a primary dealer, Halden & Co. is most likely required to:**

   a. Bar foreign central banks from participating in auctions
   b. Bid competitively in every auction and serve as a central-bank counterparty
   c. Accept the auction price without bidding competitively

6. **Once issued, a sovereign's bonds are most likely traded:**

   a. Only through the primary dealers that bid at auction
   b. Over-the-counter through broker/dealers, with some exchange trading
   c. On a single government-run exchange everywhere

7. **Relative to a sovereign's older issues, its most recently issued securities are:**

   a. More liquid and used for benchmark yield analysis
   b. Less liquid and traded only off-exchange
   c. Restricted to non-competitive bidders

8. **Much of Brevanne's government debt is held by investors with non-economic objectives. This most likely:**

   a. Raises Brevanne's borrowing costs above private issuers
   b. Forces all its bonds onto an exchange
   c. Lowers Brevanne's borrowing costs relative to private-sector issuers

9. A sovereign's borrowing-cost advantage from non-economic investors is greatest when its currency is:

a. Used only for domestic government transactions
b. A reserve currency, held widely by global central banks
c. A restricted currency held mainly at home

10. How do multiple-price and single-price auctions differ for the same bond?

a. Multiple-price gives different prices; single-price reduces yield volatility
b. Multiple-price gives one price; single-price raises volatility
c. Both give each winner a different coupon