

PROBLEMS 2. 3.2.2014

Q1. Justify the statement in the text, that it was obviously impossible to systematically exploit price movements between these two exchanges in either direction.

Q2. *Financial failures.* Using the Internet, investigate the major financial failures of recent years, including:

- (i) Barings;
- (ii) LTCM;
- (iii) Lehman Brothers.

Q3. *Sovereign default.* Using the Internet, investigate the major sovereign debt defaults of recent years (governments reneging on debts).

Q4. *Financial fraud.* Using the Internet, investigate the major financial frauds of recent years, including:

- (i) Barings;
- (ii) Société Générale;
- (iii) UBS.

NHB