To put it into practice I

- Fill in the cross rates in the table below:

Den Num	A	B	C	D	E
A	---	5.2			
B		---			
C			---		9.5
D			6	---	
E	4.5				---

To put it into practice II

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- On 15th June 201X, you bought 5 futures contracts for 50,000 EUR each @ USD/EUR 1.29. Assume that the daily settlement prices are shown in the table below:

DAY	16	17	18	19	22	23	24	25
Price	1.28	1.30	1.29	1.31	1.26	1.25	1.26	1.27

a) What are the daily cash flows from marking to market?

b) If you deposit USD 60,000 into your margin account, and your broker requires USD 55,000 as maintenance margin, when will you receive a margin call and how much will you have to deposit?

To put it into practice III

- Consider the following bid-ask quotes:

	BID	ASK
A/B	1.3019	1.3023
A/C	0.7013	0.7015
B/C	---	---

Please find the B/C bid-ask quote (**Do not forget to show the intermediate computations**).

Now suppose that another market maker publishes the following quotes for the B/C rate:

	BID	ASK
B/C	0.5391	0.5395

Would there be arbitrage opportunities? If so, how would you exploit them (assuming you have 100B at your disposal)?