

# **ACT PRACTICE PAPER**

**Certificate in International Cash Management –  
MicroCredentials**

**Treasury Systems, Architecture & Innovation (TSAI)**

## Practice paper for the Certificate in International Cash Management – MicroCredentials – Treasury Systems, Architecture & Innovation (TSAI)

Based on the syllabus assessed from 16 March 2026.

### Introduction

This practice paper has been produced by the Awarding Body at the Association of Corporate Treasurers (ACT) to assist students in their preparation for the TSAI MicroTest. It contains a practice assessment for the specified MicroTopic as well as practice answers.

Ideally, you should have completed the majority of your studies for TSAI before attempting this practice paper. You should allow yourself 40 minutes to complete the exam. You should then review your performance to identify areas of weakness on which to concentrate the remainder of your study time.

Although the practice paper in this guide is typical of a TSAI assessment, it should be noted that it is not possible to test every single aspect of the Learning Outcomes in any one particular assessment. To prepare properly for the MicroTest, you should make full use of the tuition options where available and read as widely as possible to ensure that all Learning Outcomes have been covered.

### Assessment technique: TSAI

The best approach to multiple choice assessments is to work methodically through the questions. You should not spend too much time on any one question. If you cannot make up your mind, you should leave the question, flagging it to come back to later.

When all of the questions have been answered, it is prudent to use any remaining time to go through each question again, carefully, to double-check that nothing has been missed. Altering just one incorrect response to a correct response could make the difference between passing and failing.

## Assessment information

The TSAI assessment consists of 26 questions, split into sections A, B and C; and is worth a total of 35 marks.

TSAI MicroTest specification:

Section	Number of questions	Marks available	Question format
Section A	15 Multiple Choice questions (MCQs) and 5 Multiple Response questions (MRQs).	20	This section will test a cross-section of knowledge to achieve breadth of syllabus coverage.
Section B	1 mini scenario with 5 accompanying MCQs.	5	This section will test a cross-section of knowledge to achieve breadth of syllabus coverage.
Section C	1 longer form question.	10	This section will be based on mini-scenarios common to practice. Questions will test knowledge, analysis, application and justification as appropriate.
<b>Total</b>	<b>26</b>	<b>35</b>	

Under exam conditions, 40 minutes is allowed for the TSAI MicroTest.

When you take your actual MicroTest, you will be sitting online using your own PC/Laptop. You have access to an online scientific calculator, but for the purpose of this test, you may use a non-programmable scientific calculator.

## Questions

### SECTION A

Section A is made up of 15 Multiple Choice questions and 5 Multiple Response questions and is worth a total of 20 marks.

**15 Multiple Choice questions: 15 x 1 mark questions.**

**5 Multiple Response questions: 5 x 1 mark questions.**

The purpose of this section is to test a cross-section of knowledge to achieve breadth of syllabus coverage.

#### 1 Question Text:

Which of the following is a characteristic of a software as a service (SaaS) solution?

#### Options

- A\* Company data is usually held by the vendor.
- B Company data is validated automatically.
- C System installation can be carried out off site.
- D The installation is in-house.

**Mark/Score: 1**

#### 2 Question Text:

Which of the following E-invoicing methods is most appropriate for business-to-consumer transactions?

#### Options

- A\* Electronic Bill Presentment and Payment (EBPP).
- B Electronic Invoice Presentment and Payment (EIPP).
- C Evaluated Receipts Settlement (ERS).
- D Paid on Production (POP).

**Mark/Score: 1**

**3 Question Text:**

In Africa, the MPesa system is:

**Options**

- A a digital currency.
- B a messaging service.
- C\* a mobile payments tool.
- D an online insurance company.

**Mark/Score: 1**

**4 Question Text:**

In a USD cash sweeping arrangement between companies whose functional currency is GBP, FX gains or losses would be reported in the:

**Options**

- A\* income statements of the account owner and the header account owner.
- B balance sheets of the account owner and the header account owner.
- C balance sheet of the account owner only.
- D income statement of the header account owner only.

**Mark/Score: 1**

**5 Question Text:**

Stamp duty can best be described as which of the following?

**Options**

- A\* A levy on documents required to legally record certain transactions.
- B A sales tax based on the value of intellectual property.
- C A levy on cross-border transactions between group companies.
- D A tax payable on intercompany loan interest in certain jurisdictions.

**Mark/Score: 1**

**6 Question Text:**

According to IFRS 9, recourse financing through invoice discounting will be typically accounted for as which of the following?

**Options**

- A\*** Debt.
- B** Accounts receivable.
- C** Inventory.
- D** Trade payables.

**Mark/Score: 1**

**7 Question Text:**

The impact of which of the following taxes is the most important to consider when arranging a cross-border intercompany royalty payment?

**Options**

- A\*** Withholding tax.
- B** Import duty.
- C** Value-added tax.
- D** Stamp duty.

**Mark/Score: 1**

**8 Question Text:**

An encrypted message could be referred to as:

**Options**

- A\*** cyphertext.
- B** cleartext.
- C** plaintext.
- D** context.

**Mark/Score: 1**

**9 Question Text:**

Which of the following is an example of ‘disruptive innovation’ which enables peer-to-peer lending using smart contracts?

**Options**

- A\*** Decentralised finance.
- B** Challenger banks.
- C** Big data technology.
- D** Machine learning.

**Mark/Score: 1**

**10 Question Text:**

Electronic bank account management (eBAM) systems are designed to facilitate which of the following?

**Options**

- A\*** Updating and allocating authority limits.
- B** Providing real-time market rates and prices.
- C** Matching transaction confirmations between two parties.
- D** Aggregating payments through the most efficient route.

**Mark/Score: 1**

**11 Question Text:**

Which of the following is the PRIMARY function of a Treasury Management System?

**Options**

- A\*** Providing real-time visibility across global cash positions.
- B** Consolidating medium-term liquidity forecasts from business units.
- C** Managing automated hedge accounting entries under IFRS rules.
- D** Supporting multi-entity integration with ERP and bank platforms.

**Mark/Score: 1**

**12 Question Text:**

Which combination of controls best support treasury operational resilience and safeguards to security breaches?

**Options**

- A\*** Multi-factor authentication, segregation of duties and a tested incident response plan.
- B** Automated end-to-end transaction flows, manual payment approvals and single factor authentication.
- C** Using complex passwords and an approved incident response plan to reduce unauthorised access.
- D** Encrypting payment files, daily reconciliation procedures and tracking under regulatory reporting rules.

**Mark/Score:** 1

**13 Question Text:**

Which of the following is a typical limitation of using ERP treasury modules for treasury operations?

**Options**

- A\*** Inadequate support for complex financial instruments and advanced risk analytics.
- B** Poor integration with accounts payable, accounts receivable, and the general ledger.
- C** Inconsistent master data management across finance and treasury processes.
- D** Use of a common finance interface across multiple accounting functions.

**Mark/Score:** 1

**14 Question Text:**

Which of the following best describes the role of API aggregators and platforms in treasury connectivity?

**Options**

- A\*** Providing a single integration layer that normalises access across multiple banking APIs.
- B** Replacing banking APIs by executing payments directly without banking APIs' involvement.
- C** Mandating the use of ISO 20022 messaging for all banking API connections.
- D** Acting as encryption tools that secure payment data during transmission via banking APIs.

**Mark/Score:** 1

**15 Question Text:**

Which of the following is a key challenge when adopting APIs within treasury functions?

**Options**

- A\*** Managing version changes and updates to bank APIs with limited advance notice.
- B** Eliminating the need for middleware when integrating APIs within legacy treasury systems.
- C** Ensuring all banks deliver balance data in a single standard universal API reporting format.
- D** Avoiding any dependency on third-party technology API providers or platforms.

**Mark/Score: 1**

**16 Question Text:**

Which **TWO** of the following statements about cryptocurrency and blockchain are true?

**Options**

- A\*** Administrative functions are disintermediated.
- B** Blockchains are always public.
- C\*** Ledgers are transparent to all participants.
- D** Once validated, records can only be changed in limited circumstances.
- E** Records are centralised.

**Mark/Score: 1**

**17 Question Text:**

Which **TWO** of the following systems directly interface with the corporate's treasury dealing counterparties?

**Options**

- A\*** Confirmation matching systems.
- B** Electronic balance reporting (EBR) systems.
- C** Electronic bank account management (eBAM) systems.
- D** Market information systems.
- E\*** Money market fund (MMF) portals.

**Mark/Score: 1**

**18 Question Text:**

Which of the following are characteristics of a software as a service (SaaS) technology delivery?

Select **ALL** that apply.

**Options**

- A\*** The system is accessed through a web browser.
- B\*** Data is usually held by the vendor.
- C\*** No system installation is required.
- D** Bandwidth requirements are minimal.
- E** Interfaces are developed and maintained internally.
- F** There is opportunity for significant customisation.

**Mark/Score: 1**

**19 Question Text:**

According to the Centre for Finance, Technology and Entrepreneurship (CFTE) framework, which **THREE** of the following are features of 'better' innovation?

**Options**

- A\*** Unbundling.
- B\*** Tight margins.
- C\*** High customer acquisition costs.
- D** Transformative technology.
- E** Uncertain consumer demand.
- F** Unclear business model.

**Mark/Score: 1**

**20 Question Text:**

Which **TWO** of the following occur during the confirmation and settlement stages of a treasury transaction? The:

**Options**

- A\*** automated exchange of transaction details using SWIFT messages.
- B** validation of business unit forecast submissions for liquidity planning.
- C\*** identification and resolution of mismatches in trade details.
- D** assessment of hedge effectiveness under accounting standards.
- E** centralised monitoring of working capital performance metrics.

**Mark/Score: 1**

## SECTION B

Section B consists of 1 case study-based scenarios, each containing 5 multiple choice questions (MCQs), **worth 1 mark each**, relating to the case study.

These questions are all single response MCQs.

Section B will focus on smaller sections of the syllabus and requires more depth of knowledge and application to practice.

### Section B – Case Study 6

**Amro Amani (AA)**, a company headquartered in Dubai, is implementing a treasury management system (TMS). AA has asked the TMS supplier to provide support relating to the mapping of system access rights to ensure best practice is being applied. The TMS supplier has proposed that AA sets up access rights as groups based on the roles of treasury staff.

The first interface AA is setting up in the new TMS is with its existing 360T platform.

Regarding business continuity, AA has been reassured by its supplier in writing about the required level of availability that the new TMS will deliver. The supplier will also provide back-up data centres and appropriate support services.

AA's TMS provider has advised that its next TMS update will include capability to handle all major decentralised cryptocurrencies. This is of interest to AA as it has started to accept trades in some of these.

As a separate initiative, AA is seeking a technological solution to improve its cashflow forecasting accuracy.

#### 21 Question Text:

Which of the following is an advantage of the proposed approach to access rights?

The approach will allow:

#### Options

- A a greater degree of customisation.
- B\*** flexibility for personnel changes.
- C systems administrators to be dispensed with.
- D systems outages to be overridden easily.

**Mark/Score: 1**

**22 Question Text:**

Which of the following system types is being set up in the new TMS first?

**Options**

- A Cashflow forecasting system.
- B Enterprise resource planning system.
- C Money market fund portal.
- D\* Multi-bank dealing platform.

**Mark/Score: 1**

**23 Question Text:**

What has been provided to AA in writing to provide reassurance about its business continuity?

**Options**

- A Dealing mandate.
- B Digital certificate.
- C Disaster recovery plan.
- D\* Service level agreement.

**Mark/Score: 1**

**24 Question Text:**

Which of the following currencies is due to be included in the next TMS update?

**Options**

- A\* Ethereum.
- B Fiat currency.
- C The Digital Yuan.
- D The Sand Dollar.

**Mark/Score: 1**

**25 Question Text:**

Which of the following is most likely to help AA with its forecasting objective?

**Options**

- A\*** Artificial intelligence.
- B** Blockchain.
- C** Decentralised finance.
- D** Documentary collection.

**Mark/Score: 1**

## SECTION C

Section C is made up of 1 case study questions and is worth a total of 10 marks.

**1 longer form questions: 1 x 10 mark questions.**

Please note that some questions may be broken into sub-questions (for example a,b,c) on the next page.

Questions will be based on mini-scenarios common to practice. Questions will test knowledge, analysis, application and justification as appropriate to level descriptors.

**Please ensure you open and read the associated Case Study information before answering the question. This can be found above the answer box.**

### Case Study C3

**Mille Bourses (MB)** is a French IT company that specialises in the implementation of software for clients.

MB operates an in-house bank as its treasury structure. The treasury team looks after all aspects of the parent company's financial management. This includes the trading arrangements that exist between the parent company and MB's subsidiary company, which is based in Australia. The parent company also provides all the funding needs of the subsidiary.

MB recently experienced significant attention from the Australian tax authority regarding its transfer pricing arrangements, but MB's experienced treasurer managed to demonstrate that MB was meeting all of its required obligations.

The treasury team maintains relationships with ten banks which are all eager to secure a greater share of MB's ancillary business.

Currently, the treasury team uses a fully-integrated multi-bank dealing platform for most of its FX trades to deliver a straight-through-process (STP) into the treasury management system (TMS). However, MB still executes its non-deliverable forward (NDF) trades by telephone. MB's reporting shows that around 20-30 NDFs are executed monthly with a total nominal trade amount between EUR350-400m.

MB's multi-bank dealing portal provider has advised that NDFs can now be traded on the platform and the TMS provider has advised that there would be a one-off cost of EUR14,000 to integrate the new instrument type into the STP. MB is considering whether it is worthwhile to include NDFs in its multi-bank portal trading.

**26a Question Text:**

**Section C - Case Study 3a**

Outline **THREE** advantages and **TWO** disadvantages to MB of operating as an in-house bank compared to a shared service centre.

(5 marks)

**Mark/Score: 5**

**26b Question Text:**

**Section C - Case Study 3b**

Discuss whether MB should trade its NDFs on the multi-bank portal.

(5 marks)

**Mark/Score: 5**

## Case Study – Mark scheme

### Case Study C3

<b>26a</b>	<p><b><u>Advantages of operating as an in-house bank</u></b></p> <p><b>Efficient working capital</b></p> <ul style="list-style-type: none"> <li>• Centralised liquidity management across MB’s subsidiary companies, enabling zero-balancing sweeps to optimise idle cash.</li> </ul> <p><b>Reduce borrowing and bank fees</b></p> <ul style="list-style-type: none"> <li>• Reduces external borrowing and bank fees via internal funding and netting by intercompany loans.</li> </ul> <p><b>Reduce FX costs</b></p> <ul style="list-style-type: none"> <li>• Enables strategic services like FX hedging by centralising FX exposure for higher bargaining power.</li> </ul> <p><b>Improves cash visibility and risk control</b></p> <ul style="list-style-type: none"> <li>• Improves forecasting and risk control with real-time data by Integrating TMS for cash visibility, risks, and supporting cash forecasting.</li> </ul> <p><b><u>Disadvantages of operating as an in-house bank</u></b></p> <p><b>High system and operation complexity</b></p> <ul style="list-style-type: none"> <li>• Higher operating complexity, including legal and tax structuring. Require system integration, greater resource demands for skilled staff in all aspects.</li> </ul> <p><b>Potential regulatory hurdles</b></p> <ul style="list-style-type: none"> <li>• Potential regulatory hurdles in intercompany lending (arm’s-length pricing), payment netting, payment on behalf of and potential local banking licenses requirement.</li> </ul> <p><b>Over-centralisation</b></p> <ul style="list-style-type: none"> <li>• Risk of over-centralisation due to the enforcement of universal group policies, less understanding of local requirements and slow local responses to market shifts or regulation changes.</li> </ul> <p><b>1 mark per advantage or disadvantage.</b></p>
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<p><b>26b</b></p>	<p>It is recommended that MB does include NDFs into the multi-bank portal, as it will benefit from a controls and security perspective for a relatively significant number of sizeable deals.</p> <p>The benefits to MB of using the multi-bank portal for NDFs would be:</p> <ul style="list-style-type: none"> <li>• a significant reduction in the risk of error by reducing manual inputs into the transaction process once the NDFs are integrated into the STP</li> <li>• the ability to seek competitive quotes on the NDFs to ensure that they are receiving the best price available to them</li> <li>• the useful tool of ‘price discovery’ so that the dealer can demonstrate that business is being conducted in the best interests of the company. This can be difficult when dealing over the telephone, particularly in a small treasury team like that of MB’s</li> <li>• the opportunity to spread their business more widely across the ten relationship banks. The analysis from the portal will be richer when showing which banks are providing them with the best quotes. This will make it an even more valuable tool in bank relationship management and negotiation</li> <li>• the ten relationship banks may prefer to auto-bid electronically on the NDFs, as this costs the banks less</li> <li>• the addition of more volume through the portal could also be better for the banks as there is more to compete for.</li> </ul>
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