

Direction:

Liabilities	Amount	Assets	Amount
Equity Share Capital	2,00,000	Plant & Machinery	1,00,000
13% Preference Share	1,00,000	Land	1,20,000
Capital	20,000	Stock	41,000
General Reserve	1,00,000	Debtors	2,50,000
15% Debentures	80,000	Cash in Hand	14,000
Trade Creditors	25,000		
Bank Overdraft			
	5,25,000		5,25,000

- Question No. 101

Calculate the Current ratio based on the following information:

Options :

1. 2.90
2. 2.51
3. 3.04
4. 1.48
5. 3.81

Answer : 2.90

Direction:

Liabilities	Amount	Assets	Amount
Equity Share Capital	2,00,000	Plant & Machinery	1,00,000
13% Preference Share	1,00,000	Land	1,20,000
Capital	20,000	Stock	41,000
General Reserve	1,00,000	Debtors	2,50,000
15% Debentures	80,000	Cash in Hand	14,000
Trade Creditors	25,000		
Bank Overdraft			
	5,25,000		5,25,000

- Question No. 102

Calculate the Quick ratio based on the following information:

Options :

1. 3.04
2. 2.51
3. 1.48
4. 2.90
5. 3.30

Answer : 2.51

Direction:

Liabilities	Amount	Assets	Amount
Equity Share Capital	2,00,000	Plant & Machinery	1,00,000
13% Preference Share	1,00,000	Land	1,20,000
Capital	20,000	Stock	41,000
General Reserve	1,00,000	Debtors	2,50,000
15% Debentures	80,000	Cash in Hand	14,000
Trade Creditors	25,000		
Bank Overdraft			
	5,25,000		5,25,000

- Question No. 103

Calculate the Proprietary Ratio of the company based on the following information:

Options :

1. 0.61
2. 0.59
3. 0.57
4. 0.40
5. 0.41

Answer : 0.61

Direction:

Liabilities	Amount	Assets	Amount
Equity Share Capital	2,00,000	Plant & Machinery	1,00,000
13% Preference Share	1,00,000	Land	1,20,000
Capital	20,000	Stock	41,000
General Reserve	1,00,000	Debtors	2,50,000
15% Debentures	80,000	Cash in Hand	14,000
Trade Creditors	25,000		
Bank Overdraft			
	5,25,000		5,25,000

• Question No. 104

Calculate the Debt Equity ratio of the company based on the following information:

Options :

1. 0.31
2. 0.33
3. 0.49
4. 0.45
5. 0.91

Answer : 0.31

Direction:

Opening Stock: 20,000	Capital Employed: 15,00,000
Closing Stock: 1,00,000	Trade Receivables: 1,00,000
Net Purchases: 6,30,000	Trade Payables: 40,000
Direct Expenses: 50,000	Bank Overdraft: 20,000
Net Sales: 12,00,000	Cash in hand: 10,000
Indirect Expenses: 3,50,000	Net Fixed Assets: 24,00,000

• Question No. 105

Calculate the Inventory Turnover Ratio

Options :

1. 5 Times
2. 9.17 Times
3. 10 Times
4. 5.25 Times
5. 6 Times

Answer : 10 Times

Direction:

Opening Stock: 20,000	Capital Employed: 15,00,000
Closing Stock: 1,00,000	Trade Receivables: 1,00,000
Net Purchases: 6,30,000	Trade Payables: 40,000
Direct Expenses: 50,000	Bank Overdraft: 20,000
Net Sales: 12,00,000	Cash in hand: 10,000
Indirect Expenses: 3,50,000	Net Fixed Assets: 24,00,000

- Question No.106

Calculate the Working Capital Turnover Ratio:

Options :

1. 8 Times
2. 10 Times
3. 5 Times
4. 12 Times
5. 6 Times

Answer : 8 Times

Direction:

Opening Stock: 20,000	Capital Employed: 15,00,000
Closing Stock: 1,00,000	Trade Receivables: 1,00,000
Net Purchases: 6,30,000	Trade Payables: 40,000
Direct Expenses: 50,000	Bank Overdraft: 20,000
Net Sales: 12,00,000	Cash in hand: 10,000
Indirect Expenses: 3,50,000	Net Fixed Assets: 24,00,000

- Question No. 107

Calculate the Fixed Assets Turnover Ratio.

Options :

1. 2 Times
2. 0.5 Times
3. 5 Times
4. 2.5 Times
5. 3 Times

Answer : 0.5 Times

Direction:

Opening Stock: 20,000	Capital Employed: 15,00,000
Closing Stock: 1,00,000	Trade Receivables: 1,00,000
Net Purchases: 6,30,000	Trade Payables: 40,000
Direct Expenses: 50,000	Bank Overdraft: 20,000
Net Sales: 12,00,000	Cash in hand: 10,000
Indirect Expenses: 3,50,000	Net Fixed Assets: 24,00,000

- Question No. 108

Calculate its average collection period.

Options :

1. 30.4 days
2. 34.3 days
3. 12 days
4. 24 days
5. 60.5 days

Answer : 30.4 days

Direction:

Revenue from operations	1,70,000
COGS	60,000
Selling expense	40,000
Administration expense	20,000

- Question No. 109

Calculate gross profit ratio:

Options :

1. 52.9%
2. 29.14%
3. 30%
4. 64.71%
5. 53%

Answer : 64.71%

Direction:

Revenue from operations	1,70,000
COGS	60,000
Selling expense	40,000
Administration expense	20,000

- Question No. 110

Calculate operating profit ratio:

Options :

1. 29.14%
2. 52.9%
3. 64.71%
4. 53%
5. 30%

Answer : 29.14%

Direction:

Particulars	Amount
Equity and Liabilities	
1. Shareholders' funds	
a) Share capital	1200000
b) Reserves and surplus	300000
c) Money received against share warrants	100000
2. Non-current Liabilities	
a) Long-term borrowings	500000
b) Other long-term liabilities	40000
3. Current Liabilities	
a) Short-term borrowings	200000
b) Trade payables	100000
c) Other current liabilities	50000
d) Short-term provisions	150000
Assets	
1. Non-Current Assets	
a) Fixed assets	1600000
b) Non-current investments	200000
c) Long-term loans and advances	100000
2. Current Assets	
a) Current investments	160000
b) Inventories	150000
c) Trade receivables	100000
d) Cash and cash equivalents	250000
e) Short-term loans and advances	80000

- Question No. 111

Calculate the Debt Equity Ratio of the company.

Options :

1. 0.29: 1
2. 0.34: 1
3. 0.33:1
4. 0.5:1
5. None of the above

Answer : 0.34: 1

Direction:

Particulars	Amount
Equity and Liabilities	
1. Shareholders' funds	
a) Share capital	1200000
b) Reserves and surplus	300000
c) Money received against share warrants	100000
2. Non-current Liabilities	
a) Long-term borrowings	500000
b) Other long-term liabilities	40000
3. Current Liabilities	
a) Short-term borrowings	200000
b) Trade payables	100000
c) Other current liabilities	50000
d) Short-term provisions	150000
Assets	
1. Non-Current Assets	
a) Fixed assets	1600000
b) Non-current investments	200000
c) Long-term loans and advances	100000
2. Current Assets	
a) Current investments	160000
b) Inventories	150000
c) Trade receivables	100000
d) Cash and cash equivalents	250000
e) Short-term loans and advances	80000

- Question No. 112

Calculate the Equity multiplier of the company.

Options :

1. 0.61
2. 1.65
3. 0.57
4. 1.76
5. None of the above

Answer : 1.65

- Question No. 113

Who decides what will be the cropping season for the purpose of loan?

Options :

1. RBI
2. Lending bank
3. State Level Bankers' Committee
4. Sponsor Bank of RRB in a region
5. State Government

Answer : State Level Bankers' Committee

• Question No. 114

What is the time line given by RBI to borrowers having exposure of above Rs.25 crore to obtain by Legal Entity Identifier (LEI) code?

Options :

1. 31 December 2022
2. 31 March 2023
3. 30 April, 2023
4. 1 July, 2023
5. 1 October, 2023

Answer : 30 April, 2023

• Question No. 115

If CIBIL score is -1 then what does that mean?

Options :

1. Good credit history
2. Poor credit history
3. No Credit history
4. No bank account
5. Multiple bank accounts

Answer : No Credit history

- Question No. 116

The reporting requirement for banks to provide credit information to Central Repository of Information on Large Credits (CRILC) about their borrowers is applicable for exposure of _____

Options :

1. Rs. 5 crore and above
2. Rs.10 crore and above
3. Rs.25 crore and above
4. Rs. 50 crore and above
5. Rs.100 crore and above

Answer : Rs. 5 crore and above

- Question No. 117

What is the maximum loan amount available to street vendors under the PM Street Vendor's AtmaNirbhar Nidhi (PM Svanidhi) scheme in India?

Options :

1. Rs.5,000
2. Rs.7,500
3. Rs.10,000
4. Rs.15,000
5. Rs.20,000

Answer : Rs.10,000

- Question No. 118

In an Inter Creditor Agreement (ICA), what is the minimum agreement requirement for lenders to make a decision?

Options :

1. 50% lenders by value and 50% lenders by number

2. 60% lenders by value and 75% lenders by number
3. 75% lenders by value and 60% lenders by number
4. 80% lenders by value and 40% lenders by number
5. 90% lenders by value and 50% lenders by number

Answer : 75% lenders by value and 60% lenders by number

• Question No. 119

What is the loan amount range available for Proof of Concept (POC) or Prototype development under the Stand-Up India Scheme in India?

Options :

1. 1 lakh to 10 lakhs
2. 5 lakhs to 50 lakhs
3. 50 lakhs to 5 crores
4. 10 lakhs to 1 crore
5. 1 crore to 10 crores

Answer : 10 lakhs to 1 crore

• Question No. 120

Which among the following is not the benchmark rate for calculating lending rate by banks?

Options :

1. Repo rate
2. Reverse Repo rate
3. MCLR
4. BPLR
5. T-bill 6 months

Answer : Reverse Repo rate

- Question No. 121

What will be the risk weight for an individual housing loan of upto Rs.30 lakh and having LTV ratio of up to 80%?

Options :

1. 20%
2. 25%
3. 30%
4. 35%
5. 50%

Answer : 35%

- Question No. 122

For the purpose of calculating LTV for a housing loan, the stamp duty can be added in the cost of the housing property of up to what value?

Options :

1. Rs.25 lakh
2. Rs.20 Lakh
3. Rs.10 lakh
4. Rs.30 lakh
5. Rs.35 lakh

Answer : Rs.10 lakh

- Question No. 123

For what purpose did RBI set up a working group led by Sunil Mehta, to accelerate and widen the reach of digital banking services?

Options :

1. Introducing Tokenisation

2. Guidelines for Digital lending
3. Feature phone based UPI
4. Setting up of Digital Banking Units
5. Finalising account aggregator system

Answer : Setting up of Digital Banking Units

• Question No. 124

As per the IRAC norms (Income Recognition, Asset classification and Provisioning Pertaining to Advance) a regular/ ad hoc credit limits that has not been reviewed/ renewed within _____ days, will be treated as NPA.

Options :

1. 90 days
2. 120 days
3. 180 days
4. 270 days
5. 360 days

Answer : 180 days

• Question No. 125

What is the maximum period for which an asset can be considered a substandard asset?

Options :

1. Less than or equal to 6 months
2. Less than or equal to 12 months
3. Less than or equal to 18 months
4. Less than or equal to 24 months
5. None of the above

Answer : Less than or equal to 12 months

- Question No. 126

In which of the following situations an NPA account can be upgraded to standard account?

Options :

1. The last one month arrears and current month interest and principal is cleared
2. The last financial year arrears of interest and principal are cleared.
3. All arrears of interest is paid
4. All arrears of principal is paid
5. All arrears of interest and principal is paid

Answer : All arrears of interest and principal is paid

- Question No. 127

What is the minimum holding period before a bank can transfer loan with tenor of up to 2 years?

Options :

1. 2 months
2. 3 months
3. 4 months
4. 5 months
5. 6 months

Answer : 3 months

- Question No. 128

As per the IRAC norms, the exposure would include:

Options :

1. Only fund based exposure
2. Only non-fund based exposure
3. Both fund based and non-fund based exposure

- 4. Fund based and investment exposure
- 5. Fund based, non-fund based and investment exposure

Answer : Fund based, non-fund based and investment exposure

- Question No. 129

Which of the following banks are not covered under opening and operation of current accounts and CC/OD accounts?

Options :

- 1. Scheduled Commercial Banks
- 2. Payment Banks
- 3. RRBs
- 4. NBFCs
- 5. All are included

Answer : NBFCs

- Question No. 130

What is the revised limit of the personal loans that can be given to any director of other Bank without Board's Approval?

Options :

- 1. Rs.25 lakh
- 2. Rs. 50 lakh
- 3. Rs. 1 crore
- 4. Rs.2 crore
- 5. Rs.5 crore

Answer : Rs.5 crore

- Question No. 131

Within how many days of creation of charge on assets, is it needed to be registered with the RoC?

Options :

1. 15 days
2. 21 days
3. 30 days
4. 35 days
5. 60 days

Answer : 30 days

• Question No. 132

Under the ECLGS scheme for Hospitality sector, what is the period of moratorium allowed?

Options :

1. 1 year
2. 2 years
3. 3 years
4. 4 years
5. No moratorium

Answer : 2 years

• Question No. 133

The Emergency credit line Guarantee Scheme provided guarantee for what percentage of the eligible loan extended by the member lending institution?

Options :

1. 50%
2. 75%
3. 80%
4. 90%

5. 100%

Answer : 100%

- Question No. 134

For which of the following maturity, banks are not required to publish MCLR?

Options :

1. Overnight
2. Fortnight
3. One month
4. Six months
5. One Year

Answer : Fortnight

- Question No. 135

According to the guidelines in India, how often should banks review and revise their Marginal Cost of Funds based Lending Rate (MCLR)?

Options :

1. Once a week
2. Once a month
3. Once a year
4. Once every six months
5. Once every quarter

Answer : Once a month

- Question No. 136

As per RBI's IRAC norms, under doubtful assets, stock audit at annual intervals by external agencies is mandatory in cases of NPAs with balance of _____

Options :

1. Rs.5 crore and above
2. Rs.10 crore and above
3. Rs.15 crore and above
4. Rs.25 crore and above
5. Rs.50 crore and above

Answer : Rs.5 crore and above

• Question No. 137

Which of the following will not be a party to foreign Letter of credit?

Options :

1. Applicant
2. Beneficiary
3. Issuing Bank
4. Confirming Bank
5. Custom Authorities

Answer : Custom Authorities

• Question No. 138

Under the MUDRA Shishu scheme, what percentage of interest subvention is provided to eligible borrowers?

Options :

1. 1%
2. 2%
3. 3%
4. 4%
5. 5%

Answer : 2%

• Question No. 139

A prospectus which enables an issuer to make a series of issues within a **period of 1 year** without the need of filing a fresh prospectus every time is known as _____

Options :

1. Red Herring Prospectus
2. Abridged Prospectus
3. Shelf Prospectus
4. Draft Prospectus
5. Recurring Prospectus

Answer : Shelf Prospectus

• Question No. 140

Which of the following correctly defines a "small company" as per the Companies Act 2013?

Options :

1. A company with a paid-up capital of up to Rs.4 crore and turnover of less than Rs. 40 crores
2. A company with a paid up capital of up to Rs.20 lakh and turnover of less than Rs. 50 lakh.
3. A company with a paid up capital of up to Rs.20 lakh and turnover of less than Rs. 2 crore
4. A company with a paid up capital of up to Rs.50 lakh and turnover of less than Rs. 20 crore
5. A company with a paid up capital of up to Rs.50 lakh and turnover of less than Rs. 10 crore

Answer : A company with a paid-up capital of up to Rs.4 crore and turnover of less than Rs. 40 crores

• Question No. 141

If a Unique Document Identification Number (UDIN) is not generated at the time of filling an audit report in India, how many days are provided for generating the UDIN compulsorily?

Options :

1. 15 days

2. 30 days
3. 45 days
4. 60 days
5. 90 days

Answer : 60 days

- Question No. 142

Which loan does not require the borrower to pay back during their lifetime?

Options :

1. Personal loan
2. Mortgage loan
3. Auto loan
4. Reverse mortgage
5. Education loan

Answer : Reverse mortgage

- Question No. 143

When a borrower opts for an insurance policy in connection with a loan, it is a case of _____

Options :

1. Assignment
2. Pledge
3. Mortgage
4. Hypothecation
5. Guaranty

Answer : Assignment

- Question No. 144

Under the Stand-Up India scheme in India, projects approved for women entrepreneurs are primarily focused on which category?

Options :

1. Greenfield
2. Brownfield
3. Orangefield
4. Bluefield
5. Yellowfield

Answer : Greenfield

• Question No. 145

Among the following options, which one can lead to an immediate outflow of funds from the bank?

Options :

1. Letter of Credit
2. Bank Guarantee
3. Bill Discounting
4. Overdraft facility
5. All of the above

Answer : Bill Discounting

• Question No. 146

Which of the following is the utility of Equity Multiplier for the investor?

Options :

1. To know the portion of interest on debt that can be covered from earnings available to equity shareholders
2. To know the number of times preference share interest can be paid from earnings available to equity shareholders

3. To know the portion of return on equity generated as a result of debt
4. To know the number of times equity is multiplied to get the value of debt
5. None of the above

Answer : To know the portion of return on equity generated as a result of debt

• Question No. 147

What is the limit on loan given to Start-Ups under MSME that can be classified as PSL?

Options :

1. Rs. 25 lakh
2. Rs.50 lakh
3. Rs.25 crore
4. Rs.50 crore
5. None of the above

Answer : Rs.50 crore

• Question No. 148

Under the Companies Act 2013, if a company borrows more than a specific limit, the Board needs to seek consent of the company by a _____

Options :

1. Ordinary resolution
2. Special resolution
3. Extraordinary resolution
4. Board resolution
5. None of the above

Answer : Special resolution

• Question No. 149

What is the maturity period of External Commercial Borrowings?

Options :

1. 1 year
2. 2 years
3. 3 years
4. 5 years
5. No specific maturity period

Answer : 3 years

• Question No. 150

A creditor would be happy if there is a decrease in a ratio of _____

Options :

1. Debt to total assets ratio
2. Return on equity
3. Return on assets
4. Interest coverage
5. Debtor turnover

Answer : Debt to total assets ratio

• Question No. 151

The level of risk that arises from exposure to a single counterparty or sector, and it has the potential to produce large amounts of losses is called:

Options :

1. Default Risk
2. Concentration Risk
3. Reputation risk
4. Systemic Risk

5. None of the above

Answer : Concentration Risk

- Question No. 152

Which of the following are the components that are required to be estimated for credit risk quantification?

1. Probability of default
2. Expected Loss
3. Exposure at default
4. Loss Given default

Options :

1. 1, 2, 3
2. 2,3,4
3. 1,3,4
4. All of the above
5. None of the above

Answer : 1,3,4

- Question No. 153

A charge in or upon any movable property, existing or future, created by a borrower in favor of a secured creditor without delivery of possession of the movable property to such creditor is called:

Options :

1. Pledge
2. Hypothecation
3. Mortgage
4. Assignment
5. Valuation

Answer : Hypothecation

- Question No. 154

Expand CRILC

Options :

1. Central Repository of Information on Large Credits
2. Central Regulation for Income on Large Credits
3. Central Republic of Information on Large Credits
4. Central Repository of Income on Large Credits
5. None of the above

Answer : Central Repository of Information on Large Credits

- Question No. 155

Which of the following are not TRUE about CERSAI?

1. CERSAI's full form is Central Registry of Securitization Asset Reconstruction and Security Interest of India
2. CERSAI forms an online database to store all the information about mortgages and loans for properties (movable, immovable and intangible), that are taken from banks.
3. CERSAI's objectives have been further expanded to include the registration of all types of mortgage loans that exist in India, as well as the registration of any collateral for non-tangible assets, such as accounting debts

Options :

1. 1 and 2
2. Only 3 is incorrect
3. 1 is incorrect
4. All are correct
5. None are correct

Answer : All are correct

- Question No. 156

Conditions imposed by the lender on the borrower that certain activities will or will not be carried out are called.....

Options :

1. Indenture
2. Stipulations
3. Covenants
4. Guidelines
5. Restrictions

Answer : Covenants

- Question No. 157

Capital gearing ratio is a fraction of:

Options :

1. Preference share capital and debentures to equity share capital and reserves and surplus
2. Equity share capital to preference share capital and long term debt
3. Equity share capital to total assets
4. long term debt to total assets
5. None of the above.

Answer : Preference share capital and debentures to equity share capital and reserves and surplus

- Question No. 158

As per the guidelines of RBI, what is the risk weight for the housing loans with LTV Ratio (Loan to Value Ratio) lesser than 80%

Options :

1. 25%

- 2. 30%
- 3. 35%
- 4. 50%
- 5. 60%

Answer : 35%

• Question No. 159

Where the aggregate exposure of the banking system is ₹5 crore or more, borrowers can open current accounts with any one of the banks with which it has CC/OD facility, provided that the bank has at leastOf the aggregate exposure of the banking system to that borrower

Options :

- 1. 5%
- 2. 7.5%
- 3. 10%
- 4. 15%
- 5. None of the above

Answer : 10%

• Question No. 160

ABC Inc's Income statement shows a sale of Rs 2000, COGS of Rs 800, Pre-Interest Operating Expenses of Rs 600 and Interest expenses of Rs 200. Interest Coverage ratio of ABC Inc is:

Options :

- 1. 2 times
- 2. 3 times
- 3. 4 times
- 4. 5 times
- 5. 1.5 times

Answer : 3 times

- Question No. 161

What is the wrong statement about NBFCs?

Options :

1. There shall be a ceiling of ₹1 crore per borrower for financing subscription to Initial Public Offer (IPO) for listing of NBFCs
2. In order to enhance the quality of regulatory capital, NBFC-UL (Upper Layer) shall maintain Common Equity Tier 1 capital of at least 9 per cent of Risk Weighted Assets
3. The extant NPA classification norm stands changed to the overdue period of more than 90 days for all categories of NBFCs
4. Housing Finance Companies (NBFC-HFC) are regulated by NHB
5. NBFCs without public funds and customer interface will always remain in the Base Layer of the regulatory structure

Answer : Housing Finance Companies (NBFC-HFC) are regulated by NHB

- Question No. 162

Mr. X has purchased an index option with a strike price of Rs 1500. What will be his net gain or loss if the price of an index at maturity is Rs 1550 and the premium paid is Rs 20?

Options :

1. Loss of Rs 50
2. Call will expire out of the money
3. Gain of Rs 30
4. Gain of Rs 50
5. None of the above

Answer : Gain of Rs 30

- Question No. 163

Banks are required to use External Benchmark lending rate for which of the following types of the loans:

Options :

1. All new floating rate personal or retail loans (housing, auto, etc.)
2. floating rate loans extended by banks to Micro and Small Enterprises from October 01, 2019
3. floating rate loans to Medium Enterprises from April 01, 2020
4. floating rate loans to Medium Enterprises from April 01, 2022
5. All of the above (a, b and c)

Answer : All of the above (a, b and c)

• Question No. 164

Regional Rural Banks were created on the recommendation of:

Options :

1. S.S Tarapore Committee
2. Narsimham Committee
3. Kelkar Committee
4. Vaghul Committee
5. None of the above

Answer : Narsimham Committee

• Question No. 165

Owners' equity is shown as the liability in the balance sheet. This is based on the accounting concept:

Options :

1. Accrual concept
2. Business Entity Concept
3. Going Concern Concept
4. Dual Entry Concept
5. None of the above

Answer : Business Entity Concept

- Question No. 166

Which one of the following is not a purpose of "credit monitoring"?

Options :

1. Ensuring that the quality of the credit is maintained at the same level as at the time of sanction and there is no slippage.
2. Ensuring compliance with terms of sanction/covenants stipulated at the time of sanction.
3. Effecting reasonable/sizeable recovery in accounts, already classified as NPA.
4. Keeping track of the borrowing company
5. All of the above

Answer : Effecting reasonable/sizeable recovery in accounts, already classified as NPA.

- Question No. 167

What does cash flow means in accounting parlance?

Options :

1. Net profit + Dividend paid out
2. Net profit – Taxes
3. Net profit + non-Cash expenses
4. Net Profit + Interest paid
5. None of the above

Answer : Net profit + non-Cash expenses

- Question No. 168

Which of the following statement concerning credit risk is incorrect?

Options :

1. Risk of loss that may occur in a bond portfolio due to changes in interest rates is a form of credit risk
2. Credit risk arises because of events like corporate bankruptcy

3. Credit risk is also called Default risk
4. Risk of non-payment by a party in a transaction of derivatives is also a form of credit risk
5. All are correct

Answer : Risk of loss that may occur in a bond portfolio due to changes in interest rates is a form of credit risk

• Question No. 169

Scheduled Commercial Banks (SCBs) are permitted to undertake credit card business either independently or in tie-up arrangement with other card-issuing banks/NBFCs with the approval of their Boards and are required to hold how much net worth in order to undertake the business?

Options :

1. 50 crores
2. 75 crores
3. 100 crores
4. 200 crores
5. 250 crores

Answer : 100 crores

• Question No. 170

As per "Master Circular of RBI – Exposure Norms", "The exposure" definition shall include which of the following options?

Options :

1. Credit exposure (funded & non-funded credit limits)
2. Investment exposure (including underwriting & commitments of similar nature)
3. Both a and b
4. Only fund-based credit limits are included
5. None of the above

Answer : Both a and b

- Question No. 171

A rate at which RBI (Reserve Bank of India) lends to commercial banks by purchasing securities:

Options :

1. Bank rate
2. Repo rate
3. Reverse repo rate
4. Bond yield
5. None of the above

Answer : Repo rate

- Question No. 172

The current expected risk-free rate is 4%, the equity premium is 3.9% and the beta is 0.8. calculate the return on equity.

Options :

1. 7.12%
2. 8.12%
3. 7.9%
4. 7.1%
5. 7%

Answer : 7.12%

- Question No. 173

Depreciation would be classified as:

Options :

1. Investing cash flow
2. Operating cash flow

3. Financing cash flow
4. No cash flow impact
5. Either a or b

Answer : No cash flow impact

• Question No. 174

Which of the following financial reports are considered to be of the lowest quality? Financial reports that reflect:

Options :

1. Unstable earnings
2. Departures from accounting principles
3. Biasness in accounting choices
4. Consistent losses
5. None of the above

Answer : Departures from accounting principles

• Question No. 175

RSP Ltd has a net profit margin of 12% and a total asset turnover of 1.2 times and a financial leverage multiplier of 1.2 times. RSP Ltd's return on equity is closest to:

Options :

1. 12%
2. 14.2%
3. 17.3%
4. 19.2%
5. None of the above

Answer : 17.3%

• Question No. 176

In a period of rising prices and stable inventory quantities, which of the following best describes the effect on gross profit of using LIFO as compared to FIFO?

Options :

1. Lower
2. Higher
3. The same
4. Can't say
5. None of the above

Answer : Lower

• Question No. 177

..... allows the RBI to absorb liquidity (deposit) from commercial banks without giving government securities in return to the banks

Options :

1. Margin Deposit Facility
2. Standing Deposit Facility
3. Liquidity Adjustment Facility
4. Repo Rate
5. Variable Reverse Repo

Answer : Standing Deposit Facility

• Question No. 178

Most of the widely used global security indices are:

Options :

1. Price-weighted
2. Equal weighted
3. Market capitalization-weighted

- 4. Quality weighted
- 5. All of the above

Answer : Market capitalization-weighted

- Question No. 179

The discount rate that makes the present value of expected cash flows from the project equal to the initial cost of the project is called:

Options :

- 1. Net Present Value
- 2. Internal Rate of return
- 3. Interest Rate
- 4. Base Rate
- 5. None of the above.

Answer : Internal Rate of return

- Question No. 180

The Basel III capital regulations are based on which of mutually reinforcing Pillars

Options :

- 1. minimum capital requirements
- 2. supervisory review of capital adequacy
- 3. market discipline
- 4. both a and b
- 5. all of the above

Answer : all of the above

- Question No. 181

As per the BASEL Regulations, Banks shall maintain a minimum Pillar 1 Capital to Risk-weighted Assets Ratio (CRAR) ofon an on-going basis (other than capital conservation buffer and countercyclical capital buffer etc%).

Options :

1. 4.5%
2. 7%
3. 8%
4. 9%
5. none of the above

Answer : 9%

• Question No. 182

How many co-efficients are there in the Altman Z Score Model?

Options :

1. 3
2. 4
3. 5
4. 6
5. 7

Answer : 5

• Question No. 183

Lenders customarily analyze the creditworthiness of borrower by analysing the 6C's of Credit, which are:

Options :

1. Character, capacity, capital, conditions, collateral, cash flows
2. Character, committment, capital, conditions, collateral, cash flows
3. Character, credit, capital, conditions, collateral, cash flows

- 4. Character, capacity, credit, conditions, collateral, cash flows
- 5. None of the above

Answer : Character, capacity, capital, conditions, collateral, cash flows

- Question No. 184

Which of the following types of loans are used by the customers to finance their houses?

Options :

- 1. Credit Card Loans
- 2. Auto loans
- 3. Business Loans
- 4. Mortgage Loans
- 5. Land loans

Answer : Mortgage Loans

- Question No. 185

Mortgage is defined under:

Options :

- 1. SARFAESI ACT, 2002
- 2. Transfer of Property Act 1882
- 3. Indian Contract Act, 1872
- 4. Companies Act, 2015
- 5. None of the above

Answer : Transfer of Property Act 1882

- Question No. 186

Which of the following are unsecured loans

1. Home Loans
2. Car Loans
3. Education Loans
4. Personal Loans

Options :

1. only 3 and 4
2. only 4
3. Only 2, 3 and 4
4. All are secured loans
5. all are unsecured loans

Answer : only 4

• Question No. 187

Identify the cash flow from operating activities from the following:

1. Payment of taxes
2. Dividend and Interest payments
3. Sale of a fixed asset
4. Payment of staff benefit expenses

Options :

1. 1 and 3
2. 1, 2 and 3
3. 1 and 4
4. 2 and 4
5. None of the above

Answer : 1 and 4

- Question No. 188

Which of the following ratios is very important to assess the eligibility of a borrower for a Term Loan?

Options :

1. Debt Service Coverage Ratio
2. Inventory Turnover Ratio
3. Current Ratio
4. Return on Equity Ratio
5. None of the above

Answer : Debt Service Coverage Ratio

- Question No. 189

Comparison of a company's financial results to other peer companies for the same period is called:

Options :

1. technical analysis
2. time-series analysis
3. cross section analysis
4. panel analysis
5. none of the above

Answer : cross section analysis

- Question No. 190

Which of the following statements are correct regarding Pledge?

1. Pledge is a modified form of a contract of bailment, as inferred from its definition provided in Sec. 172 of ICA (Indian Contract Act)
2. The property that is pledged to the pawnee should be delivered to him, either in actual or constructive form

3. As per Sec. 173 of ICA, 1872, the Pawnee or the receiver of pledged goods has the right to retain the goods pledged until the dues, along with interest and all the necessary expenses are paid by the pawnor.

4. As per Section 175, the pawnee has the right to obtain reimbursement for any such expenses that he had to bear to preserve the goods pledged

Options :

1. only 1 and 4 are correct
2. 2 and 3 are correct
3. 1, 2 and 3 are correct
4. All are correct
5. None are correct

Answer : All are correct

• Question No.191

Legal Entity Identifier India Ltd, an agency accredited by the GLEIF as the Local Operating Unit (LOU) in India for issuance and management of LEI (Legal Entity Identifier) is a subsidiary of:

Options :

1. State Bank of India
2. Reserve Bank of India
3. SEBI
4. Clearing Corporation of India
5. SIDBI

Answer : Clearing Corporation of India

• Question No.192

What is the minimum Net Owned Fund required for a Asset Reconstruction Company?

Options :

1. 50 crores
2. 75 crores
3. 100 crores
4. 500 crores
5. 1000 crores

Answer : 100 crores

• Question No. 193

A Cash Credit or Overdraft account can be considered as out of order if:

Options :

1. The outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days
2. The outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period
3. the account is doubtful for 12 months
4. Only a and b
5. all of the above

Answer : Only a and b

• Question No. 194

As per the RBI guidelines for Short Term Loans for Agriculture and Allied Activities availed through Kisan Credit Card (KCC), interest subvention and prompt repayment incentive benefits on short term crop loans and short term loans for allied activities will be available on an overall limit of

Options :

1. 2 lakhs per annum
2. 3 lakhs per annum

- 3. 4 lakhs per annum
- 4. 5 lakhs per annum
- 5. None of the above

Answer : 3 lakhs per annum

• Question No. 195

Which one of the following is a second method of Calculation of Maximum Permissible Bank finance recommended by Tandon Committee?

Options :

- 1. (Current assets – Other Current liabilities) – 25% (CA – Other Current Liabilities)
- 2. (Current assets – Other Current liabilities) – 25% (CA)
- 3. (Current assets – Other Current liabilities) – 25% (CA – Other Current Liabilities- Existing Short term borrowings)
- 4. (Current assets – Other Current liabilities) – 25% (Other Current Liabilities)
- 5. None of the above

Answer : (Current assets – Other Current liabilities) – 25% (CA)

• Question No. 196

A facility to withdraw money from a current bank account without having a credit balance but is limited to the extent of the borrowing limit, which the commercial bank fixes is called:

Options :

- 1. Cash credit
- 2. Term Loan
- 3. Fixed deposit
- 4. Demand Loan
- 5. None of the above

Answer : Cash credit

- Question No. 197

Who has been recently appointed as an Executive Director by RBI to look after the Monetary Policy Department

Options :

1. Deepak Kumar
2. Sanjay Malhotra
3. Dr Rajiv Ranjan
4. Ajay Kumar
5. Dr Stikantha Pattnaik

Answer : Dr Rajiv Ranjan

- Question No. 198

RBI has decided to increase the threshold limit for deposits and other extensions of funds made by non-financial Small Business Customers from ₹ 5 crore to ₹for the purpose of maintenance of Liquidity Coverage Ratio (LCR) under BASEL III framework.

Options :

1. 7 crores
2. 7.5 crores
3. 8 crores
4. 8.5 crores
5. 10 crores

Answer : 7.5 crores

- Question No. 199

Bonds with original maturities of one year or less are called:

Options :

1. Capital market securities

2. Money Market Securities
3. Primary Market securities
4. Secondary Market Securities
5. None of the above

Answer : Money Market Securities

• Question No. 200

A company fails to accrue wages for march that will be paid in April. The company's year-end balance sheet liabilities:

Options :

1. And assets are understated
2. Are overstated and owners' equity is understated
3. Are understated, and owners' equity is overstated
4. Are overstated
5. None of the above

Answer : Are understated, and owners' equity is overstated

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