



### Multiple Choice Questions

#### Unit 1: Indian Financial System

- 1) \_\_\_\_\_ allocates saving efficiently in an economy to ultimate users either for investment in real assets or for consumption.
  - a) Economic system
  - b) Banking system
  - c) Financial system
  - d) Market system
  
- 2) Which of the following is not a regulatory institution in Indian financial system?
  - a) RBI
  - b) CIBIL
  - c) SEBI
  - d) IRDA
  
- 3) \_\_\_\_\_ is regarded as a queen of Indian financial system.
  - a) SEBI
  - b) RBI
  - c) Finance Ministry
  - d) BSE
  
- 4) National Housing bank is a fully owned subsidiary of \_\_\_\_\_.
  - a) HDFC
  - b) HSBC
  - c) RBI
  - d) HUDCO
  
- 5) Financial institutions are also known as \_\_\_\_\_.
  - a) Financial organization
  - b) Financial intermediaries
  - c) Financial system
  - d) Any of the above
  
- 6) \_\_\_\_\_ is the first development financial institution in India.
  - a) IDBI
  - b) ICICI
  - c) IFCI
  - d) RBI
  
- 7) IDBI was established in \_\_\_\_\_.
  - a) 1948
  - b) 1954
  - c) 1992



- d) 1964
- 8) \_\_\_\_\_ is an apex institution to coordinate, supplement and integrate the activities of all existing specialized financial institutions.
- a) IFCI
  - b) IDBI
  - c) RBI
  - d) SEBI
- 9) Which of the following is not an asset held by Commercial Banks?
- a) Bills of Exchange
  - b) Current Account Deposits
  - c) Money Lent at short Notice
  - d) Credit Balances with the Reserve Bank
- 10) Which of the following combinations is correct?
- a) NABARD-----Industrial Loan
  - b) RBI-----Long term Finance
  - c) RRB-----Agriculture Finance
  - d) IDBI-----Short Term Loans
- 11) Which of the following is not an organized sector in India?
- a) Nationalized Banks
  - b) Regional Rural Banks
  - c) Cooperative Banks
  - d) Chits and Money lenders
- 12) In which year was the Banking Regulation Act passed?
- a) 1949
  - b) 1955
  - c) 1959
  - d) 1969
- 13) When did the National Bank of Agriculture and Rural Development establish?
- a) July, 1982
  - b) July, 1969
  - c) June, 1951
  - d) June, 1961
- 14) Which of the following is the apex institution which handles refinance for agriculture and rural development in India?
- a) RBI
  - b) SIDBI



- c) NABARD
  - d) RBI
- 15) At which of the following cities is the Head Office of Reserve Bank of India located?
- a) Mumbai
  - b) New Delhi
  - c) Kolkata
  - d) Dehradun
- 16) “Scheduled bank” in India means a bank \_\_\_\_\_.
- a) Incorporated under the Companies Act, 1956
  - b) Authorized to the Banking business
  - c) Governed by the Banking Regulation Act, 1949
  - d) Included in the Second schedule to the Reserve Bank of India Act 1934
- 17) Which is the largest commercial bank in India?
- a) Bank of India
  - b) Axis Bank
  - c) State Bank of India
  - d) HDFC
- 18) Co-operative Societies Act was enacted in which year?
- a) 1912
  - b) 1949
  - c) 1935
  - d) 1913
- 19) With whom does the ownership of Public sector banks rest?
- a) Government of India
  - b) Jointly with Government of India and share-holders from the public
  - c) Jointly with Government of India and State Bank of India
  - d) Jointly with Government of India and Reserve Bank of India
- 20) In which year was the Bank of Maharashtra established?
- a) 1937
  - b) 1935
  - c) 1934
  - d) 1949

**ANSWER KEY**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
c	b	b	c	b	c	d	b	b	c	d	a	a	c	a	d	c	a	a	b



**Unit 2: Indian Money Market**

- 1) Which of the following is the regulator of Money market?
  - a) Reserve Bank of India
  - b) Government of India
  - c) Telecom Regularity Authority
  - d) Insurance Regularity Department
  
- 2) What is Call Money?
  - a) It is an overnight loan in the Money Market
  - b) It is loan of above 1 day to 14 days in the money market
  - c) It is loan of above 14 day to 364 days in the money market
  - d) It is an amount charged on ISD
  
- 3) What is Notice Money?
  - a) It is an overnight loan in the Money Market
  - b) It is loan of above 1 day to 14 days in the money market
  - c) It is loan of above 14 day to 364 days in the money market
  - d) It is an amount charged on ISD
  
- 4) What is Term Money?
  - a) It is an overnight loan in the Money Market
  - b) It is loan of above 1 day to 14 days in the money market
  - c) It is loan of above 14 day to 364 days in the money market
  - d) It is a loan provided on certain terms and conditions by Bank to its customer
  
- 5) Which of the following is not related with Money Market?
  - a) Treasury Bills
  - b) Commercial Bills
  - c) Certificates of Deposit
  - d) Shares
  
- 6) Which of the following is related with Money Market?
  - a) Treasury Bills
  - b) Commercial money
  - c) Cheque
  - d) Shares
  
- 7) Which of the following statement is true about Commercial Paper?
  - A. It is traded in the money market
  - B. It is a promissory note
  - C. It was introduced in 1990
  - D. It is a secure Instrument



- a) Option A & B are correct  
b) Option C & D are correct  
c) Option A, B & C are correct  
d) All the options are correct
- 8) Which of the following statement is true about Certificates of Deposits?  
A. It is secure instrument in comparison of Commercial Paper  
B. It is a promissory note  
C. It is traded in Capital Market  
D. It was introduced in 1990
- a) Option C & D are false  
b) Option A & B are false  
c) Option A, C & D are correct  
d) All the options are correct
- 9) Which of the following statement is false about Treasury Bills?  
A. It is a secure Instrument  
B. It is a promissory note  
C. It is issued by government  
D. It is issued maximum for maturity of 1 year
- a) Option A & B are false  
b) Only option C is true  
c) Option A & D are correct  
d) All the options are correct
- 10) Which of the following statement is true about Commercial Bill?  
A. It is a promissory note  
B. It is a bill of Exchange  
C. It is a trade Bill  
D. It is issued by RBI
- a) Option A & B are correct  
b) Option A & D are correct  
c) Option B & C are correct  
d) Option C & D are correct
- 11) Which of the following statement is related to dated Securities?  
A. It is a secure Instrument  
B. It is issued by government  
C. It acknowledges the debt by the government  
D. The date of maturity is mentioned on the certificate



- a) Only Option A & B
  - b) Only Option C & D
  - c) Only Option A, C & D
  - d) All the options are related
- 12) What is the minimum amount at which Commercial Paper can be issued?
- a) The minimum amount for Commercial Papers is 5 lakhs.
  - b) The minimum amount for Commercial Papers is 5 Crores.
  - c) The minimum amount for Commercial Papers is 1 lakh.
  - d) The minimum amount for Commercial Papers is 1 Crore.
- 13) What is the maximum and minimum maturity of Certificate of Deposit issued by financial Institutions?
- a) Certificate of deposit issued by financial Institutions are for 1 year to 3 years.
  - b) Certificate of deposit issued by financial Institutions are for 7 days to 364 days.
  - c) Certificate of deposit issued by financial Institutions are for 15 days to 90 days.
  - d) None of these.
- 14) What is the minimum amount at which Certificate of Deposit can be issued?
- a) The minimum amount for Commercial Papers is 5 lakhs.
  - b) The minimum amount for Commercial Papers is 5 Crores.
  - c) The minimum amount for Commercial Papers is 1 lakh.
  - d) The minimum amount for Commercial Papers is 1 Crore.
- 15) Which of the following is considered to be more secure instrument?
- a) Cheque
  - b) Draft
  - c) Commercial Paper
  - d) Hundi
- 16) What is the maximum validity of a cheque?
- a) 90 days
  - b) 30 days
  - c) 60 days
  - d) 180 days
- 17) Which is not a type of cheque?
- a) Mutilated Cheque
  - b) Stale Cheque
  - c) Crossed Cheque
  - d) Promissory Cheque



18) Which is a type of crossing in a cheque?

- a) Negotiable Crossing
- b) Special Crossing
- c) Level Crossing
- d) Named Crossing

19) Which of the following act defines a Cheque?

- a) RBI Act 1934
- b) Negotiable Instrument Act 1881
- c) Banking Regulation Act 1949
- d) Companies Act 2013

20) Commercial Bill is a type of\_\_\_\_\_.

- a) Promissory Note
- b) Cheque
- c) Stamp
- d) Bill of exchange

**ANSWER KEY**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
a	a	b	c	d	a	c	a	d	c	d	a	b	c	b	a	d	b	b	d



### Unit 3: Indian Capital Market

- 1) What is an Indian depository receipt?
  - a) A deposit account with a public sector bank.
  - b) It is a depository account with any of the depositories in India.
  - c) An instrument in the form of depository receipt created by an Indian depository against underlying equity shares of the issuing company.
  - d) It is an instrument in the form of deposit receipt issued by Indian depositories.
  - e) None of the above is correct.
  
- 2) Capital market regulator is:
  - a) R B I
  - b) I R D A
  - c) N S E
  - d) B S E
  - e) S E B I
  
- 3) Which of the following organizations provides a guarantee to the exporters?
  - a) Exim Bank
  - b) Export Credit Guarantee Corporation (E C G C)
  - c) Director General Foreign Trade
  - d) Reserve Bank of India
  - e) Registrar of Companies
  
- 4) The financial Market where debt and stocks are traded and maturity period is more than a year is classified as:
  - a) Shorter term Markets
  - b) Capital Markets
  - c) Counter Markets
  - d) Long-term Markets
  
- 5) The market in which new Securities are issued by the Corporations to raise funds are called:
  - a) Primary Markets
  - b) Secondary Markets
  - c) Gross Markets
  - d) Proceeds Markets
  
- 6) Which type of preference Shares can be converted into equity?
  - a) Redeemable Bonds
  - b) Convertible Bonds
  - c) Non- Convertible Bonds





- d) All of the above
- 7) Which is not one of the development steps taken for Capital Market?
- Open Outcry
  - Book Building
  - Establishing SEBI
  - Screen Based Trading
- 8) Which of the following is least risky?
- Equity
  - Corporate Bonds
  - Treasury Bills
  - Certificate of Deposits
- 9) Which security holders will receive arrears of the non- payment of dividends by the Company during the loss?
- Cumulative Preference Share Holders
  - Non- Cumulative Preference Share Holders
  - Convertible Preference Share Holder
  - Ordinary Equity Holders
- 10) What is the simple example of Stock Index in India:
- NSE
  - Sensex
  - BSE
  - SEBI
- 11) The amount which is paid at the time of maturity of the bond is equal to:
- Face Value
  - Yield
  - Coupon
  - Discounted Price
- 12) Which one of the following agencies in the Indian Capital market has authority to regulate the Mutual fund markets in India?
- IRDA
  - SEBI
  - RBI
  - IBPS



- 13) In capital market the major suppliers of trading Instruments are:
- Government and corporations
  - Liquid Corporations
  - Instrumental Corporations
  - Manufacturing Corporations
- 14) In primary markets, the property of shares which made it easy to sell newly issued security is concerned as:
- Increased Liquidity
  - Decreased Liquidity
  - Money Flow
  - Large Funds
- 15) The transaction costs of trading of financial Instruments in centralized market is classified as:
- Flexible Costs
  - Low transaction Costs
  - High Transaction Costs
  - Constant Costs
- 16) In primary market, the first time issued shares to be publicly traded, in stock market is considered as:
- Traded Offering
  - Public Markets
  - Issuance Offering
  - Initial Public Offering
- 17) The exchange markets and over the counter markets are considered as two types of:
- Floating market
  - Risky market
  - Secondary market
  - Primary market
- 18) The bonds that are backed by cash flow from project and are sold to finance particular project are classified as:
- Finance Bonds
  - Revenue Bonds
  - Financing Bonds
  - Project Bonds



19) The Component of Capital Market are:

- a) Equity Market
- b) Debt Market
- c) Derivative Market
- d) All of the above

20) There are \_\_\_\_\_ categories of Industrial Security Market.

- a) 1
- b) 2
- c) 3
- d) 4

**ANSWER KEY**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
a	e	b	b	a	b	a	c	a	b	a	c	a	a	b	d	c	b	d	b



**Unit 4: Foreign Exchange Market**

- 1) Maintaining a foreign currency account is helpful to
  - a) Avoid transaction cost.
  - b) Avoid exchange risk.
  - c) Avoid both transaction cost and exchange risk.
  - d) Avoid exchange risk and domestic currency depreciation
  
- 2) India's foreign exchange rate system is?
  - a) Free float
  - b) Managed float
  - c) Fixed
  - d) Fixed target of band
  
- 3) Hedging transaction is indicated by
  - a) Transactions in odd amounts
  - b) Presentation of documentary support
  - c) Frequency of such transactions
  - d) None of the above
  
- 4) The acronym SWIFT stands for
  - a) Safety Width in Financial Transactions.
  - b) Society for Worldwide International Financial Telecommunication.
  - c) Society for Worldwide Interbank Financial Telecommunication.
  - d) Swift Worldwide Information for Financial Transaction.
  
- 5) Indirect rate in foreign exchange means
  - a) The rate quoted with the units of home currency kept fixed.
  - b) The rate quoted with units of foreign currency kept fixed.
  - c) The rate quoted in terms of a third currency. D. None of the above.
  - d) None of the above
  
- 6) The exchange rate is
  - a) the price of one currency relative to gold.
  - b) the value of a currency relative to inflation.
  - c) the change in the value of money over time.
  - d) the price of one currency relative to another.
  
- 7) India is facing continuous deficit in its balance of payments. In the foreign exchange market rupee is expected to
  - a) Depreciate.
  - b) Appreciate.
  - c) Show no specific tendency.
  - d) Depreciate against currencies of the countries with positive balance of payment and appreciate against countries with negative balance of payment.



- 8) The effect of speculation on exchange rate is
- It causes violent fluctuations in exchange rate.
  - It aggravates the market trends.
  - Either or both of A and B.
  - Neither A nor B.
- 9) The demand for domestic currency in the foreign exchange market is indicated by the following transactions in balance of payment.
- Export of goods and services
  - Import of goods and services.
  - Export of goods and services and capital inflows.
  - Import of goods and services and capital outflows.
- 10) If PPP holds
- The nominal exchange rate will not change.
  - The real exchange rate will not change.
  - Both real and nominal exchange rates will not change.
  - Both real and nominal exchange will move together
- 11) A spot transaction in the foreign exchange market involves the
- exchange of exports and imports at a specified future date.
  - exchange of bank deposits at a specified future date.
  - immediate (within two days) exchange of exports and imports.
  - immediate (within two days) exchange of bank deposits.
- 12) Forward exchange rates
- involve the immediate exchange of bank deposits.
  - involve the exchange of bank deposits at some specified future date.
  - involve the immediate exchange of imports and exports.
  - none of the above.
- 13) When the value of the British pound changes from \$1.50 to \$1.25, the pound has \_\_\_\_\_ and the dollar has \_\_\_\_\_.
- appreciated; appreciated
  - depreciated; appreciated
  - appreciated; depreciated
  - depreciated; depreciated
- 14) The foreign exchange market
- is organized as an over-the-counter market in which several hundred dealers stand ready to buy and sell deposits denominated in foreign currencies.
  - is very competitive.
  - functions no differently from a centralized market.
  - all of the above.



- 15) In the long run, \_\_\_\_\_ affect the exchange rate.
- a) relative price levels
  - b) tariffs and quotas
  - c) productivity
  - d) all of the above.
- 16) Exchange rates are determined in
- a) the money market.
  - b) the foreign exchange market.
  - c) the stock market.
  - d) the capital market.
- 17) The immediate (two-day) exchange of one currency for another is a
- a) forward transaction.
  - b) spot transaction.
  - c) money transaction.
  - d) exchange transaction.
- 18) An agreement to exchange dollar bank deposits for euro bank deposits in one month is a
- a) spot transaction.
  - b) future transaction.
  - c) forward transaction.
  - d) monthly transaction.
- 19) In the foreign exchange market, if the interest rate on foreign deposits increases, holding everything else constant,
- a) the expected return schedule for foreign deposits shifts to the right.
  - b) the dollar depreciates.
  - c) the foreign currency appreciates.
  - d) all of the above.
- 20) Although market trades are said to involve the buying and selling of currencies, most trades involve the buying and selling of
- a) bank deposits denominated in different currencies.
  - b) SDRs.
  - c) gold.
  - d) ECUs.

**ANSWER KEY**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
C	b	d	c	a	d	a	c	c	b	d	b	b	d	d	b	b	c	d	a



**Unit 5: NBFIs (Non - Banking Financial Institutions)**

- 1) Which agency regulates and supervises NBFCs?
  - a) Finance Ministry
  - b) SEBI
  - c) RBI
  - d) Respective state government
  
- 2) Which of the following statements is/are correct?
  1. NBFCs does not hold a banking license.
  2. NBFC can issue Demand Drafts like banks.
  - a) Only 1
  - b) Only 2
  - c) Both
  - d) None
  
- 3) A Non-Banking Financial Company (NBFC) is a company registered under the \_\_\_\_\_.
  - a) RBI Act 1934
  - b) Companies Act, 1956
  - c) NBFC Act 1956
  - d) Government Securities Regulations, 1913
  
- 4) Which of the following activity is not permissible for NBFC?
  - a) loans and advances
  - b) acquisition of shares
  - c) insurance business
  - d) construction of immovable property
  
- 5) A non-banking institution that has a principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions is known as?
  - a) Principal non-banking company
  - b) Residential non-banking company
  - c) Residuary non-banking company
  - d) Optional non-banking company
  
- 6) When is a Financial activity considered as the principal business of any entity?
  - a) Financial assets constitute more than 50 per cent of the total assets
  - b) Income from financial assets constitute more than 50 per cent of the gross income
  - c) Income from financial assets constitute more than 40 per cent of the gross income
  - d) Both A and B



- 7) Which of the following is false about NBFC?
- a) NBFC cannot accept demand deposits
  - b) NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself
  - c) deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs
  - d) NBFC cannot undertake insurance business
- 8) Which of the following does not have any roles in regulation of NBFCs?
- a) National Housing Bank
  - b) Reserve Bank of India
  - c) SIDBI
  - d) Ministry of Corporate Affairs
- 9) NBFCs are required to accept public deposit for a maximum period of \_\_\_\_ months?
- a) 36 months
  - b) 48 months
  - c) 60 months
  - d) 120 months
- 10) For a company to register as a NBFC it should have a minimum net owned fund of \_\_\_\_\_.
- a) Rs 25 lakh
  - b) Rs 1 crores
  - c) Rs 2 crores
  - d) Rs 5 crores
- 11) Mutual funds in India are permitted to invest in\_\_\_\_\_.
- a) Securities
  - b) Securities & Gold
  - c) Securities other than real state
  - d) Securities, Gold and Real State
- 12) Units of \_\_\_\_\_ must be listed on the stock exchange.
- a) Sector Funds
  - b) Arbitrage Funds
  - c) Close ended Funds
  - d) Liquid Funds





- 13) The user of a leased asset is referred to as the:
- vendor;
  - purchaser;
  - lessee;
  - lessor.
- 14) Where a lessee does not expect to purchase a leased asset, the asset must be depreciated across:
- its useful life;
  - the full economic life of the asset;
  - a period not exceeding 5 years;
  - the shorter of the lease term or 20 years.
- 15) The minimum lease payment is defined as including all of the following components except:
- a bargain purchase option;
  - a guaranteed residual value;
  - the lease payments occurring over the lease term;
  - contingent rentals.
- 16) A sale and leaseback transaction involve the sale of an asset that is then leased back to the:
- acquiring entity;
  - lessor;
  - original owner;
  - purchaser.
- 17) A \_\_\_\_\_ is a specialized firm that finances young, start-up companies.
- Venture capital firm
  - finance company
  - small-business finance company
  - capital-creation company
- 18) Venture capital firms are usually organized as
- closed-end mutual funds
  - limited partnerships
  - corporations
  - nonprofit businesses



19) A merchant bank is a financial institution conducting money market activities and:

- a) Lending
- b) Underwriting and financial advice
- c) Investment service
- d) All of the above

20) Formal merchant banking activity in India was originated in\_\_\_\_\_.

- a) 1978
- b) 1969
- c) 1769
- d) 1987

**ANSWER KEY**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
c	a	b	d	c	d	d	c	c	c	d	c	c	a	d	c	a	b	d	b



**Unit 6: Development Financial Institutions (DFIs)**

- 1) Industrial Finance Corporation of India (IFCI) was established in:
  - a) 1946
  - b) 1947
  - c) 1948
  - d) 1949
  
- 2) The IDBI was established in
  - a) 1964
  - b) 1965
  - c) 1966
  - d) 1967
  
- 3) Industrial Development Bank of India is
  - a) Wholly-owned Government of India undertaking
  - b) Wholly-owned subsidiary of Reserve Bank of India
  - c) A corporation and owned by Government of India and public sector banks.
  - d) Public Limited Company
  
- 4) The primary objective of IDBI is to ----- Regulate and Supervise the working of other financial institutions like IFCI, SFCs, UTI.
  - a) Co-ordinate
  - b) Control
  - c) Planning
  - d) None of these
  
- 5) All India financial Institutions are
  - a) Industrial Development Bank of India (IDBI)
  - b) Industrial Finance Corporation of India (IFCI)
  - c) Industrial Credit and Investment Corporation of India (ICICI)
  - d) All of the above
  
- 6) The importance of SFIs may be attributed to
  - a) they constitute an important source of long-term finance to industry.
  - b) SFIs have played an important role in the development of (a) Small scale industry, (b) Projects in backward areas.
  - c) They have helped new and small entrepreneurs in setting up industry.
  - d) All of the above



- 7) IDBI serves as the ----- institution for term finance to industries.
- APEX
  - CAT
  - IIT
  - None of these
- 8) The MUDRA Bank will initially come under
- NABARD
  - SIDBI
  - HUDCO
  - CIDCO
- 9) Which of the following is not a schemes offered by MUDRA bank?
- Shishu
  - Nari
  - Kishor
  - Tarun
- 10) Consider the following statements
- MUDRA Bank will work under Small Industries Development Bank of India (SIDBI).
  - MUDRA Bank has been started with an initial corpus of Rs. 20,000 crore.
- Which of the above statements is/are correct?
- Only 1
  - Only 2
  - Both
  - None
- 11) What does R stands for in MUDRA?
- Return
  - Refinance
  - Risk
  - Ratio
- 12) What is the maximum limit of loan under MUDRA Yojana?
- Rs 1 lakh
  - Rs 5 lakh
  - Rs 10 lakh
  - Rs 50,000
- 13) How many schemes/products are available under MUDRA Yojana?
- 2
  - 3
  - 5
  - 4



- 14) Which of the following activities can be granted loan under MUDRA Yojana?
- purchase of Transport Vehicle
  - Food Products Sector
  - Textile Products Sector
  - Agricultural Loans
- 15) Which of the following cannot grant loans under MUDRA Yojana?
- Private Sector Banks
  - Micro Finance Institutions
  - Non-Banking Finance Companies
  - Payments Bank
- 16) Which of the following statements related to Bharatiya Mahila Bank are true?
- M.B.N. Rao panel prepared a blue print for Bharatiya Mahila Bank
  - The bank is operating exclusively for women
  - The Bank has been allocated with an initial capital of Rs. 1000 Crores.
  - Nirbhaya Fund was administered by Bharatiya Mahila Bank
- 1,3
  - 1,2,3
  - 1,3,4
  - All
- 17) Small Industries Development Bank of India (SIDBI) was established in:
- 1986
  - 1987
  - 1988
  - 1989
- 18) What is one of the major objectives of SIDBI?
- Principal Financial Institution for Promotion, Financing and Development of Agriculture sector in India
  - Principal Financial Institution for Promotion, Financing and Development of Housing sector in India
  - Principal Financial Institution for Promotion, Financing and Development of Export sector in India
  - Principal Financial Institution for Promotion, Financing and Development of MSME sector in India
- 19) Which among the following is not an initiative of SIDBI?
- SIDBI Venture Capital Limited
  - MUDRA
  - Rural Infrastructure Development Fund
  - Trade Receivables and Discounting Systems (TReDS)



20) Who has the majority shareholding in SIDBI?

- a) Government of India
- b) State Bank of India
- c) Life Insurance Corporation of India
- d) National Bank for Agriculture & Rural Development

DACC

ANSWER KEY

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
c	a	a	a	d	d	a	b	b	c	b	c	b	d	d	a	d	d	c	b

DNYANSAGAR ARTS AND COMMERCE COLLEGE



**Unit 7: Investment Institutions in India**

- 1) The Unit Trust of India (UTI) was set up in
  - a) 1935
  - b) 1964
  - c) 1956
  - d) 1980
  
- 2) Which one of the following is the main objective of Unit Trust of India?
  - a) To mobilize the savings of high income groups.
  - b) To mobilize the savings to low and high-income groups.
  - c) To mobilize the savings of corporates.
  - d) To mobilize the savings of low and middle-income groups.
  
- 3) In which of the following cities is the headquarters of the Unit Trust of India located?
  - a) Kolkata
  - b) Mumbai
  - c) New Delhi
  - d) Chennai
  
- 4) When was Life Insurance sector nationalized?
  - a) 1834
  - b) 1907
  - c) 1938
  - d) 1956
  
- 5) When was the General Insurance Council formed?
  - a) 1938
  - b) 1957
  - c) 1973
  - d) 1971
  
- 6) When was the Export Credit Guarantee Corporation of India established?
  - a) 1938
  - b) 1957
  - c) 1973
  - d) 1971



- 7) When was general insurance business nationalized?
- 1938
  - 1971
  - 1973
  - 1993
- 8) The punch line of the advertisement of which of the following organization is “Jindagi ke sath bhi Jindagi ke bad bhi”?
- New India Assurance
  - General Insurance Corporation
  - ICICI Prudential
  - Life Insurance Corporation of India
- 9) The central office of the Life Insurance Corporation of India (LIC) is located at
- New Delhi
  - Chennai
  - Pune
  - Mumbai
- 10) Which of the following was the parent company of New India Assurance?
- LIC
  - GIC
  - Oriental Insurance Co. Ltd.
  - United India Insurance
- 11) Which of the following is largest Non-Life Insurance Company in India ?
- ICICI Lombard General Insurance Company Ltd.
  - United India Insurance Company Ltd.
  - General Insurance Company Ltd.
  - New India Assurance Company Ltd.
- 12) Which is the sole reinsurance company in the Indian insurance market?
- United India Insurance Company Limited
  - General Insurance Corporation of India
  - New India Assurance Company Limited
  - The Oriental Insurance Company





- 13) Employees' Provident Funds Appellate Tribunal was constituted under Section ..... the this act.
- 7D
  - 6A
  - 7C
  - 6D
- 14) The chairman and members of Central Board constituted under Employees Provident Fund are appointed by
- Central Government
  - State Government
  - Supreme Court
  - None of the above
- 15) Which of the following features did or will the Pensions Act 2005 introduce?
- Reduction in maximum statutory indexation of pensions from 5% to 2.5%.
  - New Pensions Regulator.
  - Minimum Funding Requirement.
  - Pension Protection Fund.
- 16) Which of the following are defined benefit schemes?
- Final salary.
  - Money purchase.
  - Career average.
  - Group personal pension.
- 17) What do we call the arrangement where the employee agrees to redirect the top slice of earnings into the pension scheme?
- Salary exchange.
  - Additional Voluntary Contribution.
  - Unapproved pension scheme.
  - Salary sacrifice.
- 18) Insurance works on the principle of:
- Probabilities
  - Large numbers
  - Randomness
  - All of the above



19) The main purpose of having Life insurance is:

- a) As an avenue for long-term investment
- b) As a medium for getting income tax benefits from savings
- c) As an avenue for short-term investment
- d) None of the above

20) GA as used in insurance

- a) General Assurance
- b) General Average
- c) General Adjustment
- d) Guaranteed Assurance

**ANSWER KEY**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
b	d	b	d	b	b	c	d	d	b	d	b	a	a	d	a	d	d	d	b



**Unit 8: Regulatory Institutions in Market**

- 1) The Securities and Exchange Board of India was established in \_\_\_\_\_.
  - a) 1992
  - b) 1988
  - c) 1987
  - d) 1990
  
- 2) SEBI was primarily set up to
  - a) regulate the activities of the merchant banks
  - b) to control the operations of mutual funds
  - c) to work as a regulator of the stock exchange activities
  - d) all of the above
  
- 3) The prime objective of the SEBI Act,1992 is to protect the interests of
  - a) Creditors
  - b) Investors
  - c) Directors
  
- 4) A ..... is authorized to buy, sell or deal in securities.
  - a) Depository
  - b) Credit rating agency
  - c) Stock broker
  - d) All of the above
  
- 5) The Board may take measures to undertake inspection of any book, or register, or other document or record of,
  - a) all public companies
  - b) only listed companies
  - c) only unlisted companies
  - d) all listed public companies and public companies which intend to get listed
  
- 6) It shall be open to SEBI to inspect at all reasonable times books of accounts and other documents to be maintained by the Stock Exchanges for periods
  - a) Not less than five years
  - b) Not exceeding five years
  - c) Not less than seven years
  - d) Not exceeding seven years



- 7) Any expenditure incurred in connection with such audit shall be payable by ..... to the Comptroller and Auditor-General of India.
- RBI
  - Central Govt
  - SEBI
- 8) SEBI has allowed celebs to endorse which products?
- Stocks and shares
  - Mutual funds
  - Dividends
  - Insurance
- 9) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 applies only to companies
- True
  - False
- 10) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regulations shall apply to the listed entity who has listed
- Specified securities listed on SME Exchange
  - Indian depository receipts
  - Non-convertible debt securities
  - All of the above
- 11) IRDA stands for:
- Indian Regulatory Development Authority
  - Insurance Regulatory Development Authority
  - Investment in Insurance Regulatory Development Authority
  - None of These
- 12) Which committee recommended the establishment of IRDA?
- P.N. Mehrotra Committee
  - R.N. Malhotra Committee
  - D.R. Gadgil Committee
  - Rajmannr Committee



- 13) When was IRDA established?
- 1965
  - 1954
  - 1999
  - 2001
- 14) Who is the current IRDA chief?
- J. Harinarayan
  - Rana Pratap
  - T.S. Vijayan
  - K.T.S. Tulsi
- 15) Legislation gives which body the power to specify a code of conduct for surveyors and loss assessors?
- Institute of Insurance and Risk Management.
  - Insurance Regulatory and Development Authority.
  - Life Insurance Council.
  - Securities and Exchange Board of India.
- 16) Which of the following words does not belong to the stock exchange?
- NAV B
  - NSEC
  - IPOD
  - KPO
- 17) Chairman of the SEBI is appointed for .....
- For maximum 3 years
  - For maximum 6 years
  - Tenure not fixed
  - None of the above
- 18) SEBI stands for –
- Securities and E-commerce Board of India
  - Stock Exchange Board of India
  - Securities and Exchange Board of India
  - None of the Above



- 19) Euronext is the Stock Exchange of
- a) The United Kingdom
  - b) France
  - c) European Union
  - d) None of the above
- 20) Which of the following statement is NOT correct about the SEBI?
- a) At present it is a non statutory body
  - b) At present it is a statutory body
  - c) It got statutory powers by an ordinance in 1992
  - d) SEBI is managed by 6 members

**ANSWER KEY**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
b	d	b	c	d	b	c	b	b	d	b	b	c	c	b	d	c	c	c	a

**..... THANKS .....**

