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# CAIIB ABM

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## QUESTION PDF



**Note:** Though we had taken enough care to go through the questions, we advise everyone to update oneself with the latest information through RBI website and other authenticated sources.



LEARNING  
SESSIONS

**January 2022**

## ABM QUESTION PDF

As the CAIIB 2022 Exams are just here, the paper-1 will be right on 30<sup>th</sup> January. So, we here are bringing you some set of important questions that you should go through to revise the paper of Advanced Bank Management of Certified Associates.

Go through the below given multiple choice questions once:

No.	Advanced Bank Management – Questions	Answer
1	What is Random sampling error?  a. It is the difference b/w a survey which includes only those who responded & a survey which also includes that population who did not respond b. Random Sampling Error does not occur in non-probability samples c. It results from the nature of a study's design & the inappropriate or random administration of the process of sampling d. Random Sampling Error is a function of sample size	d
2	When for the most consumers, apples & oranges are substitute goods, what should we expect from a rise in the price of apples?  a. A rightward shift in the oranges demand curve b. A leftward shift in the apples supply curve c. A downward change in the oranges demand curve d. A decrease in the price of oranges	a
3	What does a rightwards shifts in schedule of supply indicates?  a. A decrease in Supply b. A decrease in supply (quantity) c. An increase in supply quantity d. An increase in supply	d
4	Which of the following defines Present Value as?  a. Future cash flows that are discounted to the present at an appropriate discount rate b. It is an inverse of future cash flows	d

	c. Present cash flow are compounded into the future d. None of the above represent Present Value	
<b>5</b>	Ms. Rishi is working in Shakti Corp., since last 30 years. Now she is at an age of 59 due to her old age and she is unable to complete to her social & biological roles and is feeling unwanted and uselessness. The said the condition of Ms. Rishi is _____.  a. Guilt b. Inferiority c. Isolation d. Despair	<b>d</b>
<b>6</b>	What describes the best of the repetitive movement around a trend line in a 4- month period?  a. seasonal variation b. secular trend c. cyclical fluctuation d. irregular variation	<b>a</b>
<b>7</b>	Which one of the following statements is incorrect for a project of infrastructure?  a. It has long period of gestation b. It reduces the risk for the lenders as their funds get assured deployment over a long period of time. c. The debt equity ratio is normally high for an infrastructure project d. The implementation period is usually long	<b>d</b>
<b>8</b>	In which type of economy, the individuals and private firms are the ones who make the major decisions about production & consumption?  a. Market economy b. Capitalistic economy c. Socialistic economy d. Either of a & b	<b>d</b>
<b>9</b>	Which of the following statement would be consistent with an aggressive approach if working capital has to be financed?  a. Financing short-term needs with the use of short-term funds.	<b>d</b>

	b. Financing permanent inventory buildup with the use of long-term debt. c. Financing seasonal needs with the use of short-term funds. d. Financing some long-term needs with the use of short-term funds.	
<b>10</b>	Which of the following statement illustrates how hedging approach is used to financing assets?  a. Temporary current assets are financed with long-term liabilities. b. Permanent working capital is financed with long-term liabilities. c. Short-term assets are financed with equity capital d. All assets are financed with a mixture of 50% of equity capital & 50% long-term debt.	<b>b</b>
<b>11</b>	What does “Fundamental premise of economics” imply?  a. Natural resources will always remain scarce b. Individuals are perfectly capable of establishing goals & acting in a manner that is consistent to achieve goals. c. Individuals will choose the option which they believe will give the highest net gains. d. Irrespective of the circumstances, individual choice always includes a trade-off	<b>c</b>
<b>12</b>	Which of the below statement is incorrect?  a. The supply of money, at a particular time, is fixed by the country’s monetary authority. b. The interest rate is determined by the demand and supply of money. c. The demand curve of money at a given level of income is slopes downward. d. Increase in level of money leads to downward shifting of the demand curve for money.	<b>d</b>
<b>13</b>	The candidates who have good education & communication skills will have more chance for what of the following?  a. the promotion and increment b. the Job market	<b>b</b>

	c. the organization d. the labour market	
<b>14</b>	What major problem involves in outplacement services?  a. There is lack of organizational understanding with the consultants. b. There is employee tendency to ignore such services. c. high costs are involved. d. They tend to target mainly the managerial staff.	<b>d</b>
<b>15</b>	What is the name of the philosophy & the set of methods and techniques which stress on the scientific study & the organisation of work at the operational level?  a. Scientific Management b. Human Relations Model c. Two factor theory d. Achievement Motivation theory	<b>a</b>
<b>16</b>	How is the income elasticity of demand is defined as?  a. It is the responsiveness of Quantity demanded to a change in income b. It is the responsiveness of Quantity demanded to a change in price c. It is the responsiveness of price to a change in income d. It is the responsiveness of income to a change in quantity demanded	<b>a</b>
<b>17</b>	In a situation where the price of a good changes but everything else that influence suppliers' planned sales remain constant, there will be _____.  a. new supply curve which is to the right of the initial supply curve. b. new supply curve which is to the left of the initial supply curve. c. movement along the supply curve. d. rotation of the supply curve (initial) around the initial price.	<b>c</b>
<b>18</b>	If a researcher divides the population of product users into 3 groups based on their degree of use & he or she then draws a random sample from each user-group independently, what kind of sample he or she is said to be created?	<b>b</b>



	a. random b. stratified c. judgment d. group data	
<b>19</b>	Which of the following is incorrect in regard to term loans (TL) by the banks?  a. matching of Asset & liability is an important while considering the term financing b. Installment of term loan which is payable within 1 year is taken as current liability c. term loan Repayment can be in EMI's (equated monthly instalments) d. Current ratio is the most important ratio when appraising term loan	<b>d</b>
<b>20</b>	The law of diminishing returns or the law of increasing cost will operate at an earlier level in agriculture than in other industry because .....  a. More mechanization is applicable to agriculture b. land is used extensively in Agriculture industry c. Less mechanization is applicable to agriculture. d. More labour is used in agriculture.	<b>b</b>

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