

INDIAN ECONOMY & INDIAN FINANCIAL SYSTEM

Q:1 _____ is the social science that studies how individuals, businesses, governments, and societies allocate scarce resources to satisfy unlimited wants and needs.

- a) Sociology
- b) Psychology
- c) Economics
- d) Anthropology

Q:2 The subject matter of Economics is the study of how wealth is produced and consumed. this definition of economics is given by _____.

- a) Adam smith's
- b) Marshall's
- c) Robbins'
- d) Milton Friedman

Q:3 According to Lionel Robbins, 'Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses. In this 'Economics definition what is the meaning of 'End .

- a) Resources
- b) Wants
- c) Goods
- d) Services

Q:4 Which of these statements is correct regarding Robbins' definition?

- I. Wants are unlimited
 - II. Resources to satisfy human wants are limited
 - III. Resources are not only limited but have alternative uses
 - IV. There is no need to make a choice in wants
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,

Q:5 Microeconomics studies how individual agents, such as consumers, firms, and industries make decisions to allocate limited resources, typically in markets where goods or services are being bought and sold. Which among the following is an example of a microeconomic variable?

- a) National Income
- b) Aggregate Supply
- c) Consumer's Equilibrium
- d) all of the above

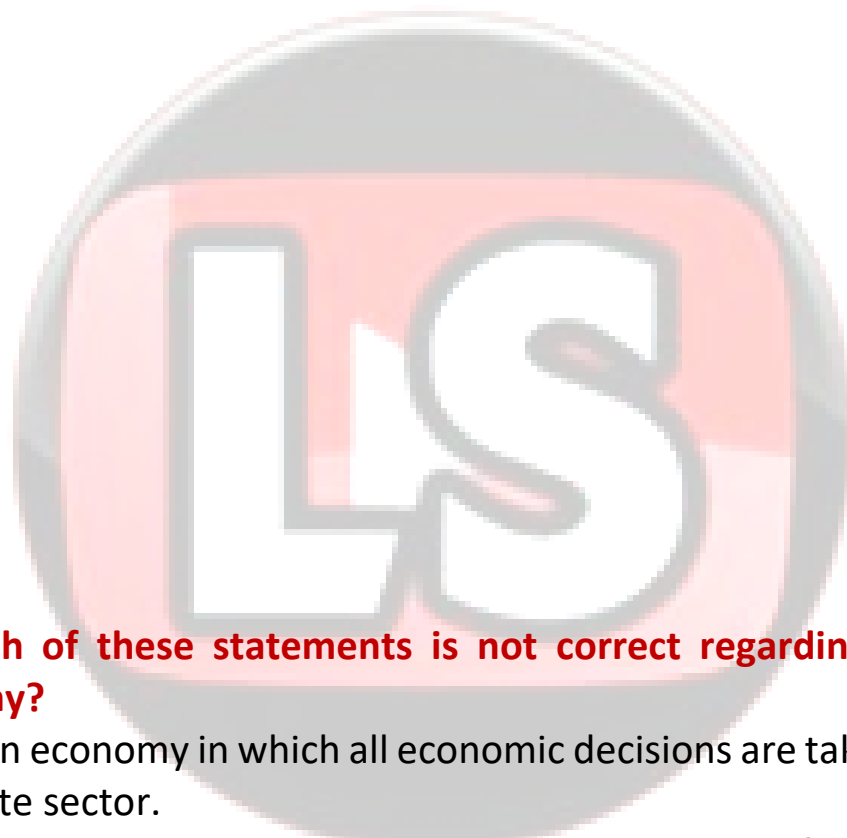


Q:6 Gross Domestic Product (GDP) is primarily studied under which branch of economics?

- a) Microeconomics
- b) Macroeconomics
- c) Managerial Economics
- d) Development Economics

Q:7 The most fundamental economic problem is Scarcity. What does the term "scarcity" refer to in economics?

- a) The abundance of resources available for production
- b) The limited availability of resources to meet unlimited wants
- c) The balance between supply and demand
- d) The economic condition where there is no need for trade-offs



Q:8 Which of these statements is not correct regarding Market Economy?

- I. It is an economy in which all economic decisions are taken by the Private sector.
 - II. Their decision is based on the demand and supply forces in the market.
 - III. There is profit motive behind every economic activity in a market economy.
 - IV. Economic resources are owned by the government and are used in public interest.
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, III

d) III, IV

Q:9 Economic equality refers to a situation where wealth and resources are distributed equally and fairly among all members of a society. Which type of economy promotes most economic equality, and how does it achieve this goal?

- a) Market Economy - By allowing supply and demand to determine prices and resource allocation.
- b) Command Economy - By having the government control production and distribution to ensure equal distribution of resources and wealth.
- c) Mixed Economy - By combining market mechanisms with government intervention to address market failures and promote fairness.
- d) Traditional Economy - By following customs and traditions to allocate resources based on historical practices.

Q:10 India has a mixed economy. This means it combines elements of both market and command economies. Which of this statement is not correct regarding Mixed economy

- a) Market economy is an economy in which all economic decisions are taken by both Private players and Government.
- b) They decide what, how and for whom to produce on the basis of market forces and also on the basis of social considerations.
- c) The mixed economy contributes most economic equality in the country
- d) None of the above

Q:11 _____ refers to the total amount of money available in an economy at a particular time. It includes various forms of money such as cash, coins, and deposits in banks that can be readily used for transactions.

- a) Money demand
- b) Money supply
- c) Money Rotation
- d) All of the above

Q:12 Which of the following is included in M1 money supply?

- I. Currency with Public
 - II. Demand deposits of banks
 - III. Other deposits with RBI
 - IV. Time deposits
- a) I, II, IV
 - b) I, II, III
 - c) II, III, IV

d) I, II, IV

Narrow Money (M1) = Currency with the public + Demand deposits with the banking system + Other deposits with the RBI.

M2 = M1 + Savings deposits of post office savings banks

Broad Money (M3) = M1+ Time deposits with the banking system

M4 = M3 + All deposits with post office savings banks (excluding National Savings Certificates).

Q:13 In the country, the majority of goods and services are experiencing a significant rise in prices due to increased demand. This statement defines which type of inflation.

- a) Demand-pull inflation
- b) Supply-pull inflation
- c) Cost-push inflation
- d) all of the above

Q:14 A major industry experienced a significant rise in wages due to labour strikes and new regulations. As a result, companies faced

higher production costs and raised the prices of their products and services. This situation described which type of inflation?

- a) Demand-pull inflation
- b) Cost-push inflation
- c) Supply-pull inflation
- d) Both a and b

Q:15 Which of these statement is not correct regarding Wholesale Price Index (WPI)

- a) It tracks the changes in the prices of a basket of goods and services at the wholesale level.
- b) It focuses on goods traded between businesses rather than those purchased by consumers.
- c) WPI is a crucial indicator to monitor price movements in industry, manufacturing, and construction sectors.
- d) Ministry of Commerce and Industry releases the figures of the wholesale price index

Q:16 Which of these is an element of interest?

- I. Payment for the risk involved in making the loan
- II. Payment for the trouble involved
- III. Payment for the use of the money
- IV. Payment for Storing money

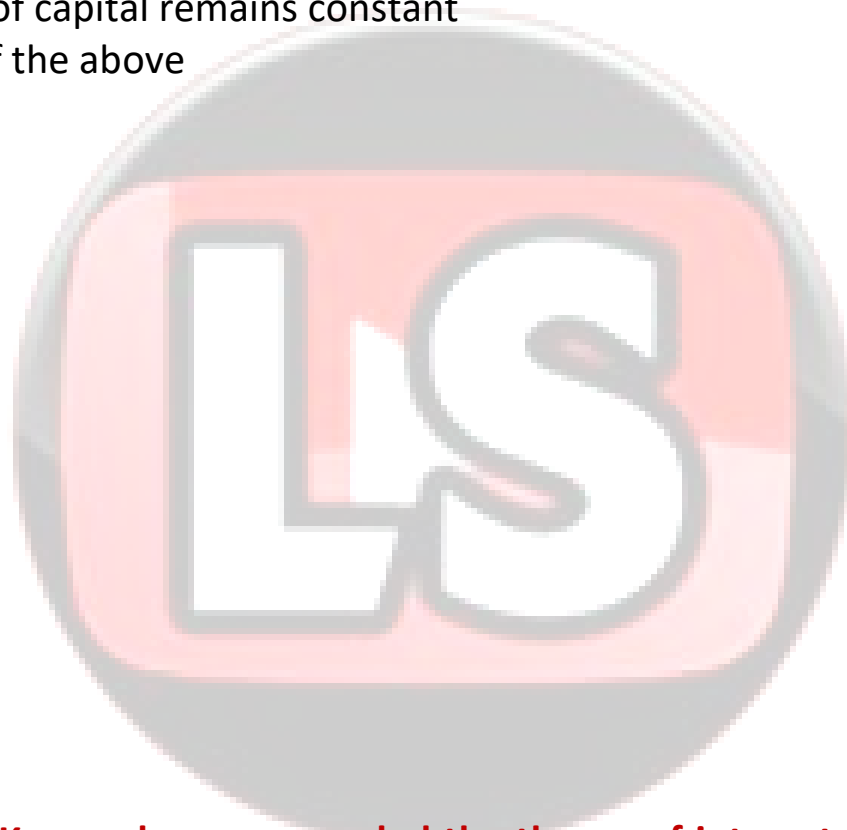
- a) I, II, IV
- b) I, II, III,
- c) I, II, IV,
- d) I, III, IV,

Q:17 According to classical theory there is inverse relationship between the rate of interest and demand for capital. Why the Inverse Relationship exist between rate of interest and demand for capital?

- a) Higher interest rates increase the cost of borrowing, leading to lower demand for capital, while lower interest rates decrease borrowing costs, leading to higher demand.
- b) Higher interest rates decrease the cost of borrowing, leading to higher demand for capital, while lower interest rates increase borrowing costs, leading to lower demand.
- c) Higher interest rates have no effect on the cost of borrowing and thus do not influence the demand for capital, while lower interest rates also do not impact borrowing costs.
- d) None of the above

Q:18 There is a direct relationship between the rate of interest and supply of capital or saving. If the rate of interest is higher then _____.

- a) Supply of capital will be higher
- b) Supply of capital will be lower
- c) Supply of capital remains constant
- d) None of the above



Q:19 J.M. Keynes has propounded the theory of interest known as the liquidity preference theory. According to this theory interest is _____.

- a) The compensation for holding illiquid assets.
- b) The payment for investing in risky assets.
- c) The reward for parting with liquidity.
- d) The result of government intervention in the financial markets.

Q:20 What is liquidity preference according to the liquidity preference theory of interest?

- a) The desire of individuals and economic entities to hold illiquid assets.
- b) The tendency to invest in assets that are not easily convertible to cash.
- c) The desire of individuals and economic entities to hold liquid assets, such as cash or highly liquid investments.
- d) The preference for long-term investments over short-term ones.

Q:21 According to Professor J.M. Keynes which motive is mainly responsible for the determination of rate of interest.

- a) Transaction Motive
- b) Precautionary Motive
- c) Speculative Motive
- d) none of the above

Q:22 The Modern Theory of Interest integrates both classical and Keynesian perspectives to provide a more comprehensive understanding of interest rate. The modern theory has evolved two curves namely_____.

- a) IS curve and MI curve
- b) IS curve and LM curve
- c) IM curve and LM curve
- d) None of the above

Q:23 As per Section 5(1) (b) of the BR Act, banking is "the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise. Which of the following is not a function of a Bank?

- a) Accepting deposits from the public
- b) Lending money to individuals and businesses
- c) Investing deposits in securities and assets
- d) Buying and selling of Goods

Q:24 Which of the following is true about scheduled banks in India?

- a) The bank's paid-up capital and raised funds must be at least Rs 5 lakhs.
- b) Scheduled banks are eligible to borrow from RBI at Bank Rate and obtain membership in clearing houses.

- c) Scheduled banks should maintain a Cash Reserve Ratio with the RBI at the rates set by it.
- d) All of the above

Q:25 The minimum capital requirement of non-scheduled banks is governed by_____.

- a) Reserve Bank of India Act, 1934
- b) Banking Regulation Act ,1949
- c) State Bank of India Act 1955
- d) All of the Above

Q:26 Presidency banks merged to form the Imperial Bank of India in 1921.Which of these is not a Presidency Bank ?

- a) Bank of Calcutta
- b) Bank of Bombay
- c) Bank of Madras
- d) Bank of Delhi

Q:27 The Government nationalised the largest 14 private banks on 19th July 1969. What does the term "nationalization" mean in this context?

- a) The process of selling government-owned banks to private individuals
- b) The process of converting privately-owned banks into state-owned banks
- c) The process of reducing government control over banks
- d) The process of creating new private banks

Q:28 The Lead Bank Scheme, introduced in year 1969, envisages assignment of lead roles to individual banks for the districts allotted to them. What is the role of lead Bank in Lead Bank Scheme?

- a) To compete with other banks for market share
- b) To provide financial assistance only to government-sponsored schemes
- c) To coordinate banking activities and ensure adequate credit flow in allotted districts
- d) To act as a regulatory authority for other banks in the district

Q:29 Which of these guidelines are correct for setting up Private Sector banks?

- I. Initial minimum paid up capital of Rs 500 crores.
- II. The bank should maintain a minimum net worth of Rs 500 crores, at all times.
- III. Resident individuals having 10 years' experience in banking and finance would be eligible to establish such banks.
- IV. Large industrial houses are eligible to set up banks

- a) I, II, III
- b) II, III, IV
- c) I, II, IV
- d) II, III, IV

Q:30 Which of the following holds ownership of Public sector banks?

- a) Government of India
- b) State Bank of India
- c) Reserve Bank of India
- d) Government of India and Reserve Bank of India.



Q:31 Co-operative bank is regulated by the _____ and are registered under the _____.

- a) Reserve Bank of India, Banking Regulation Act 1949
- b) Reserve Bank of India, State's Cooperative Societies Act 1955
- c) State's Cooperative Societies Act 1955
- d) None of the above

Q:32 Section 8 of RBI Act 1934 deals with the Composition of the Central Board of RBI . According to this section Members of the Central Board includes _____

- I. 1 Governor and upto four Deputy Governors, to be appointing by the Central Government
 - II. 4 directors to be nominated by Central Government from the Local Boards
 - III. Ten directors to be nominated by Central Government from various fields.
 - IV. Two Government official to be nominated by the Central Government
- a) I, III, IV
b) I, II, III, IV

- c) I, II, IV
- d) I, II, III,

Q:33 Who is the head of the Central Board of the Reserve Bank of India (RBI)

- a) Deputy Governor
- b) Finance Minister
- c) Governor of RBI
- d) Government Official

Q:34 Which authority possesses the power to remove the Governor, Deputy Governor, or any other Director of the Reserve Bank of India (RBI), as well as any member of a Local Board, from their respective offices, according to Section 11 of the RBI Act?

- a) The President of India
- b) The Chief Justice of India
- c) Central Government
- d) State government

Q:35 According to section 17 The business that can be undertaken by RBI includes _____.

- a) Accepting interest-free deposits from Central/State governments, Banks, local authorities, and other entities.
- b) Conducting foreign exchange and securities transactions, rediscounting bills/promissory notes, and providing loans to banks.
- c) Receiving deposits with interest from banks or any other person under the liquidity management Standing Deposit Facility Scheme, as approved by the Central Board.
- d) All of the above

Q:36 According to Section 21A of the RBI Act, how does the RBI become the banker to State Governments?

- a) By appointment by the President of India
- b) By a mandate from the Central Government
- c) By default, as part of its role as the central bank of India
- d) By entering into agreements with individual State Governments

Q:37 According to section 26 every bank note shall be legal tender at any place in India, in payment for the amount expressed therein and shall be guaranteed by_____.

- a) Governor of RBI
- b) Central Government
- c) State Government
- d) Both a and b

Q:38 According to section 6 of BR Act which of these businesses can do a bank in addition to their regular business?

- a) Buying and selling of foreign exchange including foreign bank notes.
- b) Acting as an agent of the government, local authority or any other person and carrying on agency
- c) Granting and issuing of letters of credit, travellers' cheques, and currency notes.
- d) It shall directly or indirectly deal in the buying or selling or bartering of goods.

- a) I, II, III, IV
- b) I, II, III,
- c) II, III, IV
- d) I, III, IV

Q:39 Section 10 of BR Act deals with management of bank. according to this section which of these statement is correct regarding management of bank?

- I. A banking company cannot employ or be managed by a managing agent.
 - II. It cannot employ any person who is a director of any other company
 - III. Every banking company can be managed by a part -time chairman
 - IV. It cannot employ any person who has been adjudicated insolvent
- a) I, II, III, IV
 - b) I, II, IV
 - c) II, III, IV
 - d) I, III, IV

Q:40 As per Section 17, every banking company is required to establish a Reserve Fund and transfer a minimum of 20% of its annual profits to this fund before declaring any dividends. But this provision is not applicable if _____.

- a) The banking company's annual profits exceed 10% of its total assets.
- b) The bank's profits have been consistently declining for the past three years.
- c) The bank is a newly established institution within its first three years of operation.
- d) The combined value of the Reserve Fund and the Share premium account matches the paid-up capital

Q:41 According to Section 18 of BR Act which of the following bank shall maintain a cash reserve with itself or in a current account with the Reserve Bank.

- a) Scheduled Bank
- b) Non-scheduled Bank
- c) Foreign Bank
- d) Both a and b

Q:42 Section 20 of BR Act deals with restrictions on banks for making certain types of loans. According to this Section, no banking company shall _____.

- I. Grant any loans or advances on the security of its own shares
- II. Grant any loans or advances to any of its directors.
- III. Grant any loans to any company or firm in which a director of the bank is interested
- IV. Grant any loans to a individual who is partner of director

- a) I, II, III, IV
- b) I, II, IV
- c) II, III, IV
- d) I, III, IV

Q:43 Which of the following statements is correct regarding NBFC?

- I. NBFCs do not hold a banking license
 - II. NBFC cannot accept demand deposits
 - III. NBFCs do not form part of the payment and settlement system
 - IV. NBFC can issue Demand Drafts like banks
- a) I, II, III
 - b) II, III, IV
 - c) I, II, IV
 - d) II, III, IV

Q:44 Deposit Taking NBFC are a category of NBFCs that are authorized to accept and hold public deposits as part of their business activities. Which of the following statements is not correct regarding deposit taking NBFC?

- a) Deposit-taking NBFCs are prohibited from accepting deposits repayable on demand.
- b) These NBFCs are permitted to accept and renew public deposits for 12 to 60 months.
- c) The interest rates offered by NBFCs on deposits cannot exceed the 12.5% per annum.
- d) Deposits made with NBFCs are insured with the Government of India

Q:45 Core Investment Company is an NBFC carrying on the business of acquisition of shares and securities and it primarily holds and manages investments in its Group companies. Which of these statement is correct regarding Core Investment Company?

- a) CIC holds a minimum of 90% of its total assets in the form of investments in group companies, which can include equity shares, preference shares, debts, or loans.

- b) Out of its total assets, not less than 60% comprises investments in equity shares (including instruments that will convert into equity shares within 10 years from the date of issue) in group companies.
- c) The CIC must have an asset size of Rs. 100 crore or more.
- d) All of the above

Q:46 Features of NBFC Factors includes _____

- I. BFC-Factor is a deposit taking NBFC
 - II. Assets in the factoring business should constitute at least 50% of its total assets.
 - III. Its income derived from factoring business should not be less than 50% of its gross income.
- a) I, II, III
 - b) II, III,
 - c) I, II,
 - d) I, III

Q:47 Infrastructure Finance Company is a type of financial institution that focuses on providing long-term financing solutions for infrastructure projects. Which of these statements is not correct regarding Infrastructure Finance Company?

- a) An IFC must invests a minimum of 75% of its total assets in infrastructure loans.

- b) To operate as an IFC, it is required to maintain minimum net owned funds (NOF) of Rs 300 crore.
- c) The IFC is obligated to maintain a Capital to Risk Weighted Assets Ratio (CRAR) of at least 15%.
- d) None of the above

Q:48 Which of the following have any roles in regulation of NBFCs?

- I. National Housing Bank
 - II. Reserve Bank of India
 - III. State Bank of India
 - IV. Ministry of Corporate Affairs
- a) I, II, III
 - b) II, III, IV
 - c) I, II, IV
 - d) II, III, IV

Q:49 Which of these NBFC are required to registered with SEBI?

- I. Venture Capital Funds
 - II. Merchant Banking companies
 - III. Stock Broking companies
 - IV. Housing Finance companies
- a) I, II, III
 - b) II, III, IV
 - c) I, II, IV

d) II, III, IV

Q:50 The RBI serves as the monetary authority and the regulator of the Indian banking and financial system and operates under the _____.

- a) Ministry of Finance, Government of India
- b) Ministry of Banking, Government of India
- c) Ministry of Credit, Government of India
- d) All the above

Q:51 Which of the following is not the function of the Reserve Bank of India?

- a) Regulating credit in the country
- b) Issuing of one-rupee notes and coins
- c) Keeping of Foreign Exchange Reserve
- d) Acting as bankers to the Government

Q:52 Which of the following functions are performed by RBI as a banker of banks?

- I. Settlements of inter-bank transactions
- II. Enables banks to maintain their accounts with RBI for statutory reserve requirements

- III. Acts as the lender of last resort
 - IV. Appointment of bank manger
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,

Q:53 Which of the following regulated by RBI?

- I. Commercial banks
 - II. Insurance Companies
 - III. Regional Rural Banks (RRBs)
 - IV. Non-Banking Financial Companies
 - V. Credit Information Companies
- a) I, III, IV, V
 - b) II, III, IV, V
 - c) I, II, IV, V
 - d) I, II, III, V

Q:54 The Securities and Exchange Board of India (SEBI) is the regulatory authority responsible for overseeing and regulating the securities markets in India. Which of these statements is correct regarding Structure of SEBI?

- I. The chairman was nominated by the Union Government of India.
- II. Two members from the Union Finance Ministry.
- III. One member from the Reserve Bank of India.

- IV. One member from directors of Stock Exchange
 - V. Five members are nominated by the Union Government of India.
- a) I, III, IV, V
 - b) II, III, IV, V
 - c) I, II, IV, V
 - d) I, II, III, V

Q:55 Which of these entity is regulated by Securities and Exchange Board of India ?

- I. Stock Exchanges
 - II. Stock brokers
 - III. Depositories
 - IV. Mutual Funds
- a) I, III, IV
 - b) I, II, III,
 - c) I, II, IV
 - d) I, II, III,IV

Q:56 SEBI Prohibits Insider Trading, Check Price Rigging under_____.

- a) Protective Functions
- b) Regulatory Functions
- c) Development Functions
- d) All of the above

Q:57 The powers and functions of the IRDAI includes_____.

- I. Issuing to the applicant a certificate of registration
 - II. Protection of the interests of the policy holders.
 - III. Undertaking inspection of, conducting enquiries and investigations
 - IV. Specifying requisite qualifications, code of conduct and training of intermediary.
- a) I, III, IV,
 - b) II, III, IV,
 - c) I, II, IV,
 - d) I, II, III, IV

Q:58 Entities that are regulated by IRDA are_____.

- a) Life Insurance Companies
- b) General Insurance Companies

- c) Re-insurance Companies
- d) all of the above

Q:1 _____body was set up with a view to promoting, regulating and developing the pension sector in the country.

- a) Securities and Exchange Board of India
- b) Insurance Regulatory and Development Authority of India
- c) Pension Fund Regulatory and Development Authority
- d) all of the above

Q:2 The Pension fund regulatory and development authority was established in_____.

- a) 2002
- b) 2003
- c) 2004
- d) 2005

Q:1 Sectors allowed in Automatic Route includes_____.

- I. Medical devices
- II. Thermal power
- III. Insurance
- IV. Banking & Public sector

- a) I, III, IV
- b) II, III,
- c) I, II, IV
- d) I, II, III

Sectors allowed in Automatic Route

- Medical devices
- Thermal power
- Insurance
- Ports and shipping
- Railway infrastructure
- Power exchanges
- Petroleum Refining

Sectors allowed in Government Route

- Broadcasting Services
- Banking & Public sector
- Food Products Retail Trading
- Core Investment Company
- Content
- Multi-Brand Retail Trading
- Mining & Minerals
- Print Media
- Satellite

Q:2 TechCorp Inc. identifies india as an attractive market due to its growing consumer base, skilled labor force, and favorable business environment. Instead of acquiring an existing company or entering into a joint venture, TechCorp Inc. opts to set up a new subsidiary from scratch in China. This subsidiary will be a wholly-owned entity of TechCorp Inc., giving it complete control over operations and decision-making. This represents which type of FDI ?

- a) Greenfield FDI

- b) Brownfield FDI
- c) Joint Venture
- d) none of the above

Q:3 In which sector FDI in India is prohibited?

- a) Lottery Business,
- b) Gambling, Betting.
- c) Real Estate Business
- d) All of the above

FDI PROHIBITED SECTORS

- Lottery Business
- Gambling and Betting
- Chit Funds
- Nidhi Company
- Trading in Transferable Development Rights (TDRs)
- Real Estate Business
- Manufacturing of tobacco products
- Atomic Energy
- Railway operations

Q:4 Which of these statements is correct regarding union budget?

- I. It is a statement of the estimated receipts and expenditure of the government for that particular year.
 - II. It is prepared by the Ministry of Finance in consultation with Niti Aayog and other concerned ministries
 - III. It is presented by the Union Finance Minister in Parliament on the first of April.
 - IV. Article 112 of the Constitution of India deals with union budget
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,



Q:5 Receipts by way of direct and indirect taxes, interest, dividends and profits from investments, fees and other receipts from services rendered by the Govt. are called _____

- a) Revenue Receipts
- b) Capital Receipts
- c) Tax Revenue
- d) Non - tax Revenue

Q:6 Expenses incurred for the normal running of the Govt. departments, interest charges on debt and subsidies are called_____.

- a) Capital Expenditure
- b) Revenue Expenditure
- c) Government Expenses
- d) All of the above

Revenue Expenditure

An expenditure which **neither creates assets nor reduces liability** is called Revenue Expenditure.

**Q:7 Fiscal Deficit is excess of Total expenditure over Total receipts.
True/False**

- a) This statement is True

b) This statement False

Fiscal deficit = Total Expenditure - Total revenue (Excluding the borrowings)

Q:8 The excess of Govt. revenue expenditure over revenue receipts is known as_____.

- a) Fiscal Deficit
- b) Revenue Deficit
- c) Effective Revenue deficit
- d) None of the above

Q:9 Which of these statements is correct regarding MPC?

- a) The MPC is required to meet at least four times in a year.
- b) The quorum for the meeting of the MPC is four members.
- c) Each member of the MPC has one vote,
- d) All of the above

Q:10 Banks have to maintain a certain quantity of liquid assets with themselves at any point in time of their total time and demand liabilities known as_____.

- a) Statutory liquidity ratio
- b) Cash reserve ratio
- c) General reserve
- d) Capital adequacy ratio

Q:11 When the RBI feels that the money supply is increasing and causing an upward pressure on inflation then which of these actions take RBI?

- I. Increase CRR

- II. Decrease SLR
 - III. Increase bank rate
 - IV. Sell Securities
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, III
 - d) I, II, IV



Q:12 In Which fiscal policy the government either spends more, cuts down the taxes, or does both of them?

- a) Contractionary fiscal policy
- b) Expansionary fiscal policy
- c) Neutral fiscal policy
- d) All of the Above

Expansionary Fiscal Policy

- Expansionary fiscal policy is a set of measures implemented by the government to boost aggregate demand and stimulate economic growth.

- This policy is typically used during periods of economic downturn, such as a recession, to revive the economy and increase employment levels.
- This can be achieved through increased government spending, tax cuts, or a combination of both.

Contractionary Fiscal Policy

- This policy includes a set of measures implemented by the government to reduce aggregate demand and slow down economic growth.
- This policy is typically employed during periods of economic expansion and rising inflation to prevent the economy from overheating and to maintain price stability.
- The government started collecting high taxes from the people and reducing the spending in this policy.

Q:13 _____ Act set up which sets a target for the government to establish financial discipline in the economy, reduce fiscal deficit and improve the management of public funds.

- a) Fiscal Responsibility and Budget Act 2003
- b) Fiscal Responsibility and Management Act 2003
- c) Fiscal Responsibility and Budget Management Act 2003
- d) None of the above

FRBM ACT – FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT ACT

- In January 2000, a committee led by Dr. E. A. S. Sarma was established to propose draft legislation on fiscal responsibility.

- Following the committee's recommendations, the bill was presented in Parliament in December 2000 and officially became law in August 2003.

Q:14 Features of business cycle include _____.

- Business cycle is synchronic
 - Business cycle shows a wave-like movement
 - Cyclical fluctuations are recurring in nature
 - Up and down movements are not symmetrical
- I, III, IV
 - II, III,
 - I, II, III, IV
 - I, III

Q:15 Arrange phases of business cycle according to their occurrence.

- a) Boom, Depression, Recession, Recovery
- b) Recession, Boom, Depression, Recovery
- c) Recovery, Boom, Depression, Recession,
- d) Boom, Recession, Depression, Recovery



Q:16 Which of the following statement is correct regarding Boom?

- I. An accelerated and prolonged increase in demand.
 - II. Employment increases as demand for labour rises.
 - III. Industries resort to price cuts to stay in business
 - IV. Inflation begins to rise
- a) I, II, IV
 - b) II, III,
 - c) I, II, III, IV
 - d) I, III

Q:17 _____ refers to the organized, institutional, and regulated financial system that provides financial services to individuals, businesses, and governments.

- a) Formal financial system
- b) Informal financial system
- c) Rural lending System
- d) Both B and C

Q:18 Features of informal financial system includes _____.

- I. Lack of regulations
 - II. Low transaction cost
 - III. Unstructured procedures
 - IV. Supervision by government
- a) I, II
 - b) II, III, IV
 - c) I, II, III
 - d) I, II, III, IV

Q:19 Which of the following is the function of financial market?

- I. Price determination
 - II. Funds mobilisation
 - III. Liquidity
 - IV. Regulation of Market
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,

Q:20 Which of these statements is correct regarding money market?

- I. It involves low market risk.
 - II. SEBI is the regulator of the Money Market
 - III. Deals in short-term debt instruments.
 - IV. The instruments traded are highly liquid
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,

Q:21 Which of these instruments is issued by banks in money market?

- I. Call Money
 - II. Notice Money
 - III. Term Money
 - IV. Treasury Bill
 - V. Certificate of deposits
- a) I, III, IV
 - b) I, II, III, V
 - c) I, II, III, IV
 - d) I, II, III,

Call money

Call Money involves banks borrowing or lending funds for a single day duration.

Notice money

Notice Money pertains to the borrowing or lending of funds by banks for a period ranging from 2 days to 14 days.

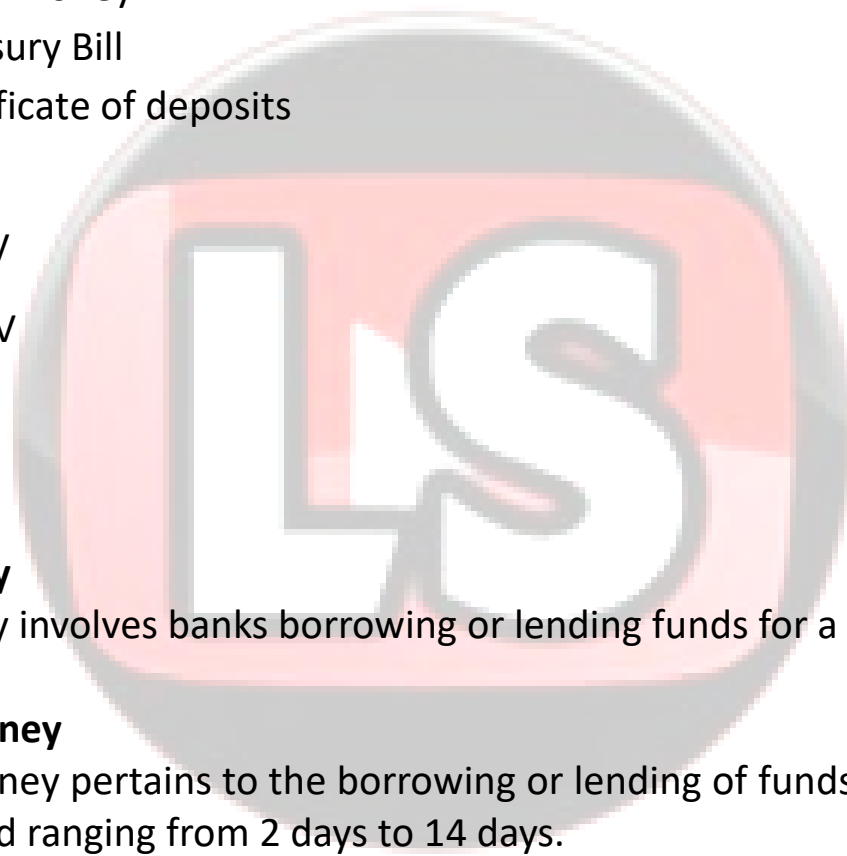
Term money

Term Money refers to the borrowing or lending of funds by banks for a period exceeding 14 days and extending up to one year.

Repo

A Repo rate is a rate at which commercial banks **borrow money by selling their securities** to the RBI to maintain liquidity.

Certificates of deposit



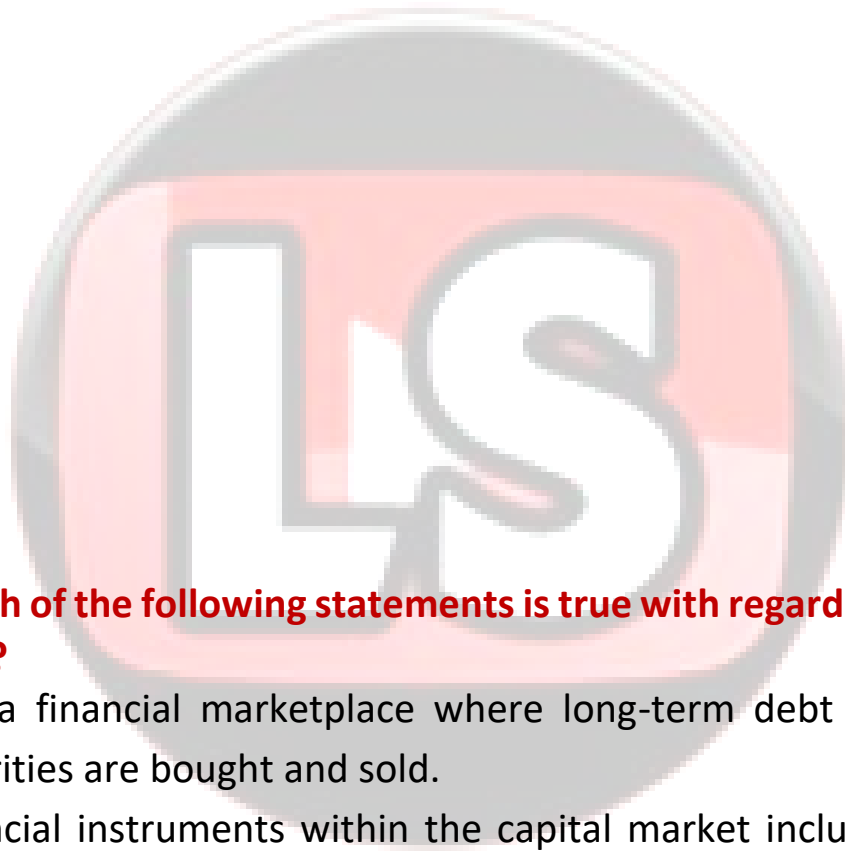
- It is a time deposit that allows individuals to invest a specific amount of money for a fixed period of time, typically ranging from 7 days to 1 year.
- It issued by scheduled commercial banks, Regional Rural Banks Small Finance Banks and all-India Financial Institutions that have been permitted by RBI.
- CDs are issued at a discounted price and redeemed at par value.

Q:22 Which of these statements is not correct regarding Treasury bill?

- a) These are money market instruments issued by Government of India.
- b) Three types of T bills are issued, namely 91-day, 182-day and 364-day.
- c) Treasury bills are issued at par and redeemed at discount price.
- d) All the above

Q:23 Which of this statement is correct regarding Commercial paper?

- I. It is an unsecured money market instrument introduced In 1990
 - II. It is issued by companies with a minimum net worth of 100 crore
 - III. It usually has a maturity period less than 15 days.
 - IV. It is issued at a discounted price and redeemed at par value
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,

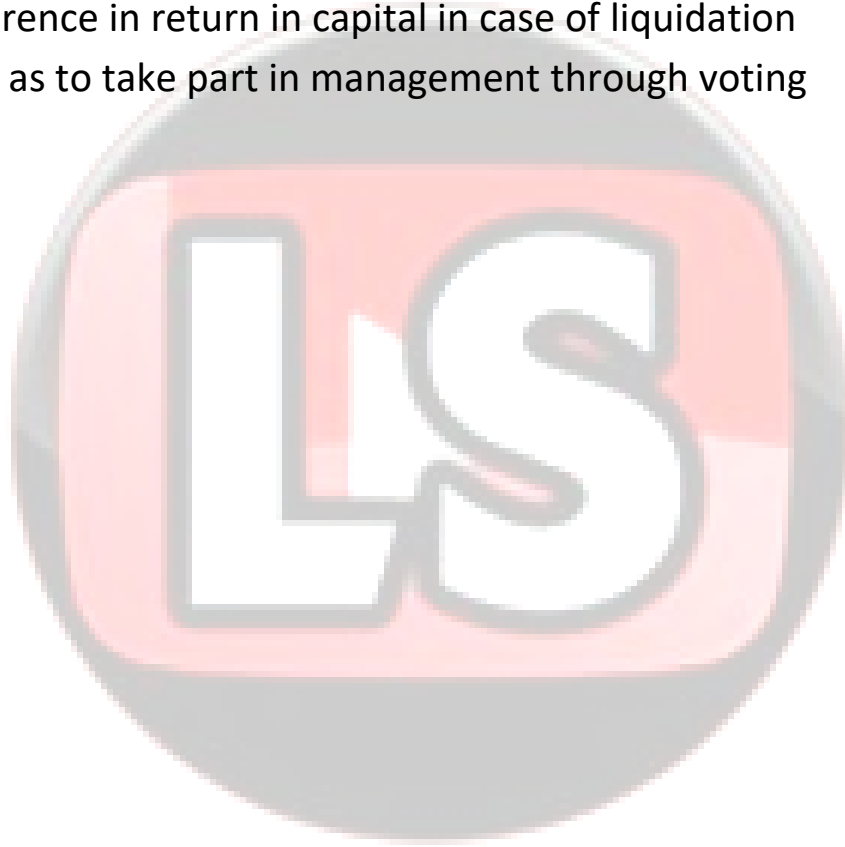


Q:24 Which of the following statements is true with regard to capital market?

- I. It is a financial marketplace where long-term debt or equity securities are bought and sold.
 - II. Financial instruments within the capital market include equity shares, debentures, bonds, and preference shares.
 - III. Regulating the capital market falls under the purview of SEBI
 - IV. It involves low market risk.
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,

Q:25 Which statement is correct regarding preference shares?

- I. Preference shares represent ownership in a company
 - II. Preference in payment of dividend at a fixed rate
 - III. Preference in return in capital in case of liquidation
 - IV. Right as to take part in management through voting
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,



Q:26 In demutualisation at the exchange _____ are segregated from one another.

- I. Ownership
 - II. Management
 - III. Trading rights
 - IV. Branch offices
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV

d) I, II, III,

Q:27 Which of these securities are issued to meet the temporary mismatch in the cash flow of the government?

- a) Treasury bills
- b) Cash management bills
- c) Dated government securities.
- d) State development loans

Q:28 Which of this statement is correct regarding Retail Direct Scheme?

- I. It was launched on 12th November 2021
 - II. It was launched by Reserve bank of India.
 - III. Individuals and Banks allowed to invest in Govt. securities.
 - IV. Individuals are required to Open and maintain a 'Retail Direct Gilt Account.
- a) I, II, IV
 - b) II, III, IV

- c) I, II, III
- d) I, II, III, IV

Q:29 Fixed Income Money Market and Derivatives Association of India is an association of _____.

- I. Commercial Banks
 - II. Financial Institutions
 - III. Primary Dealers
 - IV. Reserve bank of India
- a) I, II
 - b) II, III, IV
 - c) I, II, III
 - d) I, II, III, IV

FIMMDA

- FIMMDA is the **Self-Regulatory Organisation (SRO)**, overseeing the fixed income and derivative markets in India established in 1998.
- It aims to **develop and enhance the fixed income and money market in India** by promoting professionalism, knowledge sharing, and best practices within the industry.

Q:30 Which of these is a function of FIMMDA?

- I. Introduction of benchmark rates and new derivatives instruments, etc.

- II. To provide training and development support to dealers and support personnel at member institutions.
 - III. To adopt and develop international standard practices and a code of conduct.
 - IV. To function as an arbitrator for disputes between member institutions.
- a) I, II
 - b) II, III, IV
 - c) I, II, III
 - d) I, II, III, IV

Q:31 Which of these is a function of FEDAI?

- I. Issuing of guidelines and rules for handling of foreign exchange business,
 - II. Training of bank personnel in the areas of foreign exchange,
 - III. Advising member banks in settling issues in their dealings,
 - IV. Announcement of daily and periodical rates to member banks
- a) I, II
 - b) II, III, IV
 - c) I, II, III, IV
 - d) I, II, III,

FOREIGN EXCHANGE DEALERS' ASSOCIATION OF INDIA (FEDAI)

- FEDAI is a self-regulatory body for the Indian forex market established in 1958 with the aim of **promoting and developing the foreign exchange market in India.**
- It is an association of banks includes **public sector, private sector, foreign and co-operative banks** and financial institutions, like IFCI and SIDBI.

Q:32 _____ banks focused almost entirely of foreign trade and foreign exchange business and were, therefore, commonly referred to as the 'Exchange Banks.

- a) Public Sector Banks
- b) Private Sector Banks
- c) Foreign Banks
- d) All of The Above

Q:33 In India activities performed by Merchant bankers includes_____.

- I. Issue Management
 - II. Bankers to the Issue
 - III. Underwriting and Portfolio management
 - IV. Investment counselling
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV

d) I, II, III, IV

Q:34 Debenture trustee is appointed by company if maturity period of debenture exceeds from _____.

- a) 12 months
- b) 16 months
- c) 18 months
- d) 20 months

Debenture Trustee

- An issuer company appoints a Debenture Trustee to safeguard the debenture holders' interests.
- The Debenture Trustee also acts as an intermediary between the issuer company and debenture holders.
- Companies issuing debentures with a maturity period of over 18 months must have a 'Debenture Trustee' for all public debenture offerings.

Q:35 Category-III Merchant Banker can Act as_____.

- a) Issue manager, advisor, consultant underwriter and portfolio manager.
- b) Advisor, consultant, underwriter, and portfolio manager.
- c) Underwriter, advisor, and consultant only.
- d) Consultant or advisor to the issue of capital

Q:36 Which of this statement is correct regarding Merchant Banking Licensing?

- I. Category I The minimum net worth was fixed as Rs. 5 crores.
 - II. Category II The minimum net worth was fixed as Rs. 50 lakhs
 - III. Category III The minimum net worth was fixed as Rs. 20 lakhs
 - IV. Category IV The minimum net worth was fixed as Rs. 10 lakhs
- a) I, III,
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,

Q:37 According to section 26 of RBI Act 1934 every bank note shall be legal tender at any place in India, in payment for the amount expressed therein and shall be guaranteed by_____.

- e) Governor of RBI
- f) Central Government
- g) State Government

h) Both a and b

Q:38 According to section 6 of BR Act which of these businesses can do a bank in addition to their regular business?

- e) Buying and selling of foreign exchange including foreign bank notes.
- f) Acting as an agent of the government, local authority or any other person and carrying on agency
- g) Granting and issuing of letters of credit, travellers' cheques, and currency notes.
- h) It shall directly or indirectly deal in the buying or selling or bartering of goods.

e) I, II, III, IV

f) I, II, III,

g) II, III, IV

h) I, III, IV

Q:39 Section 10 of BR Act deals with management of bank. according to this section which of these statement is correct regarding management of bank?

- V. A banking company cannot employ or be managed by a managing agent.
- VI. It cannot employ any person who is a director of any other company
- VII. Every banking company can be managed by a whole-time chairman

VIII. It cannot employ any person who has been adjudicated insolvent

e) I, II, III, IV

f) I, II, IV

g) II, III, IV

h) I, III, IV

Q:40 Section 20 of BR Act deals with restrictions on banks for making certain types of loans. According to this Section, no banking company shall _____.

V. Grant any loans or advances on the security of its own shares

VI. Grant any loans or advances to any of its directors.

VII. Any company or firm in which a director of the bank is interested

VIII. Grant any loans to a individual who is partner of director

e) I, II, III, IV

f) I, II, IV

g) II, III, IV

h) I, III, IV

Q:41 Which of these statements is not correct regarding sections of BR Act?

a) Section 22 deals with Licensing of banking companies

b) Section 24 deals with Maintenance of Statutory Liquidity Reserve

- c) Section 26 deals with Return of Unclaimed Deposits
- d) Section 35 deals with Restriction on of subsidiary companies

Q:42 What is the percentage of income that Real Estate Investment Trusts (REITs) are required to distribute to investors as dividends and interest payments?

- a) 70%
- b) 80%
- c) 90%
- d) 100%

REAL ESTATE INVESTMENT TRUSTS (REITs)

- REITs are investment vehicles that pool funds from various investors to invest in income-generating real estate properties.
- REITs provide investors with a way to access the real estate market without the need to buy or handle properties directly.
- The first Indian REIT was established in 2017 (Embassy REIT) and its IPO opened in March 2018.

Q:43 Which of this statement defines Infrastructure Investment Trust (InvIT)?

- a) An investment vehicle that allows investors to invest in real estate assets
- b) An investment vehicle that allows investors to invest in Healthcare Sector
- c) An investment vehicle that allows investors to invest in stocks and bonds
- d) An investment vehicle that allows investors to invest in infrastructure projects

Q:44 Which of the following statements is correct regarding NBFC?

- V. NBFCs do not hold a banking license
 - VI. NBFC cannot accept demand deposits
 - VII. NBFCs do not form part of the payment and settlement system
 - VIII. NBFC can issue Demand Drafts like banks
- e) I, II, III
 - f) II, III, IV
 - g) I, II, IV
 - h) II, III, IV

Q:45 Which of the following have any roles in regulation of NBFCs?

- V. National Housing Bank
- VI. Reserve Bank of India

- VII. State Bank of India
- VIII. Ministry of Corporate Affairs
- e) I, II, III
- f) II, III, IV
- g) I, II, IV
- h) II, III, IV

Q:46 Which of this statement is correct regarding derivatives?

- I. The derivatives do not have any direct value of themselves.
 - II. Their value is based on the expected future price movements of the underlying assets.
 - III. Derivatives are often used as instruments to hedge risks.
 - IV. It is a financial instrument issued by companies for fund raising
-
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III,

Q:47 Which of the following is not the function of the Reserve Bank of India?

- e) Regulating credit in the country
- f) Issuing of one-rupee notes and coins
- g) Keeping of Foreign Exchange Reserve
- h) Acting as bankers to the Government

Q:48 Which of this statement is correct regarding Planning Commission?

- I. The Planning Commission, established on 15 March 1950 with Prime Minister Jawaharlal Nehru as its chairman.
 - II. It was an institution in the Government of India responsible for formulating the country's Five-Year Plans.
 - III. The plans formulated by the Planning Commission were approved for implementation by the National Development Council (NDC)
 - IV. National Development Council is chaired by the President.
- a) I, II, IV
 - b) I, II, III
 - c) II, III, IV
 - d) I, II, IV

Q:49 Which of these changes considered as Economic reform?

- I. Restructuring the tax system to make it more efficient, equitable, and conducive to economic growth
 - II. Removing excessive regulations and restrictions in industries to encourage competition and innovation
 - III. Restructuring social welfare programs to ensure that benefits are targeted to those in need.
 - IV. Changes in societal norms, values, and cultural practices within a country
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, III
 - d) I, II, III

Q:50 Which of these is an action taken by govt. for Deglobalisation?

- I. Tariffs
 - II. Import quotas
 - III. Income tax
 - IV. Non-tariff barriers
- a) I, III,
 - b) II, III,
 - c) I, II, IV
 - d) I, II, III



Q:51 Which of the following is NOT considered part of physical infrastructure?

- a) Transportation systems
- b) Educational institutions
- c) Energy systems
- d) Telecommunication networks

Q:52 Consider a scenario where a country experiences inflation. In this case _____.

- a) Nominal GDP will likely be higher than Real GDP
- b) Real GDP will likely be higher than Nominal GDP
- c) There won't be any significant difference between them
- d) It depends on the specific goods and services produced

Q:53 Which of these is a total value of the earnings received by all the factors of production land, labour, capital and entrepreneur in form of wages, profit, rent, interest etc. within the domestic territory of a country during a year?

- a) NDP at factor cost
- b) NDP at market prices
- c) NDP at factor production
- d) None of the above

Q:54 Which of these equations is correct regarding NDP at factor cost?

- a) $NDP_{FC} = NDP_{MP} + \text{indirect taxes} + \text{subsidies}$
- b) $NDP_{FC} = NDP_{MP} - \text{indirect taxes} + \text{subsidies}$
- c) $NDP_{FC} = NDP_{MP} - \text{indirect taxes} - \text{subsidies}$
- d) None of the Above

Q:55 What is a minimum requirement for setting up a universal bank in the private sector in India?

- a) Minimum paid-up capital of Rs 500 crores is required for setting up the bank.
- b) The bank must maintain a minimum net worth of Rs 500 crores at all times.
- c) Eligibility for founders includes individuals with a minimum of 10 years' experience in banking and finance.
- d) All of the above

Q:56 Which of the following is NOT a characteristic of Neo banks?

- a) Uses online platform for offering financial services
- b) It offers niche financial products and services
- c) Partnering with traditional banks for certain services
- d) These banks are regulated directly by the RBI

Q:57 According to which section the assets of the Issue Department shall consist of gold coin, gold bullion, foreign securities, rupee coins and rupee securities to such aggregate amount as is not less than the total of the liabilities of the Issue Department?

- a) Section 28
- b) Section 29
- c) Section 33.
- d) Section 34

Q:58 Which of these is a function of SIDBI?

- I. It provides direct and indirect finance to the MSME sector.
 - II. It refinances loans that are extended by the Primary Lending Institutions to the MSME units.
 - III. It also helps in expanding marketing channels for the products of MSME sector
 - IV. It provides finance for rural and agriculture development.
- a) I, II, III,

- b) I, II, IV
- c) II, III, IV
- d) I, III, IV

Q:59 Which of this statement is correct regarding Linkage for borrowing

- I. SHGs may be sanctioned savings linked loans by banks.
 - II. Loans may be given beyond the limit of four times the savings
 - III. The loan would be in the name of the SHG
 - IV. Collateral security should be taken from SHICs, by banks.
- a) I, II
 - b) II, III, IV
 - c) I, II, III
 - d) I, II, III, IV

Q:60 _____ is the market value of securities of a scheme, less the expenses incurred on the scheme. Divided by the total number of units of the scheme, on any particular date.

- a) Gross asset value per unit
- b) Net Asset Value per unit
- c) Book value per unit
- d) Book value per unit

Q:61 You invest in a mutual fund that holds corporate bonds. If interest rates in the market rise significantly, the value of those bonds might decrease. This situation represents _____.

- a) Market risk

- b) Concentration risk
- c) Interest rate risk
- d) Liquidity risk

Q:62 The corporate agency model of bancassurance involves _____.

- a) Bank staff directly selling insurance products from multiple insurance companies.
- b) Banks acting as intermediaries, connecting customers with insurance agents.
- c) Banks and insurance companies forming a joint venture for shared operations.
- d) Banks establishing their own insurance subsidiaries.

Q:63 Which of the following is NOT typically included in the operating expenses of a mutual fund scheme?

- a) Management fees paid to the fund manager
- b) Transaction costs incurred
- c) Dividends paid out to investors
- d) Marketing and advertising expenses

Q:64 Which of these statement is not correct regarding registering complaint in ombudsman scheme _____.

- a) You have first approached your insurance company with the complaint.
- b) The complaint is not made later than one year after the insurer had replied.
- c) The same complaint should not be pending in a court, consumer forum or before an arbitrator.
- d) The value of the claim including expenses claimed is not above Rs 3 lakhs.

Q:65 Which of the following complaint s is eligible for consideration by the Insurance Ombudsman?

- a) Delay in settlement of claims, beyond the time specified in the regulations, framed under the IRDAI Act, 1999.
- b) Any partial or total repudiation of claims by the Life insurer, General insurer or the health insurer.
- c) Any dispute about premium paid or payable in terms of insurance policy.
- d) All of the above

Q:66 Which of these is a feature of Employees provident funds scheme?

- I. Employees Provident Fund Scheme (EPFS) is a long-term retirement saving scheme.
 - II. It is managed by Employees provident fund organization (EPFO)
 - III. This scheme is applicable to every establishment in which 20 or more persons are employed
 - IV. The minimum and maximum investment is Rs 500 and Rs 1,50,000 respectively
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III

Q:67 EPF falls under the Exempt, Exempt Exempt category It means _____ exempt from tax.

- I. Investment in EPF
 - II. Money withdrawn from EPF
 - III. interest earned in EPF
 - IV. Deductions From EPF
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, IV
 - d) I, II, III

Q:68 Which of this statement is not correct regarding Public Provident Fund scheme

- a) The Public Provident Fund scheme was launched by the National Savings Institute.
- b) The lock-in period is 15 years for a PPF and can be extended for another five years.
- c) The minimum and maximum investment is Rs 15000 and Rs 1,00,000 respectively.
- d) None of the above

Q:69 _____ is a voluntary savings facility available and Subscribers will be free to withdraw their savings from this account, whenever they wish.

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

Q:70 Methods of withdrawal/exit From NPS Tier-I Account includes _____.

- I. Partial Withdrawal
 - II. Premature Withdrawal
 - III. Normal Withdrawal
 - IV. Abnormal Withdrawal
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, III**
 - d) I, II, III, IV

Q:71 Which of these is feature of partial withdrawal?

- a) Subscriber can withdraw 25% of his/her own contributions after completion of 5 years.
- b) Withdrawal must be for specific reasons like illness, disability, education, or marriage of children etc.

- c) A subscriber can partially withdraw up to a maximum of 3 times during his/her entire tenure in NPS.
- d) All of the above**

Q:72 Amendments to the RBI Act in 1997 gives best comprehensive powers to RBI, to regulate and supervise NBFCs. Which of these statements is correct regarding these powers?

- I. RBI mandates for NBFCs, to obtain a Certificate of Registration
 - II. NBFCs must create a reserve fund and to transfer a sum, which is not less than 20% of their profits every year.
 - III. Deposit taking NBFCs, to maintain a certain percentage of assets in unburdened approved securities.
 - IV. RBI prohibit NBFCs from alienating assets.
- a) I, II, III
b) II, III, IV
c) I, II, IV
d) I, II, III, IV

Q:73 Section 37 of LIC Act provides Central Government guarantees for sums assured and bonuses declared under LIC policies. This does not apply to _____

- a) Term Insurance Plans
b) Endowment Insurance Plans
c) Money Back Insurance Plans
d) Unit Linked Insurance Plan

Q:74 _____ is insurance that an insurance company purchases from another insurance company to cover itself from the risk of a major claims event.

- a) Re-insurance
b) Double insurance
c) Re-assurance
d) all the above

Q:75 What is Foreign Exchange according to the Foreign Exchange Management Act, 1999?

- a) Deposits, credits, and balances payable in any foreign currency,
- b) Drafts, travellers' cheques, letters of credit or bills of exchange, expressed or drawn in Indian currency but payable in any foreign currency,
- c) Drafts, travellers' cheques, letters of credit or bills of exchange drawn by banks, institutions, or persons outside India, but payable in Indian currency".
- d) All of the above

Q:76 What is Foreign Exchange according to the Foreign Exchange Management Act, 1999?

- e) Deposits, credits, and balances payable in any foreign currency,
- f) Drafts, travellers' cheques, letters of credit or bills of exchange, expressed or drawn in Indian currency but payable in any foreign currency,
- g) Drafts, travellers' cheques, letters of credit or bills of exchange drawn by banks, institutions, or persons outside India, but payable in Indian currency".
- h) All of the above

Q:1 _____ refer to those activities carried out by a bank, which are other than their normal day-to-day activities like deposits, withdrawals.

- a) Non-Traditional activities
- b) Para Banking activities
- c) Investment Banking
- d) None of the above

Q:2 Regulatory guidelines for REITs with respect to structure of REITs includes _____.

- I. The sponsor must retain over 25 percent of the total units of the investment trust for a minimum of three years after the initial offer.
 - II. At least 80 percent of the investment's value is directed towards completed and revenue-generating projects.
 - III. No more than 10 percent can be invested in projects that are still 'under-construction.'
 - IV. Special Purpose Vehicles (SPVs) must directly hold a minimum of 80 percent of assets in properties and are not allowed to invest in other SPVs.
- a) I, III, IV
 - b) II, III, IV
 - c) I, II, III, IV
 - d) I, II, IV

Q:3 Which of this statement is correct regarding funds distribution requirements of REITs?

- a) 90 per cent of net distributable cash flow of the SPV to be disbursed to the investment trust.
- b) 90 per cent of net distributable cash flow of the investment trust to be distributed to unit holders.
- c) If any asset is sold by the investment trust or SPV and proceeds reinvested into another property, then REITs will not be required to distribute the sale proceeds to unitholders.
- d) All of the above

Q:4 Membership to a CIC is available to _____.

- a) Banks, RRBs, Cooperative banks, NBFCs, Public Financial Institutions, Housing Finance Institutions
- b) Companies engaged in the business of credit cards and other similar cards.
- c) Companies dealing with distribution of credit in any other manner or any other institution.

d) All of the above

Q:77 Which of these NBFC are required to registered with SEBI?

- V. Venture Capital Funds
 - VI. Merchant Banking companies
 - VII. Stock Broking companies
 - VIII. Housing Finance companies
- e) I, II, III
 - f) II, III, IV
 - g) I, II, IV
 - h) II, III, IV

Q:78 According to IND AS 116, which of the following is NOT an indicator of a finance lease?

- a) The lease term covers a significant portion of the asset's economic life.
- b) The leased asset is of a specialized nature with limited alternative use for the lessor.
- c) The lessee has the option to extend the lease at a below-market rent after the initial term.
- d) The lease payments are a small portion of the asset's fair value.

Q:79 Which of these is a feature of Leveraged lease?

- I. It involves three parties the lessor, lessee, and the lender.
 - II. one portion of lease rental is passed on to the lender
 - III. one portion of lease rental portion is received by the lessor.
 - IV. All parties involved in lease transaction, are domiciled in India.
- a) I, II,
 - b) II, III,
 - c) I, II, III
 - d) I, II, IV

Q:80 Which of the following clearly define the Hire purchase?

- a) An arrangement in which buyer is allowed to pay the purchase price of asset in instalments.
- b) The ownership in the asset is passed on to the hirer only on payment of the last instalment.
- c) If the hirer makes default in making payment of any instalment, the seller is entitled to recover the asset from the hirer.
- d) All of the above

Q:81 Which of these is not a duty of Hire-vendor?

- a) Deliver the goods in due time and in good condition.
- b) To ensure that the goods are true to the description.
- c) The owner must have a title to the goods
- d) Take care of the property with due diligence after delivery.

Q:82 _____ risk arises when we are focusing on only one aspect, which could be one sector or one company or one mutual fund.

- a) Market environment risk
- b) Interest rate risk
- c) Individual risk
- d) Concentration risk

Q:83 Which of these is Motor Insurance Exclusions?

- I. Not having a valid Driving License
 - II. Under Influence of intoxicating liquor/drugs
 - III. Accident taking place beyond Geographical limits
 - IV. While Vehicle is used for unlawful purposes
- a) I, II,
 - b) II, III, IV
 - c) I, II, III
 - d) I, II, IV

