

1. *BFME 2A LRS and other Remittance Facilities for Residents*

**In the Liberalised Remittance Scheme, which of the following is true regarding the annual cap and sanctioning authority for amounts exceeding that cap?**

- A. Individuals may remit up to USD 250,000 per financial year, and amounts beyond this limit require prior RBI approval.
- B. Individuals may remit up to USD 200,000 per calendar year, and amounts beyond require the AD's Board approval.
- C. Individuals may remit up to USD 300,000 per financial year, with no requirement for further approval.
- D. Individuals may remit up to USD 250,000 per financial year, and amounts beyond this limit require approval from the Bank's Head Office only.

2. *BFME 10A Technology in International Banking*

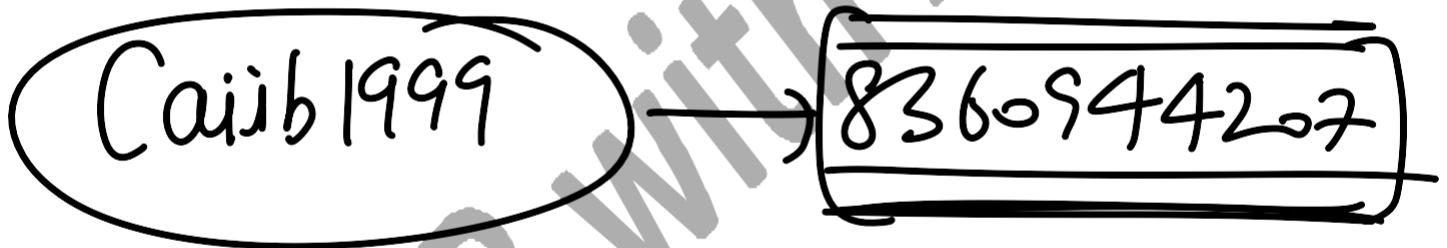
**Which of the following best describes how blockchain technology reduces counterparty risk in international trade finance?**

☐ A. By validating all counterparties through a central authority before each transaction.

☐ B. By maintaining a single shared ledger that prevents duplicated or conflicting records across parties.

☒ C. By encrypting transaction flows so that only the payer and payee can view them.

☐ D. By automating contract enforcement through artificial intelligence monitoring.



3. *BFME 9A International Financial Service Centre (IFSC), GIFT City*

3. Which of the following statements regarding banking operations in IFSCs is/are correct?

**Statement 1:** IFSC-based units (IBUs) are exempt from maintaining CRR and SLR.

**Statement 2:** Pension and provident fund investments by NRIs into IFSC funds are permitted under the automatic route.

**Statement 3:** Offshore derivative instruments may be issued only by onshore branches to serve IFSC clients.

**Statement 4:** IBUs can undertake both trade financing and fund management activities.

A. 1, 2 and 4 only

B. 1 and 4 only

C. 1 to 4 all

D. None of the above

Ans

GIFT City

4. **BFM 18A BASEL-III FRAMEWORK ON LIQUIDITY STANDARDS**

In the Basel III Liquidity Coverage Ratio (LCR), which of the following accurately describes a Level 2B High-Quality Liquid Asset (HQLA)?

- Ans**
- A. Unsecured corporate debt securities rated at least AA– with haircut 50%.
  - B. Common equity shares listed on major exchanges with no haircut.
  - C. Residential mortgage-backed securities rated at least AA– with haircut 15%.
  - D. Unsecured bank debt rated at least AA– with haircut 15%.

$$\text{LCR} = \frac{\text{Stock of HQLAs}}{\text{Total Net C/o 30 days.}} \geq 100\%$$

Level 1 → No Haircut

Level 2 → (2A) (15%)  
                  ↓  
                  (2B) (50%)

5. 7A role\_of\_exim\_bank - 7

5. Which of the following best captures a primary objective of the EXIM Bank's Line of Credit programme to foreign governments?

☒ A. To provide short-term working capital to domestic exporters at concessional rates.

Ans ☒ B. To support development projects in partner countries by offering long-tenor concessional financing.

☒ C. To guarantee domestic bank loans extended to importers for capital equipment.

D. To underwrite equity issuances by sovereign entities in international markets.

6. *5A Facilities for Exporters and Importers - 5*

6. Which of the following statements about import payment regulations under FEMA is/are incorrect?

1. Any remittance exceeding USD 500 for imports requires a specific RBI-prescribed application to the AD.

2. Import payment must be completed within six months from shipment date, extendable only by RBI.

3. Deferred payment arrangements beyond six months automatically qualify as trade credits.

4. All remittances above USD 5 million require AD approval only.

✓ A. 2 and 4 only

B. 3 and 4 only

C. 1 to 4 all

✓ D. None of the above

Ans.

IEC

DGFT

7. 6A risks\_in\_foreign\_trade- 6

7. Which type of risk is specifically covered under ECGC's standard

(Shipments Comprehensive) policy?

α → political Risk + Commercial

A. Currency exchange rate fluctuation risk

✓ B. Political risk such as cancellation of import license by the buyer's government

α C. Insolvency risk of the exporter Buyer

α D. Interest rate risk on export financing

Buyer Risk  
Seller Risk  
Shipping  
other

8. *BFME 6A external commercial borrowings and foreign investments in India*

8. In the context of reporting FDI under the Foreign Currency–Gross Provisional Return (FC-GPR), which of the following is correct regarding the deadline for filing?

- A. Within 15 days of receipt of consideration
- B. Within 30 days of issuance of capital instruments
- C. Within 60 days of receipt of consideration
- D. Within 90 days of issuance of capital instruments

**Correct option: B**



## Hedging / speculation

### 9. basics\_of\_forex\_derivatives

Regarding operational limits in a bank's OTC forex derivatives desk,  
which statements are correct? Over the counter

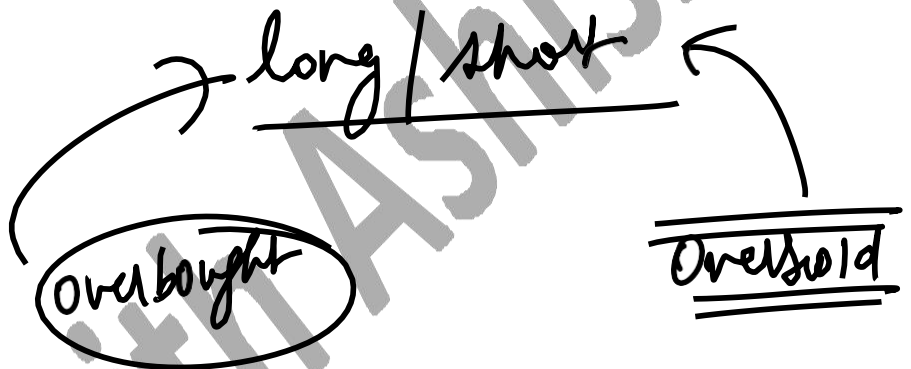
1. Settlement risk limits cap exposure maturing on a single day.
2. Deal size limits define maximum notional value per transaction.
3. Position limits restrict net open exposures across all maturities.
4. Credit limits permit unlimited exposure with approved counterparties.

Ans A. 1, 2 and 3 only

B. 1 and 4 only

C. 2 and 3 only

D. 1 to 4 all



#1 Banachon

10. 2A basics\_of\_forex\_derivatives - 2 copy

#3 operating

10. Which of the following best explains "translation exposure" faced by a multinational bank?

#2

signing and settlement.  $\alpha$

✓ B. The accounting risk from revaluing foreign-currency-denominated assets and liabilities.

C. The cash-flow risk when foreign currency receipts fall short of payables.

D. The credit risk arising from counterparty default on a forex derivative.

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