11. In the Liberalised Remittance Scheme, which of the following accurately describes the usage conditions for Form A2?

a) It must be submitted only once at account opening and not for subsequent remittances.

b) It is required for each individual remittance transaction under LRS, irrespective of amount.

c) It is only necessary for remittances exceeding USD 25,000; smaller amounts are exempt.

d) It can be retained by the bank for the entire financial year, covering multiple remittances.

22. *BFME 10A Technology in International Banking.docx*

12. Which feature of trade finance portals primarily reduces documentation errors and speeds up transaction processing?

a) Embedded OCR with auto-fill capability for trade documents.

b) Manual checker-review only after document upload.

c) Weekly reconciliation reports sent via email.

d) Single-factor authentication for all users.

Bank → IFSC foreign

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

23. Which of the following reflects permissible lending activities of an IFSC Banking Unit (IBU) in GIFT City?

Resident

a) IBUs may only extend loans in INR to resident entities.

b) IBUs can extend foreign currency loans to non-resident corporates for trade finance.

c) IBUs are prohibited from lending to NBFCs.

d) IBUs can finance domestic imports in INR under swap facilities.

SEZ → 2005
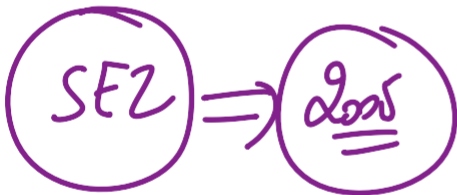
14. *BFM 18A BASEL-III FRAMEWORK ON LIQUIDITY STANDARDS.docx*

24. In the context of the Liquidity Coverage Ratio, why is a diversified High-Quality Liquid Asset (HQLA) portfolio critical for a bank's resilience under stress?

a) It ensures no single asset class surpasses its risk weight.

b) It enables asset conversion to cash with minimal market impact across varying stressed conditions.

c) It removes all haircuts applied to Level 2 assets.

d) It guarantees unlimited funding from central banks.
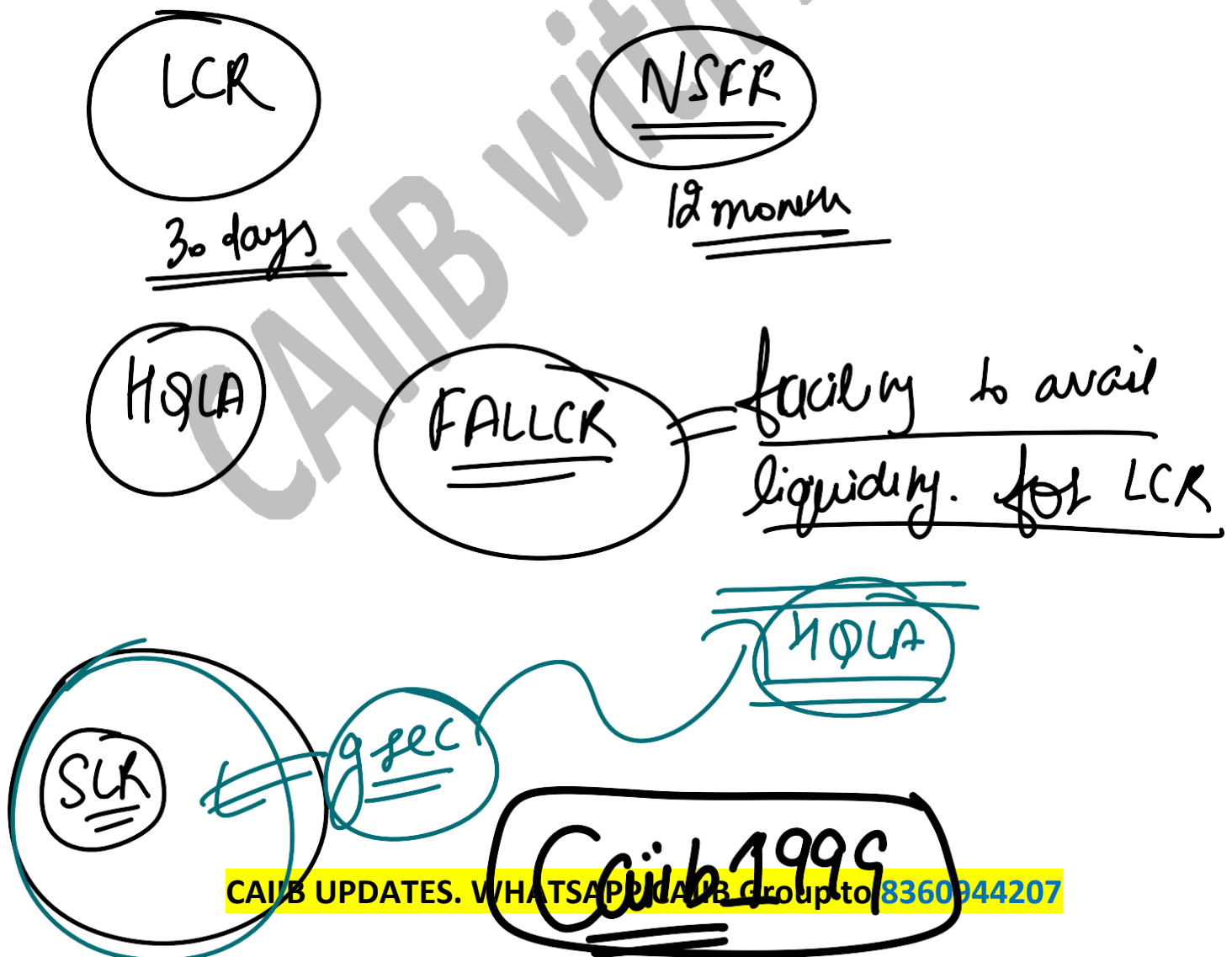
15. *7A role_of_exim_bank - 7.docx*

25. Which of the following statements about EXIM Bank's Buyer's Credit and Supplier's Credit programs is/are correct?

Statement 1: Buyer's Credit provides funds directly to the exporter for extending credit to the importer.

Statement 2: Supplier's Credit finances an importer's purchase of capital goods.

Statement 3: Both facilities can be availed under concessional and commercial terms.

Statement 4: Prepayment under Buyer's Credit attracts no penalty if done after three months.

A. 2 and 3 only

B. 1, 2 and 3 only

C. 1 and 4 only

D. 3 and 4 only

26.   *5A Facilities for Exporters and Importers - 5.docx*

26. Which of the following methods allows an exporter to receive immediate payment for a shipment without assuming payment risk?

a) Advance payment by importer's letter of credit under sight terms.

b) Open account shipment with deferred credit.

c) Documentary collection under D/P terms through bank channels.

d) Consignment sales with post-sale remittance.
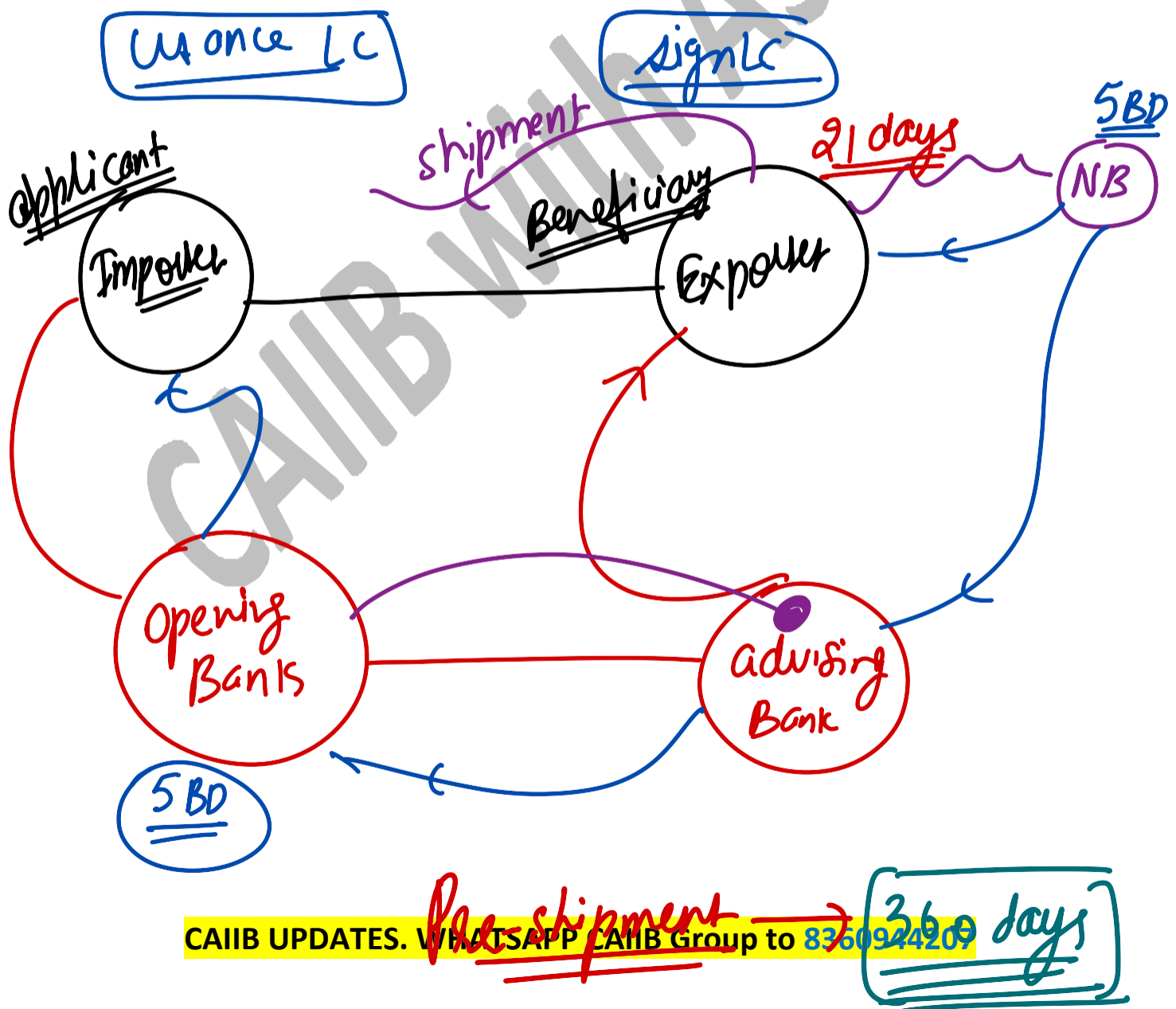
Ans. L

27. *6A risks_in_foreign_trade- 6.docx*

27. Which combination of risks is directly mitigated by purchasing forward cover in FX transactions?

a) Settlement risk and legal risk

b) Transaction risk and translation risk ✓

c) Transaction risk and gap risk ✓

d) Credit risk and operational risk

Handwritten annotations:

10000 USD · Ⓐ merchant Rate → Bank XYZ · ← selling · quote · Bid / offer

Attu

#27a

1 GBP = 102.10 / 40   Spot Rate (T+2)

1M → 15/20
2M → 35/40
3M → 50/60

2M Buying Rate?

R>B → premium ⊕
R<B → discount ⊖
Spot → 102.10
+ 0.35
102.45

MAMP ⟶ [3 years]

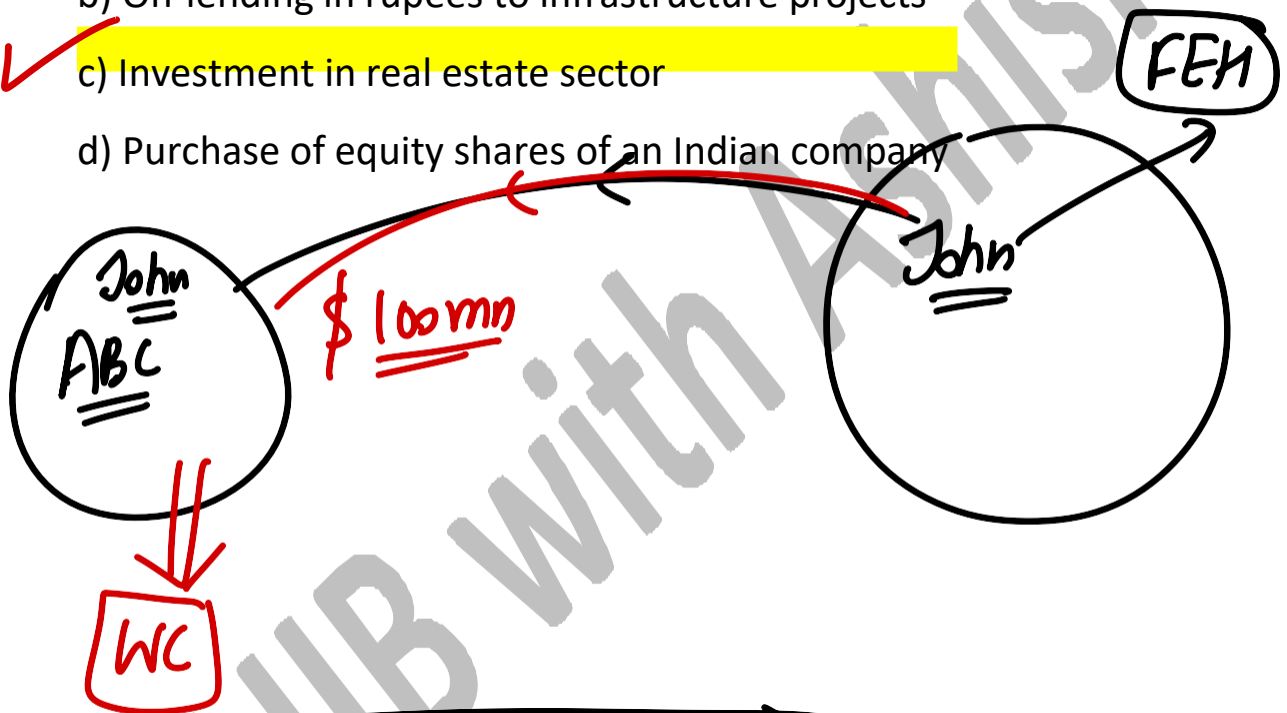Automatic Route

$750 mn/FY

28. For External Commercial Borrowings under the automatic route, which end-use is explicitly prohibited?

a) Import of capital goods

✓ b) On-lending in rupees to infrastructure projects

✓ c) Investment in real estate sector

d) Purchase of equity shares of an Indian company

John
ABC

$ 100 mn

John

FEH

WC

Caiib Crash Course ⟶

8360944207

(A) [Merchant Rate]
Remit 50000 USD.

1 USD = 87.50/70 INR . 1M Forward = 30/40

EM. ⟶ 0.10%

1 USD = 87.50/70
         B   S

87.70 +0.10%

??? ⟶

(A) Buy   (Sell)   Quote   Selling ⟶ EM - "add"   87.78

Buying ⟶ EM - "Subtract"

29. *basics_of_forex_derivatives - 2 copy 2.docx*

29. Which feature differentiates an FX swap from a forward contract in hedging foreign-exchange exposures?

a) FX swap involves simultaneous spot and forward legs; a forward is a single future exchange.

b) Both are linear products with identical payoff profiles.

c) FX swaps always require upfront margin, whereas forwards never do.

d) Forward contracts can be terminated at zero cost, unlike FX swaps.

30. Which best describes the negotiating bank's role in a letter of credit transaction?
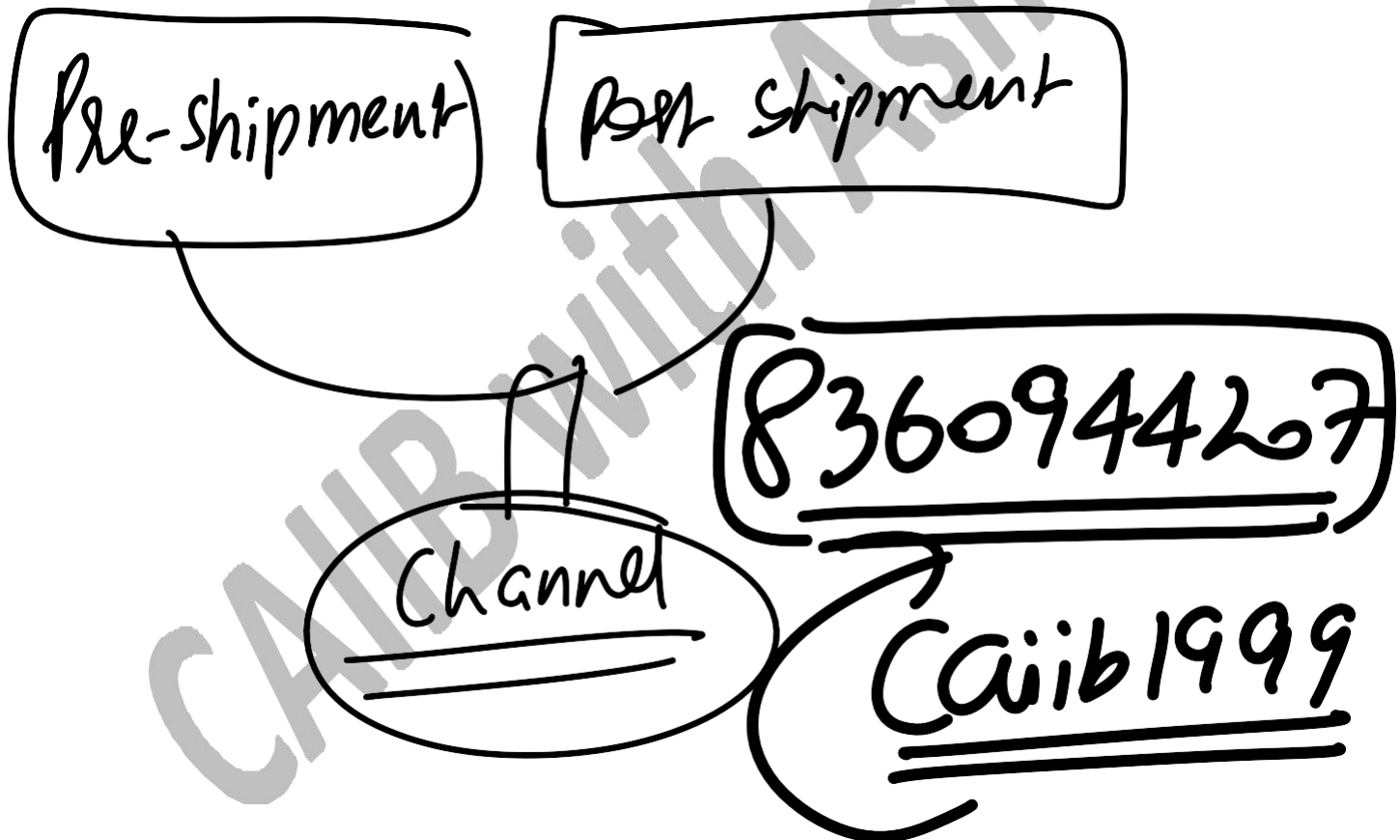
a) Acts as the issuing bank for the LC.

Authenticates the LC but does not examine documents

5 BD

c) Examines compliant documents and assumes right to claim payment from issuing bank.

d) Provides performance guarantees to the exporter.

Pre-Shipment

Post shipment

Channel

8360944207

Caiib1999