SAMPLE QUESTION PAPER OF FINANCE BBA5

OBJECTIVES

SET 1

1. Reserve Bank Of India established in

a. 1933

b. 1925

c. 1935

d. 1938

2. Present governor of Reserve Bank of India is

a. Urijit Patel

b. Shaktikanta Das

c. Raghuram Rajan

d. D. Subbarao

3. Direct Instrument of monetary policy

a. Bank Rate

b. CRR

c. Term Rate

d. None of these

4. Current bank rate of RBI is

a. 4.65%

b. 4.60%

c. 4.25%

d. 4.45%

5. MSF stands for

a. Market stabilisation facility

b. Market scheme facility

c. Market standing Facility

d. None of these

6. What is most widely used tools of monetary policy ?

a. Issuing of notes

b. Open market operations

c. Discount rate

d. None of these

7. When RBI does some open market operation transactions,

 it wishes to regulate which of the following?

a. Inflation

b. Supply of money in the economy.

c. Borrowing power of the commercial banks.

d. A & B

8. Which of the following is not the monetary tool?

a. CRR

b. SLR

c. Deficit financing

d. Open market operations

9. How much interest is paid by the RBI on the money deposited under the CRR measure?

a. Equal to the rate of CRR

b. More than the CRR

c. Less than the CRR

d. No interest is paid by the RBI

10. RBI increases the rate of interest in the situation of:

a. Higher inflation

b. Lower inflation

c. In the pressure of commercial banks

d. None of these

11. Who has the maximum intake in the total capital of NABARD?

a. Government of India

b. Combine intake of commercial banks

c. RBI

d. Bankers association of India

12. Which of the following is not the function of RBI?

a. Custodian of foreign currency

b. Printing of currency

c. Controller of credit

d. Issuance of coins

13. Who is responsible for the supply of coins in India?

a. Reserve bank Of India

b. Ministry of finance

c. Ministry of commerce and industry

d. Banker’s association of India

14. In which year Liquidity Adjustment Facility (LAF) was introduced by Reserve Bank of India?

a. 1998

b. 2000

c. 1999

d. 2004

15. Which among the following is not a part of Liquidity Adjustment Facility (LAF)?

a. Repo Rate

b. Reverse Repo Rate

c. Marginal Standing Facility (MSF)

d. Open Market Operations (OMO)

SET 2

1. Which of the following statement is not true about the International Monetary Fund?

(a) IMF was established along with the word bank

(b) IMF is the result of the Bretton Woods conference

(c) Kristalina Georgievas is the current Chief Executive Officer of the IMF

(d) Currently 190 countries are the members of the IMF

2. When was IMF established?

(a) Dec. 27,1945

(b) Jan. 30, 1947

(c) Jan.1, 1946

(d) Sept. 24, 1947

3. Which of the following is not the objective of the IMF?

(a) To promote international monetary cooperation

(b) To ensure balanced international trade

(c) To ensure exchange rate stability

(d) To provide loan to private sectors

4. If the Balance of Payment of a country is adverse, then which institution will help that country?

(a) World Bank

(b) World Trade Organization

(c) International Monetary Fund

(d) Asian Development Bank

5. Which of the following currency is not included in the calculation of SDR value?

(a) Yen

(b) Yuan

(c) Rupee

(d) Pound

6. Asian Development Bank was established?

(a) 19 December 1966

(b) 1 January 1966

(c) 1 April 1965

(d) 24 September 1964

7. Which of the following is the main aim of the ADB?

(a) To create a trade block in the Asian continent to save the environment of the region

(b) To accelerate the social and economic development of the Asia and Pacific Region

(c) To establish a trade block in the Asia to deal with the competition coming from

 the European countries.

(d) None of the above

8. Which of the following is the newest member of the ADB?

(a) Armenia

(b) Turkmenistan

(c)Luxembourg

(d) Niue

9. Where is the headquarters of the ADB?

(a) Manila

(b) Kathmandu

(c) Jakarta

(d) Dhaka

10. Who is the current President of the ADB?

(a) Masatsuguasa Kawa

(b) Haruhiko Kuroda

(c) Tadao Chino

(d) Shinzō Abe

11. Why the World Bank was established?

(a) To promote the International Trade

(b) To reconstruct the economies damaged during the Second World War

(c) To improve the adverse Balance of Payment situation of the nonmember countries

(d) None of the above

12. Which of the following statement is correct?

(a) Every member country of the IMF automatically becomes the member of the World Bank

(b) The World Bank has 45 founder members

(c) India is not the founding member of the World Bank

(d) IMF is the part of World Bank group

13. Which of the following statements are correct?

(a)World Bank was established 76 years ago.

(b) Headquarter of the World Bank is in Washington D.C.

(c)Adam Smith is the founding father of the World Bank

(d) Only (a) and (b)

14. Which of the following is not the function of the World Bank?

(a) To provide long term loan to the member countries

(b) To provide loan to private investors belonging to member countries on its own guarantee

(c) To ensure exchange rate stability

(d) To provides loan mainly for productive activities

15. Which of the following institutions is not part of the World Bank community?

(a) IBRD

(b) WTO

(c) IDA

(d) IFC

SET 3

1. Commercial paper cm be issued

A) by all corporates

B) by all corporates with net worth of atleast Rs. 10 crore

C) by all corporates with net worth of atleast Rs. 5 crore

D) can be issued only by banks

2. Commercial bills market is a part of

A) organised money market

B) unorganised money market

C) stock market

D) capital market

3. Interest is usually paid on money market instruments

A) at maturity

B) on request

C) twice a year

D) annually

4. Government securities with terms of more than 1 year are called

A) Government bonds

B) treasury bills

C) bills of exchange

D) capital bills

5. Money that a government has required to be accepted in settlement of debts is

A) barter money

B) commodity money

C) legal tender

D) currency value

6. Which of the following is not a money market instrument?

A) Treasury Bills

B) Commercial Paper

C) Certificate of Deposit

D) Equity Share

7. Which of the following cannot issue a Commercial Paper?

A) Companies

B) Primary Dealers

C) Commercial Banks

D) All Indian Financial Institution

8. Treasury Bills means

A) salary bills drawn by Government officials on the treasury

B) bills drawee by the Government contractors and other suppliers on

 the treasury for the dues owed to them by the Government

C) obligation of the Government of India issued by the Reserve Bank of India

and payable normally 91 days after issue

D) a mode of drawings by the Treasury Office on the Reserve Bank of India

9. Which one of the following is the major component of the money supply in the Indian Economy?

A) Currency component

B) Deposit component

C) Treasury bill with public

D) Both a and b

10. Which of the following organisations is known as the market regulator in India?

A) IBA

B) SEBI

C) AMFI

D) NSDL

11. Which of the following best describes the Securities and Exchange Board of India?

A) SEBI is the regulator for the capital markets

B) SEBI protects the interest of investors

C) SEBI is for ethical practices

D) All of the above

12. Which is the first Indian company to be listed on NASDAQ?

A) Reliance

B) TCS

C) HCL

D) Infosys

13. In the capital market, the term arbitrage is used with reference to

A) purchase of securities to cover the sale

B) sale of securities to reduce the loss on purchase

C) simultaneous purchase and sale of securities to make profits from price

D) variation in different markets

14. What is an Indian depository receipt?

A) A deposit account with a public sector bank

B) 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) An instrument in the form of deposit receipt issued by Indian depositories

15. Capital market regulator is

A) RBI

B) NSE

C) BSE

D) SEBI

16. The maturity period of a cash management bill can be

A) less than 364 days

B) less than 182 days

C) less than 91 days

D) any period at discretion of the Govt.

17. Which of the following cannot be called as a debt

instrument as referred in financial transactions?

A) Certificate of deposits

B) Bonds

C) Commercial papers

D) Loans

18. The availability or cash and other

cash like marketable instruments that are useful in purchases

and investments are commonly known as

A) cash crunch

B) liquidity

C) credit

D) marketability

19. In a company, the use of price-sensitive corporate information

by the company people to make gains or cover losses is known as

A) insider trading

B) future trading

C) foreign trading

D) stock trading

20. The actual return of an investor is reduced sometimes as the prices of

the commodities go up all of a sudden. In financial sector, this type of

phenomenon is known as

A) probability risk

B) market risk

C) inflation risk

D) credit risk

21. A.......... is a type of transferable financial instrument traded on a local

stock exchange of a country but represents a security issued by a foreign

 publicly listed company.

A) depository receipt

B) derivative

C) option

D) participatory notes

22. What is the maturity period of treasury bills issued by Govt. of India?