



Dr.G.R.Damodaran College of Science

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III BA ENGLISH FOR GLOBAL BUSINESS CONTEXT [2015-2018] SEMESTER V

ELECTIVE I : BUSINESS FINANCE AND MODERN BANKING - 514U1 Multiple Choice Questions.

1. A cheque dated subsequent to the date of its issue is _____.

- A. post dated cheque
- B. blank cheque.
- C. crossed cheque
- D. account payee cheque

ANSWER: A

2. A cheque date before the date of its issue is _____.

- A. ante dated cheque
- B. full worth cheque
- C. preemptive cheque
- D. worth cheque.

ANSWER: A

3. A _____ can also be a payee

- A. drawer
- B. paymaster.
- C. banker
- D. creditor.

ANSWER: A

4. The word 'Bank' has been derived from a Latin word which means _____.

- A. a bench for the keeping, lending and exchanging etc. of money.
- B. an institution for meeting people.
- C. a place, where persons can relax.
- D. an institution for coordinating people

ANSWER: A

5. The first joint stock bank was established at Calcutta by the name of _____.

- A. Bank of Hindustan.
- B. Reserve Bank of India.
- C. Indian Bank.
- D. Central Bank of India

ANSWER: A

6. Who controls credit in India?

- A. Government of India.
- B. RBI
- C. SBI.
- D. Indian bank.

ANSWER: B

7. RBI grants for agricultural purposes _____.

- A. a. only short term finance.
- B. a. medium and long term finance.
- C. a. short and medium term finance only.
- D. a. short, medium and long term finance

ANSWER: C

8. Development banks are institutions which _____.

- A. give development loans
- B. provide emergency loans to banks.
- C. are subsidiaries of RBI..
- D. provide term finance to industries.

ANSWER: B

9. 9. The entire issued capital of IDBI is held by_____.

- A. central government
- B. RBI
- C. State bank of India & Reserve bank of India.
- D. jointly by Central government, RBI and Commercial banks

ANSWER: D

10. LIC was set up in _____.

- A. 1948.
- B. 1951.
- C. 1956.
- D. 1964.

ANSWER: C

11. ICICI was incorporated in _____.

- A. 1948.
- B. 1955.
- C. 1956.
- D. 1964.

ANSWER: B

12. Negotiable instruments are defined under _____.

- A. Section 52 of the Banking regulation act, 1949.
- B. a. Section 25 of the Reserve bank of India act, 1934.
- C. a. Section 13 of the Negotiable instruments act, 1881.
- D. a. Section 14 of the companies act, 1956.

ANSWER: C

13. Who is primarily liable on a promissory note?

- A. Holder.
- B. Maker.
- C. Drawee.
- D. Endorser.

ANSWER: B

14. A Cheque is always payable on _____.

- A. demand.
- B. a specified future date.
- C. the last day of the grace.
- D. . the will of the paying banker

ANSWER: A

15. A promissory note _____.

- A. a. can be drawn in sets.
- B. a. cannot be drawn in sets.
- C. a. indemnity bond is also necessary.
- D. a. indemnity bond is not necessary.

ANSWER: B

16. In a promissory note the words 'or order' are _____.

- A. necessary to insert.
- B. b. not necessary to insert.
- C. b. not necessary but it is usual to insert.
- D. b. necessary it is usual.

ANSWER: C

17. In a bill of exchange, drawee is the person _____.

- A. who draws the bill.
- B. on whom the bill is drawn.
- C. to whom the payment of the bill is to be made.
- D. to whom the payment of the bill is not to be made.

ANSWER: B

18. Bill of exchange can be drawn payable _____.

- A. to bearer on demand.
- B. either on demand or after a fixed time.
- C. to bearer in presence.
- D. to bearer not in presence.

ANSWER: B

19. Until a bill of exchange is accepted, primary liability there on is that of _____.

- A. Payee.
- B. Drawee.
- C. Drawer
- D. Acceptor.

ANSWER: C

20. A bill of exchange is drawn for a maximum period of _____.

- A. 90 days.
- B. 120 days.
- C. 180 days.
- D. 360 days.

ANSWER: C

21. A saving bank a/c in the sole name of a minor can be opened provided he completes _____.

- A. 10 years of age.
- B. 12 years of age.
- C. 18 years of age.
- D. 13 years of age.

ANSWER: A

22. Expansion of HDFC _____.

- A. Housing Development Finance Corporation.
- B. Housing Development Finance Company.
- C. Housing Development Finance Co-operative.
- D. Housing Development Finance Community.

ANSWER: A

23. Negotiable gives to the transferee _____.

- A. the same title.
- B. no title.
- C. no better title.
- D. better title.

ANSWER: D

24. _____ is a dead cheque.

- A. Post dated cheque.
- B. Stale cheque
- C. Ante dated cheque.
- D. Pre dated cheque.

ANSWER: B

25. RBI refers to _____.

- A. Reserve Bank of India.
- B. Revenue Bank of India.
- C. Rupee Bank of India
- D. Regional Bank of India

ANSWER: A

26. In India the negotiable instrument are governed by the negotiable instrument act of 1881 under _____.

- A. Section 23
- B. Section 13
- C. Section 3
- D. Section 4

ANSWER: B

27. Name the person to whom the amount of the cheque is payable?

- A. Drawer
- B. Payee
- C. Drawee
- D. Acceptor

ANSWER: C

28. Which is a private bank?

- A. SBI
- B. ICICI
- C. IOB
- D. Indian bank

ANSWER: B

29. The best suited deposit for trading community is _____.

- A. Savings deposit
- B. Current deposit
- C. Fixed deposit
- D. RD

ANSWER: B

30. _____ headed the committee on Computerization in Indian banks (1988).

- A. M. Narasimhan
- B. M.M. Shah
- C. M. Venkat Ram
- D. Raj Foster

ANSWER: A

31. The most liquid asset is _____.

- A. gold
- B. bill of exchange
- C. government bonds
- D. cash

ANSWER: D

32. The rate of interest payable on various deposits is determined by the _____.

- A. head office of each bank
- B. RBI.
- C. Indian bank
- D. central bank

ANSWER: B

33. The right of set - off is nothing but a _____.

- A. right to sell
- B. right to retain
- C. right to combine
- D. right to appropriate

ANSWER: C

34. Capacity of the borrower is determined by _____.

- A. willingness to repay
- B. viability of the project
- C. managerial ability
- D. Administrative ability

ANSWER: A

35. Discounting of bills of exchange is ____.

- A. clean advance
- B. secured advance
- C. neither clean advance nor secured advance
- D. un secured advance

ANSWER: C

36. In case of guarantee there are _____.

- A. 3 contracts
- B. 2 contracts
- C. 4 contracts
- D. 5 contracts.

ANSWER: B

37. Expand NEFT.

- A. National Electronic Fund Transfer
- B. Neutral Electronic Fund Transfer
- C. Nominal Electronic Fund Transfer
- D. Natural Electronic Fund Transfer

ANSWER: A

38. Expand EFT.

- A. Electronic Fund Transfer
- B. Economic Fund Transfer
- C. European Fund Transfer
- D. Electric Fund Transfer

ANSWER: A

39. The apex institution in agricultural finance is _____.

- A. NABARD
- B. EXIM bank
- C. RBI
- D. IDBI

ANSWER: A

40. KYC means _____.

- A. know your customer
- B. know your creditor
- C. know your cost
- D. know your card

ANSWER: A

41. The first bank in India to be given an ISO certificate _____.

- A. . SBI
- B. central bank of India
- C. Indian bank
- D. Canara bank

ANSWER: D

42. The first Indian bank to open branch outside India _____

- A. Bank of India
- B. Allahabad bank
- C. south Indian bank
- D. Indian bank

ANSWER: A

43. RTGS stands for _____

- A. Real Time Gross Settlement
- B. Real Turn Gross Settlement
- C. Real Technique Gross Settlement
- D. Real Towards Gross Settlement

ANSWER: A

44. The head office of a bank is responsible for _____.

- A. only Bank level planning
- B. only Bank level planning, control functions
- C. bank level planning, control functions and policy decision
- D. only services to the branches

ANSWER: C

45. All Commercial Banks with a deposit base over _____ were nationalised in 1969.

- A. Rs.50 Crores
- B. Rs. 35 Crores
- C. Rs. 15 Crores
- D. Rs. 55 Crores

ANSWER: A

46. Core banking is a _____ branch computerization model

- A. decentralized
- B. centralized
- C. unified
- D. ATM

ANSWER: B

47. ATMs are primarily used for performing the _____ functions

- A. infrastructure
- B. computer based
- C. banking
- D. hospitalized

ANSWER: C

48. In early 1990s, which type of ATMs made their appearance in India?

- A. Multi user ATM
- B. Network ATM
- C. Branch ATM
- D. Stand-alone ATMs

ANSWER: D

49. During the customer transaction, the key which is used to validate by the ATM is _____.

- A. Personal Identification Number
- B. Personal Account Number
- C. Personal Integer Number
- D. Personal Introduction Number

ANSWER: A

50. ECS means _____

- A. Electronic Clearing system
- B. Electronic centered system
- C. Electronic cross systems
- D. Electronic conversion systems

ANSWER: A

51. EFT is introduced by _____.

- A. IRDA.
- B. RBI.
- C. SEBI.
- D. NSE.

ANSWER: B

52. _____ is a technology that allows you to access your bank account from a mobile device.

- A. Home banking.
- B. Mobile banking
- C. Internet banking.
- D. Television

ANSWER: B

53. ____ is the result of combining technology and traditional bank services through websites that customers use to access their bank accounts.

- A. Home banking
- B. Mobile banking.
- C. Internet banking.
- D. Television banking

ANSWER: C

54. The banking operations are carried through a single banking office is _____.

- A. branch banking
- B. unit banking
- C. commercial banking
- D. universal banking

ANSWER: B

55. . The banking operations are carried through a network of branches are called_____.

- A. branch banking
- B. unit banking
- C. commercial banking
- D. universal banking

ANSWER: A

56. The banking system which combines commercial banking with investment banking is known as _____.

- A. branch banking
- B. mixed banking
- C. commercial banking
- D. universal banking

ANSWER: B

57. Which banking is now referred as universal banking?

- A. branch banking
- B. mixed banking
- C. commercial banking
- D. universal banking

ANSWER: B

58. The banking which attracts deposits and lending for only short periods is known as _____.

- A. commercial banking
- B. unit banking
- C. branch banking
- D. development banking

ANSWER: A

59. Deposit banking is also called as ____.

- A. commercial banking
- B. unit banking
- C. branch banking
- D. development banking

ANSWER: A

60. In India every scheduled bank has to maintain with RBI a cash balance equivalent of all the deposit liabilities called as _____.

- A. open market ratio
- B. cash reserve ratio
- C. bank reserve ratio
- D. credit reserve ratio

ANSWER: B

61. Imperial bank of India is now called as _____.

- A. central bank
- B. State Bank of India
- C. Indian Overseas Bank
- D. Bank of India

ANSWER: B

62. In the year 1969, _____ banks were nationalized in india

- A. 15
- B. 14
- C. 16
- D. 17

ANSWER: B

63. During 1980, how many banks were nationalized?

- A. 7
- B. 6
- C. 5
- D. 8

ANSWER: B

64. RBI was set up in the year_____.

- A. 1935
- B. 1934
- C. 1933
- D. 1932

ANSWER: A

65. _____ has been constituted as a corporate body having perpetual succession and a common seal.

- A. RBI
- B. ICICI
- C. HDFC
- D. IOB

ANSWER: A

66. The Indian _____ is the market in which short term funds are borrowed and lent

- A. Money market
- B. Open market
- C. Closed market
- D. Credit market

ANSWER: A

67. A _____ is the market for short term bills which are generally of 3 months duration

- A. Bill market.
- B. Money market.
- C. Credit market.
- D. Open market.

ANSWER: A

68. The deposit with the bank for a fixed period which is specified at the time of making the deposit is called _____.

- A. saving deposit
- B. current deposit.
- C. bank deposit.
- D. fixed deposit.

ANSWER: D

69. The legal status of a nominee is that _____.

- A. he becomes absolute owner of the amount
- B. he becomes co-owner with the legal heirs.
- C. he cannot recover, the amount.
- D. he is entitled to receive payment from the bank, but the claim of the legal heirs of the deceased depositor

remaining unaffected.

ANSWER: D

70. Interest on fixed deposits is compounded _____.

- A. monthly
- B. quarterly
- C. half yearly

D. yearly basis

ANSWER: B

71. A banker should not stop operation of the account if the customer _____.

- A. dies
- B. becomes insolvent
- C. changes his business premises
- D. becomes insane

ANSWER: C

72. From April 1, 2010 interest on savings bank accounts are calculated on the basis of _____

- A. daily closing balance basis
- B. minimum amount held in a month.
- C. minimum amount held in the second fortnight of a month.
- D. minimum balance held in a month excluding the first ten days.

ANSWER: A

73. A person remains minor until he completes _____ years of age.

- A. 15
- B. 18
- C. 20
- D. 25

ANSWER: B

74. MICR refers to _____.

- A. Magnetic Ink Character Recognition.
- B. Magnetic Ink Company Recognition.
- C. Magnetic Ink Cross Recognition.
- D. Magnetic Ink Community Recognition.

ANSWER: A

75. If the endorser signs his name only, the endorsement is said to be _____.

- A. endorsement in blank.
- B. endorsement in full.
- C. conditional endorsement.
- D. restricted endorsement.

ANSWER: A

76. Addition to his signature, the endorser adds a direction to pay the amount mentioned in the instrument is said to be _____.

- A. endorsement in blank.
- B. endorsement in full.
- C. conditional endorsement.
- D. restricted endorsement.

ANSWER: B

77. The paying banker who makes cash payment of a cross cheque at the counter shall be liable for the loss of _____.

- A. drawer of the cheque.
- B. true owner of the cheque.
- C. collecting banker.
- D. the first endorser.

ANSWER: B

78. A cheque with 'Not negotiable' crossing _____.

- A. cannot be negotiated.

- B. can be negotiated and the endorsee title is not affected in any case.
C. can be negotiated but the holder of the cheque will not have title better than that of the person from whom he took it.
D. is always deemed as crossed specially.

ANSWER: C

79. Who can cancel the crossing on a cheque?

- A. The payee.
B. The paying banker.
C. The endorser.
D. The drawer.

ANSWER: D

80. Which is not possible for the payee of a cheque?

- A. To convert a bearer cheque into an order cheque.
B. To convert an open cheque in to a crossed cheque.
C. To convert general crossing into special crossing.
D. To make a specially crossed cheque into generally crossed cheque.

ANSWER: D

81. Who can countermand the payment of a cheque?

- A. The payee.
B. The drawer.
C. The drawee.
D. The endorsee

ANSWER: B

82. Which of the following does not amount to material alteration on a cheque?

- A. Changing the date of the cheque.
B. Replacing the name of the payee by another name.
C. Conversion of 'order' into 'bearer'.
D. Conversion of 'bearer' into 'order'

ANSWER: D

83. Aggregate capital market exposure for banks is prescribed as 40 % of _____.

- A. net worth.
B. aggregate time and demand liabilities
C. total investments.
D. total assets of a banking company

ANSWER: A

84. For issuing commercial paper the issuer company must have the tangible net worth of _____.

- A. Rs. 2 crore.
B. Rs. 4 crore.
C. Rs. 5 crore.
D. Rs. 10 crore.

ANSWER: B

85. Investment fluctuation reserve is required to be created equal to 5% of _____.

- A. total investments
B. total investments in held to maturity category.
C. total Non-SLR investment.
D. total investments in Held for trading and available for sale categories

ANSWER: D

86. Expand SBI.

- A. State Bank of India.
- B. Securities Bank of India.
- C. Stock Broking of India.
- D. Society Bank of India.

ANSWER: A

87. A negotiable instrument drawn or made in India is called _____ instrument.

- A. inland.
- B. foreign.
- C. time.
- D. clean

ANSWER: A

88. A negotiable instrument not drawn or made in India is called _____ instrument.

- A. inland.
- B. foreign.
- C. time.
- D. clean

ANSWER: B

89. The exposure limit prescribed by RBI for credit granted by a commercial bank to single borrower is 15% of its _____.

- A. aggregate deposits.
- B. capital funds.
- C. total assets.
- D. total advances.

ANSWER: B

90. A drawee bill is a bill which is _____.

- A. drawn on an unknown drawee.
- B. discounted at the instance of drawee.
- C. not eligible for discounting.
- D. payable on demand by the drawee.

ANSWER: B

91. The relationship between the hirer of a locker and banker is that _____.

- A. principal and agent.
- B. lessee and lessor.
- C. debtor and creditor.
- D. pledge and pledger.

ANSWER: C

92. A debit card holder makes payment for purchases _____.

- A. After 15 days.
- B. After 20 days.
- C. After a month.
- D. Immediately through his account.

ANSWER: D

93. A banker is presented three cheques drawn on an account at the same time. Will it make payment of the cheques?

- A. According to the serial number of the cheque.
- B. According to the amount of cheque
- C. In chronological order of receipt of cheque.
- D. According to the number.

ANSWER: C

94. An appeal against the order of the National commission may be preferred to ____.

- A. the high court of the state concerned.
- B. the supreme court.
- C. the debt recovery appellate tribunal.
- D. the ministry of consumer affairs, government of India.

ANSWER: B

95. Membership of a credit information company is not mandatory for ____.

- A. private sector bank.
- B. an urban cooperative bank
- C. housing finance company.
- D. another credit information company.

ANSWER: D

96. Credit information report contains ____.

- A. recommendation.
- B. a guarantee about repayment.
- C. all credit information which are helpful in taking decisions
- D. for underwriting the shares of the borrower

ANSWER: C

97. Expansion of IDBI

- A. Industrial Development Bank of Ireland
- B. Institutional Development Bank of India
- C. Industries Development Bank of India
- D. Industrial Development Bank of India

ANSWER: D

98. NABARD refers to _____.

- A. National Bank for Agriculture and Rural Development.
- B. National Bank for Agriculture and Revised Development
- C. National Bank for Agriculture and Regional Development.
- D. National Bank for Agriculture and Road Development.

ANSWER: A

99. Drawing of two parallel transverse lines on the face of the cheque is called ____.

- A. general crossing.
- B. special crossing.
- C. upper crossing.
- D. lower crossing.

ANSWER: A

100. Addition of the name of a banker across the face of a cheque is called as

- A. general crossing.
- B. special crossing
- C. upper crossing.
- D. lower crossing.

ANSWER: B

101. If the crossing on a cheque is cancelled, it is called as .

- A. Closing of the crossing.
- B. Opening of the crossing.
- C. Special crossing.
- D. General crossing.

ANSWER: B

102. Who is the present chairman of SEBI?

- A. Ajay Tyagi
- B. C B Bhavé
- C. U K Sinha
- D. Govindarajan.

ANSWER: A

103. Who is the present governor of RBI?

- A. Urjit Patel
- B. Dr D Subba Rao
- C. Raghuram Rajan
- D. Y V Reddy

ANSWER: A

104. Banking regulation act

- A. 1934.
- B. 1946.
- C. 1949.
- D. 1948.

ANSWER: C

105. ICICI means _____

- A. Industrial Credit and Investment Corporation Of India.
- B. Industrial Credit and Investment Company Of India.
- C. Industrial Credit and Investment Co-operation Of India.
- D. Industrial Credit and Insurance Corporation Of India

ANSWER: A

106. The relationship between a banker and a customer is .

- A. that of an agent and creditor.
- B. that of a bailor and a bailee.
- C. primarily that of a debtor and a creditor.
- D. that of a debtor and agent.

ANSWER: C

107. The banker has a lien on .

- A. bonds given for collection.
- B. bonds given for safe custody.
- C. bonds left by mistake.
- D. bonds given for safe.

ANSWER: A

108. To constitute a person as a customer

- A. there must be frequency of transactions.
- B. there must be a dealing of a banking nature.
- C. there must be some sort of an account.
- D. there must be a single transaction of any nature.

ANSWER: C

109. The banker has a statutory obligation to .

- A. honor customers cheques
- B. exercise lien.
- C. maintain secrecy of his customers accounts.
- D. honor customers bills.

ANSWER: A

110. In the case of a negotiable instrument, the following person generally gets a good title

- A. Finder of the lost instrument.
- B. Holder of a stolen instrument.
- C. Holder in due course.
- D. Holder of a forged instrument.

ANSWER: C

111. The reasonable period allowed in India for the presentation of a cheque is ___.

- A. . 1 Year.
- B. 3 months.
- C. 9 months.
- D. depending upon banking custom.

ANSWER: B

112. The document which can be used only for making local payment is ____.

- A. a cheque.
- B. a bill of exchange.
- C. a bankers cheque.
- D. a draft.

ANSWER: C

113. Crossing a cheque without the knowledge of the drawer is a case of ____.

- A. material alteration.
- B. immaterial alteration
- C. authorized alteration.
- D. unauthorized alteration.

ANSWER: C

114. The paying banker can get protection for a materially altered cheque provided ___.

- A. the alteration is not apparent.
- B. he makes payment in due course.
- C. the alteration is immaterial.
- D. i & ii together.

ANSWER: D

115. A Not Negotiable crossing restricts of the cheque.

- A. transferability.
- B. negotiability.
- C. neither transferability nor negotiability.
- D. both transferability and negotiability.

ANSWER: B

116. Not negotiable crossing is a warning to the ____.

- A. paying banker.
- B. collecting banker.
- C. holder.
- D. banker.

ANSWER: C

117. The following one is absolutely essential for a special crossing.

- A. Two parallel transverse lines.
- B. Words And Company.
- C. Words Not Negotiable.
- D. Name of a banker.

ANSWER: D

118. The safest form of crossing is

- A. general crossing.
- B. special crossing.
- C. double crossing.
- D. a/c payee crossing.

ANSWER: D

119. A Cheque which is not crossed is called _____.

- A. uncrossed cheque.
- B. . open cheque.
- C. order cheque.
- D. bearer cheque.

ANSWER: D

120. An order cheque can be converted into a bearer cheque by means of .

- A. sans recourse endorsement.
- B. special endorsement.
- C. blank endorsement.
- D. sans frais endorsement.

ANSWER: C

121. Negotiability gives to the transferee title of the transferor.

- A. the same title.
- B. no title.
- C. no better title.
- D. better title.

ANSWER: D

122. Endorsement signifies that the .

- A. endorser has got a good title.
- B. endorser's signature is genuine.
- C. previous endorsements are genuine.
- D. All of the above.

ANSWER: D

123. One of the following endorsements is not a valid one .

- A. partial endorsement.
- B. restrictive endorsement.
- C. facultative endorsement.
- D. conditional endorsement.

ANSWER: A

124. The important delivery channel of E-banking is .

- A. home banking.
- B. . tele-banking.
- C. Internet banking.
- D. mobile banking.

ANSWER: C

125. The biggest constraint in E-banking is

- A. start-up cost.
- B. . maintenance cost.
- C. training cost.
- D. security cost.

ANSWER: A

126. Credit cards offer _____ to the customer

- A. revolving credit for certain period.
- B. payoff the entire amount of card usage.
- C. on-line recover of amount of card usage.
- D. only amount.

ANSWER: A

127. The debit card offers .

- A. revolving credit for certain period.
- B. payoff the entire amount of card usage.
- C. on-line recover of amount of card usage.
- D. only amount.

ANSWER: C

128. which is not a functional activity through internet banking.

- A. withdrawal of cash anywhere in India.
- B. statement of account for a specific period.
- C. transfer of funds from one account to another account.
- D. balance enquiry.

ANSWER: A

129. Lien is a/an _____ of the creditor to retain possession.

- A. Right.
- B. Obligation.
- C. Instrument.
- D. . Interest.

ANSWER: A

130. Banker's lien is an/a

- A. bailment of goods.
- B. implied pledge.
- C. agreement.
- D. an stoppage.

ANSWER: B

131. Right to combine two accounts by banks is called

- A. garnishee.
- B. lien.
- C. set-off.
- D. rating.

ANSWER: C

132. A bank on whom a cheque is drawn by the customer is .

- A. collecting bank.
- B. paying bank.
- C. advising bank.
- D. issuing bank.

ANSWER: B

133. Under the head of _____ a committee was set up to study bank computerization

- A. Dr. C Rangarajan.
- B. Dr. C. Ragavendra.
- C. Dr. C. Raja rajan.
- D. Dr. C. Ramachandran.

ANSWER: A

134. A group of European countries have formed a union and created a common currency known as _____.

- A. the EU currency.
- B. the European Union.
- C. the EMU.
- D. the Euro.

ANSWER: D

135. What are the forms of assistance that the World Bank provides to its members?

- A. Technical and financial.
- B. Political and financial.
- C. Political and economic.
- D. Technical and military.

ANSWER: A

136. Which organization of the World Bank Group deals with matters related to the development of the poorest countries in the world?

- A. The International Bank for Reconstruction and Development.
- B. The International Development Association.
- C. The International Finance Corporation.
- D. The Multilateral Investment Agency.

ANSWER: B

137. IMF augments its resources by borrowing under _____.

- A. General arrangements to borrow.
- B. New arrangements to borrow.
- C. Trust funds.
- D. All the above.

ANSWER: D

138. With reference to IMF, the term reserve tranche refers to _____ .

- A. borrowing from IMF that takes the IMF's holding of the currency of the country up to 100% of country's quota.
- B. subscription reserved for calling during emergencies.
- C. the investments in which the reserves of IMF are held.
- D. borrowings reserved for very poor countries.

ANSWER: A

139. Loan facilities from IMF targeted at low-income group and available at concessional rate of interest does not include _____.

- A. Poverty Reduction And Growth Facility.
- B. Emergency Assistance.
- C. Heavily Indebted Poor Countries Initiative.
- D. Multilateral Agencies.

ANSWER: B

140. The term World Bank refers to _____.

- A. IBRD.
- B. IDA.
- C. Both IBRD and IDA.
- D. IFC.

ANSWER: C

141. A country has a negative balance of trade. It means the balance of payments on current account .

- A. Should also be negative.
- B. Should be positive.
- C. May be positive or negative.
- D. Should be same as balance of trade.

ANSWER: D

142. The insurance policy that covers exporters against commercial and political risk is _____.

- A. General insurance.
- B. Marine insurance.
- C. ECGC.
- D. Fire insurance.

ANSWER: D

143. Which of the following are international financial considerations faced by both small and large MNEs?

- A. Currency systems.
- B. Tax systems.
- C. Interest rates.
- D. Exchange rate.

ANSWER: B

144. Financial Management is mainly concerned with _____.

- A. arrangement of funds.
- B. all aspects of acquiring and utilizing financial resources for firms activities
- C. efficient Management of every business.
- D. profit maximization

ANSWER: B

145. In his traditional role the finance manager is responsible for _____.

- A. arrange of utilization of funds.
- B. arrangement of financial resources.
- C. acquiring capital assets of the organization
- D. effective management of capital.

ANSWER: D

146. The primary goal of the financial management is _____.

- A. to maximize the return.
- B. to minimize the risk.
- C. to maximize the wealth of owners.
- D. to maximize profit.

ANSWER: D

147. Financial decisions involve _____.

- A. Investment, financing and dividend decisions.
- B. Investment sales decisions.
- C. Financing cash decisions
- D. Investment dividend decisions.

ANSWER: C

148. _____ management is the important task of the finance manager.

- A. Debt.
- B. Equity.
- C. Profit.
- D. Cash.

ANSWER: D

149. Expansion of PIN

- A. Personal Identification Number
- B. Professional Identification Number
- C. Person Identity Number
- D. Preference Identity Number

ANSWER: A

150. Foreign exchange transactions involve monetary transactions _____.

- A. among residents of the same country.
- B. between residents of two countries only.
- C. between residents of two or more countries.
- D. among residents of at least three countries.

ANSWER: C

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