

Sub: Innovative Financial Service

	<u>UNIT-I</u>
1	<p>Following are the fund-based activities of the bank</p> <ul style="list-style-type: none"> a) Securitization b) Credit rating c) Project advisory service d) Housing finance
	Ans: HOUSING FINANCE
2	<p>Banking sector comes under which of the following sectors _____</p> <ul style="list-style-type: none"> (a) Agricultural Sector (b) Service sector, (c) Manufacturing sector, (d) Industrial sector,
	Ans: SERVICE SECTOR
3	<p>A set of complex and closely connected instructions, agents, practices, markets transactions, claims and liabilities relating to financial aspects of an economy is referred as _____</p> <ul style="list-style-type: none"> a) Financial system, (b) Financial market, (c) Financial institution, (d) Financial management
	Ans: FINANCIAL SYSTEM
4	<p>_____ is a market for financial assets which have a long or indefinite maturity.</p> <ul style="list-style-type: none"> a) Financial system, (b) Financial market, (c) Capital market, (d) Money market
	Ans: CAPITAL MARKET
5	<p>_____ was constituted to protect the interests of investors in securities and to promote the development of and to regulate the securities market through appropriate measures</p> <ul style="list-style-type: none"> (a) RBI (b) SEBI (c) NSE (d) BSE
	Ans: SEBI
6	<p>What does SEBI aim to provide?</p> <ul style="list-style-type: none"> (a) Investor protection, (b) Legal information, (c) Large volumes on the stock market, (d) Market the securities business in India
	Ans: INVESTOR PROTECTION
7	<p>The maximum load that a fund can exchange is determined by _____</p> <ul style="list-style-type: none"> (a) Securities and exchange board of India,

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	(b) Reserve Bank of India, (c) AMFI, (d) Distributing Agent
	Ans: SECURITIES AND EXCHANGE BOARD OF INDIA
8	NBFC performs great role for finance in _____ a) Wholesale sector, (b) Big scale industries, (c) small scale and retail sector, (d) None of the above
	Ans: SMALL SCALE AND RETAIL SECTOR
9	NBFC is a company registered under _____ a) The Indian contract act, (b) The Companies act 1956 (c) The RBI act, (d) None of the above.
	Ans: THE RBI ACT
10	Finance is not available in the following factoring services _____ a) Without Recourse factoring, (b) With recourse factoring, (c) Maturity factoring, (d) invoice discounting
	Ans: MATURITY FACTORING
11	-----are the Bill payable immediately “at sight” or “on presentment”, to the drawee. a) Demand Bill b) Usance Bill c) Documentary Bill d) Clean Bill
	Ans: Demand Bill
12	Credit protection is available in _____ (a) Without recourse factoring, (b) with recourse factoring, (c) Forfaiting (d) Actual Factoring
	Ans: WITHOUT RECOURSE FACTORING
13	Under forfaiting the client is able to get credit facility to the extent of _____ (a) 100% of the value of the export bill, (b) 80% of the value of the export bill, (c) 75% of the value of Export bill.

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	(d) 90% of the value of the export bill.
	Ans: 100% OF THE VALUE OF THE EXPORT BILL
14	_____ bills are not accompanied by any document that show that trade has been taken place between buyer and seller a) Demand bill b) Usance bill c) Clean bill d) D/A bill
	Ans: CLEAN BILL
15	The process of selling trade debts of a client to a financial intermediary is called _____ (a) Bill Discounting, (b) Factoring, (c) Securitization, (d) Materialization
	Ans: FACTORING
16	_____ services are mainly provided to foreign investors (a) Custodial services, (b) Financial services, (c) Factoring services, (d) Forfaiting Services
	Ans: CUSTODIAL SERVICES
17	The idea of providing factoring services was first thought of in India by _____ (a) Tandon committee, (b) Malhotra committee, (c) VAGHUL COMMITTEE, (d) None of these
	Ans: VAGHUL COMMITTEE
18	The central theme of forfaiting is the purchasing of _____ by a financial service company (a) Trade bills, (b) Export bills, (c) Import bills, (d) Bills
	Ans: EXPORT BILLS
19	-----bills are also called as Time Bills. a) Demand Bill b) Usance Bill c) Documentary Bill d) Clean Bill

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	Ans: Usance Bill
20	<p>Bill of Exchange drawn by suppliers on Government is called as -----.</p> <p>a) Demand Bill b) Usance Bill c) Supply Bill d) Clean Bills</p>
	Ans: Supply Bills
21	<p>Which of the following is not necessarily a party to a forfaiting transaction?</p> <p>(a) Exporter, (b) Importer, (c) broker, (d) bank.</p>
	Ans: BROKER
	<u>UNIT-II</u>
22	<p>_____ is the process of updating the accounts of the trading parties</p> <p>(a) Underwriting, (b) clearing, (c) stock broking, (d) banking</p>
	Ans: CLEARING
23	<p>A clearing member who is also a _____ may clear and settle their own proprietary trades</p> <p>(a) Trading member, (b) board member, (c) family member, (d) business member</p>
	Ans: TRADING MEMBER
24	<p>_____ are financial contracts that derive their value from an underlying asset.</p> <p>(a) Future, (b) forward, (c) clearing, (d) derivatives.</p>
	Ans: DERIVATIVES
25	<p>_____ are contracts that represent an agreement to buy or sell a set of assets at a specified time in the future for a specified amount</p> <p>(a) Future, (b) Swaps (c) Shares (d) Bonds</p>

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	Ans: FUTURE
26	<p>_____ are traded either on organized exchanges or in OTC markets</p> <p>(a) Future (b) forward, (c) clearing, (d) Options</p>
	Ans: Options
27	<p>_____ is the entity through which the securitization transaction is actually operated</p> <p>(a) SPV, (b) originator, (c) investor, (d) seller.</p>
	Ans: SPV
28	<p>In the case of _____ payments to investors depend upon the cash flow from the assets backing such certificates</p> <p>(a) Pass through certificates, (b) pay through certificates, (c) preferred stock certificates, (d) asset based commercial papers</p>
	Ans: PASS THROUGH CERTIFICATES
29	<p>_____ are instruments issued by a subsidiary company against the trade debts and consumer receivables of its parent company</p> <p>(a) Pass through certificates, (b) pay through certificates, (c) preferred stock certificates, (d) asset based commercial papers.</p>
	Ans: PREFERRED STOCK CERTIFICATES
30	<p>A transaction where financial securities are issued against the cash flow generated from a pool of assets is called</p> <p>(a) Factoring (b) forfaiting, (c) securitization, (d) discounting.</p>
	Ans: SECURITIZATION
31	<p>The process of selling trade debts of a client to a financial intermediary is called _____</p> <p>(a) Bill discounting, (b) factoring, (c) securitisation, (d) sale</p>

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	Ans: SECURITISATION
32	Buying low in one market & selling high at other market is called as ----- a) Speculation b) trading c) Arbitrage d) Selling
	Ans: Arbitrage
33	Swaps are type of ----- a) cashflow b) Derivatives c) Arbitrage d) Trade
	Ans: Derivatives
34	-----is process of updating the accounts of trading parties & arranging transfer of money & securities. a) Trading b) Arbitrage c) Clearing & Settlement d) Factoring
	Ans: Clearing & Settlement
35	An individual who are given license to participate in securities market on behalf of clients are called as ----- a) Stock Brokers b) Traders c) Sub-Brokers d) Online Broker
	Ans: Stock Brokers
36	Any person who is not a trading Member of Stock Exchange but who acts on behalf of Trading Member as an agent or otherwise assist investors in dealing securities through trading members are called as ----- a) Stock Broker b) Sub Broker c) Online Broker d) Clearing Member
	Ans: Sub Broker
37	Following is example of Stock Broking firm in India a) IDBI b) Share Khan c) SBI d) UNION Bank of India
	Ans: Share Khan
38	Following is function of Merchant Banking in India

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	a) Underwriting Public Issue b) Trading c) Providing Loan c) Collection of Cheques
	Ans: Underwriting Public Issue
39	Prospectus is most important document for a company to come out of with----- issue. a) Private b) Public c) Company d) Common
	Ans: Public
40	An -----relieves company of risk & uncertainties of marketing securities. a) Banker b) Underwriter c) Shareholder d) Company
	Ans: Underwriter
	<u>Unit-III</u>
41	A very long tenure lease applicable to immovable properties is _____ (a) Leverage lease, (b) conveyance lease, (c) consumer leasing, (d) balloon lease.
	Ans: CONVEYANCE LEASE
42	In _____ leasing, the risk of obsolescence is assumed by the lessee (a) Financial lease, (b) operating lease, (c) both of the above, (d) none of the above
	Ans: FINANCIAL LEASE
43	_____ is referred as both fund based and fee based financial service (a) Hire purchase, (b) leasing, (c) factoring, (d) underwriting
	Ans: UNDERWRITING
44	The act of buying an asset without having to make full payment in the immediate future is known as _____ (a) Hire purchase, (b) finance lease,

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	(c) operating lease, (d) sale and leaseback.
	Ans: HIRE PURCHASE
45	In housing finance, the lender and borrower enter into an agreement under the _____ act (a) Transfer of property, (b) copyright, (c) partnership, (d) company
	Ans: TRANSFER OF PROPERTY
46	Purchase of a house in India involves various costs which are referred to as _____ costs (a) Rental, (b) acquirement, (c) transfer, (d) post acquisition
	Ans: ACQUIREMENT
47	From the following which is not the source of finance of Housing? a) Loans from Commercial banks b) Loan from LIC c) Loans from NBFC d) Overdraft from Bank
	Ans: Overdraft from Bank
48	Which is the apex level institution for Housing Finance? a) HDFC b) SBI c) LIC d) NHB.
	Ans: NHB
49	-----refers to finance to enable company to resolve its financial difficulties a) Financial Engineering b) Turnaround c) Replacement Capital d) Buy Outs
	Ans: Turnaround
50	_____ finance has received a boost through a combination of growing demand and rising affordability (a) Consumer, (b) housing, (c) banking, (d) stock
	Ans: HOUSING
51	The term _____ refers financial investment in a highly risky and growth-oriented venture with the objective of earning a high rate of return

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	<ul style="list-style-type: none"> (a) Venture capital, (b) merchant banking, (c) leasing, (d) none of these
	Ans: VENTURE CAPITAL
52	IDBI, IFCI, ICICI etc. are promoted by _____ <ul style="list-style-type: none"> (a) VCFs of specialized financial institution, (b) VCFs of commercial bank, (c) private VCFs, (d) none of these
	Ans: VCFs OF SPECIALIZED FINANCIAL INSTITUTION
53	_____ is known as Mezzanine capital <ul style="list-style-type: none"> (a) Development financing, (b) expansion financing, (c) replacement finance, (d) none of these
	Ans: DEVELOPMENT FINANCING
54	The first nationalized bank in India to start a VCF _____ <ul style="list-style-type: none"> (a) Canara bank, (b) SBI (c) axis bank, (d) PNB
	Ans: CANARA BANK
55	A _____ is a specialized firm that finances young, start-up companies <ul style="list-style-type: none"> (a) Venture capital firm, (b) finance company, (c) small-business finance company, (d) capital-creation company.
	Ans: VENTURE CAPITAL FIRM
56	Which of the following is not a characteristic feature of venture capital firms? <ul style="list-style-type: none"> (a) Funding just one or a small number of firms, (b) holding equity in the firms that are funded, (c) Having a long-term investment horizon, (d) providing advice and assistance to the firms that are funded.
	Ans: FUNDING JUST ONE OR A SMALL NUMBER OF FIRMS
57	The division of retail banking deals with lending money to customers is called as _____ finance <ul style="list-style-type: none"> (a) Consumer (b) housing,

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	(c) short term, (d) banking
	Ans: CONSUMER
58	_____ loans are granted without a security (a) Housing, (b) personal, (c) car, (d) vehicle
	Ans: PERSONAL
59	-----is a type of Account which allows customer the facility to make purchases during the month & make payments on deferred basis by easy monthly instalments a) Revolving Account b) Open Account c) Instalment Account d) Credit Card
	Ans: Revolving Account
60	A _____ is an association of people who agree to save their money together and in turn provide loans to each other (a) Labor union, (b) capitalist union, (c) social union, (d) credit union
	Ans: CREDIT UNION
61	_____ is not a type of term loan whereby financier provides loan for a fixed period of time a) Monthly installment loan b) Hire purchase loan c) Fixed purchase loan d) Bank overdraft
	Ans: Bank overdraft
62	Bajaj Finance is example of a) Bank b) Stock Broker c) NBFC d) Mutual Fund Company
	Ans: NBFC
63	-----lease is also known as capital or long-term lease. a) Operating b) Finance

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	c)Capital d)Domestic
	Ans: Finance
	<u>UNIT-IV</u>
64	_____ financing in India covers a wide range of products (a) Consumer, (b) housing, (c) short term, (d) banking
	Ans: CONSUMER
65	_____ card can be issued to parties for undertaking any activities coming under the purview of direct finance to agriculture (a) Kisan, (b) smart, (c) farmer green, (d) credit
	Ans: FARMER GREEN
66	A credit or debit card issued jointly by member bank & non-financial organization bearing a brand of both. a) Credit Card b) Debit Card c)Co-Branded Card d)Monthly Card
	Ans: Co-Branded Card
67	Travel and entertainment card (T&E) are primarily for _____ purposes (a) Movie, (b) purchase, (c) travel and entertainment, (d) Shopping
	Ans: TRAVEL AND ENTERTAINMENT
68	-----cards are used to withdraw cash, deposit or transfer funds between accounts. a) Gift card b) ATM card c) Store Card d) Agriculture Card
	Ans: ATM card
69	Switch card is an electronic debit card which enables holder to make payments at _____ outlets (a) Retail,

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	(b) wholesale, (c) super market, (d) manufacturing
	Ans: RETAIL
70	_____ are added to customer account each time they swipe a credit card (a) Liabilities, (b) Reward points, (c) Civil score, (d) Add-on card
	Ans: REWARD POINTS
71	The smart card is personalized when issued to the cardholder with a passport-sized photograph of _____ (a) The cardholder, (b) the banker, (c) the investor, (d) the seller.
	Ans: THE CARDHOLDER
72	Identify odd one _____ (a) CRISIL (b) ICRA (c) CARE (d) ICICI
	Ans: ICICI
73	_____ is a method of renting assets (a) Hire purchase, (b) lease, (c) hedge finance, (d) credit rating
	Ans: LEASE
74	_____ is the opinion of the rating agency on the relative ability and willingness of the issuer of debt instrument to meet the debt service obligations as and when they arise (a) Credit rating, (b) rating by merchant banker, (c) merit rating, (d) operating feedback
	Ans: CREDIT RATING
75	The credit ratings are expressed as _____ (a) Alphabetical, (b) alpha numerical, (c) Alphabetical & alpha Numerical (d) Numerical

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	Ans: Alphabetical & alpha Numerical
77	Credit rating is an expression of credit rating agencies regarding debt instrument on a specific date on _____ (a) Risk evaluation (b) product (c) services d) top management
	Ans: RISK EVALUATION
78	Full form of CRISIL is _____ (a) Credit rating information services of India ltd. (b) credit rating incubation services of India ltd. (c) credit rating internet services of India ltd. (d) credibility rating infrastructure services of India ltd.
	Ans: CREDIT RATING INFORMATION SERVICES OF INDIA LTD.
76	In consumer finance -----parties are involved a) One b) two c)three d)four
	Ans: Three
77	Credit card is _____ credit (a) Fixed, (b) secured, (c) revolving (d) Project
	Ans: REVOLVING
78	A _____ card offered by two organisations one a lending institution and other a non profit group like school A) Agriculture card B) Store card C) Affinity card D) Monthly card
	Ans: AFFINITY CARD
80	_____ issued by department stores (a) Charge card, (b) credit card, (c) T & E card (d)Issue Card
	Ans: CHARGE CARD
82	Plastic money was introduced in _____ (a) 1949,

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	(b) 1950, (c) 1951 d)1961
	Ans: 1950
83	_____ very strong rating (a) AAA (b) AA (c) A d)BBB
	Ans: AAA
84	These cards contain computer chip embedded in it. a) Debit card b) Credit card c)Smart card d)Charge card
	Ans: Smart card
85	When credit is granted by financial institution is secured by collateral then it is called as a) Unsecured Finance b) Secured Finance c)Revolving Credit d)Fixed Credit
	Ans: Secured Finance