

**Que. ID : 515830**

**1) Most investors are risk averse which means .**

**[A].**

They will assume more risk only if they are compensated by higher expected return.

**[B].**

They will always invest in the investment with the lowest possible risk.

**[C].**

They will always invest in the investment with the highest possible risk.

**[D].**

They avoid the stock market due to the high degree of risk.

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515831**

**2)**

**Savings accounts are\_\_\_\_\_ but are not\_\_\_\_\_ .**

**[A].**

Negotiable; liquid.

**[B].**

Marketable; liquid.

**[C].**

Liquid; personal.

**[D].**

Liquid; marketable.

**Correct Answer : C**

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**Que. ID : 515832**

**3) The coupon rate is another name for the .**

- |                       |      |
|-----------------------|------|
| Market interest rate. | [A]. |
| Current yield.        | [B]. |
| Stated interest rate. | [C]. |
| Yield to maturity     | [D]. |

**Correct Answer : A**

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**Que. ID : 515833**

**4) A group of mutual funds with a common management are known as .**

Fund syndicates. [A].

Fund conglomerates. [B].

Fund families [C].

[D].  
Fund complexes

**Correct Answer : C**

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**Que. ID : 515834**

**5) Their is a window through which the investor can see the company.**

Syndicate offer. [A].

IPO. [B].

Prospectus. [C].

Shelf rule. [D].

**Correct Answer : C**

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in retirement planning and estate planning.

**Que. ID : 515835**

**6) Which of the following has helped to eliminate the use of stock certificates by placing stock transactions on computers?**

Demat account. [A].

Securities Exchange Commission. [B].

Depository Trust Company. [C].

Federal Depository Insurance Corporation [D].

**Correct Answer : A**

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**Que. ID : 515836**

**7) If interest rates are expected to rise, you would expect .**

Bond prices to fall more than stock prices. [A].

Bond prices to rise more than stock prices. [B].

Stock prices to fall more than bond prices. [C].

Stock prices to rise and bond prices to fall. [D].

**Correct Answer : A**

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**Que. ID : 515837**

**8) Total return is measured as**

**[A].**

The difference between the sale price and the purchase price of an investment.

**[B].**

Measured by dividing the sum of all cash flows received by the amount invested.

**[C].**

The reciprocal of a return relative.

**[D].**

Measured by dividing all cash flows received by its selling price.

**Correct Answer : B**

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**Que. ID : 515838**

**9) Underlying all investments is the tradeoff between**

**[A].**

expected return and actual return

**[B].**

low risk and high risk

**[C].**

actual return and high risk

[D].

Expected return and risk.

**Correct Answer : D**

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**Que. ID : 515839**

**10)**

**Price per share is \$30 and an earnings per share is \$3.5 then price for earnings ratio would be**

[A].

8.57 times

[B].

8.57%

[C].

0.11 times

[D].

11%

**Correct Answer : A**

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**Que. ID : 515840**

**11) Which of the following is not a tax saving investment?**

[A].

Fixed deposit

[B].

Shares

NSC

[C].

PPF

[D].

**Correct Answer : B**

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**Que. ID : 515841**

**12) According to the wealth cycle approach, a 55 year old investor who is about to retire in a few months is considered to be in**

Distribution phase

[A].

Preservation phase

[B].

Income phase

[C].

Accumulation phase

[D].

**Correct Answer : A**

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**Que. ID : 515842**

**13) Section 80C deduction is available for**

individuals and partnership firms

[A].

individuals and HUF [B].

individuals [C].

all assesses [D].

**Correct Answer : B**

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**Que. ID : 515843**

**14) Lowest premium cost for the cover is payable on**

term insurance [A].

money back [B].

endowment [C].

Unit Linked Insurance Plan [D].

**Correct Answer : A**

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**Que. ID : 515844**

**15) Which one of the following regulator regulates Real Estate in India?**



RERA

[A].

IRDA

[B].

SEBI

[C].

IBC

[D].

**Correct Answer : A**

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**Que. ID : 515845**

**16) Which of the following is true**

[A].

If interest rates in the market were to decrease, fixed rate debt instruments issued earlier will lose value because of the poor sentiment

[B].

If policy-holder is not comfortable, he can cancel policy within specified period and get back the premium paid

[C].

Bonus in a with-bonus insurance policy is payable only if the assured survives

[D].

An Indian investing abroad needs to worry only about Indian laws, because international exposures will be protected by the government

**Correct Answer : B**

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risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515846**

**17) Fund management costs are low for**

- |                 |      |
|-----------------|------|
| active exposure | [A]. |
| debt funds      | [B]. |
| index funds     | [C]. |
| equity funds    | [D]. |

**Correct Answer : C**

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**Que. ID : 515847**

**18) Which of the following is/are plans to achieve financial goals?**

- |                                  |      |
|----------------------------------|------|
| Liability and Insurance Planning | [A]. |
| Asset Acquisition planning       | [B]. |
| Employee Benefit Planning        | [C]. |
| All of the Above                 | [D]. |

**Correct Answer : D**

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**Que. ID : 515848**

**19) The arrangement of financial affairs of a person in such a way that the tax liabilities can be reduced in a legal way is :**

- |                   |      |
|-------------------|------|
| Tax evasion       | [A]. |
| Tax planning      | [B]. |
| Tax avoidance     | [C]. |
| None of the above | [D]. |

**Correct Answer : B**

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**Que. ID : 515849**

**20) A \_\_\_\_\_ is an evaluation of an individual or organization's willingness to take risks & threats to which an organization is exposed.**

- |              |      |
|--------------|------|
| Risk Taker   | [A]. |
| Risk Profile | [B]. |
| Promoter     | [C]. |

Return

[D].

**Correct Answer : B**

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**Que. ID : 515850**

**21) The goal of wealth management is to sustain and grow \_\_\_\_\_ wealth**

Long term

[A].

Short Term

[B].

Mixed Term

[C].

Low time

[D].

**Correct Answer : A**

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**Que. ID : 515851**

**22) Present value of 2000 to be received 10 years later discounted at 8% is \_\_\_\_\_ [ PVIF (8%, 10) is 0.4632]**

16000

[A].

926.38

[B].

13000

[C].

2562.5

[D].

**Correct Answer : B**

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**Que. ID : 515852**

**23) \_\_\_\_\_ is lesser than the nominal return.**

Inflation Adjusted return

[A].

Average return

[B].

Accounting Return

[C].

Cumulative return

[D].

**Correct Answer : A**

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**Que. ID : 515853**

**24) \_\_\_\_\_ is equal to Assets - Liabilities.**

Net worth

[A].

Fixed Assets [B].

Working capital [C].

Current Assets [D].

**Correct Answer : A**

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**Que. ID : 515854**

**25) An individual has total assets of 155 Lakhs and Total Liabilities of 110 Lakhs, his Net worth is \_\_\_\_\_,**

40 Lakhs [A].

50 Lakhs [B].

45 Lakhs [C].

60 Lakhs [D].

**Correct Answer : C**

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**Que. ID : 515855**

26) TDS is based on the principle of \_\_\_\_\_

- [A].  
Pay as you earn
- [B].  
Pay as you not earn
- [C].  
Other tax
- [D].  
Deposit

**Correct Answer : A**

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**Que. ID : 515856**

**27) Vinayak, 36 years and married, works for a multinational firm, which provides adequate medical and related covers. He is also able to accumulate sick leave. He already has his own home and savings of Rs. 35 lakhs, which are well invested. What does he require the most?**

- [A].  
Life Cover
- [B].  
Medical Cover
- [C].  
Property Insurance
- [D].  
Temporary Total Disablement Cover

**Correct Answer : A**

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**Que. ID : 515857**

**28) A mutual fund that invests in Indian Equities, Foreign Equities, Indian Corporate Bonds and Indian Government Gilts; is subject to the following risks? 1. Business Risk, 2. Default Risk, 3. Systematic Risk, 4. Interest Rate Risk.**

- |               |      |
|---------------|------|
| 1 & 3 only    | [A]. |
| 1, 3 & 4 only | [B]. |
| 3 & 4 only    | [C]. |
| 1, 2, 3 & 4   | [D]. |

**Correct Answer : D**

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**Que. ID : 515858**

**29) An investor can open the following number of active PF accounts:**

- |                             |      |
|-----------------------------|------|
| Only 1                      | [A]. |
| More than 1                 | [B]. |
| More than 1 but less than 3 | [C]. |
|                             | [D]. |



No restriction on number of accounts

**Correct Answer : A**

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**Que. ID : 515859**

**30) Deduction for donation to a charitable trust can be claimed under\_\_\_\_\_.**

80C [A].

80D [B].

80G [C].

80E [D].

**Correct Answer : C**

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**Que. ID : 515860**

**31) Insurancecovers.....**

Protect assets [A].

Prevents loss [B].

[C].

Reduces the impact of loss

[D].

Insures immortality

**Correct Answer : C**

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**Que. ID : 515861**

**32) Portfolio manager's outperformance is measured through**

[A].

Beta

[B].

Sharpe

[C].

Treynor

[D].

Alpha

**Correct Answer : D**

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**Que. ID : 515862**

**33) In which of the following is it possible for an investor to take a short position**

[A].

Security

[B].

Future

[C].

Option

[D].

All of the Above

**Correct Answer : D**

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**Que. ID : 515863**

**34)**

**Real Estate is less volatile than equity**

[A].

True

[B].

False

[C].

Cant say

[D].

Depends on market situation

**Correct Answer : A**

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**Que. ID : 515864**

**35) Real estate is inherently**

Growth Asset	[A].
Income Asset	[B].
Defensive asset	[C].
Safe haven asset	[D].

**Correct Answer : A**

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**Que. ID : 515865**

**36)**

**Since India is a major consumer of gold, prices set in Mumbai determine the international prices of gold.**

True	[A].
False	[B].
Cant say	[C].
Depends on market situation	[D].

**Correct Answer : B**

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**Que. ID : 515866**

**37) \_\_\_\_\_ is a safe haven asset**

- |             |      |
|-------------|------|
| Equity      | [A]. |
| Debt        | [B]. |
| Gold        | [C]. |
| Real Estate | [D]. |

**Correct Answer : C**

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**Que. ID : 515867**

**38)**

**Deposits are preferable if interest rates are going down.**

- |                             |      |
|-----------------------------|------|
| True                        | [A]. |
| False                       | [B]. |
| Cant say                    | [C]. |
| Depends on market situation | [D]. |

**Correct Answer : B**

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**Que. ID : 515868**

**39)**

**Lack of trading gives fixed deposits a sense of stability**

True [A].

False [B].

Cant say [C].

Depends on market situation [D].

**Correct Answer : A**

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**Que. ID : 515869**

**40) Debt is \_\_\_\_\_ asset**

Income [A].

Growth [B].

[C].

Inflation Protecting

Risky

[D].

**Correct Answer : A**

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**Que. ID : 515870**

**41)**

**Leveraging is a conservative approach to investment**

True

[A].

False

[B].

Cant say

[C].

Depends on market situation

[D].

**Correct Answer : B**

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**Que. ID : 515871**

**42)**

**Passive investment protects the investor from any losses**

True

[A].

False

[B].

Cant say

[C].

Sometimes

[D].

**Correct Answer : B**

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**Que. ID : 515872**

**43) An investor looking for returns in line with the market will opt for**

Active Investment

[A].

Speculation

[B].

Passive Investment

[C].

Leveraging

[D].

**Correct Answer : C**

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**Que. ID : 515873**

**44)**



**Tight monetary policy is a feature of high inflation scenarios**

- |           |      |
|-----------|------|
| True      | [A]. |
| False     | [B]. |
| Cant say  | [C]. |
| Sometimes | [D]. |

**Correct Answer : A**

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**Que. ID : 515874**

**45) Which of the following best defines the bottom of a cycle?**

- |           |      |
|-----------|------|
| Recession | [A]. |
| Trough    | [B]. |
| Peak      | [C]. |
| Freeze    | [D]. |

**Correct Answer : B**

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efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515875**

**46)**

**Systematic Withdrawal Plan is suitable for retired investors.**

True [A].

False [B].

Cant say [C].

Never [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515876**

**47) In early stages of one's career, client is in \_\_\_\_\_ stage**

Accumulation [A].

Distribution [B].

Transition [C].

Windfall [D].

**Correct Answer : A**

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**Que. ID : 515877**

**48)**

**Joint families giving way to nuclear families has reduced the need for financial planning.**

- |           |      |
|-----------|------|
| True      | [A]. |
| False     | [B]. |
| Cant say  | [C]. |
| Sometimes | [D]. |

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515878**

**49) Financial planning seeks to**

- |                          |      |
|--------------------------|------|
| Offer investment advice  | [A]. |
| Offer tax advice         | [B]. |
| Assess transmission plan | [C]. |

[D].

Assess Adequacy of income and assets for needs

**Correct Answer : D**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515879**

**50)**

**Risk taking ability goes down as the number of dependents increases.**

[A].

True

[B].

False

[C].

Cant say

[D].

Never

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515880**

**51) A large percentage of any investor's equity exposure should be to -**

[A].

Sector funds

[B].

Banking stocks

[C].

Stocks of food companies

[D].

Diversified mix of large cap stocks

**Correct Answer : D**

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**Que. ID : 515881**

**52)**

**Choice of option within a MF scheme has a major impact on asset allocation.**

[A].

True

[B].

False

[C].

Cant say

[D].

Sometimes

**Correct Answer : B**

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**Que. ID : 515882**

**53) Only \_\_\_\_\_ will is valid**

- |                                |      |
|--------------------------------|------|
| Hand written                   | [A]. |
| Written on a stamp paper       | [B]. |
| Made with the help of a lawyer | [C]. |
| all of the above               | [D]. |

**Correct Answer : D**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515883**

**54) Estate planning includes, planning of \_\_\_\_\_**

- |                  |      |
|------------------|------|
| Real estate      | [A]. |
| Liabilities      | [B]. |
| Various assets   | [C]. |
| all of the above | [D]. |

**Correct Answer : D**

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in retirement planning and estate planning.

**Que. ID : 515884**

**55) A mutual fund investment made without intermediary is called as \_\_\_\_\_**

- Growth plan [A].
- Direct plan [B].
- Regular plan [C].
- Off base plan [D].

**Correct Answer : B**

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**Que. ID : 515885**

**56) Type of a liability insurance is \_\_\_\_\_**

- Auto mobile insurance [A].
- 3rd party insurance [B].
- Health insurance [C].
- Fire insurance [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515886**

**57) Health insurance must be bought by \_\_\_\_\_**

- Sick man/women only [A].
- Person about to retire [B].
- Man about to retire [C].
- [D].  
all the individuals irrespective of status of health

**Correct Answer : D**

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**Que. ID : 515887**

**58) KYC process is mandatory for which of the following investments**

- Equity [A].
- Mutual Funds [B].
- Portfolio management services [C].
- [D].  
all of the above



**Correct Answer : D**

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**Que. ID : 515888**

**59) Real estate investment can be done in the form of \_\_\_\_\_**

- |                             |      |
|-----------------------------|------|
| Physical investment in land | [A]. |
| Real estate sector fund     | [B]. |
| Private equity funds        | [C]. |
| all of the above            | [D]. |

**Correct Answer : D**

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**Que. ID : 515889**

**60) Gold ETF can be stored in \_\_\_\_\_**

- |                      |      |
|----------------------|------|
| Demat account        | [A]. |
| Bank account         | [B]. |
| Physical certificate | [C]. |

[D].

any of the above forms

**Correct Answer : A**

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**Que. ID : 515890**

**61) Which of the factors are responsible for change in interest rate in a debt security**

[A].

Change in ROI of Sovereign Bonds

[B].

change in credit rating of the company

[C].

collateral behind the bond

[D].

all of the above

**Correct Answer : D**

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**Que. ID : 515891**

**62) Making investment in index mutual fund could be called as \_\_\_\_\_**

[A].

Active approach

[B].

Passive approach

Market based approach [C].

none of the above [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515892**

**63) SIP is a way of investment in which of the following investment avenues**

Equity [A].

Mutual Funds [B].

ETF [C].

all of the above [D].

**Correct Answer : D**

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**Que. ID : 515893**

**64) Which of the below is not the role of a financial planner?**

advice on investment in share market [A].

tax planning [B].

insurance planning and risk management [C].

none of the above [D].

**Correct Answer : D**

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**Que. ID : 515894**

**65) Concentration risk is possible in \_\_\_\_\_**

Equity [A].

Debt [B].

Both of them [C].

none of the above [D].

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515895**

**66) At time of high inflation economy is said to be in \_\_\_\_\_**

Peak	[A].
Boom	[B].
Recession	[C].
Trough	[D].

**Correct Answer : C**

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**Que. ID : 515896**

**67) A high risk investment can be suggested to a person at \_\_\_\_\_ place in his/her life cycle**

young and married	[A].
young and unmarried	[B].
married and having young children	[C].
married and having older children	[D].

**Correct Answer : B**

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efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515897**

**68) Funds which combined the features of an Open-Ended and Close-Ended funds are known as which of the following?**

Interval fund [A].

balance fund [B].

speciality fund [C].

none of the above [D].

**Correct Answer : A**

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**Que. ID : 515898**

**69) Which of the following organizations is the Mutual Fund market regulator in India?**

SEBI [A].

AMFI [B].

RBI [C].

CRISIL [D].

**Correct Answer : A**

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**Que. ID : 515899**

**70) What is the full form of NAV?**

- Net assessment Value [A].
- Net Asset Value [B].
- Nominal Asset Value [C].
- None of these [D].

**Correct Answer : B**

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**Que. ID : 515900**

**71) Which of the following is NOT a reason to invest in mutual funds?**

- Professional management of your investment [A].
- Invest low amounts (as low as Rs. 500) in a diversified portfolio [B].
- Flexibility to buy and sell your investments as and when you want [C].

Personal customized portfolio

[D].

**Correct Answer : D**

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**Que. ID : 515901**

**72) Which of the following instruments can mutual funds scheme invest in?**

Stocks

[A].

Bonds

[B].

Gold

[C].

All of the above

[D].

**Correct Answer : D**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515902**

**73) A diversified equity fund is one which**

Invests in one sector

[A].

Invests in one theme

[B].



Invests in stocks across various sectors [C].

Invests in minimum 30 stocks [D].

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515903**  
**74) SIP is a**

Method of regular investment [A].

Name of a mutual fund [B].

Brand of Tea Stock [C].

None of these [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515904**  
**75)**

**Does a balanced fund always invest its money in the ratio of 50:50 in equity and fixed income?**

True [A].

False [B].

Can't say [C].

Never [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515905**

**76) A liquid fund can invest its money in which of the following**

[A].  
Central Government securities of around 10 year average maturity.

[B].  
Money market instruments of less than 91 days maturity

[C].  
Corporate bonds / paper of more than 91 days maturity

[D].  
Short term Bank Deposits

**Correct Answer : B**

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**Que. ID : 515906**

**77)**

**A mutual fund with a lower NAV or Net Asset Value is cheaper than one with a higher NAV?**

- |          |      |
|----------|------|
| True     | [A]. |
| False    | [B]. |
| Cant say | [C]. |
| Never    | [D]. |

**Correct Answer : B**

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**Que. ID : 515907**

**78) Mutual Fund schemes are first offered to investors through:**

- |                |      |
|----------------|------|
| IPO            | [A]. |
| NFO            | [B]. |
| Stock Exchange | [C]. |
| AMFI           | [D]. |

**Correct Answer : B**

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**Que. ID : 515908**

**79) The investor of which kind of fund would bear a tax on short term capital gains, as per the investors tax slab**

Debt oriented mutual fund [A].

Equity oriented mutual fund [B].

None [C].

Both [D].

**Correct Answer : A**

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**Que. ID : 515909**

**80) Investors can enter and exit \_\_\_\_\_ at any time**

Open-end schemes [A].

Closed-end schemes [B].

Fixed Maturity Plan [C].

[D].

Interval Fund

**Correct Answer : A**

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**Que. ID : 515910**

**81)**

**Investments in mutual funds are not exempt from wealth tax**

- |          |      |
|----------|------|
| True     | [A]. |
| False    | [B]. |
| Cant say | [C]. |
| Never    | [D]. |

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515911**

**82) Index funds are more suitable for investors who**

- |   |      |
|---|------|
| want to beat the benchmark                        | [A]. |
| want a modest equity growth, in line with markets | [B]. |

want a short term investment [C].

None of these [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515912**

**83)**

**STP is a combination of SIP and SWP**

True [A].

False [B].

Cant say [C].

Never [D].

**Correct Answer : A**

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**Que. ID : 515913**

**84) The most important advantage of a money market mutual fund is**

[A].

quick capital appreciation

[B].

high regular income

[C].

safety of principal

[D].

no loads

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515914**

**85) Mutual funds in India are permitted to invest in**

[A].

Securities

[B].

Securities and Gold

[C].

Securities other than real estate

[D].

Securities, gold and real estate

**Correct Answer : D**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515915**

**86) SIP is best example of**

- [A].  
Rupee Cost Averaging
- [B].  
Value Averaging
- [C].  
Buy and Hold
- [D].  
None of these

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515916**

**87) Income scheme mutual funds invests primarily in \_\_\_\_\_?**

- [A].  
Fixed income securities
- [B].  
Equities
- [C].  
Other Mutual Funds
- [D].  
Commercial Papers

**Correct Answer : A**

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efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515917**

**88) The Gilt funds invest exclusively in \_\_\_\_\_?**

Certificate of Deposits [A].

Debentures [B].

Corporate Bonds [C].

Government securities [D].

**Correct Answer : D**

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**Que. ID : 515918**

**89) Name the mutual fund scheme that provides tax benefits under 80C?**

Gilt Funds [A].

Fixed Income Fund [B].

Equity Linked Saving Scheme (ELSS) [C].

Growth Funds [D].

**Correct Answer : C**

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**Que. ID : 515919**

**90) What is the maximum period for which New Fund Offer (NFO) can remain open in market?**

- |         |      |
|---------|------|
| 45 days | [A]. |
| 30 days | [B]. |
| 15 days | [C]. |
| 10 days | [D]. |

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515920**

**91) The NAV of mutual fund scheme must be disclosed by mutual fund on \_\_\_basis**

- |         |      |
|---------|------|
| Yearly  | [A]. |
| Monthly | [B]. |
| Weekly  | [C]. |

Daily

[D].

**Correct Answer : D**

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**Que. ID : 515921**

**92) Who conducts the certification that have to be passed by persons/entities engaged in marketing and selling of mutual funds?**

SEBI

[A].

AMFI

[B].

IRDAI

[C].

PFRDA

[D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515922**

**93) Fund of funds (FoF) mutual funds invests in \_\_\_\_\_**

Equities

[A].

Corporate Bonds

[B].

G-Sec

[C].

Other Mutual Funds

[D].

**Correct Answer : D**

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**Que. ID : 515923**

**94) Which out of the following term represents market value per unit of a mutual fund?**

Alpha

[A].

NAV

[B].

Sharpe Ratio

[C].

SD

[D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515924**

**95) The Growth mutual funds invests primarily in \_\_\_\_\_?**

Equities

[A].

G-Secs	[B].
Corporate Bonds	[C].
None of the Above	[D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515925**

**96) Which one of the following is not the characteristics of mutual funds?**

Consistent Investment process	[A].
Strong fund management	[B].
Diversity in interest rates	[C].
Differences from the benchmark	[D].

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515926**

**97) Which among the following is NOT a correct statement?**

- [A].  
Hedge funds are not mutual funds
- [B].  
Hedge funds can be sold to public.
- [C].  
Investors in mutual funds must pay various fees and expenses.
- [D].  
Mutual funds provide economies of scale to investment decisions

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515927**

**98) Liquid funds are the funds that invest in securities with a maturity period of up**

- [A].  
364 days
- [B].  
90 days
- [C].  
120 days
- [D].  
91 days

**Correct Answer : D**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent

in retirement planning and estate planning.

**Que. ID : 515928**

**99) Time value of money indicates that**

**[A].**

A unit of money obtained today is worth more than a unit of money obtained in future

**[B].**

A unit of money obtained today is worth less than a unit of money obtained in future

**[C].**

There is no difference in the value of money obtained today and tomorrow

**[D].**

None of the above

**Correct Answer : A**

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**Que. ID : 515929**

**100) Time value of money supports the comparison of cash flows recorded at different time period by**

**[A].**

Discounting all cash flows to a common point of time

**[B].**

Compounding all cash flows to a common point of time

**[C].**

Using either a or b

**[D].**

None of the above.

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515930**

**101) If the nominal rate of interest is 10% per annum and there is quarterly compounding, the effective rate of interest will be:**

- |                  |      |
|------------------|------|
| 10% per annum    | [A]. |
| 10.10% per annum | [B]. |
| 10.25%per annum  | [C]. |
| 10.38% per annum | [D]. |

**Correct Answer : D**

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**Que. ID : 515931**

**102) Present value tables for annuity cannot be straight away applied to varied stream of cash flows.**

- |       |      |
|-------|------|
| true  | [A]. |
| false | [B]. |
|       | [C]. |



Cant say

[D].

Never

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515932**

**103) Heterogeneous cash flows can be made comparable by**

[A].

Discounting technique

[B].

Compounding technique

[C].

Either a or b

[D].

None of the above

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515933**

**104) Money has time value because:**

[A].

Money today is more certain than money tomorrow

[B].

Money today is worth more than money tomorrow in terms of purchasing power.

[C].

There is a possibility of earning risk free return on money invested today.

[D].

All of the above.

**Correct Answer : D**

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**Que. ID : 515934**

**105) Given an investment of Rs. 10,000 to be invested for one year;**

[A].

It is better to invest in a scheme that pays 10% simple interest.

[B].

It is better to invest in a scheme that pays 10% annual compound interest.

[C].

Both (a) and (b) provide the same return

[D].

None of these

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515935**

**106) Given an investment of Rs. 10,000 for a period of one year, it is better to invest in a scheme that pays:**

12% interest compounded annually [A].

12% interest compounded quarterly [B].

12% interest compounded monthly [C].

12% interest compounded daily [D].

**Correct Answer : D**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515936**

**107) To find the present value of a sum of Rs. 10,000 to be received at the end of each year for the next 5 years at 10% rate, we use:**

Present value of a single cash flow table [A].

Present value of annuity table. [B].

Future value of a single cash flow table [C].

Future value of annuity table [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent

in retirement planning and estate planning.

**Que. ID : 515937**

**108) In 3 years you are to receive 5,000. If the interest rate were to suddenly increase, the present value of that future amount to you would**

fall [A].

rise [B].

remain unchanged [C].

cannot be determined without more information [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515938**

**109) To increase a given present value, the discount rate should be adjusted**

upward [A].

downward [B].

same [C].

cannot be determined without more information [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515939**

**110) In a typical loan amortization schedule, the amount of interest paid each period**

increases with each payment [A].

decreases with each payment [B].

remains constant with each payment [C].

cannot be determined without more information [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515940**

**111) In a typical loan amortization schedule, the total amount of money paid each period**

increases with each payment [A].

decreases with each payment [B].

remains constant with each payment [C].

[D].

cannot be determined without more information

**Correct Answer : C**

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**Que. ID : 515941**

**112)**

**One potential benefit from starting to invest early for retirement is that the investor can expect greater benefits from the compounding of interest**

[A].

True

[B].

False

[C].

Cant say

[D].

Never

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515942**

**113)**

**The payment made each period on an amortized loan is constant, and it consists of some interest and some principal. The closer we are to the end of the loan's life, the greater percentage of the payment that will be a repayment of principal.**

True [A].

False [B].

Can't say [C].

Never [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515943**

**114) What does investment stand for?**

[A].  
approximate increase in the national stocks

[B].  
the application of funds for the products and services employed for the production process

[C].  
use of funds for the assets with the purpose to earn returns

[D].  
applying money to buy a flat or a house

**Correct Answer : C**

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**Que. ID : 515944**

**115) In the share market, the market value of any share is decided by:**

shareholders [A].

the government [B].

investment market [C].

the respective companies [D].

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515945**

**116) Most investors are risk-averse which means\_\_\_\_\_.**

they will assume more risk only if they are compensated by higher expected return. [A].

they will always invest in the investment with the lowest possible risk. [B].

they will always invest in the investment with the lowest possible risk. [C].

they avoid the stock market due to the high degree of risk. [D].

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the



risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515946**

**117) Which of the following generally traded on stock exchanges?**

ETFs [A].

Closed-end investment companies [B].

Open-end investment companies [C].

All trade on stock exchanges. [D].

**Correct Answer : D**

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**Que. ID : 515947**

**118) The stated interest payment, in dollars, made on a bond each period is called the bond:**

Coupon [A].

Face value. [B].

Yield to maturity. [C].

Coupon rate [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515948**

**119) The principal amount of a bond that is repaid at the end of the loan term is called the bond's:**

- |                   |      |
|-------------------|------|
| Coupon            | [A]. |
| Face value        | [B]. |
| Yield to maturity | [C]. |
| Coupon rate.      | [D]. |

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515949**

**120) A bond with a face value of \$1,000 that sells for less than \$1,000 in the market is called a:**

- |               |      |
|---------------|------|
| Discount bond | [A]. |
| Premium bond  | [B]. |

Zero-coupon bond [C].

Floating rate bond. [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515950**

**121) A bond with a face value of \$1,000 that sells for more than \$1,000 in the market is called a**

Discount bond [A].

Premium bond [B].

Zero-coupon bond [C].

Floating rate bond. [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515951**

**122) A bond that makes no coupon payments (and thus is initially priced at a deep discount to par value) is called a \_\_\_\_\_ bond.**

Treasury [A].

[B].  
floating rate

[C].  
junk

[D].  
zero-coupon

**Correct Answer : D**

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**Que. ID : 515952**

**123) A bond which, at the election of the holder, can be swapped for a fixed number of shares of common stock at any time prior to the bond's maturity is called a \_\_\_\_\_ bond.**

[A].  
zero-coupon

[B].  
callable

[C].  
putable

[D].  
convertible

**Correct Answer : D**

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**Que. ID : 515953**

**124) The annual coupon payment of a bond divided by its market price is called the:**

Coupon rate. [A].

Current yield. [B].

Yield to maturity. [C].

Bid-ask spread. [D].

**Correct Answer : B**

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**Que. ID : 515954**

**125) If you divide a bond's annual coupon payment by its current yield you get the \_\_\_\_\_.**

yield to maturity [A].

annual coupon rate [B].

cost of capital [C].

bond price [D].

**Correct Answer : D**

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**Que. ID : 515955**

**126) Which of the following statements regarding bond pricing is true?**

**[A].**

The lower the discount rate, the more valuable the coupon payments are today.

**[B].**

Bonds with high coupon payments are generally (all else the same) more sensitive to changes in interest rates than bonds with lower coupon payments.

**[C].**

When market interest rates rise, bond prices will also rise, all else the same.

**[D].**

Bonds with short maturities are generally (all else the same) more sensitive to changes in interest rates than bonds with longer maturities.

**Correct Answer : A**

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**Que. ID : 515956**

**127) Definition of Financial Planning is**

**[A].**

"Financial Planning is the process of meeting one's life goals through the proper management of personal finances."

**[B].**

"Financial Planning is the process of meeting one's life goals."

**[C].**

"Financial Planning is the proper management of personal finances."

[D].

None of the above

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515957**

**128) This factor does not affect the risk profile of a customer**

[A].

Investor's age

[B].

Family situation

[C].

Food habits

[D].

Current financial picture

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515958**

**129) Insurance is a risk management technique involving\_\_**

[A].

Risk Retention

[B].

Risk Acceptance

risk Control [C].

Risk Transfer [D].

**Correct Answer : D**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515959**

**130) The Concept of Insurance is \_\_\_\_\_**

to share losses by many [A].

to make money out of death [B].

to earn interest [C].

to earn a status [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515960**

**131) The person who agrees to compensate the loss arising from the risk is called the \_\_\_\_\_**

insurer [A].



assurer

[B].

underwriter

[C].

all the above

[D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515961**

**132) Which one of the following statement is correct?**

[A].

Maturity proceeds are paid to the nominee, if the policyholder dies earlier

[B].

Maturity proceeds are paid to the heirs, if the policy holders dies earlier

[C].

Both the above statements are correct

[D].

Both the above statements are wrong

**Correct Answer : A**

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**Que. ID : 515962**

**133) Except life assurance the maximum term of other insurance is \_\_\_\_\_**

12 months. [A].

24 months. [B].

6 months. [C].

36 months. [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515963**

**134)**

**The term Assurance refers to \_\_\_\_\_**

Life Insurance Business. [A].

Marine Insurance Business. [B].

Fire Insurance Business. [C].

Motor Vehicle Business. [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an

efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515964**

**135) A policy protecting a group of persons, usually employees of a firm generally called as**

Fire insurance policy. [A].

Group insurance policy. [B].

Marine insurance. [C].

Automobile insurance [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515965**

**136) As the age increases risk on the life \_\_\_\_\_.**

Increases. [A].

Decreases. [B].

does not change. [C].

Moderate [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515966**

**137) The aggressive investor buys more of -----**

- |                          |      |
|--------------------------|------|
| Money Market Instruments | [A]. |
| Gold                     | [B]. |
| Equity shares            | [C]. |
| Crypto Assets            | [D]. |

**Correct Answer : C**

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**Que. ID : 515967**

**138) Gross domestic product is a logical factor to analyse the economy in picking up a stock because it indicates**

- |                            |      |
|----------------------------|------|
| Inflation or deflation     | [A]. |
| The market value of assets | [B]. |
| The status of the economy  | [C]. |

[D].

The condition of the stock market

**Correct Answer : C**

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**Que. ID : 515968**

**139) Olivia is a risk-averse investor. Alex is a less risk-averse investor than Olivia. Therefore**

[A].

For the same risk, Alex requires a higher rate of return than Olivia.

[B].

For the same return, Alex tolerates higher risk than Olivia.

[C].

For the same risk, Olivia requires a lower rate of return than Alex.

[D].

the same return, Olivia tolerates higher risk than Alex

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515969**

**140) the real rate of interest is approximately equal to**

[A].

The nominal rate times the inflation rate.

[B].

The inflation rate minus the nominal rate

[C].

The nominal rate minus the inflation rate

[D].

The inflation rate divided by the nominal rate.

**Correct Answer : C**

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**Que. ID : 515970**

**141) A growth industry is defined as**

[A].

An industry with 15% rate of growth per annum

[B].

An industry where demand for its product is growing

[C].

An industry with high capital investment

[D].

An industry with average growth higher than the growth of economy

**Correct Answer : D**

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**Que. ID : 515971**

**142) The price earnings ratio of a stock reflects**

[A].

The growth of the company

The market mood for the company's stock [B].

The earnings retained and invested in the company [C].

The dividend paid out for the company's stock [D].

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515972**

**143) The market value of the scrip is determined by**

The dividend declared by the company. [A].

The present status of the stock market. [B].

The number of floating shares [C].

The interaction of demand and supply. [D].

**Correct Answer : D**

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**Que. ID : 515973**

**144) The interest-rate risk of a bond is**

[A].  
the risk related to the possibility of bankruptcy of the bond's issuer

[B].  
the risk that arises from the uncertainty of the bond's return caused by changes in interest rates

[C].  
the unsystematic risk caused by factors unique in the bond

[D].  
None of these

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515974**

**145) An investor is having their portfolio with the combination of stock and bonds in the ratio of 75:25 . He is**

[A].  
Risk averse

[B].  
Risk neutral

[C].  
A risk taker

[D].  
Active in portfolio management.

**Correct Answer : C**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an



efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515975**

**146) The value of the bond depends on**

The coupon rate [A].

Years to maturity. [B].

Expected yield to maturity. [C].

All the above. [D].

**Correct Answer : D**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515976**

**147) Yield to maturity is the single factor that makes**

The future value of the present cash flows from a bond equal to bond value. [A].

The future value of the present cash flows equals to the future price of the bond. [B].

Present value of the future cashflows of the bond equal to the current price of the bond. [C].

The future value of the bond equal to the present price. [D].

**Correct Answer : C**

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**Que. ID : 515977**

**148)**

**A bond with a call feature would pay a slightly higher interest rate than the same bond without this feature.**

True [A].

False [B].

Cant say [C].

Depends on market situation [D].

**Correct Answer : A**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515978**

**149)**

**A bond with a coupon rate of 6.5 percent and trading at \$960 will pay annual interest of \$62.40.**

True [A].

False [B].

[C].

Cant say

[D].

Depends on market situation

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.

**Que. ID : 515979**

**150)**

**A bond with a credit rating of AA is riskier than a bond with a credit rating of A.**

[A].

True

[B].

False

[C].

Cant say

[D].

Depends on market situation

**Correct Answer : B**

**Course Out Comes** Select Course Out Comes Acquainting themselves about essentials of finance and financial planning. Be aware of protecting the resources by varieties of Insurance. Evaluate the risk and return associated with different types of investments alternatives and construct an efficient portfolio. Meet the client's wealth creation needs through financial planning. Competent in retirement planning and estate planning.