

1. Which of the following statements are true?

- I. Unit testing is executed by developer
- II. In Unit testing individual functions or procedures are tested
- III. It is kind of white box testing

select one

- a. I,II, III -----Ans (crct)
- b. Both I and II
- c. Only I
- d. Only II

-----  
-----

2. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

- a. None of the Listed
- b. EMPLOYEE role information set in the field
- c. syntax errors
- d. creating the constraints file to make use of the defined constraints in other class-----

-----ANS

- e. DEFAULT\_ROLE set to EMPLOYEE field

-----  
-----

3. Which of the following is true?

a. the requirement document describes how the requirements that are listed in the document are implemented efficiently

b. consistency and completeness of functional requirements are always achieved in practice

c. Prototyping is a method of requirements validation-----ANS  
(crct)

d. requirements review is carried out to find the errors in system design

-----  
-----

4. Providing full time application support through multiple shifts and by operating at different time zones and countries is known as

a. Follow-the-support model

b. Follow-the-sun model-----ANS

c. Follow-the-moon model

d. none of these

-----  
-----

5. If I0/I1 team is unable to find the resolution in the knowledge database, whom do they contact for further troubleshooting?

a. L3 support

b. L4 support

c. none of these

d. L2 support-----ANS

-----  
-----

11. Which of the following are the best practices?

I. Move all the hardcoded values to the constant file.

II. Have log file to log all the activities.

III. Better to catch general exceptions than specific exceptions.

Select one:

a. All of the listed options

b. Only III

c. Only I and II-----ANS

d. Only II and III

-----  
-----

12. \_\_\_\_\_ is the process of applying as much creativity as possible and validating the application against invalid data.

Select one:

a. White box Testing

b. Sanity Testing

c. Negative Testing-----ANS

d. Regression Testing

---

---

13. The detailed study of existing system is referred to as:

Select one:

a. System Planning

b. System Analysis -----ANS

c. Feasibility Study

d. Design DFD

---

---

14. Through Shift Left Methodology, the knowledge flows from\_\_\_\_\_.

Select one:

a. L4, L3, L2 to L1 -----ans

b. L1, L2, L4 to L4

c. L1, L2, L4 to L3

d. L1, L3, L4 to L2

---

---

15. Which key constraint can accept null value

Select one:

a. Check

b. Unique key -----ANS

c. Primary key

d. Foreign key

-----  
-----  
16. If an urgent RFC is raised , which board needs to take an immediate action?

Select one-

a. ECAB(Emergency Change Advisory Board)-----ANS

b. ECAB(Exclusive Change Advisory Board)

c. None of the listed options

d. CAB(Change Advisory Board))

-----  
-----

17. The ability to resolve known incidents in known error resolution services in --- downtime to the business, which in turn means ----- availability of the service?

Select one-

a. Lower, higher-----  
-----ANS

b. Lower, Lower

c. higher, higher

d. higher, Lower

-----  
-----

18) question is not clear

-----  
-----

19) which key attributes of incidents handling, refers to the time when the solution to the problem

was found and the work started?

Select one-

A.Status Time

B.Response Time

c.Resolution time

D.Restoration Time-----ANS

-----  
-----

20)L2 support team provides ----- for solving basic technical problems

Select one-

a.Output to L3 support team

b.Output to L0/L1 support team

c.Input to L0/L1 support team-----ANS

d.Input to L3 support team

-----  
-----

21. Benchmarking is the process of comparing one business process and performance metrics to industry bests or best practices from other industry and setting up a target level for each of the metrics.

true-----ans

false

-----

-----

22. what are the advantages of exception handling

Select one or more:

a. None of the listed options.

b. In Exception handling, generic Exception object can be extended to any specific type of exception--ANS

c. Exception handling maintains the normal flow of the application-----ANS

d. With the exception handling mechanism, the developer can write their code much "cleaner" and have exception automatically handled-----ans

e. With the exception handling mechanism, when an exception occurs, the execution of the program is transferred to an appropriate exception handler and terminate the program-----ANS

-----

-----

23. Which of the following is the incident status correct order?

Selected one:

a. None of the listed options

b. New, Active, Resolved, Closed-----ans

c. Active, New, resolved, Closed

d. New, Resolved, Active, Closed

-----

-----

24. design document is to developers

Select one:

a.blueprint-----ANS

b.handbook

c.Reference Material

d.Guide

-----  
-----

25.Application Consolidation services focuses on consolidating multiple

application which are\_\_\_\_\_in nature to cohesive IT application landscape

Select one:

a.dissimilar-----ans

b.similar

c.unrelated

d.disconnected

-----  
-----

26 .which SERVICE HAS THE PRIMARY OBJECTIVE as to prevent problems before

happening to production environment?

Select one:

a.Continuous Build & Release

b.Application Strengthening-----ans

c. Compliance & Regulatory Updates

d.Release Planning



-----  
-----  
27. which process grants authorised users the right to use a service

Select one:

a. access management-----ANS

b. Event management

c. Problem Management

d. Incident management

-----  
-----

28. which statement can enclose a continue statement

a. while , do , for , or foreach-----ANS

b. try, while, do, for, or foreach

c. switch, while, do, for, or foreach

d. while, do, for, or foreach

-----  
-----

29. What is the use of creating an index in the table ?

Select one:

a. To increase the performance of the table

b. All the listed options-----ANS

c. To order the records in the table

d. To search the records in the table

-----

-----

30.what is the difference between white box testing and black box testing

Select one:

a.White box testing is testing on the QA environment and Black box testing is testing on the UAT environment

b. All the listed options

c.White box testing requires the knowledge of the structure of the code and black box testing is done to test the business requirement at a high level-----ans

d.Whitebox testing is done by the testing team and black box testing is done only by the developer during development.

-----

-----

31. Activities in traditional AVM model are broadly classified under

I.Application/Production support

II.Bug Fix

What is the third one?

Select one:

a.Enhancements-----ANS

b.Product upgrade

c.Ad hoc Requests

d.Batch Monitoring

-----  
-----  
32. The key analysis involved in feasibility analysis is/are

Select one:

a.Economic

b.Technical

c.Behavioral

d.All of the listed options-----ANS

-----  
-----  
33. Which of the following is NOT an outcome of Best Practices in AVM engagement

Select one:

a.Efficient and Effective Operations

b.Improve Reliability

c.Improves Customer Satisfaction

d.Increased Manitenance and Operating costs-----ANS

-----  
-----  
34. In which phase of the AVM Lifecycle are the customer's requirements actually fulfilled

Select one:

a. None of the listed options

b. Initiation and Planning Phase

c. Service Phase -----ANS

d. Knowledge Transition Phase

-----  
-----

35. If an incident is not responded to/resolved within the defined SLA time limits, it is considered as

Select one:

a. SLA Breach-----ANS

b. SLA Met

c. Penalty Clause

d. None of the listed options

-----  
-----

36. .... activity is a part of support and it is required for any customer business availability/continuity.

Select one.

A-Monitoring-----ANS

B-online processing

C-analyzing

D-testing

-----  
-----  
37 ..... is harder for complex systems in particular, when various subsystems are tightly coupled as changes in one system or interface may cause bug to emerge in another .

Select one.

A-compilation

B-testing

C-debugging-----ANS

D-execution

-----  
-----  
38 select ename, sal

FROM emp

WHERE deptno=(SELECT\*FROM dept

WHERE loc='NEW YORK');

what will be the output of the above example?

SELECT ONE.

A-will throw an error-----ANS

B-will give multiple record

C-will display nothing

D-will give single record

-----  
-----  
39. What are all the services under Product Engineering Services??

A-white box testing, black box testing

B-test automation and black box testing

c-test automation and white box testing-----ANS

D-none of the listed options

-----  
-----  
40. why should the team have project demo to the customer on a regular basis?

Select one-

A-to ask the customers feedback on the developed user stories.

B-all of the listed options.-----ANS

C-to showcase that the requirements of the highest business value to the customer have been prioritized and developed for the customer

D-to make him feel confident that his requirements are being developed the way it is expected.

-----  
-----  
Q41. In AVM projects,inefficient processes leads to \_\_\_\_\_ productivity and \_\_\_\_\_ support costs.

Select one-

A-higher,increased

B-lesser,decreased

C-lesser,increased-----ANS

D-higher,decreased

-----  
-----  
Q42.In AVM, Best Practices can be categorized under which of the following?

Select one-

A-All of the listed options-----ANS

B-Transformation

C-Effectiveness

D-Innovation

E-Efficiency

---

---

Q43.Which support level majorly deals with unknown incidents?

Select one-

A-L3 Support

B-L4 Supprt

C-L2 Support-----ans

D-L0/L1 Support

---

---

Q44.Design documents does not contain details on the infrastructure associated with the system.

State true or false.

A-True-----ANS

B-False

---

---

45.what is the exception that should be raised by the below situation ?

{

```
try
{
result=num1/num2
}
catch(-----e)
```

Select one :

a-OutOfMemoryException

b-DivisionError

c-DivideByzeroException-----ANS

d-ApplicationError

---

46.Service portfolio management ensures we dont waste money with excess capacity.

true or false ?

a.True

b. false-----ANS

---

47.What are the various purposes of Business requirement document(BRD) ?

Select one-

a- A BRD details the business solution for a project including the documentation of customer needs and expectations.-----ans

b- A BRD is a formal document that provides a contract between supplier and client..-----  
-----ans



c- A BRD contains detailed project plan and design

d- A BRD effectively defines the scope of the project.-----ANS

-----

48. Design document details ? select one or more

a- How the requirements should be implemented-----ANS

b- software to be used

c- technology to be used in development-----ANS

d-Architecture design of the system.-----ANS

-----

49.Which step of SDLC performs cost/benefit analysis ?

Select one-

a- Feasibility study-----ANS

b- Analysis

c- Design

d- none of the above.

-----

50.In which ITIL service lifecycle phase is the value of services actually realised by a customer ?

Select one-

a-Service transition

b-Service operations-----ANS

c-Continual Service improvement

d-Service design

-----  
-----  
51) Which service manages the versions of the code base, ensures retrofitting the code and ensures planning,scheduling, and execution of a successful build?

Select one-

a) Application Strengthening

b) Continuous Build & Release-----Ans

c) Release Planning

d) compliance & Regulatory Updates.

-----  
-----  
52) Which of the following statement is false?

Select one-

a) The process of destroying unreferenced objects is called Garbage Collection

b) None of the listed options-----  
-----Ans

c) Garbage Collector frees the memory occupied by the unreachable objects during the program execution

d) An object becomes eligible for garbage collection when no live thread can access it

e) Heap part of the memory is involved in Garbage Collection

---

53) Select the validations that are applicable for the text box field.

Enter username

[Submit]

Select one or more:

a) Should check if the text box is null

b) Must check the special characters

c) Should check whether the user has access

d) Should check the number of characters

e) All of the listed options.-----Ans

---

54) \_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one-

a) Insert trigger

b) Delete trigger

c) Instead-of trigger-----Ans

d) Row trigger

---

55) What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
```

```
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

Select one-

a) Returns Null

b) Returns top 10 Names in the table-----Ans

c) Returns top 10 rows in the table

d) Syntax error in the SQL

---

56) Primary Key in a table can have null value. State True or False.

Select one-

True

False-----Ans

---

57)identify the benefit of CSI

ANS) ALL

---

58)WHICH OF THE FOLOWING IS NOT COVERED BY L0/L1 SUPPORT TEAM

ANS) PROMOTE ENHANCEMENT CHANGES TO PRODUCTION BY WORKING WITH RELES MANGMNNT TEAM

---

59) which analysis prevents the recurrence of incidents or prevents incidents even before they happen and lead to automation to reduce manual interventions, errors and efforts in L2 support?

I. Reactive analysis

II. Proactive analysis

a. I

b. Neither I nor II

c. II-----ANS

d. Both I and II

---

60) which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

a. Only II

b. Only I

c. Neither I nor II

d. Both I and II-----ANS

---

1. unit testing done by tester true or false?

Ans: False

---

2. Breaking the system modules into smaller programs and allocating these programs to the members of the system development team is the activity involved in .....

A. System Design Phase

B. System Development Phase-----ans

C. System Analysis Phase

D. System Implementation Phase

---

3. What is meant by Response time ?

ANS: Response time refers to the time when the initial response was given by the production support team

---

4. Which service identifies and maintains a record of all installed applications?

Ans: Application License Management

---

5. How to identify performance of select Query?

a. Using hint

b. Using Explain plan-----ans

c. Table statistics

d.Using Dbms\_sql

---

6.In CR process who sets priority for request determined by committee?

aNS:Change MANAGER

---

7.Unit testing is commonly automated but cannot still be performed?

Ans;false

---

8.High level design gives the overall system design in terms  
of functional architecture and database design? T or F.....True

---

9.In which step of sdlc project termination done?

a. design phase

b . System maintenance phase

c. Feasibility study phase ----ans

d. Coding phase

---

10.Continual service improvement is \_\_\_ type of initiative?

a.A. Run better

- b. Productivity improvement
  - c. Optimization
  - d. Efficiency improvement---ans
- 

11.L2 is support team is \_ of functional escalation for L0&L1 teams?

ANS:1ST LEVEL

---

12.Function point sizing is dependent on technology ... T or f? ANS:TRUE

---

13.Providing uninterrupted access to apps and system and ensuring app availability

is the main objective of AVM ... T or f? ans:True

---

14.Which one is not an outcome of best practice in AVM engagement .

- a.efficient and effective operations
  - b.increased maintenance and operation costs. ----- ans
  - C. Improves reliability.
  - D.improves customer satisfaction
- 

15.Creating FAQ documents is an example of which csi method?



- a.idea management system
  - b. Process standardization
  - c. Self service strategy
  - d. None
- 

1.Which of the following are the best practices?

I.Move all the hardcoded values to the constant file

IIhave log file to log all the activities

III.Better to catch general exceptions than specific exceptions(SQLException,Arithmetic Exceptions)

Select one:

- a.Only II andIII
  - b.Only I and II-----ANS
  - c.Only III
  - d.All the listed options.
- 

2.What type of testing is performed by independent testing team/testing service?

Select one:

a.Smoke Testing/Regression Testing/UAT/Unit Testing

b.Unit Tseting?System/Functional Testing?SIT,Regression testing,UAT

c.unit Tseting/SIT/UAT

d.System/Functionl Testing/SIT,Regression Testing,UAT-----  
ANS

-----  
3.Which key attributes of incident handling,refers to the time when the solution to the problem was found and the work started?

Select one:

a.Resolution Time

b.Restoration Time-----ans

c.Status Time

d.Response Time

-----  
4.Through Shift left Medhodology,the knowledge flows from\_\_\_\_\_

Select one:

a.L1,L2,L4toL3

b.L4,L3,L2toL1-----and

c.L1,L2,L3toL4

d.L1,L3,L4toL2

-----

5.Which of the following are true?

Select one:

a.The requirements document describes how the requirements that are listed in the document are implemented efficiently

b.Consistency and completeness of functional requirements are always achieved in practice.

c.Prototyping is a method of requirements validation-----  
-----ANS

d.Requirements review is carried out to find the errors in system design.

-----

6.Why should the team have Project demo to the customer on a regular basis?

Select one:

- a.To make him feel confident that his requirements are being developed the way it is expected
- b.To showcase that the requirements of highest business value to the customer have been prioritized and developed for the customer.
- c.To ask for the customer's feedback on the developer's user stories

D.all the listed options-----ANS

-----

7.Function point Sizing is dependent on technology.State True or False

Select one:

a.True-----ANS

b.False

-----

8.Which master service of AVM managed services catalog focuses on long-term functionality, stability and preventive maintenance to

avoid problems that typically arise from incomplete or short-term solutions?

Select one:

a.Governance Services

b.Managed production Services-----ans

c.Product Services

d.Managed Application Services.

-----

9. which of the following statements are true?

I.Unit Testing is executed by the developer

II.In Unit Testing,individual functions or procedures are tested

III.It is kind of white box testing

Select one:

a.Both I and II

b.I,II and III-----ANS

c.Only I

d.Only II

-----

10.How much time should a daily standup usually take?

Select one:

a.One Hr

b.20-40 Min

c.10-15 min-----ANS

d. Depending upon the team's clarifications and the amount of issues to be discussed.

-----

11. In legacy AVM service phase activities can be categorized as which of the following ?

Select one:

a) production support

b) maintenance

c) all of the listed options-----ans

d) enhancements

-----

12. How many phases are there in ITIL service life cycle?

Select one:

a. Four

b. Three

c. Six

d. Five-----ans

-----

13.application services such as functional enhancements, business solution delivery and environment management

services are performed by which support group?

Select one:

a.L2 Support

b.L4 Support-----ans

c.L3 Support

d.L1 Support

---

q14)In which step of SDLC are enhancements , upgrades and bug fixes done??

a) maintenance and evaluation -----ans

b)problem/opportunity identification

c)design

d)development and documentation

---

15.in which phase of the AVM lifecycle are the customers requirements actually fulfilled?

a)none

b)initiation and planning phase

c) service phase -----ans

d)knowledge transition phase

-----

16.minor enhancements are handled by which support team ?

Select one:

a)L2

B)NONE

c) L3 support team ----- ans

D)L4

-----

17.Which of the following is NOT a benefit of Data Migration Service?

Select one:

a.Eliminates the risk of losing data.

b.Meets regulatory and compliance requirements for data retention.

c.Decreases system/product productivity and performance while minimizing disruption due to data loss.-----ANS

d.Maintains integrity and availability of data to support business decisions.



---

18.Which service provides real time monitoring of all jobs and constantly checks the status of the jobs?

Select one:

a.Application monitoring service.

b.Batch Scheduling/Execution Service.

c.Batch monitoring service.-----ANS

d.Mailbox and Ticketing Tool Monitoring Service.

---

19.enhancement services , assessment services and transformation services are rendered by I4 support team?

Select one:

true -----ans

FALSE

---

20.\_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one:

a)Insert trigger

b)instead of trigger -----ans

c)delete trigger

d)row trigger

-----

21.What is/are service benefit(s) for Application Problem Management service?

Select one:

A-All of the listed options

B-Reduction of effort in fire-fighting or resolving repeated incidents-----ans

C-Lesser productivity of business and IT

D-Increased effort on workarounds and temporary fixes

-----

22.AVM projects faced lot of challenges prior to Service catalog approach.State true or False.

Select one:

A-True-----ANS

B-False

---

23.Which service in MAS, follows SDLC phases and manages end to end delivery from design, System Testing,Release

Planning, Go live support and post production support?

Select one:

A-Functional Enhancements

B-Application Integration Services-----ANS

C-Application Strenghtening

D-Release Planning

---

24.Which step of SDLC performs cost/benefit analysis?

Select one:

A-Feasibility Study-----ANS

B-Analysis

C-Design

D-None of the following options.

---

25.Which support level deals with unknown incidents?

Select one:

A-L4 support

B-L0/L1 support

C-L2 support-----ans

D-L3 support

-----

26. One of the more challenging aspects of change management is ensuring that all details of changes

are sufficiently documented and all parties are in agreement as to what is expected. State true or False

true-----ans

false

-----

27. What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

103549 Balagoplan, Narayanan

Select one

a- Returns top 10 Names in the table-----ANS

b- Returns top 10 rows in the table

c- Returns Null

d- Syntax error in the SQL

-----

28.which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

a- Only I

b- Both I and II-----ANS

c- Neither I nor II

d- Only II

-----

29.L2 support team provides\_\_\_\_\_ for solving basic technical problems.

select one

a- o/p to L3 support team

b- i/p to L0/L1 support team-----ans

c- i/p to L3 support team

d- o/p to L0/L1 support team

---

30. what is the exception that should be raised by the below situation ?

```
public void division(int num1, int num2)
{

try
{
result=num1/num2

}
catch(-----e)
```

Select one :

a-DivideByzeroException-----ANS

b-OutOfMemoryException

c-DivisionError EXecption

d-ApplicationError

---

31. Define product upgrade service

I. Focuses on analyzing the current implementations, IDENTIFYING CLIENT specific customizations, conducting a feasibility study, preparation of a comprehensive upgrade roadmap and executing the same

II. Focuses on to achieving a complete product integration through progressive assembling of product components in a single stage or in incremental stages, with a defined integration strategy and procedure

Select one :

a.I only-----ANS

b.Both I and II

c.Neither I nor II

d.II only

---

32. which of the following UML diagram represents the relationship among the classes?

Select one :

a. UseCase Diagram

b. Class Diagram----- ANS

c. Sequence Diagram

d. Activity Diagram

---

33.What does ITIL stands for?

Select one :

a. Information Technology Ideal Library

b. Information Technology Infrastructure Library -----  
ANS

c.Information Technology Interactive Library

d.Information Technology Intelligence Library

---

34.a \_\_\_\_\_ is a method or technique that has consistently shown results superior to those achieved with other means and that is used as benchmark

Select one :

a. Best practice-----ANS

b. Process

c. Scheme

d. System

---



35. A design document contains declaration for all new classes, procedures, global and class variables and the description of all new procedures.

state true or false

Select one :

a. true -----ANS

b. false

-----

36. Define CMDB

I. It is a database that contains information about configurable IT components along with relationship between these components

II. It is repository of information that describes all of the conditions in your IT system that might result in an incident for your customer and users.

Select one :

a. Only II

b. Neither I nor II

c. I only-----ans

d. Both I and II

---

37. CSI is one of the key focus areas in ITIL framework. True/false

Select one :

a. true -----ANS

b. false

---

38. What are the various purpose of Business requirement document (BRD)?

select one or more

Select one :

a. BRD details the business solution for a project including the documentation of customer needs and explanation-----ANS

b. BRD is formal document that provides a contract between supplier and client. -----ANS

c. BRD contains the detailed project plan and design

d. The BRD effectively defines the scope of the project-----ANS

ANS- a, b, d

---

39. Application community and Resilience support services assist client in the analysis, design and implementation of business continuity solutions. True/false

Select one :

a. true -----ANS

b. false

-----

40. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

Select one :

a. creating the constraints file to make use of the defined constraints in other class-----  
ANS

b. syntax errors

c. EMPLOYEE role information set in the field

d. DEFAULT\_ROLE set to EMPLOYEE field

e. None of the Listed

-----

41) the phases in software testing life cycle are

Select one

:

a) test planning

b) test design

c) test execution

d) test closure

e) all -----ANS

-----

42 select ename, sal from emp where deptno = (select \* from dept where loc ='New york')

Select one:

a) multiple record

b) displays nothing

c) throw an error----- ANS

d) display single row

-----

43) which of the following statement is false

Select one:

a) the process of destroying unreferenced objects is called garbage collector

b) none-----ANS

c)an object becomes eligible for garbagae collection when there is no live thread

d) heap part of the memory is involved in garbage collection

e)garbage collection frees the memory occupied by the unreachable objects

---

44)SDLC stands for

Select one:

a)software development life cycle-----ANS

b)system development life cycle

c)software design life cycle

d)system design life cycle

---

46)advantages of exceptional handling

Select:

a)none

b) with the exception handling mechanism when the exception occurs the execution of the prgm is transfered to an appropriate exception handler and

terminate the pgm-----ANS

c)exception handling maintains the nrmal flow of application-----ANS

d)with the exception handling mechanism the developer can code much

cleanser and ahve exception automatically decteced-----ANS

e)in exception handling generic exception object can be extended to any specific type exception-----ANS

-----

47)who is responsible for reviewing the CR to verify that there is sufficient details

Select one:

a)project manager

b)none of these

c)change manager----- ANS

d)client manager

---

48) Which key constraint can accept null values?

Select one:

a) foreign key

b) primary key

c) check

d) unique key ----- ANS

---

49) HAVING Clause can be used only

Select one:

a) when select statement have where clause

b) when the query has "group by" in select statements----- ANS

c) when the order by clause is used in statement

d) when conditions is present in select statement

---

50)\_\_\_\_\_is the process applying creativity as much as possible and validating against invalid data

Select one:

a)Negative testing----- ANS

b)regression testing

c)sanity testing

d)white box testing

-----

51) Identify the priority of an incident that causes (or has the potential to cause) severe disruption to business operations and/or significant fiscal impact

Select one:

a.Medium

b.Critical-----ans

c.High

d.Low

-----



52) Which process grants authorized users the right to use a service?

Select one:

a. access management-----ANS

b.Problem Management

c.Event Management

d.Incident Management

-----

53) Which service is responsible for establishing a protocol for communication and coordination between vendors using major outages?

Select one:

a.Application License Management

b.Major incident and Mediator Support Service-----ANS

c.Known error Resolution Services

d.Standard Service Request Fulfilment service

-----

54) Which service identifies and maintains a record of all installed applications?

Select one:

a.Application License Management-----ANS

b.Adhoc Service request Fulfilment service

d.Standard Service request Fulfilment service

---

55) Which of the following are the measurements of Batch Monitoring in AVM projects?

Select one:

a.%Batch job abend---ANS

b.%of Tickets Responed

c.%Reduction in batch window---ANS

d.%jobs complted within Target time ---ANS

---

56) There is no process that needs to be followed in Scrum as it is only driven

Select one:

a.true

b.false-----ANS

-----

57) What are all Three defined levels of benchmark?

Select one:

a.Threshold Limit

b.Goal-----ans

c.Upper Control Limit-----ANS

d.Lower Control Limit-----ANs

-----

58) A scheduled batch process can consist of the execution of hundreds or thousands of jobs in a random sequence

Select one:

true

false-----ans

-----

59) How to we identify the performance of the select query?

Select one:

a.Using HINT

b.Using Explain plan-----ANS

c.Using Table statistic

d.Using DBMS\_SQL

-----

60) enter user name -- not sure

1.DISTINCT keyword used for\_\_\_\_\_

ANS:- To find Unique records from table

2. Which policy Cognizant follows\_\_\_\_\_

ANS:- Run Better, Run Different

3.Which is Not DML command

a. Insert

b .Delete

c. Update

d. Truncate-----ANS



**1. Which of the following statements are true?**

**I. Unit testing is executed by developer**

**II. In Unit testing individual functions or procedures are tested**

**III. It is kind of white box testing**

**a. I,II, III -----Ans (crct)**

b. Both I and II

c. Only I

d. Only II

**2. public final class Constraints**

```
{  
    Public Static final String DEFAULT_ROLE="EMPLOYEE",  
}
```

**What does the above statement indicate?**

a. None of the Listed

b. EMPLOYEE role information set in the field

c. syntax errors

**d. creating the constraints file to make use of the defined constraints in other class -----ANS**

e. DEFAULT\_ROLE set to EMPLOYEE field

**3. Which of the following is true?**

a. the requirement document describes how the requirements that are listed in the document are implemented efficiently

b. consistency and completeness of functional requirements are always achieved in practice

**c. Prototyping is a method of requirements validation -----ANS (crct)**

d. requirements review is carried out to find the errors in system design

**4. Providing full time application support through multiple shifts and by operating at different time zones and countries is known as**

- a. Follow-the-support model
- b. Follow-the-sun model -----ANS**
- c. Follow-the-moon model
- d. none of these

**5. If l0/l1 team is unable to find the resolution in the knowledge database, whom do they contact for further troubleshooting?**

- a. L3 support
- b. L4 support
- c. none of these
- d. L2 support-----ANS**

**6. Which of the following are the best practices?**

- I. Move all the hardcoded values to the constant file.**
- II. Have log file to log all the activities.**
- III. Better to catch general exceptions than specific exceptions.**

- a. All of the listed options
- b. Only III
- c. Only I and II-----ANS**
- d. Only II and III

**7. \_\_\_\_\_ is the process of applying as much creativity as possible and validating the application against invalid data.**

- a. White box Testing
- b. Sanity Testing
- c. Negative Testing-----ANS**
- d. Regression Testing

**8. The detailed study of existing system is referred to as:**

- a. System Planning
- b. System Analysis -----ANS**
- c. Feasibility Study

d. Design DFD

9. Through Shift Left Methodology, the knowledge flows from\_\_\_\_\_.

a.L4,L3,L2toL1-----ans

b.L1,L2,L4toL4

c.L1.L2,L4toL3

d.L1,L3,L4toL2

10. Which key constraint can accept null value

a.Check

b.Unique key -----ANS

c.Primary key

d.Foreign key

11. If an urgent RFC is raised , which board needs to take an immediate action?

a.ECAB(Emergency Change Advisory Board)-----ANS

b.ECAB(Exclusive Change Advisory Board)

c.None of the listed options

d.CAB(Change Advisory Board))

12. The ability to resolve known incidents in known error resolution services in --- downtime to the business, which in turn means ----- availability of the service?

a.Lower, higher-----ANS

b.Lower,Lower

c.higher,higher

d.higher,Lower

13. Which key attributes of incidents handling, refers to the time when the solution to the problem was found and the work started?

A. Status Time

B. Response Time

c. Resolution time

D. Restoration Time-----ANS



**14. L2 support team provides ----- for solving basic technical problems**

- a. Output to L3 support team
- b. Output to L0/L1 support team
- c. Input to L0/L1 support team-----ANS**
- d. Input to L3 support team

**15. Benchmarking is the process of comparing one business process and performance metrics to industry bests or best practices from other industry and setting up a target level for each of the metrics.**

**true-----ans**  
false

**16. What are the advantages of exception handling**

- a. None of the listed options.
- b. In Exception handling, generic Exception object can be extended to any specific type of exception--ANS**
- c. Exception handling maintains the normal flow of the application-----ANS**
- d. With the exception handling mechanism, the developer can write their code much "cleaner" and have exception automatically handled-----ans**
- e. With the exception handling mechanism, when an exception occurs, the execution of the program is transferred to an appropriate exception handler and terminate the program-----ANS**

**17. Which of the following is the incident status correct order?**

- a. None of the listed options
- b. New, Active, Resolved, Closed-----ans**
- c. Active, New, resolved, Closed
- d. New, Resolved, Active, Closed

**18. design document is developers**

- a. blueprint-----ANS**
- b. handbook
- c. Reference Material
- d. Guide

**19. Application Consolidation services focuses on consolidating multiple application which are\_\_\_\_\_in nature to cohesive IT application landscape**

**a.dissimilar-----ans**

b.similar

c.unrelated

d.disconnectd

**20 .Which SERVICE HAS THE PRIMARY OBJECTIVE as to prevent problems before happening to production environment?**

a.Continous Build & Release

**b.Application Strengthening-----ans**

c. Compliance & Regulatory Updates

d.Release Planning

**21.Which process grants authorised users the right to use a service**

**a.access management-----ANS**

b.Event management

c. Problem Management

d.Incident management

**22.which statement can enclose a continue statement**

**a.while , do , for , or foreach-----ANS**

b.try,while,do,for,or foreach

c.switch,while,do,for,or foreach

d.while,do,for,or foreach

**23. What is the use of creating an index in the table ?**

a.To increase the performance of the table

**b.All the listed options-----ANS**

- c.To order the records in the table
- d. To search the records in the table

**24.what is the difference between white box testing and black box testing**

- a.White box testing is testing on the QA environment and Black box testing is testing on the UAT environment
- b. All the listed options
- c.White box testing requires the knowledge of the structure of the code and black box testing is done to test the business requirement at a high level-----ans**
- d.Whitebox testing is done by the testing team and black box testing is done only by the developer during development.

**25. Activities in traditional AVM model are broadly classified under**

**I.Application/Production support**

**II.Bug Fix**

**What is the third one?**

**a.Enhancements-----ANS**

- b.Product upgrade
- c.Ad hoc Requests
- d.Batch Monitoring

**26. The key analysis involved in feasibility analysis is/are**

- a.Economic
- b.Technical
- c.Behavioral
- d.All of the listed options-----ANS**

**27. Which of the following is NOT an outcome of Best Practices in AVM engagement**

- a.Efficient and Effective Operations
- b.Improve Reliability
- c.Improves Customer Satisfaction
- d.Increased Maintenance and Operating costs-----ANS**

**28. In which phase of the AVM Lifecycle are the customer's requirements actually fulfilled**

- a. None of the listed options
- b. Initiation and Planning Phase
- c. Service Phase -----ANS**
- d. Knowledge Transition Phase

**29. If an incident is not responded to/resolved within the defined SLA time limits, it is considered as**

- a. SLA Breach-----ANS**
- b. SLA Met
- c. Penalty Clause
- d. None of the listed options

**30. .... activity is a part of support and it is required for any customer business availability/continuity.**

- A-Monitoring-----ANS**
- B-online processing
- C-analyzing
- D-testing

**31. .... is harder for complex systems in particular, when various subsystems are tightly coupled as changes in one system or interface may cause bug to emerge in another .**

- A-compilation
- B-testing
- C-debugging-----ANS**
- D-execution

**32. select ename, sal  
FROM emp  
WHERE deptno=(SELECT\*FROM dept  
WHERE lock='NEW YORK');  
what will be the output of the above example?**

- A-will throw an error-----ANS**

B-will give multiple record

C-will display nothing

D-will give single record

**33. What are all the services under Product Engineering Services??**

A-white box testing, black box testing

B-test automation and black box testing

**c-test automation and white box testing-----ANS**

D-none of the listed options

**31. In AVM projects, inefficient processes leads to \_\_\_\_\_ productivity and \_\_\_\_\_ support costs.**

A-higher,increased

B-lesser,decreased

**C-lesser,increased-----ANS**

D-higher,decreased

**32. In AVM, Best Practices can be categorized under which of the following?**

**A-All of the listed options-----ANS**

B-Transformation

C-Effectiveness

D-Innovation

E-Efficiency

**33. Which support level majorly deals with unknown incidents?**

A-L3 Support

B-L4 Supprt

**C-L2 Support-----ans**

D-L0/L1 Support

**34.Design documents does not contain details on the infrastructure associated with the system.**

**State true or false.**

**A-True-----ANS**

B-False

**35. What is the exception that should be raised by the below situation ?**

```
{  
try  
{  
result=num1/num2  
}  
catch(-----e)
```

a-OutOfMemoryException

b-DivisionError

**c-DivideByzeroException-----ANS**

d-ApplicationError

**36.Service portfolio management ensures we dont waste money with excess capacity.**

**true or false ?**

a.True

**b. false-----ANS**

**37. What are the various purposes of Business requirement document(BRD) ?**

**a- A BRD details the business solution for a project including the documentation of customer needs and expectations.-----ans**

**b- A BRD is a formal document that provides a contract between supplier and client..-----ans**

c- A BRD contains detailed project plan and design

**d- A BRD effectively defines the scope of the project.-----ANS**

**38. Design document details ? select one or more**

**a- How the requiremnts should be implemented-----ANS**

b- software to be used

c- technology to be used in development-----ANS

d-Architecture design of the system.-----ANS

**39. Which step of SDLC performs cost/benefit analysis ?**

a- Feasibility study-----ANS

b- Analysis

c- Design

d- none of the above.

**40. In which ITIL service lifecycle phase is the value of services actually realised by a customer ?**

a-Service transition

b-Service operations-----ANS

c-Continual Service improvement

d-Service design

**41. Which service manages the versions of the code base, ensures retrofitting the code and ensures planning,scheduling, and execution of a successful build?**

a) Application Strengthening

b) Continuous Build & Release-----Ans

c) Release Planning

d) compliance & Regulatory Updates.

**42. Which of the following statement is false?**

a) The process of destroying unreferenced objects is called Garbage Collection

b) None of the listed options-----Ans

c) Garbage Collector frees the memory occupied by the unreachable objects during the program execution

d) An object becomes eligible for garbage collection when no live thread can access it

e) Heap part of the memory is involved in Garbage Collection

**43. Select the validations that are applicable for the text box field.**

Enter username

[Submit]

- a) Should check if the text box is null
- b) Must check the special characters
- c) Should check whether the user has access
- d) Should check the number of characters
- e) All of the listed options.-----Ans**

**44. \_\_\_\_\_ is the only trigger type you can have on any type of view.**

- a) Insert trigger
- b) Delete trigger
- c) Instead-of trigger-----Ans**
- d) Row trigger

**45. What will be the result of the following SQL when executed?**

```
SELECT TOP 10[Name]
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

- a) Returns Null
- b) Returns top 10 Names in the table-----Ans**
- c) Returns top 10 rows in the table
- d) Syntax error in the SQL

**46. Primary Key in a table can have null value. State True or False.**

True

**False-----Ans**

**47. Identify the benefit of CSI**



ANS) ALL

**48. WHICH OF THE FOLOWING IS NOT COVERED BY L0/L1 SUPPORT TEAM**

ANS) PROMOTE ENHANCEMENT CHANGES TO PRODUCTION BY WORKING WITH RELES  
MANAGEMENT TEAM

**49. which analysis prevents the recurrence of incidents or prevents incidents even before they happen  
and lead to automation to reduce manual interventions, errors and efforts in L2 support?**

I. Reactive analysis

II. Proactive analysis

a. I

b. Neither I nor II

**c. II-----ANS**

d. Both I and II

**50. which of the following statements are true?**

**I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an  
application's runtime information.**

**II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines  
in logger for best understanding.**

a. Only II

b. Only I

c. Neither I nor II

**d. Both I and II-----ANS**

**51. Unit testing done by tester true or false? Ans: False**

**52. Breaking the system modules into smaller programs and allocating these programs to the members  
of the system development team is the activity involved in .....**

A. System Design Phase

**B. System Development Phase-----ans**

C. System Analysis Phase

D. System Implementation Phase

**53.What is meant by Response time ?**

ANS:Response time refers to the time when the initial response was given by the production support team

**54.Which service identifies and maintains a record of all installed applications?**

**a.Application License Management-----ANS**

b.Adhoc Service request Fulfilment service

d.Standard Service request Fulfilment service

**55. How to identify performance of select Query?**

a.Using hint

**b.Using Explain plan-----ans**

c.Table statistics

d.Using Dbms\_sql

**56. In CR process who sets priority for request determined by committee?**

ANS: Change MANAGER

**57.Unit testing is commonly automated but cannot still be performed?**

Ans; false

**58. High level design gives the overall system design in terms of functional architecture and database design? T or F.....True**

**59. In which step of sdlc project termination done?**

- a. design phase
- b . System maintenance phase
- c. Feasibility study phase ----ans**
- d. Coding phase

**60. Continual service improvement is \_\_ type of initiative?**

- a.A. Run better
- b. Productivity improvement
- c. Optimization
- d. Efficiency improvement---ans**

**61. L2 is support team is \_\_\_\_\_ of functional escalation for L0&L1 teams?**

ANS:1ST LEVEL

**62. Function point sizing is dependent on technology ... T or f? ANS:TRUE**

**63.Providing uninterrupted access to apps and system and ensuring app availability is the main objective of AVM ... T or f? ans:True**

**64.Which one is not an outcome of best practice in AVM engagement .**

- a.efficient and effective operations
- b.increased maintenance and operation costs. ----- ans**
- C. Improves reliability.
- D.improves customer satisfaction

**65.Creating FAQ documents is an example of which csi method?**

- a. idea management system
- b. Process standardization
- c. Self service strategy
- d. None

**66. What type of testing is performed by independent testing team/testing service?**

- a. Smoke Testing/Regression Testing/UAT/Unit Testing
- b. Unit Testing/System/Functional Testing/SIT, Regression testing, UAT
- c. unit Testing/SIT/UAT
- d. System/Functional Testing/SIT, Regression Testing, UAT-----ANS**

**67. Which key attributes of incident handling, refers to the time when the solution to the problem was found and the work started?**

- a. Resolution Time
- b. Restoration Time-----ans**
- c. Status Time
- d. Response Time

**68. Through Shift left Methodology, the knowledge flows from\_\_\_\_\_**

- a. L1, L2, L4 to L3
- b. L4, L3, L2 to L1-----ans**
- c. L1, L2, L3 to L4
- d. L1, L3, L4 to L2

**69. Which of the following are true?**

- a. The requirements document describes how the requirements that are listed in the document are implemented efficiently
- b. Consistency and completeness of functional requirements are always achieved in practice.

c.Prototyping is a method of requirements validation-----  
----ANS

d.Requirements review is carried out to find the errors in system design.

**70.Why should the team have Project demo to the customer on a regular basis?**

a.To make him feel confident that his requirements are being developed the way it is expected

b.To showcase that the requirements of highest business value to the customer have been prioritized and developed for the customer.

c.To ask for the customer's feedback on the developer's user stories

D.all the listed options-----ANS

**71. Function point Sizing is dependent on technology.State True or False**

**a.True-----ANS**

b.False

**72.Which master service of AVM managed services catalog focuses on long-term functionality, stability and preventive maintenance to avoid problems that typically arise from incomplete or short-term solutions?**

a.Governance Services

**b.Managed production Services-----ans**

c.Product Services

d.Managed Application Services.

**73. How much time should a daily standup usually take?**

a.One Hr

b.20-40 Min

**c.10-15 min-----ANS**

d.Depending upon the team's clarifications and the amount of issues to be discussed.

**74. In legacy AVM service phase activities can be categorized as which of the following ?**

a)production support

b)maintenance

**c) all of the listed options-----ans**

d)enhancements

**75. How many phases are there in ITIL service life cycle?**

a.Four

b.Three

c.Six

d.Five-----ans

**76. Application services such as functional enhancements, business solution delivery and environment management services are performed by which support group?**

a.L2 Support

**b.L4 Support-----ans**

c.L3 Support

d.L1 Support

**77. In which step of SDLC are enhancements , upgrades and bug fixes done??**

**a) maintenance and evaluation -----ans**

b)problem/opportunity identification

c)design

d)development and documentation

**78. In which phase of the AVM lifecycle are the customers requirements actually fulfilled?**

a)none

b) initiation and planning phase

c) **service phase** -----ans

d)knowledge transition phase

79. Minor enhancements are handled by which support team ?

a)L2

B)NONE

c) **L3 support team** ----- ans

D)L4

**80. Which of the following is NOT a benefit of Data Migration Service?**

a.Eliminates the risk of losing data.

b.Meets regulatory and compliance requirements for data retention.

**c.Decreases system/product productivity and performance while minimizing disruption due to data loss.-**

-----ANS

d.Maintains integrity and availability of data to support business decisions.

**81.Which service provides real time monitoring of all jobs and constantly checks the status of the jobs?**

a.Application monitoring service.

b.Batch Scheduling/Execution Service.

**c.Batch monitoring service.**-----ANS

d.Mailbox and Ticketing Tool Monitoring Service.

**82. Enhancement services , assessment services and transformation services are rendered by l4 support team?**

true -----ans

FALSE

**83. What is/are service benefit(s) for Application Problem Management service?**

A-All of the listed options

**B-Reduction of effort in fire-fighting or resolving repeated incidents-----ans**

C-Lesser productivity of business and IT

D-Increased effort on workarounds and temporary fixes

**84.AVM projects faced lot of challenges prior to Service catalog approach. State true or False.**

**A-True-----ANS**

B-False

**85.Which service in MAS, follows SDLC phases and manages end to end delivery from design, System Testing,Release Planning, Go live support and post production support?**

A-Functional Enhancements

**B-Application Integration Services-----ANS**

C-Application Strengthening

D-Release Planning

**86.Which support level deals with unknown incidents?**

A-L4 support

B-L0/L1 support

**C-L2 support-----ans**

D-L3 support

**87. One of the more challenging aspects of change management is ensuring that all details of changes are sufficiently documented and all parties are in agreement as to what is expected. State true or False**

**true-----ans**

false

**88. Define product upgrade service**



**I. Focuses on analyzing the current implementations, IDENTIFYING CLIENT specific customizations, conducting a feasibility study, preparation of a comprehensive upgrade roadmap and executing the same**

**II. Focuses on to achieving a complete product integration through progressive assembling of product components in a single stage or in incremental stages, with a defined integration strategy and procedure**

**a.I only-----ANS**

b.Both I and II

c.Neither I nor II

d.II only

**89. Which of the following UML diagram represents the relationship among the classes?**

a. UseCase Diagram

**b. Class Diagram----- ANS**

c. Sequence Diagram

d. Activity Diagram

**90. What does ITIL stands for?**

a. Information Technology Ideal Library

**b. Information Technology Infrastructure Library -----ANS**

c.Information Technology Interactive Library

d.Information Technology Intelligence Library

**91. A \_\_\_\_\_ is a method or technique that has consistently shown results superior to those achieved with other means and that is used as benchmark**

a. Best practice-----ANS

b. Process

c. Scheme

d. System

**92. A design document contains declaration for all new classes, procedures, global and class variables and the description of all new procedures. State true or false**

**a. true -----ANS**

b. false

**93. Define CMDB**

**I. It is a database that contains information about configurable IT components along with relationship between these components**

**II. It is repository of information that describes all of the conditions in your IT system that might result in an incident for your customer and users.**

a. Only II

b. Neither I nor II

**c. I only-----ans**

d. Both I and II

**94. CSI is one of the key focus areas in ITIL framework. True/false**

**a. true -----ANS**

b. false

**95. What are the various purpose of Business requirement document (BRD)?**

**a. BRD details the business solution for a project including the documentation of customer needs and explanation-----ANS**

**b. BRD is formal document that provides a contract between supplier and client. -----ANS**

c. BRD contains the detailed project plan and design

**d. The BRD effectively defines the scope of the project-----ANS**

**96. Application community and Resilience support services assist client in the analysis, design and implementation of business continuity solutions. True/false**

**a. true -----ANS**

b. false

**97. The phases in software testing life cycle are**

a)test planning

b) test design

c) test execution

d) test closure

**e) all -----ANS**

**98. select ename, sal from emp where deptno = (select \* from dept where loc ='New york')**

a)multiple record

b)displays nothing

**c)throw an error----- ANS**

d)dispaly single row

**99. Which of the following statement is false**

a) the process of destroying unreferenced objects is called garbage collector

**b) none-----ANS**

c)an object becomes eligible for garbagae collection when there is no live thread

d) heap part of the memory is involved in garbage collection

e)garbage collection frees the memory occupied by the unreachable objects

**100. SDLC stands for**

**a)software development life cycle-----ANS**

b)system development life cycle

c)software design life cycle

d)system design life cycle

**101. Advantages of exceptional handling**

a)none

**b) with the exception handling mechanism when the exception occurs the execution of the prgm is transfered to an appropriate exception handler and terminate the pgm-----ANS**

**c)exception handling maintains the nrmal flow of application-----ANS**

**d)with the exception handling mechanism the developer can code much cleanser and have exception automatically decteced-----ANS**

**e)in exception handling generic exception object can be extended to any specific type exception-----ANS**

**102. Who is responsible for reviewing the CR to verify that there is sufficient details**

a)project manager

b)none of these

**c)change manager----- ANS**

d)client manager

**103. HAVING Clause can be used only**

a)when select statement have where clause

**b)when the query has "group by" in select statements----- ANS**

c)when the order by clause is used in statement

d)when conditiins is present in select statement

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**b.Critical-----ans**

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d.Low

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**a.%Batch job abend**---ANS

b.%of Tickets Responed

**c.%Reduction in batch window**---ANS

**d.%jobs complted within Target time** ---ANS

**108. There is no process that needs to be followed in Scrum as it is only driven**

a.true

**b.false**-----ANS

**109. What are all Three defined levels of benchmark?**

a.Threshold Limit

**b.Goal**-----ans

**c.Upper Control Limit**-----ANS

**d.Lower Control Limit**-----ANs

**110. A scheduled batch process can consist of the execution of hundreds or thousands of jobs in a random sequence**

true

**false**-----ans

**111. How to we identify the performance of the select query?**

a.Using HINT

**b.Using Explain plan**-----ANS

c.Using Table statistic

d.Using DBMS\_SQL

**112. enter user name -- not sure**

**113.DISTINCT keyword used for**\_\_\_\_\_

ANS:- To find Unique records from table

**114. Which policy Cognizant follows**\_\_\_\_\_

ANS:- Run Better, Run Different

**115.Which is Not DML command**

a. Insert

b .Delete

c. Update

**d. Truncate**-----ANS

**SET 1:**

1. Which of the following are the best practices?

- I. Move all the hardcoded values to the constant file
- II Have log file to log all the activities
- III. Better to catch general exceptions than specific exceptions (SQL exception, Arithmetic Exceptions)

Select one:

- a. Only II and III
- b. Only I and II**
- c. Only III
- d. All the listed options.

2. What type of testing is performed by independent testing team/testing service?

Select one:

- a. Smoke Testing/Regression Testing/UAT/Unit Testing
- b. Unit Testing, System/Functional Testing SIT, Regression testing, UAT
- c. Unit Testing/SIT/UAT
- d. System/Functional Testing/SIT, Regression Testing, UAT**

3. Which key attributes of incident handling, refers to the time when the solution to the problem was found and the work started?

Select one:

- a. Resolution Time (*refers to how long it takes from the time an issue is logged until it is fully resolved*)
- b. Restoration Time**
- c. Status Time
- d. Response Time (*refer to how quickly you will respond to a technical issue being raised via phone, email or other methods*)

4. Through Shift left Methodology, the knowledge flows from \_\_\_\_\_

Select one:

- a. L1, L2, L4 to L3
- b. L4 -> L3 -> L2 -> L1**
- c. L1, L2, L3 to L4
- d. L1, L3, L4 to L2

5. Which of the following are true?

Select one:

- a. The requirements document describes how the requirements that are listed in the document are implemented efficiently
- b. Consistency and completeness of functional requirements are always achieved in practice.
- c. Prototyping is a method of requirements validation
- d. Requirements review is carried out to find the errors in system design.

6. Why should the team have Project demo to the customer on a regular basis?

Select one:

- a. To make him feel confident that his requirements are being developed the way it is expected
- b. To showcase that the requirements of highest business value to the customer have been prioritized and developed for the customer.
- c. To ask for the customers feedback on the developers user stories
- d. All of the listed options

7. Function point Sizing is dependent on technology. State True or False

Select one:

- a. True
- b. False

8. Which Master Service of AVM (Application Value management) managed services catalog focuses on long-term functionality, stability and preventive maintenance to avoid problems that typically arise from incomplete or short-term solutions?

Select one:

- a. Governance Services
- b. Managed production Services
- c. Product Services
- d. Managed Application Services.

9. Which of the following statements are true?

- I. Unit Testing is executed by the developer
- II. In Unit Testing, individual functions or procedures are tested
- III. It is kind of white box testing

Select one:

- a. Both I and II
- b. I, II and III



- c. Only I
- d. Only II

10. How much time should a daily standup usually take?

Select one:

- a) One Hour
- b) 20-40 Minutes
- c) 10-15 minutes**
- d) Depending upon the team's clarifications and the amount of issues to be discussed.

11. In legacy AVM services phase activities can be categorized as which of the following?

Select one:

- a) Production support
- b) Maintenance
- c) Enhancements
- d) All of the listed options**

12. How many phases are there in ITIL service life cycle?

Select one:

- a) Four
- b) Three
- c) Six
- d) Five**

13. Application services such as functional enhancements, business solution delivery and environment management services are performed by which support group?

Select one:

- a) L2 Support
- b) L4 Support**
- c) L3 Support
- d) L1 Support

14 In which step of SDLC are enhancements, upgrades and bug fixes done?

- a) Maintenance and evaluation**
- b) Problem/opportunity identification
- c) Design
- d) Development and documentation

15. In which phase of the AVM lifecycle are the customer requirements actually fulfilled?

- a) None
- b) Initiation and Planning phase
- c) Service phase
- d) Knowledge transition phase

16. Minor enhancements are handled by which support team?

Select one:

- a) L2 Support Team
- b) L3 support team
- c) L4 support Team
- d) None of the above

17. Which of the following is NOT a benefit of Data Migration Service?

Select one:

- a. Eliminates the risk of losing data.
- b. Meets regulatory and compliance requirements for data retention.
- c. Decreases system/product productivity and performance while minimizing disruption due to data loss
- d. Maintains integrity and availability of data to support business decisions.

18. Which service provides real time monitoring of all jobs and constantly checks the status of the jobs?

Select one:

- a. Application monitoring service.
- b. Batch Scheduling/Execution Service.
- c. Batch monitoring service.
- d. Mailbox and Ticketing Tool Monitoring Service.

19. Enhancement services, assessment services and transformation services are rendered by L4 support team?

Select one:

- a. True
- b. False

20. \_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one:

- a) Insert trigger
- b) Instead of trigger**
- c) Delete trigger
- d) Row trigger

21. What is/are service benefit(s) for Application Problem Management service?

Select one:

- a) Reduction of effort in fire-fighting or resolving repeated incidents
- b) Lesser productivity of business and IT
- c) Increased effort on workarounds and temporary fixes
- d) All of the listed options**

22. AVM projects faced lot of challenges prior to Service catalog approach. State true or False.

Select one:

- a) True**
- b) False

23. Which service in MAS, follows SDLC phases and manages end to end delivery from design, System Testing, Release Planning, Go live support and post production support?

Select one:

- a) Functional Enhancements
- b) Application Integration Services**
- c) Application Strengthening
- d) Release Planning

24. Which step of SDLC performs cost/benefit analysis?

Select one:

- a) Feasibility Study**
- b) Analysis
- c) Design
- d) None of the following options.

25. Which support level deals with unknown incidents?

Select one:

- a) L4 support
- b) L0/L1 support
- c) L2 support**
- d) L3 support

26. One of the more challenging aspects of change management is ensuring that all details of changes are sufficiently documented and all parties are in agreement as to what is expected.

State true or False

- a) True**
- b) False

27. What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
FROM [GLS2_PROD ].[dbo].[tblAssociate]
```

Sample Data:

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

103549 Balagoplan, Narayanan

Select one

- a- Returns top 10 Names in the table**
- b- Returns top 10 rows in the table
- c- Returns Null
- d- Syntax error in the SQL

28. Which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.INFO ("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

Select one:

- a) Only I
- b) Both I and II**
- c) Neither I nor II

d) Only II

29. L2 support team provides \_\_\_\_\_ for solving basic technical problems.

Select one

a) o/p to L3 support team

**b) i/p to L0/L1 support team**

c) i/p to L3 support team

d) o/p to L0/L1 support team

30. What is the exception that should be raised by the below situation?

```
public void division(int num1, int num2)
{
    try
    {
        result=num1/num2
    }
    catch(-----e)
```

Select one:

**a) DivideByzeroException**

b) OutOfMemoryException

c) DivisionErrorException

d) ApplicationError

31. Define product upgrade service

**I. Focuses on analyzing the current implementations, IDENTIFYING CLIENT specific customizations, conducting a feasibility study, preparation of a comprehensive upgrade roadmap and executing the same**

II. Focuses on to achieving a complete product integration through progressive assembling of product components in a single stage or in incremental stages, with a defined integration strategy and procedure

Select one:

**a) I only**

b) Both I and II

c) Neither I nor II

d) II only

32. Which of the following UML diagram represents the relationship among the classes?

Select one

- a) UseCase Diagram
- b) Class Diagram**
- c) Sequence Diagram
- d) Activity Diagram

33. What does ITIL stands for?

Select one:

- a) Information Technology Ideal Library
- b) Information Technology Infrastructure Library**
- c) Information Technology Interactive Library
- d) Information Technology Intelligence Library

34. A \_\_\_\_\_ is a method or technique that has consistently shown results superior to those achieved with other means and that is used as benchmark

Select one:

- a. Best practice**
- b. Process
- c. Scheme
- d. System

35. A design document contains declaration for all new classes, procedures, global and class variables and the description of all new procedures.

state true or false.

Select one:

- a. True**
- b. False

36. Define CMDB

- I. It is a database that contains information about configurable IT components along with relationship between these components
- II. It is repository of information that describes all of the conditions in your IT system that might result in an incident for your customer and users.

Select one:

- a. Only II
- b. Neither I nor II
- c. I only
- d. Both I and II

37. CSI is one of the key focus areas in ITIL framework. True/false

Select one:

- a) True
- b) False

38. What are the various purpose of Business requirement document (BRD)?

Select valid options:

- a) BRD details the business solution for a project including the documentation of customer needs and explanation
- b) BRD is formal document that provides a contract between supplier and client.
- c) BRD contains the detailed project plan and design
- d) The BRD effectively defines the scope of the project

39. Application Continuity and Resilience support services assist client in the analysis, design and implementation of business continuity solutions. True/false

Select one:

- a) True
- b) False

40. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

Select one:

- a) Creating the constraints file to make use of the defined constraints in other class
- b) Syntax errors

- c) EMPLOYEE role information set in the field
- d) DEFAULT\_ROLE set to EMPLOYEE field
- e) None of the Listed

41) The phases in software testing life cycle are

Select one:

- a) Test planning
- b) Test design
- c) Test execution
- d) Test closure
- e) All the above**

42 select ename, sal from emp where deptno = (select \* from dept where loc ='New york')

Select one:

- a) Multiple record
- b) Displays nothing
- c) Throw an error**
- d) Displays single row

43) Which of the following statement is false

Select one:

- a) The process of destroying unreferenced objects is called garbage collector
- b) Garbage collection frees the memory occupied by the unreachable objects
- c) An object becomes eligible for garbage collection when there is no live thread
- d) Heap part of the memory is involved in garbage collection
- e) None of the above**

44) SDLC stands for

Select one:

- a) Software Development Life Cycle**
- b) System Development Life Cycle
- c) Software Design Life Cycle
- d) System Design Life cycle



45. Benchmarking is the process of comparing one business process and performance metrics to industry bests or best practices from other industry and setting a target level for each of the metrics.

a. True

b. False

46) Advantages of exceptional handling

Select valid options:

a) With the exception handling mechanism when the exception occurs the execution of the prgm is transferred to an appropriate exception handler and terminate the program

b) Exception handling maintains the normal flow of application

c) With the exception handling mechanism the developer can code much cleanser and have exception automatically detected

d) In exception handling generic exception object can be extended to any specific type exception

e) None of the listed options

47) Who is responsible for reviewing the CR (Change Request) to verify that there is sufficient details?

Select one:

a) Project manager

b) Change Manager

c) Client Manager

d) None of these

48) Which key constraint can accept null values?

Select one:

a) Foreign key

b) Primary key

c) Check

d) Unique key

49) HAVING Clause can be used only

Select one:

a) When select statement have where clause

b) When the query has "group by" in select statements

c) When the order by clause is used in statement

d) When conditions is present in select statement

50) \_\_\_\_\_ is the process applying creativity as much as possible and validating against invalid data

Select one:

- a) Negative testing
- b) Regression testing
- c) Sanity testing
- d) White box testing

51) Identify the priority of an incident that causes (or has the potential to cause) severe disruption to business operations and/or significant fiscal impact

Select one:

- a) Medium
- b) Critical
- c) High
- d) Low

52) Which process grants authorized users the right to use a service?

Select one:

- a. Access management
- b. Problem Management
- c. Event Management
- d. Incident Management

53) Which service is responsible for establishing a protocol for communication and coordination between vendors using major outages?

Select one:

- a. Application License Management
- b. Major Incident and Mediator Support Service
- c. Known error Resolution Services
- d. Standard Service Request Fulfilment service

54) Which service identifies and maintains a record of all installed applications?

Select one:

- a) Application License Management
- b) Ad-hoc Service request Fulfilment service
- c) Standard Service request Fulfilment service

55) Which of the following are the measurements of Batch Monitoring in AVM projects?

Select valid Options:

- a) %Batch job abound
- b) %of Tickets Reopened
- c) %Reduction in batch window
- d) %jobs completed within Target time

56) There is no process that needs to be followed in Scrum as it is only driven

Select one:

- a. True
- b. False

57) What are all three defined levels of benchmark?

Select one:

- a. Threshold Limit
- b. Goal
- c. Upper Control Limit
- d. Lower Control Limit

58) A scheduled batch process can consist of the execution of hundreds or thousands of jobs in a random sequence

Select one:

- a. True
- b. False

59) How to we identify the performance of the select query?

Select one:

- a. Using HINT
- b. Using Explain plan
- c. Using Table statistic
- d. Using DBMS\_SQL

60) Providing full time application support through multiple shifts and by operating at different time zones and countries is known as

- a. Follow-the-support model
- b. Follow-the-sun model
- c. Follow-the-moon model

d. None of these

61) If L0/L1 team is unable to find the resolution in the knowledge database, whom do they contact for further troubleshooting?

a) L4 support

b) L3 support

c) L2 support

d) None of these

62. The detailed study of existing system is referred to as:

Select one:

a. System Planning

b. System Analysis

c. Feasibility Study

d. Design DFD

63. If an urgent RFC is raised, which board needs to take an immediate action?

Select one:

a. ECAB (Emergency Change Advisory Board)

b. ECAB (Exclusive Change Advisory Board)

c. CAB (Change Advisory Board))

d. None of the listed options

64. The ability to resolve known incidents in known error resolution services in --- downtime to the business, which in turn means ----- availability of the service?

Select one-

a. Lower, higher

b. lower, lower

c. higher, higher

d. higher, lower

65. Which of the following is the incident status correct order?

Selected one:

a. None of the listed options

b. New, Active, Resolved, Closed

c. Active, New, Resolved, Closed

d. New, Resolved, Active, Closed

66. Application Consolidation services focuses on consolidating multiple application which are \_\_\_\_ in nature to cohesive IT application landscape

Select one:

- a. dissimilar
- b. similar**
- c. unrelated
- d. disconnected

67 .which SERVICE HAS THE PRIMARY OBJECTIVE as to prevent problems before happening to production environment?

Select one:

- a. Continuous Build & Release**
- b. Application Strengthening
- c. Compliance & Regulatory Updates
- d. Release Planning

68. Which statement can enclose a continue statement

- a. while , do , for , or foreach**
- b. try, while, do, for, or for each
- c. switch, while, do, for, or for each
- d. while, do, for, or for each

69. What is the use of creating an index in the table?

Select one:

- a. To increase the performance of the table
- b. To search the records in the table
- c. To order the records in the table
- d. All the listed options**

70. What is the difference between white box testing and black box testing?

Select one:

- a. White box testing is testing on the QA environment and Black box testing is testing on the UAT environment
- b. All the listed options

c. White box testing requires the knowledge of the structure of the code and black box testing is done to test the business requirement at a high level

d. White box testing is done by the testing team and black box testing is done only by the developer during development.

71. Activities in traditional AVM model are broadly classified under

I. Application/Production support

II. Bug Fix

What is the third one?

Select one:

a. Enhancements

b. Product upgrade

c. Ad hoc Requests

d. Batch Monitoring

72. The key analysis involved in feasibility analysis is/are

Select one:

a. Economic

b. Technical

c. Behavioral

d. All of the listed options

73. Which of the following is NOT an outcome of Best Practices in AVM engagement

Select one:

a. Efficient and Effective Operations

b. Improve Reliability

c. Improves Customer Satisfaction

d. Increased Maintenance and Operating costs

74. If an incident is not responded to/resolved within the defined SLA time limits, it is considered as

Select one:

a. SLA Breach

b. SLA Met

c. Penalty Clause

d. None of the listed options

75. .... activity is a part of support and it is required for any customer business availability/continuity.

Select one.

a) Monitoring

b) Online processing

c) Analyzing

d) Testing

76. .... is harder for complex systems in particular, when various subsystems are tightly coupled as changes in one system or interface may cause bug to emerge in another .

Select one.

a) Compilation

b) Testing

c) Debugging

d) Execution

77.

```
select ename, sal
```

```
FROM emp
```

```
WHERE deptno=(SELECT*FROM dept
```

```
WHERE lock='NEW YORK');
```

what will be the output of the above example?

Select one:

a) Will throw an error

b) Will give multiple record

c) Will display nothing

d) Will give single record

78. What are all the services under Product Engineering Services??

a) White box testing, black box testing

b) Test automation and black box testing

c) c-test automation and white box testing

d) None of the listed options

79. In AVM projects, inefficient processes leads to \_\_\_\_\_ productivity and \_\_\_\_\_ support costs.

Select one-

- a. higher, increased
- b. lesser, decreased
- c. lesser, increased
- d. higher, decreased

80. In AVM, Best Practices can be categorized under which of the following?

Select one-

- a) Transformation
- b) Effectiveness
- c) Innovation
- d) Efficiency
- e) All of the listed options

81. Design documents does not contain details on the infrastructure associated with the system.  
State true or false.

- a. True
- b. False

82. Service portfolio management ensures we do not waste money with excess capacity. True or False?

- a. True
- b. False

83. Design document details? Select one or more

- a. How the requirements should be implemented
- b) Software to be used
- c) Technology to be used in development
- d) Architecture design of the system

84. In which ITIL service lifecycle phase is the value of services actually realized by a customer?

Select one-

- a) Service transition
- b) Service operations
- c) Continual Service improvement
- d) Service design



85) Which service manages the versions of the code base, ensures retrofitting the code and ensures planning, scheduling, and execution of a successful build?

Select one-

- a) Application Strengthening
- b) Continuous Build & Release
- c) Release Planning**
- d) Compliance & Regulatory Updates.

86) Select the validations that are applicable for the text box field. (Answer NOT CONFIRMED)

Enter username

[Submit]

Select one or more:

- a) Should check if the text box is null** (Not confirmed)
- b) Must check the special characters
- c) Should check whether the user has access
- d) Should check the number of characters
- e) All of the listed options**

87) Primary Key in a table can have null value. State True or False.

Select one-

- a. True
- b. False**

88) Benefits of CSI: All

89) WHICH OF THE FOLOWING IS NOT COVERED BY L0/L1 SUPPORT TEAM

ANS) PROMOTE ENHANCEMENT CHANGES TO PRODUCTION BY WORKING WITH RELES MANGMNNT TEAM

90) Which analysis prevents the recurrence of incidents or prevents incidents even before they happen and lead to automation to reduce manual interventions, errors and efforts in L2 support?

- I. Reactive analysis
- II. Proactive analysis

- a. I
- b. Neither I nor II
- c. II**

d. Both I and II

1. Currently 5 is trading at the rate of \$1.6880. The interest on 5 bonds is 4% p.a. 5 is expected to trade at \$1.6911 after a year.

If a US investor invests \$10,000 in 5 bonds for a period of one year, is return on investment is\_\_\_\_\_.

Ans:

2 In today's world international trade is dominated by transaction between affiliated parties.

Ans: False

3. The Federal funds rate:

Ans: Is the rate the Fed charges on overnight loans to commercial banks.

4.The initial sale of a security is in the\_\_\_\_\_market,while subsequent trading in the security is in the\_\_\_\_\_market.

Ans: Primary,Secondary

5. Select all that are true for Hedge Funds

Ans: Hedge Funds use to buy stocks on margin  
Hedge Funds' investments are for small to large scale investors

6. Typical Fee charged for private banking services is likely to be

Ans: Less than 5%

7.The amount of money that banks can lend is directly affected by the reserve requirement set by the central bank. State True or False

Ans: False

8.Stock Split is a type of\_\_\_\_\_Corporate Action

Ans: Optional

9.Which of the following is NOT a Top 10 US Bank?

Ans:Lloyds TSB

10.Owner's equity at the beginning of the year \$42,000.During the year,the owner contributed \$12,000 additionally towards capital and withdraw \$6,000 for his

personal use. If the firm had a net profit of \$12,000 for the year, what was the owner's equity at the end of the year?

Ans: \$60000

11. Due to changes in the macroeconomic policies, primary lending rate changes from 7% to 8%. Select all that are true.

Ans: It leads to increase in mortgage interest payments.  
It increases the cost of borrowing

12. The treasury asset-liability management (ALM) group assesses asset-liability risk and all banks have ALM committees comprised of senior managers to address the risk. Duration analysis looks at weighted average maturity of cash flows to compare assets and liabilities.

State true or False:

Ans: True

13. Securitization refers to the conversion of illiquid assets to liquid assets by converting longer duration cash flows into shorter duration ones.

In this context, which of the following is/are true with respect to benefits of securitization.

Ans: Securitization enables the originator to take advantage of more profitable investment opportunities with the revenue generated through it

Securitization improves asset management and is an effective means of diversifying credit risk

14. Which of the following are the functions of a relationship manager in a retail bank?

Ans: Accountant Maintenance  
New Account Opening  
Product Sales

15. \_\_\_\_\_ leverage the postal network with a broad distribution arm to provide banking sales and service to its customers.

Ans: Postal Savings bank

16. Which is the common advantage of using leasing?

Ans: using the asset without need for purchase

17. Which is NOT a type of corporate bond?

Ans: T-Bills

18. The BSE is a large primary financial market in which the initial issuer receives the proceeds for the sale of securities. State true or false.

Ans: True

19. Banks borrow in call money market to meet SLR (Statutory Liquidity Ratio) requirement which they should maintain in liquid assets. State true or false.

Ans: True

20. ADR stands for which of the following:

Ans: American Depositary Receipts

21. Number of stages in loan syndication are \_\_\_\_\_

Ans: 3

22. At 7% annual inflation rate, an item costing Rs. 100 today, would cost Rs. \_\_\_\_\_ after three years.

Ans: 122.5

23. In Sept 2008, following the subprime mortgage crisis, the biggest financial loss observed was bankruptcy of Lehman Brothers. It carried the assets of \$691.1 billion. Who should be the first losers in such events?

Ans: Common stock holders

24. An American Mutual Fund company invested US \$4 million on BSE on 31.12.2007 when the BSE SENSEX was at 20,286.99 points. The company on 02.05.2008 observed that its portfolio was depreciated by 20% when the BSE SENSEX touched 16,244.54 points. If the company decided to withdraw the investment from India, what would be the net increase or decrease in its investment in terms of dollar? Rs. per \$ spot rates are quoted as  
On 31.12.2007: 41.30/41.33  
On 02.05.2009: 40.18/40.32

Ans:

25. Who is arranger/lead manager?

Ans: One who arranges syndicated loan

26. When a bank receives a deposit, its liabilities and reserves increase by the amount of the loan. state true or false

Ans: True

27. Participation of less number of banks reduces the risk of lead bank? state true or false?

Ans: True

28. Which of the following inventory valuation methods shows higher profits during a period of rising prices?

Ans: FIFO (First in first out)

29. What is financial leverage

Ans: Borrowing funds to increase return on equity

30. 25% of the working capital gap would have to be funded by \_\_\_\_\_ sources while the rest 75% can be funded through \_\_\_\_\_ and overdraft limits.

Ans: debt, equity

31. \_\_\_\_\_ is a value-added service provided by custodian banks to its customers, whereby surplus cash in customers accounts is effectively invested in short-term investment funds to generate additional returns.

Ans: Short term cash service

32. A T-bill maturing in 'n' days can be purchased from the market at the current price of RS.98.60. On maturity, the annualized yield to the investor will be 5.68%. The T-bill matures in \_\_\_\_\_

Ans: 91 days

33. In a typical trade cycle on an exchange identify the missing steps in this sequence: decision to trade->Order placement->Order Matching->\_\_\_\_\_>Trade clearing->Trade Statement

Ans: Trade Confirmation

34. \_\_\_\_\_ allows a seller to use the LC received from his buyer as collateral with the bank to

open his own LC to buy inputs  
necessary to fill his buyer's order

Ans: Back to Back LC

35. The total assets of a business are \$90,250 and outside liabilities are \$34,120. Reserve and surplus stands at \$12,500. Then the amount of Owner's equity is:

Ans: \$43630

36. Risk Management is a function of

Ans: Mid Office

37. Theoretically losses incurred due to short selling is

Ans: Unlimited

38) Jet Airways and Citibank have tied up to offer this type of credit card. What type of credit card is it?

Answer: Co Branded card

39) When there are risky assets and a risk free asset is available, investors can achieve the best combinations of risk and return by holding.

Answer: Some combination of the risk free asset and the market portfolio of risky assets

40) ABC corporation is a large client of BankNew. BankNew extends a loan to XYZ corporation which is a supplier of ABC. This is an example of:

Answer: Dealer/supplier loan

41) Which of the following is/are the part(s) of commodity markets?

I. Agricultural Market

II. Metal Market

III. Energy Market

Answer: All I, II and III

42) Consider an open ended loan account where maximum limit allowed is \$2000. If margin is 20% and asset value is \$3000, what is the drawing power from the account.

Answer: 2000

43) Fourth market refers to:

Answer: The trading of exchange-listed securities between institutions on a private over the counter computer network, rather than over a recognized exchange such as the New York Stock Exchange (NYSE) or NASDAQ.

44) If a financial instrument has a 20% chance of paying 80% and a 80% chance of paying 50% percent, what would be the expected return?

Answer: 0.56

45) The coupon rate on a bond depends on which of the following option?

Answer: Market interest rates, Prevailing economic conditions, Credit rating of the issuer

46) An investor indulging in short selling on a share expects the share price to decrease. State true or false.

Answer: True

47) Unsecured loans are often displayed in Balance Sheet of a company. Which of the following items should not appear under this heading?

Answer: Loans and advances from subsidiaries

48) An investment that earns compound interest is same as one that earns simple interest at the effective yield. State true or false.

Answer: False

49) Company A has higher credit rating than Company B. What does this mean?

Answer: Company B is more risky.

50) What is a class of deposits which can be placed with a bank for a specified period of time called?

Answer: Term Deposit

51) Pick the odd one out:

Agency loans



Interest only loans  
FHA loans  
VA loans

Answer: Interest Only Loans

52) A Standard and Poor's bond rating of d refers to:

Answer: Junk Bonds

53) The money bank receives as deposits becomes a banks

Answer: Liability

54) In Rollong Settlement trades are aggregated for a period of time. State true or false.

Answer: True

55) The process of conversion of iliquid assets to liquid assets by converting longer duartion cash flows into shorter duration ones also traded a security is known as-----

Answer: Securitization

56) With reference to settlement, FOP stands for:

Answer: Free of Payment

57) Select one or more options which are true about Public Deposits.

Any Deposit repayable on demand or on notice can be accepted by a company.

A company for meeting its short-term requirements of funds, may accept or renew deposits for less than 3 months.

The maximum maturity period for the deposits cannot exceed 60 months.

Answer:

58) A clearing system in which payment instructions between banks are processed and settled individually and continuously thoroughout the day is called:

Answer: RTGS

59) Check 21 Act facilities:

Answer: check truncation and creation of substitute check

60) If the NAV of the mutual fund scheme is \$9.1678 per unit and unamortized initial issue expenses are \$0.2768 per unit, the redemption price per unit of mutual fund scheme is-----.

Answer: 8.891

61) Select one or more options for this case.

Third party guarantees, a form of external credit enhancement for the asset-backed securities and it protects against losses up to a particular fixed level. Such external credit enhancement techniques are available in the form of:

Answer: Letter of Credit  
Over Collateralization

62) Supplier or dealer loans refers to which of the following options?

Answer: A short term loan provided by banks to suppliers and dealers of large companies.  
Immediate loans to the suppliers and dealers of the corporate at higher rate of interest.  
Long term loans to the suppliers and dealers by the banks.

63) In case of auto finance, monthly lease payments are usually lower than monthly loan payments because of which reason?

Answer: Customer is paying only for rent charges.  
Customer is paying only for taxes.  
Customer is paying only for depreciation.

64) Securities settlement is a function of\_\_\_\_\_.

Answer: Back Office

65) The process of creating buffer against the potential loss of non-performing loans is called:

Answer: Loan Provisioning

66) \_\_\_\_\_ is an intangible possession which enables a business to continue to earn a profit that it is in excess of the normal rate earned by other businesses of similar type.

Answer: Goodwill

67) On July 27, 2013, Mrs. Roma goes long on a gold futures contract. Size of the contract is 100 ounces, initial margin is \$20,500 per contract and maintenance margin is \$18,000 per contract. On August 5, 2013, opening margin balance was \$19,500, and future closes at \$872.5. If the previous day's close was \$903.4, the margin call will be\_\_\_\_\_.

Answer:

68) AB Marketing company is considering investing in a new project. the project will need an initial investment of \$1,200,000 and will generate \$6000,000(after-tax) cash flows for three years. Calculate the NPV for the project if the cost of capital is 15%.

Answer: 169935

69) Statement 1: There are two basic types of corporate stocks and both of them have ownership and voting rights.

Statement 2: These two basic types of stocks are common stocks and preferred stocks.

Answer: Only Statement 2 is true.

70) You are bullish on Reliance Stock, the current market price is 505 INR per share. You have 50,000 INR with you which you can invest. Now you borrow another 50,000 INR from your brokerage banker at an interest rate of 9% per annum and invest all 1,00,000 INR on reliance stock.

What is your return on investment if Reliance stock price rises to INR 600 per share in 1 year. (ignore any dividend declared).

Answer: 0.1881

71) What does Single Euro Payments Area (SEPA) do?

Answer: Applicable to direct debits, credit and debit cards.

Removes differences in intra and cross border payments

Creates a single payment market

72) The following exchange rates quoted in New York:

USD/INR: 60.29/60.95

EUR/USD: 1.3870/1.3895

The synthetic quotes of INR per EUR are(EUR/INR=):\_\_\_\_\_

Answer: 83.62/84.69

73) Portfolio accounting activity is performed by which of the following option?

Answer: Back office of an investment firm.

74) A person purchases a share of \$12.5. After 4 years, the price is at \$57.5 and he decides to sell the share at that price. What is the absolute return that the person has earned?

Answer: 0.4645

1). Expand CNS

Ans.)Continuous Net Settlement

2) Which of the following is an identifiable intangible asset that increases the earning capacity of any company listed on exchange?

Ans.)Goodwill

3).The initial sale of a security is in the \_\_\_\_\_market,while subsequent trading is in the security is in the \_\_\_\_\_market

Ans.)Primary,Secondary

4).process of conversion of illiquid assets to liquid assests by converting longer duration cash flows into shorter duration ones is known as

Ans.)Securitization

5)options dat r true regarding risk xposure in money market instruments

Ans)Compared to long term secutities,money market instruments have minimal inflation risk.

6)with reference to settlement,FOP stands for

Ans)Free of Payment

7)Participants in currency trading are of different types.Those who trade in hope of profiting from price movements are\_\_\_\_\_

Ans)speculators

8)Characteristics of savings account?

Ans)Provides interest income to customers

9)an investor indulging in short selling on a share expects the share price to decrease.State true or false

Ans)True

10)The present bbok value of an asset of a company is \$950,120.The company has charged

depreciation at the rate of 10% under straight line method for the last 3 years. The original cost of the asset was \_\_\_\_\_

Ans) \$1264610

11) Which of the following are the functions of a relationship manager in a retail bank?

Ans) Product Sales

New Account Opening

Account Maintenance

12) If an investment pays interest at an annual rate of  $r\%$  per year, compounded twice a year, then what is the effective yield?

Ans)  $>r\%$

13) Role of syndicate is to

Ans) place securities in a public offering

14) Arrangement fee is also called

Ans) Praecipium

15) Which of the following accounts appear in the balance sheet?

Ans) interest received

prepaid rent

stock at the end of financial year

16) Hedge fund can use which of the following investment strategies?

Ans) Short selling

credit arbitrage

short bias

17) True for stock markets?

Ans) stock markets facilitate secondary buying and selling of shares

18) Which of the following items should be deducted from the gross profit to arrive at the net profit for calculation of Managerial Remuneration?

Ans)any tax notified by the central govt. as being in the nature of a tax on excess or abnormal profit

interest on unsecured loans and advances

19)which one of the following is the key info required for wire transfer

Ans)SWIFT and/or ABA number

20)open ended loan allow the borrower to borrow additional amount subject to the maximum amount less than a set value.State true or false

Ans>true

21)role of a stock exchange in the trade cycle ends with the execution of the trade and the trade data being passed to the clearing house.State true or false

Ans>true

22)some debenture issues have a call feature attached to them,which provides an option to the issuing company to redeem debentures at a specified price before the maturity date.Select all that are true wrt call price of debentures?

Ans)The call price declines step wise towards the face value as the call date approaches the maturity date.

23)Generally,if bond X had a lower rating than bond Y,the yield on bond X will be

Ans)Higher than that of bond Y.

24)as the credit rating increases from D to AAA, the offer of loan becomes\_\_\_\_\_risky and ensures\_\_\_\_return

Ans)less,lower

25)Equity Research report contains

Ans)company analysis as well as industry analysis

26)Alpha Export and Beta Import agree to carry out the transaction,gooda worth \$1,000,000 under a confirmed term Letter of Credit with a maturity date of 90 days from the time of shipmant.The Acceptance commission @1.5% pa equals.Calculate Acceptance commission

Ans)3750

27)type of private equity financing provided to companies for full fledged manufacturing,operations and sales is called Start up stage financing.State true or false

Ans>true

28)Which of the following portfolio is more risky?

Ans)\*0%Equity,20%debt

29)when a bank goes to the Fed to borrow funds.The interest rate charged by the fed is known as

Ans)Discount Rate

30)What does Single Euro Payments Area(SEPA) do?

Ans) creates a single payment market

applicable to direct debits,credit and debit cards

removes differences in intra n cross border payments

31)A loan,often referred to as GPM,is a motgage with low initial monthly payments which gradually increase over a specified time frame.This is\_\_\_\_\_type of Mortgage

Ans)Graduated Payment Mortgage

32)Third-party guarantees, a form of external credit enhancement for asset-backed securities and it protects against losses upto a particular fixed level.Such external credit enhancement technique is available in the form of

Ans)Over Collateralization

Letter of Credit

33)Cash Management solutions help corporations to:

|.Manage surpluses and deficits,reduce float on collections

||.Automate Collections

|||.Outsource Collections

|v.All

Ans)|v

34)Legal documents will be prepared in the post\_closure stage.True or false  
Ans>true

35)Jet Airways and Citibank have tied up to offer this type of credit card.  
Ans)Co Branded Card

36)Credit card and Debit card are the same.True or false  
Ans>false

37)Which of the following services are provided by global custodian?  
Ans) foreign exchange transactions  
fund administrations  
settlement services

38)In syndicated loan,borrowers will be charged even if they dont utilize the committed funds.True or false  
Ans>true

39)A subprime loan is a loan given to borrowers that are considered \_\_\_\_\_risky,or\_\_\_\_\_likely to be able to make their loan payments,in relation to high quakity borrowers bacause of problems with their credit history  
Ans)more,less

40.identify wrong statement  
ANS..Preference stock investors primarily seek growth over income

41.forex market numerical

42.cause a change in bid-ask spread?  
ANS..High Market volatility  
Trading volume

43.company A has higher credit rating than company B  
ANS..Company B is more risky

44.Sources of income for federal reserve?  
Ans..Interest and capital gains on govt securities  
Interest on loan to businesses



45. \_\_\_\_\_ are amounts, or goods and services to be paid or executed within next one year  
Ans..Current Liabilities

46.Fundamental analysis the top down approach involves performing analysis in which sequence?

Ans..Economic analysis,company analysis,industry analysis

47.Banks borrow in call money market to CRR requirement which they should maintain with central bank

Ans..True

48.Due diligence means\_\_\_\_\_

Ans..Understanding the company's business as well as possible scenarios

49.It is due to diversification of the portfolio that net systematic risk is reduced to insignificant figures

Ans False

50.At the beginning of trading day Mr Jena is in long position in the future market and his collateral is exactly.....

.....what will happen at the end of the day?

Ans...Margin call will be initiated

51.Reason for returning a check

Ans..All of the listed options

52.In account settlement trades are aggregated for a period of time

Ans..True

53.Which is NOT a function of central bank?

Ans..Managing the branches of public banks

54.Which of the following bonds would have largest price change when interest rate increases

Ans..8 year maturity,10% coupon rate

55.Investment bank perform their main function in the secondary market for securities securities brokers and dealers perform theirs in primary market

Ans..False

56.In economy where inflation is 4% future value of 100 units of money after 2 year would be ??

Ans 108.16

57.ABC corporation is a large client of BankNew.BankNew extends a loan to XYZ corporation

which is a supplier of ABC. This is an example of  
Ans.. Dealer/supplier Loan

58. What is the common advantage of using leasing?  
Ans.. using the asset without need for purchase

59. Which is NOT a core private banking function?  
Ans.. Deposit Mobilization

60. The real rate of interest is 6% while the nominal rate of interest is 9%. What is applicable inflation rate?  
Ans.. 3

61. A document issued to the exporter by a common carrier transporting the merchandise is called \_\_\_\_  
Ans.. bill of lading

62. The process of clearing transaction electronically in which information about debits and credits are passed across the clearing system electronically instead of physical instruments is called:  
Ans.. Clearing thru ACH

63. Which is true regarding government securities?  
Ans.. Term of short term security T-Bills are always less than a year  
They may also be issued in the form of zero coupon securities

64. Borrower is supposed to lock the rate at which stage of loan life cycle?  
Ans.. Loan processing

65. The purchase of any stock for immediate delivery is a \_\_\_\_ market transaction  
Ans.. Spot

66. Participation of more number of banks reduces the risk of lead bank?  
Ans.. True

67. Banks are financial institutions that are licensed to accept deposit and issue loans  
Ans.. False

68. GE shares are currently selling for \$15.00 each. You bought 200 shares one year ago at \$12 and received dividend payments of \$2 per share. What was your total dollar capital gain this year?  
Ans.. USD1000

69)When is a front end fee is charged?

Ans.. Affront at the inception

70)An investment bank is a financial institution that assists corporations and governments in raising capital by underwriting and acting as the agent in the issuance of\_\_\_\_\_

Ans)bonds

equity

71)Securitization refers to the conversion of illiquid assets to liquid assets by converting longer duration cash flows into shorter duration ones.In this context,which of the following is/are true wrt benefits of securitization?

Ans)Securitization enable the originator to take advantage of more profitable investment opportunities with the revenue generated thru it

Securitization improves asset m,gmt and is an effective means of diversifying credit risk

72)who is participating bank

Ans)bank that participates in the syndication by lending a portion of the total amount required

73)Security of Alpha Ltd. gives a return of 20% with a dispersion of 5%,while security of Beta Ltd. gives return of 15% with a dispersion of 4%,Which security is more risky?

Ans)Security of Alpha Ltd is more risky.

74)Select all that are true for hedge funds

Ans)hedge funds investments are for small to large scale investors

hedge funds often short sell securities to gain even in bearish market.

75)Daily returns on spot positions of the Euro against INR are highly correlated with returns on

spot holdings of USD against INR. This implies that:

Ans) When Euro strengthens against INR, the USD also tends to strengthen, but returns are not necessarily equal.

1) A checking account is primarily used by the customer for.....

Ans) Check writing privileges

2) Combination of options that are true for Money Market Mutual Fund.....

ANS) A) it provides an investor the choice to invest for short term

B) with this fund safety level of investment is high

3) which bond has largest price change when interest rates increase....

Ans) 8-years maturity, 10% coupon rate

4) the buying or selling of securities with the hope of profiting from confidential company is known as

ANS) Insider Trading

5) investor in need of regular income should not

ANS) PPF

6) cause a change in bid-ask spread..

ANS) Trading volume

high market volatility

7) who backs the dollar

ANS) the Fed

8) reasons pointing towards the danger of 2008 subprime mortgage crisis

ANS) mortgage backed securities were rated very high despite the fact that

optimism about housing values also led to be a boom in home construction

9) A firm has invested 1 million dollar in hedge fund and can't withdraw it up to 2 years. what kind of risk is it?

ANS) liquidity risk

10) money multiplier effect imply

ANS) increase in total money in the bank reserve

11) arrangement fee paid by the borrower will be paid to

ANS) will be retained by lead manager

12) options true about public deposits

ANS) any deposit repayable on demand or on notice can be accepted by a company

13) open ended loan account, max limit allowed is \$2000, margin 20%, asset value is \$2400.  
what is drawing power?

ANS) 1920

14) credit rating increase from d to AAA, offer of loan

ANS) less, lower

15) parts of commodity markets?

ANS) all

16) corporate rating BB(low rating).....(some sentences)....shares in the market

ANS) based on the historic volatility of shares and current market value of USD 3.0 million, the bank upgrades the rating of loan to AAA

18) when you take a loan of \$500

ANS) bank liabilities increases by \$500

19) main document in international trade

ANS) letter of credit

bill of lading

draft

20) 7% annual inflation rate, cost Rs. 100 today, cost after 3 years

ANS) 122.5

21) forex market is available for trading 24 by 7...

ANS) yes, all day and night from one or other centers

yes one can trade online

22) balance sheet of Lotus Ltd. Assets-\$23,000

liabilities- \$14,000

share capital- \$10,000

Ans) \$1000

23) total assets=\$90,250 and outside liability= 34,120, reserve and surplus= \$12,000, owner equity?

ANS) \$43,630

24) typical trade cycle

ANS) trade confirmation

25) IPO is sold in the primary market.

ANS) true

26) Transaction reporting and compliance activity is performed by

ANS) back office

29) we employ a "value weighted"...(some sentences)...what percentage change in ?

ANS) 0.2

30) difference between loan and loan commitment?

ANS) loans are reflected in the asset side and commitment are off balance sheet

31) arranger/lead manager?

ANS) one who arranges syndicated loan

32) ABC corporation is a large client of banknew. banknew extends a loan to xyz....

ANS) Dealer/supplier loan

33) Market value of stocks....(some text) book value is \$10.10 evaluating the weighted cost of capital(WACC) of Cognizant technology solutions

ANS) false

34) order types based on price

ANS) all the listed

35) assets of company that are reasonably expected to be realized in cash

ANS) current asset

36) BAFT stands for

ANS) Bankers association for foreign trade

37). What is financial leverage

Ans.) a private company transforming itself into a public company.

38) Under Basic Indicator Approach for measurement of Operational risk, the banks have to set aside an amount calculated as the percentage of \_\_\_\_\_, for operational risk management.

Ans) Annual Gross income

39) CRR stands for which of the following options?

Ans) Cash Reserve Ratio

40) Borrower is supposed to lock the rate at which stage of loan life cycle?

Ans) Loan origination

41) Check 21 Act facilitates:

Ans) check truncation and creation of substitute check.

42) In account period settlement trades are aggregated for a period of time. State true or false

Ans) True

43) Which of the following is an unidentifiable intangible asset that increases the earning capacity of any company listed on exchange?

Ans) Goodwill

44) When there are risky assets and a risk-free asset available, investors can achieve the best combinations of risk and return by holding:

Ans) Some combination of the risk-free asset and the market portfolio of risky assets

45) The money bank receives as deposits becomes a bank's

Ans) Liability

46) There are different types of market participants who are directly or indirectly involved in trading and bringing stock and future prices in equilibrium. Which of the following participants help in analysis of a company into the derivatives markets leading to overall market efficiency?

Ans) Arbitrageurs and Hedgers

47) Identify the wrong statement:

Ans) Preference stock investors primarily seek growth over income

48) Find the future value of \$1500 invested at 6.5% p.a. annually, after 6 months?

Ans) \$1548.75

49) Which of the following are market regulators?

Ans) All of the above

50) The process of conversion of illiquid assets by converting longer duration cash flows into shorter duration ones also traded as security is known as \_\_\_\_\_.

Ans) Securitization

51) An investor is holding 100 Microsoft shares that are trading at \$27 per share. He instructs the broker to sell all the 100 shares when the share price reaches 35 or above that. What is this type of order called?

Ans) Limit order

52) In active approach, asset allocation is more influenced by which of the following options?

Ans) Value of investments

53) What does Single Euro Payments Area (SEPA) do?

Ans) All of the above

54) T+1, T+2, T+3 generally refers to

Ans) Settlement Period

55) Netting reduces the number of settlements needed by more than 95%. State true or false.

Ans) True

56) In today's world, international trade is dominated by transactions between affiliated parties. State true or false.

Ans) False

57) From the following options identify the Voluntary Corporate action:

Ans) Rights Issue

58) Select all that options which are true regarding risk exposure in money market instruments?

Ans) Compared to long term securities, money market instruments have minimal inflation risk.

59) Which of the following items appears in the Profit and Loss Appropriation account?

I. Provision for bad debts

II. Provision for taxation for current year

III. Director's remuneration

IV. Interim dividend

Ans) Both I and II

60)

61) A bank decides to sanction only 70% of the loan sought by a company. The company goes and pledges extra assets with the bank and the bank then agrees to sanction 90% of the loan sought. The company has indulged in the process of:

Ans) Credit Enhancement

62) Which of the following are core banking vendors?

Ans) All of the above

63) Security of Alpha Ltd. gives a return of 20% with a dispersion of 5%, while security of Beta Ltd. gives return of 15% with a dispersion of 4%. Which security is more risky?

Ans) Security of Alpha Ltd. is more risky

64) A bank has a portfolio of \$50 million worth of loans out of which it wants to hedge \$20 million worth of loan. What is this process called?

Ans) Held for Sale Loans



65) All the following statements relating to bonds are correct EXCEPT:

Ans) The owner of a registered bond is the person to whom interest payments are mailed.

66) You can profit in stock market by upward price movement of stocks using one or more options specified as\_\_\_\_\_.

Ans) limit orders

67) Which of the following maybe the reason for returning a check?

Ans) All of the listed options

68) Asset allocation activity is performed by which of the following option?

Ans) Middle office of an investment firm

69) In syndicated loan, borrowers will be charged even if they don't utilize the committed funds.

State true or false:

Ans) True

70) An investor indulging in short selling on a share expects the share price to decrease . State true or false:

Ans) True

71) Cash management solutions help corporations to:

I. Manage surpluses and deficits, reduce float on collections

II. Automate collections

III. Outsource collections

IV. All of the above

Ans) IV

72) Following information pertains to a swap deal between Alpha Mills and Beta Textiles.

Firm Objective Fixed Interest rate Floating interest rate

Alpha Mills Floating 6.0% LIBOR + 0.5%

Beta Textiles Fixed 7.5% LIBOR + 1.0%

The benefit from the deal is shared by Alpha Mills and Beta Textiles in the ratio of 1:2. Gain from the swap deal to Alpha Textiles is \_\_\_\_\_.

Ans) 0.0067

73) What is mutual fund?

Ans) All of the above

74) Select all that apply. Theta General Insurance Co. has a known liability maturing after 15 years. To immunize its liability from interest rate risks, the insurance co. should buy \_\_\_\_\_.

Ans) a bond with 15 years maturity

75) Which of the following are examples of emerging payments?

Ans) All of the above

Q1 which of the following statements is/are true regarding government securities?

- b. term of short term security t-bills are always less than a year.'
- c. they may also be issued in the form of zero coupon securities

Q2 Mr.Nash commenced his business on April 01, 2012 with a capital of \$69,000. The break-up of his capital includes cash amounting to \$50,000. all his transactions are on cash basis only. He purchased stock worth \$25,000. He paid for miscellaneous expenses \$2,700. During the year he withdrew \$450 per month for his personal use. The depreciation for the year was estimated at \$3500 and other expenses \$1700. if the sales made during the year were \$30000 cash balance as on March 31 2013 was  
c.\$45200

Q3 An investor indulging in short selling on a share expects the share price to decrease. true or false.

True

Q4 The process of clearing transaction electronically in which information about debits and credits are passed across the clearing system electronically instead of physical instruments is called

- a.clearing thru ACH

Q5 Factorising is for long-term receivables (above 90 days) and is more related to receivables against commodity sales. true or false.

False

Q6 A borrower intends to borrow 300M USD and approaches his banker for loan. 300M is more than the appetite of the bank. The bank may\_\_\_\_\_

- b.Suggest syndicate loan.

Q7 Which of the following bonds would have the largest price change when interest rates increase?

- assume that the bonds each have the same yield to maturity
- b. 8-year maturity, 10% coupon rate

Q8 GE shares are currently selling for \$15.00 each. You bought 200 shares one year ago at

\$12 and received dividend payments of \$2 per share. what was your total dollar capital gain this year?

c. USD1000

Q9 when would a company pay nominal interest on committed portion?

I. always

II. in some case

III if it wishes to pay

b. II only

Q10 market risk associated with the macroeconomic conditions prevalent across the globe and hence it is systematic risk and cannot be diversified.

Select all the risks that are market risk:

a. commodity risk

c. currency risk

Q11. In private Banking PIC stands for

a. personal investments companies

Q12 You are bullish on reliance stock, the current market price is 505 INR per share. You have 50000 INR with you which you can invest. Now you borrow another 50000 INR from your brokerage banker at an interest

rate of 9% per annum and invest all 100000 INR in reliance stock.

At what price of reliance stock, is the margin call registered if minimum margin required is 30%?

(ignore interest rate on brokerage funding)

b. 404 INR per share

Q13 How would you categorize account activity alerts in mobile banking?

c. account information

Q14 ABC corporation is a large client of BankNew. BankNew extends a loan to XYZ corporation which is a supplier of ABC. This is an example of:

b. Dealer/Supplier Loan

Q15 Transaction reporting and compliance activity is performed by which of the following option?

d. Bank Office of an Investment firm.

Q16 The price paid for the use of a financial liability and financial asset is called \_\_\_\_\_

d. interest

Q17 Open ended loan allows the borrower to borrow additional amount subject to the maximum amount less than a set value. True or False.

True

Q18 Which of the following debt instrument involves lowest risk?

c. Treasury bills

Q19 In case of auto finance, monthly lease payments are usually lower than monthly loan payments because of which reason?

c. all listed options

Q20 With reference to settlement, FOP stands for:

d. free of payment

Q21 In reality, people hold part of their loans as cash. This makes the multiplier:

a. smaller

Q22 Which of the following accounts appear in balance sheet of a business?

b. prepaid rent

c. interest received

d. stock at the end of financial year

Q23 Consider an open ended loan account where maximum limit allowed is \$2000. If margin is 20% and asset value is \$2400

What is the drawing power from the account.

b. 1920

Q24 Credit enhancements of an asset-backed security imply the existence of support for one or more of the bondholders

in the structure. External credit and internal Credit are the two types of credit enhancement structures. Which of the

following is/are form of internal credit enhancements?

a. senior structures

d. overcollateralization

Q25 Retail Banking means Banking for:

b. banking for individuals and SMEs

Q26 Following information pertains to swap deal between Alpha Mills and Beta Textiles.

Firm Objective Fixed Interest rate Floating interest rate

Alpha Mills Floating 6.0% LIBOR + 0.5%

Beta Textiles fixed 7.5% LIBOR + 1.0%

The benefit from the deal is shared by Alpha Mills and Beta Textiles in the ratio of 1:2. Gain from the swap deal to Alpha textiles is \_\_\_\_\_

d. 0.0067

Q27 Who is arranger/lead manager?

a. one who arranges syndicate loan

Q28 Which of the following are market regulators?

d. All of listed options

Q29 Which of the following generally have higher transaction volumes and lower average dollar values?

d. Retail payments

Q30 Jet Airways and Citibank have tied up to offer this type of credit card. What type of card is it?

a. Co Branded card

Q31 Institutions specializing in securitization transactions of mortgage loans or US banks are:

d. Fannie Mae and Ginnie Mae

Q32 Banks borrow in call money market meet CRR (Cash Reserve Ratio) requirement which they should maintain with the central bank. true or false

true

Q33 Does a pure play investment bank accept deposits

b. no

Q34 Which of the following is NOT a Top 10 US Bank?

b. Lloyds TSB

Q35 Short selling in forex market is \_\_\_\_ and therefore, \_\_\_\_ capital market, trading is evergreen irrespective of market condition.

b. easier, unlike

Q36 BAFT stands for:

d. Bankers Association for Foreign Trade

Q37 In Sept 2008, following the subprime mortgage crisis, the biggest financial loss observed was bankruptcy of Lehman Brothers. It carried the assets of \$691.1 billion. Who should be the first losers in such events?

a. Common stock holders.

Q38 Securitization refers to the conversion of illiquid assets to liquid assets by converting longer duration cash flows into shorter duration ones. In this context, which of the following is/are true with respect to benefits of securitization?

a. Securitization enables the originator to take advantage of more profitable investment opportunities with the revenue generated through it.

c. Securitization improves asset management and is an effective means of diversifying credit risk.

Q39 Check all that are the benefits of investment in mutual funds.

- a. Diversification of risks.
- c. Low transaction costs
- d. Professional management.

Q40 Legal document will be prepared in the post-closure stage. State true or false.

- a. True

Q41 The bid-ask spread is seen to be \_\_\_\_\_ in the interbank market than in the retail market due to \_\_\_\_\_ & \_\_\_\_\_ in the interbank market compared to retail market

- b. lower, higher volume, lower liquidity

Q42 The purchase of any stock for immediate delivery is a \_\_\_\_\_ market transaction.

- a. Spot

Q43 Actively managed funds always beats the returns made on passively managed fund.

- a. true

Q44 Netting reduces the number of settlements needed by more than 95%

- a. true

Q45 Select one or more options which are true about Public Deposits

- c. Any deposit repayable on demand or on notice can be accepted by a company.

Q46 The total assets of a business are \$90,250 and outside liability are \$34,120. Reserves and surplus stands at \$12,500. Then, the amount of owner's equity is

- c. \$43,630

Q47 Select the combination of options that are true for Money Market Fund.

- a. It provides an investor the choice to invest for short-term.
- d. With this fund safety level of the investment is high.

Q48 Which of the following items should be deducted from the gross profit to arrive at the net profit for calculation of Managerial Remuneration?

- a. Interest on unsecured loans and advances.
- c. Any tax notified by the central Government as being in the nature of a tax on excess or abnormal profit.

Q49 In Indian Forex market, the market rates are as under

- EUR/INR : 83.05/08
- 1 month : 06/08

2 months : 12/14

3 months : 22/24

If a bank required an exchange margin of paise, what should be the rate to be quoted to an importer who wants to have an option delivery in second month?

a. INR 83.24/EUR

Q50 Which of the following is/are true with respect to commercial paper and certificates of deposits?

I. Both are issued by corporates.

II. Both can be invested by individuals and corporates.

III. Both can be bought back by the issuer.

b. Only II.

Q51 The process undertaken by the clearing house whereby it substitutes itself between the buyer and the seller of a trade, acting as a counterparty is called \_\_\_\_\_

b. Novation

Q52 Which of the following is not the function of Central Bank?

c. Managing the branches of public banks.

Q53 Select all that options which are true regarding risk exposure in money market instruments?

c. Compared to long term securities, money market instruments have minimal inflation risk.

Q54 What does Single Euro Payments Area (SEPA) do?

b. All of the listed options

Q55 Great mines takes a loan from Bank of America to dig a new coal mine. The loan would be repayed using the proceeds from the sale of coal from this mine. This is an example of:

b. Asset Securitization loan

Q56 Which of the following are characteristics of savings Accounts?

a. Provides Interest income to customers.

Q57 There are different type of market participants who are directly or indirectly involved in trading and bringing stock and future prices in equilibrium. Which of the following participants help in analysis of a company into the derivatives market leading to overall market efficiency?

a. Hedgers

d. Arbitrageurs

Q58 Which of the following is not an Index

b. NYSE

Q59 Statement 1: There are two basic types of corporate stocks and both of them have

ownership and voting rights.

Statement 2: These two basic types of stocks are common stocks and preferred stocks.

a. Only statement 2 is true.

Q60 Assets of a company that are reasonably expected to be realized in cash, or sold, or consumed in the next one year are.....

d. Current assets

Q61 Find the future value of \$1500 invested at 6.5% p.a payable annually, after 6 months?

b. \$1548.75

Q62 Risk Management is a function of....

b. mid Office

Q63 Which one of the following services are provided by a global custodian?

a. All of the listed options

Q64 Which is NOT a type of Corporate bond?

b. T-Bills

Q65 A corporate rated BB requires a loan of USD 2.0 million from a bank. To enhance the loan rating and thus reduce interest payable on the loan, the promoters pledge their shareholding in the company with the bank. Thus, whenever there is a default on the repayment of the loan, the bank has the right to sell the shares in the market. Select the most appropriate conclusion based on the above statements.

c. Based on the historic volatility of the shares and the current market value of USD 3.0 million, the bank upgrades the rating of the loan to AAA.

Q66 John buys a 7 year, 11% annuity deposit certificate for Rs. 30000. What is the annuity he is entitled to receive over the 7-year period?

b. 6367

Q67 The initial sale of a security is in the .....market, while subsequent trading in the security is in the.....market?

b. primary, secondary

Q68 Select all that is/are true about Bill of lading

b. A receipt issued by a carrier to a shipper for goods received for transportation.

d. A contract between a carrier and a shipper for the transportation of goods.

Q69 GDR stand for which of the following option?

d. Global Depository Receipts

Q70 The process of netting



b. Reduces the number of settlements

Q71 A bank is required to hold reserves at least equal to a prescribed fraction of its total deposit liabilities. this requirement is called.....

d. CRR

Q72 If a financial instruments has a 20% chance of paying 80% and a 80% chance of paying 50% percent, what would be the expected return?

b. 0.56

Q73 Company A has higher credit rating than Company B. What does this mean?

d. Company B is more risky.

Q74 Saltlake Company is considering investing in anew project. The project will need an initial investment of \$1200000 and will generate \$600000(after tax) cash flows for three years. Approximate IRR for the project will be.....

b. 0.233

Q75 What is financial leverage

d. a private company transforming itself into a public comapny.

1. check 21 Act facilitates

Ans. check truncation and creation of substitute check

2. Trading of previously issued securities takes place in

Ans. Secondary Market

3. Share price is determined by which of the following option

Ans. All of the listed options

4. Jet Airways and Citibank have tied up to offer this type of credit card. What type of card is it?

Ans. Co Branded card

5. A borrower intends to borrow 300M USD and approaches his banker for loan. 300M is more than appetite of the bank. The bank may

Ans. Suggest syndicated loan

6. Institutions specializing in securitization transactions of mortgage loans for US banks are:

Ans. Fannie Mae and Freddie Mac

7. Portfolio rebalancing is carried out to benefit out of changing market conditions by using timely and opportunistic strategy

Ans. True

8. In case of auto finance, monthly lease payments are usually lower than monthly loan payments because of which reason?

Ans. All of the listed options

9. The Glass Steagall Act refers to

Ans. impose a rigid separation between commercial banking and investment banking

11. The type of private equity financing provided to companies for full-fledged manufacturing operations and sales is all called Start-up stage financing.

Ans. True

12. If a financial instrument has a 20 % chance of paying 80 % and a 80% chance of paying 50 percent, what would be the expected return?

Ans. 0.56

13. The purchase of any stock for immediate delivery is a----- market transaction.

Ans. Spot

14. Following Information pertains to a swap deal between Alpha Mills and Beta Textiles.

Firm objective Fixed interest rate floating interest rate

Alpha mills floating 6.0% LIBOR +0.5 %

Beta Textiles fixed 7.5% LIBOR +1.0%

The benefit from the deal is shared by Alpha Mills and Beta Textiles in the ration of 1:2 gain from the swap deal to Alpha Textiles is -----

Ans. 0.0067

15. What is the central bank in United States called?

Ans. Federal Reserve

16. Which of the following is /are the part if commodity markets?

I. Agricultural market

II. Metal Market

III. Energy Market

Ans All I, II and III

17. Arrangement fee is also called.....

Ans. Praecipium

18. Identify the odd one out:

Ans. Stocks

19. If R is the real rate of interest, N is the nominal rate of interest and I is the rate of inflation then

Ans.  $R=N-I$

20. Which of the following items appears in the profit and loss appropriation account

- I. Provision for bad debts
- II. Provision for taxation for current year

21. A time deposit can renew automatically after a notification is sent to the account holder

Ans. True

22. A checking account is primarily used by the customer for.....

Ans. Check writing privileges

23. Due to changes in the macroeconomic policies, primary lending rate changes from 7 % to 8%. Select all that are true.

Ans. Bond prices will go up leading to increase in wealth  
It leads to increase in mortgage interest payments

24. Select the combination of options that are true for money market mutual fund

Ans. It provides an investor the choice to invest for short-term  
With this fund safety level of the investment is high

25. How would you categorize account activity alerts in mobile banking?

Ans. Account Information

26. Company A has higher credit rating than company B. What does this mean?

Ans. Company B is more risky

27. A company prepares a bookkeeping worksheet in which the balances of all ledgers are

combined into debit and credit columns, periodically, usually at the end of every reporting period. The same statement helps an accountant to assess the arithmetical accuracy of the accounting records, is the.....

Ans. Balance Sheet

28. What does Single Euro Payments Area( SEPA) do?

Ans. All of the listed options

29. 25 % of the working capital gap would have to be funded by.....sources while the rest 75 % can be funded through..... and overdraft limits.

Ans. equity, debt

30. In a typical trade cycle, when does the clearing house take over the two legs of the trade through novation?

Ans. After the confirmation from the broker of the sell side

31. ABC corporation is a large client of Bank new. BankNew extends a loan to XYZ corporation which is a supplier of ABC. This is an example of:

Ans. Dealer/ Supplier loan

32. Which of the following inventory valuation methods shows higher profits during a period of rising prices?

Ans. FIFO (First in First Out)

33. There is a rumor that the public issue of gamma Ltd. would be a hot issue in the market. Based on that rumour, Mr. James invests all his savings in this public issue.

Mr. Souvick can be....

Ans Arbitrageur

34 From the following options identify the Voluntary Corporate action

Ans Rights Issue

35 Assests of a company that are reasonably expected to be realized in cash, or sold, or consumed in the next one year are....

Ans Current Assets

37 The process of creating buffer against the potential loss of non-performing loans is called

Ans Loan Provisioning

38) expand NOE

ans) note of execution

39) the federal funds rate

ans) is the ratethe fed charges on overnight loans to commercial banks

40) which one of the following is the key information required for wire transfer

ans) SWIFT and/or ABA number

41) what is OTC

ans) over the counter

42) select all that options which are true regarding risk exposure in money market instruments?

ans) compared to long term securities money market instruments have minimal inflation risk

43) share price multiplied by number of shares gives a company's

ans) market capitalization

44) in private banking PTA stands for

ans) payable through account

45) in case of downtime in prices of shares the investor will be compensated by which of the following option?

ans) securities and exchange commission

46) which institution is responsible for monetary policy for the country?

ans) central bank

47) demand and supply of money go on changing from time to time making interest rates volatile. other than duration what else are used to mitigate risk arising out of volatility in interest rate

ans) forward rate agreement(FRA) and interest rate swap

48) what is a mutual fund?

ans) all of the listed options

49) consider an open ended loan account where maximum limit allowed is \$2000. if margin is 20% and asset value is \$3000 what is the drawing power from the account.

ans) 2000

50) which of the following generally have higher transaction volumes and lower average dollar values?

ans) retail payments

51) owner's equity at the beginning of the year \$42000. during the year the owner contributed \$12000 additionally towards capital and withdrew \$6000 for his personal use. if the firm had a net profit of \$12000 for the year, what was the owner's equity at the end of the year?

ans) \$60000

52) pick the odd one out among:

agency loans, VA loans, interest only loans, FHA loans

ans) agency loans

53) the factors to be considered in assigning a credit rating are character, capacity, covenants and collateral. in this context which of the following statements is/ are true?

ans) historical records of corporate in timely payment of its obligations is important factor AND covenants are the agreed terms and conditions between the borrower and lender

54) the estimated percentage change in the value of a bond derived from the duration rule is

ans) less than the actual price change when the yield decreases

55) which of the following statements is /are true with respect to different quotes of exchange rate?

ans) an american quote is the number of dollars expressed per unit of any other currency.

AND

a direct quote is the quote where the exchange rate is expressed in terms of number of units of the domestic currency per unit of foreign currency

56) netting reduces the number of settlements needed by more than 95%. state true or false

ans) true

57) AB marketing company is considered investing in a new project. the project will need an initial investment of \$1200000 and will generate \$600000 cash flows for three years. calculate the NPV for the project if the cost of capital is 15%.

ans) 169935

58) who is facility manager?

ans) an entity who takes care of administrative arrangements over the term of syndicated loan

59) which of the following is true for stock markets?

ans) stock markets facilitate secondary buying and selling of shares.

60) which of the following are true with respect to commercial paper and certificate of deposits?

ans) both can be invested by individuals and corporates.

61) the time from acceptance to maturity on a \$2000000 banker's acceptance is 90 days. the importer's bank's acceptance commission is 1.75 percent and the market rate for 90 day B/As is 6.5 percent. the exporter can receive \_\_\_\_\_ if he holds the B/A until maturity and \_\_\_\_\_ if he discounts the B/A with the importer's bank.

ans) \$1991250, \$1958750

62) participants in currency trading are of different types. those who trade in hope of profiting from price movements are \_\_\_\_\_

ans) speculators

63) in account period settlement trades are aggregated for a period of time. state true or false

ans) true

64) the future value of an rs.20000 investment which gives an annual rate of return of 20% per annum compounded monthly after two years would grow to

ans) INR29738

65) select all the reasons that were pointing towards the danger of 2008 subprime mortgage crisis

ans) optimism about housing values also led to a boom in home construction AND mortgage-backed securities were rated very high despite the fact that there were substantial probability of default.

66) which one of the following portfolio is more risky?

ans) 80% equity, 20% debt

67) transaction reporting and compliance activity is performed by which of the following option?

ans) bank office of an investment firm

68) a person purchases a share at \$12.5. after 4 years the price is at \$57.5 and he decides to



sell the share at that price what is the absolute return that the person has earned?  
ans) 0.4645

69) a bought out deal is a method of offering securities to the public through a sponsor (a bank, financial institution, or an individual) the securities are listed in one or more stock exchanges within a time frame mutually agreed upon by the company and the sponsor. the likely disadvantage of bought out deal is that\_\_  
ans) promoters are not assured of immediate funds

70) suppose we employ a "price weighted" methodology to construct and track a two stock index based on stocks X and Y. stock X has an initial price of \$15, and there are 10 million shares outstanding. stock Y has an initial price of \$20 and there are 20 million shares outstanding. one month later stock X's price is \$20 and stock Y's price is still \$22. the shares outstanding remain the same. what is the percentage change in our price weighted index over the one month period?  
ans ) 0.2

71) the treasury asset-liability management (ALM) group assesses asset-liability risk and all banks have ALM committees comprised of senior managers to address the risk. duration analysis looks at weighted average maturity of cash flows to compare assets and liabilities.  
ans) true

72) the process of conversion of illiquid assets to liquid assets by converting longer duration cash flows into shorter duration ones also traded as security is known as \_\_\_\_\_  
ans) securitization

73) a bank has a portfolio of \$50 million worth of loans out of which to sell \$20 million worth of loan to another financial institution. what is this process called?  
ans) held for sale loans

74) investing in shares will always result in a monetary gain. state true or false  
ans) false

75) an investor indulging in short selling on a share expects the share price to decrease. state true or false  
ans) true

1) who is underwriting bank?

Ans) Bank which commits supply of funds in a syndicate loan..

2) Who among the following offers private banking services?

ans) All of the listed options.

3) An exporter has just received a banker's acceptance created by an international transaction. If the banker acceptance has a face value of \$1000.000 and the bank charges a commission of 2% per annum, how much will the exporter receive from the banker if the acceptance is held until maturity six months from today?

ans) \$990000

4) The factors to be considered in assigning a credit rating are character, capacity, covenants and collateral. In this context, which of the following are true?

ans) a) Covenants are the agreed terms and conditions between the borrower and lender.

b) High volatility in earnings is a negative covenant.

d) Historical records of corporate in the timely payment of its obligations is an important factor.

5) Investor profiling activity is performed by which of them?

ans) front office of an investment firm.

6) Demand and supply curves of a stock set the bid and ask price of stocks traded over the counter.

Select the most appropriate one.

ans) Spread will be higher on actively traded stocks.

7) If your broker has given 100X ratio, and you have only \$1000 in your account. What is the maximum position that you can make?

ans) 100000

8) Which of the following are not institutional investors?

ans) high net worth individuals

9) Premature withdrawal of principal attracts penalty in a CD account?

ans) true

10) Following are the order types based on volumes except

ans) Day order

11) Which of the following are benefits of EMV?

ans) fraud prevention

12) At the end of term on an interest only mortgage you would have only paid the interest due on

the mortgage but you still owe the capital that you borrowed at the start of the term

ans)true

13)The purpose of financial markets is to:

ans) Allocate savings efficiently.

14)Given below are some features of financial market.Select the combination o features that are required for perfect market:

I. All the players in the market have all the information relating to the security.

II. All plyers in the market are price takers.

III. There should be barriers on some ntries and exit criteria.

IV. The market price of security reflects all the available information.

V. There should be certain Government restrictions on flow of funds in the market.

a) I,II and IV

b) I,II and V

c)II,IV and V

d) I,II and III

Q1) Technical Analysis is often carried out to benefit from short term trading. Select the trading practises where technical analysis is applied.

Ans) currency trading,commodity trading.

Q2) Choose the right option:

Ans) Close ended funds have a fixed maturity method.

Q3) Here is the scenario for Apple Textile Ltd.

rice at the start of Year 2012: \$50

Dividend declared during 2012: \$1.5

Price at the end of year 2012: \$53

The rate of return on the security of Apple Textile Ltd. is

Ans) 0.09

Q4) Interest rate anticipation strategy under active bond management requires one or more of

these:

Ans) Investing in short maturity and high coupon bonds when interest rates are expected to rise.

Q5) Fourth market refers to

Ans) The trading of exchange-listed securities between institutions on a private over-the-counter computer network, rather than over a recognized exchange such as the New York Stock Exchange(NYSE) or NASDAQ.

Q6) Suppose a client short sells 500 Facebook Share at \$55.5 and simultaneously places a stop buy order at \$60. Now his maximum potential to lose with and without stop buy order is

Ans) \$2250,unlimited

Q7) Glaxo Inc., a Foreign Institutional Investor, is planning to invest in real estate in USA. While analyzing the financial conditions in USA, it observes that the percentage of outstanding international debts in terms of country GDP is very high. The type of risk being faced by USA is

Ans) Economic Risk

Q8) With Reference to settlement, DVP stands for

Ans) Delivery versus Payment

Q9) What is the role of Central Bank in Forex market of a country

Ans) Regulatory role depending on country's economic policies.

Q10) An investor has lost tracks of a particular company's shares that he holds for the last 5 years. Now the investor wants to know the details like how many shares he owns, in what form they exist etc. Whom should he contact?

Ans) The investor has to contact the Custody service provider to get the details.

F

Q11) Expand STIF:

Ans) Short Term Investment Fund.

Q12) Computer networks have simplified and narrowed down trade life cycle. How this is going

to affect financial intermediation

Ans)

Q13) Select all that comes under the provision of the Sarbanes-Oxley Act.

Ans)

Q14) A foreign institutional investor borrowed Euro 1 million at 3% p.a. for 6 months and invested in India at 6% p.a. for

6 months. The current spot rate is Rs.71 per Euro. In order to get a positive spread the six months Rs./Euro forward rate should be

Ans)

#### BFS L0 LATEST DUMPS

1. Which of the following is NOT a settlement Method for Bank Loans
  - a. Securities Repository
  - b. Sub-Participation
  - c. Assignment
  - d. Participation
  - e. Preclosure
2. Tax and insurance Premiums Collected as part of Loan repayment are handled through which of the following type of account?
  - a. DMAT account
  - b. Mutual fund account
  - c. Escrow account
  - d. Fixed despoit
3. What is the difference between Bankers acceptance and sight draft
  - a. Bank can raise funds by selling the acceptance
  - b. Sight drafts are negotiable instruments
  - c. Bankers acceptance reduces banks leading capacity
  - d. None of the listed Options
  - e. Bankers acceptance demands immediate payment
4. Red herring prospectus is issued during \_\_\_\_\_
  - a. When a divided is declared

- b. Post-Acquisition
- c. During Securitization
- d. During a IPO
- e. A merger

5. Which of the following is NOT a banking service?

- a. Retail Banking
- b. Private Banking
- c. Stock market regulation
- d. Corporate Banking
- e. Consumer Lending

6. Who among the following offers private banking services?

- a. Bank of New-York Mellon
- b. Bank One
- c. All of the listed options
- d. UBS
- e. Credit Suisse

7. Ram deposits \$100 in XYZ Bank. Puja takes a loan of \$ 100 from XYZ Bank. Which of the following is most likely to happen?

- a. Bank is charging 3% interest to Puja and paying 5% interest to Ram
- b. Bank giving 3% interest to Ram and Take 5% interest from Puja
- c. .
- d.
- e.

8. Which of the following represents the correct hierarchy of corporate rating (highest to lowest)

9. Bank ABC interest rate on deposits is 7.30% and its interest rate on loans is 9.25% dur. Find the spread for Bank ABC?

- a. 0.
- b. 0.
- c. N
- d. 0.

$$9.25 - 7.30 = 1.95 \text{ or } 0.0195$$

10. If a bank gets a deposit of \$5000, assuming reserve requirement(CRR) of 10%, and it Circulate through 2 more banks, leading to which of the following money multiplier effect?

- a. None
- b. It crea..

- c. It crea..
- d. It crea..
- e. It crea...

Solution:

CRR (Cash Reserve Ratio).

	Deposit	10% Reserve	Loaned Out
1	5000	500	4500
2	4500	450	4050
3	4050	405	3645

An initial deposit of \$5000 has created a reserve of \$1355, and loan of \$12195.

- 11. What does a CALL option give the buyer?
  - a. The right, but not the obligation, to sell
  - b. The Obligation to sell
  - c. The right and obligation to buy
  - d. The obligation to buy
  - e. The right, but not the obligation, to buy

Put Options - The right, but not the obligation, to sell

- 12. What is the purpose of rebalancing
  - a. To keep investments in line with original investment strategy
  - b. To Maximize the portfolio return by effectively timing the market
  - c. All of the listed options
  - d. Reallocation of assets classes to gain competitive advantage
- 13. Which two risks of a financial institution may bring gains as well as losses?
  - a. Credit risk and interest rate risk
  - b. Credit risk and foreign exchange risk
  - c. Liquidity risk and credit risk
  - d. None of the listed options
  - e. Interest rate risk and foreign exchange risk
- 14. Institution specializing transactions of mortgage loans for US banks are
  - a. Gennie Mae and indymac
  - b. Gennie Mae & Fannie Mae
  - c.
  - d.

Fannie Mae and Ginnie Mae are examples of institutions specializing in securitisation transactions of mortgage loans for US banks.

Freddie Mac, Ginnie Maes & Fannie Mae - Federal National Mortgage Association (FNMA or Fannie Mae), Government National Mortgage Association (GNMA or Ginnie Mae) and Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac) are all "secondary market lenders".

15. A proprietary system of ATMs is a network that comes into being when custom... institutions have success to transaction services at ATMs owned or operated b State True or False

- a. True
- b. Flalse

16. Assuming a 4% annual inflation rate, in how many years will the purchasing power of \$1,000 be cut in half?

- a. 18 Years or option which is near to 18 like 17.65.
- b. 16 Years
- c. 20 Years
- d. 12 Years
- e. 24 Years

17. The term Settlement cycle refers to the which of the following options?

- a. time period between the date on which the trade is executed and the date when the trade is settled
- b. time period between the date on which an investor first makes the decision to enter a trade and the date when the trade is settled.
- c. Time period between the date on which the trade is cleared and the date when the trade is settled.
- d. None of the listed option are correct

18. When is a bank failure is is more likely to occur?

- a. Capital adequacy ratio is increased
- b. Cash Reserve ration is increased
- c. Bank increases its equity capital
- d. Capital adequacy ratio is reduced
- e. Bank holds more short-term riskless securities

19. GDR stand for which of the following option?

- a. Gold Deposit Report
- b. Global Depository Receivables
- c. Global Deposit Report
- d. Global Depository Receipt
- e. Global Derivatives Report



20. If the entry load is 2% and the NAV is Rs 10, then how much the investor will have to pay for 100 units?

- a. Rs. 1020
- b. Rs 1500
- c. Rs. 1200
- d. Rs. 800

NAV Net Asset Value

$$(10 + (2/100 * 10)) * 100 = 1020$$

21. After a buyer and a seller enter into a trade agreement, who initiates the issues of LC?

- a. None of the listed Options
- b. Buyers bank
- c. Seller
- d. Advising bank
- e. Sellers bank

22. If a financial instrument has a 50% chance of paying 20% and a 50% chance of paying 60% percent. What would be the expected return?

- a. 0.4
- b. 0.2
- c. 0.5
- d. 0.8

$$= (50/100) * (20/100) + (50/100) * (60/100) = 0.4$$

23. Does a pure play investment bank accept deposits?

- a. No
- b. Only during IPO
- c. Yes
- d. Yes , if it is below
- e. None of the listed Option

24. Which of the following is a corporate action?

- a. Declaring Dividend
- b. All of the listed options
- c. Rights issue
- d. M & A
- e. Stock Split

25. In a typical credit card transaction processing cycle, which of the following is

I: The issuer and acquirer route authorization through the Association

II: Issuer transfers funds to the Acquirer

- a. I only

- b. Both I and II
- c. II only
- d. None of the listed options

Answer: I & II

26. Choose the correct order of occurrence of the following activities

- a. Trade execution, Trade matching, Trade clearance, Trade confirmation, Trade Settlement
- b. Trade execution, Trade matching, Trade confirmation, Trade clearance, Trade Settlement
- c. Trade matching, Trade execution, Trade confirmation, Trade clearance, Trade Settlement
- d. Trade execution, Trade confirmation, Trade matching, Trade clearance, Trade Settlement

27. From the given options the service(s) that can be categorized under A..

I: Corporate Action processing

II: income Processing

- a.
- b.
- c.
- d.

28. There are 5 participants A, B, C, D, E in a 25M USD syndicated loan and A is the lead m has agreed to pay 0.4% (\$1,00,000) participant fee. How much each participant will share in participant fee?

- a. \$1,00,000 will be received every time money is withdrawn
- b. \$1,00,000 will be received every month
- c. \$1,00,000 will be received affront
- d. \$1,00,000 will be charged towards undrawn portion
- e. None of the listed Options

29. Which of the following are NOT the benefits of using credit derivatives?

- a. Increasing the credit limit of a corporate
- b. Credit derivatives can be used both to diversity their credit risk exposures and free up capital from regulatory constraints
- c. Credit derivatives can be used to create positions that can otherwise not established in the case market
- d. Credit derivatives can be used either to take on more risk or to avoid (hedge) it

30. The counterparty in a futures contracts trade is

- a. The Exchange
- b. Banks
- c. The buyer and Seller
- d. The brokers who
- e. Government

31. .

32. .

33. .

34. .

35. .

36. .

37. .

38. .

39. .

40. .

41. What is OTC?

- a. Over The Counter
- b. .
- c. .
- d. .
- e. .

42. All the following statement concerning U.S Government securities are Correct EXCEPT

- a. Treasury notes have maturity dates up to 10 years
- b. Treasury bonds have maturity dates up to 30 years
- c. Treasury bills have a greater interest rate risk than either Treasury bill
- d. Treasury bills have their interest paid in lump sum at maturity.

43. Interest rate spread is equal to?

- a. Capital Rate Base Rate
- b. Base Rate Current Rate
- c. Current Rate
- d. Current Rate Base Rate

e. None of Listed Options

44. Universal banks provide commercial banking as well as investment bank services under one head . State True or False

- a. True
- b. False

45. Dividend declaration is an example of

- a. Corporate Action
- b. .
- c. .
- d. .

46. Identity the services offered by Retail Banks.

- a. Sa.
- b. All
- c. Deb..
- d. Pe.

47. VISA involved in which of the following?

I: Provide the interchange systems to transfer data and funds between members

II: Set credit limits

III: Issue credit cards

- a. I Only
- b. II only
- c. I & II
- d. I, II & III

48. Which are true in a BASIC or No Frill Checking Account?

I: Limit the number of check written

II: Interest paid

III: Limit the number of withdrawals made

- a. .
- b. .
- c. .
- d. .

49. On a trading day at the NYSE, a broker undertakes the following trades:

Buy 120 DELL shares for \$ 10.00 each

Sell 70 DELL shares for \$ 10.50 each

Buy 200 CISCO shares for \$ 20.00 each

Sell 20 DELL shares for \$ 11.00 each

Sell 50 CISCO shares for \$ 20.50 each

Sell 10 DELL shares for \$ 9.00 each

Given that a net settlement system is being used. Find out the net position of the broker

- a. Dell 70 Shares to give out, Cisco 90 shares to receive, \$3,000 to pay out to the exchange
- b. Dell 20 Shares to pay out, Cisco 150 shares to receive , \$3,780 to pay out to the exchange
- c. Dell 20 Shares to receive, Cisco 150 shares to receive , \$3,130 to pay out to the exchange
- d. None of the listed Options
- e. Dell 150 shares to receive, Cisco 20 shares to receive, \$3130 to receive from the exchange

Solution:

Stock	Buy/Sell	Quantity	Price	Amount
DELL	Buy	120	\$10.00	(1200)
DELL	Sell	70	\$10.50	735
CISCO	Buy	200	\$20.00	(4000)
DELL	Sell	20	\$11.00	220
CISCO	Sell	50	\$20.50	1025
DELL	Sell	10	\$9.00	90
Total				(3130)

Net position for DELL:  $+120 - 70 - 20 - 10 = 20$

Net position for CISCO:  $+200 - 50 = 150$

So exchange will need to deliver 20 DELL & 150 CISCO shares to the broker.

This was what exchange owes to broker.

So the broker has to pay \$3130 only and he gets 20 DELL & 70 CISCO shares from the exchange.

50. Which of the following are involved in the regulation of capital markets in USA?
  - a. SEC
  - b. FSA
  - c. Senate
  - d. Federal Reserve
51. In syndicate loan, borrowers will be charged even if they dont utilize the committed fu
  - a. True
  - b. False
52. Inflation represents which of the following option?
  - a. Ver
  - b. Increase in price

- c. Eco
- d. Curr
- e. Dec

53. Loan Servicing starts after underwriting state True or False

- a. True
- b. False

54. All of the following investments are examples of debt investments Except

- a. Cash Value
- b. Gold
- c. Certificate of
- d. Company Bond
- e. Fixed Annuity

55. Which of the following is the most risky asset?

- a. Shares of a Bi
- b. Investment in N
- c. Triple A rated b
- d. Investment in R
- e. Treasury bills

56. What is a credit union?

- a. Operated for the purpose of promoting thrift
- b. Providing other financial services to its members
- c. Providing credit at reasonable rate
- d. A cooperative financial institution that is owned and controlled b
- e. All of the listed Options

57. Coming together of BNY and Mellon is an example of \_\_\_\_\_

- a. Brokerage
- b. Takeover
- c. Acquisition
- d. Merger
- e. All of the listed options

58. CIP in the context of anti money laundering

- a. Requiring businesses, which were only to report cash transactions involving more than \$1,000,000 to the IRS to file
- b. Stands for Suspicious activity reports
- c. Stands for customer identification program
- d. N
- e. eeds to be filled by Securities brokers and dealers as well as commodity merchants
- f. All of the listed Options

59. Which among the following is a key feature of letter of credit?
- a. All of the listed options
  - b. Opportunity to receive payment in advance of the due date
  - c. Basis for devising proper currency hedging strategy and opportunity to receive payment in advance of the due date
  - d. Distributes risk between buyer and seller
  - e. Basis for devising proper currency hedging strategy
60. Find out the one which does NOT come under the retail banking Service
- a. Personal Loan
  - b. Transfer Fund
  - c. Credit Services
  - d. Electronic Transfer
61. How would you categorize account activity alerts in mobile banking?
- a. Account information
  - b. Transactions
  - c. Investment
  - d. Support
62. Pooling and repackaging of cash-flow-producing financial assets into securities, which are then sold to investors is called \_\_\_\_\_
- a. Leveraging
  - b. Securitization
  - c. Initial Public Offer
  - d. Short Selling
  - e. None of the listed options
63. An investor indulging in short selling on a share expects the share price to decrease. State True or False
- a. True
  - b. False
64. GE shares are currently selling for \$15.00 each. You bought 200 shares one year ago at \$12 and received dividend payments of \$2 per share. What was your total capital gain this year?
- a. 600
  - b. 400
  - c. 1000
  - d. None of the listed options
  - e. 200

Solution:

$$(200 \times 15) + (200 \times 2) + (200 \times 12) = 1000$$

65. Securities with an original maturity of lesser than 1-year are traded on money markets.

State True or False

- a. True
- b. False

66. Pick the odd one out

- a. .
- b. .
- c. .
- d. .

67. \_\_\_\_\_ is the legal and professional proceeding in which a lender, obtains a court orders ...a borrowers equitable right of redemption.

- a. .
- b. .
- c. .
- d. .

68. Bank A based in US provides safe keeping services for securities to its US clients. It also has clients in France and Belgium and provides securities safe keeping services to these clients through banks C & D respectively. Which best describes bank A?

- a. Secondary custodian
- b. Global Custodian
- c. Sub Custodian
- d. None of the listed Options
- e. Main Custodian

69. In Trade Finance, Which of the following factors are considered while choosing mode of financing?

- a. Time frame, cost of financing, Buyer trade associates
- b. Government Guarantee Program, Seller Preference
- c. None of the listed options
- d. Exporters Fund, Risk Factors, Cost of financing, Time frame

70. Company ABC has a gross profit of \$50000. The operating expenses amounts to \$10000. The interest on loans availed amounts to \$5000 and the taxes to be paid amounts to \$5000. Calculate the EPS if there are total of 20000 shares.

- a. 2.5
- b. 2
- c. 1.25
- d. 1.5



Solution:

Operating Income = Gross Profit - Operating Expenses

EPS (Earnings Per Share) = (Operating Income - Interest on Loan - Taxes Paid) / Number of shares

$$= (50000 - 10000 - 5000 - 5000) / 20000 = 1.5$$

71. The risk that a given security or asset cannot be traded quickly enough in the ..the required profit) is

- a. .Liquidity risk
- b. .
- c. .
- d. .

72. Identify the core risk that a securities lending firm faces

- a. .
- b. .
- c. .
- d. .
- e. .

73. Netting reduces the number of settlements needed by more than 95% state True or False

- a. True
- b. False

74. The Components to determine the rate of exchange in a Forward Contract are

- a. Cross Currency Rate and forward rate
- b. Current Spot Rate and Forward rate a
- c. Current Spot Rate, amount of currency
- d. Forward rate adjustment and amount

75. High-Net worth individuals generally have \_\_\_\_\_.

- a. Net worth greater than \$500,000
- b. Household income greater than \$500,000
- c. Market capitalization more than \$200,000
- d. Household income of maximum \$50,000

76. Product development in sales and marketing refers to which of the following option?

- a. Developing and differentiating deposits, loans etc

- b. Products that are bought using online payment such as e-commerce
  - c. All of the listed Options
  - d. Identifying products such as SAP, Oracle for the bank
  - e. Collateral e.g. Cars in case of car loans, houses in case of mortg
77. Which of the following methods of payment is most risky to the Buyer?
- a. Open Account
  - b. Documentary Collection
  - c. Letter of Credit
  - d. Counter trade
  - e. Cash in advance

Methods of payment is most risky to the Seller Open Account

78. on a trading day at the NYSE, a broker undertakes the following trades  
 Buy 100 IBM shares for \$11.00 each  
 Sell 50 IBM shares for \$10.50 each  
 Buy 100 MSFT shares for \$20.00 each  
 Sell 20 IBM shares for \$11.00 each  
 Sell 10 MSFT shares for \$20.50 each  
 Sell 30 IBM shares for \$9.00 each

How much did the broker pay out to the exchange in total in case of (a) gross settlement (b) Net settlement system?

- a. None of the Listed Option
- b. (a) \$1880 (b)\$ 3100
- c. (a) \$1,780 (b) 0 for IBM, \$1795 for MSFT
- d. (a) 0 for IBM, \$1795 for MSFT (b) \$1880
- e. (a) \$3100 (b) \$1880

Solution:

Stock	Buy/Sell	Quantity	Price	Amount
IBM	Buy	100	\$11.00	(1100)
IBM	Sell	50	\$10.50	525
MSFT	Buy	100	\$20.00	(2000)
IBM	Sell	20	\$11.00	220
MSFT	Sell	10	\$20.50	205
IBM	Sell	30	\$9.00	270
Total				(1880)

Net position for IBM:  $+100 - 50 - 20 - 30 = 0$

Net position for MSFT:  $+100 - 10 = 90$

So broker would not receive any IBM shares from the exchange as he sold all the shares that

he bought during the day. But exchange will need to deliver 90 MSFT shares to the broker. This was what exchange owes to broker.

So the broker has to pay \$1880 only and he gets 90 MSFT shares from the exchange

0 for IBM, \$1,795 for MSFT,

It is worth understanding that, we have some markets where settlement happens on a gross basis, meaning no netting is done and all the transactions need to be settled individually. This is prevalent in Fixed Income markets in the US and the settlement mechanism is known as Real Time Gross Settlement (RTGS). - (Page No 181 in BFS PDF)

79. How much will be the 1% legal fee on 30M USD
- a. 0.03M
  - b. 30M
  - c. None of listed Option
  - d. 3M
  - e. 0.3M
80. In active approach, asset allocation is more influenced by which of the following option?
- a. Marke
  - b. None..
  - c. Value..
  - d. Investo
81. The arrangement fee paid by the borrower will be paid to:
- a. Facility manager / agent
  - b. Every participant expect lead manager
  - c. Will be retained by lead manager
  - d. Underwriting bank
  - e. Every participant
82. In a securities lending transaction, if the buyer of securities provides cash as collateral, then the seller of securities has to provide the buyer with a interest amount for the cash. What is this interest amount called?
- a. Rebate rate
  - b. Collateral Interest
  - c. Interest Rate
  - d. None of the listed Options
  - e. Return Rate
83. Corporate Loans are.
- a. Never unsecured

- b. Never secured
  - c. Always secured
  - d. Always unsecured
  - e. Secured or unsecured
84. Who is a underwriting Bank?
- a. Bank which underwrites a IPO(not sur shd b thz)
  - b. Bank which commits supply of funds in a syndicated loan
  - c. Bank which does not insures a loan
  - d. Bank which underwrites a insurance
  - e. Bank which insures a loan
85. The amount owed by a company to suppliers in the next one year will be categorized under \_\_\_\_\_
- a. Annual liabilities
  - b. Deferred Liabilities
  - c. Accrued Liabilities
  - d. Current Liabilities
86. What is a mutual fund?
- a. A pool of funds used to purchase securities on behalf of investors
  - b. A collective investment vehicle
  - c. All of the listed options
  - d. A portfolio of stocks, bonds and other securities
87. The Advising bank is used as a trusted bridge between the \_\_\_\_\_ and \_\_\_\_\_ when they do not have an active relationship
- a. Reimbursing bank; beneficiary bank
  - b. Issuing bank; Confirming bank
  - c. Importer; Exporter
  - d. Applicant bank; Beneficiary bank (Issuing bank; Beneficiary bank)
  - e. Beneficiary bank; Reimbursing bank
88. Which of the following debt instrument involves lowest risk?
- a. Munis
  - b. Junk Bonds
  - c. Corporate bonds
  - d. Treasury Bills
  - e. Yarkee Bonds
89. Following are the types of market risks except
- a. Currency Risk
  - b. Commodity Risk
  - c. Interest Rate Risk

- d. Credit Risk
- e. Equity Risk

90. When the Central Bank of a country decides to change the interest rates, it is a manifestation of which of the following?

- a. Money Policy
- b. Money Making
- c. Money Market
- d. monetary policy.
- e. .

91. In terms of computation, which of the following is the fastest method for calculating VaR?

- a. All would take equal time if done using a software
- b. Variance-Covariance Matrix
- c. Monte Carlo Simulation
- d. Historical Simulation
- e. A combination of Monte Carlo and Historical Simulation

92. ABC co. wants to identify the best way for making salary credits to its huge employee base. Can you select the best option?

- a. Paper Checks
- b. Automated Clearing House
- c. Cash
- d. Contactless Payments

93. In an economy where inflation is 4%, future value of 100 units of money after 2 years would be which of the following options?

- a. Exactly 108
- b. None of the listed options
- c. Exactly 100
- d. Around Rs. 104
- e. 108.16

Solution:

$$FV = PV \times (1 + i)^n = 100(1 + 0.04)^2 = 108.16$$

FV: Future Value at the end of n time periods,

PV: Beginning value OR Present Value

i: Interest rate per unit time period

n: Number of time periods

94. If R is the real rate of interest, N is the nominal rate of interest and I is the rate of inflation, then:

- a.  $R = N \cdot I$
- b.  $R = N * I$
- c.  $R = N + I$
- d.  $R = N/I$

95. FFELP or the Federal Family Education Loan Program can be of which type?
- a. Federal Stafford
  - b. Consolidation loans
  - c. Federal PLUS
  - d. Graduate Plus (its not their in FFELP type)
  - e. All of the listed Options

96. What is the settlement standard followed in the US?
- a. T+1
  - b. T+4
  - c. T+2
  - d. T+3

Normal T+3 settlement cycle. When confirmation /affirmation completed are -> T+2

97. P&L Statements represent transactions over a period of time while the balance sheet shows information as on Specific date. State True or False.
- a. True
  - b. False

98. Which of the following is not the example of options?
- a. Put Option
  - b. Oil Futures
  - c. Swaption
  - d. Call Option
  - e. LEAPS (Long Term Options)

99. What are Yankee bonds also Know as?
- a. Junk bonds
  - b. None of the listed Options
  - c. Shares
  - d. Call Options
  - e. T-Bills

100. The share price of a company may drop considerably from its current levels. In this scenario, what type of risk are the investors facing?
- a. Market Risk
  - b. Business Risk
  - c. Credit Risk

- d. Company Risk
- e. Liquidity Risk

101. From the following options, find what type of risks that a software export company may face?

- a. Operational Risk
- b. It can face all the risks
- c. Legal Risk
- d. Currency Risk
- e. Credit Risk

102. The Federal funds rate

- a. Is the rate commercial banks use as a benchmark for evaluating their largest borrowers
- b. Is inversely related to the prime rate
- c. None of the listed Options
- d. Is a primary policy target of the Fed in conducting monetary policy
- e. Is the rate the Fed charges on overnight loans to commercial banks

103. A bank has a portfolio of \$50 million worth of loans out of which it wants to sell \$20 million worth of loan to another financial institution. What is this process called?

- a. Held for Sale Loans
- b. Trading Loans
- c. Accrual Loans
- d. Undrawn Loan
- e. Committed Loans

104. You purchased a stock for \$40. One year later you received \$2 as dividend and sold the share for \$48. How much is the return of holding period?

- a. 50 percentage
- b. 45 percentage
- c. 10 percentage
- d. 25 percentage
- e. None of the listed options

105. Money laundering refers to which of the following option?

- a. All of the listed options
- b. Extending loans to corporate
- c. Short term borrowing & placements
- d. Converting the profits from criminal activities into legitimate funds

106. Banks are financial institutions that are licensed to accept deposits and issue loans.  
State True or False

- a. True
- b. False

107. In FOP mode of Settlement, there is no simultaneous exchange of securities and payment State True or False

- a. True
- b. False

108. The type of loan in which spread varies over the life of the loan is called \_\_\_\_\_.

- a. Positive spread loan
- b. Fixed rate loan
- c. Semi-fixed rate loan
- d. Negative spread loan
- e. Floating rate loan

109. Which of the following combination holds true?

- a. wire transfer, more costly than other payment alternatives
- b. commercial letter of credit, Improves applicants credit facilities
- c. Foreign Checks Not useful for cross border trade
- d. Documentary collection, Strict compliance rules apply
- e. Standby letter of credit, less costly than documentary collection

110. Which of the following type of loan requires the amount of interest that would be earned on the amount of interest paid upfront by the borrower?

- a. Demand loan
- b. True discounted Loan
- c. Capitalized loan
- d. Amortized loan
- e. Discounted loan

111. Which of the following is not a derivative?

- a. Bonds
- b. Futures
- c. Options
- d. Swaps
- e. Forwards

112. TARP stands for which of the following options?

- a. Term Assets Reform Program
- b. None of the Listed options
- c. Term Assets Relief Program
- d. Troubled Assets Relief Program
- e. Troubled Assets Reform Program

113. If the Limit = \$2000, Margin = 20% and Asset value = \$2000, then Drawing Power for an Open ended loan is equal to



- a. 2200
- b. 2000
- c. 1600
- d. 2400
- e. None of the listed options

Solution:

Limit (L) max outstanding allowed

Margin (M) percentage of limit that can be drawn

Asset value (AV) value of underlying asset

Drawing Power (DP) - lower of L and  $(1-M)*AV$

$$DP = (1-0.20)*2000 = 1600$$

114. ..

- a. 20000
- b. 17000
- c. 18000
- d. 15000

115. Customers usually interact extensively with the banks mid and back offices. State True or False

- a. True
- b. False

116. In Normal Distribution 99% confidence interval corresponds to \_\_\_\_\_

- a. 2.33 Sd
- b. 1.65 Sd
- c. 1.96 sd
- d. 3 Sd
- e. 1 Sd

117. At the end of an active trading day, a broker sees that he has a net position in 6 securities, and owes the system some money. How many settlement transactions will take place at the end of the settlement cycle?

- a. 6 any 5 as transfer of securities and 1 as securities-versus-cash
- b. Neither the number of securities nor the number of cash transactions can be determined
- c. 7, 6 as transfers of securities and 1 as transfer of cash
- d. 6, all 6 as securities-versus-cash
- e. 1 as transfer of cash, but the number of transactions for securities cannot be determined.

118. A person purchases a share at \$50. After 2 years, the price is at \$75 and he decides to sell the share at that price. What is the annualized return that the person has earned?
- a. 0.6667
  - b. 0.3333
  - c. 0.5
  - d. 0.2247
  - e. None of the listed options
119. Which of the following operations cannot be done on a LC (Letter of Credit)?
- a. Purchase
  - b. Discount
  - c. Acceptance
  - d. None of the Listed options
120. Which of the following is a treasury management system?
- a. TS2
  - b. Front Arena
  - c. .
  - d. .
  - e. ..
121. Which of the following are involved in the retail brokerage business in US?
- a. Freddie Mae
  - b. E-Trade
  - c. Ginnie Mae
  - d. Sallie Mae
  - e. Federal Reserve
122. Which of the following methods eliminate country risk and commercial risk upon confirmation?
- a. Back to back Letter of Credit. Documentary collection
  - b. Documentary Collection, Letter of Credit
  - c. Letter of Credit, Back to back Letter of credit
  - d. Standby Letter of credit, Letter Credit
  - e. Documentary Collection, Stand by letter of Credit
123. All of the following are valid means for a custody client to communicate trade instructions to its custodian, EXCEPT
- a. SWIFT networks
  - b. FEDWIRE
  - c. By Fax
  - d. By Telephone
124. SPV means

- a. Security Purpose vehicle
- b. None of the listed options
- c. Securitized planning Vehicle
- d. Special principal vehicle
- e. Special purpose vehicle

125. NPV stands for

- a. Net Present Value
- b. New Present Value
- c. No Present Value
- d. Net Past Value

126. SMA offers investors a customized approach to investing. Rather than a generic product. State True or False

- a. True
- b. False

127. If total Spread on underwriting is \$ 500000 and Managers fee is \$100000. What is the amount which will be disturbed in the syndicate?

- a. Cannot be determined
- b. 600000
- c. 400000
- d. 100000
- e. 500000

128. An investor has multiple investment options yielding various dollar returns at various points of time, while he is comfortable with a return of X% p.a. Which method should he use to compare the various investments?

- a. External Rate of Return
- b. Compound Interest
- c. Simple Interest
- d. Internal Rate of Return
- e. Net present value

129. In case of Auto finance, monthly lease payments are usually lower than monthly loan payments because of which reason?

- a. Customer is paying only for depreciation
- b. Customer is paying only for Fees
- c. All of the listed Options
- d. Customer is paying only for Taxes
- e. Customer is paying only for Rent Charges

130. In Electronic Check Conversion (ECC). What happens once the check is processed?

- a. The customer can present a check to a store cashier

- b. The customer signs a receipt authorizing the store to present the check to the bank electronically and deposit the funds into the bank account
- c. Receive Cash immediately
- d. All of the Listed options

Missing Question

1. Which of the following represents the correct hierarchy of corporate ratings (highest to lowest)?
  - a. AAA, AA+, BBB, D
  - b. AAA, AA-, D, BBB
  - c. D,C,B,A
  - d. D, AA-, B, AAA
  - e. AAA, AA+, D, AA-

Mutual funds can not invest in

- a. Bond
- b. Equity
- c. Share
- d. None

2. There are five participant A, B, C, D, E and A is a manager. Profit is 500000 and operating charges is 100000. Then how the profit will be distributed among all?

Ans: 20000

3. The initial sale of the security is in the market, while subsequent trading in the security is in the .. market
  - a. Spot, futures
  - b. Debt , Equity
  - c. Primary , Secondary
  - d. Money, Capital
4. Among which is Issuer as well as Acquirer
  - a. Amex
  - b. T-sys
  - c. Elavon
  - d. Front Data Company

## Chapter 6The Tradeoff Between Risk and Return

### MULTIPLE CHOICE

1. Which of the following is an example of systematic risk?
  - a. IBM posts lower than expected earnings.
  - b. Intel announces record earnings.
  - c. The national trade deficit is higher than expected.

d. None of the above.

ANS: C DIF: E REF: 6.4 The Power of Diversification

2. Which of the following is an example of unsystematic risk?

- a. IBM posts lower than expected earnings.
- b. The Fed raises interest rates unexpectedly.
- c. The rate of inflation is higher than expected.
- d. None of the above.

ANS: A DIF: E REF: 6.4 The Power of Diversification

3. What do you call the portion of your total return on a stock investment that is caused by an increase in the value of the stock.

- a. Dividend yield.
- b. Risk-free return.
- c. Capital gain.
- d. None of the above.

ANS: C DIF: E REF: 6.1 Understanding Returns

4. What is one of the most important lessons from capital market history?

- a. Risk does not matter.
- b. There is a positive relationship between risk and return.
- c. You are always better off investing in stock.
- d. T-bills are the highest yielding investment.

ANS: B DIF: E REF: 6.2 The History of Returns

5. What is the purpose of diversification?

- a. Maximize possible returns.
- b. Increase the risk of your portfolio.
- c. Lower the overall risk of your portfolio.
- d. None of the above.

ANS: C DIF: E REF: 6.4 The Power of Diversification

NARRBEGIN: Bavarian Sausage

Bavarian Sausage

You bought a share of Bavarian Sausage stock for \$46.50 at the beginning of the year. During the year

the stock paid a \$2.75 dividend and at the end of the year it trades at \$52.75.

NARREND

6. Refer to Bavarian Sausage. What is the total return of your stock investment?

- a. 5.91%
- b. 13.44%
- c. 26.69%
- d. 19.35%

ANS: D

$(52.75 + 2.75 - 46.5)/46.5 = .1935$

DIF: E REF: 6.1 Understanding Returns NAR: Bavarian Sausage

7. Refer to Bavarian Sausage. What is the capital gain/loss on your stock investment?

- a. 5.91%

- b. 13.44%
- c. 19.35%
- d. 28.24%

ANS: B

$$(52.75 - 46.5) / 46.5 = .1344$$

DIF: E REF: 6.1 Understanding Returns NAR: Bavarian Sausage

8. Refer to Bavarian Sausage. What is the total dollar return on your investment?

- a. \$9.00
- b. \$2.75
- c. \$6.25
- d. \$52.75

ANS: A

$$52.75 + 2.75 - 46.50 = 9$$

DIF: E REF: 6.1 Understanding Returns NAR: Bavarian Sausage

NARRBEGIN: Bavarian Sausage 2

Bavarian Sausage 2

You bought a share of Bavarian Sausage stock for \$46.50 at the beginning of the year. During the year

the stock paid a \$2.75 dividend and at the end of the year it trades at \$44.75.

NARREND

9. Refer to Bavarian Sausage 2. What is the total return on your investment?

- a. 2.15%
- b. -3.76%
- c. 8.06%
- d. 5.91%

ANS: A

$$(44.75 + 2.75 - 46.5) / 46.5 = .0215$$

DIF: E REF: 6.1 Understanding Returns NAR: Bavarian Sausage 2

10. Refer to Bavarian Sausage 2. What is the capital gains yield of your investment?

- a. 2.15%
- b. -3.76%
- c. 8.06%
- d. 5.91%

ANS: B

$$(44.75 - 46.5) / 44.75 = -.0376$$

DIF: E REF: 6.1 Understanding Returns NAR: Bavarian Sausage 2

11. If the return on your common stock investment is on average 18% and the return on Treasury bills was

5% over the same period of time, what is the risk premium that you earned.

- a. 23%
- b. 13%
- c. 18%
- d. 5%

ANS: B

$$18-5 = 13$$

DIF: E REF: 6.2 The History of Returns

NARRBEGIN: Stock Returns

Year Return

Stock A Stock B Stock C

1 15% 12% 5%

2 25% 14% -6%

3 8% 9% 10%

4 16% 25% 1%

5 5% 3% 15%

NARREND

12. What is the variance of returns for stock A?

a. .00607

b. .00653

c. .00655

d. .00506

ANS: A

$$\text{avg} = (.15 + .25 + .08 + .16 + .05)/5 = .138$$

$$\text{Var} = .00607$$

DIF: E REF: 6.3 Volatility and Risk NAR: Stock Returns

13. What is the standard deviation of returns for stock A?

a. 8.09%

b. 8.08%

c. 7.79%

d. 6.53%

ANS: C

$$.00607^{(1/2)} = .0779$$

DIF: E REF: 6.3 Volatility and Risk NAR: Stock Returns

14. What is the variance of returns for stock B?

a. .00653

b. .00607

c. .00528

d. .00721

ANS: A

$$\text{avg} = .126$$

$$\text{Var} = .00653$$

DIF: E REF: 6.3 Volatility and Risk NAR: Stock Returns

15. What is the standard deviation of returns for stock C?

a. 7.79%

b. 8.52%

c. 8.09%

d. 6.38%

ANS: C

$$\text{avg} = .05$$

$$\text{Var} = .0065$$

$$\text{Stdv} = .0809$$

DIF: E REF: 6.3 Volatility and Risk NAR: Stock Returns

16. What is the average return for stock A?

- a. 12.6%
- b. 13.8%
- c. 5.00%
- d. 8.26%

ANS: B

$$\text{avg} = (.15 + .25 + .08 + .16 + .05)/5 = .138$$

DIF: E REF: 6.3 Volatility and Risk NAR: Stock Returns

17. What is the average return of stock B?

- a. 13.8%
- b. 12.6%
- c. 5.00%
- d. 8.52%

ANS: B

$$(.12 + .14 + .09 + .25 + .03)/5 = .126$$

DIF: E REF: 6.3 Volatility and Risk NAR: Stock Returns

18. What is the average return of stock C?

- a. 13.8%
- b. 12.6%
- c. 5.00%
- d. 8.52%

ANS: C

$$(.05 - .06 + .10 + .01 + .15)/5 = .05$$

DIF: E REF: 6.3 Volatility and Risk NAR: Stock Returns

19. What is the average return of a portfolio that has 30% invested in stock A, 30% invested in stock B

and 40% invested in stock C?

- a. 9.92%
- b. 12.6%
- c. 7.59%
- d. 13.8%

ANS: A

$$.3(.126) + .3(.138) + .4(.05) = .0992$$

DIF: E REF: 6.4 The Power of Diversification NAR: Stock Returns

20. What is the average return of a portfolio that has 10% invested in stock A, 40% invested in stock B

and 50% invested in stock C?

- a. 9.92%
- b. 15.32%
- c. 13.80%
- d. 8.92%



ANS: D

$$.1(.138) + .4(.126) + .5(.05) = .0892$$

DIF: E REF: 6.4 Volatility and Risk NAR: Stock Returns

21. What is the average return of a portfolio that has 45% invested in stock A, 35% invested in stock B and the rest invested in stock C?

- a. 9.92%
- b. 11.62%
- c. 10.62%
- d. 12.48%

ANS: B

$$.45(.138) + .35(.126) + .25(.05) = .1162$$

DIF: E REF: 6.4 Volatility and Risk NAR: Stock Returns

22. Bavarian Sausage stock has an average historical return of 16.3% and a standard deviation of 5.3%. In which range do you expect the returns of Bavarian Sausage 95% of the time.

- a. 5.7%:26.9%
- b. 5.3%:16.3%
- c. 11.00%:21.6%
- d. 6.2%:18.5%

ANS: A

$$16.3 \pm 2(5.3) = 5.7: 26.9$$

DIF: M REF: 6.3 Volatility and Risk

23. Bavarian Sausage stock has an average historical return of 16.3% and a standard deviation of 5.3%. In which range do you expect the returns of Bavarian Sausage 68% of the time.

- a. 5.7%:26.9%
- b. 5.3%:16.3%
- c. 11.0%:21.6%
- d. 6.2%:18.5%

ANS: C

$$16.3 \pm 5.3 = 11.0; 21.6$$

DIF: M REF: 6.3 Volatility and Risk

24. Bavarian Sausage stock has an average historical return of 16.3% and a standard deviation of 5.3%.

What is the probability that the return on Bavarian Sausage will be less than 11%?

- a. 84%
- b. 50%
- c. 16%
- d. 32%

ANS: C

$$1 - .5 - .34 = .16$$

DIF: H REF: 6.3 Volatility and Risk

25. Bavarian Sausage stock has an average historical return of 16.3% and a standard deviation

of 5.3%.

What is the probability that the return on Bavarian Sausage will be higher than 26.9 %?

- a. 5%
- b. 2.5%
- c. 16%
- d. 95%

ANS: B

$$26.9 = 16.3 + 2(5.3)$$

$$\text{prob} = 1 - .5 - .475 = .025$$

DIF: H REF: 6.3 Volatility and Risk

26. Which of the following is not part of the procedure for valuing a risky asset?

- a. determining the assets expected cash flows
- b. choosing a discount rate that reflects the assets risk
- c. calculating the present value
- d. determining whether the project is mutually exclusive or not

ANS: D DIF: M REF: Learning Objectives

27. The total return of an asset captures

- a. income paid by an asset over time.
- b. the capital gain or loss on the asset over time.
- c. the book value of the asset over time.
- d. a and b are both correct.

ANS: D DIF: M REF: 6.1 Understanding Returns

28. If you were to purchase an asset for \$100 today and receive a dividend of \$5 at the end of the year in

addition to selling the asset for \$110, then what would the capital gain on the asset be?

- a. 15%
- b. 10%
- c. 5%
- d. none of the above

ANS: B

$$(110 - 100)/100$$

DIF: E REF: 6.1 Understanding Returns

29. You purchased a 10 year, 6% coupon bond (the bond makes semi-annual payments) last year based

upon a discount rate of 6%. One year later the discount rate has fallen to 5.5%. What is your total

return on the bond?

- a. 6.000%
- b. 3.512%
- c. 9.512%
- d. none of the above

ANS: C

Price at purchase: 1,000

$$\text{Price on year later: } 30\text{PVIFA}(19, 5.5\%) + 1,000\text{PVIF}(19, 5.5\%) = 1,035.12$$

Cash received during the year:  $2 \times 30 = 60$

Total return:  $(35.12 + 60) / 1,000 = .09512$

DIF: M REF: 6.1 Understanding Returns

30. You purchased WPC common shares for \$50 one year ago. You have received total dividends equal to \$8 during the year. If your total return during the period is 12%, then what was the price of WPC

when you sold the stock today?

- a. \$52.00
- b. \$48.00
- c. \$98.00
- d. none of the above

ANS: B

$.12 = (8/50) + ((P - 50)/50) \implies P = 48$

DIF: H REF: 6.1 Understanding Returns

31. You purchased stock of Blue McBrushes Corp one year ago for \$85 and generated a total return of 20% during that time. If you just sold the stock for \$89.50, then what were the total dividends that

you received during the year?

- a. \$12.50
- b. \$12.73
- c. \$13.18
- d. none of the above

ANS: A

$.2 = (d/85) + ((89.5 - 85)/85) \implies d = 12.5$

DIF: H REF: 6.1 Understanding Returns

32. From 1900 through 2003, which asset class had the greatest average annual return?

- a. equities
- b. corporate bonds
- c. U.S. Government bonds
- d. U.S. Government bills

ANS: A DIF: E REF: 6.2 The History of Returns

33. The additional return offered by a more risky investment relative to a safer one is called

- a. the risk-free rate.
- b. the risky return.
- c. the risk premium.
- d. the insurance premium.

ANS: C DIF: E REF: 6.2 The History of Returns

34. You are analyzing the performance of different asset classes for a foreign economy. You find that

over the last 60 years the average annual return for equities was 12% while that of corporate bonds

was 10% and the rate of inflation was about 3%. If inflation was projected to be around 1% for

the  
forseeable future, then what would you project the return of equities to be during that same  
forseeable  
period?

- a. 12%
- b. 11%
- c. 10%
- d. 9%

ANS: C

$$1\% + (12\% - 3\%) = 10\%$$

DIF: M REF: 6.2 The History of Returns, Applying the Model

35. The statistical term, variance is defined as

- a. the expected value of deviations from the mean.
- b. the expected value of squared deviations from the mean.
- c. the sum of squared deviations from the mean.
- d. the sum of squared deviations from the mean divided by the number of observations available.

ANS: B DIF: M REF: 6.3 Volatility and Risk

36. You are introduced to an investment that has an expected return of 20% equal to the  
standard deviation

of the distribution of returns. What is the probability that the investment will lose some of your  
initial

investment in the first year?

- a. 50%
- b. 34%
- c. 16%
- d. unable to determine from the information given

ANS: C

$$\text{expected return} = \text{std} = .2$$

$$P(\text{of investment loss}) = P(\text{return} < 0)$$

One standard deviation to the left of the expected return is  $20\% - 20\% = 0$

$$\implies P(\text{return} < 0) = 16\% \text{ (or } 50\% - 34\%)$$

DIF: H REF: 6.3 Volatility and Risk

37. You are introduced to an investment that has an expected return of 20% equal to the  
standard deviation

of the distribution of returns. What is the probability that the investment will have a return less  
than

20% in the first year? Assume a normal distribution.

- a. 0%
- b. 50%
- c. 68%
- d. not enough information to determine

ANS: B DIF: E REF: 6.3 Volatility and Risk

38. Your family has invested in a security over the last 100 years. The expected return during

that period  
has been .15 and the variance of the returns has been .048. Your investment advisor told you that the  
security had a 95th percentile performance (with respect to its historical performance) this  
period.

What was the actual return during the period?

- a. 15.0%
- b. 19.8%
- c. 37.0%
- d. 58.8%

ANS: D

$$E(X) = .15, \text{Var}(X) = .048 \implies \text{Std}(X) = .219$$

$$\text{Return} = .15 + 2(.219) = .15 + .438 = .588$$

DIF: H REF: 6.3 Volatility and Risk

39. Over the last 3 years you have earned 5%, 7%, and 9% on your portfolio. What is the  
standard

deviation of the returns of that portfolio?

- a. .07
- b. .02
- c. .0004
- d. none of the above

ANS: B

$$E(X) = (.05 + .07 + .09)/3 = .07$$

$$\text{Var}(X) = ((.05 - .07)^2$$

$$+ (.07 - .07)^2$$

$$+ (.09 - .07)^2$$

$$)/ (3 - 1) = .0004$$

$$\text{Std}(X) = (.0004)^{1/2} = .02$$

DIF: H REF: 6.3 Volatility and Risk

40. You have it on good account that the probability of good returns on energy investments is  
equal to that

of poor returns. If we define good returns as 100% while that of poor returns is 50%, then what  
is the

probability of getting an exact return of 75% in the next year?

- a. 50%
- b. 25%
- c. 0%
- d. there is not enough information to solve the problem.

ANS: C

2 possibilities on any given draw: 100% or 50%  $\implies P(50\% \text{ return}) = 0$

DIF: M REF: 6.3 Volatility and Risk

41. If you were to plot the return of asset classes on a graph with the standard deviation of  
returns on the

horizontal axis and expected returns on the vertical axis, then which security class is most likely

to be  
in the farthest upper right hand corner of the graph?

- a. Treasury Bills
- b. Treasury Bonds
- c. Corporate Bonds
- d. Stocks

ANS: D DIF: M REF: 6.3 Volatility and Risk

42. Which of the following asset classes would give you the greatest probability of achieving a return that

is closest to its expected return?

- a. Treasury Bills
- b. Treasury Bonds
- c. Corporate Bonds
- d. Stocks

ANS: A DIF: M REF: 6.3 Volatility and Risk

43. You are presented with 4 distinct investment opportunities involving a Treasury Bill, a Treasury Bond, a Corporate Bond, and a Stock. You are told that each of these investments are expected to produce

(after the cash is paid out then no other cash flows are anticipated) \$100 one year from now. Which

asset should be the least expensive today, in terms of dollars that you will have to pay for the asset?

- a. Treasury Bills
- b. Treasury Bonds
- c. Corporate Bonds
- d. Stocks

ANS: D

Greatest risk ==== greatest discount rate ===? cheapest price today  
Stocks

DIF: H REF: 6.3 Volatility and Risk

44. If the standard deviation of a diversified portfolio is 20% and if the stocks in that portfolio are positively correlated, then what would we expect the average standard deviation of stocks in that

portfolio to be?

- a. less than 20%
- b. 20%
- c. greater than 20%
- d. you would need to know the percentage of each stock invested in that portfolio to determine the answer

ANS: C DIF: M REF: 6.4 The Power of Diversification

45. If we are able to eliminate all of the unsystematic risk in a portfolio then, what is the result?

- a. a risk-free portfolio
- b. a portfolio that contains only systematic risk

- c. a portfolio that has an expected return of zero
- d. such a portfolio cannot be constructed since there will always be unsystematic risk in any portfolio

ANS: B DIF: E REF: 6.4 The Power of Diversification

46. Stock X has 3 units of systematic risk and 2 units of unsystematic risk while Stock Y has 3 units of

systematic risk and 4 units of unsystematic risk. If Stock X is priced to generate an 8% return for investors then what do we know about the return that Stock Y should be priced to return?

- a. Stock Y should be priced to return greater than 8%
- b. Stock Y should be priced to return 8%
- c. Stock Y should be priced to return less than 8%
- d. there is not enough information to solve this problem

ANS: B DIF: M REF: 6.4 The Power of Diversification

47. Based upon the following levels of risk, which stock should have the highest price if each stock is

expected to produce the same level of cash over the future life of each asset?

Systematic risk units Unsystematic risk units

Stock A 10 3

Stock B 12 5

Stock C 5 300

- a. Stock A
- b. Stock B
- c. Stock C
- d. there is not enough information to decide

ANS: C

Least systematic risk =====> lowest discount rate =====> highest price

Stock C

DIF: M REF: 6.4 The Power of Diversification

48. You have the choice of introducing either Stock X or Stock Y into your fully diversified portfolio.

Both stocks have 5 units of systematic risk while Stock X has 6 units of unsystematic risk and Stock Y

has 8 units of unsystematic risk. Which stock offers the greatest opportunity from diversification?

- a. Stock X
- b. Stock Y
- c. both stock offer the same opportunity
- d. there is not enough information to determine the answer

ANS: B DIF: E REF: 6.4 The Power of Diversification

NARRBEGIN: Hillary

Hillary Investments

Between 1999 and 2003, Hillary Investments has produced returns as follows:

1999 8%

2000 3%

2001 -1%

2002 -5%

2003 -3%

NARREND

49. Calculate the expected return for Hillary Investments.

a. .003

b. .004

c. .005

d. .006

ANS: B

$$(.08 + .03 + -.01 + -.05 + -.03)/5 = .004$$

DIF: E REF: 6.3 Volatility and Risk NAR: Hillary

50. What is the variance of the return of Hillary Investments?

a. .01072

b. .00268

c. .00214

d. none of the above

ANS: B

$$((.08 - .004)^2$$

$$+ (.03 - .004)^2$$

$$+ (-.01 - .004)^2$$

$$+ (-.05 - .004)^2$$

$$+ (-.03 - .004)^2$$

$$)/ (5 - 1) = .00268$$

DIF: H REF: 6.3 Volatility and Risk NAR: Hillary

NARRBEGIN: Exhibit 6-1

Exhibit 6-1

Suppose that an investor bought a bond last year for \$980. The bond pays a 7% annual coupon and

has a face value of \$1,000. Today, the same bond is selling for \$960.

NARREND

51. Refer to Exhibit 6-1. If the investor sells the bond this morning, what is the total dollar return of the investment?

a. -\$40

b. \$30

c. \$50

d. \$70

ANS: C

$$= \$70 + (-\$20) = \$50$$

DIF: E REF: 6.1 Understanding Returns NAR: Exhibit 6-1

52. Refer to Exhibit 6-1. If the investor sells the bond this morning, what is the total percentage return of the investment?



- a. 5.10%
- b. 5.21%
- c. 7.00%
- d. 9.18%

ANS: A

$$r = (\$70 + (\$960 - \$980)) / \$980 = 5.10\%$$

DIF: M REF: 6.1 Understanding Returns NAR: Exhibit 6-1

NARRBEGIN: Terry Corporation

Terry Corporation

One year ago, Jason purchased 50 shares of Terry Corporation stock at \$20 per share. Today, one

year later, the stock pays a \$2 per share dividend and the price is now \$22 per share.

NARREND

53. Refer to Terry Corporation. What is the total dollar return on the investment for the one year?

- a. \$4
- b. \$50
- c. \$75
- d. \$200

ANS: D

$$\text{Last year} = 50 * \$20 = \$1,000$$

$$\text{This year} = 50 * (\$22 + \$2) = \$1,200$$

$$\text{Dollar gain} = \$1,200 - \$1,000 = \$200$$

DIF: E REF: 6.1 Understanding Returns NAR: Terry Corporation

54. Refer to Terry Corporation. What is the total percentage return on the investment for the one year?

- a. 9.09%
- b. 10.00%
- c. 18.18%
- d. 20.00%

ANS: D

$$r = (\$2 + (\$22 - \$20)) / \$20 = \$4 / \$20 = .20$$

DIF: E REF: 6.1 Understanding Returns NAR: Terry Corporation

55. Refer to Terry Corporation. What is the capital gains yield on the investment for the one year?

- a. 9.09%
- b. 10.00%
- c. 18.18%
- d. 20.00%

ANS: B

$$\text{Capital gain} = (\$22 - \$20) / \$20 = .10$$

DIF: E REF: 6.1 Understanding Returns NAR: Terry Corporation

56. What is the risk premium?

- a. It is the risk associated with investing in Treasury bonds.

- b. It is the difference in annual returns between common stocks and Treasury bills.
- c. It is the annual return associated with investing in Treasury bonds.
- d. It is the variance in stock market returns over the last fifty years.

ANS: B DIF: M REF: 6.2 The History of Returns

NARRBEGIN: Big Diesel Incorporated

Big Diesel Incorporated

Consider the following historical returns for Big Diesel Incorporated:

YEAR Return

1999 5%

2000 9%

2001 -8%

2002 5%

2003 20%

NARREND

57. Refer to Big Diesel Incorporated. What is the average return over the five year time period?

- a. 6.00%
- b. 6.20%
- c. 6.40%
- d. 6.60%

ANS: B

avg. return =  $(.05 + .09 - .08 + .05 + .20)/5 = .31/5 = .062$

DIF: E REF: 6.3 Volatility and Risk NAR: Big Diesel Incorporated

58. Refer to Big Diesel Incorporated. What is the standard deviation of the returns over the five year time period?

- a. 8.97%
- b. 9.25%
- c. 9.74%
- d. 10.03%

ANS: D

avg. return =  $(.05 + .09 - .08 + .05 + .20)/5 = .31/5 = .062$

sum of squared deviations =  $(.05 - .062)^2$

+  $(.09 - .062)^2$

+  $(-.08 - .062)^2$

+  $(.05 - .062)^2$

+  $(.20 - .062)^2$

=

.04028

standard deviation =  $(1/4 * 0.04028)^.5 = .1003$

DIF: H REF: 6.3 Volatility and Risk NAR: Big Diesel Incorporated

59. Refer to Big Diesel Incorporated. If we assume that these returns represent the full sample of Big

Diesel returns, what is the 95% confidence interval for Big Diesel returns next year?

- a. Between -13.86% and 26.26%

- b. Between -11.74% and 42.08%
- c. Between 6.20% and 20.06%
- d. Between -3.83% and 17.94%

ANS: A

$$\text{avg. return} = (.05 + .09 - .08 + .05 + .20)/5 = .31/5 = .062$$

$$\text{sum of squared deviations} = (.05 - .062)^2$$

$$+ (.09 - .062)^2$$

$$+ (-.08 - .062)^2$$

$$+ (.05 - .062)^2$$

$$+ (.2 - .062)^2$$

=

$$.04028$$

$$\text{standard deviation} = (1/4 * 0.04028)^.5 = .1003$$

$$.062 \pm .1003 = -.1386, .2686$$

DIF: H REF: 6.3 Volatility and Risk NAR: Big Diesel Incorporated

60. Consider the following historical returns for Big Diesel Incorporated and inflation for the United

States economy:

YEAR

Big Diesel

Return Inflation

1999 5% 2.00%

2000 9% 2.00%

2001 -8% 2.20%

2002 5% 2.20%

2003 20% 2.20%

What is the average real return for Big Diesel over the five year time period?

- a. 2.92%
- b. 3.40%
- c. 4.00%
- d. 4.12%

ANS: C

$$\text{avg. nominal return} = (.05 + .09 - .08 + .05 + .20)/5 = .31/5 = .062$$

$$\text{avg. inflation} = (.02 + .02 + .022 + .022 + .022)/5 = .106/5 = .0212$$

$$1 + \text{avg. real return} = (1 + \text{nom}) / (1 + \text{infl}) = (1.062)/(1.0212) = 1.04$$

$$\text{Avg. real return} = 4.00\%$$

DIF: M REF: 6.3 Volatility and Risk

61. Inflation, recession, and higher interest rates are economic events that are characterized as:

- a. Company-specific risk that can be diversified away.
- b. Market risk.
- c. Systematic risk that can be diversified away.
- d. Diversifiable risk

ANS: B DIF: M REF: 6.4 The Power of Diversification

62. A financial publication states that Stone Cold stock had a return of 15% last year. If the price

of

Stone Cold went from \$20 to \$20.75 over the last year, what dividend was paid?

- a. \$2.00
- b. \$2.15
- c. \$2.25
- d. \$2.36

ANS: C

$$.15 = (X + (\$20.75 - \$20))/\$20$$

$$\$3 = X + \$.75$$

$$X = \$2.25$$

DIF: E REF: 6.1 Understanding Returns

63. A financial publication states that Stone Cold stock had a return of 15% last year. If the price of

Stone Cold went from \$20 to \$20.75 over the last year, what was the dividend yield over the last year?

- a. 10.25%
- b. 11.25%
- c. 13.25%
- d. 14.25%

ANS: B

$$.15 = (X + (\$20.75 - \$20))/\$20$$

$$\$3 = X + \$.75$$

$$X = \$2.25$$

$$\text{Dividend yield} = \$2.25/\$20 = .1125$$

DIF: E REF: 6.1 Understanding Returns

NARRBEGIN: Exhibit 6-2

Exhibit 6-2

You purchased a bond last year that pays an 8% annual coupon with a face value of \$1,000. At the

time of purchase, the bond had a yield to maturity of 10% and had 10 years until maturity.

Today, the

bond trades at a yield to maturity of 9%.

NARREND

64. Refer to Exhibit 6-2. What was the dollar return of this investment over the last year?

- a. \$80
- b. \$93
- c. \$143
- d. \$160

ANS: C

Bond price last year:

$$N = 10, I = 10\%, PV = ?, PMT = \$80, FV = \$1,000$$

$$PV = \$877.11$$

Bond price today:

$$N = 9, I = 9\%, PV = ?, PMT = \$80, FV = \$1,000$$

PV = \$940.05

Dollar return = \$80 + \$940.05 - \$877.11 = \$142.94

DIF: M REF: 6.1 Understanding Returns NAR: Exhibit 6-2

65. Refer to Exhibit 6-2. What was the percentage return of this investment over the last year?

- a. 8.00%
- b. 9.00%
- c. 15.21%
- d. 16.30%

ANS: D

Bond price last year:

N = 10, I = 10%, PV = ?, PMT = \$80, FV = \$1,000

PV = \$877.11

Bond price today:

N = 9, I=9%, PV=?, PMT=\$80, FV=\$1,000

PV = \$940.05

Percentage return = (\$80 + \$940.05 - \$877.11)/\$877.11 = 0.1630

DIF: M REF: 6.1 Understanding Returns NAR: Exhibit 6-2

66. An investor seeks a 4% real return on his investment in a stock fund. If there is 3% inflation in the

economy, what nominal return must this stock fund provide to meet his objective?

- a. 1%
- b. 4%
- c. 7.12%
- d. 9.71%

ANS: C

$1 + \text{real} = (1 + \text{nominal}) / (1 + \text{inflation})$

$1.04 = (1 + X) / (1.03)$

DIF: E REF: 6.2 The History of Returns

67. Which statement is FALSE regarding risk and return?

- a. For broad asset classes, the relationship between risk and return is nearly linear.
- b. Adding multiple stocks to a portfolio can reduce non-systematic risk.
- c. There is a nearly linear relationship between risk and return for individual stocks.
- d. Because investors can easily eliminate risk through diversification, investors should only be rewarded for non-diversifiable risk.

ANS: C DIF: M REF: 6.4 The Power of Diversification

68. Which statements are TRUE regarding risk and return?

Statement I: Diversification is the process of removing systematic risk from a portfolio.

Statement II: In general, the greater the risk, the greater the return required by an investor.

Statement III: Investors should focus on real returns if they are concerned about the purchasing power of their wealth.

- a. Statement I only
- b. Statements I and III only
- c. Statements II and III only

d. Statements I and II only

ANS: C DIF: M REF: 6.4 The Power of Diversification

NARRBEGIN: Exhibit 6-3

Exhibit 6-3

Consider the following information concerning stock returns and bond returns over the last 75 years:

Average Return 1934-2004

Stocks 11.7%

Treasury Bills 4.1%

NARREND

69. Refer to Exhibit 6-3. Currently, Treasury bills yield 2.50% on the secondary market. What is a good estimate for the return on the stock market in the next year given this information?

- a. 6.60%
- b. 7.60%
- c. 10.10%
- d. 11.70%

ANS: C

risk premium =  $11.7\% - 4.1\% = 7.6\%$

return = T-bill + risk premium =  $2.50\% + 7.60\%$

DIF: M REF: 6.2 The History of Returns NAR: Exhibit 6-3

70. Refer to Exhibit 6-3. Currently, investors want a 12% return on stocks as a whole. Based on this

information, what is a good estimate for the current return on Treasury Bills?

- a. 4.10%
- b. 4.40%
- c. 7.20%
- d. 7.60%

ANS: B

Risk premium =  $11.7\% - 4.1\% = 7.6\%$

Return = T-bill + risk premium =  $X + 7.60\% = 12\%$

$X = 4.40\%$

DIF: M REF: 6.2 The History of Returns NAR: Exhibit 6-3

71. A bond was purchased last year for \$900. The bond pays a 10% annual coupon and has a face value

of \$1,000. Today, the bond has a coupon yield of 8%. What is the total return for this bond over the

last year?

- a. 8%
- b. 10%
- c. 39%
- d. 50%

ANS: D

Price Today:

Coupon yield = 8% = \$100/Todays price

Todays price = \$1,250

Total return =  $(\$100 + \$1250 - \$900) / \$900 = .50$

DIF: M REF: 6.1 Understanding Returns

72. Which statement is TRUE regarding diversification?

- a. The greater the systematic risk, the greater the return required by the investor.
- b. The greater the diversifiable risk, the greater the return required by the investor.
- c. We are able to remove all systematic risk if enough stocks are added to a portfolio.
- d. Systematic risk is diversifiable.

ANS: A DIF: M REF: 6.4 The Power of Diversification

73. A brochure for an investment company reports average nominal returns of 9% per year. If the

economy has averaged 3% inflation over these years, what is the average real return for this investment company?

- a. 3.00%
- b. 5.83%
- c. 6.00%
- d. 9.00%

ANS: B

$1 + \text{real} = (1 + \text{nominal}) / (1 + \text{inflation})$

$\text{real} = (1.09) / (1.03) - 1 = .0583$

DIF: E REF: 6.1 Understanding Returns

74. Suppose you are interested in the following two stocks:

Stock Expected Return

Alpha 10%

Beta 6%

What is your expected portfolio return if you put 40% of your investment in Alpha, and 60% of your

investment in Beta?

- a. 7.20%
- b. 7.60%
- c. 8.00%
- d. 8.40%

ANS: B

$= .4 * 10\% + .6 * 6\% = 7.60\%$

DIF: M REF: 6.4 The Power of Diversification

75. A stock was purchased two years ago for \$20. The stock does not pay dividends and sells today for

\$26.00. If sold today, what was the annual realized return on your investment?

- a. 9%
- b. 12%
- c. 14%
- d. 15%

ANS: C

$N = 2$ ,  $I = ?$ ,  $PV = -\$20$ ,  $PMT = \$0$ ,  $FV = \$26$

$I = 14\%$

DIF: H REF: 6.1 Understanding Returns

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) are terms most closely related to which of the following industries/markets? - Banking Industry

Almost all Banks in India are running special schemes for providing banking services to rural poor. This concept is popularly known as - Financial Inclusion

Organisation of workers in which of the following groups has proved a very effective way of providing micro finance by banks to the rural people and poor in India? - Self Help Groups

Which of the following taxed is not levied by the Government of India? - Professional Tax

What is the maximum period for which domestic term deposits are normally accepted by banks? - 10 years

For using safe deposit locker facilities, bank customers pay - rent on locker

Travellers cheque is - a prepaid instrument issued by a bank or financial institution which can be substitute of cash

Which of the following is NOT a negotiable instrument? - Fixed Deposit Receipt

Banks issue a letter to beneficiary on behalf of its constituents like guarantee for making payment on their behalf on fulfillment of its terms and conditions. What is this arrangement known in banking context? - Letter of Credit

Consumer loans are repaid by borrowers out of Income generated by the financed goods

The term Power of Attorney refers to - All the above

An authority to operate a bank account

An instrument by which a person is empowered to act for another person

Power of a person

If a farmer avails loan against pledge of gold ornaments for his agricultural needs, the loan in this case would be which of the following? - Classified as Gold loan

When RBI lowers credit creation capacity of the system i.e. increase in CRR/SLR, it is said to be following a Tight money policy

What is reinsurance? - It is a form of insurance taken by one insurance company from another insurance company

Which is the latest recovery channel made available to the banks for speedy recovery of NPAs backed by security? - Action under SARFAESI Act

What does BPLR stands for? - Benchmark Prime Lending Rate

Banks report the information about the credit availed by their clients to Credit Reference

Agencies on a Monthly basis

Which of the following acts make ample provision for the disclosure of essential information in accounts? - The Income Tax Act



Which of the following card product launched by the banks is working on the principle of Buy Now Pay Later? - Credit Card

What is Value Added Tax (VAT)? - A single tax that replaces state taxes like surcharge, turnover tax etc

Frequent changes in the cost of which of the following commodities at international levels, push inflation upwards? - Petroleum Products

The CRR is maintained in the form of Cash balance and with RBI

Which of the following terms is NOT directly associated with the functioning of RBI? - Sensex

What does the letter F denote in NBFCs a term seen very frequently in Banking world? - Financial

When bank returns cheque unpaid, it is called - dishonour of the cheque

Which of the following is NOT considered as a money market instrument? - Shares and Bonds  
NRE deposit is - Non Resident External deposit

Teaser Rates are related to which of the following types of loans? - Home loans

Which of the following terms is used in Banking? - Currency

Which of the following carries out Open Market Operations? - Reserve Bank of India

Which of the following is not a mode of foreign capital inflow to India? - No Frills Account

Basel III in banks is being planned to be implemented from which of the following years? - 2012

Non-Banking Financial Company (NBFC) does not have which of the following functions? - Demand Deposits

The branding line of Bank of Baroda is Indias International Bank

What is Call Money? - Money borrowed or lent for a day or over night

Capital Market regulator is SEBI

Which of the following statements is/are correct regarding the Plantation Labour Act, 1951 in defining a child? - 1) According it child means a person who has not completed his fourteenth year, 2) Adolescent means who has completed his fourteenth year, 3) Adult means a person who has completed his eighteenth year

When the Reserve Bank says that the Rupee is over-valued, it means - Rupee is appreciating against other currencies whereas other currencies are weakening against US Dollar

Fiscal deficit is - total expenditure less total receipts excluding borrowings

RBI's open market operation transactions are carried out with a view to regulate Borrowing of the banks, Liquidity in the economy, Prices of essentials commodities, Inflation When more than one bank are allowing credit facilities to one party in coordination with each other under a formal arrangement, the arrangement is generally known as - Consortium

An account in which trading of shares in their electronic form is done, is known as Demat Account

Opening the Savings Bank Account of a minor girl will be called as which of the following in Banking Terminology? - Retail Banking

Which of the following is NOT a measure of the Risk Management in Banks? - RTGS

Many Banks have adopted / launched "Core Banking Solution (CBS)". Core Banking Solution is a delivery channel for quick and fast delivery

Federal Reserves is the Central Bank of USA

In India, the dollar-rupee exchange rates depends upon Demand-supply

Open market operations, one of the measures taken by RBI in order to control credit expansion

in to economy means Issuance of different types of bonds

What is Indian Depository Receipt? - An instrument in the form of depository receipt created by an Indian depository against underlying equity shares of the issuing company

The stance of RBI monetary policy is inflation control with adequate liquidity for growth

Which of the following cannot be called as a Value Added service offered by bank? - Free cheque books

The RBI has asked banks to spell out their policy, procedures and size of the business on which of the following aspects of banking? - Wealth management

What are teaser loan rates charged by banks? - Rate of interest in the initial period is less and goes up subsequently

Which of the following is NOT a financial term? - El Nino effect

The rate of interest on Term Deposits in Banks is stipulated by which of the following? - Individual Banks themselves

Which of the following taxes is collected by the Government of India on sale of goods and services in the country? - VAT

The real return to the investor sometimes gets reduced due to sudden rise in the prices of the commodities. This phenomenon in financial market is known as - Inflation risk

What does the term NSDL stand for? - National Securities Depository Limited

Money Laundering refers to which of the following? - Conversion of Money which is illegally obtained

At which of the following levels, Central Cooperative Banks in India are established? - District level

A bank opened in Special Economic Zone in India comes under which among the following? - Offshore Banking

The Foreign Exchange Reserve of India are kept in the custody of Reserve Bank of India

Many a time we see a term in newspapers IPO. What is the full form of the same? - Initial Public Offer

Which of the following is considered an informal method of getting credit/finance? - Going to money lenders

Your friend has received a sum of Rs. 10000 from his grandparents. He wants to deposit this sum in a bank under a condition of not to withdraw fully or partially for at least two years. He will be needed to open which type of account in the bank? - Fixed deposit account

As we read every then and now the Monetary and Credit Policy is reviewed and changes/corrections are made frequently. Who amongst the following exactly takes this decision in India? -

Sub Prime Lending is a term applied to the loans made to Those borrowers who do not have a good credit history

Many a times we read in financial newspapers a term/name NMCEX. What is the full form of the same? - National Multi Commodity Exchange

As per the reports published in various journals and newspapers the small borrowers in rural areas still prefer to take informal route for their credit needs. Which of the following is the informal route of credit in financial sector? - Money lender

Which of the following is not a banking/finance related term? - Diffusion

What does letter L denote in the term LAF as referred every now and then in relation to

monetary policy of the RBI? - Liquidity

Banks and other financial institutions in India are required to maintain certain amount of liquid assets like cash, precious metals and other short term securities as a reserve all the time. In banking world this is known as Fixed Asset

RBI's open market operation transactions are carried out with a view to regulate All the above

1) Prices of essential commodities

2) Inflation

3) Borrowing power of the banks

4) Liquidity in the economy

Open market operations, one of the measures taken by RBI in order to control credit expansion in the economy means Sale or purchase of govt securities

An instrument that derives its value from a specified underlying (currency. Gold, stocks etc) is known as Hedge Fund

Fiscal deficit is total expenditure less total receipts excluding borrowing

Currency Swap is an instrument to manage cash flows in different currencies

Euro Bond is an instrument issued in a country other than the country of the currency of the Bond

Capital Market Regulator is SEBI

Which of the following cannot be called as a Debt Instrument as referred in financial transactions? - Stocks

Which of the following services provided by a bank in India is not liable for Service Tax as per existing laws? - Discount earned on certain discounted bills

Financial year in Banks is a period between April to March

The tax on short - term capital inflows is named after which Nobel Laureate in economics? - James Tobin

The Ratio of the Cash Reserves that the banks are required to keep with RBI is known as- CRR

The availability of Cash and other cash like marketable instruments that are useful in purchases and investments are commonly known as- Liquidity

The actual return of an investor is reduced sometimes as the prices of the commodities go up all of a sudden. In financial sector this type of phenomenon is known as Market risk

In economics it is generally believed that the main objective of a Public Sector Financial Company like Bank is to Provide financial service to the people of the nation of its origin across the country

Bharat Nirman does not cover which of the following areas? - It covers all the above areas

In a Company the use of price sensitive corporate information by the Company-people to make gains or cover losses is known as Insider trading

Which of the following pairings is wrong? (Bank & Tagline) - Bank of India: The Worlds local bank

An industry which is fighting hard to increase its market share in existing market (with new popular products) is known as- market challenger

Which of the following is the risk associated with the retail banking? - Inadequate risk pricing

Which of the following statements is true? - Small and medium enterprises both in size and shape are not homogenous in nature

A cheque written in different inks, different handwritings and in different language is presented

for payment. What should be done by the bank? - Bank may pay the cheque in ordinary course of business if cheque is otherwise in order

What is financial inclusion? - Bank may pay the cheque in ordinary course of business if cheque is otherwise in order

As we know the RBI is the apex Bank of India, similarly the apex Bank of USA is called Federal Reserve

The Business Correspondence Model being adopted by the banks provides Banking facilities to which of the following? - Only weaker sections the society and people of small villages

### Objective Type Questions in Banking

1. The largest revenue in India is obtained from \_\_\_\_\_  
(A) Railways(B) Excise Duty(C) Sales Tax(D) Direct TaxesAns : (B)
2. The tax levied by Central Government and collected by State Government is \_\_\_\_\_  
(A) Stamp Duty(B) Excise Duty(C) Income Tax(D) Gift TaxAns : (A)
3. What is the major share in revenue of State Governments?  
(A) Stamp Duty(B) Excise Duty(C) Sales Tax(D) Income TaxAns : (C)
4. The tax levied by Local Governments i.e. Municipal Corporations and municipalities is \_\_\_\_\_  
(A) Income Tax(B) Wealth Tax(C) House Tax(D) Gift TaxAns : (C)
5. The tax collected by the State Governments and given to local bodies is \_\_\_\_\_  
(A) Income Tax(B) Wealth Tax(C) House Tax(D) Professional TaxAns : (D)
6. The period for Call Money is \_\_\_\_\_  
(A) 10 to 15 days(B) 1 to 14 Days(C) 15 to 30 Days(D) One MonthAns : (B)
7. Who regulates the money circulation in India?  
(A) State Bank of India(B) Reserve Bank of India(C) NABARD(D) Commercial BanksAns : (B)
8. Which of the following is not an organized sector in India?  
(A) Nationalised Banks(B) Regional Rural Banks(C) Cooperative Banks(D) Chits and Money lendersAns : (D)
9. Who will settle the grievances of customers of banks?  
(A) Reserve Bank of India(B) State Bank of India(C) Local Courts(D) Ombuds MenAns : (D)
10. Who introduced the Banking Ombudsmen Scheme?  
(A) RBI(B) SBI(C) Ministry of Finance(D) NABARDAns : (A)
11. When was OMBUDS MEN SCHEME first introduced?  
(A) November 2006(B) October 1981(C) June 1995(D) January 1998Ans : (C)
12. Which was the first Bank incorporated by the Indians? (1881)  
(A) Imperial Bank of India(B) State Bank of India(C) Avadh Commercial Bank(D) Reserve Bank of IndiaAns : (C)
13. When was the Avadh Commercial Bank established?(A) 1881(B) 1894(C) 1898(D) 1899Ans : (A)

14. When was Reserve Bank of India established?  
(A) 1920 (B) 1925 (C) 1935 (D) 1948 Ans : (C)
15. When was Reserve Bank of India Nationalised?  
(A) 1947 (B) 1948 (C) 1949 (D) 1950 Ans : (C)
16. When was Indian Banking Act come into force?  
(A) 1948 (B) 1949 (C) 1950 (D) 1951 Ans : (B)
17. Imperial Banks were amalgamated and changed as \_\_\_\_\_  
(A) Reserve Bank of India (B) Tata Bank of India (C) Subsidiary Banks (D) Union Bank of India Ans : (B)
18. When was Imperial Bank was Changed as State Bank of India?  
(A) January 1st 1935 (B) Feb 26 1947 (C) July 1st 1955 (D) July 1st 1959 Ans : (C)
19. How many banks were first nationalised?  
(A) 10 (B) 12 (C) 14 (D) 16 Ans : (C)
20. When was the second phase of nationalisation done?  
(A) 9th July 1969 (B) 10th July 1968 (C) 16th August 1985 (D) 15th April, 1980 Ans : (D)
21. How many banks were in second phase of nationalisation?  
(A) 4 (B) 5 (C) 6 (D) 7 Ans : (C)
22. Who will act as the banker to the Government of India?  
(A) State Bank of India (B) Reserve Bank of India (C) NABARD (D) Nationalised Banks Ans : (B)
23. Where is the Head Quarter of Reserve Bank of India?  
(A) Mumbai (B) Delhi (C) Kolkotta (D) Ahmedabad Ans : (A)
24. Who was first governor of Reserve Bank of India?  
(A) K. A. Narasimham (B) V. K. Malhotra (C) A. K. Vadia (D) A. B. A Smith Ans : (D)
25. When was Lead Bank Scheme introduced?  
(A) 1967 (B) 1968 (C) 1969 (D) 1974 Ans : (C)
26. What is CRR? a) Cash Reserve Ratio b) Current Ratio Rate c) Review Report d) Credit Rating Record e) None of these Ans: (a)
27. Interest rates being charged by Banks in India has shown ----- trend in recent year  
a) Falling b) Rising c) Stabled d) Volatile e) None of these Ans: (a)
28. The first development financial institution in India that has got merged with a bank is  
a) IDBI b) ICICI c) IDFC d) UTI e) None of these And: (b)
29. Which of the following NBFC converted itself into a commercial Bank?  
a) Tata Finance b) Reliance Capital Trust c) Birla Mutual d) Kotak Mahindra e) None of these Ans: (d)
30. Which is the current revision & year of UCPDC?  
a) UCPDC 500, 1993 b) UCODC 400, 1993 c) UCPDC 300, 1973 d) None of these Ans: (a)
31. The rate of which discounting the bills of first class banks is done by RBI is called  
a) Bank Rate b) Prime Lending Rate c) Loan Rate d) Discounting Rate Ans: (a)
32. Banking ombudsman has been constituted under which act?  
a) Banking Regulation Act b) RBI Act c) SBI Act d) COPRA Ans: (a)
33. Which finance company has been given banking licence by RBI recently?  
a) Kotak Mahindra b) Ashok Leyland & Finance c) TVS Finance d) Tata Finance e) None of these Ans: (a)
34. Gilt edged securities refer to  
a) Government Securities b) Securities issued by municipal corporations c) Securities issued by

first class companiesd) None of theseAns: ( c )

35. A unit of the Unit Trust of India is a

a) Shareb) Debenturec) Negotiable Instrumentd) None of theseAns: ( d )

36. Indian Banks Association (IBA) has a common net working system for sharing the ATM facilities in Mumbai, which is known as

a) ATM Networkb) Shared Payment Network Systemc) Cash Networkd) None of theseAns: ( b )

37. Arbitrage is

a) Buying and selling in two markets simultaneously b) A rate of interestc) A Feed) Arbitrage is a disputee) None of theseAns: ( a )

38. E E F C denotes

a) Exchange Earners Foreign Currency Accountb) Importers account with Bankc) Account maintained by a exporter with RBId) None of theseAns: ( a )

39. For which of the following currencies is the Indian rupee quoted against 100 units of the foreign currency

a) Deutsche Markb) Poundc) Japanese Yend) US DollarsAns: ( c )

40. Exchange risk in case of foreign currency Non Resident (Banks)scheme (FCNB) is borne by

a) RBIb) Depositorc) Govt. of Indiad) Concerned Bank  
e) None of theseAns: ( d )

41. Consortium Advances refer to

a) Concurrent borrowingsb) Multiple financingsc) Joint Financing by more than one bankd) Financing of consignment business  
e) None of theseAns: ( c )

42. NABARD refinance for financing Self Help Groups is to the extent of

a) 25%b) 50%c) 75%d) 100%e) None of theseAns: ( d )

43. The term Allonge refers to

a) The sheets of paper used in writing a deedb) The stamps affixed on documentf) A sheet of paper attached to mortgage deed for the purpose of witnessd) A sheet of papers attached to a negotiable instrument for the purpose of making endorsement thereof when there is no space in the instrumentAns: ( d )

44. The provision of Consumer Protection Act, 1986 are applicable to the services rendered by the Banks

a) To the customers of the bank onlyb) To the customers and the users of services irrespective of

against consideration or free servicesc) To the customers and any user of Banks services against considerationd) None of theseAns: ( c )

45. As per section 16 of the Banking Regulation Act, 1949 a person can be appointed as a director of how many banking companies

a) Threeb) Twoc) Oned) Foure) None of theseAns: ( c )

46. Nayak Committee Recommendations are applicable for sanction of Fund Based Working Capital Limit upto

a) Rs.25 lacs b) Rs.1 crores c) Rs. 2 crores d) Rs. 5 crores e) None of theseAns: ( d )

47. Banking ombudsman means

a) Person appointed to recover dues from defaulting borrowersb) A person to whom customer can approach for redress of his grievancec) A person appointed to settle dispute between employees and managementd) A person appointed by RBI to oversee the functioning of Foreign

Bankse) None of theseAns: (b)

48. NGO is the term associated with

a) SHGb) PMRYc) SEEUyd) Agri. Advancese) None of theseAns: (a)

49. Full form of SLR

a) Statutory Liquidity Ratio b) State Level Recovery c) Sundry Leverage Ratio d) State Liquidity ReserveAns: (a)

50. C.R.A. in banking parlance stands for

a) Credit Rating Association b) Credit Rating Agency c) Credit Risk Assessment d) None of theseAns: (c)

51. E.P.S. in share market stands for

a) Earning per share b) Electronic Payment System c) Employee Pension Scroll d) Equated Payment System e) None of theseAns: (a)

52. The Securitization and Reconstruction of Financial Asset and enforce of Security Interest Act came into force from

a) 21.08.02 b) 21.06.02 c) 21.07.02 d) 21.12.02 e) None of theseAns: (b)

53. The powers of the Board of Directors to borrow from the bank are mentioned in

a) Article of Association b) Memorandum of Association c) Special Resolution d) A & B e) None of theseAns: (b)

54. The currency Euro has been introduced w.e.f

.a) 01.01.99 b) 01.01.2000 c) 01.08.99 d) 01.03.99 e) None of theseAns: (a)

55. Who is authorized to permit premature closure of PPF A/c

a) RBI b) Ministry of finance Department of Economic affairs c) Chairman of concerning Bank d) None of theseAns: (b)

56. What is USGAAP?

a) United States Generally Accepted Accounting Principles b) Union State Generous Agreement & Accounting Principles c) United State General Allies & Army Practices d) Union State Generous Accounts & Affairs and PracticesAns: (a)

57. What is the average percentage of Banking transactions through non-branch route in private sector Banks

a) 50% b) 60% c) 70% d) 65% e) None of theseAns: (c)

58. The C D Ratio of all schedule commercial Banks as on June 2003 stood at

a) 51% b) 57% c) 53% d) 65% e) None of theseAns: (b)

59. The Gross NPA percentage of the following country is highest in Asia

a) India b) China c) Malaysia d) Indonesia e) None of theseAns: (b)

60. The gross amount of NPA of Public Sector Banks as on 31.03.03 is

a) Rs.82,071 crores b) Rs. 54,086 crores c) Rs. 58,067 crores d) Rs. 46,738 crores e) None of theseAns: (b)

61. To be categorized as a schedule Bank the minimum capital & reserve required is

a) Rs. 10 lacs b) Rs. 5 lac c) Rs. 20 lac d) Rs. 7 lac e) None of theseAns: (b)

62. For Business process re-engineering and IT strategy which bank has employed Gartner

a) BOB b) SBI c) PNB d) BOM e) None of theseAns: (a)

63. The objective of Government to appoint Narsimhan Committee is

a) To strengthen the banking system b) To improve customer service c) To strengthen the credit portfolio d) None of theseAns: (a)

64. Which Bank has recently tied up with Apollo Hospital for financing medical facilities  
a) ICICI b) HDFC c) BOB d) SBI e) None of these Ans: (d)
65. The full form of RBS is  
a) Risk Based Supervision b) Rating by System c) Role Based Supervision d) Rating Bank Security Ans: (a)
66. RBI has recently permitted which Bank to participate in the Government Securities Repo Market  
a) SBI b) UTI c) ICICI d) PNB Ans: (b)
67. The fiscal deficit in 2001-2002 was ---% of GDP  
a) 5.1% b) 5.3% c) 5.5% d) 5.4% Ans: (d)
68. Under the Banking Ombudsman scheme the value of claim should not exceed  
a) 5 lac b) 10 lac c) 15 lac d) 20 lac Ans: (d)
69. Which Bank has introduced Pre-paid Card first  
a) OBC b) BOB c) Corporation Bank d) SBI e) None of these Ans: (a)
70. The minimum Capital Adequacy Ratio currently fixed by RBI for Banks is  
a) 12% b) 10% c) 9% d) 11% e) None of these Ans: (c)
71. Who can fix the interest rates of NRE & FCNB deposits?  
a) RBI b) Banks, as per the directive of RBI c) Govt. of India d) IBA Ans: (b)
72. The following is not a housing finance intermediary agency  
a) HDFC b) HUDCO c) NHB d) SICOM Ans: (d)
73. Who is authorised to issue coin in India  
a) RBI b) Ministry of Finance c) SBI d) None of these Ans: (b)
74. Bank can change interest rate without reference to its PLR in the following  
a) Housing loans b) NRE/ FCNB deposits c) Personal loans d) Educational loans Ans: (b)
75. The maximum penal rate of interest that can be charged is restricted to  
a) 2 % b) 3 % c) Maximum spread announced over PLR d) 5 % Ans: (c)
76. Banks can change rate of interest beyond spread announced by them on advances granted to  
a) Film companies b) Chit funds c) NBFC d) Hotels Ans: (c)
77. To which category of customers are banks prohibited to sanction loans against shares and debentures?  
a) Institutions b) PSUs c) Banks d) Trust and endowments Ans: (d)
78. What should be the method of valuation for advances against shares/debentures / bonds?  
a) Face value b) Market price c) Book Value d) Average Value Ans: (b)
79. Which kind of bills should not be discounted by banks as per RBI regulation?  
a) Customs duty b) Installation charges c) Sale of goods d) Purchase of books Ans: (a)
80. What action is taken if one of the customers tenders forged note?  
a) He is sent to prison b) Note is returned with remark, forged note c) Note is impounded d) Note is torn Ans: (c)
81. A contract of insurance is a contract of  
a) Indemnity b) Pledge c) Guaranteed d) Hypothecation Ans: (a)
82. Indian Companies have been allowed to invest upto US\$ ---abroad  
a) 10 million b) 15 million c) 5 million d) 20 million Ans: (a)
83. Restriction on number of partners in a firm is imposed by



- a) Indian Companies Act 1956b) Indian Partnership Act 1932c) Indian Contract Act 1872d) None of theseAns: (b)
84. The certificate to commence business is to be called for perusal and returned for opening of an account of  
a) Public limited companyb) Club and associationc) Private limited companyd) TrustAns: (a)
85. The certificate to commence business is to be called for perusal and returned for opening of an account of  
a) Public limited companyb) Club and associationc) Private limited companyd) TrustAns: (c)
86. Where is the headquarters of SWIFT?  
a) Hong Kongb) Brusselsc) Londond) MumbaiAns: (b)
87. The three banks recently have entered in a Mega ATM sharing pact. They are  
a) SBI, ICICI, & BOBb) SBI, ICICI, HDFCc) ICICI, Andhra Bank, HDFCd) Andhra Bank, Canara Bank, SBle) None of theseAns: (b)
88. The Basic Travelling quota for going abroad is  
a) USD 10,000b) USD 5,000c) USD 20,000d) USD 15,000/-e) No ceilingAns: (a)
89. Which of these is not a credit rating agency?  
a) Moody'sb) Standard & Poorsc) Price water housed) ICRAe) None of theseAns: (c)
90. Pari Passu charge refers to a charge  
a) Ranking in priority, regardless of quantum of advancesb) Merely notional in naturec) Ranking equally in priority in proportion to the lenders share of advanced) None of theseAns: (c)
91. What are the four categories as per Kapur Committee recommendations for loan applications under SSI segment  
a) upto 2 lacs, upto 15 lacs, upto 25 lacs, and above 25 lacsb) upto 10 lacs, upto 25 lacs, upto 50 lacs and above 50 lacs c) upto 2 lacs, upto 1 crores, upto 2 crores, and above 2 croresd) upto 2 crores, upto 25 crores, upto 50 crores and above 50 crorese) None of theseAns: (a)
92. NRE deposit rates have been recently lowered to  
a) LIBOR + .25b) LIBOR + .20c) LIBOR + .30d) LIBOR + .50Ans: (a)
93. Who is the Governor of RBI?  
a) Bimal Jalanb) Y V Reddyc) K J Udeshid) Ranga Reddye) None of theseAns: (b)
94. Which Bank is ranked 7th India Company in the ET 2003 for listing as per market capitalization?  
a) ICIClb) HDFCc) SBId) BOBAns: (c)
95. Recently ICICI issued winding up notice to the following financial institutions  
a) IDBIb) MSFCc) IFClId) SICOMe) None of theseAns: (c)
96. At what frequency can Banks pay interest on Saving Bank Account as per RBI guidelines  
a) Monthlyb) Quarterlyc) Half Yearlyd) YearlyAns: (c)
97. The VSAT communication network for banks and financial institutions launched by RBI is known as  
a) SWIFTb) SBI NETc) BANK NETd) INFINETAns: (d)
98. The ceiling for Banks daily borrowings in Call Money should not exceed---% of owned funds  
a) 100%b) 50%c) 75%d) 150%Ans: (a)
99. Most modern banking systems are based on:

A) money of intrinsic value.B) commodity money.C) 100 percent reserves.D) fractional reserves.Ans: (d)

100. Which bank has become the first foreign bank to open a branch in Israel's diamond exchange:

a) American Express Bankb) Citibankc) Standard Chartered Bankd) State Bank of IndiaAns: (d)

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Solved questions on Indian capital market

1. In private placement, issuance is done to \_\_\_\_\_. (2 marks)

- (a) more than 50 persons
- (b) less than 100 persons
- (c) less than 50 persons
- (d) less than 10 persons

2. Which entity provides novation : \_\_\_\_\_. (2 marks)

- (a) NSCCL
- (b) NSE
- (c) NSDL
- (d) CDSL

3. A company making a public issue of securities has to file a draft prospectus with \_\_\_\_\_. (1 mark)

- (a) RBI
- (b) SEBI
- (c) Ministry of Finance
- (d) None of the above

4. \_\_\_\_\_ deals with issue, allotment and transfer of securities and various aspects relating to company management. (2 marks)

- (a) Companies Act, 1956
- (b) Depositories Act, 1996
- (c) Capital Issues (Control) Act, 1947
- (d) None of the above

5. For public and rights issues of debt instruments, it is mandatory to obtain credit rating from a registered credit rating agency. True or False. (1 mark)

- (a) True
- (b) False

6. Promoters contribution in case of public issues by unlisted companies and promoters shareholding in case of offers for sale shall not be less than \_\_\_\_\_ of post issue capital (2 marks)

- (a) 50%
- (b) 15%
- (c) 20%
- (d) 30%

7. The Companies Act, 1956 requires that every public listed company making an IPO of any security for \_\_\_\_ or more shall issue the same only in dematerialized form. (2 marks)

- (a) Rs. 50 crores
- (b) Rs. 30 crores
- (c) Rs. 20 crores
- (d) Rs. 10 crores

8. Foreign Currency Convertible Bonds (FCCBs) are also known as \_\_\_\_\_. (2 marks)

- (a) Euro Issues
- (b) Dollar Issues
- (c) Convertible credit securities
- (d) Convertible credit bonds

9. Mutual Funds being Public Trusts are governed by the \_\_\_\_\_. (2 marks)

- (a) Indian Trustees Act, 1887
- (b) Mutual Trust Act, 1880
- (c) Public Trust Act, 1886
- (d) Indian Trust Act, 1882

10. A company proposing to list on the NSE must have a minimum paid up equity capital of \_\_\_\_\_. (1 mark)

- (a) Rs. 50 crs.
- (b) Rs. 20 crs.
- (c) Rs. 10 crs.
- (d) Rs. 30 crs.

11. \_\_\_\_\_ is a clearing member but not a trading member. (1 mark)

- (a) Clearing Banks
- (b) Self Clearing Member
- (c) Clearing Member
- (d) Custodian

12. A clearing member receives shares during \_\_\_\_\_. (1 mark)

- (a) pay-in
- (b) pay-out
- (c) auction
- (d) funds settlement

13. The \_\_\_\_\_ arises if a party discharges his obligations but the counterparty defaults. (2 marks)

- (a) replacement cost risk
- (b) principal risk
- (c) systemic risk
- (d) unsystematic risk

14. The \_\_\_\_\_ combines the features of cash as well as futures markets. (1 mark)

- (a) account period settlement
- (b) rolling settlement

(c) T+2 settlement

(d) T+1 settlement

15. Swaps are a type of derivatives. True or False. (1 mark)

(a) True

(b) False

16. Arbitrageurs are one of the participants in the derivatives markets. True or False.

(a) True

(b) False

17. Risk averse investors use derivatives for speculation. True or False. (1 mark)

(a) True

(b) False

18. \_\_\_\_\_ are standardized, exchange traded contracts. (2 marks)

(a) Swaps

(b) Forwards

(c) Futures

(d) FRAs

19. An exporter would \_\_\_\_\_ dollar forwards to lock in an exchange rate.

(2 marks)

(a) sell

(b) buy

(c) hold

(d) exchange

20. An out of the money call option has an intrinsic value of zero. True or False.

(3 marks)

(a) True

(b) False

21. If you are bullish about a stock, you would \_\_\_\_\_ call options on the stock.

(1 mark)

(a) sell

(b) buy

(c) short

(d) write

22. If you are bearish about a stock, you would \_\_\_\_\_ put options on the stock.

(1 mark)

(a) sell

(b) buy

(c) short

(d) write

23. \_\_\_\_\_ is the total number of outstanding contracts that are held by market participants at the end of each day. (1 mark)

(a) Outstanding position

(b) Outstanding Interest

(c) Open position

(d) Open Interest

24. A company may purchase its own shares, out of \_\_\_\_\_. (2 marks)

(a) its promoters money

(b) its Equity Capital

(c) Profits

(d) Free Reserves

25. A seller of a call option has to pay securities transaction tax. True or False.

(1 mark)

(a) True

(b) False

26. A buyer of a put option has to pay securities transaction tax. True or False.

(1 mark)

(a) True

(b) False

27. \_\_\_\_\_ deals with listing of securities on stock exchanges. (2 marks)

(a) NSDL

(b) RBI

(c) SC(R)R, 1957

(d) SC(R)A, 1956

28. Security A gives a return of 12% with a dispersion of 4%, while security B gives return of 15% with a dispersion of 5%. Which security is more risky? (2 marks)

a) Security B

b) Both securities are equally risky

c) Security A

d) Neither of the securities is risky

29. For a security B, if price at the beginning of the year is Rs.50; dividend receivable at the end of the year is Rs.1.5; and the price at the end of the year is Rs.53 then what is the rate of return on the security? (2 marks)

a) 0.05

b) 0.03

c) 0.02

d) 0.09

30. Appeal against the orders Securities and Exchange Board of India can be made to \_\_\_\_\_. [2 Marks]

(a) Central Government

(b) Securities Appellate Tribunal

(c) Registrar of Companies

(d) High Court

31. The Capital Market Segment of NSE commenced operations in [1 Mark]

(a) Sep-96

(b) Nov-94

(c) Aug-96

(d) Nov-96

32. The first two characters in ISIN code for a security represents \_\_\_\_\_. [1 Mark]

- (a) issuer type
- (b) security type
- (c) country code
- (d) company identity

33. Who provides counter party guarantee for all trades executed on NSEIL? [1 Mark]

- (a) NSE Clearing House
- (b) NSEIL
- (c) NSDL
- (d) NSCCL

34. Clearing and settlement of trades and risk management are central functions of NSCCL. [2 Marks]

- (a) FALSE
- (b) TRUE

35. The FII's can invest in a company upto \_\_\_\_\_ % of the paid up capital of the company. This percentage can be increased upto the sectoral cap as applicable to the Indian Companies by passing a resolution of its board of directors. [2 Marks]

- (a) 32
- (b) 26
- (c) 28
- (d) 24

36. A stockbroker means a member of \_\_\_\_\_. [1 Mark]

- (a) SEBI
- (b) any exchange
- (c) a recognised stock exchange
- (d) any stock exchange

37. All open positions in the index futures contracts are daily settled at the [3 Marks]

- (a) mark-to-market settlement price
- (b) net settlement price
- (c) opening price
- (d) closing price

38. An equity index comprises of \_\_\_\_\_. [1 Mark]

- (a) basket of stocks
- (b) basket of bonds and stocks
- (c) basket of tradeable debentures

39. Which of the following is not a derivative transaction? [1 Mark]

- (a) An investor buying index futures in the hope that the index will go up.
- (b) A copper fabricator entering into futures contracts to buy his annual requirements of copper.
- (c) A farmer selling his crop at a future date

- (d) An exporter selling dollars in the spot market
40. Prior to Financial Year 2005 - 06, transaction in derivatives were considered as speculative transactions for the purpose of determination of tax liability under the Income-tax Act [1 Mark]
- (a) TRUE  
(b) FALSE
41. A January month Nifty Futures contract will expire on the last \_\_\_\_\_ of January [2 Marks]
- (a) Monday  
(b) Thursday  
(c) Tuesday  
(d) Wednesday
42. The value of a call option \_\_\_\_\_ with a decrease in the spot price. [2 Marks]
- (a) increases  
(b) does not change  
(c) decreases  
(d) increases or decreases
43. Mutual Funds in India follow a 3-tier structure [2 Marks]
- (a) TRUE  
(b) FALSE
44. Equity Mutual fund investors have to bear Securities Transaction Tax (STT) [ 2 Marks ]
- (a) TRUE  
(b) FALSE
45. Which of the following can be the underlying for a commodity derivative contract? [1 Mark]
- (a) Interest Rate  
(b) Euro-Indian Rupee  
(c) Gold  
(d) NIFTY
46. \_\_\_\_\_ refers to issue of physical delivery against the credit in the demat account of the constituent. [1 Mark]
- (a) Securitisation  
(b) De-materialisation  
(c) Re-materialisation  
(d) Liquidation
47. Exchange Traded Interest Rate Derivates has been introduced in Indian Financial Market by \_\_\_\_\_. (2 marks)
- (a) NSDL  
(b) RBI  
(c) SEBI  
(d) NSCCL
48. Interest payments of the following bonds are based on Wholesale Price Index / Consumer Price Index : (1 mark)

- (a) SBI Bonds
- (b) RBI Bonds
- (c) Zero Coupon bonds
- (d) Indexed bonds

49. Strike Price for a call option on a stock is Rs. 125 and the underlying stock price is Rs. 120. If the Premium is Rs.2, the option is \_\_\_\_\_. (2 marks)

- (a) In the money
- (b) Out of the money
- (c) At the money
- (d) Deep in the money

50. A security trades in the Spot market at Rs. 1319. Money can be invested at 10% p.a. The fair value of a one month futures contract on the security is \_\_\_\_ (2 marks)

- (a) Rs

. 1341.10

- (b) Rs. 1333.20
- (c) Rs. 1328.30
- (d) Rs. 1330.05

MSP - Minimum Support Price

RKVY - Rashttiya Krishi Vikas Yojna

UNCTAD - United Nations Conference on Trade & Development

SAFTA - South Asian Free Trade Agreement

UNDP - United Nations Development Programme

GATT - General Agreement on Tariffs & Trade

IFAD - International Fund for Agricultural Development

FTA - Free Trade Area

OCED - Organisation for Economic Co-operation & Development

ECM - European Common Market

EFTA - European Free Trade Association

APEC - Asia Pacific Economic Co-operation

NAFTA - North American Free Trade Agreement

ASEM - Asia Europe Meeting

ACU - Asian Clearing Union

IORARC - Indian Ocean Rim Association for Regional Co-operation

FAO - Food & Agriculture Organisation

IIP - Index of Industrial Production

WPI - Wholesale Price Index

CPI - Consumer Price Index

PMI - Purchasing Manager's Index



ECB - External Commercial Borrowing  
IPR - Intellectual Property Rights  
IPO - Initial Public Offering  
GNP - Gross National Product  
NNP - Net National Product  
GCF - Gross Capital Formation  
OTS - One Time Settlement  
ISI - Inter Services Intelligence  
NASDAQ - National Association of Securities Dealers Automated Quotation System  
PPP - Public Private Partnership or Purchasing Power Parity  
POSCO - Pohang Steel Company  
CDR - Corporate Debt Restructuring  
ALM - Asset Liability Management  
ALM - Asset Liability Mismatch  
LAF - Liquidity Adjustment Facility  
VAT - Value Added Tax  
OTP - One Time Password  
GSLV - Geosynchronous Satellite Launch Vehicle  
STD - Subscriber Trunk Dialing  
STD - Sexually Transmitted Disease  
ISD - International Subscriber Dialing  
PCO - Public Call Office  
ISDN - Integrated Services Digital Network  
MAT - Minimum Alternate Tax  
SUV - Sport Utility Vehicle  
SMB - Small and Medium Business  
FIPB - Foreign Investment Promotion Board  
UNHRC - United Nations Human Rights Council  
WITFOR - World IT Forum  
DGHS - Directorate of General Health Services  
NABARD - National Bank for Agriculture and Rural Development  
NAFSCOB - National Federation of State Cooperative Banks  
NBFC - Non-Banking Financial Company  
NBFC-D - Non-Banking Financial Company-Deposit taking  
NBFC-ND - Non-Deposit taking Non-Banking Financial Company  
NBFC-ND-SI - Systemically Important Non-Deposit taking Non-Banking Financial Company  
NBFIs - Non-Banking Financial Institutions  
NDS - Negotiated Dealing System  
NDTL - Net Demand and Time Liability  
NECS - National Electronic Clearing Service  
NEFT - National Electronic Fund Transfer  
NGO - Non-Government Organisation  
NHB - National Housing Bank  
NII - Net Interest Income

NIM - Net Interest Margin  
NIMC - National Implementing and Monitoring Committee  
NOC - No Objection Certificate  
NOF - Net Owned Fund  
NOHC - Non-Operative Holding Company  
NPA - Non-Performing Asset  
NRE - Non-Resident External  
NREGA - National Rural Employment Guarantee Act  
NRRDA - National Rural Roads Development Agency  
NRO - Non-Resident Ordinary  
NSFR - Net Stable Funding Ratio  
OBS - Off-balance Sheet  
OECD - Organisation for Economic Corporation and Development  
OSMOS - Off-Site Monitoring and Surveillance System  
OTC - Over the Counter  
PACS - Primary Agricultural Credit Society  
PAT - Profit After Tax  
PBT - Profit Before Tax  
PCARDB - Primary Cooperative Agriculture and Rural Development Bank  
PD - Primary Dealer  
PDO - NDS - Public Debt Office Negotiated Dealing System  
PE - Price Earning  
PFRDA - Pension Fund Regulatory and Development Authority  
PIN - Personal Identification Number  
POS - Point of Sale  
PRA - Prudential Regulation Authority  
PRBs - Private Sector Banks  
PSB - Public Sector Bank  
RCS - Registrar of Cooperative Societies  
RIDF - Rural Infrastructural Development Fund  
RNBC - Residuary Non-Banking Company  
RoA - Return on Assets  
ROE - Return on Equity  
RORWA - Return on Risk Weighted Assets  
RRB - Regional Rural Bank  
RSA - Rate-Sensitive Assets  
RSL - Rate-Sensitive Liabilities  
RTGS - Real Time Gross Settlement System  
SAO - Seasonal Agricultural Operations  
SARFAESI - Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest  
SBLP - SHG-Bank Linkage Programme  
SC - Scheduled Caste  
SCAP - Supervisory Capital Assessment Programme

SCARDB - State Cooperative Agriculture and Rural Development Bank  
SCB - Scheduled Commercial Bank  
SCs/RCs - Securitisation Companies/ Reconstruction Companies  
SEBI - Securities and Exchange Board of India  
SHG - Self-Help Group  
SIDBI - Small Industries' Development Bank of India  
SIFI - Systemically Important Financial Institution  
SLIMC - State Level Implementing and Monitoring Committee  
SLR - Statutory Liquidity Ratio  
SME - Small and Medium Enterprises  
SPV - Special Purpose Vehicle  
SSI - Small Scale Industry  
ST - Scheduled Tribe  
StCB - State Cooperative Bank  
STCCS - Short-Term Cooperative Credit Structure  
T/B - Treasury Bills  
TAFCUB - Task Force for Urban Cooperative Bank  
TGA - Traditional Gap Analysis  
TLE - Terminal Line Encryption  
UBD - Urban Banks Department  
UCB - Urban Cooperative Bank  
UKPT - Unique Key Per Terminal  
UO - Umbrella Organisations  
VAPT - Vulnerability Analysis and Penetration Test  
VaR - Value at Risk  
LAB - Local Area Bank  
LAF - Liquidity Adjustment Facility  
LCBG - Large and Complex Banking Group  
LCR - Liquidity Coverage Ratio  
LCs - Loan Companies  
LEI - Long-term Economic Impact  
LGD - Loss Given Default  
LIBOR - London Inter-Bank Offered Rate  
LIC - Life Insurance Corporation of India  
LTCCS - Long-Term Cooperative Credit Structure  
MAG - Macro-economic Assessment Group  
MCA - Ministry of Corporate Affairs  
MDG - Modified Duration Gap  
MENA - Middle East and North African  
MFI - Micro Finance Institution  
MICR - Magnetic Ink Character Recognition  
MIS - Management Information System  
MoU - Memorandum of Understanding  
MSE - Micro and Small Enterprise

MSF - Marginal Standing Facility  
MSME - Micro, Small and Medium Enterprises  
MVE - Market Value of Equity  
CAPART - Council for Advancement of People's Action & Rural Technology  
GoM - Group of Ministers  
RTE - Right to Education  
IAEA - International Atomic Energy Agency  
CSC - Convention on Supplementary Compensation  
UNHRC - United Nations Human Rights Council  
NCTC - National Counter Terrorism Centre  
ICBM - Inter-Continental Ballistic Missile  
DRDO - Defence Research and Development Organisation  
SAR - Synthetic Aperture Radar  
MoEF - Ministry of Environment & Forests  
CPCSEA - Committee for the Purpose of Control and Supervision of Experiments and Animal  
AD - Authorised Dealer  
ADR - American Depository Receipt  
ADWDR - Agricultural Debt Waiver and Debt Relief Scheme  
AFC - Asset Finance Companies  
AFI - Annual Financial Inspection  
AIFIs - All India Financial Institutions  
ALM - Asset-Liability Mismatch  
AMA - Advanced Measurement Approach  
AML - Anti-Money Laundering  
ANBC - Adjusted Net Bank Credit  
ASA - Alternate Standardised Approach  
ATM - Automated Teller Machine  
BC - Business Correspondent  
BCBS - Basel Committee on Banking Supervision  
BCP-DR - Business Continuity Management and Disaster Recovery  
BCSBI - Banking Codes and Standards Boards of India  
BFS - Board for Financial Supervision  
BIS - Bank for International Settlements  
BO - Banking Ombudsman  
BoD - Board of Directors  
BoM - Board of Management  
BPR - Business Process Re-engineering  
BSE - Bombay Stock Exchange Ltd.  
CAR - Capacity Adequacy Ratio  
CAS - Common Accounting System  
CASA - Current Account and Savings Account  
CBI - Central Board of Investigation  
CBLO - Collateralised Borrowing and Lending Obligation  
CBS - Core Banking Solutions

CCAR - Comprehensive Capital Assessment Review  
CCF - Credit Conversion Factors  
CCP - Central Counter Party  
CDs - Certificates of Deposit  
CDS - Credit Default Swaps  
CE - Common Equity  
CEO - Chief Executive Officer  
CEOBSE - Credit Equivalent Amount Off-Balance Sheet Exposure  
CFSA - Committee on Financial Sector Assessment  
CFT - Combating Financing of Terrorism  
CGFS - Committee on Global Financial Stability  
CGS - Credit Guarantee Scheme  
CGTMSE - Credit Guarantee Fund Trust for Micro and Small Enterprises  
CIC - Credit Information Company  
CICs-ND-SI - Systemically Important Non-deposit taking Core Investment Companies  
CMB - Cash Management Bills  
CME - Capital Market Exposure  
CNP - Card Not Present  
CoR - Certificate of Registration  
CPs - Commercial Papers  
CP - Card Present  
CPSS - Committee on Payment and Settlement System  
CRAR - Capital to Risk-Weighted Assets Ratio  
CRAs - Credit Rating Agencies  
CRCS - Central Registrar of Cooperative Societies  
CRE - Commercial Real Estate  
CRR - Cash Reserve Ratio  
DCCB - District Central Cooperative Banks  
DGA - Duration Gap Analysis  
DICGC - Deposit Insurance and Credit Guarantee Corporation  
DIN - Director Identification Number  
DLIC - District Level Implementation Committee  
DR - Disaster Recovery  
DRT - Debt Recovery Tribunal  
DSA - Direct Selling Agents  
EaR - Earnings at Risk  
EBA - European Banking Authority  
ECCS - Express Cheque Clearing System  
ECS - Electronic Clearing Service  
EFSF - European Financial Stability Facility  
EFSM - European Financial Stabilisation Mechanism  
EIOPA - European Insurance and Occupational Pensions Authority  
EL - Expected Loss  
EME - Emerging Market Economy

EMV - Euro pay MasterCard Visa  
ESA - European Supervisory Authorities  
ESFS - European System of Financial Supervisions  
ESM - European Stability Mechanism  
ESMA - European Securities and Markets Authority  
ESRB - European Systemic Risk Board  
EU - European Union  
EURIBOR - Euro Inter-Bank Offered Rate  
EXIM Bank - Export Import Bank of India  
FASB - Financial Accounting Standards Board  
FATF - Financial Action Task Force  
FB - Foreign Banks  
FCA - Financial Conduct Authority  
FCCB - Foreign Currency Convertible Bonds  
FCMD - Financial Conglomerate Monitoring Division  
FCNR (B) - Foreign Currency Non-Resident (Banks)  
FEMA - Foreign Exchange Management Act  
FHC - Financial Holding Company  
FI - Financial Institution  
FII - Foreign Institutional Investments  
FIP - Financial Inclusion Plan  
FLCC - Financial Literacy and Credit Counselling Centres  
FMI - Financial Market Infrastructure  
FMU - Financial Market Utilities  
FPC - Financial Policy Committee  
FSA - Financial Services Authority  
FSAP - Financial Sector Assessment Programme  
FSB - Financial Stability Board  
FSDC - Financial Stability and Development Council  
FSLRC - Financial Sector Legislative Reforms Commission  
FSOC - Financial Stability Oversight Council  
FSR - Financial Stability Report  
G Sec - Government Securities  
GCC - General Credit Card  
GDP - Gross Domestic Product  
GDR - Global Depository Receipt  
GFSR - Global Financial Stability Report  
GHOS - Governors and Heads of Supervision  
GIC - General Insurance Corporation of India  
GNPA - Gross Non-Performing Assets  
GoI - Government of India  
GSIB - Global Systemically Important Bank  
HRM - Human Resource Management  
HSBC - Hong Kong and Shanghai Banking Corporation

HTM - Held to Maturity  
IAS - International Accounting Standard  
IASB - International Accounting Standards Board  
IBA - Indian Banks Association  
ICs - Investment Companies  
ICB - Independent Commission on Banking  
ICDs - Inter Corporate Deposits  
ICICI - Industrial Credit and Investment Corporation of India  
ICT - Information and Communications Technology  
IDBI - Industrial Development Bank of India  
IDRBT - Institute for Development and Research in Banking Technology  
IFC - Infrastructure Finance Company  
IFRS - International Financial Reporting Standards  
IIBI - Industrial Investment Bank of India  
IL - Incurred Loss  
IMA - Internal Models Approach  
IMF - International Monetary Fund  
Ind ASs - Indian Accounting Standards  
INFINET - Indian Financial NETwork  
IOSCO - International Organisation of Securities Commission  
IRB - Internal Rating Based  
IRC - Incremental Risk Charge  
IRDA - Insurance Regulatory and Development Authority  
IRSD - Interest Rate Sensitivity under Duration Gap Analysis  
IT - Information Technology  
IVR - Interactive Voice Response  
JLGs - Joint Liability Groups  
KCC - Kisan Credit Card  
KYC - Know Your Customer

1

Money and Banking

Multiple Choice Questions

[Select the best alternative]

Module 1: What is Money?

1. Barter cannot function well

- (a) because goods are not always divisible.
- (b) because transaction costs are minimal.
- (c) because goods are always standardized.

2. Money

- (a) is a flow variable.

(b) includes checkable deposits with banks.

(c) includes gold and silver.

3. Price of money

(a) does not exist because it is not a good that one can purchase from the market.

(b) at best can be the inflation rate.

(c) is best measured in terms of opportunity cost of holding money.

4. Paper currency is known as fiat money

(a) because only a fraction of total currency is in coins.

(b) because it is decreed legal tender.

(c) because it cannot be used as payment for debts.

5. Near-Money

(a) is as liquid as currency.

(b) can be used as a medium of exchange.

(c) serves only store of value function of money.

2

6. Zero coupon bond is a

(a) discount bond.

(b) coupon bond.

(c) None of the above.

7. A consol

(a) is sold at a discount.

(b) does not specify maturity period.

(c) None of the above.

8. Return on a bond

(a) is yield to maturity of the bond.

(b) is coupon payment of the bond.

(c) depends upon current price of the bond.

9. Yield to maturity

(a) is current price of a bond.

(b) is coupon payment of a bond.

(c) is related to price of a bond.

10. Indexed bonds

(a) carry fixed interest payments.

(b) adjust coupon rates to changes in general price level.

(c) adjust face values to changes in general price level.

3

Module 2: Money Supply

1. Public in monetary aggregates

(a) implies government.

(b) does not include nonbanks.

(c) excludes banks.

2. Banks in monetary aggregates

(a) include co-operative banks.

(b) include only commercial banks.



(c) do not include the RRBs.

3. Bankers Deposits with the RBI

(a) are included in monetary base.

(b) are excluded from monetary base.

(c) are included in narrow money.

4. Other Deposits with the RBI

(a) are a substantial portion of our monetary base.

(b) are due to banks CRR obligation.

(c) None of the above.

5. Currency in Circulation is a part of

(a) M0.

(b) M1.

(c) M3.

6. The difference between M2 and M4 is

(a) due to exclusion (inclusion) of total Post Office Savings Bank Deposits.

(b) due to exclusion (inclusion) of Post Office Savings Bank Time Deposits.

(c) due to exclusion (inclusion) of Post Office Savings Bank Demand Deposits.

4

7. M0 is primarily driven by

(a) Bankers Deposits with the RBI.

(b) Currency in Circulation.

(c) Other Deposits with the RBI.

8. Variance of growth among M1, M3 and M0

(a) is the lowest for M1.

(b) is the lowest for M3.

(c) is the lowest for M0.

9. Despite recession

(a) share of Time Deposits in M3 has been increasing.

(b) shares of Demand Deposits and Currency in M3 have been increasing.

(c) None of the above.

10. One of the purposes behind formation of the three new monetary aggregates

(a) is to separate Demand Deposits from other deposits.

(b) is to separate very long term Time Deposits from other Time Deposits.

(c) is to consider residents and non-residents together.

11. Velocity of money

(a) changes very slowly according to Fisher.

(b) does not change according to some Cambridge economists.

(c) is increasing over time in India.

12. One among the following is not a source of monetary base in India.

(a) bank reserves

(b) Net RBI Credit to Governments

(c) RBIs Net Foreign Exchange Assets

5

13. The most dominating source of monetary base in India has been

- (a) Net RBI Credit to Governments.
  - (b) Net Foreign Exchange Assets of the RBI.
  - (c) bank reserves.
14. Complex money multiplier in India
- (a) has increased in the new century.
  - (b) has decreased in the new century.
  - (c) seems to fluctuate widely over time.
15. If time deposit to demand deposit ratio increases
- (a) the complex multiplier increases.
  - (b) the simple multiplier decreases.
  - (c) both the multipliers will shrink.

### Module 3: Money Market

#### 1. DFHI

- (a) is a Non-intermediary financial institution.
- (b) is a capital market institution.
- (c) is a primary dealer.

#### 2. Non-Banking Statutory Financial Organisations (NBSFO)

- (a) are Regulatory institutions.
- (b) are Other money market institutions.
- (c) are Non-intermediary financial institutions.

#### 3. UTI

- (a) is a Non-intermediary financial institution.
- (b) is an Intermediary financial institution.
- (c) is a Regulatory institution.

6

#### 4. Call money

- (a) is borrowed by Non-banks from banks.
- (b) is unavailable in unorganized money market.
- (c) is primarily lent by commercial banks.

#### 5. Commercial Papers

- (a) are sold by the banks for short term purposes.
- (b) are like coupon bonds which carry a fixed interest payment.
- (c) can develop a secondary market.

#### 6. Gilt-edged market

- (a) deals with industrial securities.
- (b) is a risk free market.
- (c) is also known as stock market.

#### 7. Presently, participants in the call market

- (a) include some NBFIs.
- (b) borrow and lend at fixed rates.
- (c) also include primary dealers.

#### 8. CPs

- (a) were launched in the Indian money market before CDs.
- (b) are issued by scheduled commercial banks.

(c) can be bought by banks as well.

9. CPs

(a) have a minimum issue size of Rs 5 lakhs.

(b) have a minimum maturity of 7 days.

(c) have a lock-in period.

7

10. CDs

(a) cannot be transacted in the secondary market.

(b) can be issued only by scheduled banks.

(c) are subjected to CRR and SLR.

11. CDs

(a) have a lock-in period.

(b) have a minimum issue size of Rs 5 lakhs.

(c) are mainly issued by corporate companies.

12. In recent years

(a) the 364-day bill has been the most popular.

(b) the 182-day bill has been the most popular.

(c) the 91-day bill has been the most popular.

13. Year-end implicit yield

(a) of all TBs are very similar.

(b) of TBs vary greatly across different maturity.

(c) None of the above.

14. The RBI repo market

(a) will not exist if there are no CRR or SLR obligations of banks.

(b) is complementary to the inter-bank call market.

(c) transacts various types of securities other than government securities.

15. The LAF Repo market always has

(a) the Repo rate higher than the RRepo rate.

(b) the RRepo rate higher than the Repo rate.

(c) None of the above.

8

Module 4: Reserve Bank of India

1. Managed paper currency standard

(a) requires the central bank to be the sole issuer of currency.

(b) requires paper currency in circulation to be backed by gold, foreign currency etc.

(c) requires currency in circulation to have a proper balance between notes and coins.

2. Paper currencies

(a) are put into circulation by the Issue Department of the RBI.

(b) are liabilities of the Issue Department.

(c) are liabilities of the Banking Department of the RBI.

3. Ways and means advances

(a) are given to the central government against TBs.

(b) are given both to the central and state governments.

(c) are given only to the central government.

4. As a tool of monetary policy in India

- (a) CRR is more often used than SLR.
- (b) Bank Rate is more often used than CRR.
- (c) open market operations are never used.

5. SLR reserves of scheduled banks

- (a) are kept with the RBI.
- (b) can be partly held in current accounts of other banks.
- (c) are maintained on a weekly basis.

6. Unencumbered securities

- (a) are the same as other approved securities.
- (b) are never accepted by the RBI.
- (c) can be used for SLR.

9

7. Selective Credit Control methods

- (a) are presently actively used by the RBI.
- (b) are one of the oldest form of traditional credit control instruments.
- (c) were meant to control speculative activities among other things.

8. Autonomous liquidity

- (a) includes accommodations under WMA.
- (b) includes OMOs of the RBI.
- (c) includes net REPO sales to banks.

9. Discretionary liquidity

- (a) contains RBI subscription to TBs.
- (b) contains net REPO sales of the RBI.
- (c) contains rupee coins issued by the government.

10. ILAF

- (a) operated with market determined Repo rates.
- (b) provided liquidity management with a basket of instruments.
- (c) did not make use of OMOs.

11. The primary objective (s) of the LAF

- (a) is to provide support to inter-bank call market.
- (b) is to control cost and quantum of short term market liquidity.
- (c) is to stabilize the market for government dated securities.

12. Primary dealers

- (a) are stand alone market intermediaries.
- (b) are free to underwrite any amount of an issue.
- (c) have minimum underwriting commitment.

10

Module 5: Banking Institutions

1. Scheduled banks

- (a) can only be public sector banks.
- (b) include RRBs.
- (c) do not include co-operative banks.

2. Lead Bank Scheme of the RBI

- (a) attempts to develop the RRBs.
- (b) attempts to improve performance of banks.
- (c) attempts to develop social banking in India.

### 3. Action Plans

- (a) are supposed to improve performance of banks.
- (b) are meant to prepare block credit plans.
- (c) are supposed to improve quality of rural credit.

### 4. The Service Area Approach

- (a) requires banks to open branches in unbanked areas.
- (b) requires banks to expand banking facilities in under-banked areas.
- (c) requires banks to improve quality of rural credit so that rural income increases.

### 5. Contributions to the paid-up capital of a RRB are as follows:

- (a) sponsoring bank: 35%; central government: 15%; state government: 50%.
- (b) central government: 50%; state government: 35%; sponsoring bank: 15%.
- (c) central government: 50%; state government: 15%; sponsoring bank: 35%.

### 6. The bulk of the liabilities of scheduled banks

- (a) is Liabilities to the Banking System.
- (b) is Liabilities to Others.
- (c) is Borrowings from the RBI.

11

### 7. The bulk of the assets of scheduled commercial banks

- (a) is Bank Credit.
- (b) is Investment.
- (c) is Assets with the Banking System.

### 8. In recent years

- (a) share of Bank Credit has been falling.
- (b) share of Investment has been falling.
- (c) None of the above.

### 9. The bulk of the Cash and Balances with the RBI

- (a) is Cash.
- (b) is Balances with the RBI.
- (c) None of the above.

### 10. The bulk of the Investments of scheduled commercial banks

- (a) is in Government Securities.
- (b) is in Other Approved Securities.
- (c) None of the above.

### 11. For working capital, banks prefer

- (a) cash credits.
- (b) demand loans.
- (c) term loans.

### 12. Co-operative banks

- (a) cannot create credit.
- (b) are of unit banking type.
- (c) cannot mobilize deposits.

12

13. Primary Agricultural Credit Societies

(a) operate at district level.

(b) are of unit banking type.

(c) lend long term rural credit.

14. In long term rural credit at village level

(a) Central land Development Banks operate.

(b) branches of State Land Development Banks operate.

(c) None of the above.

15. In urban India

(a) there are only urban co-operative banks.

(b) some state co-operative banks also operate.

(c) some PACSs also operate.

## Banking & Finance

Sr. No

Question

Answer

1

What is CRR?

a) Cash Reserve Ratio

b) Current Ratio Rate

c) Review Report

d) Credit Rating Record

e) None of these

a

2

Interest rates? being charged by Banks in India has shown ----- trend in recent year.

- a) Falling
- b) Rising
- c) Stable
- d) Volatile
- e) None of these

a

3

The first development financial institution in India that has got merged with a bank is

- a) IDBI
- b) ICICI
- c) IDFC
- d) UTI
- e) None of these

b

4

Who is the chairman of Pension Fund Committee?

- a) S.A. Dave
- b) A.N. Joshi
- c) C. Ramarajan
- d) C.N. Bhattacharya
- e) None of these

a

5

Which of the following NBFC converted itself into a commercial Bank?

- a) Tata Finance
- b) Reliance Capital Trust
- c) Birla Mutual
- d) Kotak Mahindra
- e) None of these

d

6

Which is the current revision & year of UCPDC?



- a) UCPDC 500, 1993
- b) UCODC 400, 1993
- c) UCPDC 300, 1973
- d) None of these

a

7

The rate of which discounting the bills of first class banks is done by RBI is called

- a) Bank Rate
- b) Prime Lending Rate
- c) Loan Rate
- d) Discounting Rate

a

8

Banking ombudsman has been constituted under which act?

- a) Banking Regulation Act
- b) RBI Act
- c) SBI Act
- d) COPRA

a

9

Which finance company has been given banking licence by RBI recently

- a) Kotak Mahindra
- b) Ashok Leyland & Finance
- c) TVS Finance
- d) Tata Finance
- e) None of these

a

10

Gilt edged securities refer to

- a) Government Securities
- b) Securities issued by municipal corporations
- c) Securities issued by first class companies
- d) None of these

c

11

A unit of the Unit Trust of India is a

- a) Share
- b) Debenture
- c) Negotiable Instrument
- d) None of these

d

12

Indian Banks Association (IBA) has a common net working system for sharing the ATM facilities in Mumbai, which is known as

- a) ATM Network
- b) Shared Payment Network System
- c) Cash Network
- d) None of these

b

13

The present rate of SLR & CRR are

- a) 15%, 5%
- b) 25%, 5.5%

- c) 25%, 4.5%
- d) 30%, 6%
- e) None of these

c

15

Arbitrage is

- a) Buying and selling in two markets simultaneously
- b) A rate of interest
- c) A Fee
- d) Arbitrage is a dispute
- e) None of these

a

16

The Basic Travelling quota for going abroad is

- a) USD 10,000
- b) USD 5,000
- c) USD 20,000
- d) USD 15,000/-

e) No ceiling

a

17

E E F C denotes

- a) Exchange Earners Foreign Currency Account
- b) Importer's account with Bank
- c) Account maintained by an exporter with RBI
- d) None of these

a

18

For which of the following currencies is the Indian rupee quoted against 100 units of the foreign currency

- a) Deutsche Mark
- b) Pound
- c) Japanese Yen
- d) US Dollars

c

19

Exchange risk in case of foreign currency Non Resident (Banks) scheme (FCNB) is borne by

- a) RBI
- b) Depositor
- c) Govt. of India
- d) Concerned Bank
- e) None of these

d

20

Which of these is not a credit rating agency?

- a) Moody's
- b) Standard & Poor's
- c) Price water house
- d) ICRA
- e) None of these

c

22

Consortium Advances refer to

- a) Concurrent borrowings
- b) Multiple financing
- c) Joint Financing by more than one bank
- d) Financing of consignment business
- e) None of these

c

23

Pari Passu charge refers to a charge

- a) Ranking in priority, regardless of quantum of advances
- b) Merely notional in nature
- c) Ranking equally in priority in proportion to the lender's share of advance
- d) None of these

c

24

NABARD refinance for financing Self Help Groups is to the extent of

- a) 25%
- b) 50%
- c) 75%

- d) 100%
- e) None of these

d

25

The term "Allonge" refers to

- a) The sheets of paper used in writing a deed
- e) The stamps affixed on document
- f) A sheet of paper attached to mortgage deed for the

Purpose of witness

d) A sheet of papers attached to a negotiable instrument for the purpose of making endorsement thereof when there is no space

in the instrument

d

26

The provision of Consumer Protection Act, 1986 are applicable to the services rendered by the Banks

- a) To the customers of the bank only
- b) To the customers and the users of services irrespective of against consideration or free services
- c) To the customers and any user of Bank's services against consideration



d) None of these

c

27

As per section 16 of the Banking Regulation Act, 1949 a person can be appointed as a director of how many banking companies

a) Three

b) Two

c) One

d) Four

e) None of these

c

28

Nayak Committee Recommendations are applicable for sanction of Fund Based Working Capital Limit upto

a) Rs.25 lacs

b) Rs.1 crores

c) Rs. 2 crores

d) Rs. 5 crores

e) None of these

d

29

What are the four categories as per Kapur Committee recommendations for loan applications under SSI segment

- a) upto 2 lacs, upto 15 lacs, upto 25 lacs, and above 25 lacs
- b) upto 10 lacs, upto 25 lacs, upto 50 lacs and above 50 lacs
- c) upto 2 lacs, upto 1 crores, upto 2 crores, and above 2 crores
- d) upto 2 crores, upto 25 crores, upto 50 crores and above 50 crores
- e) None of these

a

30

The code of Fair Banking Practice 'Towards Excellence' and general terms and conditions of service came into effect from

- a) 01.07.97
- b) 01.08.97
- c) 01.10.97
- d) None of these

c

31

Banking ombudsman means

- a) Person appointed to recover dues from defaulting borrowers
- b) A person to whom customer can approach for redress of his grievances
- c) A person appointed to settle dispute between employees and management
- d) A person appointed by RBI to oversee the functioning of Foreign Banks
- e) None of these

b

33

NGO is the term associated with

- a) SHG
- b) PMRY
- c) SEEUY
- d) Agri. Advances
- e) None of these

a

34

Member of ?Credit Information Bureau of India Ltd.? Are

- a) SBI, HDFC, Dun & Bradstreet, Trans Union
- b) ICICI, UTI, SBI, Trans Union
- c) PNB, SBI, HDFC, Dun & Bradstreet
- d) HDFC, PNB, Dun & Brandsheet, Trans union
- e) None of these

a

35

Full form of SLR

- a) Statutory Liquidity Ratio
- b) State Level Recovery
- c) Sundry Leverage Ratio
- d) State Liquity Reserve

a

36

C.R.A. is banking parlance stands for

- a) Credit Rating Association
- b) Credit Rating Agency
- c) Credit Risk Assessment
- d) None of these

c

37

E.P.S. in share market stands for

- a) Earning per share
- b) Electronic Payment System
- c) Employee Pension Scroll
- d) Equated Payment System
- e) None of these

a

38

Who is the Governor of RBI

- a) Bimal Jalan
- b) Y V Reddy
- c) K J Udeshi
- d) Ranga Reddy
- e) None of these

b

39

The Securitisation and Reconstruction of Financial Asset and enforce of Security Interest Act came into force from

- a) 21.08.02
- b) 21.06.02
- c) 21.07.02
- d) 21.12.02
- e) None of these

b

40

The powers of the Board of Directors to borrow from the bank are mentioned in

- a) Article of Association

- b) Memorandum of Association
- c) Special Resolution
- d) A & B
- e) None of these

b

41

The currency ?Euro? has been introduced w.e.f.

- a) 01.01.99
- b) 01.01.2000
- c) 01.08.99
- d) 01.03.99
- e) None of these

a

43

Which Bank is ranked 7th India Company in the ET 2003 for listing as per market capitalization?

- a) ICICI
- b) HDFC

c) SBI

d) BOB

c

44

Who is authorised to permit premature closure of PPF A/c

a) RBI

b) Ministry of finance Department of Economic affairs

c) Chairman of concerned Bank

d) None of these

b

45

Which Bank has introduced 'Pre-paid Card' first

a) OBC

b) BOB

c) Corporation Bank

d) SBI

e) None of these



a

46

What is USGAAP

- a) United States Generally Accepted Accounting Principles
- b) Union State Generous Agreement & Accounting Principles
- c) United State General Allies & Army Practices
- e) Union State Generous Accounts & Affairs and Practices

a

47

For Business process re-engineering and IT strategy which bank has employed ?Gartner?

- a) BOB
- b) SBI
- c) PNB
- d) BOM
- e) None of these

a

48

What is the average percentage of Banking transactions through non-branch route in private sector Banks

- a) 50%
- b) 60%
- c) 70%
- d) 65%
- e) None of these

c

50

The C D Ratio of all schedule commercial Banks as on June 2003 stood at

- a) 51%
- b) 57%
- c) 53%
- d) 65%
- e) None of these

b

51

Recently ICICI issued winding up notice to the following financial institutions

- a) IDBI

- b) MSFC
- c) IFCI
- d) SICOM
- e) None of these

c

52

The Gross NPA percentage of the following country is highest in Asia

- a) India
- b) China
- c) Malaysia
- d) Indonesia
- e) None of these

b

53

The gross amount of NPA of Public Sector Banks as on 31.03.03 is

- a) Rs.82,071 crores
- b) Rs. 54,086 crores
- c) Rs. 58,067 crores

- d) Rs. 46,738 crores
- e) None of these

b

54

How many foreign Banks are operating in India

- a) 30
- b) 25
- c) 20
- d) 35
- e) None of these

c

55

To be categorized as a schedule Bank the minimum capital & reserve required is

- a) Rs. 10 lacs
- b) Rs. 5 lacs
- c) Rs. 20 lacs
- d) Rs. 7 lacs
- e) None of these

b

56

NRE deposit rates have been recently lowered to

- a) LIBOR + .25
- b) LIBOR + .20
- c) LIBOR + .30
- d) LIBOR + .50

a

57

The objective of Government to appoint Narsimhan Committee is

- a) To strengthen the banking system
- b) To improve customer service
- c) To strengthen the credit portfolio
- d) None of these

a

58

Which Bank has recently tied up with Apollo Hospital for financing medical facilities

- a) ICICI
- b) HDFC
- c) BOB
- d) SBI
- e) None of these

d

59

The three banks recently have entered in a Mega ATM sharing pact. They are

- a) SBI, ICICI, & BOB
- b) SBI, ICICI, HDFC
- c) ICICI, Andhra Bank, HDFC
- d) Andhra Bank, Canara Bank, SBI
- e) None of these

b

60

Who is authorised to issue coin in India

- a) RBI
- b) Ministry of Finance
- c) SBI
- d) None of these

b

61

The minimum Capital Adequacy Ratio currently fixed by RBI for Banks is

- a) 12%
- b) 10%
- c) 9%
- d) 11%
- e) None of these

c

62

The full form of RBS is

- a) Risk Based Supervision
- b) Rating by System
- c) Role Based Supervision

d)Rating Bank Security

a

63

RBI has recently permitted which Bank to participate in the Government Securities Repo Market

a)SBI

b)UTI

c)ICICI

d)PNB

b

64

Second Basle Accord is proposed to be implemented in the year

a)2005

b)2003

c)2004

d)2006



a

65

The ceiling for Bank's daily borrowings in Call Money should not exceed---% of owned funds

a)100%

b)50%

c)75%

d)150%

a

66

The fiscal deficit in 2001-2002 was ---% of GDP

a)5.1%

b)5.3%

c)5.5%

d)5.4%

d

67

Indian Companies have been allowed to invest upto US\$ ---abroad

a)10 million

b)15 million

c)5 million

d)20 million

a

68

Under the Banking Ombudsman scheme the value of claim should not exceed

a)5 lac

b)10 lac

c)15 lac

d)20 lac

d

69

At what frequency can Banks pay interest on Saving Bank Account as per RBI guidelines

a)Monthly

b)Quarterly

c)Half ? Yearly

d)Yearly

c

71

Who can fix the interest rates of NRE & FCNB deposits ?

- a) RBI
- b) Banks, as per the directive of RBI
- c) Govt. of India
- e) IBA

b

72

The following is not a housing finance intermediary agency

- a) HDFC
- b) HUDCO
- c) NHB
- e) SICOM

d

73

Bank can change interest rate without reference to its PLR in the following

- a) Housing loans

b) NRE/ FCNB deposits

c) Personal loans

d) Educational loans

b

74

The maximum penal rate of interest that can be charged is restricted to

a) 2 %

b) 3 %

c) Maximum spread announced over PLR

d) 5 %

c

75

Banks can change rate of interest beyond spread announced by them on advances granted to

a) Film companies

b) Chit funds

c) NBFC s

d) Hotels

c

76

To which category of customers are banks prohibited to sanction loans against shares and debentures ?

- a) Institutions
- b) PSUs
- c) Banks
- d) Trust and endowments

d

77

Which kind of bills should not be discounted by banks as per RBI regulation ?

- a) Customs duty
- b) Installation charges
- c) Sale of goods
- d) Purchase of books

a

78

What should be the method of valuation for advances against shares/debentures / bonds ?

- a) Face value
- b) Market price

- c) Book Value
- d) Average Value

b

79

What action is taken if one of the customers tenders forged note ?

- a) He is sent to prison
- b) Note is returned with remark, forged note
- c) Note is impounded
- d) Note is torn

c

80.

A contract of insurance is a contract of

- a) Indemnity
- b) Pledge
- c) Guarantee
- d) Hypothecation

a

81.

Restriction on number of partners in a firm is imposed by

- a) Indian Companies Act 1956
- b) Indian Partnership Act 1932
- c) Indian Contract Act 1872
- d) None of these

b

82.

The certificate to commence business is to be called for perusal and returned for opening of an account of

- a) Public limited company
- b) Club and association
- c) Private limited company
- d) Trust

a

83

Which of the following is not a measure of the profitability of the branch?

- a) GRR
- b) Expenses ratio
- c) Business per employee
- d) Net profit per Employee

c

84

Where is the headquarters of SWIFT ?

- a) Hong Kong
- b) Brussels
- c) London
- d) Mumbai

b

85

The VSAT communication network for banks and financial institutions launched by RBI is known as

- a) SWIFT
- b) SBI NET
- c) BANK NET
- d) INFINET

Question The term \_\_\_\_\_ refers to the act of a bank extending finance to the seller against a letter of credit.

Correct Answer Negotiation

Multiple Choice Multiple Answer

Question Soft Loan Scheme for modernisation is provided by :-

Correct Answer IFCI , ICICI , SIDBI



Match The Following  
Question -Correct Answer

Charitable Trusts- Rajiv Gandhi Foundation

PSU MTNL ,SAIL, KRC MTNL ,

Mutual Funds UTI ,ICICI Prudential

Statutory Trusts Port Trust Port Trust

True/False

Question Under MIGA the World bank offers various forms of Political Insurance.

Correct Answer True

Multiple Choice Single Answer

Question Commercial Papers are issued by :-

Correct Answer Corporates

Question Investment on a monthly basis and repayment on due date is made in :-

Correct Answer Recurring deposit

True/False

Question Issuance of CD attracts reserve requirements.

Correct Answer False

True/False

Question

State loans are much less liquid than GOI Securities.

Correct Answer

True

Multiple Choice Single Answer

Question

IDBI was delinked from RBI and it became autonomous in the year :-

Correct Answer

1976

Question

One of the leading All India FI is :-

Correct Answer

SIDBI

Multiple Choice Single Answer

Question

The largest member of the IMF is the :-

Correct Answer

U.S.A.

Multiple Choice Single Answer

Question

The foreign currency account maintained by an authorised dealer with its correspondent abroad is :-

Correct Answer

Nostro Account

Select The Blank

Question

As a banker to the Government, RBI accepts Government deposits at \_\_\_\_\_% interest.

Correct Answer

0

Multiple Choice Single Answer

Question

The word ' Tranche ' is a French word which means :-

Correct Answer

A Slice

Multiple Choice Single Answer

Question

Size of the Quota depended upon :-

Correct Answer

GNP

Match The Following

Question

Correct Answer

Small Savings

Chit Funds

Gen.Insurance

NICo of India Ltd.

Life Insurance

LIC of India Ltd

Mutual fund  
UTI

True/False

Question

CPs have to be compulsorily rated.

Correct Answer

True

Multiple Choice Single Answer

Question

If the Bank allows a finance of Rs 95 against a Bill of Rs 100 the difference of Rs. 5 is known as the :-

Correct Answer

Discount

Multiple Choice Multiple Answer

Question

IIBI (formerly known as IRBI )undertakes :-

Correct Answer

Merchant Banking activities , Lease or hire purchase finance , Consultancy & managerial services

Select The Blank

Question

The loans under\_\_\_\_\_ are based on Poverty Reduction Strategy Paper.

Correct Answer

PRGF

Multiple Choice Multiple Answer

Question

Functions of a Bank's H.O. include:-

Correct Answer

Liaison with RBI , Evolve Policies , Vigilance & Control

Multiple Choice Single Answer

Question

DICGC also provides :-

Correct Answer

Security to deposits

Match The Following

Question

Correct Answer

Insurance of all employees of a Firm  
Group Insurance

Premium Throughout Life  
Whole Life

Fixed Period Insurance  
Endowment

Insurance of ocean Cargo  
Marine Insurance

True/False

Question

A Cheque is a Negotiable Instrument.

Correct Answer

True

Multiple Choice Single Answer

Question

Which one of the following is not a deposit account?

Correct Answer

Cash Credit account

Select The Blank

Question

The \_\_\_\_\_ does not collect Savings from the Public.

Correct Answer

NIICO Ltd.

.

Multiple Choice Single Answer

Question

IMF articles were amended in 1978 to legalise the :-

Correct Answer

Floating exchange rates

Select The Blank

Question

\_\_\_\_\_ is merely an asset created out of book entries.

Correct Answer

SDR

Question

Correct Answer

Regional Rural Bank

Thane Gramin Bank

Public Sector Bank

Indian Bank

Private Sector Bank

Bank of Rajasthan Ltd

Foreign Bank

CITI BANK

Select The Blank

Question

Syndication of Loans Globally does not involve any funds as it is \_\_\_\_\_ activity.

Correct Answer

Non-fund based

True/False

Question

Issuance of CD attracts reserve requirements.

Correct Answer

False

Select The Blank

Question

The repayment holiday period is also known as \_\_\_\_\_ period.

Correct Answer

Moratorium

Multiple Choice Single Answer

Question

Zero Coupon Bonds are issued at a :-

Correct Answer

Discount to face value

Multiple Choice Multiple Answer

Question

DICGC does not insure the deposits :-

Correct Answer

Of foreign Governments , Of State Cooperative Banks , Of the Central Government

Multiple Choice Multiple Answer

Question

DICGC does not insure the deposits :-

Correct Answer

Of foreign Governments , Of State Cooperative Banks , Of the Central Government

Match The Following

Question

Correct Answer

Small Savings

Chit Funds

Gen.Insurance

NICo of India Ltd..

Life Insurance

LIC of India Ltd

Mutual fund

UTI

Multiple Choice Single Answer

Question

Which one of the following is a Cooperative Bank?

Correct Answer

COSMOS BANK

Multiple Choice Single Answer

Question

Liabilities of Insurance Cos are mostly :-

Correct Answer

Long term

Select The Blank

Question

GIC raises funds to meet claims from \_\_\_\_\_.

Correct Answer  
Premium collected

True/False

Question  
Issuance of CD attracts reserve requirements.

Correct Answer  
False

Multiple Choice Single Answer  
Question Investment on a monthly basis and repayment on due date is made in :-  
Correct Answer Recurring deposit

Multiple Choice Single Answer  
Question A current account where the customer can withdraw more than the balance is :-  
Correct Answer Overdraft

Multiple Choice Single Answer  
Question SIDBI commenced its operations from :-  
Correct Answer April 2, 1990

Match The Following  
Question -Correct Answer  
NABARD -Rural Development

AFC Ltd -Consultancy  
HUDCO -Housing

NCDC -Development of Cooperatives  
Financial Institutions and Banking - 2  
LIST OF ATTEMPTED QUESTIONS AND ANSWERS

Multiple Choice Single Answer  
Question  
The first long term industrial financing corporation set up in the country was :-  
Correct Answer  
IFCI



True/False

Question

The Capital of NABARD is subscribed by World Bank.

Correct Answer

False

Multiple Choice Single Answer

Question

Financial institutions deal in :-

Correct Answer

Financial assets

Multiple Choice Single Answer

Question

In addition to sugar Industry IFCI has predominantly lent to :-

Correct Answer

Textile sector

Multiple Choice Multiple Answer

Question

Other than Tourism, International funds remittances comprise of :-

Correct Answer

Donations/Charity , Payments of Salaries , Payments of Royalty

True/False

Question

NABARD provides Refinance for Marketing of Crops.

Correct Answer

True

Multiple Choice Multiple Answer

Question

R B I conducts monetary control by way of O M O in :-

Correct Answer

Treasury bills , State /central Government Securities

Multiple Choice Single Answer

Question

Development Financial institutions include :-

Correct Answer

State financial institutions

Select The Blank

Question

NABARDs Criteria for Refinance covers Technical \_\_\_\_\_ of the project.

Correct Answer

Feasibility

True/False

Question

Banks do not invest in the GOI securities .

Correct Answer

False

Multiple Choice Multiple Answer

Question

The unorganised financial system comprises of :-

Correct Answer

Money lenders , Indigenous bankers , Lending pawn brokers

Select The Blank

Question

NHB at present has a \_\_\_\_\_ Capital of Rs. 350 crores.

Correct Answer

Paid-up

Select The Blank

Question

One of the objectives of NHB is to augment the \_\_\_\_\_ resources for the housing sector.

Correct Answer

Financial

Match The Following

Question

Correct Answer

CRR

Primary reserve requirement

Bankers Bank

Controlling the reserves of commercial banks

Exchange control

FEMA

OMO

Government securities

Multiple Choice Single Answer

Question

NABARD was established on the recommendations of :-

Correct Answer

CRAFICARD

Multiple Choice Multiple Answer

Question

A member's IMF Quota determines its :-

Correct Answer

Financial commitment , Voting power , Drawing power

Multiple Choice Multiple Answer

Question

Credit Information report is also known as :-

Correct Answer

Credit report , Banker's report , Confidential report

Select The Blank

Question

Development financial institutions have been established to cater to \_\_\_\_\_ of the industrial sector.

Correct Answer

Long term financial needs

Multiple Choice Multiple Answer

Question

Tourism promotes :-

Correct Answer

Credit Card Business , International remittances , Travellers' Cheques

True/False

Question

Development financial institutions primarily lend to Agriculture sector.

Correct Answer

False

Select The Blank

Question

The \_\_\_\_\_ is the apex institution in the field of foreign trade in India.

Correct Answer

EXIM bank

Select The Blank

Question

Financial markets are the centres that provide facilities for buying and selling of \_\_\_\_\_.

Correct Answer

Financial claims and services

True/False

Question

Non bank financial institutions undertake fund and non fund based activities.

Correct Answer

True

Select The Blank

Question

The CRAFICARD recommended the establishment of \_\_\_\_\_.

Correct Answer

NABARD

Select The Blank

Question

The price in financial markets is known as \_\_\_\_\_.

Correct Answer

Rate of interest

True/False

Question

Gramin banks are State Owned Banks.

Correct Answer

True

Multiple Choice Single Answer

Question

A credit facility under which a borrower can withdraw up a certain limit subject to availability of adequate security is :-

Correct Answer

Cash Credit account

Select The Blank

Question

Syndication involves \_\_\_\_\_ sanction.

Correct Answer

In principle

Multiple Choice Multiple Answer

Question

Treasuries could be either those of the :-

Correct Answer

Private Sector Cos. , Govt.bodies , PSUs

Multiple Choice Single Answer

Question

Treasury Bills are actually a class of :-

Correct Answer

Govt.Securities

Select The Blank

Question

The \_\_\_\_\_ regulation makes the banks the largest investor in the GOI securities.

Correct Answer

SLR

True/False

Question

HDFC was set up by NHB.

Correct Answer

False

Multiple Choice Single Answer

Question

Initial Quantum of resources of IMF were contributed by members according to :-

Correct Answer

Quotas fixed for members

True/False

Question

Most of the Indian PS Banks practice retail banking.

Correct Answer

True

True/False

Question

The overdraft facility is also known as Cash credit facility.

Correct Answer

True

True/False

Question

CPs are issued by corporate entities.

Correct Answer

True

True/False

Question

PFC has been persuading State Governments restructuring of their power sector to make them viable.

Correct Answer

True

Multiple Choice Single Answer

Question

The organised financial system includes :-

Correct Answer

Commercial banks

Multiple Choice Multiple Answer

Question

EXIM Bank provides financial assistance to:-

Correct Answer

Indian Companies , Commercial Banks , Foreign Governments

Select The Blank

Question

55% of HUDCO loans are earmarked for \_\_\_\_\_ & low income groups.

Correct Answer

Weaker sections

Multiple Choice Multiple Answer

Question

Financial Services offered by PFC include :-

Correct Answer

Term loans , lease finance , Loan Syndication

True/False

Question

The currency notes issued by RBI are legal tender everywhere in India without any limit.

Correct Answer

True

Multiple Choice Single Answer

Question

The unorganised financial system includes :-

Correct Answer

Indigenous bankers

Multiple Choice Single Answer

Question

Money Markets Satisfy the needs of :-

Correct Answer

Short term nature

Multiple Choice Multiple Answer

Question

The financial Assistance provided by the IMF enables member countries to :-

Correct Answer

Rebuild resources , Stabilise currencies , Pay for imports

Match The Following

Question

Correct Answer

NGOs

CASP, CRY, PLAN

DFI

IDBI, IFCI, ICICI

PSUs

NTPC, NHPC, Coal India

Corporates

RIL, HPCL

Financial Institutions and Banking - 1

LIST OF ATTEMPTED QUESTIONS AND ANSWERS

True/False

Question

Gramin banks are State Owned Banks.

Correct Answer

True

Select The Blank

Question

CRR and SLR are \_\_\_\_\_ reserves.

Correct Answer

Statutory

True/False

Question

Banks do not invest in the GOI securities .

Correct Answer

False

Multiple Choice Multiple Answer

Question

SIDBI provides :-

Correct Answer

Refinance , Rediscounting of Bills , Financial support to SSIDC



Select The Blank

Question

Mutual Funds provide the benefits of \_\_\_\_\_.

Correct Answer

Portfolio management

Your Answer

Portfolio management

Select The Blank

Question

Syndication involves \_\_\_\_\_ sanction.

Correct Answer

In principle

Select The Blank

Question

The \_\_\_\_\_ regulation makes the banks the largest investor in the GOI securities.

Correct Answer

SLR

Select The Blank

Question

In addition to IFCI and \_\_\_\_\_ the Soft Loan Scheme for modernisation is also undertaken by IDBI.

Correct Answer

ICICI

Multiple Choice Multiple Answer

Question

NABARD has taken over the entire functions of :-

Correct Answer

ARDC , ACD of RBI , RPCD of RBI

Multiple Choice Single Answer

Question

Instruments issued by DFIs and Banks carry :-

Correct Answer

Highest credit ratings

Multiple Choice Multiple Answer

Question

Other than Tourism, International funds remittances comprise of :-

Correct Answer

Donations/Charity , Payments of Salaries , Payments of Royalty

Multiple Choice Single Answer

Question

Money Markets Satisfy the needs of :-

Correct Answer

Short term nature

Multiple Choice Single Answer

Question

Development Financial Institutions provide finance to the needy

Correct Answer

Corporates & govt. institutions

True/False

Question

NABARD does not provide Refinance for stocking & distribution of Chemical Fertilisers.

Correct Answer

False

True/False

Question

The SFCs also borrow from SIDBI & IDBI.

Correct Answer

True

Multiple Choice Single Answer

Question

A major part of the credit of SFCs went to :-

Correct Answer

SSI units

True/False

Question

Mortgage Loans are loans against property.

Correct Answer

True

Multiple Choice Single Answer

Question

The unorganised financial system includes :-

Correct Answer

Indigenous bankers

Select The Blank

Question

HDFCs loans were linked up with\_\_\_\_\_.

Correct Answer

Planned Savings

Multiple Choice Single Answer

Question

Initial Quantum of resources of IMF were contributed by members according to :-

Correct Answer

Quotas fixed for members

True/False

Question

CPs are issued by corporate entities.

Correct Answer

True

Multiple Choice Multiple Answer

Question

EXIM Bank provides financial assistance to:-

Correct Answer

Indian Companies , Commercial Banks , Foreign Governments

Multiple Choice Multiple Answer

Question

Functions of R.O. do not cover :-

Correct Answer

SLR/CRR maintenance , Liaison with RBI/IBA , Issuing Lending Policy

Match The Following

Question

Correct Answer

Inter Bank Call Money Markets  
BRs, Call Money Receipts

Money Market Instruments  
CP, CD ,T- Bills

Capital Market Instruments  
Shares

Debt Market Instruments  
GOI Securities ,Bonds

Multiple Choice Multiple Answer  
Question

Which of the following statements are not prepared on a daily basis in branch?

Correct Answer

Cash Book , Trial Balance , P/L statement

Select The Blank

Question

Interest on advances is generally calculated on \_\_\_\_\_ products.

Correct Answer

Daily

Multiple Choice Single Answer

Question

IDBI has helped in the establishment of :-

Correct Answer

EXIM Bank

Multiple Choice Multiple Answer

Question

Under Project Finance Scheme IDBI provides assistance for :-

Correct Answer

New Projects , Renovation , Modernisation

Multiple Choice Single Answer

Question

Deposits per depositor per bank are secured by DICGC up to a sum of :-

Correct Answer

Rs. one lac.

Select The Blank

Question

SCICI provides domestic & foreign loans for capital equipment and\_\_\_\_\_ services.

Correct Answer

Technical

Multiple Choice Multiple Answer

Question

The main objective of ICICI was :-

Correct Answer

To augment export finance in India , To channelise World Bank's funds to industries in India , To help in building up a Capital Market in India

Multiple Choice Multiple Answer

Question

Functions of NIDHIs include :-

Correct Answer

Accepting Deposits , Granting loans , Encourage thrift

Multiple Choice Single Answer

Question

IDBI was initially set up as :-

Correct Answer

Subsidy of RBI

Multiple Choice Multiple Answer

Question

For its long term operations NABARD raises funds by :-

Correct Answer

Floating Bonds in open market , Drawing from the Central Govt. , Drawing from National Rural credit Funds

Select The Blank

Question

Financial markets are the centres that provide facilities for buying and selling of \_\_\_\_\_.

Correct Answer

Financial claims and services

True/False

Question

IDA does not lend to countries that are not in a position to borrow from IBRD.

Correct Answer

False

Select The Blank

Question

General insurance policies are generally issued for \_\_\_\_\_ year.

Correct Answer

One

True/False

Question

SCICI is a member of the OTCEI.

Correct Answer

True

Multiple Choice Single Answer

Question

The deposit account offering cheque withdrawal facility is known as :-

Correct Answer

Current account

Match The Following

Question

Correct Answer

CRR

Primary reserve requirement

Bankers Bank

Controlling the reserves of commercial banks

Exchange control

FEMA

OMO

Government securities

Multiple Choice Multiple Answer

Question

The loans of finance companies are generally :-

Correct Answer

At high interest , Unsecured , Based on borrowers worth

Multiple Choice Single Answer

Question

The apex institution in the field of Industrial Development is :-

Correct Answer

IDBI

Multiple Choice Multiple Answer

Question

A member's IMF Quota determines its :-

Correct Answer

Financial commitment , Voting power , Drawing power

True/False

Question

CP is a usance promissory note hence it can be negotiated by endorsement & delivery.

Correct Answer

True

Multiple Choice Single Answer

Question

The objective of ICICI was to assist the :-

Correct Answer

Private sector

True/False

Question

NABARD provides short term refinance for procurement activities also.

Correct Answer

True

Select The Blank

Question

Period of Holiday Insurance is \_\_\_\_\_.

Correct Answer

Six months or less

Question

Agricultural Finance Consultancy Ltd(AFC) activities cover :-

Correct Answer

Pre-feasibility studies , Regional /Sectoral planning , Benchmark Surveys

Multiple Choice Multiple Answer

Question

Duties of an International Banking unit cover :-

Correct Answer

Handling foreign currency , Handling Doc. credits , Granting lines of Credit

Select The Blank

Question

One of the objectives of NHB is to augment the \_\_\_\_\_ resources for the housing sector.

Correct Answer

Financial

Multiple Choice Multiple Answer

Question

The unorganized financial system comprises of :-

Correct Answer

Money lenders , Indigenous bankers , Lending pawn brokers

Multiple Choice Single Answer

Question

The lender of the last resort to the market is the :-

Correct Answer

RBI

Multiple Choice Multiple Answer

Question

Credit Information report is also known as :-

Correct Answer

Credit report , Banker's report , Confidential report



Multiple Choice Single Answer

Question

Certificate of deposit are issued by

Correct Answer

Banks

Multiple Choice Single Answer

Question

A record of the holdings of GOI dated securities of each holder is contained in :-

Correct Answer

SGL pass book

Multiple Choice Single Answer

Question

The organized financial system includes :-

Correct Answer

Commercial banks

Select The Blank

Question

Development financial institutions have been established to cater to \_\_\_\_\_ of the industrial sector.

Correct Answer

Long term financial needs

Multiple Choice Single Answer

Question

DFHI was incorporated under the :-

Correct Answer

Companies Act, 1956

Select The Blank

Question

The \_\_\_\_\_ meet the long and medium term credit needs of agriculture.

Correct Answer

Land Development Banks

Multiple Choice Single Answer

Question

Certificate of deposit is a :-

Correct Answer

Usance promissory note

True/False

Question

Amongst others, ICICI also provided long and medium term loans or equity finance.

Correct Answer

TRUE

Multiple Choice Multiple Answer

Question

EXIM Bank provides financial assistance to:-

Correct Answer

Indian Companies , Commercial Banks , Foreign Governments

Multiple Choice Multiple Answer

Question

RBI sells securities through :-

Correct Answer

Auction program , Open market operations , Private placements

Multiple Choice Single Answer

Question

The ultimate source of money in India is:-

Correct Answer

RBI

Multiple Choice Single Answer

Question

Long term debt instruments have a maturity of :-

Correct Answer

Over one year

Multiple Choice Multiple Answer

Question

R B I conducts monetary control by way of O M O in :-

Correct Answer

Treasury bills , State /central Government Securities

True/False

Question

Under open market operation RBI conducts buying /selling shares/debentures of blue chip companies.

Correct Answer

FALSE

Match The Following

Question

Correct Answer

Development financial institutions

IFCI

Organized sector

Banking System

Unorganized sector

Indigenous banks

Mutual funds

UTI

Select The Blank

Question

The Shipping Credit and Investment Company of India Ltd. has changed its name to \_\_\_\_\_ effective from October 1992.

Correct Answer SCICI Ltd

Multiple Choice Multiple Answer

Question

A member's IMF Quota determines its :-

Correct Answer

Financial commitment , Voting power , Drawing power

Multiple Choice Single Answer

Question

Development Financial institutions include :-

Correct Answer

State financial institutions

Multiple Choice Single Answer

Question

The unorganized financial system includes :-

Correct Answer

Indigenous bankers

Match The Following

Question

Correct Answer

Fruit Crops, Floriculture, Vegetables

Horticulture

Institutional studies, Dwell Time Studies

Surveys & Studies

Agronomy, Crop Planning, Plant Protection, Farm Inputs

Crop Production

Canals & Rivers, Drip Irrigation

Irrigation & Drainage

Select The Blank

Question

The HDFC was set up in 1977 by the \_\_\_\_\_.

Correct Answer

ICICI

Multiple Choice Single Answer

Question

Instruments issued by DFIs and Banks carry :-

Correct Answer

Highest credit ratings

Multiple Choice Single Answer

Question

LIC of India was set up in :-

Correct Answer

1956

Select The Blank

Question

Secured Premium Notes are \_\_\_\_\_.

Correct Answer

Debentures

Multiple Choice Single Answer

Question

PFC is committed to the integrated development of :-

Correct Answer

Power

True/False

Question

Banks issue Guarantees on behalf of their clients.

Correct Answer

TRUE

True/False

Question

Banks authorized to deal in foreign exchange are known as Authorized Dealers.

Correct Answer

FALSE

Multiple Choice Multiple Answer

Question

DFHI was set up with the following objective :-

Correct Answer

To even out imbalances , To provide liquidity , To promote secondary market

Multiple Choice Multiple Answer

Question

NABARD has taken over the entire functions of :-

Correct Answer

ARDC , ACD of RBI , RPCD of RBI

Multiple Choice Multiple Answer

Question

R B I issues currency notes against the security of:-

Correct Answer

Gold bullion , Foreign securities , GOI securities

Select The Blank

Question

The \_\_\_\_\_ has been accredited by RBI as a Primary Dealer in Government Securities.

Correct Answer

STCI

True/False

Question

The SFCs also borrow from SIDBI & IDBI.

Correct Answer

FALSE

Select The Blank

Question

Legally speaking Pass Through Certificates are \_\_\_\_\_ and are traceable freely.

Correct Answer

Promissory notes

Select The Blank

Question

DFIs are the second largest issuer of \_\_\_\_\_ after the Govt and Sovereign bodies.

Correct Answer

Debt instruments

Multiple Choice Multiple Answer

Question

From time to time RBI has issued :-

Correct Answer

Straight coupon bonds , Inflation linked bonds , Zero coupon bonds

True/False

Question

The currency notes issued by RBI are legal tender everywhere in India without any limit.

Correct Answer

TRUE

True/False

Question

HDFC was set up by NHB.

Correct Answer

FALSE

True/False

Question

PFC also provides reform & restructuring related studies.

Correct Answer

TRUE

Select The Blank

Question

The \_\_\_\_\_ was set up to help corrections in BOP maladjustments.

Correct Answer

IMF

Select The Blank

Question

The CRAFTCARD recommended the establishment of \_\_\_\_\_.

Correct Answer

NABARD

True/False

Question

NIDHIS are Trading Organizations.

Correct Answer

FALSE

Posted by Koshy at 1:54 PM No comments:

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Labels: Financial Institutions and Banking

Financial Institutions and Banking - 3

Financial Institutions and Banking - 3

Select The Blank

Question The term \_\_\_\_\_ refers to the act of a bank extending finance to the seller against a letter of credit.

Correct Answer Negotiation

Multiple Choice Multiple Answer

Question Soft Loan Scheme for modernisation is provided by :-

Correct Answer IFCI , ICICI , SIDBI

Match The Following

Question -Correct Answer

Charitable Trusts- Rajiv Gandhi Foundation

PSU MTNL ,SAIL, KRC MTNL ,

Mutual Funds UTI ,ICICI Prudential

Statutory Trusts Port Trust Port Trust

True/False

Question Under MIGA the World bank offers various forms of Political Insurance.

Correct Answer True



Multiple Choice Single Answer

Question Commercial Papers are issued by :-

Correct Answer Corporates

Question Investment on a monthly basis and repayment on due date is made in :-

Correct Answer Recurring deposit

True/False

Question Issuance of CD attracts reserve requirements.

Correct Answer False

True/False

Question

State loans are much less liquid than GOI Securities.

Correct Answer

True

Multiple Choice Single Answer

Question

IDBI was delinked from RBI and it became autonomous in the year :-

Correct Answer

1976

Question

One of the leading All India FI is :-

Correct Answer

SIDBI

Multiple Choice Single Answer

Question

The largest member of the IMF is the :-

Correct Answer

U.S.A.

Multiple Choice Single Answer

Question

The foreign currency account maintained by an authorised dealer with its correspondent abroad is :-

Correct Answer

Nostro Account

Select The Blank

Question

As a banker to the Government, RBI accepts Government deposits at \_\_\_\_\_% interest.

Correct Answer

0

Multiple Choice Single Answer

Question

The word ' Tranche ' is a French word which means :-

Correct Answer

A Slice

Multiple Choice Single Answer

Question

Size of the Quota depended upon :-

Correct Answer

GNP

Match The Following

Question

Correct Answer

Small Savings

Chit Funds

Gen.Insurance

NICo of India Ltd.

Life Insurance

LIC of India Ltd

Mutual fund

UTI

True/False

Question

CPs have to be compulsorily rated.

Correct Answer

True

Multiple Choice Single Answer

Question

If the Bank allows a finance of Rs 95 against a Bill of Rs 100 the difference of Rs. 5 is known as the :-

Correct Answer

Discount

Multiple Choice Multiple Answer

Question

IIBI (formerly known as IRBI )undertakes :-

Correct Answer

Merchant Banking activities , Lease or hire purchase finance , Consultancy & managerial services

Select The Blank

Question

The loans under\_\_\_\_\_ are based on Poverty Reduction Strategy Paper.

Correct Answer

PRGF

Multiple Choice Multiple Answer

Question

Functions of a Bank's H.O. include:-

Correct Answer

Liaison with RBI , Evolve Policies , Vigilance & Control

Multiple Choice Single Answer

Question

DICGC also provides :-

Correct Answer

Security to deposits

Match The Following

Question

Correct Answer

Insurance of all employees of a Firm

Group Insurance

Premium Throughout Life

Whole Life

Fixed Period Insurance

Endowment

Insurance of ocean Cargo

Marine Insurance

True/False

Question

A Cheque is a Negotiable Instrument.

Correct Answer

True

Multiple Choice Single Answer

Question

Which one of the following is not a deposit account?

Correct Answer

Cash Credit account

Select The Blank

Question

The \_\_\_\_\_ does not collect Savings from the Public.

Correct Answer

NIICO Ltd.

.

Multiple Choice Single Answer

Question

IMF articles were amended in 1978 to legalise the :-

Correct Answer

Floating exchange rates

Select The Blank

Question

\_\_\_\_\_ is merely an asset created out of book entries.

Correct Answer

SDR

Question

Correct Answer

Regional Rural Bank

Thane Gramin Bank

Public Sector Bank

Indian Bank

Private Sector Bank

Bank of Rajasthan Ltd

Foreign Bank

CITI BANK

Select The Blank

Question

Syndication of Loans Globally does not involve any funds as it is \_\_\_\_\_ activity.

Correct Answer

Non-fund based

True/False

Question

Issuance of CD attracts reserve requirements.

Correct Answer

False

Select The Blank

Question

The repayment holiday period is also known as \_\_\_\_\_ period.

Correct Answer

Moratorium

Multiple Choice Single Answer

Question

Zero Coupon Bonds are issued at a :-

Correct Answer

Discount to face value

Multiple Choice Multiple Answer

Question

DICGC does not insure the deposits :-

Correct Answer

Of foreign Governments , Of State Cooperative Banks , Of the Central Government

Multiple Choice Multiple Answer

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DICGC does not insure the deposits :-

Correct Answer

Of foreign Governments , Of State Cooperative Banks , Of the Central Government

Match The Following

Question

Correct Answer

Small Savings

Chit Funds

Gen.Insurance

NICo of India Ltd..

Life Insurance

LIC of India Ltd

Mutual fund  
UTI

Multiple Choice Single Answer

Question  
Which one of the following is a Cooperative Bank?

Correct Answer  
COSMOS BANK

Multiple Choice Single Answer

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Liabilities of Insurance Cos are mostly :-

Correct Answer  
Long term

Select The Blank

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GIC raises funds to meet claims from \_\_\_\_\_.

Correct Answer  
Premium collected

True/False

Question  
Issuance of CD attracts reserve requirements.

Correct Answer  
False

Multiple Choice Single Answer  
Question Investment on a monthly basis and repayment on due date

is made in :-

Correct Answer Recurring deposit

Multiple Choice Single Answer

Question A current account where the customer can withdraw more than the balance is :-

Correct Answer Overdraft

Multiple Choice Single Answer

Question SIDBI commenced its operations from :-

Correct Answer April 2,1990

Match The Following

Question -Correct Answer

NABARD -Rural Development

AFC Ltd -Consultancy

HUDCO -Housing

NCDC -Development of Cooperatives

Financial Institutions and Banking - 2

LIST OF ATTEMPTED QUESTIONS AND ANSWERS

Multiple Choice Single Answer

Question

The first long term industrial financing corporation set up in the country was :-

Correct Answer

IFCI

True/False

Question

The Capital of NABARD is subscribed by World Bank.

Correct Answer

False

Multiple Choice Single Answer

Question

Financial institutions deal in :-

Correct Answer

Financial assets

Multiple Choice Single Answer



Question

In addition to sugar Industry IFCI has predominantly lent to :-

Correct Answer

Textile sector

Multiple Choice Multiple Answer

Question

Other than Tourism, International funds remittances comprise of :-

Correct Answer

Donations/Charity , Payments of Salaries , Payments of Royalty

True/False

Question

NABARD provides Refinance for Marketing of Crops.

Correct Answer

True

Multiple Choice Multiple Answer

Question

R B I conducts monetary control by way of O M O in :-

Correct Answer

Treasury bills , State /central Government Securities

Multiple Choice Single Answer

Question

Development Financial institutions include :-

Correct Answer

State financial institutions

Select The Blank

Question

NABARDs Criteria for Refinance covers Technical \_\_\_\_\_ of the project.

Correct Answer

Feasibility

True/False

Question

Banks do not invest in the GOI securities .

Correct Answer

False

Multiple Choice Multiple Answer

Question

The unorganised financial system comprises of :-

Correct Answer

Money lenders , Indigenous bankers , Lending pawn brokers

Select The Blank

Question

NHB at present has a \_\_\_\_\_ Capital of Rs. 350 crores.

Correct Answer

Paid-up

Select The Blank

Question

One of the objectives of NHB is to augment the \_\_\_\_\_ resources for the housing sector.

Correct Answer

Financial

Match The Following

Question

Correct Answer

CRR

Primary reserve requirement

Bankers Bank

Controlling the reserves of commercial banks

Exchange control

FEMA

OMO

Government securities

Multiple Choice Single Answer

Question

NABARD was established on the recommendations of :-

Correct Answer  
CRAFICARD

Multiple Choice Multiple Answer

Question

A member's IMF Quota determines its :-

Correct Answer

Financial commitment , Voting power , Drawing power

Multiple Choice Multiple Answer

Question

Credit Information report is also known as :-

Correct Answer

Credit report , Banker's report , Confidential report

Select The Blank

Question

Development financial institutions have been established to cater to \_\_\_\_\_ of the industrial sector.

Correct Answer

Long term financial needs

Multiple Choice Multiple Answer

Question

Tourism promotes :-

Correct Answer

Credit Card Business , International remittances , Travellers' Cheques

True/False

Question

Development financial institutions primarily lend to Agriculture sector.

Correct Answer

False

Select The Blank

Question

The \_\_\_\_\_ is the apex institution in the field of foreign trade in India.

Correct Answer

EXIM bank

Select The Blank

Question

Financial markets are the centres that provide facilities for buying and selling of \_\_\_\_\_.

Correct Answer

Financial claims and services

True/False

Question

Non bank financial institutions undertake fund and non fund based activities.

Correct Answer

True

Select The Blank

Question

The CRAFICARD recommended the establishment of \_\_\_\_\_.

Correct Answer

NABARD

Select The Blank

Question

The price in financial markets is known as \_\_\_\_\_.

Correct Answer

Rate of interest

True/False

Question

Gramin banks are State Owned Banks.

Correct Answer

True

Multiple Choice Single Answer

Question

A credit facility under which a borrower can withdraw up a certain limit subject to availability of adequate security is :-

Correct Answer

Cash Credit account

Select The Blank

Question

Syndication involves \_\_\_\_\_ sanction.

Correct Answer

In principle

Multiple Choice Multiple Answer

Question

Treasuries could be either those of the :-

Correct Answer

Private Sector Cos. , Govt.bodies , PSUs

Multiple Choice Single Answer

Question

Treasury Bills are actually a class of :-

Correct Answer

Govt.Securities

Select The Blank

Question

The \_\_\_\_\_ regulation makes the banks the largest investor in the GOI securities.

Correct Answer

SLR

True/False

Question

HDFC was set up by NHB.

Correct Answer

False

Multiple Choice Single Answer

Question

Initial Quantum of resources of IMF were contributed by members according to :-

Correct Answer

Quotas fixed for members

True/False

Question

Most of the Indian PS Banks practice retail banking.

Correct Answer

True

True/False

Question

The overdraft facility is also known as Cash credit facility.

Correct Answer

True

True/False

Question

CPs are issued by corporate entities.

Correct Answer

True

True/False

Question

PFC has been persuading State Governments restructuring of their power sector to make them viable.

Correct Answer

True

Multiple Choice Single Answer

Question

The organised financial system includes :-

Correct Answer

Commercial banks

Multiple Choice Multiple Answer

Question

EXIM Bank provides financial assistance to:-

Correct Answer

Indian Companies , Commercial Banks , Foreign Governments

Select The Blank

Question

55% of HUDCO loans are earmarked for \_\_\_\_\_ & low income groups.

Correct Answer

Weaker sections

Multiple Choice Multiple Answer

Question

Financial Services offered by PFC include :-

Correct Answer

Term loans , lease finance , Loan Syndication

True/False

Question

The currency notes issued by RBI are legal tender everywhere in India without any limit.

Correct Answer

True

Multiple Choice Single Answer

Question

The unorganised financial system includes :-

Correct Answer

Indigenous bankers

Multiple Choice Single Answer

Question

Money Markets Satisfy the needs of :-

Correct Answer

Short term nature

Multiple Choice Multiple Answer

Question

The financial Assistance provided by the IMF enables member countries to :-

Correct Answer

Rebuild resources , Stabilise currencies , Pay for imports

Match The Following

Question

Correct Answer

NGOs

CASP, CRY, PLAN

DFI

IDBI, IFCI, ICICI

PSUs

NTPC, NHPC, Coal India

Corporates  
RIL, HPCL

Financial Institutions and Banking - 1  
LIST OF ATTEMPTED QUESTIONS AND ANSWERS

True/False

Question

Gramin banks are State Owned Banks.

Correct Answer

True

Select The Blank

Question

CRR and SLR are \_\_\_\_\_ reserves.

Correct Answer

Statutory

True/False

Question

Banks do not invest in the GOI securities .

Correct Answer

False

Multiple Choice Multiple Answer

Question

SIDBI provides :-

Correct Answer

Refinance , Rediscounting of Bills , Financial support to SSIDC

Select The Blank

Question

Mutual Funds provide the benefits of \_\_\_\_\_.

Correct Answer

Portfolio management

Your Answer

Portfolio management

Select The Blank

Question

Syndication involves \_\_\_\_\_ sanction.

Correct Answer



In principle

Select The Blank

Question

The \_\_\_\_\_ regulation makes the banks the largest investor in the GOI securities.

Correct Answer

SLR

Select The Blank

Question

In addition to IFCI and \_\_\_\_\_ the Soft Loan Scheme for modernisation is also undertaken by IDBI.

Correct Answer

ICICI

Multiple Choice Multiple Answer

Question

NABARD has taken over the entire functions of :-

Correct Answer

ARDC , ACD of RBI , RPCD of RBI

Multiple Choice Single Answer

Question

Instruments issued by DFIs and Banks carry :-

Correct Answer

Highest credit ratings

Multiple Choice Multiple Answer

Question

Other than Tourism, International funds remittances comprise of :-

Correct Answer

Donations/Charity , Payments of Salaries , Payments of Royalty

Multiple Choice Single Answer

Question

Money Markets Satisfy the needs of :-

Correct Answer

Short term nature

Multiple Choice Single Answer

Question

Development Financial Institutions provide finance to the needy

Correct Answer

Corporates & govt. institutions

True/False

Question

NABARD does not provide Refinance for stocking & distribution of Chemical Fertilisers.

Correct Answer

False

True/False

Question

The SFCs also borrow from SIDBI & IDBI.

Correct Answer

True

Multiple Choice Single Answer

Question

A major part of the credit of SFCs went to :-

Correct Answer

SSI units

True/False

Question

Mortgage Loans are loans against property.

Correct Answer

True

Multiple Choice Single Answer

Question

The unorganised financial system includes :-

Correct Answer

Indigenous bankers

Select The Blank

Question

HDFCs loans were linked up with\_\_\_\_\_.

Correct Answer

Planned Savings

Multiple Choice Single Answer

Question

Initial Quantum of resources of IMF were contributed by members according to :-

Correct Answer

Quotas fixed for members

True/False

Question

CPs are issued by corporate entities.

Correct Answer

True

Multiple Choice Multiple Answer

Question

EXIM Bank provides financial assistance to:-

Correct Answer

Indian Companies , Commercial Banks , Foreign Governments

Multiple Choice Multiple Answer

Question

Functions of R.O. do not cover :-

Correct Answer

SLR/CRR maintenance , Liaison with RBI/IBA , Issuing Lending Policy

Match The Following

Question

Correct Answer

Inter Bank Call Money Markets

BRs, Call Money Receipts

Money Market Instruments

CP, CD ,T- Bills

Capital Market Instruments

Shares

Debt Market Instruments

GOI Securities ,Bonds

Multiple Choice Multiple Answer

Question

Which of the following statements are not prepared on a daily basis in branch?

Correct Answer

Cash Book , Trial Balance , P/L statement

Select The Blank

Question

Interest on advances is generally calculated on \_\_\_\_\_ products.

Correct Answer

Daily

Multiple Choice Single Answer

Question

IDBI has helped in the establishment of :-

Correct Answer

EXIM Bank

Multiple Choice Multiple Answer

Question

Under Project Finance Scheme IDBI provides assistance for :-

Correct Answer

New Projects , Renovation , Modernisation

Multiple Choice Single Answer

Question

Deposits per depositor per bank are secured by DICGC up to a sum of :-

Correct Answer

Rs. one lac.

Select The Blank

Question

SCICI provides domestic & foreign loans for capital equipment and \_\_\_\_\_ services.

Correct Answer

Technical

Multiple Choice Multiple Answer

Question

The main objective of ICICI was :-

Correct Answer

To augment export finance in India , To channelise World Bank's funds to industries in India , To help in building up a Capital Market in India

Multiple Choice Multiple Answer

Question

Functions of NIDHIs include :-

Correct Answer

Accepting Deposits , Granting loans , Encourage thrift

Multiple Choice Single Answer

Question

IDBI was initially set up as :-

Correct Answer

Subsidy of RBI

Multiple Choice Multiple Answer

Question

For its long term operations NABARD raises funds by :-

Correct Answer

Floating Bonds in open market , Drawing from the Central Govt. , Drawing from National Rural credit Funds

Select The Blank

Question

Financial markets are the centres that provide facilities for buying and selling of \_\_\_\_\_.

Correct Answer

Financial claims and services

True/False

Question

IDA does not lend to countries that are not in a position to borrow from IBRD.

Correct Answer

False

Select The Blank

Question

General insurance policies are generally issued for \_\_\_\_\_ year.

Correct Answer

One

True/False

Question

SCICI is a member of the OTCEI.

Correct Answer  
True

Multiple Choice Single Answer  
Question

The deposit account offering cheque withdrawal facility is known as :-  
Correct Answer  
Current account

Match The Following  
Question  
Correct Answer

CRR  
Primary reserve requirement

Bankers Bank  
Controlling the reserves of commercial banks

Exchange control  
FEMA

OMO  
Government securities

Multiple Choice Multiple Answer  
Question  
The loans of finance companies are generally :-  
Correct Answer  
At high interest , Unsecured , Based on borrowers worth

Multiple Choice Single Answer  
Question  
The apex institution in the field of Industrial Development is :-  
Correct Answer  
IDBI

Multiple Choice Multiple Answer  
Question  
A member's IMF Quota determines its :-

Correct Answer

Financial commitment , Voting power , Drawing power

True/False

Question

CP is a usance promissory note hence it can be negotiated by endorsement & delivery.

Correct Answer

True

Multiple Choice Single Answer

Question

The objective of ICICI was to assist the :-

Correct Answer

Private sector

True/False

Question

NABARD provides short term refinance for procurement activities also.

Correct Answer

True

Select The Blank

Question

Period of Holiday Insurance is \_\_\_\_\_.

Correct Answer

Six months or less

1. Which of the following statements are true?

- I. Unit testing is executed by developer
- II. In Unit testing individual functions or procedures are tested
- III. It is kind of white box testing

select one

- a. I,II, III -----Ans (crct)
- b. Both I and II
- c. Only I
- d. Only II

-----  
-----

2. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

- a. None of the Listed
- b. EMPLOYEE role information set in the field
- c. syntax errors
- d. creating the constraints file to make use of the defined constraints in other class-----

-----ANS

- e. DEFAULT\_ROLE set to EMPLOYEE field

-----  
-----



3. Which of the following is true?

a. the requirement document describes how the requirements that are listed in the document are implemented efficiently

b. consistency and completeness of functional requirements are always achieved in practice

c. Prototyping is a method of requirements validation-----ANS  
(crct)

d. requirements review is carried out to find the errors in system design

-----  
-----

4. Providing full time application support through multiple shifts and by operating at different time zones and countries is known as

a. Follow-the-support model

b. Follow-the-sun model-----ANS

c. Follow-the-moon model

d. none of these

-----  
-----

5. If I0/I1 team is unable to find the resolution in the knowledge database, whom do they contact for further troubleshooting?

a. L3 support

b. L4 support

c. none of these

d. L2 support-----ANS

-----  
-----

11. Which of the following are the best practices?

I. Move all the hardcoded values to the constant file.

II. Have log file to log all the activities.

III. Better to catch general exceptions than specific exceptions.

Select one:

a. All of the listed options

b. Only III

c. Only I and II-----ANS

d. Only II and III

-----  
-----

12. \_\_\_\_\_ is the process of applying as much creativity as possible and validating the application against invalid data.

Select one:

a. White box Testing

b. Sanity Testing

c. Negative Testing-----ANS

d. Regression Testing

---

---

13. The detailed study of existing system is referred to as:

Select one:

a. System Planning

b. System Analysis -----ANS

c. Feasibility Study

d. Design DFD

---

---

14. Through Shift Left Methodology, the knowledge flows from\_\_\_\_\_.

Select one:

a. L4, L3, L2 to L1 -----ans

b. L1, L2, L4 to L4

c. L1, L2, L4 to L3

d. L1, L3, L4 to L2

---

---

15. Which key constraint can accept null value

Select one:

a. Check

b. Unique key -----ANS

c. Primary key

d. Foreign key

-----  
-----  
16. If an urgent RFC is raised , which board needs to take an immediate action?

Select one-

a. ECAB (Emergency Change Advisory Board)-----ANS

b. ECAB (Exclusive Change Advisory Board)

c. None of the listed options

d. CAB (Change Advisory Board))

-----  
-----

17. The ability to resolve known incidents in known error resolution services in --- downtime to the business, which in turn means ----- availability of the service?

Select one-

a. Lower, higher-----  
-----ANS

b. Lower, Lower

c. higher, higher

d. higher, Lower

-----  
-----

18) question is not clear

-----  
-----

19) which key attributes of incidents handling, refers to the time when the solution to the problem

was found and the work started?

Select one-

A.Status Time

B.Response Time

c.Resolution time

D.Restoration Time-----ANS

-----  
-----

20)L2 support team provides ----- for solving basic technical problems

Select one-

a.Output to L3 support team

b.Output to L0/L1 support team

c.Input to L0/L1 support team-----ANS

d.Input to L3 support team

-----  
-----

21. Benchmarking is the process of comparing one business process and performance metrics to industry bests or best practices from other industry and setting up a target level for each of the metrics.

true-----ans

false

-----

-----

22. what are the advantages of exception handling

Select one or more:

a. None of the listed options.

b. In Exception handling, generic Exception object can be extended to any specific type of exception--ANS

c. Exception handling maintains the normal flow of the application-----ANS

d. With the exception handling mechanism, the developer can write their code much "cleaner" and have exception automatically handled-----ans

e. With the exception handling mechanism, when an exception occurs, the execution of the program is transferred to an appropriate exception handler and terminate the program-----ANS

-----

-----

23. Which of the following is the incident status correct order?

Selected one:

a. None of the listed options

b. New, Active, Resolved, Closed-----ans

c. Active, New, resolved, Closed

d. New, Resolved, Active, Closed

-----

-----

24. design document is to developers

Select one:

a.blueprint-----ANS

b.handbook

c.Reference Material

d.Guide

-----  
-----

25.Application Consolidation services focuses on consolidating multiple

application which are\_\_\_\_\_in nature to cohesive IT application landscape

Select one:

a.dissimilar-----ans

b.similar

c.unrelated

d.disconnected

-----  
-----

26 .which SERVICE HAS THE PRIMARY OBJECTIVE as to prevent problems before

happening to production environment?

Select one:

a.Continuous Build & Release

b.Application Strengthening-----ans

c. Compliance & Regulatory Updates

d.Release Planning

-----  
-----  
27. which process grants authorised users the right to use a service

Select one:

a. access management-----ANS

b. Event management

c. Problem Management

d. Incident management

-----  
-----

28. which statement can enclose a continue statement

a. while , do , for , or foreach-----ANS

b. try, while, do, for, or foreach

c. switch, while, do, for, or foreach

d. while, do, for, or foreach

-----  
-----

29. What is the use of creating an index in the table ?

Select one:

a. To increase the performance of the table

b. All the listed options-----ANS

c. To order the records in the table



d. To search the records in the table

-----

-----

30.what is the difference between white box testing and black box testing

Select one:

a.White box testing is testing on the QA environment and Black box testing is testing on the UAT environment

b. All the listed options

c.White box testing requires the knowledge of the structure of the code and black box testing is done to test the business requirement at a high level-----ans

d.Whitebox testing is done by the testing team and black box testing is done only by the developer during development.

-----

-----

31. Activities in traditional AVM model are broadly classified under

I.Application/Production support

II.Bug Fix

What is the third one?

Select one:

a.Enhancements-----ANS

b.Product upgrade

c.Ad hoc Requests

d.Batch Monitoring

-----  
-----  
32. The key analysis involved in feasibility analysis is/are

Select one:

a.Economic

b.Technical

c.Behavioral

d.All of the listed options-----ANS

-----  
-----  
33. Which of the following is NOT an outcome of Best Practices in AVM engagement

Select one:

a.Efficient and Effective Operations

b.Improve Reliability

c.Improves Customer Satisfaction

d.Increased Manitenance and Operating costs-----ANS

-----  
-----  
34. In which phase of the AVM Lifecycle are the customer's requirements actually fulfilled

Select one:

a. None of the listed options

b. Initiation and Planning Phase

c. Service Phase -----ANS

d. Knowledge Transition Phase

-----  
-----

35. If an incident is not responded to/resolved within the defined SLA time limits, it is considered as

Select one:

a. SLA Breach-----ANS

b. SLA Met

c. Penalty Clause

d. None of the listed options

-----  
-----

36. .... activity is a part of support and it is required for any customer business availability/continuity.

Select one.

A-Monitoring-----ANS

B-online processing

C-analyzing

D-testing

-----  
-----  
37 ..... is harder for complex systems in particular, when various subsystems are tightly coupled as changes in one system or interface may cause bug to emerge in another .

Select one.

A- compilation

B- testing

C- debugging-----ANS

D- execution

-----  
-----  
38 select ename, sal

FROM emp

WHERE deptno=(SELECT \* FROM dept

WHERE loc='NEW YORK');

what will be the output of the above example?

SELECT ONE.

A- will throw an error-----ANS

B- will give multiple record

C- will display nothing

D- will give single record

-----  
-----  
39. What are all the services under Product Engineering Services??

A- white box testing, black box testing

B- test automation and black box testing

c-test automation and white box testing-----ANS

D-none of the listed options

-----  
-----  
40. why should the team have project demo to the customer on a regular basis?

Select one-

A-to ask the customers feedback on the developed user stories.

B-all of the listed options.-----ANS

C-to showcase that the requirements of the highest business value to the customer have been prioritized and developed for the customer

D-to make him feel confident that his requirements are being developed the way it is expected.

-----  
-----  
Q41. In AVM projects,inefficient processes leads to \_\_\_\_\_ productivity and \_\_\_\_\_ support costs.

Select one-

A-higher,increased

B-lesser,decreased

C-lesser,increased-----ANS

D-higher,decreased

-----  
-----  
Q42.In AVM, Best Practices can be categorized under which of the following?

Select one-

A-All of the listed options-----ANS

B-Transformation

C-Effectiveness

D-Innovation

E-Efficiency

---

---

Q43.Which support level majorly deals with unknown incidents?

Select one-

A-L3 Support

B-L4 Supprt

C-L2 Support-----ans

D-L0/L1 Support

---

---

Q44.Design documents does not contain details on the infrastructure associated with the system.

State true or false.

A-True-----ANS

B-False

---

---

45.what is the exception that should be raised by the below situation ?

{

```
try
{
result=num1/num2
}
catch(-----e)
```

Select one :

a-OutOfMemoryException

b-DivisionError

c-DivideByzeroException-----ANS

d-ApplicationError

---

46.Service portfolio management ensures we dont waste money with excess capacity.

true or false ?

a.True

b. false-----ANS

---

47.What are the various purposes of Business requirement document(BRD) ?

Select one-

a- A BRD details the business solution for a project including the documentation of customer needs and expectations.-----ans

b- A BRD is a formal document that provides a contract between supplier and client..-----  
-----ans

c- A BRD contains detailed project plan and design

d- A BRD effectively defines the scope of the project.-----ANS

-----

48. Design document details ? select one or more

a- How the requirements should be implemented-----ANS

b- software to be used

c- technology to be used in development-----ANS

d-Architecture design of the system.-----ANS

-----

49.Which step of SDLC performs cost/benefit analysis ?

Select one-

a- Feasibility study-----ANS

b- Analysis

c- Design

d- none of the above.

-----

50.In which ITIL service lifecycle phase is the value of services actually realised by a customer ?

Select one-



a-Service transition

b-Service operations-----ANS

c-Continual Service improvement

d-Service design

-----  
-----  
51) Which service manages the versions of the code base, ensures retrofitting the code and ensures planning,scheduling, and execution of a successful build?

Select one-

a) Application Strengthening

b) Continuous Build & Release-----Ans

c) Release Planning

d) compliance & Regulatory Updates.

-----  
-----  
52) Which of the following statement is false?

Select one-

a) The process of destroying unreferenced objects is called Garbage Collection

b) None of the listed options-----  
-----Ans

c) Garbage Collector frees the memory occupied by the unreachable objects during the program execution

d) An object becomes eligible for garbage collection when no live thread can access it

e) Heap part of the memory is involved in Garbage Collection

---

53) Select the validations that are applicable for the text box field.

Enter username

[Submit]

Select one or more:

a) Should check if the text box is null

b) Must check the special characters

c) Should check whether the user has access

d) Should check the number of characters

e) All of the listed options.-----Ans

---

54) \_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one-

a) Insert trigger

b) Delete trigger

c) Instead-of trigger-----Ans

d) Row trigger

---

55) What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
```

```
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

Select one-

a) Returns Null

b) Returns top 10 Names in the table-----Ans

c) Returns top 10 rows in the table

d) Syntax error in the SQL

---

56) Primary Key in a table can have null value. State True or False.

Select one-

True

False-----Ans

---

57)identify the benefit of CSI

ANS) ALL

---

58)WHICH OF THE FOLOWING IS NOT COVERED BY L0/L1 SUPPORT TEAM

ANS) PROMOTE ENHANCEMENT CHANGES TO PRODUCTION BY WORKING WITH RELES MANGMNNT TEAM

---

59) which analysis prevents the recurrence of incidents or prevents incidents even before they happen and lead to automation to reduce manual interventions, errors and efforts in L2 support?

I. Reactive analysis

II. Proactive analysis

a. I

b. Neither I nor II

c. II-----ANS

d. Both I and II

---

60) which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

a. Only II

b. Only I

c. Neither I nor II

d. Both I and II-----ANS

---

1. unit testing done by tester true or false?

Ans: False

---

2. Breaking the system modules into smaller programs and allocating these programs to the members of the system development team is the activity involved in .....

A. System Design Phase

B. System Development Phase-----ans

C. System Analysis Phase

D. System Implementation Phase

---

3. What is meant by Response time ?

ANS: Response time refers to the time when the initial response was given by the production support team

---

4. Which service identifies and maintains a record of all installed applications?

Ans: Application License Management

---

5. How to identify performance of select Query?

a. Using hint

b. Using Explain plan-----ans

c. Table statistics

d.Using Dbms\_sql

---

6.In CR process who sets priority for request determined by committee?

aNS:Change MANAGER

---

7.Unit testing is commonly automated but cannot still be performed?

Ans;false

---

8.High level design gives the overall system design in terms  
of functional architecture and database design? T or F.....True

---

9.In which step of sdlc project termination done?

a. design phase

b . System maintenance phase

c. Feasibility study phase ----ans

d. Coding phase

---

10.Continual service improvement is \_\_\_ type of initiative?

a.A. Run better

- b. Productivity improvement
  - c. Optimization
  - d. Efficiency improvement---ans
- 

11.L2 is support team is \_ of functional escalation for L0&L1 teams?

ANS:1ST LEVEL

---

12.Function point sizing is dependent on technology ... T or f? ANS:TRUE

---

13.Providing uninterrupted access to apps and system and ensuring app availability

is the main objective of AVM ... T or f? ans:True

---

14.Which one is not an outcome of best practice in AVM engagement .

- a.efficient and effective operations
  - b.increased maintenance and operation costs. ----- ans
  - C. Improves reliability.
  - D.improves customer satisfaction
- 

15.Creating FAQ documents is an example of which csi method?

- a.idea management system
  - b. Process standardization
  - c. Self service strategy
  - d. None
- 

1.Which of the following are the best practices?

I.Move all the hardcoded values to the constant file

IIhave log file to log all the activities

III.Better to catch general exceptions than specific exceptions(SQLException,Arithmetic Exceptions)

Select one:

- a.Only II andIII
  - b.Only I and II-----ANS
  - c.Only III
  - d.All the listed options.
- 

2.What type of testing is performed by independent testing team/testing service?

Select one:



a.Smoke Testing/Regression Testing/UAT/Unit Testing

b.Unit Tseting?System/Functional Testing?SIT,Regression testing,UAT

c.unit Tseting/SIT/UAT

d.System/Functionl Testing/SIT,Regression Testing,UAT-----  
ANS

-----  
3.Which key attributes of incident handling,refers to the time when the solution to the problem was found and the work started?

Select one:

a.Resolution Time

b.Restoration Time-----ans

c.Status Time

d.Response Time

-----  
4.Through Shift left Medhodology,the knowledge flows from\_\_\_\_\_

Select one:

a.L1,L2,L4toL3

b.L4,L3,L2toL1-----and

c.L1,L2,L3toL4

d.L1,L3,L4toL2

-----

5.Which of the following are true?

Select one:

a.The requirements document describes how the requirements that are listed in the document are implemented efficiently

b.Consistency and completeness of functional requirements are always achieved in practice.

c.Prototyping is a method of requirements validation-----  
-----ANS

d.Requirements review is carried out to find the errors in system design.

-----

6.Why should the team have Project demo to the customer on a regular basis?

Select one:

- a.To make him feel confident that his requirements are being developed the way it is expected
- b.To showcase that the requirements of highest business value to the customer have been prioritized and developed for the customer.
- c.To ask for the customer's feedback on the developer's user stories

D.all the listed options-----ANS

-----

7.Function point Sizing is dependent on technology.State True or False

Select one:

a.True-----ANS

b.False

-----

8.Which master service of AVM managed services catalog focuses on long-term functionality, stability and preventive maintenance to

avoid problems that typically arise from incomplete or short-term solutions?

Select one:

a.Governance Services

b.Managed production Services-----ans

c.Product Services

d.Managed Application Services.

-----

9. which of the following statements are true?

I.Unit Testing is executed by the developer

II.In Unit Testing,individual functions or procedures are tested

III.It is kind of white box testing

Select one:

a.Both I and II

b.I,II and III-----ANS

c.Only I

d.Only II

-----

10.How much time should a daily standup usually take?

Select one:

a.One Hr

b.20-40 Min

c.10-15 min-----ANS

d. Depending upon the team's clarifications and the amount of issues to be discussed.

-----

11. In legacy AVM service phase activities can be categorized as which of the following ?

Select one:

a) production support

b) maintenance

c) all of the listed options-----ans

d) enhancements

-----

12. How many phases are there in ITIL service life cycle?

Select one:

a. Four

b. Three

c. Six

d. Five-----ans

-----

13.application services such as functional enhancements, business solution delivery and environment management

services are performed by which support group?

Select one:

a.L2 Support

b.L4 Support-----ans

c.L3 Support

d.L1 Support

---

q14)In which step of SDLC are enhancements , upgrades and bug fixes done??

a) maintenance and evaluation -----ans

b)problem/opportunity identification

c)design

d)development and documentation

---

15.in which phase of the AVM lifecycle are the customers requirements actually fulfilled?

a)none

b)initiation and planning phase

c) service phase -----ans

d)knowledge transition phase

-----

16.minor enhancements are handled by which support team ?

Select one:

a)L2

B)NONE

c) L3 support team ----- ans

D)L4

-----

17.Which of the following is NOT a benefit of Data Migration Service?

Select one:

a.Eliminates the risk of losing data.

b.Meets regulatory and compliance requirements for data retention.

c.Decreases system/product productivity and performance while minimizing disruption due to data loss.-----ANS

d.Maintains integrity and availability of data to support business decisions.

---

18.Which service provides real time monitoring of all jobs and constantly checks the status of the jobs?

Select one:

a.Application monitoring service.

b.Batch Scheduling/Execution Service.

c.Batch monitoring service.-----ANS

d.Mailbox and Ticketing Tool Monitoring Service.

---

19.enhancement services , assessment services and transformation services are rendered by I4 support team?

Select one:

true -----ans

FALSE

---

20.\_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one:

a)Insert trigger



b)instead of trigger -----ans

c)delete trigger

d)row trigger

-----

21.What is/are service benefit(s) for Application Problem Management service?

Select one:

A-All of the listed options

B-Reduction of effort in fire-fighting or resolving repeated incidents-----ans

C-Lesser productivity of business and IT

D-Increased effort on workarounds and temporary fixes

-----

22.AVM projects faced lot of challenges prior to Service catalog approach.State true or False.

Select one:

A-True-----ANS

B-False

---

23.Which service in MAS, follows SDLC phases and manages end to end delivery from design, System Testing,Release

Planning, Go live support and post production support?

Select one:

A-Functional Enhancements

B-Application Integration Services-----ANS

C-Application Strenghtening

D-Release Planning

---

24.Which step of SDLC performs cost/benefit analysis?

Select one:

A-Feasibility Study-----ANS

B-Analysis

C-Design

D-None of the following options.

---

25.Which support level deals with unknown incidents?

Select one:

A-L4 support

B-L0/L1 support

C-L2 support-----ans

D-L3 support

-----

26. One of the more challenging aspects of change management is ensuring that all details of changes

are sufficiently documented and all parties are in agreement as to what is expected. State true or False

true-----ans

false

-----

27. What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

103549 Balagoplan, Narayanan

Select one

a- Returns top 10 Names in the table-----ANS

b- Returns top 10 rows in the table

c- Returns Null

d- Syntax error in the SQL

-----

28.which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

a- Only I

b- Both I and II-----ANS

c- Neither I nor II

d- Only II

-----

29.L2 support team provides\_\_\_\_\_ for solving basic technical problems.

select one

a- o/p to L3 support team

b- i/p to L0/L1 support team-----ans

c- i/p to L3 support team

d- o/p to L0/L1 support team

---

30. what is the exception that should be raised by the below situation ?

```
public void division(int num1, int num2)
{

try
{
result=num1/num2

}
catch(-----e)
```

Select one :

a-DivideByzeroException-----ANS

b-OutOfMemoryException

c-DivisionError EXecption

d-ApplicationError

---

31. Define product upgrade service

I. Focuses on analyzing the current implementations, IDENTIFYING CLIENT specific customizations, conducting a feasibility study, preparation of a comprehensive upgrade roadmap and executing the same

II. Focuses on to achieving a complete product integration through progressive assembling of product components in a single stage or in incremental stages, with a defined integration strategy and procedure

Select one :

a.I only-----ANS

b.Both I and II

c.Neither I nor II

d.II only

---

32. which of the following UML diagram represents the relationship among the classes?

Select one :

a. UseCase Diagram

b. Class Diagram----- ANS

c. Sequence Diagram

d. Activity Diagram

---

33.What does ITIL stands for?

Select one :

a. Information Technology Ideal Library

b. Information Technology Infrastructure Library -----  
ANS

c.Information Technology Interactive Library

d.Information Technology Intelligence Library

---

34.a \_\_\_\_\_ is a method or technique that has consistently shown results superior to those achieved with other means and that is used as benchmark

Select one :

a. Best practice-----ANS

b. Process

c. Scheme

d. System

---

35. A design document contains declaration for all new classes, procedures, global and class variables and the description of all new procedures.

state true or false

Select one :

a. true -----ANS

b. false

-----

36. Define CMDB

I. It is a database that contains information about configurable IT components along with relationship between these components

II. It is repository of information that describes all of the conditions in your IT system that might result in an incident for your customer and users.

Select one :

a. Only II

b. Neither I nor II

c. I only-----ans

d. Both I and II



---

37. CSI is one of the key focus areas in ITIL framework. True/false

Select one :

a. true -----ANS

b. false

---

38. What are the various purpose of Business requirement document (BRD)?

select one or more

Select one :

a. BRD details the business solution for a project including the documentation of customer needs and explanation-----ANS

b. BRD is formal document that provides a contract between supplier and client. -----ANS

c. BRD contains the detailed project plan and design

d. The BRD effectively defines the scope of the project-----ANS

ANS- a, b, d

---

39. Application community and Resilience support services assist client in the analysis, design and implementation of business continuity solutions. True/false

Select one :

a. true -----ANS

b. false

-----

40. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

Select one :

a. creating the constraints file to make use of the defined constraints in other class-----  
ANS

b. syntax errors

c. EMPLOYEE role information set in the field

d. DEFAULT\_ROLE set to EMPLOYEE field

e. None of the Listed

-----

41) the phases in software testing life cycle are

Select one

:

a) test planning

b) test design

c) test execution

d) test closure

e) all -----ANS

-----

42 select ename, sal from emp where deptno = (select \* from dept where loc ='New york')

Select one:

a) multiple record

b) displays nothing

c) throw an error----- ANS

d) display single row

-----

43) which of the following statement is false

Select one:

a) the process of destroying unreferenced objects is called garbage collector

b) none-----ANS

c)an object becomes eligible for garbagae collection when there is no live thread

d) heap part of the memory is involved in garbage collection

e)garbage collection frees the memory occupied by the unreachable objects

---

44)SDLC stands for

Select one:

a)software development life cycle-----ANS

b)system development life cycle

c)software design life cycle

d)system design life cycle

---

46)advantages of exceptional handling

Select:

a)none

b) with the exception handling mechanism when the exception occurs the execution of the prgm is transfered to an appropriate exception handler and

terminate the pgm-----ANS

c)exception handling maintains the nrmal flow of application-----ANS

d)with the exception handling mechanism the developer can code much

cleanser and ahve exception automatically decteced-----ANS

e)in exception handling generic exception object can be extended to any specific type exception-----ANS

-----

47)who is responsible for reviewing the CR to verify that there is sufficient details

Select one:

a)project manager

b)none of these

c)change manager----- ANS

d)client manager

---

48) Which key constraint can accept null values?

Select one:

a) foreign key

b) primary key

c) check

d) unique key ----- ANS

---

49) HAVING Clause can be used only

Select one:

a) when select statement have where clause

b) when the query has "group by" in select statements----- ANS

c) when the order by clause is used in statement

d) when conditions is present in select statement

---

50)\_\_\_\_\_is the process applying creativity as much as possible and validating against invalid data

Select one:

a)Negative testing----- ANS

b)regression testing

c)sanity testing

d)white box testing

-----

51) Identify the priority of an incident that causes (or has the potential to cause) severe disruption to business operations and/or significant fiscal impact

Select one:

a.Medium

b.Critical-----ans

c.High

d.Low

-----

52) Which process grants authorized users the right to use a service?

Select one:

a. access management-----ANS

b.Problem Management

c.Event Management

d.Incident Management

-----

53) Which service is responsible for establishing a protocol for communication and coordination between vendors using major outages?

Select one:

a.Application License Management

b.Major incident and Mediator Support Service-----ANS

c.Known error Resolution Services

d.Standard Service Request Fulfilment service

-----



54) Which service identifies and maintains a record of all installed applications?

Select one:

a.Application License Management-----ANS

b.Adhoc Service request Fulfilment service

d.Standard Service request Fulfilment service

---

55) Which of the following are the measurements of Batch Monitoring in AVM projects?

Select one:

a.%Batch job abend---ANS

b.%of Tickets Responed

c.%Reduction in batch window---ANS

d.%jobs complted within Target time ---ANS

---

56) There is no process that needs to be followed in Scrum as it is only driven

Select one:

a.true

b.false-----ANS

-----

57) What are all Three defined levels of benchmark?

Select one:

a.Threshold Limit

b.Goal-----ans

c.Upper Control Limit-----ANS

d.Lower Control Limit-----ANs

-----

58) A scheduled batch process can consist of the execution of hundreds or thousands of jobs in a random sequence

Select one:

true

false-----ans

-----

59) How to we identify the performance of the select query?

Select one:

a.Using HINT

b.Using Explain plan-----ANS

c.Using Table statistic

d.Using DBMS\_SQL

-----

60) enter user name -- not sure

1.DISTINCT keyword used for\_\_\_\_\_

ANS:- To find Unique records from table

2. Which policy Cognizant follows\_\_\_\_\_

ANS:- Run Better, Run Different

3.Which is Not DML command

a. Insert

b .Delete

c. Update

d. Truncate-----ANS



1. Which of the following statements are true?

I. Unit testing is executed by developer

II. In Unit testing individual functions or procedures are tested

III. It is kind of white box testing

select one

a. I,II, III -----Ans (crct)

b. Both I and II

c. Only I

d. Only II

-----  
-----

2. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

a. None of the Listed

b. EMPLOYEE role information set in the field

c. syntax errors

d. creating the constraints file to make use of the defined constraints in other class-----

ANS

e. DEFAULT\_ROLE set to EMPLOYEE field

-----  
-----

3. Which of the following is true?

a. the requirement document describes how the requirements that are listed in the document are implemented efficiently

b. consistency and completeness of functional requirements are always achieved in practice

c. Prototyping is a method of requirements validation-----ANS (crct)

d. requirements review is carried out to find the errors in system design

-----  
-----

4. Providing full time application support through multiple shifts and by operating at different time zones and countries is known as

a. Follow-the-support model

b. Follow-the-sun model-----ANS

c. Follow-the-moon model

d. none of these

-----  
-----

5. If I0/I1 team is unable to find the resolution in the knowledge database, whom do they contact for further troubleshooting?

a. L3 support

b. L4 support

c. none of these

d. L2 support-----ANS

-----  
-----  
11. Which of the following are the best practices?

I. Move all the hardcoded values to the constant file.

II. Have log file to log all the activities.

III. Better to catch general exceptions than specific exceptions.

Select one:

a. All of the listed options

b. Only III

c. Only I and II-----ANS

d. Only II and III

-----  
-----  
12. \_\_\_\_\_ is the process of applying as much creativity as possible and validating the application against invalid data.

Select one:

a. White box Testing

b. Sanity Testing

c. Negative Testing-----ANS

d. Regression Testing

---

13. The detailed study of existing system is referred to as:

Select one:

a.System Planning

b.System Analysis -----ANS

c.Feasibility Study

d.Design DFD

---

14. Through Shift Left Methodology, the knowledge flows from\_\_\_\_\_.

Select one:

a.L4,L3,L2toL1-----ans

b.L1,L2,L4toL4

c.L1.L2,L4toL3

d.L1,L3,L4toL2

---

15. Which key constraint can accept null value

Select one:

a.Check

b.Unique key -----ANS

c.Primary key

d.Foreign key



-----  
-----  
16. If an urgent RFC is raised , which board needs to take an immediate action?

Select one-

a. ECAB (Emergency Change Advisory Board)-----ANS

b. ECAB (Exclusive Change Advisory Board)

c. None of the listed options

d. CAB (Change Advisory Board))

-----  
-----

17. The ability to resolve known incidents in known error resolution services in --- downtime to the business, which in turn means ----- availability of the service?

Select one-

a. Lower, higher-----  
ANS

b. Lower, Lower

c. higher, higher

d. higher, Lower

-----  
-----

18) question is not clear

-----  
-----

19) which key attributes of incidents handling, refers to the time when the solution to the problem was found and the work started?

Select one-

A. Status Time

B. Response Time

C. Resolution time

D. Restoration Time-----ANS

-----  
-----

20) L2 support team provides ----- for solving basic technical problems

Select one-

a. Output to L3 support team

b. Output to L0/L1 support team

c. Input to L0/L1 support team-----ANS

d. Input to L3 support team

-----  
-----

21. Benchmarking is the process of comparing one business process and performance metrics

to industry bests or best practices from other industry and setting up a target level for

each of the metrics.

true-----ans

false

-----  
-----

22. what are the advantages of exception handling

Select one or more:

a. None of the listed options.

b. In Exception handling, generic Exception object can be extended to any specific type of exception--ANS

c. Exception handling maintains the normal flow of the application-----ANS

d. With the exception handling mechanism, the developer can write their code much "cleaner" and have exception automatically handled-----ans

e. With the exception handling mechanism, when an exception occurs, the execution of the program is transferred to an appropriate exception handler and terminate the program-----ANS

-----  
-----

23. Which of the following is the incident status correct order?

Selected one:

a. None of the listed options

b. New, Active, Resolved, Closed-----ans

c. Active, New, resolved, Closed

d. New, Resolved, Active, Closed

-----  
-----

24. design document is to developers

Select one:

a.blueprint-----ANS

b.handbook

c.Reference Material

d.Guide

-----  
-----

25.Application Consolidation services focuses on consolidating multiple

application which are\_\_\_\_\_in nature to cohesive IT application landscape

Select one:

a.dissimilar-----ans

b.similar

c.unrelated

d.disconnectd

-----  
-----

26 .which SERVICE HAS THE PRIMARY OBJECTIVE as to prevent problems before

happening to production environment?

Select one:

a.Continuous Build & Release

b.Application Strengthening-----ans

c. Compliance & Regulatory Updates

d.Release Planning

-----  
-----  
27. which process grants authorised users the right to use a service

Select one:

a. access management-----ANS

b. Event management

c. Problem Management

d. Incident management

-----  
-----

28. which statement can enclose a continue statement

a. while , do , for , foreach-----ANS

b. try, while, do, for, or foreach

c. switch, while, do, for, or foreach

d. while, do, for, or foreach

-----  
-----

29. What is the use of creating an index in the table ?

Select one:

a. To increase the performance of the table

b. All the listed options-----ANS

c. To order the records in the table

d. To search the records in the table

-----

-----

30.what is the difference between white box testing and black box testing

Select one:

a.White box testing is testing on the QA environment and Black box testing is testing on the UAT environment

b. All the listed options

c.White box testing requires the knowledge of the structure of the code and black box testing is done to test the business requirement at a high level-----ans

d.Whitebox testing is done by the testing team and black box testing is done only by the developer during development.

-----

-----

31. Activities in traditional AVM model are broadly classified under

I.Application/Production support

II.Bug Fix

What is the third one?

Select one:

a.Enhancements-----ANS

b.Product upgrade

c.Ad hoc Requests

d.Batch Monitoring

-----  
-----

32. The key analysis involved in feasibility analysis is/are

Select one:

a.Economic

b.Technical

c.Behavioral

d.All of the listed options-----ANS

-----  
-----

33. Which of the following is NOT an outcome of Best Practices in AVM engagement

Select one:

a.Efficient and Effective Operations

b.Improve Reliability

c.Improves Customer Satisfaction

d.Increased Manitenance and Operating costs-----ANS

-----  
-----

34. In which phase of the AVM Lifecycle are the customer's requirements actually fulfilled

Select one:

a. None of the listed options

b. Initiation and Planning Phase

c. Service Phase -----ANS

d. Knowledge Transition Phase

-----  
-----

35. If an incident is not responded to/resolved within the defined SLA time limits, it is considered as

Select one:

a. SLA Breach-----ANS

b. SLA Met

c. Penalty Clause

d. None of the listed options

-----  
-----

36. .... activity is a part of support and it is required for any customer business availability/continuity.

Select one.

A-Monitoring-----ANS

B-online processing

C-analyzing

D-testing

-----  
-----



37 ..... is harder for complex systems in particular,when various subsystems are tightly coupled as changes in one system or interface may cause bug to emerge in another .  
Select one.

A-compilation

B-testing

C-debugging-----ANS

D-execution

-----  
-----

38 select ename, sal

FROM emp

WHERE deptno=(SELECT\*FROM dept

WHERE lock='NEW YORK');

what will be the output of the above example?

SELECT ONE.

A-will throw an error-----ANS

B-will give multiple record

C-will display nothing

D-will give single record

-----  
-----

39. What are all the services under Product Engineering Services??

A-white box testing, black box testing

B-test automation and black box testing

c-test automation and white box testing-----ANS

D-none of the listed options

-----  
-----  
40. why should the team have project demo to the customer on a regular basis?

Select one-

A-to ask the customers feedback on the developed user stories.

B-all of the listed options.-----ANS

C-to showcase that the requirements of the highest business value to the customer have been prioritized and developed for the customer

D-to make him feel confident that his requirements are being developed the way it is expected.

-----  
-----  
Q41. In AVM projects,inefficient processes leads to \_\_\_\_\_ productivity and \_\_\_\_\_ support costs.

Select one-

A-higher,increased

B-lesser,decreased

C-lesser,increased-----ANS

D-higher,decreased

-----  
-----  
Q42.In AVM, Best Practices can be categorized under which of the following?

Select one-

A-All of the listed options-----ANS

B-Transformation

C-Effectiveness

D-Innovation

E-Efficiency

---

---

Q43.Which support level majorly deals with unknown incidents?

Select one-

A-L3 Support

B-L4 Supprt

C-L2 Support-----ans

D-L0/L1 Support

---

---

Q44.Design documents does not contain details on the infrastructure associated with the system.  
State true or false.

A-True-----ANS

B-False

---

---

45.what is the exception that should be raised by the below situation ?

{

try

{

```
result=num1/num2
```

```
}
```

```
catch(-----e)
```

Select one :

a-OutOfMemoryException

b-DivisionError

c-DivideByzeroException-----ANS

d-ApplicationError

---

46.Service portfolio management ensures we dont waste money with excess capacity.

true or false ?

a.True

b. false-----ANS

---

47.What are the various purposes of Business requirement document(BRD) ?

Select one-

a- A BRD details the business solution for a project including the documentation of customer needs and expectations.-----ans

b- A BRD is a formal document that provides a contract between supplier and client..-----  
-----ans

c- A BRD contains detailed project plan and design

d- A BRD effectively defines the scope of the project.-----ANS

---

48. Design document details ? select one or more

a- How the requiremnts should be implemented-----ANS

b- software to be used

c- technology to be used in development-----ANS

d-Architecture design of the system.-----ANS

---

49.Which step of SDLC performs cost/benefit analysis ?

Select one-

a- Feasibility study-----ANS

b- Analysis

c- Design

d- none of the above.

---

---

50.In which ITIL service lifecycle phase is the value of services actually realised by a customer ?

Select one-

a-Service transition

b-Service operations-----ANS

c-Continual Service improvement

d-Service design

-----  
-----  
51) Which service manages the versions of the code base, ensures retrofitting the code and ensures planning,scheduling, and execution of a successful build?

Select one-

a) Application Strengthening

b) Continuous Build & Release-----Ans

c) Release Planning

d) compliance & Regulatory Updates.

-----  
-----  
52) Which of the following statement is false?

Select one-

a) The process of destroying unreferenced objects is called Garbage Collection

b) None of the listed options-----

Ans

c) Garbage Collector frees the memory occupied by the unreachable objects during the program execution

d) An object becomes eligible for garbage collection when no live thread can access it

e) Heap part of the memory is involved in Garbage Collection

-----  
53) Select the validations that are applicable for the text box field.

Enter username

[Submit]

Select one or more:

- a) Should check if the text box is null
  - b) Must check the special characters
  - c) Should check whether the user has access
  - d) Should check the number of characters
  - e) All of the listed options.-----Ans
- 

54) \_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one-

- a) Insert trigger
  - b) Delete trigger
  - c) Instead-of trigger-----Ans
  - d) Row trigger
- 

55) What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
```

```
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

Select one-

a) Returns Null

b) Returns top 10 Names in the table-----Ans

c) Returns top 10 rows in the table

d) Syntax error in the SQL

---

56) Primary Key in a table can have null value. State True or False.

Select one-

True

False-----Ans

---

57)identify the benefit of CSI

ANS) ALL

---

58)WHICH OF THE FOLOWING IS NOT COVERED BY L0/L1 SUPPORT TEAM

ANS) PROMOTE ENHANCEMENT CHANGES TO PRODUCTION BY WORKING WITH RELES MANGMNNT TEAM

---

59) which analysis prevents the recurrence of incidents or prevents incidents even before they happen and lead to automation to reduce manual interventions, errors and efforts in L2 support?



I. Reactive analysis

II. Proactive analysis

a. I

b. Neither I nor II

c. II-----ANS

d. Both I and II

-----

60) which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

a. Only II

b. Only I

c. Neither I nor II

d. Both I and II-----ANS

-----

1. unit testing done by tester true or false?

Ans: False

---

2. Breaking the system modules into smaller programs and allocating these programs to the members of the system development team is the activity involved in .....

- A. System Design Phase
- B. System Development Phase-----ans
- C. System Analysis Phase
- D. System Implementation Phase

---

3. What is meant by Response time ?

ANS: Response time refers to the time when the initial response was given by the production support team

---

4. Which service identifies and maintains a record of all installed applications?

Ans: Application License Management

---

5. How to identify performance of select Query?

- a. Using hint
  - b. Using Explain plan-----ans
  - c. Table statistics
  - d. Using Dbms\_sql
-

6. In CR process who sets priority for request determined by committee?

ANS: Change MANAGER

---

7. Unit testing is commonly automated but cannot still be performed?

Ans; false

---

8. High level design gives the overall system design in terms of functional architecture and database design? T or F.....True

---

9. In which step of sdlc project termination done?

- a. design phase
  - b . System maintenance phase
  - c. Feasibility study phase ----ans
  - d. Coding phase
- 

10. Continual service improvement is \_\_ type of initiative?

- a. A. Run better
- b. Productivity improvement
- c. Optimization
- d. Efficiency improvement---ans

---

11.L2 is support team is \_ of functional escalation for L0&L1 teams?

ANS:1ST LEVEL

---

12.Function point sizing is dependent on technology ... T or f? ANS:TRUE

---

13.Providing uninterrupted access to apps and system and ensuring app availability

is the main objective of AVM ... T or f? ans:True

---

14.Which one is not an outcome of best practice in AVM engagement .

a.efficient and effective operations

b.increased maintenance and operation costs. ----- ans

C. Improves reliability.

D.improves customer satisfaction

---

15.Creating FAQ documents is an example of which csi method?

a.idea management system

b. Process standardization

c. Self service strategy-----ANS

d. None

-----

1.Which of the following are the best practices?

I.Move all the hardcoded values to the constant file

IIhave log file to log all the activities

III.Better to catch general exceptions than specific exceptions(SQLException,Arithmetic Exceptions)

Select one:

a.Only II andIII

b.Only I and II-----ANS

c.Only III

d.All the listed options.

-----

2.What type of testing is performed by independent testing team/testing service?

Select one:

a.Smoke Testing/Regression Testing/UAT/Unit Testing

b.Unit Tsetting?System/Functional Testing?SIT,Regression testing,UAT

c.unit Testing/SIT/UAT

d.System/Functional Testing/SIT,Regression Testing,UAT-----ANS

-----

3.Which key attributes of incident handling,refers to the time when the solution to the problem was found and the work started?

Select one:

a.Resolution Time

b.Restoration Time-----ans

c.Status Time

d.Response Time

-----

4.Through Shift left Methodology,the knowledge flows from\_\_\_\_\_

Select one:

a.L1,L2,L4toL3

b.L4,L3,L2toL1-----and

c.L1,L2,L3toL4

d.L1,L3,L4toL2

-----

5.Which of the following are true?

Select one:

a.The requirements document describes how the requirements that are listed in the document are implemented efficiently

b.Consistency and completeness of functional requirements are always achieved in practice.

c.Prototyping is a method of requirements validation-----  
-----ANS

d.Requirements review is carried out to find the errors in system design.

-----

6.Why should the team have Project demo to the customer on a regular basis?

Select one:

a.To make him feel confident that his requirements are being developed the way it is expected

b. bussiness value to the customer have been priortized and developed for the customer.

c.To ask for the customers feedback on the developers user stories

D.aLL THE LISITED OPTIONS-----ANS

-----

7.Function point Sizing is dependent on technology.State True or False

Select one:

a.True-----ANS

b.False

-----

8.Which master service of AVm managed services catalog focuses on long-term functionality, stability and preventive maintainance to

avoid problems thta typically arise from incomplete or short-term solutions?

Select one:

a.Governance Services

b.Managed production Services-----ans

c.Product Services

d.Managed Application Services.



---

9. which of the following statements are true?

I. Unit Testing is executed by the developer

II. In Unit Testing, individual functions or procedures are tested

III. It is kind of white box testing

Select one:

a. Both I and II

b. I, II and III-----ANS

c. Only I

d. Only II

---

10. How much time should a daily standup usually take?

Select one:

a. One Hr

b. 20-40 Min

c. 10-15 min-----ANS

d. Depending upon the team's clarifications and the amount of issues to be discussed.

---

11.in legacy AVM service phase activities can be catogorized as which of the following ?

Select one:

a)production support

b)maintance

c) all of the listed options-----ans

d)enhancements

-----

12.how many phases are there in ITIL service life cycle?

Select one:

a.Four

b.Three

c.Six

d.Five-----ans

-----

13.application services such as functional enhancements, business solution delivery and environment management

services are performed by which support group?

Select one:

a.L2 Support

b.L4 Support-----ans

c.L3 Support

d.L1 Support

---

q14)In which step of SDLC are enhancements , upgrades and bug fixes done??

a) maintenance and evaluation -----ans

b)problem/opportunity identification

c)design

d)development and documentation

---

15.in which phase of the AVM lifecycle are the customers requirements actually fulfilled?

a)none

b)initiation and planning phase

c) service phase -----ans

d)knowledge transition phase

---

16.minor enhancements are handled by which support team ?

Select one:

a)L2

B)NONE

c) L3 support team ----- ans

D)L4

-----

17.Which of the following is NOT a benefit of Data Migration Service?

Select one:

a.Eliminates the risk of losing data.

b.Meets regulatory and compliance requirements for data retention.

c.Decreases system/product productivity and performance while minimizing disruption due to data loss.-----ANS

d.Maintains integrity and availability of data to support business decisions.

-----

18.Which service provides real time monitoring of all jobs and constantly checks the status of the jobs?

Select one:

a.Application monitoring service.

b.Batch Scheduling/Execution Service.

c.Batch monitoring service.-----ANS

d.Mailbox and Ticketing Tool Monitoring Service.

-----

19.enhancement services , assessment services and transformation services are rendered by I4 support team?

Select one:

true -----ans

FALSE

-----

20.\_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one:

a)Insert trigger

b)instead of trigger -----ans

c)delete trigger

d)row trigger

---

21.What is/are service benefit(s) for Application Problem Management service?

Select one:

A-All of the listed options

B-Reduction of effort in fire-fighting or resolving repeated incidents-----ans

C-Lesser productivity of business and IT

D-Increased effort on workarounds and temporary fixes

---

22.AVM projects faced lot of challenges prior to Service catalog approach.State true or False.

Select one:

A-True-----ANS

B-False

---

23.Which service in MAS, follows SDLC phases and manages end to end delivery from design, System Testing,Release

Planning, Go live support and post production support?

Select one:

A-Functional Enhancements

B-Application Integration Services-----ANS

C-Application Strenghtening

D-Release Planning

-----

24.Which step of SDLC performs cost/benefit analysis?

Select one:

A-Feasibility Study-----ANS

B-Analysis

C-Design

D-None of the following options.

-----

25.Which support level deals with unknown incidents?

Select one:

A-L4 support

B-L0/L1 support

C-L2 support-----ans

D-L3 support

-----

26. One of the more challenging aspects of change management is ensuring that all details of changes are sufficiently documented and all parties are in agreement as to what is expected. State true or False

true-----ans

false

-----

27. What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

103549 Balagoplan, Narayanan

Select one

a- Returns top 10 Names in the table-----ANS

b- Returns top 10 rows in the table



c- Returns Null

d- Syntax error in the SQL

---

28. which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

a- Only I

b- Both I and II-----ANS

c- Neither I nor II

d- Only II

---

29. L2 support team provides\_\_\_\_\_ for solving basic technical problems.

select one

a- o/p to L3 support team

b- i/p to L0/L1 support team-----ans

c- i/p to L3 support team

d- o/p to L0/L1 support team

---

30. what is the exception that should be raised by the below situation ?

```
public void division(int num1, int num2)
{

try
{
result=num1/num2

}
catch(-----e)
```

Select one :

a-DivideByzeroException-----ANS

b-OutOfMemoryException

c-DivisionError EXecption

d-ApplicationError

---

31. Define product upgrade service

I. Focuses on analyzing the current implementations, IDENTIFYING CLIENT specific customizations, conducting a feasibility study, preparation of a comprehensive upgrade roadmap and executing the same

II. Focuses on to achieving a complete product integration through progressive assembling of product components in a single stage or in incremental stages, with a defined integration strategy and procedure

Select one :

a.I only-----ANS

b.Both I and II

c.Neither I nor II

d.II only

-----

32. which of the following UML diagram represents the relationship among the classes?

Select one :

a. UseCase Diagram

b. Class Diagram----- ANS

c. Sequence Diagram

d. Activity Diagram

-----

33.What does ITIL stands for?

Select one :

a. Information Technology Ideal Library

b. Information Technology Infrastructure Library -----ANS

c. Information Technology Interactive Library

d. Information Technology Intelligence Library

-----

34. a \_\_\_\_\_ is a method or technique that has consistently shown results superior to those achieved with other means and that is used as benchmark

Select one :

a. Best practice-----ANS

b. Process

c. Scheme

d. System

-----

35. A design document contains declaration for all new classes, procedures, global and class variables and the description of all new procedures.  
state true or false

Select one :

a. true -----ANS

b. false

---

36. Define CMDB

I. It is a database that contains information about configurable IT components along with relationship between these components

II. It is repository of information that describes all of the conditions in your IT system that might result in an incident for your customer and users.

Select one :

a. Only II

b. Neither I nor II

c. I only-----ans

d. Both I and II

---

37. CSI is one of the key focus areas in ITIL framework. True/false

Select one :

a. true -----ANS

b. false

---

38. What are the various purpose of Business requirement document (BRD)?

select one or more

Select one :

a. BRD details the business solution for a project including the documentation of customer needs and explanation-----ANS

b. BRD is formal document that provides a contract between supplier and client. -----ANS

c. BRD contains the detailed project plan and design

d. The BRD effectively defines the scope of the project-----ANS

ANS- a, b, d

-----

39. Application community and Resilience support services assist client in the analysis, design and implementation of business continuity solutions. True/false

Select one :

a. true -----ANS

b. false

-----

40. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

Select one :

a. creating the constraints file to make use of the defined constraints in other class-----ANS

b. syntax errors

c. EMPLOYEE role information set in the field

d. DEFAULT\_ROLE set to EMPLOYEE field

e. None of the Listed

-----

41) the phases in software testing life cycle are

Select one

:

a)test planning

b) test design

c) test execution

d) test closure

e) all -----ANS

-----

42 select ename, sal from emp where deptno = (select \* from dept where loc ='New york')

Select one:

a)multiple record

b)displays nothing

c)throw an error----- ANS

d)dispalys single row

-----

43)which of the following statement is false

Select one:

a) the process of destroying unreferenced objects is called garbage collector

b) none-----ANS

c)an object becomes eligible for garbagae collection when there is no live thread



d) heap part of the memory is involved in garbage collection

e)garbage collection frees the memory occupied by the unreachable objects

---

44)SDLC stands for

Select one:

a)software development life cycle-----ANS

b)system development life cycle

c)software design life cycle

d)system design life cycle

---

46)advantages of exceptional handling

Select:

a)none

b) with the exception handling mechanism when the exception occurs the execution of the prgm is transferred to an appropriate exception handler and

terminate the pgm-----ANS

c)exception handling maintains the nrmal flow of application-----ANS

d)with the exception handling mechanism the developer can code much

cleanser and ahve exception automatically decteced-----ANS

e)in exception handling generic exception object can be extended to any specific type exception-----  
---ANS

---

47)who is responsible for reviewing the CR to verify that there is sufficient details

Select one:

a)project manager

b)none of these

c)change manager----- ANS

d)client manager

---

48) Which key constraint can accept null values?

Select one:

a) foreign key

b) priamry key

c) check

d) unique key ----- ANS

-----

49) HAVING Clause can be used only

Select one:

a)when select statement have where clause

b)when the query has "group by" in select statemnets----- ANS

c)when the order by clause is used in statement

d)when conditiins is present in select statement

-----

50)\_\_\_\_\_is the process applying creativity as much as possible and validating against invalid data

Select one:

a)Negative testing----- ANS

b)regression testing

c)sanity testing

d)white box testing

-----

51) Identify the priority of an incident that causes (or has the potential to cause) severe disruption to business operations and/or significant fiscal impact

Select one:

a.Medium

b.Critical-----ans

c.High

d.Low

-----

52) Which process grants authorized users the right to use a service?

Select one:

a. access management-----ANS

b.Problem Management

c.Event Management

d.Incident Management

-----

53) Which service is responsible for establishing a protocol for communication and coordination between vendors using major outages?

Select one:

a.Application License Management

b.Major incident and Mediator Support Service-----ANS

c.Known error Resolution Services

d.Standard Service Request Fulfilment service

-----

54) Which service identifies and maintains a record of all installed applications?

Select one:

a.Application License Management-----ANS

b.Adhoc Service request Fulfilment service

d.Standard Service request Fulfilment service

---

55) Which of the following are the measurements of Batch Monitoring in AVM projects?

Select one:

a.%Batch job abend---ANS

b.%of Tickets Responed

c.%Reduction in batch window---ANS

d.%jobs complted within Target time ---ANS

---

56) There is no process that needs to be followed in Scrum as it is only driven

Select one:

a.true

b.false-----ANS

---

57) What are all Three defined levels of benchmark?

Select one:

a.Threshold Limit

b.Goal-----ans

c.Upper Control Limit-----ANS

d.Lower Control Limit-----ANs

-----

58) A scheduled batch process can consist of the execution of hundreds or thousands of jobs in a random sequence

Select one:

true

false-----ans

-----

59) How to we identify the performance of the select query?

Select one:

a.Using HINT

b.Using Explain plan-----ANS

c.Using Table statistic

d.Using DBMS\_SQL

-----

60) enter user name -- not sure

1.DISTINCT keyword used for\_\_\_\_\_

ANS:- To find Unique records from table

2. Which policy Cognizant follows\_\_\_\_\_

ANS:- Run Better, Run Different

3.Which is Not DML command

a. Insert

b .Delete

c. Update

d. Truncate-----ANS

1. Which of the following statements are true

I. Unit testing is executed by developer

II. In Unit testing individual functions or procedures are tested

III. It is kind of white box testing

select one

a. I,II, III -----Ans

b. Both I and II

c. Only I

d. Only II

6)End of service ensures all corresponding critical jobs as a part of the 'end of term' processes are completed on time during the processing cycle



Ans:True.

7)Which of the following are the measurements of batch monitoring in AVM projects?

Ans:%Batch job abend,%jobs completed within target time

8)Which service is responsible for establishing a protocol for communication and coordination between vendors during major outages?

Ans:major incident and mediator support service.

9)Which assessment service of L4 focuses on analysing the existing demand on the applications and planning for the growth in future?

Ans:Application Rationalization study.

10)How much time should a daily standup usually take?

Ans:10-15 mins.

18)Match the following:

Requirement Capture----- domain analysis

Design-----structure and behavioural modeling

implementation-----module development and integration

Maintainence-----performance tuning

40. why should the team have project demo to the customer on a regular basis?

Select one-

A-to ask the customers feedback on the developed user stories.

B-all of the listed options.-----ANS

C-to showcase that the requirements of the highest business value to the customer have been prioritized and developed for the customer

D-to make him feel confident that his requirements are being developed the way it is expected.

41.Select the validations that are applicable for the text box field.

Enter username

[Submit]

Select one or more:

a) Should check if the text box is null

b) Must check the special characters

c) Should check whether the user has access

d) Should check the number of characters

e) All of the listed options.-----Ans

42. One of the more challenging aspects of change management is ensuring that all details of changes are sufficiently documented and all parties are in agreement as to what is expected. State true or False

true-----ans

false

43. Machine.config contains settings that apply to an entire Network.

State true or False:

Select one:

True

False

44) Which of the following are the measurements of Batch Monitoring in AVM projects? .....???

Select one:

a. %Batch job abend-----ANS

b. % of Tickets Responed

c. %Reduction in batch window-----ANS

d. %jobs complitd within Target time -----ANS

45) Which of the following are the different Securable Scopes?

Choose a correct options

Select one or more:

a. Server

b. Client

c. Database

d. Schema

46. What is the use of creating an index in a table?

a) All of the listed options ----->Ans

b) To search the records in the table

c) To order the records in the table

d) To increase the performance of the table

47. What are the various purposes of Business requirement Document(BDR)?

a) BRD details the business solution for a project including the documentation of customer needs and expectations.----->Ans

b) BRD is a formal document that provides a contact between supplier and client.

c) BRD contains the detailed project plan and design-----ANS

d) The BRD effectively defines the scope of a project.-----ANS

48. Batch jobs would be run at peak times, when there is huge number of customers accessing the application. State True or false.

a) True -----Ans

b) False

49. In SQL, normally the group by clause follows the where clause in a select statement and precedes the order by clause. State True or false.

a) True ----->Ans

b) False

50. In Legacy AVM service phase activities can be categorized as which of the following,

a) production support

b) maintenance

c) all of the listed options----->Ans

d) enhancements

51. Where can you see the details of recurring/similar incidents and workarounds documented for future use?

a) KEDB ----->Ans

b) System

c) Remedy Tickets

d) Individuals Notepad

52. What is the service related to information security compliance handled by L3 Support?

a) Continuous Build & release

b) Compliance & Regulatory Updates -----Ans

c) Application Strengthening

d) Release Planning

53. As L4 team are the highest level of support and are experts, they need not get approval from business for project funding for new enhancements. State true or false.

a) True

b) False-----Ans

54. Which of the following is NOT a benefit of data Migration Service?

a) Eliminates the risk of losing data

b) Meets regulatory and compliance requirements for data retention

c) Decreases system/product productivity and performance while minimizing disruption due to data loss.----->Ans

d) Maintains integrity and availability of data to support business decisions.

55. Which of the following is true

select one

a) the requirement document describes how the requirements that are in the listed document are implemented efficiently

b) consistency and completeness of functional requirements are achieved in practice

c) prototyping is the method of requirement validation-----Ans

d) requirement review is carried out to find error in the system design

56. How much time should a daily standup take place

a) 20-40 min

b) depend on team clarification and amount of items to be discussed

c) 10-15 min-----Ans

d)one hr

57.public final class constants

```
{  
public static final String DEFAULT_ROLE = EMPLOYEE  
}
```

What does above statement indicate

a)none of the options

b)DEFAULT\_ROLE is set to EMPLOYEE field

c)EMPLOYEE role information is set in the field

d)creating a constant file to make use of defined constant in the other class-----Ans

58.A good testcase has to be

a)Economic and traceable

b)accurate and appropriate

c)repeatable and reusable

d)all of the options-----Ans

59.Metrics specifies a set of \_\_\_\_\_ that will be measured, Procedures to measure them, and ways to interpret the measurements(Dont Know)

Select one:

a) parameters-----Ans

b) Services

c) Processes

d) limitation

60.The key considerations involved in the feasibility analysis is/are:

select one :

a) Economic

b) Technical

c) Behavioral

d) All of the listed options. -----Ans

61.Complexity Points sizing is dependent technology. State True or False.

Select one

a) True-----Ans

b) False

62.which of the following statement is true?

I A well written logging code offers quick debugging maintenance and structured storage of an

II LOG.info logs the above lines for better understanding

a) both I and II-----ANS

- b) neither I or II
- c) only II
- d) only I

63. which of the following services focuses on the monitoring the ticketing tool for incoming tickets and assigning to appropriate groups

- a) application monitoring services
- b) batch scheduling/execution services
- c) mailbox and ticketing tool monitoring services-----ANS
- d) none of these

64. which step in SDLC performs cost/benefit analysis

- a) feasibility study----- ANS
- b) analysis
- c) design
- d) none

65. which of the following is the benefit of ITIL

- a) reduced hidden costs that traditionally increases substantially TCO
- b) reduced cost of training
- c) decreased competence capability and productivity of IT staff-----Ans
- d) improves IT services through the use of proven best practices

66. Select the validations that are applicable for the mandatory input field "Email-Id"

- i. Email-Id field should not be empty
- II. Email-Id field should have proper domain name
- III. Email-Id field should not start with special characters

Select one

- a. I, II, III-----Ans
- b. Only II
- c. only III
- d. Only I and II
- e. Only I

67. Which service focus to capture all applications, its critical attributes, its interface and relations to other applications?

Select One:

- a. Application Problem Management service
- b. Batch Scheduling/Execution service
- c. Application CMDB Maintenance service----- Ans
- d. Incident Resolution service

68. Knowledge Transition phase helps the cognizant's team to get the application and business knowledge from the clients or the incumbent vendor.

State true or false.Select one

- a) true ----- Ans
- b)false

69.How many Primary keys can be created in a single table?

- a)four
- b)three
- c)one-----ANS
- d)two

70.which transformation service of L4 deals with identifying applications that are redundant and unused so that they can be withdrawn?

- Application optimization and tuning
- application upgrade/migration
- application consolidation
- application Decommissioning-----ANS

71.)L0/L1 team should not contact the user for seeking additional information regarding the issue  
FALSE

72.which team is responsible for receiving incident and request from end users analyzing them responding either to a)the end users or escalation ot to the other IT support teams for the solution?

- b)Develpment team
- c)testing team
- d)Production support team-----ANS
- e)none

73.Faster RCA and impactr analysis are some of the aspects of CMDB maintenance for L2 support.TRUE  
OR FALSE

- a)TRUE-----ANS
- b)FALSE

74.End of term(year/quarter)services alias is called as seasonal services.

- a)TRUE----- Ans
- b)FALSE

75.SDLC is the process of developing s/w through business needs,analysis,design,implementatino, release and maintenance.

- A) True ----->Ans
- b) False

76.Metrics specifies a set of \_\_\_\_\_ that will be measred,procedures to measre them,and ways to interupt the measurements.

Select one:

- a.processes
- b.Services
- c.parameters----- Ans
- d.limitation

77.The goal of unit testing is to isolate each part of the program and show that the individuals parts are correctly executed.State true or false

select one:

- a) true ----- Ans
- b>false

78.Which of the following statement is false?

- a)Garbage collector frees the memory occupied by the unreachaable objects during the program execution.
- b)None of the options-----ANS
- c)The process of destroying unreferenced objects is called Garbage collection.
- d)Heap part of the memory is involved in garbage collection.
- e)An object becomes eligible for garbage collection when no live thread can acces it.

79.which of the following are the activities of Product implementation & COnfiguration service ?

- I.Requirements GAthering
- II.Design and build
- III.Test
- Iv.Enable product interfacing

select one.

- a.I,II,III-----ANS
- b.I,III
- c.I,II
- d.I,II,III, & IV

80.Which service providers real time monitoring of all jobs and constatly checks the status of the jobs?

Select one:

- a) Application monitoring service
- b) Batch Scheduling/Execution service
- c) Mailbox and ticketing tool monitoring service
- d) Batch monitoring service.-----Ans





**SET 1:**

1. Which of the following are the best practices?

- I. Move all the hardcoded values to the constant file
- II Have log file to log all the activities
- III. Better to catch general exceptions than specific exceptions (SQL exception, Arithmetic Exceptions)

Select one:

- a. Only II and III
- b. Only I and II**
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- d. All the listed options.

2. What type of testing is performed by independent testing team/testing service?

Select one:

- a. Smoke Testing/Regression Testing/UAT/Unit Testing
- b. Unit Testing, System/Functional Testing SIT, Regression testing, UAT
- c. Unit Testing/SIT/UAT
- d. System/Functional Testing/SIT, Regression Testing, UAT**

3. Which key attributes of incident handling, refers to the time when the solution to the problem was found and the work started?

Select one:

- a. Resolution Time (*refers to how long it takes from the time an issue is logged until it is fully resolved*)
- b. Restoration Time**
- c. Status Time
- d. Response Time (*refer to how quickly you will respond to a technical issue being raised via phone, email or other methods*)

4. Through Shift left Methodology, the knowledge flows from \_\_\_\_\_

Select one:

- a. L1, L2, L4 to L3
- b. L4 -> L3 -> L2 -> L1**
- c. L1, L2, L3 to L4
- d. L1, L3, L4 to L2

5. Which of the following are true?

Select one:

- a. The requirements document describes how the requirements that are listed in the document are implemented efficiently
- b. Consistency and completeness of functional requirements are always achieved in practice.
- c. Prototyping is a method of requirements validation
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- a. To make him feel confident that his requirements are being developed the way it is expected
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- c. To ask for the customers feedback on the developers user stories
- d. All of the listed options

7. Function point Sizing is dependent on technology. State True or False

Select one:

- a. True
- b. False

8. Which Master Service of AVM (Application Value management) managed services catalog focuses on long-term functionality, stability and preventive maintenance to avoid problems that typically arise from incomplete or short-term solutions?

Select one:

- a. Governance Services
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- c. Product Services
- d. Managed Application Services.

9. Which of the following statements are true?

- I. Unit Testing is executed by the developer
- II. In Unit Testing, individual functions or procedures are tested
- III. It is kind of white box testing

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- b. I, II and III

- c. Only I
- d. Only II

10. How much time should a daily standup usually take?

Select one:

- a) One Hour
- b) 20-40 Minutes
- c) 10-15 minutes**
- d) Depending upon the team's clarifications and the amount of issues to be discussed.

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Select one:

- a) Production support
- b) Maintenance
- c) Enhancements
- d) All of the listed options**

12. How many phases are there in ITIL service life cycle?

Select one:

- a) Four
- b) Three
- c) Six
- d) Five**

13. Application services such as functional enhancements, business solution delivery and environment management services are performed by which support group?

Select one:

- a) L2 Support
- b) L4 Support**
- c) L3 Support
- d) L1 Support

14 In which step of SDLC are enhancements, upgrades and bug fixes done?

- a) Maintenance and evaluation**
- b) Problem/opportunity identification
- c) Design
- d) Development and documentation

15. In which phase of the AVM lifecycle are the customer requirements actually fulfilled?

- a) None
- b) Initiation and Planning phase
- c) Service phase
- d) Knowledge transition phase

16. Minor enhancements are handled by which support team?

Select one:

- a) L2 Support Team
- b) L3 support team
- c) L4 support Team
- d) None of the above

17. Which of the following is NOT a benefit of Data Migration Service?

Select one:

- a. Eliminates the risk of losing data.
- b. Meets regulatory and compliance requirements for data retention.
- c. Decreases system/product productivity and performance while minimizing disruption due to data loss
- d. Maintains integrity and availability of data to support business decisions.

18. Which service provides real time monitoring of all jobs and constantly checks the status of the jobs?

Select one:

- a. Application monitoring service.
- b. Batch Scheduling/Execution Service.
- c. Batch monitoring service.
- d. Mailbox and Ticketing Tool Monitoring Service.

19. Enhancement services, assessment services and transformation services are rendered by L4 support team?

Select one:

- a. True
- b. False

20. \_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one:

- a) Insert trigger
- b) Instead of trigger**
- c) Delete trigger
- d) Row trigger

21. What is/are service benefit(s) for Application Problem Management service?

Select one:

- a) Reduction of effort in fire-fighting or resolving repeated incidents
- b) Lesser productivity of business and IT
- c) Increased effort on workarounds and temporary fixes
- d) All of the listed options**

22. AVM projects faced lot of challenges prior to Service catalog approach. State true or False.

Select one:

- a) True**
- b) False

23. Which service in MAS, follows SDLC phases and manages end to end delivery from design, System Testing, Release Planning, Go live support and post production support?

Select one:

- a) Functional Enhancements
- b) Application Integration Services**
- c) Application Strengthening
- d) Release Planning

24. Which step of SDLC performs cost/benefit analysis?

Select one:

- a) Feasibility Study**
- b) Analysis
- c) Design
- d) None of the following options.

25. Which support level deals with unknown incidents?

Select one:

- a) L4 support
- b) L0/L1 support
- c) L2 support**
- d) L3 support

26. One of the more challenging aspects of change management is ensuring that all details of changes are sufficiently documented and all parties are in agreement as to what is expected.

State true or False

- a) True**
- b) False

27. What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
FROM [GLS2_PROD ].[dbo].[tblAssociate]
```

Sample Data:

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

103549 Balagoplan, Narayanan

Select one

- a- Returns top 10 Names in the table**
- b- Returns top 10 rows in the table
- c- Returns Null
- d- Syntax error in the SQL

28. Which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.INFO ("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

Select one:

- a) Only I
- b) Both I and II**
- c) Neither I nor II

d) Only II

29. L2 support team provides \_\_\_\_\_ for solving basic technical problems.

Select one

a) o/p to L3 support team

**b) i/p to L0/L1 support team**

c) i/p to L3 support team

d) o/p to L0/L1 support team

30. What is the exception that should be raised by the below situation?

```
public void division(int num1, int num2)
{
    try
    {
        result=num1/num2
    }
    catch(-----e)
```

Select one:

**a) DivideByzeroException**

b) OutOfMemoryException

c) DivisionErrorException

d) ApplicationError

31. Define product upgrade service

**I. Focuses on analyzing the current implementations, IDENTIFYING CLIENT specific customizations, conducting a feasibility study, preparation of a comprehensive upgrade roadmap and executing the same**

II. Focuses on to achieving a complete product integration through progressive assembling of product components in a single stage or in incremental stages, with a defined integration strategy and procedure

Select one:

**a) I only**

b) Both I and II

c) Neither I nor II

d) II only

32. Which of the following UML diagram represents the relationship among the classes?

Select one

- a) UseCase Diagram
- b) Class Diagram**
- c) Sequence Diagram
- d) Activity Diagram

33. What does ITIL stands for?

Select one:

- a) Information Technology Ideal Library
- b) Information Technology Infrastructure Library**
- c) Information Technology Interactive Library
- d) Information Technology Intelligence Library

34. A \_\_\_\_\_ is a method or technique that has consistently shown results superior to those achieved with other means and that is used as benchmark

Select one:

- a. Best practice**
- b. Process
- c. Scheme
- d. System

35. A design document contains declaration for all new classes, procedures, global and class variables and the description of all new procedures.

state true or false.

Select one:

- a. True**
- b. False

36. Define CMDB

- I. It is a database that contains information about configurable IT components along with relationship between these components
- II. It is repository of information that describes all of the conditions in your IT system that might result in an incident for your customer and users.



Select one:

- a. Only II
- b. Neither I nor II
- c. I only
- d. Both I and II

37. CSI is one of the key focus areas in ITIL framework. True/false

Select one:

- a) True
- b) False

38. What are the various purpose of Business requirement document (BRD)?

Select valid options:

- a) BRD details the business solution for a project including the documentation of customer needs and explanation
- b) BRD is formal document that provides a contract between supplier and client.
- c) BRD contains the detailed project plan and design
- d) The BRD effectively defines the scope of the project

39. Application Continuity and Resilience support services assist client in the analysis, design and implementation of business continuity solutions. True/false

Select one:

- a) True
- b) False

40. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

Select one:

- a) Creating the constraints file to make use of the defined constraints in other class
- b) Syntax errors

- c) EMPLOYEE role information set in the field
- d) DEFAULT\_ROLE set to EMPLOYEE field
- e) None of the Listed

41) The phases in software testing life cycle are

Select one:

- a) Test planning
- b) Test design
- c) Test execution
- d) Test closure
- e) All the above**

42 select ename, sal from emp where deptno = (select \* from dept where loc ='New york')

Select one:

- a) Multiple record
- b) Displays nothing
- c) Throw an error**
- d) Displays single row

43) Which of the following statement is false

Select one:

- a) The process of destroying unreferenced objects is called garbage collector
- b) Garbage collection frees the memory occupied by the unreachable objects
- c) An object becomes eligible for garbage collection when there is no live thread
- d) Heap part of the memory is involved in garbage collection
- e) None of the above**

44) SDLC stands for

Select one:

- a) Software Development Life Cycle**
- b) System Development Life Cycle
- c) Software Design Life Cycle
- d) System Design Life cycle

45. Benchmarking is the process of comparing one business process and performance metrics to industry bests or best practices from other industry and setting a target level for each of the metrics.

- a. True
- b. False

46) Advantages of exceptional handling

Select valid options:

- a) With the exception handling mechanism when the exception occurs the execution of the prgm is transferred to an appropriate exception handler and terminate the program
- b) Exception handling maintains the normal flow of application
- c) With the exception handling mechanism the developer can code much cleanser and have exception automatically detected
- d) In exception handling generic exception object can be extended to any specific type exception
- e) None of the listed options

47) Who is responsible for reviewing the CR (Change Request) to verify that there is sufficient details?

Select one:

- a) Project manager
- b) Change Manager
- c) Client Manager
- d) None of these

48) Which key constraint can accept null values?

Select one:

- a) Foreign key
- b) Primary key
- c) Check
- d) Unique key

49) HAVING Clause can be used only

Select one:

- a) When select statement have where clause
- b) When the query has "group by" in select statements
- c) When the order by clause is used in statement
- d) When conditions is present in select statement

50) \_\_\_\_\_ is the process applying creativity as much as possible and validating against invalid data

Select one:

- a) Negative testing
- b) Regression testing
- c) Sanity testing
- d) White box testing

51) Identify the priority of an incident that causes (or has the potential to cause) severe disruption to business operations and/or significant fiscal impact

Select one:

- a) Medium
- b) Critical
- c) High
- d) Low

52) Which process grants authorized users the right to use a service?

Select one:

- a. Access management
- b. Problem Management
- c. Event Management
- d. Incident Management

53) Which service is responsible for establishing a protocol for communication and coordination between vendors using major outages?

Select one:

- a. Application License Management
- b. Major Incident and Mediator Support Service
- c. Known error Resolution Services
- d. Standard Service Request Fulfilment service

54) Which service identifies and maintains a record of all installed applications?

Select one:

- a) Application License Management
- b) Ad-hoc Service request Fulfilment service
- c) Standard Service request Fulfilment service

55) Which of the following are the measurements of Batch Monitoring in AVM projects?

Select valid Options:

- a) %Batch job abound
- b) %of Tickets Reopened
- c) %Reduction in batch window
- d) %jobs completed within Target time

56) There is no process that needs to be followed in Scrum as it is only driven

Select one:

- a. True
- b. False

57) What are all three defined levels of benchmark?

Select one:

- a. Threshold Limit
- b. Goal
- c. Upper Control Limit
- d. Lower Control Limit

58) A scheduled batch process can consist of the execution of hundreds or thousands of jobs in a random sequence

Select one:

- a. True
- b. False

59) How to we identify the performance of the select query?

Select one:

- a. Using HINT
- b. Using Explain plan
- c. Using Table statistic
- d. Using DBMS\_SQL

60) Providing full time application support through multiple shifts and by operating at different time zones and countries is known as

- a. Follow-the-support model
- b. Follow-the-sun model
- c. Follow-the-moon model

d. None of these

61) If L0/L1 team is unable to find the resolution in the knowledge database, whom do they contact for further troubleshooting?

a) L4 support

b) L3 support

c) L2 support

d) None of these

62. The detailed study of existing system is referred to as:

Select one:

a. System Planning

b. System Analysis

c. Feasibility Study

d. Design DFD

63. If an urgent RFC is raised, which board needs to take an immediate action?

Select one:

a. ECAB (Emergency Change Advisory Board)

b. ECAB (Exclusive Change Advisory Board)

c. CAB (Change Advisory Board))

d. None of the listed options

64. The ability to resolve known incidents in known error resolution services in --- downtime to the business, which in turn means ----- availability of the service?

Select one-

a. Lower, higher

b. lower, lower

c. higher, higher

d. higher, lower

65. Which of the following is the incident status correct order?

Selected one:

a. None of the listed options

b. New, Active, Resolved, Closed

c. Active, New, Resolved, Closed

d. New, Resolved, Active, Closed

66. Application Consolidation services focuses on consolidating multiple application which are \_\_\_\_ in nature to cohesive IT application landscape

Select one:

- a. dissimilar
- b. similar**
- c. unrelated
- d. disconnected

67 .which SERVICE HAS THE PRIMARY OBJECTIVE as to prevent problems before happening to production environment?

Select one:

- a. Continuous Build & Release**
- b. Application Strengthening
- c. Compliance & Regulatory Updates
- d. Release Planning

68. Which statement can enclose a continue statement

- a. while , do , for , or foreach**
- b. try, while, do, for, or for each
- c. switch, while, do, for, or for each
- d. while, do, for, or for each

69. What is the use of creating an index in the table?

Select one:

- a. To increase the performance of the table
- b. To search the records in the table
- c. To order the records in the table
- d. All the listed options**

70. What is the difference between white box testing and black box testing?

Select one:

- a. White box testing is testing on the QA environment and Black box testing is testing on the UAT environment
- b. All the listed options

c. White box testing requires the knowledge of the structure of the code and black box testing is done to test the business requirement at a high level

d. White box testing is done by the testing team and black box testing is done only by the developer during development.

71. Activities in traditional AVM model are broadly classified under

I. Application/Production support

II. Bug Fix

What is the third one?

Select one:

a. Enhancements

b. Product upgrade

c. Ad hoc Requests

d. Batch Monitoring

72. The key analysis involved in feasibility analysis is/are

Select one:

a. Economic

b. Technical

c. Behavioral

d. All of the listed options

73. Which of the following is NOT an outcome of Best Practices in AVM engagement

Select one:

a. Efficient and Effective Operations

b. Improve Reliability

c. Improves Customer Satisfaction

d. Increased Maintenance and Operating costs

74. If an incident is not responded to/resolved within the defined SLA time limits, it is considered as

Select one:



a. SLA Breach

b. SLA Met

c. Penalty Clause

d. None of the listed options

75. .... activity is a part of support and it is required for any customer business availability/continuity.

Select one.

a) Monitoring

b) Online processing

c) Analyzing

d) Testing

76. .... is harder for complex systems in particular, when various subsystems are tightly coupled as changes in one system or interface may cause bug to emerge in another .

Select one.

a) Compilation

b) Testing

c) Debugging

d) Execution

77.

select ename, sal

FROM emp

WHERE deptno=(SELECT\*FROM dept

WHERE lock='NEW YORK');

what will be the output of the above example?

Select one:

a) Will throw an error

b) Will give multiple record

c) Will display nothing

d) Will give single record

78. What are all the services under Product Engineering Services??

a) White box testing, black box testing

b) Test automation and black box testing

c) c-test automation and white box testing

d) None of the listed options

79. In AVM projects, inefficient processes leads to \_\_\_\_\_ productivity and \_\_\_\_\_ support costs.

Select one-

- a. higher, increased
- b. lesser, decreased
- c. lesser, increased
- d. higher, decreased

80. In AVM, Best Practices can be categorized under which of the following?

Select one-

- a) Transformation
- b) Effectiveness
- c) Innovation
- d) Efficiency
- e) All of the listed options

81. Design documents does not contain details on the infrastructure associated with the system.  
State true or false.

- a. True
- b. False

82. Service portfolio management ensures we do not waste money with excess capacity. True or False?

- a. True
- b. False

83. Design document details? Select one or more

- a. How the requirements should be implemented
- b) Software to be used
- c) Technology to be used in development
- d) Architecture design of the system

84. In which ITIL service lifecycle phase is the value of services actually realized by a customer?

Select one-

- a) Service transition
- b) Service operations
- c) Continual Service improvement
- d) Service design

85) Which service manages the versions of the code base, ensures retrofitting the code and ensures planning, scheduling, and execution of a successful build?

Select one-

- a) Application Strengthening
- b) Continuous Build & Release
- c) Release Planning**
- d) Compliance & Regulatory Updates.

86) Select the validations that are applicable for the text box field. (Answer NOT CONFIRMED)

Enter username

[Submit]

Select one or more:

- a) Should check if the text box is null** (Not confirmed)
- b) Must check the special characters
- c) Should check whether the user has access
- d) Should check the number of characters
- e) All of the listed options**

87) Primary Key in a table can have null value. State True or False.

Select one-

- a. True
- b. False**

88) Benefits of CSI: All

89) WHICH OF THE FOLOWING IS NOT COVERED BY L0/L1 SUPPORT TEAM

ANS) PROMOTE ENHANCEMENT CHANGES TO PRODUCTION BY WORKING WITH RELES MANGMNNT TEAM

90) Which analysis prevents the recurrence of incidents or prevents incidents even before they happen and lead to automation to reduce manual interventions, errors and efforts in L2 support?

- I. Reactive analysis
- II. Proactive analysis

- a. I
- b. Neither I nor II
- c. II**

d. Both I and II

1. Which of the following statements are true?

- I. Unit testing is executed by developer
- II. In Unit testing individual functions or procedures are tested
- III. It is kind of white box testing

select one

a. I,II, III -----Ans (crct)

b. Both I and II

c. Only I

d. Only II

---

2. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

a. None of the Listed

b. EMPLOYEE role information set in the field

c. syntax errors

d. creating the constraints file to make use of the defined constraints in other class-----ANS

e. DEFAULT\_ROLE set to EMPLOYEE field

---

3. Which of the following is true?

a. the requirement document describes how the requirements that are listed in the document are implemented efficiently

b. consistency and completeness of functional requirements are always achieved in practice

c. Prototyping is a method of requirements validation-----ANS (crct)

d. requirements review is carried out to find the errors in system design

---

4. Providing full time application support through multiple shifts and by operating at different time zones and countries is known as

a. Follow-the-support model

b. Follow-the-sun model-----ANS

c. Follow-the-moon model

d. none of these

---

5. If I0/I1 team is unable to find the resolution in the knowledge database, whom do they contact for further troubleshooting?

a. L3 support

b. L4 support

c. none of these

d. L2 support-----ANS

---

11. Which of the following are the best practices?

I. Move all the hardcoded values to the constant file.

II. Have log file to log all the activities.

III. Better to catch general exceptions than specific exceptions.

Select one:

a. All of the listed options

b.Only III

c.Only I and II-----ANS

d.Only II and III

-----  
-----  
12. \_\_\_\_\_ is the process of applying as much creativity as possible and validating the application against invalid data.

Select one:

a.White box Testing

b.Sanity Testing

c.Negative Testing-----ANS

d.Regression Testing

-----  
-----  
13. The detailed study of existing system is referred to as:

Select one:

a.System Planning

b.System Analysis-----ANS

c.Feasibility Study

d.Design DFD

-----  
-----  
14. Through Shift Left Methodology, the knowledge flows from\_\_\_\_\_.

Select one:

a.L4,L3,L2toL1-----ans

b.L1,L2,L4toL4

c.L1.L2,L4toL3

d.L1,L3,L4toL2

---

15. Which key constraint can accept null value

Select one:

a.Check

b.Unique key -----ANS

c.Primary key

d.Foreign key

---

16. If an urgent RFC is raised , which board needs to take an immediate action?

Select one-

a.ECAB(Emergency Change Advisory Board)-----ANS

b.ECAB(Exclusive Change Advisory Board)

c.None of the listed options

d.CAB(Change Advisory Board))

---

17.The ability to resolve known incidents in known error resolution services in --- downtime to the business, which in turn means ----- availability of the service?

Select one-

a.Lower, higher-----ANS

b.Lower,Lower

c.higher,higher

d.higher,Lower

---

18)question is not clear



-----  
-----  
19) which key attributes of incidents handling, refers to the time when the solution to the problem was found and the work started?

Select one-

A. Status Time

B. Response Time

C. Resolution time

D. Restoration Time -----ANS

-----  
-----  
20) L2 support team provides ----- for solving basic technical problems

Select one-

a. Output to L3 support team

b. Output to L0/L1 support team

c. Input to L0/L1 support team -----ANS

d. Input to L3 support team

-----  
-----  
21. Benchmarking is the process of comparing one business process and performance metrics to industry bests or best practices from other industry and setting up a target level for each of the metrics.

true -----ans

false

-----  
-----  
22. what are the advantages of exception handling

Select one or more:

a. None of the listed options.

b. In Exception handling, generic Exception object can be extended to any specific type of exception--ANS

c. Exception handling maintains the normal flow of the application-----ANS

d. With the exception handling mechanism, the developer can write their code much "cleaner" and have exception automatically handled-----ans

e. With the exception handling mechanism, when an exception occurs, the execution of the program is transferred to an appropriate exception handler and terminate the program-----ANS

-----

23. Which of the following is the incident status correct order?

Selected one:

a. None of the listed options

b. New, Active, Resolved, Closed-----ans

c. Active, New, resolved, Closed

d. New, Resolved, Active, Closed

-----

24. design document is to developers

Select one:

a. blueprint-----ANS

b. handbook

c. Reference Material

d. Guide

-----

25. Application Consolidation services focuses on consolidating multiple

application which are \_\_\_\_\_ in nature to cohesive IT application landscape

Select one:

a. dissimilar-----ans

b. similar

c. unrelated

d. disconnected

---

26 .which SERVICE HAS THE PRIMARY OBJECTIVE as to prevent problems before happening to production environment?

Select one:

a. Continuous Build & Release

b. Application Strengthening-----ans

c. Compliance & Regulatory Updates

d. Release Planning

---

27. which process grants authorised users the right to use a service

Select one:

a. access management-----ANS

b. Event management

c. Problem Management

d. Incident management

---

28. which statement can enclose a continue statement

a. while , do , for , or foreach-----ANS

- b.try,while,do,for,or foreach
  - c.switch,while,do,for,or foreach
  - d.while,do,for,or foreach
- 

29. What is the use of creating an index in the table ?

Select one:

- a.To increase the performance of the table
  - b.All the listed options-----ANS
  - c.To order the records in the table
  - d. To search the records in the table
- 

30.what is the difference between white box testing and black box testing

Select one:

- a.White box testing is testing on the QA environment and Black box testing is testing on the UAT environment
- b. All the listed options
- c.White box testing requires the knowledge of the structure of the code and black box testing is done to test the business requirement at a high level-----ans

d.Whitebox testing is done by the testing team and black box testing is done only by the developer during development.

---

31. Activities in traditional AVM model are broadly classified under

- I.Application/Production support
- II.Bug Fix

What is the third one?

Select one:

a. Enhancements-----ANS

b. Product upgrade

c. Ad hoc Requests

d. Batch Monitoring

---

32. The key analysis involved in feasibility analysis is/are

Select one:

a. Economic

b. Technical

c. Behavioral

d. All of the listed options-----ANS

---

33. Which of the following is NOT an outcome of Best Practices in AVM engagement

Select one:

a. Efficient and Effective Operations

b. Improve Reliability

c. Improves Customer Satisfaction

d. Increased Maintenance and Operating costs-----ANS

---

34. In which phase of the AVM Lifecycle are the customer's requirements actually fulfilled

Select one:

a. None of the listed options

b.Initiation and Planning Phase

c.Service Phase-----ANS

d.Knowledge Transition Phase

---

35. If an incident is not responded to/resolved within the defined SLA time limits, it is considered as

Select one:

a.SLA Breach-----ANS

b.SLA Met

c.Penalty Clause

d.None of the listed options

---

36. .... activity is a part of support and it is required for any customer business availability/continuity.

Select one.

A-Monitoring-----ANS

B-online processing

C-analyzing

D-testing

---

37 ..... is harder for complex systems in particular, when various subsystems are tightly coupled as changes in one system or interface may cause bug to emerge in another .

Select one.

A-compilation

B-testing

C-debugging-----ANS

D-execution

---

38 select ename, sal

FROM emp

WHERE deptno=(SELECT\*FROM dept

WHERE lock='NEW YORK');

what will be the output of the above example?

SELECT ONE.

A-will throw an error-----ANS

B-will give multiple record

C-will display nothing

D-will give single record

39. What are all the services under Product Engineering Services??

A-white box testing, black box testing

B-test automation and black box testing

C-test automation and white box testing-----ANS

D-none of the listed options

40. why should the team have project demo to the customer on a regular basis?

Select one-

A-to ask the customers feedback on the developed user stories.

B-all of the listed options.-----ANS

C-to showcase that the requirements of the highest business value to the customer have been prioritized and developed for the customer

D-to make him feel confident that his requirements are being developed the way it is expected.

Q41. In AVM projects,inefficient processes leads to \_\_\_\_\_ productivity and \_\_\_\_\_ support costs.

Select one-

A-higher,increased

B-lesser,decreased

C-lesser,increased-----ANS

D-higher,decreased

---

Q42.In AVM, Best Practices can be categorized under which of the following?

Select one-

A-All of the listed options-----ANS

B-Transformation

C-Effectiveness

D-Innovation

E-Efficiency

---

Q43.Which support level majorly deals with unknown incidents?

Select one-

A-L3 Support

B-L4 Supprt

C-L2 Support-----ans

D-L0/L1 Support

---

Q44.Design documents does not contain details on the infrastructure associated with the system.  
State true or false.

A-True-----ANS

B-False

---



45. what is the exception that should be raised by the below situation ?

```
{  
try  
{  
result=num1/num2  
}  
catch(-----e)
```

Select one :

a-OutOfMemoryException

b-DivisionError

c-DivideByzeroException-----ANS

d-ApplicationError

---

46. Service portfolio management ensures we don't waste money with excess capacity.

true or false ?

a. True

b. false-----ANS

---

47. What are the various purposes of Business requirement document (BRD) ?

Select one-

a- A BRD details the business solution for a project including the documentation of customer needs and expectations.-----ans

b- A BRD is a formal document that provides a contract between supplier and client.-----  
-ans

c- A BRD contains detailed project plan and design

d- A BRD effectively defines the scope of the project.-----ANS

---

48. Design document details ? select one or more

- a- How the requirements should be implemented-----ANS
  - b- software to be used
  - c- technology to be used in development-----ANS
  - d- Architecture design of the system.-----ANS
- 

49. Which step of SDLC performs cost/benefit analysis ?

Select one-

- a- Feasibility study-----ANS
  - b- Analysis
  - c- Design
  - d- none of the above.
- 

50. In which ITIL service lifecycle phase is the value of services actually realised by a customer ?

Select one-

- a- Service transition
  - b- Service operations-----ANS
  - c- Continual Service improvement
  - d- Service design
- 

51) Which service manages the versions of the code base, ensures retrofitting the code and ensures planning, scheduling, and execution of a successful build?

Select one-

- a) Application Strengthening
- b) Continuous Build & Release-----Ans
- c) Release Planning
- d) compliance & Regulatory Updates.

52) Which of the following statement is false?

Select one-

- a) The process of destroying unreferenced objects is called Garbage Collection
- b) None of the listed options-----Ans
- c) Garbage Collector frees the memory occupied by the unreachable objects during the program execution
- d) An object becomes eligible for garbage collection when no live thread can access it
- e) Heap part of the memory is involved in Garbage Collection

53) Select the validations that are applicable for the text box field.

Enter username

[Submit]

Select one or more:

- a) Should check if the text box is null
- b) Must check the special characters
- c) Should check whether the user has access
- d) Should check the number of characters
- e) All of the listed options-----Ans

54) \_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one-

a) Insert trigger

b) Delete trigger

c) **Instead-of trigger**-----Ans

d) Row trigger

---

55) What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
```

```
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

Select one-

a) Returns Null

b) **Returns top 10 Names in the table**-----Ans

c) Returns top 10 rows in the table

d) Syntax error in the SQL

---

56) Primary Key in a table can have null value. State True or False.

Select one-

True

**False**-----Ans

---

57)identify the benefit of CSI

ANS) ALL

---

58) WHICH OF THE FOLLOWING IS NOT COVERED BY L0/L1 SUPPORT TEAM

ANS) PROMOTE ENHANCEMENT CHANGES TO PRODUCTION BY WORKING WITH RELEASE MANAGEMENT TEAM

---

59) which analysis prevents the recurrence of incidents or prevents incidents even before they happen and lead to automation to reduce manual interventions, errors and efforts in L2 support?

I. Reactive analysis

II. Proactive analysis

a. I

b. Neither I nor II

c. II-----ANS

d. Both I and II

---

60) which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

a. Only II

b. Only I

c. Neither I nor II

d. Both I and II-----ANS

---

1. unit testing done by tester true or false?

Ans: False

---

2. Breaking the system modules into smaller programs and allocating these programs to the members of the system development team is the activity involved in .....

A. System Design Phase

B. System Development Phase-----ans

C. System Analysis Phase

D. System Implementation Phase

---

3. What is meant by Response time ?

ANS: Response time refers to the time when the initial response was given by the production support team

---

4. Which service identifies and maintains a record of all installed applications?

Ans: Application License Management

---

5. How to identify performance of select Query?

a. Using hint

b. Using Explain plan-----ans

c. Table statistics

d. Using Dbms\_sql

---

6. In CR process who sets priority for request determined by committee?

ANS: Change MANAGER

---

7. Unit testing is commonly automated but cannot still be performed?

Ans; false

---

8. High level design gives the overall system design in terms of functional architecture and database design? T or F..... True

---

9. In which step of SDLC project termination is done?

- a. design phase
  - b. System maintenance phase
  - c. Feasibility study phase ---ans
  - d. Coding phase
- 

10. Continual service improvement is \_\_\_ type of initiative?

- a. A. Run better
  - b. Productivity improvement
  - c. Optimization
  - d. Efficiency improvement ---ans
- 

11. L2 support team is \_ of functional escalation for L0 & L1 teams?

ANS: 1ST LEVEL

---

12. Function point sizing is dependent on technology ... T or F? ANS: TRUE

---

13. Providing uninterrupted access to apps and system and ensuring app availability

is the main objective of AVM ... T or f? ans: True

---

14. Which one is not an outcome of best practice in AVM engagement .

a. efficient and effective operations

b. increased maintenance and operation costs. ----- ans

C. Improves reliability.

D. improves customer satisfaction

---

15. Creating FAQ documents is an example of which csi method?

a. idea management system

b. Process standardization

c. Self service strategy

d. None

---

1. Which of the following are the best practices?

I. Move all the hardcoded values to the constant file

II. Have log file to log all the activities

III. Better to catch general exceptions than specific exceptions (SQLException, Arithmetic Exceptions)

Select one:

a. Only II and III



b.Only I and II-----ANS

c.Only III

d.All the listed options.

-----

2.What type of testing is performed by independent testing team/testing service?

Select one:

a.Smoke Testing/Regression Testing/UAT/Unit Testing

b.Unit Tseting?System/Functional Testing?SIT,Regression testing,UAT

c.unit Tseting/SIT/UAT

d.System/FunctionaI Testing/SIT,Regression Testing,UAT-----ANS

-----

3.Which key attributes of incident handling,refers to the time when the solution to the problem was found and the work started?

Select one:

a.Resolution Time

b.Restoration Time-----ans

c.Status Time

d.Response Time

-----

4. Through Shift left Methodology, the knowledge flows from \_\_\_\_\_

Select one:

a. L1, L2, L4 to L3

b. L4, L3, L2 to L1 -----and

c. L1, L2, L3 to L4

d. L1, L3, L4 to L2

-----

5. Which of the following are true?

Select one:

a. The requirements document describes how the requirements that are listed in the document are implemented efficiently

b. Consistency and completeness of functional requirements are always achieved in practice.

c. Prototyping is a method of requirements validation -----ANS

d. Requirements review is carried out to find the errors in system design.

-----

6. Why should the team have Project demo to the customer on a regular basis?

Select one:

a. To make him feel confident that his requirements are being developed the way it is expected

b.To showcase that the requiremnts of highest bussiness value to the customer have been priortized and developed for the customer.

c.To ask for the customers feedback on the developers user stories

D.aLL THE LISITED OPTIONS-----ANS

---

7.Function point Sizing is dependent on technology.State True or False

Select one:

a.True-----ANS

b.False

---

8.Which master service of AVm managed services catalog focuses on long-term functionality, stability and preventive maintainance to

avoid problems thta typically arise from incomplete or short-term solutions?

Select one:

a.Governance Services

b.Managed production Services-----ans

c.Product Services

d.Managed Application Services.

---

9. which of the following statements are true?

I. Unit Testing is executed by the developer

II. In Unit Testing, individual functions or procedures are tested

III. It is kind of white box testing

Select one:

a. Both I and II

b. I, II and III-----ANS

c. Only I

d. Only II

-----

10. How much time should a daily standup usually take?

Select one:

a. One Hr

b. 20-40 Min

c. 10-15 min-----ANS

d. Depending upon the team's clarifications and the amount of issues to be discussed.

-----

11. In legacy AVM service phase activities can be categorized as which of the following?

Select one:

a) production support

b) maintenance

c) all of the listed options-----ans

d) enhancements

---

12.how many phases are there in ITIL service life cycle?

Select one:

a.Four

b.Three

c.Six

d.Five-----ans

---

13.application services such as functional enhancements, business solution delivery and environment management services are performed by which support group?

Select one:

a.L2 Support

b.L4 Support-----ans

c.L3 Support

d.L1 Support

---

q14)In which step of SDLC are enhancements , upgrades and bug fixes done??

a) maintenance and evaluation -----ans

b)problem/opportunity identification

c)design

d)development and documentation

---

15.in which phase of the AVM lifecycle are the customers requirements actually fulfilled?

- a)none
  - b)initiation and plannning phase
  - c) service phase -----ans
  - d)knowledge transition phase
- 

16.minor enhancements are handled by which support team ?

Select one:

- a)L2
  - B)NONE
  - c) L3 support team ----- ans
  - D)L4
- 

17.Which of the following is NOT a benefit of Data Migration Service?

Select one:

- a.Eliminates the risk of losing data.
- b.Meets regulatory and compliance requirements for data retention.
- c.Decreases system/product productivity and performance while minimizing disruption due to data loss.-----  
ANS

d.Maintains integrity and availability of data to support business decisions.

---

18.Which service provides real time monitoring of all jobs and constantly checks the status of the jobs?

Select one:

a.Application monitoring service.

b.Batch Scheduling/Execution Service.

c.Batch monitoring service.-----ANS

d.Mailbox and Ticketing Tool Monitoring Service.

---

19.enhancement services , assessment services and transformation services are rendered by I4 support team?

Select one:

true-----ans

FALSE

---

20.\_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one:

a)Insert trigger

b)instead of trigger-----ans

c)delete trigger

d)row trigger

---

21.What is/are service benefit(s) for Application Problem Management service?

Select one:

A-All of the listed options

B-Reduction of effort in fire-fighting or resolving repeated incidents-----ans

C-Lesser productivity of business and IT

D-Increased effort on workarounds and temporary fixes

---

22.AVM projects faced lot of challenges prior to Service catalog approach.State true or False.

Select one:

A-True-----ANS

B-False

---

23.Which service in MAS, follows SDLC phases and manages end to end delivery from design, System Testing,Release

Planning, Go live support and post production support?

Select one:

A-Functional Enhancements

B-Application Integration Services-----ANS

C-Application Strengthening



## D-Release Planning

---

24. Which step of SDLC performs cost/benefit analysis?

Select one:

A-Feasibility Study-----ANS

B-Analysis

C-Design

D-None of the following options.

---

25. Which support level deals with unknown incidents?

Select one:

A-L4 support

B-L0/L1 support

C-L2 support-----ans

D-L3 support

---

26. One of the more challenging aspects of change management is ensuring that all details of changes are sufficiently documented and all parties are in agreement as to what is expected. State true or False

true-----ans

false

---

27. What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

103549 Balagoplan, Narayanan

Select one

- a- Returns top 10 Names in the table-----ANS
  - b- Returns top 10 rows in the table
  - c- Returns Null
  - d- Syntax error in the SQL
- 

28. which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

- a- Only I
- b- Both I and II-----ANS
- c- Neither I nor II
- d- Only II

---

29.L2 support team provides\_\_\_\_\_ for solving basic technical problems.

select one

a- o/p to L3 support team

b- i/p to L0/L1 support team-----ans

c- i/p to L3 support team

d- o/p to L0/L1 support team

---

30. what is the exception that should be raised by the below situation ?

```
public void division(int num1, int num2)
{

try
{
result=num1/num2

}
catch(-----e)
```

Select one :

a- DivideByzeroException-----ANS

b-OutOfMemoryException

c-DivisionError EXception

d-ApplicationError

---

31. Define product upgrade service

I. Focuses on analyzing the current implementations, IDENTIFYING CLIENT specific customizations, conducting a feasibility study, preparation of a comprehensive upgrade roadmap and executing the same

II. Focuses on to achieving a complete product integration through progressive assembling of product components in a single stage or in incremental stages, with a defined integration strategy and procedure

Select one :

a. I only-----ANS

b. Both I and II

c. Neither I nor II

d. II only

-----

32. which of the following UML diagram represents the relationship among the classes?

Select one :

a. UseCase Diagram

b. Class Diagram-----ANS

c. Sequence Diagram

d. Activity Diagram

-----

33. What does ITIL stands for?

Select one :

a. Information Technology Ideal Library

b. Information Technology Infrastructure Library-----ANS

c.Information Technology Interactive Library

d.Information Technology Intelligence Library

-----

34.a \_\_\_\_\_ is a method or technique that has consistently shown results superior to those achieved with other means and that is used as benchmark

Select one :

a. **Best practice**-----ANS

b. Process

c. Scheme

d. System

-----

35. A design document contains declaration for all new classes, procedures, global and class variables and the description of all new procedures.  
state true or false

Select one :

a. **true**-----ANS

b. false

-----

36. Define CMDB

I. It is a database that contains information about configurable IT components along with relationship between these components

II. It is repository of information that describes all of the conditions in your IT system that might result in an incident for your customer and users.

Select one :

a. Only II

b. Neither I nor II

c. I only-----ans

d. Both I and II

-----

37. CSI is one of the key focus areas in ITIL framework. True/false

Select one :

a. true-----ANS

b. false

-----

38. What are the various purpose of Business requirement document (BRD)?

select one or more

Select one :

a. BRD details the business solution for a project including the documentation of customer needs and explanation---ANS

b. BRD is formal document that provides a contract between supplier and client. -----ANS

c. BRD contains the detailed project plan and design

d. The BRD effectively defines the scope of the project-----ANS

ANS- a, b, d

-----

39. Application community and Resilience support services assist client in the analysis, design and implementation of business continuity solutions. True/false

Select one :

a. true-----ANS

b. false

-----

40. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

Select one :

a. creating the constraints file to make use of the defined constraints in other class-----ANS

b. syntax errors

c. EMPLOYEE role information set in the field

d. DEFAULT\_ROLE set to EMPLOYEE field

e. None of the Listed

-----

41) the phases in software testing life cycle are

Select one

:

a) test planning

b) test design

c) test execution

d) test closure

e) all -----ANS

-----

42 select ename, sal from emp where deptno = (select \* from dept where loc = 'New york')

Select one:

a) multiple record

b) displays nothing

c) throw an error -----ANS

d) display single row

-----

43) which of the following statement is false

Select one:

a) the process of destroying unreferenced objects is called garbage collector



b) none-----ANS

c)an object becomes eligible for garbage collection when there is no live thread

d) heap part of the memory is involved in garbage collection

e)garbage collection frees the memory occupied by the unreachable objects

---

44)SDLC stands for

Select one:

a)software development life cycle-----ANS

b)system development life cycle

c)software design life cycle

d)system design life cycle

---

46)advantages of exceptional handling

Select:

a)none

b) with the exception handling mechanism when the exception occurs the execution of the prgm is transferred to an appropriate exception handler and

terminate the pgm-----ANS

c)exception handling maintains the normal flow of application-----ANS

d)with the exception handling mechanism the developer can code much

cleaner and have exception automatically detected-----ANS

e)in exception handling generic exception object can be extended to any specific type exception-----ANS

-----

47)who is responsible for reviewing the CR to verify that there is sufficient details

Select one:

a)project manager

b)none of these

c)change manager----- ANS

d)client manager

-----

48) Which key constraint can accept null values?

Select one:

a) foreign key

b) priamry key

c) check

d) unique key----- ANS

-----

49) HAVING Clause can be used only

Select one:

a)when select statement have where clause

b)when the query has "group by" in select statemnets----- ANS

c)when the order by clause is used in statement

d)when conditiins is present in select statement

---

50)\_\_\_\_\_is the process applying creativity as much as possible and validating against invalid data

Select one:

a)Negative testing----- ANS

b)regression testing

c)sanity testing

d)white box testing

---

51) Identify the priority of an incident that causes (or has the potential to cause) severe disruption to business operations and/or significant fiscal impact

Select one:

a.Medium

b.Critical-----ans

c.High

d.Low

---

52) Which process grants authorized users the right to use a service?

Select one:

a. access management-----ANS

b.Problem Management

c.Event Management

d.Incident Management

---

53) Which service is responsible for establishing a protocol for communication and coordination between vendors using major outages?

Select one:

a.Application License Management

b.Major incident and Mediator Support Service-----ANS

c.Known error Resolution Services

d.Standard Service Request Fulfilment service

---

54) Which service identifies and maintains a record of all installed applications?

Select one:

a. Application License Management-----ANS

b. Adhoc Service request Fulfilment service

d. Standard Service request Fulfilment service

-----

55) Which of the following are the measurements of Batch Monitoring in AVM projects?

Select one:

a. %Batch job abend---ANS

b. %of Tickets Responed

c. %Reduction in batch window---ANS

d. %jobs complted within Target time ---ANS

-----

56) There is no process that needs to be followed in Scrum as it is only driven

Select one:

a. true

b. false-----ANS

---

57) What are all Three defined levels of benchmark?

Select one:

a.Threshold Limit

b.Goal-----ans

c.Upper Control Limit-----ANS

d.Lower Control Limit-----ANs

---

58) A scheduled batch process can consist of the execution of hundreds or thousands of jobs in a random sequence

Select one:

true

false-----ans

---

59) How to we identify the performance of the select query?

Select one:

a.Using HINT

b.Using Explain plan-----ANS

c.Using Table statistic

d.Using DBMS\_SQL

---

60) enter user name -- not sure

1.DISTINCT keyword used for \_\_\_\_\_

ANS:- To find Unique records from table

2. Which policy Cognizant follows \_\_\_\_\_

ANS:- Run Better, Run Different

3.Which is Not DML command

a. Insert

b .Delete

c. Update

d. Truncate-----ANS

1. Which of the following statements are true?

I. Unit testing is executed by developer

II. In Unit testing individual functions or procedures are tested

III. It is kind of white box testing

select one

a. I,II, III -----Ans (crct)

b. Both I and II

c. Only I

d. Only II

-----  
-----

2. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

a. None of the Listed

b. EMPLOYEE role information set in the field

c. syntax errors

d. creating the constraints file to make use of the defined constraints in other class-----

ANS

e. DEFAULT\_ROLE set to EMPLOYEE field

-----  
-----



3. Which of the following is true?

a. the requirement document describes how the requirements that are listed in the document are implemented efficiently

b. consistency and completeness of functional requirements are always achieved in practice

c. Prototyping is a method of requirements validation-----ANS (crct)

d. requirements review is carried out to find the errors in system design

-----  
-----

4. Providing full time application support through multiple shifts and by operating at different time zones and countries is known as

a. Follow-the-support model

b. Follow-the-sun model-----ANS

c. Follow-the-moon model

d. none of these

-----  
-----

5. If I0/I1 team is unable to find the resolution in the knowledge database, whom do they contact for further troubleshooting?

a. L3 support

b. L4 support

c. none of these

d. L2 support-----ANS

-----  
-----  
11. Which of the following are the best practices?

I. Move all the hardcoded values to the constant file.

II. Have log file to log all the activities.

III. Better to catch general exceptions than specific exceptions.

Select one:

a. All of the listed options

b. Only III

c. Only I and II-----ANS

d. Only II and III

-----  
-----  
12. \_\_\_\_\_ is the process of applying as much creativity as possible and validating the application against invalid data.

Select one:

a. White box Testing

b. Sanity Testing

c. Negative Testing-----ANS

d. Regression Testing

---

13. The detailed study of existing system is referred to as:

Select one:

- a. System Planning
- b. System Analysis -----ANS
- c. Feasibility Study
- d. Design DFD

---

14. Through Shift Left Methodology, the knowledge flows from\_\_\_\_\_.

Select one:

- a. L4,L3,L2toL1-----ans
- b. L1,L2,L4toL4
- c. L1.L2,L4toL3
- d. L1,L3,L4toL2

---

15. Which key constraint can accept null value

Select one:

- a. Check
- b. Unique key -----ANS
- c. Primary key
- d. Foreign key

-----  
-----  
16. If an urgent RFC is raised , which board needs to take an immediate action?

Select one-

a. ECAB(Emergency Change Advisory Board)-----ANS

b. ECAB(Exclusive Change Advisory Board)

c. None of the listed options

d. CAB(Change Advisory Board))

-----  
-----

17. The ability to resolve known incidents in known error resolution services in --- downtime to the business, which in turn means ----- availability of the service?

Select one-

a. Lower, higher-----  
ANS

b. Lower, Lower

c. higher, higher

d. higher, Lower

-----  
-----

18) question is not clear

-----  
-----

19)which key attributes of incidents handling, refers to the time when the solution to the problem was found and the work started?

Select one-

A.Status Time

B.Response Time

c.Resolution time

D.Restoration Time-----ANS

-----  
-----

20)L2 support team provides ----- for solving basic technical problems

Select one-

a.Output to L3 support team

b.Output to L0/L1 support team

c.Input to L0/L1 support team-----ANS

d.Input to L3 support team

-----  
-----

21. Benchmarking is the process of comparing one business process and performance mettrics

to industry bests or best practices from other industry and setting uop a target level for

each of the metrics.

true-----ans

false

-----  
-----  
  
22. what are the advantages of exception handling

Select one or more:

a. None of the listed options.

b. In Exception handling, generic Exception object can be extended to any specific type of exception--ANS

c. Exception handling maintains the normal flow of the application-----ANS

d. With the exception handling mechanism, the developer can write their code much "cleaner" and have exception automatically handled-----ans

e. With the exception handling mechanism, when an exception occurs, the execution of the program is transferred to an appropriate exception handler and terminate the program-----ANS

-----  
-----

23. Which of the following is the incident status correct order?

Selected one:

a. None of the listed options

b. New, Active, Resolved, Closed-----ans

c. Active, New, resolved, Closed

d. New, Resolved, Active, Closed

-----  
-----

24. design document is to developers

Select one:

a.blueprint-----ANS

b.handbook

c.Reference Material

d.Guide

-----  
-----

25.Application Consolidation services focuses on consolidating multiple

application which are\_\_\_\_\_in nature to cohesive IT application landscape

Select one:

a.dissimilar-----ans

b.similar

c.unrelated

d.disconnectd

-----  
-----

26 .which SERVICE HAS THE PRIMARY OBJECTIVE as to prevent problems before

happening to production environment?

Select one:

a.Continuous Build & Release

b.Application Strengthening-----ans

c. Compliance & Regulatory Updates

d.Release Planning

-----  
-----  
27. which process grants authorised users the right to use a service

Select one:

a. access management-----ANS

b. Event management

c. Problem Management

d. Incident management

-----  
-----

28. which statement can enclose a continue statement

a. while , do , for , foreach-----ANS

b. try, while, do, for, or foreach

c. switch, while, do, for, or foreach

d. while, do, for, or foreach

-----  
-----

29. What is the use of creating an index in the table ?

Select one:

a. To increase the performance of the table

b. All the listed options-----ANS

c. To order the records in the table



d. To search the records in the table

-----

-----

30.what is the difference between white box testing and black box testing

Select one:

a.White box testing is testing on the QA environment and Black box testing is testing on the UAT environment

b. All the listed options

c.White box testing requires the knowledge of the structure of the code and black box testing is done to test the business requirement at a high level-----ans

d.Whitebox testing is done by the testing team and black box testing is done only by the developer during development.

-----

-----

31. Activities in traditional AVM model are broadly classified under

I.Application/Production support

II.Bug Fix

What is the third one?

Select one:

a.Enhancements-----ANS

b.Product upgrade

c.Ad hoc Requests

d.Batch Monitoring

-----  
-----  
32. The key analysis involved in feasibility analysis is/are

Select one:

a.Economic

b.Technical

c.Behavioral

d.All of the listed options-----ANS

-----  
-----  
33. Which of the following is NOT an outcome of Best Practices in AVM engagement

Select one:

a.Efficient and Effective Operations

b.Improve Reliability

c.Improves Customer Satisfaction

d.Increased Manitenance and Operating costs-----ANS

-----  
-----  
34. In which phase of the AVM Lifecycle are the customer's requirements actually fulfilled

Select one:

a. None of the listed options

b. Initiation and Planning Phase

c. Service Phase -----ANS

d. Knowledge Transition Phase

-----  
-----

35. If an incident is not responded to/resolved within the defined SLA time limits, it is considered as

Select one:

a. SLA Breach-----ANS

b. SLA Met

c. Penalty Clause

d. None of the listed options

-----  
-----

36. .... activity is a part of support and it is required for any customer business availability/continuity.

Select one.

A-Monitoring-----ANS

B-online processing

C-analyzing

D-testing

-----  
-----

37 ..... is harder for complex systems in particular,when various subsystems are tightly coupled as changes in one system or interface may cause bug to emerge in another .  
Select one.

A-compilation

B-testing

C-debugging-----ANS

D-execution

-----  
-----

38 select ename, sal

FROM emp

WHERE deptno=(SELECT\*FROM dept

WHERE lock='NEW YORK');

what will be the output of the above example?

SELECT ONE.

A-will throw an error-----ANS

B-will give multiple record

C-will display nothing

D-will give single record

-----  
-----

39. What are all the services under Product Engineering Services??

A-white box testing, black box testing

B-test automation and black box testing

c-test automation and white box testing-----ANS

D-none of the listed options

-----  
-----  
40. why should the team have project demo to the customer on a regular basis?

Select one-

A-to ask the customers feedback on the developed user stories.

B-all of the listed options.-----ANS

C-to showcase that the requirements of the highest business value to the customer have been prioritized and developed for the customer

D-to make him feel confident that his requirements are being developed the way it is expected.

-----  
-----  
Q41. In AVM projects,inefficient processes leads to \_\_\_\_\_ productivity and \_\_\_\_\_ support costs.

Select one-

A-higher,increased

B-lesser,decreased

C-lesser,increased-----ANS

D-higher,decreased

-----  
-----  
Q42.In AVM, Best Practices can be categorized under which of the following?

Select one-

A-All of the listed options-----ANS

B-Transformation

C-Effectiveness

D-Innovation

E-Efficiency

---

---

Q43.Which support level majorly deals with unknown incidents?

Select one-

A-L3 Support

B-L4 Supprt

C-L2 Support-----ans

D-L0/L1 Support

---

---

Q44.Design documents does not contain details on the infrastructure associated with the system.  
State true or false.

A-True-----ANS

B-False

---

---

45.what is the exception that should be raised by the below situation ?

{

try

{

```
result=num1/num2
```

```
}
```

```
catch(-----e)
```

Select one :

a-OutOfMemoryException

b-DivisionError

c-DivideByzeroException-----ANS

d-ApplicationError

-----

46.Service portfolio management ensures we dont waste money with excess capacity.

true or false ?

a.True

b. false-----ANS

-----

47.What are the various purposes of Business requirement document(BRD) ?

Select one-

a- A BRD details the business solution for a project including the documentation of customer needs and expectations.-----ans

b- A BRD is a formal document that provides a contract between supplier and client..-----  
-----ans

c- A BRD contains detailed project plan and design

d- A BRD effectively defines the scope of the project.-----ANS

---

48. Design document details ? select one or more

a- How the requiremnts should be implemented-----ANS

b- software to be used

c- technology to be used in development-----ANS

d-Architecture design of the system.-----ANS

---

49.Which step of SDLC performs cost/benefit analysis ?

Select one-

a- Feasibility study-----ANS

b- Analysis

c- Design

d- none of the above.

---

---

50.In which ITIL service lifecycle phase is the value of services actually realised by a customer ?

Select one-

a-Service transition

b-Service operations-----ANS



c-Continual Service improvement

d-Service design

-----  
-----  
51) Which service manages the versions of the code base, ensures retrofitting the code and ensures planning,scheduling, and execution of a successful build?

Select one-

a) Application Strengthening

b) Continuous Build & Release-----Ans

c) Release Planning

d) compliance & Regulatory Updates.

-----  
-----  
52) Which of the following statement is false?

Select one-

a) The process of destroying unreferenced objects is called Garbage Collection

b) None of the listed options-----

Ans

c) Garbage Collector frees the memory occupied by the unreachable objects during the program execution

d) An object becomes eligible for garbage collection when no live thread can access it

e) Heap part of the memory is involved in Garbage Collection

-----  
53) Select the validations that are applicable for the text box field.

Enter username

[Submit]

Select one or more:

- a) Should check if the text box is null
  - b) Must check the special characters
  - c) Should check whether the user has access
  - d) Should check the number of characters
  - e) All of the listed options.-----Ans
- 

54) \_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one-

- a) Insert trigger
  - b) Delete trigger
  - c) Instead-of trigger-----Ans
  - d) Row trigger
- 

55) What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
```

```
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

Select one-

a) Returns Null

b) Returns top 10 Names in the table-----Ans

c) Returns top 10 rows in the table

d) Syntax error in the SQL

---

56) Primary Key in a table can have null value. State True or False.

Select one-

True

False-----Ans

---

57)identify the benefit of CSI

ANS) ALL

---

58)WHICH OF THE FOLOWING IS NOT COVERED BY L0/L1 SUPPORT TEAM

ANS) PROMOTE ENHANCEMENT CHANGES TO PRODUCTION BY WORKING WITH RELES MANGMNNT TEAM

---

59) which analysis prevents the recurrence of incidents or prevents incidents even before they happen and lead to automation to reduce manual interventions, errors and efforts in L2 support?

I. Reactive analysis

II. Proactive analysis

a. I

b. Neither I nor II

c. II-----ANS

d. Both I and II

-----

60) which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

a. Only II

b. Only I

c. Neither I nor II

d. Both I and II-----ANS

-----

1.unit testing done by tester true or false?

Ans: False

---

2. Breaking the system modules into smaller programs and allocating these programs to the members of the system development team is the activity involved in .....

- A. System Design Phase
- B. System Development Phase-----ans
- C. System Analysis Phase
- D. System Implementation Phase

---

3. What is meant by Response time ?

ANS: Response time refers to the time when the initial response was given by the production support team

---

4. Which service identifies and maintains a record of all installed applications?

Ans: Application License Management

---

5. How to identify performance of select Query?

- a. Using hint
  - b. Using Explain plan-----ans
  - c. Table statistics
  - d. Using Dbms\_sql
-

6. In CR process who sets priority for request determined by committee?

Ans: Change MANAGER

---

7. Unit testing is commonly automated but cannot still be performed?

Ans; false

---

8. High level design gives the overall system design in terms of functional architecture and database design? T or F.....True

---

9. In which step of sdlc project termination done?

- a. design phase
  - b . System maintenance phase
  - c. Feasibility study phase ----ans
  - d. Coding phase
- 

10. Continual service improvement is \_\_ type of initiative?

- a.A. Run better
- b. Productivity improvement
- c. Optimization
- d. Efficiency improvement---ans

---

11.L2 is support team is \_ of functional escalation for L0&L1 teams?

ANS:1ST LEVEL

---

12.Function point sizing is dependent on technology ... T or f? ANS:TRUE

---

13.Providing uninterrupted access to apps and system and ensuring app availability

is the main objective of AVM ... T or f? ans:True

---

14.Which one is not an outcome of best practice in AVM engagement .

a.efficient and effective operations

b.increased maintenance and operation costs. ----- ans

C. Improves reliability.

D.improves customer satisfaction

---

15.Creating FAQ documents is an example of which csi method?

a.idea management system

b. Process standardization

c. Self service strategy-----ANS

d. None

-----

1.Which of the following are the best practices?

I.Move all the hardcoded values to the constant file

IIhave log file to log all the activities

III.Better to catch general exceptions than specific exceptions(SQLException,Arithmetic Exceptions)

Select one:

a.Only II andIII

b.Only I and II-----ANS

c.Only III

d.All the listed options.

-----

2.What type of testing is performed by independent testing team/testing service?

Select one:

a.Smoke Testing/Regression Testing/UAT/Unit Testing

b.Unit Tsetting?System/Functional Testing?SIT,Regression testing,UAT



c.unit Testing/SIT/UAT

d.System/Functional Testing/SIT,Regression Testing,UAT-----ANS

-----

3.Which key attributes of incident handling,refers to the time when the solution to the problem was found and the work started?

Select one:

a.Resolution Time

b.Restoration Time-----ans

c.Status Time

d.Response Time

-----

4.Through Shift left Methodology,the knowledge flows from\_\_\_\_\_

Select one:

a.L1,L2,L4toL3

b.L4,L3,L2toL1-----and

c.L1,L2,L3toL4

d.L1,L3,L4toL2

-----

5.Which of the following are true?

Select one:

a.The requirements document describes how the requirements that are listed in the document are implemented efficiently

b.Consistency and completeness of functional requirements are always achieved in practice.

c.Prototyping is a method of requirements validation-----  
-----ANS

d.Requirements review is carried out to find the errors in system design.

-----

6.Why should the team have Project demo to the customer on a regular basis?

Select one:

a.To make him feel confident that his requirements are being developed the way it is expected

b

7.Function point Sizing is dependent on technology.State True or False

Select one:

a.True-----ANS

b.False

business value to the customer have been prioritized and developed for the customer.

c.To ask for the customer's feedback on the developer's user stories

D.all the listed options-----ANS

-----

7.Function point Sizing is dependent on technology.State True or False

Select one:

a.True-----ANS

b.False

-----

8.Which master service of AWS managed services catalog focuses on long-term functionality, stability and preventive maintenance to

avoid problems that typically arise from incomplete or short-term solutions?

Select one:

a.Governance Services

b.Managed production Services-----ans

c.Product Services

d.Managed Application Services.

-----

9. which of the following statements are true?

I.Unit Testing is executed by the developer

II.In Unit Testing,individual functions or procedures are tested

III.It is kind of white box testing

Select one:

a.Both I and II

b.I,II and III-----ANS

c.Only I

d.Only II

-----

10.How much time should a daily standup usually take?

Select one:

a.One Hr

b.20-40 Min

c.10-15 min-----ANS

d.Depending upon the team's clarifications and the amount of issues to be discussed.

---

11.in legacy AVM service phase activities can be catogorized as which of the following ?

Select one:

a)production support

b)maintance

c) all of the listed options-----ans

d)enhancements

---

12.how many phases are there in ITIL service life cycle?

Select one:

a.Four

b.Three

c.Six

d.Five-----ans

---

13.application services such as functional enhancements, business solution delivery and environment management

services are performed by which support group?

Select one:

a.L2 Support

b.L4 Support-----ans

c.L3 Support

d.L1 Support

---

q14)In which step of SDLC are enhancements , upgrades and bug fixes done??

a) maintenance and evaluation -----ans

b)problem/opportunity identification

c)design

d)development and documentation

---

15.in which phase of the AVM lifecycle are the customers requirements actually fulfilled?

a)none

b)initiation and planning phase

c) service phase -----ans

d)knowledge transition phase

---

16.minor enhancements are handled by which support team ?

Select one:

a)L2

B)NONE

c) L3 support team ----- ans

D)L4

---

17.Which of the following is NOT a benefit of Data Migration Service?

Select one:

a.Eliminates the risk of losing data.

b.Meets regulatory and compliance requirements for data retention.

c.Decreases system/product productivity and performance while minimizing disruption due to data loss.-----ANS

d.Maintains integrity and availability of data to support business decisions.

---

18.Which service provides real time monitoring of all jobs and constantly checks the status of the jobs?

Select one:

a.Application monitoring service.

b.Batch Scheduling/Execution Service.

c.Batch monitoring service.-----ANS

d.Mailbox and Ticketing Tool Monitoring Service.

-----

19.enhancement services , assessment services and transformation services are rendered by I4 support team?

Select one:

true -----ans

FALSE

-----

20.\_\_\_\_\_ is the only trigger type you can have on any type of view.

Select one:

a)Insert trigger

b)instead of trigger -----ans

c)delete trigger



d)row trigger

-----

21.What is/are service benefit(s) for Application Problem Management service?

Select one:

A-All of the listed options

B-Reduction of effort in fire-fighting or resolving repeated incidents-----ans

C-Lesser productivity of business and IT

D-Increased effort on workarounds and temporary fixes

-----

22.AVM projects faced lot of challenges prior to Service catalog approach.State true or False.

Select one:

A-True-----ANS

B-False

-----

23. Which service in MAS, follows SDLC phases and manages end to end delivery from design, System Testing, Release

Planning, Go live support and post production support?

Select one:

A-Functional Enhancements

B-Application Integration Services-----ANS

C-Application Strengthening

D-Release Planning

-----

24. Which step of SDLC performs cost/benefit analysis?

Select one:

A-Feasibility Study-----ANS

B-Analysis

C-Design

D-None of the following options.

-----

25. Which support level deals with unknown incidents?

Select one:

A-L4 support

B-L0/L1 support

C-L2 support-----ans

D-L3 support

-----

26. One of the more challenging aspects of change management is ensuring that all details of changes are sufficiently documented and all parties are in agreement as to what is expected. State true or False

true-----ans

false

-----

27. What will be the result of the following SQL when executed?

```
SELECT TOP 10[Name]
FROM [GLS2_PROD].[dbo].[tblAssociate]
```

Sample Data

ID Name

31208 Rajashekar Gupta P

103210 Nagarajan,Rajeswari

103549 Balagoplan, Narayanan

Select one

a- Returns top 10 Names in the table-----ANS

b- Returns top 10 rows in the table

c- Returns Null

d- Syntax error in the SQL

---

28. which of the following statements are true?

I. A well written logging code offers quick debugging, easy maintenance, and structured storage of an application's runtime information.

II. LOG.info("Data base operation failed. Check your SQL connection") statement logs the above lines in logger for best understanding.

a- Only I

b- Both I and II-----ANS

c- Neither I nor II

d- Only II

---

29. L2 support team provides \_\_\_\_\_ for solving basic technical problems.

select one

a- o/p to L3 support team

b- i/p to L0/L1 support team-----ans

c- i/p to L3 support team

d- o/p to L0/L1 support team

-----

30. what is the exception that should be raised by the below situation ?

```
public void division(int num1, int num2)
{
    try
    {
        result=num1/num2
    }
    catch(-----e)
```

Select one :

a-DivideByzeroException-----ANS

b-OutOfMemoryException

c-DivisionError EXecption

d-ApplicationError

-----

31. Define product upgrade service

I. Focuses on analyzing the current implementations, IDENTIFYING CLIENT specific customizations, conducting a feasibility study, preparation of a comprehensive upgrade roadmap and executing the same

II. Focuses on to achieving a complete product integration through progressive assembling of product components in a single stage or in incremental stages, with a defined integration strategy and procedure

Select one :

a.I only-----ANS

b.Both I and II

c.Neither I nor II

d.II only

-----

32. which of the following UML diagram represents the relationship among the classes?

Select one :

a. UseCase Diagram

b. Class Diagram----- ANS

c. Sequence Diagram

d. Activity Diagram

-----

33.What does ITIL stands for?

Select one :

- a. Information Technology Ideal Library
- b. Information Technology Infrastructure Library -----ANS
- c. Information Technology Interactive Library
- d. Information Technology Intelligence Library

-----

34.a \_\_\_\_\_ is a method or technique that has consistently shown results superior to those achieved with other means and that is used as benchmark

Select one :

- a. Best practice-----ANS
- b. Process
- c. Scheme
- d. System

-----

35. A design document contains declaration for all new classes, procedures, global and class variables and the description of all new procedures.  
state true or false

Select one :

a. true -----ANS

b. false

-----

36. Define CMDB

I. It is a database that contains information about configurable IT components along with relationship between these components

II. It is repository of information that describes all of the conditions in your IT system that might result in an incident for your customer and users.

Select one :

a. Only II

b. Neither I nor II

c. I only-----ans

d. Both I and II

-----

37. CSI is one of the key focus areas in ITIL framework. True/false

Select one :

a. true -----ANS



b. false

---

38. What are the various purpose of Business requirement document (BRD)?

select one or more

Select one :

a. BRD details the business solution for a project including the documentation of customer needs and explanation-----ANS

b. BRD is formal document that provides a contract between supplier and client. -----ANS

c. BRD contains the detailed project plan and design

d. The BRD effectively defines the scope of the project-----ANS

ANS- a, b, d

---

39. Application community and Resilience support services assist client in the analysis, design and implementation of business continuity solutions. True/false

Select one :

a. true -----ANS

b. false

---

40. public final class Constraints

```
{  
    Public Static final String  DEFAULT_ROLE="EMPLOYEE",  
}
```

What does the above statement indicate?

Select one :

a. creating the constraints file to make use of the defined constraints in other class-----ANS

b. syntax errors

c. EMPLOYEE role information set in the field

d. DEFAULT\_ROLE set to EMPLOYEE field

e. None of the Listed

---

41) the phases in software testing life cycle are

Select one

:

a) test planning

b) test design

c) test execution

d) test closure

e) all -----ANS

-----

42 select ename, sal from emp where deptno = (select \* from dept where loc ='New york')

Select one:

a)multiple record

b)displays nothing

c)throw an error----- ANS

d)dispaly single row

-----

43)which of the following statement is false

Select one:

a) the process of destroying unreferenced objects is called garbage collector

b) none-----ANS

c)an object becomes eligible for garbage collection when there is no live thread

d) heap part of the memory is involved in garbage collection

e)garbage collection frees the memory occupied by the unreachable objects

---

44)SDLC stands for

Select one:

a)software development life cycle-----ANS

b)system development life cycle

c)software design life cycle

d)system design life cycle

---

46)advantages of exceptional handling

Select:

a)none

b) with the exception handling mechanism when the exception occurs the execution of the prgm is transfered to an appropriate exception handler and

terminate the prgm-----ANS

c)exception handling maintains the normal flow of application-----ANS

d)with the exception handling mechanism the developer can code much

cleaner and have exception automatically detected-----ANS

e)in exception handling generic exception object can be extended to any specific type exception-----  
---ANS

-----

47)who is responsible for reviewing the CR to verify that there is sufficient details

Select one:

a)project manager

b)none of these

c)change manager----- ANS

d)client manager

-----

48) Which key constraint can accept null values?

Select one:

a) foreign key

b) primary key

c) check

d) unique key ----- ANS

-----

49) HAVING Clause can be used only

Select one:

a) when select statement have where clause

b) when the query has "group by" in select statements ----- ANS

c) when the order by clause is used in statement

d) when conditions are present in select statement

-----

50) \_\_\_\_\_ is the process applying creativity as much as possible and validating against invalid data

Select one:

a) Negative testing ----- ANS

b)regression testing

c)sanity testing

d)white box testing

-----

51) Identify the priority of an incident that causes (or has the potential to cause) severe disruption to business operations and/or significant fiscal impact

Select one:

a.Medium

b.Critical-----ans

c.High

d.Low

-----

52) Which process grants authorized users the right to use a service?

Select one:

a. access management-----ANS

b.Problem Management

c.Event Management

d.Incident Management

-----

53) Which service is responsible for establishing a protocol for communication and coordination between vendors using major outages?

Select one:

a.Application License Management

b.Major incident and Mediator Support Service-----ANS

c.Known error Resolution Services

d.Standard Service Request Fulfilment service

-----

54) Which service identifies and maintains a record of all installed applications?

Select one:

a.Application License Management-----ANS

b.Adhoc Service request Fulfilment service



d.Standard Service request Fulfilment service

---

55) Which of the following are the measurements of Batch Monitoring in AVM projects?

Select one:

a.%Batch job abend---ANS

b.%of Tickets Responed

c.%Reduction in batch window---ANS

d.%jobs complted within Target time ---ANS

---

56) There is no process that needs to be followed in Scrum as it is only driven

Select one:

a.true

b.false-----ANS

---

57) What are all Three defined levels of benchmark?

Select one:

a.Threshold Limit

b.Goal-----ans

c.Upper Control Limit-----ANS

d.Lower Control Limit-----ANs

-----

58) A scheduled batch process can consist of the execution of hundreds or thousands of jobs in a random sequence

Select one:

true

false-----ans

-----

59) How to we identify the performance of the select query?

Select one:

a. Using HINT

b. Using Explain plan-----ANS

c. Using Table statistic

d. Using DBMS\_SQL

---

60) enter user name -- not sure

1. DISTINCT keyword used for \_\_\_\_\_

ANS:- To find Unique records from table

2. Which policy Cognizant follows \_\_\_\_\_

ANS:- Run Better, Run Different

3. Which is Not DML command

a. Insert

b. Delete

c. Update

d. Truncate-----ANS

1. Which of the following statements are true

I. Unit testing is executed by developer

II. In Unit testing individual functions or procedures are tested

III. It is kind of white box testing

select one

a. I, II, III -----Ans

b. Both I and II

c. Only I

d. Only II

6)End of service ensures all corresponding critical jobs as a part of the 'end of term' processes are completed on time during the processing cycle

Ans:True.

7)Which of the following are the measurements of batch monitoring in AVM projects?

Ans:%Batch job abend,%jobs completed within target time

8)Which service is responsible for establishing a protocol for communication and coordination between vendors during major outages?

Ans:major incident and mediator support service.

9)Which assessment service of L4 focuses on analysing the existing demand on the applications and planning for the growth in future?

Ans:Application Rationalization study.

10)How much time should a daily standup usually take?

Ans:10-15 mins.

18)Match the following:

Requirement Capture----- domain analysis

Design-----structure and behavioural modeling

implementation-----module development and integration

Maintainence-----performance tuning

40. why should the team have project demo to the customer on a regular basis?

Select one-

A-to ask the customers feedback on the developed user stories.

B-all of the listed options.-----ANS

C-to showcase that the requirements of the highest business value to the customer have been prioritized and developed for the customer

D-to make him feel confident that his requirements are being developed the way it is expected.

41.Select the validations that are applicable for the text box field.

Enter username

[Submit]

Select one or more:

- a) Should check if the text box is null
- b) Must check the special characters
- c) Should check whether the user has access
- d) Should check the number of characters
- e) All of the listed options.-----Ans

42. One of the more challenging aspects of change management is ensuring that all details of changes are sufficiently documented and all parties are in agreement as to what is expected. State true or False  
 true-----ans  
 false

43. Machine.config contains settings that apply to an entire Network.  
 State true or False:  
 Select one:  
 True  
 False

44) Which of the following are the measurements of Batch Monitoring in AVM projects? .....??  
 Select one:  
 a. %Batch job abend-----ANS  
 b. % of Tickets Responed  
 c. %Reduction in batch window-----ANS  
 d. %jobs complited within Target time -----ANS

45) Which of the following are the different Securable Scopes?  
 Choose a correct options  
 Select one or more:  
 a. Server  
 b. Client  
 c. Database  
 d. Schema

46. What is the use of creating an index in a table?  
 a) All of the listed options ----->Ans  
 b) To search the records in the table  
 c) To order the records in the table  
 d) To increase the performance of the table

47. What are the various purposes of Business requirement Document(BDR)?  
 a) BRD details the business solution for a project including the documentation of customer needs and expectations.----->Ans  
 b) BRD is a formal document that provides a contact between supplier and client.  
 c) BRD contains the detailed project plan and design-----ANS  
 d) The BRD effectively defines the scope of a project.-----ANS

48. Batch jobs would be run at peak times, when there is huge number of customers accessing the application. State True or false.

- a) True -----Ans
- b) False

49. In SQL, normally the group by clause follows the where clause in a select statement and precedes the order by clause. State True or false.

- a) True ----->Ans
- b) False

50. In Legacy AVM service phase activities can be categorized as which of the following,

- a) production support
- b) maintenance
- c) all of the listed options----->Ans
- d) enhancements

51. Where can you see the details of recurring/similar incidents and workarounds documented for future use?

- a) KEDB ----->Ans
- b) System
- c) Remedy Tickets
- d) Individuals Notepad

52. What is the service related to information security compliance handled by L3 Support?

- a) Continuous Build & release
- b) Compliance & Regulatory Updates -----Ans
- c) Application Strengthening
- d) Release Planning

53. As L4 team are the highest level of support and are experts, they need not get approval from business for project funding for new enhancements. State true or false.

- a) True
- b) False-----Ans

54. Which of the following is NOT a benefit of data Migration Service?

- a) Eliminates the risk of losing data
- b) Meets regulatory and compliance requirements for data retention
- c) Decreases system/product productivity and performance while minimizing disruption due to data loss.----->Ans
- d) Maintains integrity and availability of data to support business decisions.

55. Which of the following is true  
select one

- a) the requirement document describes how the requirement that are in the listed document are implemented efficiently
- b) consistency and completeness of functional requirement are achieved in practice
- c) prototyping is the method of requirement validation-----Ans
- d) requirement review is carried out to find error in the system design

56. How much time should a daily standup take place

- a) 20-40 min
- b) depend on team clarification and amount of items to be discussed
- c) 10-15 min-----Ans
- d) one hr

57. public final class constants

```
{  
public static final String DEFAULT_ROLE = "EMPLOYEE"  
}
```

What does above statement indicate

- a) none of the options
- b) DEFAULT\_ROLE is set to EMPLOYEE field
- c) EMPLOYEE role information is set in the field
- d) creating a constant field to make use of defined constant in the other class-----Ans

58. A good test case has to be

- a) Economic and traceable
- b) accurate and appropriate
- c) repeatable and reusable
- d) all of the options-----Ans

59. Metrics specifies a set of \_\_\_\_\_ that will be measured, Procedures to measure them, and ways to interpret the measurements (Don't Know)

Select one:

- a) parameters-----Ans
- b) Services
- c) Processes
- d) limitation

60. The key considerations involved in the feasibility analysis are/is:

Select one :

- a) Economic
- b) Technical
- c) Behavioral
- d) All of the listed options. -----Ans

61. Complexity Points sizing is dependent technology. State True or False.

Select one

- a) True-----Ans
- b) False

62. Which of the following statement is true?

I A well written logging code offers quick debugging maintenance and structured storage of an  
II LOG.info logs the above lines for better understanding

- a) both I and II-----ANS
- b) neither I or II
- c) only II
- d) only I

63. which of the following services focuses on the monitoring the ticketing tool for incoming tickets and assigning to appropriate groups

- a) application monitoring services
- b) batch scheduling/execution services
- c) mailbox and ticketing tool monitoring services-----ANS
- d) none of these

64. which step in SDLC performs cost/benefit analysis

- a) feasibility study-----ANS
- b) analysis
- c) design
- d) none

65. which of the following is the benefit of ITIL

- a) reduced hidden costs that traditionally increases substantially TCO
- b) reduced cost of training
- c) decreased competence capability and productivity of IT staff-----Ans
- d) improves IT services through the use of proven best practices

66. Select the validations that are applicable for the mandatory input field "Email-Id"

- i. Email-Id field should not be empty
- II. Email-Id field should have proper domain name
- III. Email-Id field should not start with special characters

Select one

- a. I, II, III-----Ans
- b. Only II
- c. only III
- d. Only I and II
- e. Only I

67. Which service focus to capture all applications, its critical attributes, its interface and relations to other applications?

Select One:

- a. Application Problem Management service
- b. Batch Scheduling/Execution service
- c. Application CMDB Maintenance service-----Ans



d.Incident Resolution service

68.Knowledge Transition phase helps the cognizant's team to get the application and business knowlegde from the clients or the incumbent vendor.

State true or false.Select one

- a) true ----- Ans
- b>false

69.How many Primary keys can be created in a single table?

- a)four
- b)three
- c)one-----ANS
- d)two

70.which transformation service of L4 deals with identifying applications that are redundant and unused so that they can be withdrawn?

- Application optimization and tuning
- application upgrade/migration
- application consolidation
- application Decommissioning-----ANS

71.)L0/L1 team should not contact the user for seeking additional information regarding the issue  
FALSE

72.which team is responsible for receiving incident and request from end users analyzing them responding either to a)the end users or escalation ot to the other IT support teams for the solution?

- b)Develpment team
- c)testing team
- d)Production support team-----ANS
- e)none

73.Faster RCA and impactr analysis are some of the aspects of CMDB maintenance for L2 support.TRUE  
OR FALSE

- a)TRUE-----ANS
- b)FALSE

74.End of term(year/quarter)services alias is called as seasonal services.

- a)TRUE----- Ans
- b)FALSE

75.SDLC is the process of developing s/w through business needs,analysis,design,implementatino, release and maintenance.

- A) True ----->Ans
- b) False

76. Metrics specifies a set of \_\_\_\_\_ that will be measured, procedures to measure them, and ways to interrupt the measurements.

Select one:

- a. processes
- b. Services
- c. parameters----- Ans
- d. limitation

77. The goal of unit testing is to isolate each part of the program and show that the individual parts are correctly executed. State true or false

select one:

- a) true ----- Ans
- b) false

78. Which of the following statements is false?

- a) Garbage collector frees the memory occupied by the unreachable objects during the program execution.
- b) None of the options-----ANS
- c) The process of destroying unreferenced objects is called Garbage collection.
- d) Heap part of the memory is involved in garbage collection.
- e) An object becomes eligible for garbage collection when no live thread can access it.

79. Which of the following are the activities of Product implementation & Configuration service?

- I. Requirements Gathering
- II. Design and build
- III. Test
- IV. Enable product interfacing

select one.

- a. I, II, III-----ANS
- b. I, III
- c. I, II
- d. I, II, III, & IV

80. Which service provides real time monitoring of all jobs and constantly checks the status of the jobs?

Select one:

- a) Application monitoring service
- b) Batch Scheduling/Execution service
- c) Mailbox and ticketing tool monitoring service
- d) Batch monitoring service.-----Ans

