

**Topic- UFCE - Unhedged**

1. UFCE stands for
  - a. Unhedged fix currency exposure
  - b. upper foreign currency exposure
  - c. unusual foreign currency expoure
  - d. unavailable foreign currency exposure
  - e. unhedged foreign currency exposure

**ANSWER: unhedged foreign currency exposure**

2. UFCE guidelines are mandated by
  - a. RBI
  - b. DGFT
  - c. PMO
  - d. ECGC
  - e. FEDAI

**ANSWER: RBI**

3. UFCE Guidelines are not applicable to
  - a. Commercial Banks
  - b. Payment Banks
  - c. Private Banks
  - d. Foreign Banks
  - e. Union Bank of India

**ANSWER: Payment Banks**

4. The periodicity of obtaining UFCE information from all the entities except small entities is
  - a. Daily basis
  - b. Monthly basis
  - c. Half yearl basis
  - d. Quarterly basis
  - e. Annual basis

**ANSWER: Quarterly basis**

5. Apart from UFCE data what else is required for assesing its Impact
  - a. PAT
  - b. EBID
  - c. Turnover
  - d. Net worth

Topic- UFCE - Unhedged

- e. Borrowings

**ANSWER: EBID**

- 6. An entities Foreign currency payable matching with receivables in foreign currency is called
  - a. Null Hedge
  - b. Wholesome Hedge
  - c. Natural Hedge
  - d. Financial Hedge
  - e. Maximum hedge

**ANSWER: Natural Hedge**

- 7. Largest Annual Volatility (LAV) is published by
  - a. RBI
  - b. DGFT
  - c. PMO
  - d. ECGC
  - e. FEDAI

**ANSWER: FEDAI**

- 8. Likely Loss equals to
  - a. Largest Annual Volatility \* UFCE
  - b. UFCE\*EBID
  - c. Largest Annual Volatility \*EBID
  - d. Largest Annual Volatility \*PAT
  - e. PAT\*EBID

**ANSWER: Largest Annual Volatility \* UFCE**

- 9. Riskiness of UFCE (%) =
  - a. Likely Loss \* 100 \* EBID
  - b. Likely Loss \* 100 / PAT
  - c. PAT/EBID
  - d. Likely Loss \* 100 / EBID
  - e. Likely Loss - EBID

**ANSWER: Likely Loss \* 100 / EBID**

- 10. As per UFCE guidelines small entities are borrowers having exposure with Banking Sector up-to
  - a. 100 Crore

## Topic- UFCE - Unhedged

- b. 10 Crore
- c. 50 Crore
- d. 5 Crore
- e. 1 Crore

**ANSWER: 50 Crore**

11. Incremental provision for Small entities which are having foreign currency exposures (FCE) and are not in position to provide information on their UFCE

- a. 20 bps
- b. 50 bps
- c. nil
- d. 10 bps
- e. 100 bps

**ANSWER: 10 bps**

12. Incremental provision for Entities not providing Quarterly Information of UFCE

- a. 80 bps
- b. 50 bps
- c. 60 bps
- d. 40 bps
- e. 20 bps

**ANSWER: 80 bps**

13. Incremental provision for NPA Borrowers having UFCE

- a. 100 bps
- b. Nil
- c. 75 bps
- d. 50 bps
- e. 25 bps

**ANSWER: Nil**

14. Upto what riskiness of UFCE (%) no incremental provision is required

- a. 5%
- b. 10%
- c. 12%
- d. 15%
- e. 20%

Topic- UFCE - Unhedged

ANSWER: 15%

15. Upto what riskiness of UFCE (%) no incremental Capital is required

- a. 15%
- b. 50%
- c. 75%
- d. 100%
- e. 25%

ANSWER: 75%

16. Incremental provision for Exposure to entities which are not able to provide required FCE data and where the bank is not able to get sufficient data to compute UFCE

- a. 80%
- b. 70%
- c. 60%
- d. 50%
- e. 40%

ANSWER: 80%

17. CAC-II can permit limit up to what percentage as unhedged exposure of the total FCE of the borrower.

- a. 45%
- b. 100%
- c. 80%
- d. 60%
- e. 75%

ANSWER: 75%

18. Respective sanctioning authority can permit limit up to what percentage as unhedged exposure of the total FCE of the borrower.

- a. 45%
- b. 100%
- c. 80%
- d. 60%
- e. 75%

ANSWER: 45%

19. Additional Rate of Interest where Likely Loss/EBID (%) is 15 % will be

- a. 20 bps

## Topic- UFCE - Unhedged

- b. nil
- c. 25 bps
- d. 50 bps
- e. 40 bps

**ANSWER: nil**

20. Additional Rate of Interest where Likely Loss/EBID (%) is More than 30 percent and upto 50 percent where cash margin is less than 20% of fund based exposure will be

- a. 20 bps
- b. nil
- c. 25 bps
- d. 50 bps
- e. 40 bps

**ANSWER: 40 bps**

21. Additional Rate of Interest where Likely Loss/EBID (%) is More than 50 percent and upto 75 percent where cash margin is less than 30% of fund based exposure will be

- a. 60 bps
- b. nil
- c. 45 bps
- d. 50 bps
- e. 70 bps

**ANSWER: 60 bps**

22. Waiver/Concession in interest /charges to be recovered on account of UFCE shall be considered by

- a. Regional Office
- b. MLP
- c. RLP
- d. Branch Manager
- e. one step higher than the respective credit sanctioning authority

**ANSWER: one step higher than the respective credit sanctioning authority**

23. Quarterly statement of unhedged exposure of Foreign Currency Loans including ECBs/ FCCBs / Buyers credit etc., to be submitted to RBI if it is up-to & above

- a. USD 25 Mio
- b. USD 5 Mio
- c. USD 10 Mio
- d. USD 15 Mio

## Topic- UFCE - Unhedged

e. USD 20 Mio

**ANSWER: USD 25 Mio**

24. Foreign Currency/exchange exposure' refers to the risk an entity undertakes in

- a. borrowing in rupee
- b. making financial transactions in foreign currencies
- c. opening CC account in rupee
- d. expanding to other states
- e. appointing external directors

**ANSWER: financial transactions in foreign currencies**

25. CAC-III can permit limit up to what percentage as unhedged exposure of the total FCE of the borrower.

- a. 45%
- b. 100%
- c. 80%
- d. 60%
- e. 75%

**ANSWER: 60%**

26. MCB can permit limit up to what percentage as unhedged exposure of the total FCE of the borrower.

- a. 45%
- b. 100%
- c. 80%
- d. 60%
- e. 75%

**ANSWER: 100%**

27. Finacle menu for uploading Data on UFCE of customer is

- a. EBID
- b. FWCP
- c. UFCE
- d. HACLI
- e. FCE

**ANSWER: UFCE**

28. In case of new entities and projects under implementation, EBID would be

**Topic- UFCE - Unhedged**

- a. average of projected EBID for 3 years from the date of commencement of commercial Operations
- b. average of projected EBID for 2 years from the date of commencement of commercial Operations
- c. average of projected EBID for 5 years from the date of commencement of commercial Operations
- d. average of projected EBID for 4 years from the date of commencement of commercial Operations
- e. average of projected EBID for 6 years from the date of commencement of commercial Operations

**ANSWER: average of projected EBID for 3 years from the date of commencement of commercial Operations**

29. For individuals having UFCE what incremental provision to be kept
- a. 10bps
  - b. 30 bps
  - c. individuals are exempted from UFCE
  - d. 20 bps
  - e. 15 bps

**ANSWER: individuals are exempted from UFCE**

30. Incremental provisioning for UFCE purpose can be included in which type of capital?
- a. Tier 1 capital
  - b. Tier 2 capital
  - c. CCB
  - d. CET1
  - e. Countercyclical buffer

**ANSWER: Tier 2 capital**