

1. Which of the following initiatives was launched by RBI for the early identification and resolution of stressed assets?
 - a. Prompt Corrective Action
 - b. Financial Stability Report
 - c. Basel III Framework
 - d. Revised Framework for Resolution of Stressed Assets
 - e. Financial Sector Legislative Reforms Commission

Answer:- Revised Framework for Resolution of Stressed Assets

2. Which of the following is a consequence for Banks, if they failed to comply with the Revised Framework for Resolution of Stressed Assets?
 - a. Reduced Capital Adequacy Ratio
 - b. Increased Capital Provisioning requirements
 - c. Temporary suspension of Lending activities
 - d. Revocation of Banking License
 - e. Forced merger with another Bank

Answer:- Increased Capital Provisioning requirements

3. As stipulated by the revised stressed asset framework, what is the deadline for executing the Resolution Plan after the conclusion of the Review period, in situations where the financial exposure amounts to Rs 1500 crore or higher
 - a. 90 days
 - b. 120 days
 - c. 180 days
 - d. 60 days
 - e. 30 days

Answer:- 180 days

4. According to RBI's 2019 framework for resolution of stressed Assets , what happens if a resolution plan is not approved by the requisite majority of creditors?
 - a. Automatic liquidation of assets
 - b. Reference to insolvency proceedings under IBC
 - c. Appointment of new board of directors
 - d. Revaluation of stressed assets
 - e. Involvement of RBI

Answer:- Reference to insolvency proceedings under IBC

5. According to RBI's 2019 framework for resolution of stressed Assets, which entity is responsible for ensuring the restructuring of debt in line with the revised framework
 - a. Reserve Bank of India

- b. Credit rating agencies
- c. Oversight committee
- d. Lenders themselves
- e. Monitoring Institution

Answer:- Lenders themselves

6. Under the revised framework for Resolution of stressed Assets a resolution plan should be approved by

- a. 51 percentage of lenders by value
- b. 60 percentage of lenders by value
- c. 66 percentage of lenders by value
- d. 75 percentage of lenders by value
- e. 80 percentage of lenders by value

Answer:- 75 percentage of lenders by value

7. Which of the following is not an objective of revised frame work for Resolution of Stressed Assets ?

- a. Timely identification of stressed assets
- b. Early resolution of stressed assets
- c. Mandatory liquidation of all stressed assets
- d. Provisions for Insolvency proceedings
- e. Improved credit discipline among Borrowers

Answer:- Mandatory liquidation of all stressed assets

8. Which committee is responsible for reviewing the framework for resolution of stressed assets in India

- a. S S Mundra Committee
- b. Raghuram Rajan Committee
- c. K H Malegam Committee
- d. Uday Kotak Committee
- e. Aravind Subramanian Committee

Answer:- Uday Kotak Committee

9. The term haircut in stressed asset resolution refers to

- a. Decreasing the interest rate on loan
- b. Waiving off the Loan completely
- c. Reducing the principal amount of the loan
- d. Extending the loan repayment period
- e. Changing the collateral for the loan

Answer:- Reducing the principal amount of the loan

10. The Bankers or Lenders are required to provide additional provision on such Borrowal accounts having aggregate exposure of Rs 1500 crores and above and where the RP implementation period is delayed beyond _____ days from the date of default

- a. 30
- b. 90
- c. 270
- d. 180
- e. 210

Answer:- 210

11. In case of Resolution Committee Meetings at Regional Office, who will act as Convenor in the absence of Credit Head

- a. Head of CCM Department
- b. Recovery Department Head
- c. Head of Operations
- d. Human Resources Head
- e. Risk Officer

Answer:- Head of CCM Department

12. The difference between the fair value of loan before and after restructuring while drawing a RP is called

- a. Relief
- b. Crystallisation
- c. Sacrifice
- d. Right of Recompense
- e. Discount

Answer:- Sacrifice

13. Promoters sacrifice and additional funds brought by them should be minimum of ____ percentage of Banks sacrifice or ____ percentage of restructured debt whichever is higher

- a. 30, 5
- b. 25, 2
- c. 15, 5
- d. 20, 2
- e. 10, 2

Answer:- 20, 2

14. In cases where RP is to be implemented, all lender should enter into

- a. Debtor Creditor Agreement

- b. Inter Debtor Agreement
- c. Inter Creditor Agreement
- d. Inter Se Agreement
- e. Intra Creditor Agreement

Answer:- Inter Creditor Agreement

15. As per Inter Creditor Agreement any decision agreed by lenders, 75 percentage by value of total outstanding credit facilities and ____ percentage of lenders by number shall be binding upon all the lenders

- a. 50
- b. 60
- c. 75
- d. 66
- e. 55

Answer:- 60

16. Delegated Authority to permit signing of Inter Creditor Agreement for the proposals falling under the delegation upto ZLCC is

- a. Zonal Head
- b. CAC-III
- c. CAC-II
- d. Executive Director
- e. Chief General Manager of Concerned Vertical

Answer:- Zonal Head

17. Among the following options available under Resolution Plans, which one does not fit with the others

- a. Restructuring
- b. Rectification with Regularisation
- c. Rephasement
- d. Recovery
- e. Sale of exposure

Answer:- Rephasement

18. Delegated Authority for exercising "Change in Ownership" option for Resolution Plan where aggregate Exposure of Rs 10 crores is

- a. RLCC-I
- b. CAC-III
- c. ZLCC
- d. CAC-II

e. CAC-I

Answer:- ZLCC

19. The Inter Creditor Agreement has to be signed by the officials not below the rank of

- a. Chief Manager
- b. Asst. General Manager
- c. Dy. General Manager
- d. Senior Manager
- e. General Manager

Answer:- Asst. General Manager

20. In case of exposures below 1500 crores, what is the maximum period that can be availed to complete the Resolution Plan ?

- a. 90 days
- b. 120 days
- c. 180 days
- d. 210 days
- e. 270 days

Answer:- 180 days

21. If the lenders have obtained Independent Credit Evaluation from Credit Rating Agencies for Resolution Plan(RP), the minimum credit opinion required for RP to be considered for implementation is

- a. RP1
- b. RP2
- c. RP3
- d. RP4
- e. RP5

Answer:- RP4

22. What is the percentage of additional provision to be made if the time line of viable RP crosses 365 days from the date of default?

- a. 20 percentage
- b. 30 percentage
- c. 35 percentage
- d. 15 percentage
- e. 25 percentage

Answer:- 35 percentage

23. Right of Recompense may be exercised

- a. After restructuring

- b. Before Restructuring
- c. After revival of Unit and surplus cash accruals available
- d. After loan repayment
- e. After recall of advance

Answer:- After revival of Unit and surplus cash accruals available

24. In case of restructuring, Minimum Asset Coverage Ratio should be of

- a. 1.25:1
- b. 1: 1
- c. 1.10:1
- d. 1.20:1
- e. 1.15:1

Answer:- 1: 1

25. The period from the date of implementation of Resolution Plan upto the date by which 10 percentage of the sum of outstanding principal debt as per RP and interest capitalisation sanctioned as part of restructuring is known as

- a. Specified Period
- b. Monitoring Period
- c. Review Period
- d. Specific Period
- e. Resolution period

Answer:- Monitoring Period

26. In which resolution plan, the measures initiated are intended to bring about turnaround in the business entity without any change in the terms and conditions of the loan

- a. Restructuring
- b. Recovery
- c. Change in Ownership
- d. Rectification
- e. Sale of exposure

Answer:- Rectification

27. What is prerequisite for restructuring or change in ownership of accounts with an aggregate exposure of Rs 100 crores and above

- a. Consent from all lenders
- b. Approval from SEBI
- c. A detailed audit by an external agency
- d. Independent Credit Evaluation by Credit Rating Agencies authorised by RBI
- e. Approval from Ministry of Finance

Answer:- Independent Credit Evaluation by Credit Rating Agencies authorised by RBI

28. What is the required Debt Service Coverage Ratio for a unit to become viable after restructuring within a 5year period?

- a. Greater than 1.5 within 5 years and above 1 on a Y-o-Y basis
- b. Greater than 1.25 within 5 years and above 1 on a Y-o-Y basis
- c. Greater than 1.0 within 5 years and above 1.25 on a Y-o-Y basis
- d. Greater than 1.0 within 5 years and above 1.00 on a Y-o-Y basis
- e. Greater than 1.15 within 5 years and above 1.00 on a Y-o-Y basis

Answer:- Greater than 1.5 within 5 years and above 1 on a Y-o-Y basis

29. Under the "Change in Ownership" as Resolution Plan, what percentage of paid up equity capital of the borrower entity should the new promoter acquire?

- a. At least 10 percentage
- b. At least 26 percentage
- c. At least 50 percentage
- d. At least 75 percentage
- e. At least 33 percentage

Answer:- At least 26 percentage

30. What clause has to be included by all restructuring packages?

- a. Right to Terminate clause
- b. Right to Transfer Clause
- c. Right to Recompense Clause
- d. Right to Audit Clause
- e. Right to Refusal Clause

Answer:- Right to Recompense Clause