

1. For projects under Hybrid Annuity model the accepted IRR should be

- A. 2% above the Weighted Average Cost of Capital (WACC)
- B. equal to Weighted Average Cost of Capital (WACC)
- C. 3% above the Weighted Average Cost of Capital (WACC)
- D. 3% more than 3 year MCLR
- E. 5% more than 3 year MCLR

Answer:- 3% above the Weighted Average Cost of Capital (WACC)

2. The exit guidelines are applicable to accounts with credit exposure of Rs.across all Business Verticals

- A. 2 Crores and above
- B. 10 crores and above
- C. 25 crores and above
- D. 50 crores and above
- E. 5 Crores and above

Answer:- 5 Crores and above

3. The social pillar of ESG focuses on

- A. Human asset management
- B. Human Capital management
- C. Human Management
- D. Asset management
- E. Human Emotions management

Answer:- Human Capital management

4. Which among the following does not come under the Stable Area as per Loan Policy 2024-25?.

- A. Petroleum Refineries
- B. Plastic Products
- C. Rice Mills
- D. Newsprint Paper

E. Capital Market

Answer:- Newsprint Paper

5. As per Loan Policy 2024-25 the benchmark ratio of DSCR for Infrastructure projects for categories falling under Transport is

- A. Average DSCR of 1.3:1 (tenor of the loan) with Minimum DSCR of 1.1:1
- B. Average DSCR of 1.5:1 (tenor of the loan) with Minimum DSCR of 1.1:1
- C. Average DSCR of 1.3:1 (tenor of the loan) with Minimum DSCR of 1:1
- D. Average DSCR of 1.5:1 (tenor of the loan) with Minimum DSCR of 1.2:1
- E. Average DSCR of 1.7:1 (tenor of the loan) with Minimum DSCR of 1.1:1

Answer:- Average DSCR of 1.3:1 (tenor of the loan) with Minimum DSCR of 1.1:1

6. While accepting the brand as security the owners of the brand should be a highly reputed corporate in existence for atleast

- A. 15 years.
- B. 5 years.
- C. 10 years.
- D. 20 years
- E. 2 years

Answer:- 10 years

7. With respect to appraisal of the bank finance to Government owned entities which one is untrue?

- A. In respect of financing of infrastructure projects undertaken by Government owned entities , due diligence on the viability of the projects shall be undertaken
- B. It should be ensured that the individual components of financing and returns on the project are well defined and assessed
- C. Considering the funding requirement financing may be considered under consortium arrangement
- D. State Government guarantees can be taken as a substitute for satisfactory credit

appraisal

- E. For the purpose of assessment, reference may be made to the appraisal report prepared by the lead bank/FI

Answer:- State Government guarantees can be taken as a substitute for satisfactory credit appraisal

8. The delegation for approval of inter zone transfer of corporate loan account

- A. CAC-II
- B. CAC-III
- C. CAC-I
- D. MCB
- E. concerned ZLCC

Answer:- CAC-II

9. As per the guidelines which rollover of short term loan amounts to restructuring

- A. 3rd
- B. 2nd
- C. 4th
- D. 5th
- E. 1st

Answer:- 3rd

10. Which of the following is incorrect with respect to short term loans (STLs)?

- A. STLs are sanctioned in the form of demand loan
- B. STLs cannot be sanctioned to mutual funds
- C. Generally STLs are not backed by tangible securities and are by and large unsecured in nature
- D. STLs will be repayable either by a bullet payment or repayment in a few installments based on cash flows of the borrower
- E. If any STL becomes NPA, recovery has to be made by the concerned Branch

/Region/FGMO

Answer:- STLs cannot be sanctioned to mutual funds

11. Which one of the following risk assessment categories is NOT among those normally addressed in the credit risk assessment process?

- A. Industry and business risk
- B. Financial risk
- C. Global risk
- D. Management Risk.
- E. Facility Risk

Answer:- Global risk

12. The tenor of loans under Pooled Municipal Debt Obligation shall not normally exceed from the last disbursement under each project:

- A. 5 years
- B. 15 years
- C. 10 years
- D. 2 years
- E. 20 years

Answer:- 15 years

13. What is the correct calculation of trade receivables days?

- A. $(\text{Sales} \times 365) / \text{Trade Receivables}$
- B. $(\text{Trade Receivables} / 365) \times \text{Sales}$
- C. $(\text{Trade Receivables} / \text{Sales}) \times 365$
- D. $(\text{Trade Receivables} / 365) / \text{Sales}$
- E. $(\text{Gross profit} / 365) \times \text{Sales}$

Answer:- $(\text{Trade Receivables} / \text{Sales}) \times 365$

14. What type of financing usually involves a third-party invoice financier to manage the sales ledger and collect the money owed by the business's customers?

- A. Invoice discounting
- B. Trade credit

- C. Commercial paper
- D. Debt factoring
- E. Forfaiting

Answer:- Debt factoring

15. What are the two most appropriate sources of long-term financing?

- A. Cash flow and equity
- B. Working capital and long-term debt
- C. Equity and long-term debt
- D. Overdrafts and equity
- E. Cash flows and overdraft

Answer:- Equity and long-term debt

16. As per Loan policy 2024-25 Margin for Retention Money- For EPC Contractor (Due to be received in next 12 months) is

- A. 25%
- B. 35%
- C. 15%
- D. 10%
- E. NIL

Answer:- 35%

17. The aggregate exposure under Structured Mezzanine Credit Facility shall not exceed Rs..... at any point of time.

- A. 2000 crore
- B. 5000 crore
- C. 1000 crore
- D. 500 crore
- E. 100 crore

Answer:- 1000 crore

18. What is the correct description of accrued expenses?

- A. Expenses that have been paid for with cash.
- B. Expenses that have been financed with a line of credit
- C. Expenses that have been financed with a 5-year acquisition loan.
- D. Expenses that have been incurred but that have not yet been due for payment
- E. Expenses that have been incurred and are due for payment

Answer:- Expenses that have been incurred but that have not yet been due for payment

19. Which of the following is not CAPS payment product ?

- A. UNI MMS
- B. UNI SWEEP
- C. UNI collect plus
- D. UNI CREDIT
- E. UNI e collect

Answer:- UNI CREDIT

20. What is one benefit of financing by way of debt instead of equity?

- A. Debt holders typically are involved in the management of the business
- B. Debt does not give the lender an ownership interest in a business.
- C. Principal and fixed interest obligations can be paid at any time.
- D. Interest paid on debt is not usually tax deductible.
- E. Debt gives the lender an ownership interest in a business.

Answer:- Debt does not give the lender an ownership interest in a business.

21. A low DSCR implies

- A. Low cost of the project
- B. Low repayment obligation during the year
- C. Low cushion to withstand uncertainties to which the projected performance may be

- subjected
- D. High profitability
- E. Low profitability

Answer:- Low cushion to withstand uncertainties to which the projected performance may be subjected

22. Projections of sales is important in working capital assessment because:

- A. Non-current assets are directly related to level of sales
- B. Sales affects the level of long term sources
- C. Current asset levels move in tandem with the sales volumes
- D. The borrowings from friends and relatives are dependent on sales
- E. Sales affects the level of short term sources

Answer:- Current asset levels move in tandem with the sales volumes

23. Which one of the following would affect the amount of the assessed LC limit?

- A. The borrower's profitability
- B. The trade receivables level of the borrower
- C. The level of current liabilities
- D. The average credit received on the raw material purchase and lead time
- E. The level of non-current liabilities

Answer:- The average credit received on the raw material purchase and lead time

24. In case of aggregate exposure under the consortium is below Rs. 250 crore, Bank's minimum share shall not be less than Rs.....

- A. 15 crore
- B. 25 crore
- C. 20 crore
- D. 50 crore
- E. 35 crore

Answer:- 25 crore

25. Under Purchase order based finance, Dealer ratedonly shall be eligible

- A. CMR1 to CMR3
- B. CMR1 to CMR5
- C. CMR 1 to CMR 4
- D. CMR1 to CMR 6
- E. CMR 1 to CMR 2

Answer: CMR 1 to CMR 4

26. 2nd to 5th digit of Corporate Identification number represents

- A. Listing status
- B. State code
- C. Incorporation year
- D. Industry code
- E. Company number

Answer:- Industry code

27. It is to be ensured that during the currency of bank finance, the promoters' holding in SPVs does not fall below at any time.

- A. 25%
- B. 51%
- C. 61%
- D. 31%
- E. 41%

Answer:- 51%

28. Bridge loans and Bonus Loan can only be sanctioned by

- A. CAC -III & above
- B. CAC-I & above

- C. CAC-II & above
- D. ZLCC & above
- E. Management committee of Board (MCB) only

Answer:- CAC-II & above

29. While financing to NBFC/HFC , Bank while analyzing the earnings will consider all the parameters except

- A. Net Interest Income
- B. Profitability
- C. Cost of funds and Return on Assets
- D. Capital Adequacy
- E. Provisioning level

Answer:- Capital Adequacy

30. At the time of renewal /enhancement for Credit exposures of Rs..... before placing the proposals to sanctioning authority , concerned credit verticals shall obtain comments of Credit Monitoring & Credit Compliance Vertical, CO based on review of MCMR on regular basis

- A. 100 crore and above
- B. 200 crore and above
- C. 50 crore and above
- D. 25 crore and above
- E. 500 crore and above

Answer:- 50 crore and above