1. **Which of the following is not a type of risk in banking sector?**
   a. Credit Risk
   b. Operational Risk
   c. Market Risk
   d. Liquidity Risk
   e. Account Risk

   Answer:- Account Risk

2. **Broadly, in the context of banking, risk can be categorized as Financial Risk and Non-Financial Risk. Which of the following is a Financial Risk?**
   a. Operational Risk
   b. Reputational Risk
   c. Legal Risk
   d. Strategic Risk
   e. Credit Risk

   Answer:- Credit Risk

3. **Which is not a type of Financial Risk?**
   a. Operational Risk
   b. Market Risk
   c. Credit risk
   d. Liquidity risk
   e. Solvency Risk

   Answer:- Operational Risk

4. **................. risk arises because of the fact that the financial system is one intricate and connected network.**
   a. Credit
   b. Operational
   c. Market
   d. Systemic
   e. Account

   Answer:- Systemic

5. **A bank finds it difficult to repay short-term deposits on maturity to its depositor because of funds with that bank are locked in long term loans or investments. The risk arising from this situation is called**
    a. Liquidity Risk
    b. Interest Rate Risk
    c. Operational Risk
    d. Market Risk
    e. Counter-party Risk

    Answer:- Liquidity Risk

6. **Clearing is one of the core activities of banks and the risk associated with failure of banks in payment of amount representing clearing cheques presented by collecting banks is called as ....**
    a. Liquidity Risk
    b. Settlement Risk
    c. Credit Risk
    d. Legal Risk
    e. Clearing Process Risk

    Answer:- Settlement Risk

7. **When bank's image and public standing is in doubt and leads to public's loss of confidence in a bank, it is called as ....**
    a. Reputational Risk
    b. Moral Hazard
    c. Operational Risk
    d. Market Risk
    e. Systematic Risk

    Answer:- Reputational Risk

8. **Legal Risk, from banking point of view, is known as:**
    a. When the actions can lead to the financial system coming to a standstill.
    b. When there is a financial loss to bank arising from legal suits filed against the bank or by a bank for applying a law wrongly
    c. When a bank chooses the wrong strategy or follow a long-term business strategy which might lead to its failure

d. When bank's image and public standing is in doubt and leads to public's loss of confidence in a bank
e. When any Regulator take an action against bank and threatens to revoke the license

Answer:- When there is a financial loss to bank arising from legal suits filed against the bank or by a bank for applying a law wrongly

9. **Which of the following is not a systemic risk?**
   a. Market Risk
   b. Interest Rate Risk
   c. Purchasing Power Risk
   d. Financial Risk
   e. Options C & D are correct

   Answer:- Financial Risk

10. **Non compliance to KYC and AML guidelines come under the ambit of ....**
    a. Compliance Risk
    b. KYC Risk
    c. AML Risk
    d. Regulatory Risk
    e. Legal Risk

    Answer:- Regulatory Risk

11. **When a bank chooses the wrong strategy or follow a long-term business strategy which might lead to its failure, it is called ....**
    a. Credit Risk
    b. Business Risk
    c. Operational Risk
    d. Market Risk
    e. Reputational Risk

    Answer:- Business Risk

12. **Which of the following condition is cause of strategic risk?**
    a. Weak execution of decisions
    b. Insufficient resource allocation
    c. Inability to respond well to change in the market conditions
    d. None of the options are true

e. Options A, B & C are correct

Answer:- Options A, B & C are correct

13. Fraud is classified under which type of risk?

a. Operational Risk
b. Legal Risk
c. Market Risk
d. Credit Risk
e. Liquidity risk

Answer:- Operational Risk

14. In Risk Management related aspects, the Committee which makes recommendations to the Board of Directors, on strategic decisions, in cases where only the apex Board of Directors are empowered to make a decision, as per internal / regulatory guidelines is …

a. ALCO
b. CRMC
c. ORMC
d. Investment Committee
e. Risk Management Committee

Answer:- Risk Management Committee

15. Which of the following statement is not correct with regards to CRO in the bank?

a. CRO is having business targets and variable pay structure linked with target achievement
b. CRO is appointed on the approval of Board
c. CRO shall directly report to MD & CEO
d. CRO shall be member of all CO level credit approval committees
e. CRO is the head of Risk Management Functions of the Bank

Answer:- CRO is having business targets and variable pay structure linked with target achievement

16. Banks factor their Unexpected Loss by way of ....

a. Rating
b. Provisioning
c. Pricing

d. Insurance
e. Capital

Answer:- Capital

17. Which of the following is not a source of capital for banks?

a. Govt. Equity Infusion
b. Deposits of the Customers
c. Shareholders' equity
d. Reserved and Surplus
e. Perpetual Non-Cumulative Preference Shares

Answer:- Deposits of the Customers

18. Basel norms are set of guidelines published by the Basel Committee of Banking Supervision which focuses on

a. Risk to banks and financial system
b. Cooperation among Apex banks on banking supervisory matter
c. Strengthen the international banking system
d. All options are incorrect
e. Options A, B & C are correct

Answer:- Options A, B & C are correct

19. Internal capital adequacy assessment process (ICAAP) and Supervisory review and evaluation process (SREP) are part of Pillar .... of Basel guidelines.

a. 1
b. 2
c. 2.5
d. 3
e. 4

Answer:- 2

20. Which of the following is not part of Pillar II of Basel guidelines?

a. Credit Concentration Risk
b. Liquidity Risk
c. Market Risk
d. Strategic Risk
e. Reputational Risk

Answer:- Market Risk

21. Operational Risk has been included for first time for calculation of Regulatory Capital requirement under ....

a. Basel-1
b. Basel-2
c. Basel 3
d. Principal for responsible banking
e. Basel 2.5

Answer:- Basel-2

22. To calculate capital adequacy ratio, banks consider, which of the following risks?

a. Credit Risk, Market Risk and Operational Risk
b. Credit Risk only
c. Market Risk only
d. Operational Risk only
e. Credit Risk and Market Risk only

Answer:- Credit Risk, Market Risk and Operational Risk

23. Basel-3 norm was introduced in response to global financial crisis of 2007-2008. When Basel 3 norm was introduced globally?

a. 2008
b. 2009
c. 2010
d. 2011
e. 2012

Answer:- 2010

24. Minimum Regulatory Capital for Banks in India is ....

a. 9.00%
b. 11.50%
c. 7.50%
d. 8.00%
e. 5.50%

Answer:- 11.50%

25. **As per RBI guidelines in line with Basel-III, Banks in India are required to maintain 9.00% CAR. The break up of CAR (CET1+AT1+T2) is ....**
    a. 4.50 + 1.50 + 3.00
    b. 4.50 + 2.50 + 2.00
    c. 5.50 + 1.50 + 2.00
    d. 5.50 + 2.50 + 1.00
    e. 3.50 + 3.50 + 2.00

    Answer:- 5.50 + 1.50 + 2.00

26. **How much Capital Conservative Buffer (CCB) is required under Basel-3?**
    a. 0.50%
    b. 1.00%
    c. 1.50%
    d. 2.00%
    e. 2.50%

    Answer:- 2.50 %

27. **Basel-III introduced following two liquidity ratios:**
    a. LCR and NSFR
    b. LCR and Current Ratio
    c. NSFR and Current Ratio
    d. Current Ratio and Quick Ratio
    e. Current Ratio and Debt Equity Ratio

    Answer:- LCR and NSFR

28. **Banks classified as D-SIBs will be subjected to additional Common Equity Tier 1 (CET1) capital requirement ranging from 0 to 1.00%.Here D-SIB denotes..............?**
    a. Domestic System Important Bank
    b. Domestic Systematic Important Bank
    c. Domestic Systemically International Bank
    d. Domestic Systemically Important Bank
    e. Domestic Systematic International Bank

    Answer:- Domestic Systemically Important Bank

29. **NSFR is an important liquidity measure which measure stability of funding for ....?**

a. 6 months
b. 1 year
c. 9 months
d. 30 days
e. 90 days

Answer:- 1 year

30. **The LCR is a ratio of two factors, viz., the Stock of HQLA and the Net Cash Outflows over the next .... calendar days.**

a. 30
b. 60
c. 90
d. 120
e. 365

Answer:- 30