

## Topic- Basel III A

1. Basel Committee on Banking Supervision (BCBS) released comprehensive reform package entitled “Basel III: A global regulatory framework for more resilient banks and banking systems” (known as Basel III capital regulations) in December
  - a) 2010
  - b) 2012
  - c) 2009
  - d) 2008
  - e) 2008

Answer: 2010

2. Which is not the options available for computing capital for credit risk under BASEL III
  - a) Basic Indicator Approach (BIA)
  - b) Advanced Measurement Approach (AMA).
  - c) Foundation Internal Rating Based Approach
  - d) Advanced Internal Rating Based Approach
  - e) Option A & B

Answer: Option A & B

3. The Basel III capital regulations were implemented in India with effect from April 1, 2013 and have been fully implemented as on \_\_\_\_?
  - a) 01 October 2021
  - b) 01 April 2021
  - c) 01 August 2020
  - d) 01 April 2022
  - e) 01 December 2021

Answer: 01 October 2021

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4. Abbreviation of CRAR ?
- a) Capital Risk Adequacy Ratio
  - b) Credit Rating Assessment Report
  - c) Consumer Rights Awareness Review
  - d) Corporate Risk Analysis Report
  - e) Capital to Risk (Weighted) Assets Ratio

**Answer: Capital to Risk (Weighted) Assets Ratio**

5. How many pillars are there in Basel III?
- a) 2
  - b) 3
  - c) 4
  - d) 5
  - e) 6

**Answer: 3**

6. Tier 1 capital is also called ?
- a) Gone Concern
  - b) Walking Concern
  - c) Running Concern
  - d) Going Concern
  - e) Jogging Concern

**Answer: Going Concern**

7. Tier 2 capital is also called ?
- a) Gone Concern
  - b) Walking Concern
  - c) Running Concern
  - d) Going Concern
  - e) Jogging Concern

**Answer: Gone Concern**

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8. Common Equity Tier 1 (CET1) capital must be at least \_\_\_\_\_ of risk-weighted assets (RWAs) i.e., for credit risk + market risk + operational risk on an ongoing basis.
- a) 9 percentage
  - b) 5.5 percentage
  - c) 7 percentage
  - d) 2 percentage
  - e) 1.5 percentage

Answer: 5.5 percentage

9. Additional Tier 1 capital can be admitted maximum at \_\_\_\_\_ percentage of Risk Weighted Assets
- a) 9 percentage
  - b) 5.5 percentage
  - c) 7 percentage
  - d) 2 percentage
  - e) 1.5 percentage

Answer: 1.5 percentage

10. What is the minimum total capital (MTC) of \_\_\_ percentage of total risk weighted assets (RWAs) i.e., capital to risk weighted assets (CRAR).
- a) 9 percentage
  - b) 5.5 percentage
  - c) 7 percentage
  - d) 2 percentage
  - e) 1.5 percentage

Answer: 9 percentage

11. Tier 2 capital can be admitted maximum up to \_\_\_ percentage under BASEL III
- a) 1.5 percentage
  - b) 3 percentage
  - c) 2 percentage
  - d) 9 percentage
  - e) 5 percentage

Answer: 2 percentage

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12. What is the full form of CCB?
- a) Credit Card Balance
  - a) Central Clearing Bank
  - b) Capital Conservation Buffer
  - c) Cash Conversion Bond
  - d) Commercial Credit Bureau

**Answer: Capital Conservation Buffer**

13. What is the Capital Conservation Buffer (CCB) requirement under Basel III?
- a) 1 percentage of risk-weighted assets
  - b) 2.5 percentage of risk-weighted assets
  - c) 3 percentage of risk-weighted assets
  - d) 7 percentage of risk-weighted assets
  - e) 9 percentage of risk-weighted assets

**Answer: 2.5 percentage of risk-weighted assets**

14. Which is not components of Equity Tier 1 capital.
- a) Common shares (paid-up equity capital)
  - b) Statutory reserves
  - c) Stock surplus (share premium)
  - d) Capital reserves representing surplus arising out of sale proceeds of assets
  - e) Perpetual Non-Cumulative Preference Shares (PNCPS),

**Answer: Perpetual Non-Cumulative Preference Shares (PNCPS),**

15. Revaluation reserves may be reckoned as CET1 capital at a discount of \_\_\_ per cent,
- a) 80
  - b) 35
  - c) 55
  - d) 45
  - e) 10

**Answer: 55**

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16. Which is not a components of additional Tier 1 capital
- a) Perpetual Non-Cumulative Preference Shares (PNCPS)
  - b) Stock surplus (share premium)
  - c) Debt capital instruments eligible for inclusion
  - d) Any other type of instrument generally notified by the Reserve Bank
  - e) Revaluation Reserve

**Answer: Revaluation Reserve**

17. Investment fluctuation reserve shall also qualify for inclusion in \_\_\_\_ capital, without any ceiling.
- a) Tier 2
  - b) Tier 1
  - c) Additional Tier 1
  - d) CCB
  - e) LCR

**Answer: Tier 2**

18. Preference Share Capital Instruments [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)] issued by the banks are part of \_\_\_\_ Capital.
- a) CCB
  - b) Tier 1
  - c) Additional Tier 1
  - d) Tier 2
  - e) LCR

**Answer: Tier 2**

19. Under Capital Charge for Credit Risk claims on the central government will attract a \_\_\_\_ risk weight.
- a) 10 percentage
  - b) 20 percentage
  - c) 0 percentage
  - d) 50 percentage
  - e) 100 percentage

**Answer: 0 percentage**

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20. State Governments and the investment in State Government securities will attract \_\_\_\_ risk weight under capital charge for credit risk
- a) 30 percentage
  - b) 20 percentage
  - c) 100 percentage
  - d) 0 percentage
  - e) 50 percentage

Answer: 0 percentage

21. State Government guaranteed claims will attract \_\_\_\_ percentage risk weight under capital charge for credit risk
- a) 30 percentage
  - b) 20 percentage
  - c) 100 percentage
  - d) 0 percentage
  - e) 50 percentage

Answer: 20 percentage

22. The claims on ECGC will attract a risk weight of \_\_\_\_ per cent.
- a) 30 percentage
  - b) 50 percentage
  - c) 100 percentage
  - d) 0 percentage
  - e) 20 percentage

Answer: 20 percentage

23. Claims on domestic public sector entities will be risk weighted in a manner similar to claims on Corporates. What is the risk weight assigned for BBB account?
- a) 30 percentage
  - b) 20 percentage
  - c) 100 percentage
  - d) 0 percentage
  - e) 50 percentage

Answer: 100 percentage

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24. Long term Claims on Corporates and NBFCs excluding CICs having external rating AA will attract \_\_\_ percentage RW
- a) 10 percentage
  - b) 20 percentage
  - c) 0 percentage
  - d) 50 percentage
  - e) 30 percentage

Answer: 30 percentage

25. Regulatory Retail Portfolios attracts RW of \_\_\_ percentage?
- a) 30 percentage
  - b) 75 percentage
  - c) 100 percentage
  - d) 0 percentage
  - e) 20 percentage

Answer: 75 percentage

26. Capital market exposures' will attract \_\_\_ risk weight
- a) 150 percentage
  - b) 100 percentage
  - c) 125 percentage
  - d) 50 percentage
  - e) 75 percentage

Answer: 125 percentage

27. All unrated claims on corporates and NBFCs, except CICs, having aggregate exposure from banking system of more than ₹ 200 crore will attract a risk weight of \_\_\_ percentage
- a) 50 percentage
  - b) 100 percentage
  - c) 150 percentage
  - d) 0 percentage
  - e) 200 percentage

Answer: 150 percentage

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28. Claims Secured by Residential Property with LTV between 80 percentage to 90 percentage of Individual Housing Loan up to Rs 30 lacs has RW of ?
- a) 35 percentage
  - b) 100 percentage
  - c) 50 percentage
  - d) 75 percentage
  - e) 20 percentage

Answer: 50 percentage

29. Consumer credit exposure (outstanding as well as new), including personal loans, but excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery, will attract a risk weight of \_\_\_?
- a) 150 percentage
  - b) 125 percentage
  - c) 50 percentage
  - d) 75 percentage
  - e) 20 percentage

Answer: 125 percentage

30. Commercial Real Estate - Residential Housing (CRE-RH) will attract RW of --?
- a) 35 percentage
  - b) 100 percentage
  - c) 50 percentage
  - d) 75 percentage
  - e) 20 percentage

Answer: 75 percentage