

BASEL

1. What is the RW of NPA accounts when specific provisions are less than 20 per cent of the outstanding amount of the NPA ?
  - A. 100 percentage
  - B. 50 percentage
  - C. 75 percentage
  - D. 150 percentage
  - E. 30 percentage

Correct Answer: 150 percentage

2. What is the RW of NPA accounts when specific provisions are at least 50 per cent of the outstanding amount of the NPA ?
  - A. 100 percentage
  - B. 50 percentage
  - C. 75 percentage
  - D. 150 percentage
  - E. 30 percentage

Correct Answer: 50 percentage

3. Likely loss in case of Unhedged foreign currency exposure (UFCE) is up to 75 percentage will attract incremental capital requirement of \_\_\_\_percentage
  - A. 10 percentage
  - B. 20 percentage
  - C. 0 percentage
  - D. 5 percentage
  - E. 7 percentage

Correct Answer: 0 percentage

4. Likely loss in unhedged Foreign Currency Exposure(UFCE) is above 75 percentage will attract incremental capital requirement of \_\_\_\_percentage
  - F. 10 percentage
  - G. 20 percentage
  - H. 0 percentage

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- I. 5 percentage
- J. 25 percentage

Correct Answer: 25 percentage

5. What does NSFR stands for in the Basel framework?
- A. Net Stable Funding Ratio
  - B. Non-Sufficient Funds Ratio
  - C. Non-Standard Financial Reporting
  - D. Net Stable Financing Risk
  - E. No Significant Financial Risk

Correct Answer: Net Stable Funding Ratio

6. What is the Credit Conversion Factor (CCF) for Financial Guarantees under Basel III?
- A. 50 percentage
  - B. 100 percentage
  - C. 150 percentage
  - D. 30 percentage
  - E. 20 percentage

Correct Answer: 100 percentage

7. What does CCF stand for in the context of BASEL?
- A. Capital Conservation Facility
  - B. Counterparty Credit Risk Factor
  - C. Credit Conversion Factor
  - D. Collateralized Credit Fund
  - E. Counterparty Credit Exposure Factor

Correct Answer: Credit Conversion Factor

8. What is the Credit Conversion Factor (CCF) for letter of credit?
- A. 10 percentage
  - B. 20 percentage
  - C. 0 percentage
  - D. 5 percentage
  - E. 25 percentage

Correct Answer: 20 percentage

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9. Take-out Finance in the books of taking-over institution with Unconditional take-out finance will have CCF of?
- A. 100 percentage
  - B. 50 percentage
  - C. 75 percentage
  - D. 150 percentage
  - E. 30 percentage

Correct Answer: 100 percentage

10. What is the CCF for exchange rate contract up to 1 year
- A. 2 percentage
  - B. 5 percentage
  - C. 10 percentage
  - D. 50 percentage
  - E. 100 percentage

Correct Answer: 2 percentage

11. What is the CCF for exchange rate contract above 1 year to 5 years
- A. 2 percentage
  - B. 5 percentage
  - C. 10 percentage
  - D. 50 percentage
  - E. 100 percentage

Correct Answer: 10 percentage

12. What does LCR stand for in the context of BASEL III?
- A. Loan Collateral Ratio
  - B. Liquidity Coverage Ratio
  - C. Leverage Capital Ratio
  - D. Loan-to-Value Ratio
  - E. Liquidity Capital Ratio

Correct Answer: Liquidity Coverage Ratio

13. What is not an eligible financial collateral?
- A. Cash
  - B. Gold
  - C. Securities

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- D. Life Insurance
- E. Stocks

Correct Answer: Stocks

14. Operational risk definition includes legal risk, but excludes strategic and \_\_\_\_\_ risk.
- A. Legal
  - B. Reputation
  - C. People
  - D. Process
  - E. External Event

Correct Answer: Reputation

15. The New Capital Adequacy Framework outlines \_\_\_\_ methods for calculating operational risk capital charges in a continuum of increasing sophistication and risk sensitivity
- A. 3
  - B. 4
  - C. 5
  - D. 6
  - E. 1

Correct Answer: 3

16. The Basic Indicator Approach, alpha is set as
- A. 18 percentage
  - B. 12 percentage
  - C. 15 percentage
  - D. 20 percentage
  - E. 30 percentage

Correct Answer: 15 percentage

17. What does SREP stand for in the context of Basel III
- A. Supervisory Review and Evaluation Process
  - B. Systemic Risk Evaluation Process
  - C. Stress Testing and Recovery Plan
  - D. Supervisory Risk Evaluation Process
  - E. Solvency Ratio Evaluation Process

Correct Answer: Supervisory Review and Evaluation Process

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18. Under which pillar of Basel III does SREP fall?

- A. Pillar 1
- B. Pillar 2
- C. Pillar 3
- D. A & B
- E. A, B, & C

Correct Answer: Pillar 2

19. What is the full form of ICAAP?

- A. International Capital Allocation and Pricing
- B. Investment Capital Allocation and Performance
- C. Internal Capital Adequacy Assessment Process
- D. Internal Control and Audit Process
- E. Independent Capital Assessment Program

Correct Answer: Internal Capital Adequacy Assessment Process

20. How many key principles are there under SREP?

- A. 3
- B. 4
- C. 5
- D. 6
- E. 7

Correct Answer: 4

21. What is Pillar 3 of Basel III

- A. Market Discipline
- B. Supervisory Review
- C. Capital Adequacy
- D. Liquidity Risk Management
- E. Operational Risk Management

Correct Answer: Market Discipline

22. What are the liquidity ratios introduced in Basel III?

- i. Liquidity Coverage Ratio (LCR)
- ii. Net Stable Funding Ratio (NSFR)
- iii. Leverage Ratio
- iv. Capital Conservation Buffer

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- A. I & II
- B. III & IV
- C. II & IV
- D. I & IV
- E. II & III

Correct Answer: A

23. What is the minimum Leverage Ratio for Domestic Systemically Important Banks (D-SIBs)?

- A. 3 percentage
- B. 3.5 percentage
- C. 4 percentage
- D. 4.5 percentage
- E. 5 percentage

Correct Answer: 4 percentage

24. The minimum Leverage Ratio shall be 4 percentage for Domestic Systemically Important Banks (D-SIBs) and \_\_\_ for other banks ?

- A. 3 percentage
- B. 3.5 percentage
- C. 4 percentage
- D. 4.5 percentage
- E. 5 percentage

Correct Answer: 3.5 percentage

25. Whis is not a measurement approaches in operational risk.

1. Advanced Measurement approach (AMA)
- 2.The standardised Approach (TSA)
- 3.Basic indicator Approach (BIA)
- 4.Internal Rating Approach (IRA)

- A. 1 & 2
- B. 2 & 3
- C. 4 only
- D. 3 Only
- E. 1 Only

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Correct Answer: 4 only

26. What is the additional capital bank has to keep if they are Domestic Systemically Important Banks (D-SIBs)
- A. 0.20 percent to 1 percent
  - B. 1 percentage-2 percentage
  - C. 2 percentage-3 percentage
  - D. 7-9 percentage
  - E. 11-13 percentage

Correct Answer: 0.20 percent to 1 percent

27. While complying with minimum Tier 1 of 7 percentage of risk weighted assets, a bank cannot admit, Perpetual Non-Cumulative Preference Shares (PNCPS) together with Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital, more than \_\_\_ percentage of risk weighted assets.
- A. 2 percentage
  - B. 1.5 percentage
  - C. 3 percentage
  - D. 5 percentage
  - E. 7 percentage

Correct Answer: 1.5 percentage

28. Revaluation reserves arising out of change in the carrying amount of a bank's property consequent upon its revaluation may be reckoned as \_\_\_ capital
- A. Tier 1
  - B. Tier 2
  - C. Additonal Tier 1
  - D. Regulatory Capital
  - E. Not Eligible for any Capital

Correct Answer: Tier 1

29. Revaluation reserves arising out of change in the carrying amount of a bank's property consequent upon its revaluation may be reckoned as tier 1 capital at \_\_\_ discount
- A. 40 percentage
  - B. 55 percentage
  - C. 100 percentage
  - D. 70 percentage

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E. 50 percentage

Correct Answer: 55 percentage

30. Banks may reckon the profits in current financial year for CRAR calculation on a quarterly basis provided the incremental provisions made for non-performing assets at the end of any of the four quarters of the previous financial year have not deviated more than \_\_ percentage from the average of the four quarters.

A. 50 percentage

B. 10 percentage

C. 15 percentage

D. 25 percentage

E. 12 percentage

Correct Answer: 25 percentage