

Questions	Answer1	Answer2	Answer3	Answer4
system risk	Financial Risk	Operational risk	Market Risk	Natural Calamity
Improper selection of tools	Operational risk	Technology risk	Market Risk	Financial Risk
Diversification	allocating money in different resources	investing in one stock	bullish trend	bearish trend
Which exposure arises from the need to convert values of assets & liabilities denominated in a foreign currency into the domestic currency	Translation Exposure	operating Exposure	Transaction Exposure	Risk Exposure
What is Market Risk also known as	Unsystematic Risk	Interest Risk	systematic Risk	Credit Risk
What is Default Risk also known as	Unsystematic Risk	Interest Risk	systematic Risk	Credit Risk
relationship does risk and return have with each other	Direct	Inverse	no relationship	Indirect
Full form of MPT	Method Portfolio theory	Modern Portfolio Theory	Modern Portfolio Transaction	Modern Payment Theory
What is the nature of Risk	Certain	Dynamic	Known	Unknown
In the process of the risk management what should be considered before taking the decision of risk	Risk assessment	Risk identification	risk retention	risk transfer
Risk management is responsibility of the	Customer	Investor	Developer	Project team
RE represents what	Risk expense	Related expense	Risk exposure	Risk evaluation
What is risk?	Negative consequence that could occur	Negative consequence that will occur	Negative consequence that must occur	Negative consequence that shall occur
Which risk arises from functioning of an organization	Counterparty risk	Operational risk	Equity risk	Interest rate risk
Mr.A purchased 500 shares of ABC Co.Ltd on 1st Jan 2012 at rs.150 per share. He sold the shares on 1st Jan 2013 at Rs.160 per share. He paid brokerage of Rs.500 to the agent. He received Rs.1000 as dividend.Find out his capital gain	7.33	8	9.5	6.42
CCC	8/Substandard Risk Level	10/Loss Risk level	4/Acceptable Risk level	3/average Risk level
BB	8/Substandard Risk Level	10/Loss Risk level	5/Acceptable with care Risk level	3/average Risk level
B	6/Management Attention	10/Loss Risk level	5/Acceptable with care Risk level	3/average Risk level
Is one of the 'C' of Expert System	Collateral	cost	Carry	Conduct
What does the risk register start with ?	Contingency plan	Risk management plan	Prevention plan	Asset identification
Actual Cost- Ideal Market Price/Ideal Market Price*100	Liquidity Cost	Credit Cost	Impact Cost	Loss Cost
Portfolio Alpha is also called as what?	Jerry's Measure	Jensen measure	Jemmy's measure	Jill measure
R-squared	mathematical measure	measure of physics concept	measure of weight	Statistical measure
ALCO	Asset Liability Committee	Asset Legal Committee	Asset Legit Committee	Asset Liability Capital
Standard Deviation	σ	β	μ	Δ
Beta	σ	β	μ	Δ
Alpha	σ	β	α	Δ
Rf	Risk free return	Risk freight return	Return free risk	RBI Free Return
used measure to calculate market risk of a portfolio	μ	α	β	π
Lack of counterparty risk results into which risk ?	Market risk	Equity risk	Operational risk	Liquidity
Which risk arises from stock price volatility?	Interest rate risk	Equity risk	Counterparty risk	Operational risk
On which base company selected the risk technique	Minimizing the cost	Maximizing the profit	To secure the company	to default
Formula of Variance	$\sum Pi(Xi-X bar)^2$	$\sum Pi(Xi/X bar)^2$	$\sum Pi(Xi+X bar)^2$	$\sum Pi(Xi-X bar)^2$
What does Probability mean	Deferred Payment	Bullish Trend	Bearish Trend	Chance of an event occurring
What does X-Bar signify	Standard Deviation	Expected Rate of Return	Variance	Probability
What does CAPM give us	Relationship between Expected Return	Stock Value	Cost	Probability
What is the square root of variance of rate of return called a given asset over a period of time at a given confidence level	Sensitivity	Volatility	Standard deviation	Equity Risk
Return broadly comprises of how many main parts	Interest rate risk	Value at Risk (VAR)	Equity risk	Stress testing
If the actual returns exceed expected returns then the stock is considered as ?	two	three	one	four
risk arises from volatility of interest rates in the economy	overvalued	undervalued	at par	constant
Which risk arises when one party fails to fulfill its obligation	Equity risk	Counterparty risk	Interest rate risk	Operational risk
Probability of Risk	Counterparty risk	Operational risk	Equity risk	Interest rate risk
Ability of actual returns from an investment with respect to expected returns	Investing	Chance of an event occurring	Occurred event	Diversification
What does Hedging mean	Sensitivity	Risk	Change	Liquidity
One which can be exercised on any day up to maturity	Risking	Safeguarding	Speculating	Arbitraging
Price Specified in Option contract	European Option	ITM Option	ATM Option	american Option
It is the Last Date on which options will be traded	Strike Price	Strap Price	Spot Price	Strangle Price
What is defined as the volatility of actual returns from an investment with respect to expected returns ?	First Day Contract	Spot Date	Expiration Date	Back date
The Indian Foreign Exchange Market is made up of	Sensitivity	Risk	Change	Liquidity
The new Foreign Investment Policy was announced in	Indian citizens	Non investors	Risk averse	Buyers & Sellers
The Indian Foreign Exchange Market is made up of	USD	US Derivative	US Dollars	US Decline
Through what can currency risk be hedged	US Derivative	US Dollars	US Decline	US depreciation
It is a type of Exchange Rate Risk	Jul-92	Jul-98	Jul-91	Jul-91
Standardized Contract	Indian citizens	Non investors	Risk averse	Buyers & Sellers
Spot Price	Swaps	Bonds	COD	NPS
Gives right but no obligation is a _____ of Options	Interest Rate Risk	Operating Exposure	Credit Risk	Default Risk
ADR	Futures	Forwards	Chit Fund	Pension Scheme
Transaction Exposure	Strike Price	Current Market Price	Exercise Price	IPO Price
This exposure arises from the need to convert value of assets and liabilities denominated in a foreign currency into the domestic currency	Characteristics	Importance	Disadvantage	Advantage
When the labors become more expansive due to increase in government mandated minimum wage. Which type of risk will be face by the companies?	American Depository Receipts	Australian Depository Receipts	Authentic Depository Receipts	American Decline Receipts
LIBOR	American Depository Receipts	Australian Depository Receipts	Authentic Depository Receipts	American Decline Receipts
DSCR	Type of Exchange Rate Risk	Disadvantage of Exchange Rate Risk	Advantage of Exchange Rate Risk	Feature of Exchange Rate Risk
PAT	Transaction Exposure	Translation Exposure	Operating Exposure	Market Exposure
GRC	Production Risk	Market Risk	Price Risk	Economic Condition risk
to exchange cash flow on a future date according to the likelihood of future events is indefinite	London Interbank Offer Rate	Loan Interbank Offer Rate	London Interbank Option Rate	London Intraday Offer Rate
VAR	Debt Service Coverage Ratio	Debt Service Coverage Recovered	Dividend Service Coverage Ratio	Debt Stock Coverage Ratio
Is a bond which is issued in several countries at the same time	Profit after Tax	Profit again Tax	Period after Tax	Payment after Tax
Cash Flow in form of dividends or interest	Governance,Risk and Compliance	Greenhoe,Risk and Compliance	Governance,Return and Compliance	Governance,Risk and Capital
PSU Bonds	Call	Swap	Forwards	Futures
Comprise of commercial paper and bonds	Futures	Swap	Risk	Uncertainty
It has higher rate of return than most domestic bond securities	defines a minimum loss for a given exposure over a specified time period with a certain degree of confidence	defines a maximum loss for a given exposure over a specified time period with a certain degree of confidence	defines no loss for a given exposure over a specified time period with a certain degree of confidence	defines utility of resource for a given exposure over a specified time period with a certain degree of confidence
It uses international bond market to raise funds in foreign currency	Global Bond	Municipal bond	National Bond	State Bond
Pool of assets forming independent legal entity	P1	P2	I	R
This curve arises from normal or inverted yield curve depending on changing economic conditions	Private Sector Units	Public Sector Units	Paid Sector Units	Industrial Sector Units
Shape of Normal Yield Curve	Corporate Bond	Global Bond	Municipal bond	National Bond
They are quoted on Pure discount basis	Reduced Risk	Higher Historical Returns	Diversification	Banks
It is the risk due to possible changes in spread	Governments	Underwriters	Corporates	Insurance companies
T	Governments	Underwriters	Corporates	Pension Funds
T+1	Flat Yield Curve	Flat Yield Curve	Flat Yield Curve	Horizontal Yield Curve
T+2	Upward sloping	Downward sloping	Horizontal sloping	Vertical sloping
Entering into an agreement with another party to provide cash at a predetermined rate when required	T-Bills	Certificate of deposits	Pension scheme	Insurance
What is Bulldog Bond?	Option Risk	Structure Risk	Interest Rate Risk	Basis Risk
What are Municipal Bonds known as ?	Trade day	Transaction day	Tariff Day	Transformation Day
Risk arises from volatility of interest rates in the economy	Trade day	confirmation of all trades takes place	Pay in of securities	Pay out of securities
Which risk arises when one party fails to fulfill its obligation	T+2	Pay in and out of securities respectively	Tariff Day	Transformation Day
agreement whereby one party pays a fixed price for a definite quantity of commodity and second party pays market rate for same quantity of commodity over the swap period	Liquidity Insurance	Life Insurance	Car Insurance	Fire Insurance
The type of swaption which gives its holder right to enter into a swap as a fixed rate payer is ?	Government Bond	Local Bond	Arbitage	Type of Foreign bond
MIBOR	Government Bond	Local Bond	Arbitage	Type of Foreign bond
EUR	MB	Munis	COD	T-Bills
ICR	Equity risk	Counterparty risk	Interest rate risk	Operational risk
Output with change in one or more inputs variables is	Counterparty risk	Operational risk	Equity risk	Interest rate risk
Primary association provides some help in regulating	Interest Rate Swaps	Indian Rate Swaps	Immobile Rate Swaps	Immense Rate Swaps
Full Form of ITM	Interest Rate Swaps	Equity Swaps	Commodity Swaps	Call Swaption
Full Form of OTM	Put Swaptions	Call swaptions	Interest swaptions	Strangle
Full Form of ATM	Maharashtra Interbank Offer Rate	Mumbai Interbank Option Rate	Mumbai Interbank Offer Rate	Mumbai Intraday Offer Rate
JPY	European Option	Euro	Estimation	EMI
	Interest Cspitsl Ratio	Incoming Coverage Ratio	Interest Coverage Ratio	Interest Coverage Rectification
	Hedging	Sensitivity	Uncertainty	Liquidity
	RBI	Monetary Authority of India	SEBI	Foreign Exchange Dealers Association
	Out of the Money	In the Money	Indepth Transaction Money	Interest Money
	Out of the Money	Over The Money	Over Transfer Money	Over The Monetary Policy
	Automatic Transaction Method	All time Mechanism	At the Money	Atleast Transaction Money
	Japnese Yen	Japnese rate	Japnese Risk	Japnese Yield