Questions Bank

RE represents what
Which of the following technique will ensure that impact of risk will be less?
Risk management is responsibility of the
IRDA stands for
_____is a business professional who deals with the measurement and management of risk and uncertainity
____ is an arrangement in which a bank and an insurance company form a partnership so that the insurance company can sell products to the bank's client base
_____ is defined as the portion of the insurance market that allows companies to purchase coverage and transfer risk without having to use traditional commercial insurance.
____ can be defined as the transferring of underwriting risks to the capital markets through the creation and issuance of financial services
____ is a measure of the volatility, or systematic risk of a security or a portfolio in comparision to the market as a whole
CAPM stands for
____ measure of performance on a risk adjusted basis
Losses arising due to a risk exposure retained or assured is known as ________
The measures aimed at avoiding,eliminating or reducing the chances of loss production is covered by ______________
ERM represents _____________
____ is risk is concerned with a decline in a price of a bonds due to an increase in market rates.
__ is the possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets he is involved.
____ are the business process risks failing due to human errors
____ = Actual Return - Return under CAPM
_______ is ameasure of the dispersion of a set of data from its mean
___ is an agreement betweeen two parties- a buyer and aseller to purchase or sell something at a future date at a price agreed upon today
___ gives the buyer the right but not the obligation to buy a given quantity of the underlying asset, at a price on or before a given future date

__ are private agreements between two parties to exchange cash flows in the future according to a prearranged formula
____ involves swapping only the interest related cash flows between the parties in the same currency.
__ entail swapping both principal and interest between parties with the cash flows in one direction being in adifferent currency than those in the opposite direction.
OTC represents __
Strong _____ for reporting, monitoring and controlling risks is required for effective risk management.
_____ risk is the risk of losses due to changes in financial market prices and rates that will reduce the value of a security or a portfolio.
_____ risk can arise in portfolios in which long and short positions of different maturities are effectively hedged against a parallel shift in yields, but not against a change in the shape of the yield curve.
Credit risk is the risk of an economic loss from the failure of a _____ to fulfil its contractual obligations.
_____ liquidity risk relates to a firm’s ability to raise the necessary cash to roll over its debt.
_____ risk is also often taken to include the risk of natural and man-made catastrophes (e.g., earthquakes, terrorism) and other nonfinancial risks.
Strategic risk refers to the risk of significant investments for which there is a _____ uncertainty about success and profitability.
_____ is a deliberate attempt to break through the tendency of firms to operate in risk management silos and to ignore enterprise wide risks, and an attempt to take risk into consideration in business decisions.
The Credit Crisis of 1772 originated in _____ and quickly spread to the rest of Europe.
The collapse of _____, a sprawling global bank, in September 2008 almost brought down the world’s financial system.
The BSE has been in existence since _____.
Equity spot markets follow a _____ rolling settlement.
Sensex is the oldest _____ for equities; it includes shares of 30 firms listed on the BSE.
FIIs can also invest in unlisted securities outside stock exchanges, subject to approval of the price by the _____.
ADRs are denominated in _____ and subject to the regulations of the U.S. Securities and Exchange Commission (SEC).
When money is branded it is called _____.
During 1944-1971, countries adopted a system called _____ which was a blend of gold standard system and floating rate system.
When you buy derivative, you buy a _____.

A _____ contract allows its buyer to lock in today the future price of an asset such as an interest-rate-linked security, a currency, a stock, or a commodity.
Treasury Bills are short-term money market instruments that finance the short term requirements of the _____.
_____ risk is both the oldest and the newest threat faced by financial and nonfinancial institutions.
_____ is the value that any given option would have if it were exercised today.
The _____ of options is the amount by which the price of any option exceeds the intrinsic value.
RAROC equation is really a formalization of the _____ between risk and reward.
_____ analysis is defined as the average life of a financial instrument.
A negative or liability-sensitive gap occurs when liabilities _____ assets in a given time band.
_____ is payment protection so that if you take out a loan and the fall sick or lose your job, your monthly loan repayments will be covered.
The LIBOR rates are set each day at _____ by lending banks but rates fluctuate throughout the trading session according to sentiment about the outlook for base interest rates.
The largest and most experienced bond rating service is _____.
An _____ option is one whose expiration value depends on the average value of an underlier over a specific period.
The Insurance is a _______________
Uncertain events are broadly classified as _______________.
___ is a means of protection from financial losses
The risk manager maybe able to identify the new ventures involved in ______________
The Person whose risk is insured is called _______________.

a.	b.	c.	d.
Risk Exposure	Related Expenses	Risk Expense	Risk Evaluation
Risk contingency technique	Risk avoidance technique	Risk Mitigation technique	Risk Evaluation Technique
Project Team	Customer	Creditor	Production Team
Insurance Regulatory and Development Authority of India	Insurance Regular and Developer Authority of India	Insurance Role and Developer Authority of India	Insurance Related and Development Authority of India
Actuary	Accountant	Insurer	Insured
Bancassurance	Insurance	Accountant	Insurer
Alternative Risk Transfer	Arrangement Risk Transfer	Alternative Risk Transaction	Alternative Risk Regulation
Insurance Securitization	Insurance Transfer	Insurance Regulators	Insurance underwriting
Beta	Alpha	Insurance	Banks
Capital Asset Pricing Model	Capital Asset Period Model	Capital Assurance Pricing Model	Capital Asset Pricing Method
Alpha	Beta	CAPM	Insurance
Risk Retention	Risk Reduction	Risk Financing	Risk Sharing
Risk Control	Risk	Alpha	Beta
Enterprise Risk Management	Entire Risk Manager	Enterprise Resource Management	Entire Risk Management
Interest Risk	Credit Risk	Currency Risk	Equity Risk
Market Risk	Interest Risk	Currency Risk	Equity Risk
Operational Risk	Interest Risk	Currency Risk	Equity Risk
Jensen's Alpha	Beta	Standard Deviation	Insurance
Standard Deviation	Jensen's Alpha	Beta	X-cube
Forward Contract	Options	Swap	Futures
Calls	Puts	Swap	Futures

Swap	Forward Contract	Options	Futures
Interest Swap	Forward Contract	Options	Futures
Currency Swaps	Forward Contract	Options	Futures
Over the Counter	Over the Centre	Over the Country	Over the Curve
NIS	MIS	ERM	SHRM
Market	Curve	Operational	Demand
Curve	Curve	Operational	Market
Independent	Dependent	Counterparty	Trade
Funding	Risk	Market	Management
Operational	Curve	Market	Funding
Low	Medium	High	Zero
ERM	MIS	NIS	ARM
America	London	France	India
Bruzelius and W. Rothengatter	Lehman Brothers	J.R. Bailey	J. D Rallie
1785	1875	1845	1885
T+2	T+3	T+5	T + 1
Market index	Community	Government	Commodity
SBI	RBI	SEC	SEBI
Pound	Dollars	Euro	Rupees
Cash	Notes	Currency	Commodity
Risk Management	Risk Aversion	Bretton Woods System	J.D Bailey
Right	Left	Both	Down

Backward	Forward	Both	Upward
Market index	Private	Government	Public
Exceed	Operational	Intrinsic	Extrinsic
Intrinsic	Credit Insurance	operational risk	Commodity
pricing	valuation	Time value	Operational
operational risk	risk and reward	Trade off	Trade In
Duration	Liquidity Statement	Static Ratio	Valuation
technique	Exceed	rate sensitive	Less
insurance premium	Credit Insurance	Insurance entities	Liquidity
11:00 AM	1:00 PM	10:00 AM	12.00 P.M
Moody’s Corporation	Risk Management	RAROC	RAC
Asian	Intrinsic Value	Option Price	Hedge
Contract	Uncertainity	Peril	Hazard
Predictable and Unpredictable	Possible and Impossible	Natural and Artificial.	Rare and Continuous
Insurance	Banks	Risk	Mangers
Pure Risk	Group Risk	Speculative Risk	Particulars Risk
Insured	merchandiser	marketer	Agents

Answer	Solution
a	Risk Exposure
a	Risk Contingency Techniques
a	Project Team
a	Insurance Regulatory and Development Authority of India
a	Actuary
a	Bancassurance
a	Alternative Risk Transfer
a	Insurance Securitization
a	Beta
a	Capital Asset Pricing Model
a	Alpha
a	Risk Retention
a	Risk Control
a	Enterprise Risk Management
a	Interest Risk
a	Market Risk
a	Operational Risk
a	Jensen's Alpha
a	Standard Deviation
a	Forward Contract
a	Calls

a	Swap
a	Interest Swap
a	Currency Swaps
a	Over the Counter
b	MIS
a	Market
b	Curve
c	Counterparty
a	Funding
a	Operational
c	High
a	ERM
b	London
b	Lehman Brothers
b	1875
a	T+2
a	Market index
b	RBI
b	Dollars
c	Currency
c	Bretton Woods System
a	Right

b	Forward
c	Government
b	Operational
a	Intrinsic
c	Time value
c	Trade off
a	Duration
b	Exceed
b	Credit Insurance
a	11:00 AM
a	Moody’s Corporation
a	Asian
a	Contract
a	Predictable and Unpredictable
a	Insurance
a	Pure Risk
a	Insured