UNIT NUMBER	QUESTION TEXT	OPTION_1	OPTION_2	OPTION_3	OPTION_4	CORRECT OPTION
I	The ___ scale determines the nature of the risk and the action.	risk priority	investment risk	unsystematic risk	time priority	1
I	___ and review ensure that the important information generated by the risk management process is captured, used and maintained.	Communication	monitoring	focus	consultation	2
I	The main type of market risk are ___	equity risk, interest rate risk and currency risk	equity risk, credit risk and longetivity risk	reinvestment risk, inflation risk and currency risk	equity risk, reinvestment risk	1
I	Diversifiable risk is also called as ___	credit risk	investment risk	unsystematic risk	systematic risk	3
I	The financial risk is a result of over dependence on ___	fixed interest	deposits	investement	borrowed funds	4
I	There are ___ ways to manage risk.	2	6	3	4	1
I	A common path towards diversification is to reduce ___ or volatility by investing in a variety of assets.	constituents	risk	investment	return	2
I	There are ___ basic approaches to investment	3	4	6	3	3

	management.					
I	___ is one of the two general techniques for reducing investment risk	active management	passive management	diversification	withdrawing	3
I	There are __ main indicators of investment risk that apply to the analysis of stocks, bonds and mutual fund portfolios.	5	4	3	2	2
I	A positive alpha of 1.0 means the fund has outperformed its benchmark index by ___	100 percent	1 percent	10 percent	2 percent	2
I	Standard deviation measures the dispersion of data from its ___	core	system	mean	risk	3
I	___ is the limitation of the operation of a real-world process or system overtime.	risk	duration	summary	simulation	4
I	Value at risk is usually referred as ______	P&L	VR	VaR	BaR	3
I	____ is called market risk.	SLR	CRR	Monetary policies	Foreign exchange rates	4
I	___ is one of the techniques of internal control.	separation of duties	risk analysis	duration analysis	legal risk	1
I	___ is example	natural disaster	credit risk	market risk	risk exposure	1

	of pure risk.					
I	R-squared measures the relationship between ____	portfolio and its benchmark	profit and loss	assets and liability	Credit and market risks	1
I	___ is one of the principle of risk.	Alpha and Betha	Standard deviation	Trail balance	Trading account	1
I	__ is risk management technique that mixes a wide variety of investments wihin a portfolio thus minimizing the impact of any one security on an overall portfolio performance.	Diversification	Profit and loss statement	Balance sheet	Trial balance	1
I	__ is pointer to risk and not risk in itself.	Uncertainity	Certainity	Liquidity	Surety	1
I	The risk management organization delineates the task at three levels, namely Boards of Directors, Executive management and ____.	CEO	Operative management	Chief operating officer	Conservative management	2
I	To properly identify risks __ must recognize and understand existing risks or risks that may arise from new business initiatives.	Bank	Company	Risk manager	Marketing manager	3

I	___ risk arises out of political policies, governments, wars, devaluation, economic environment.	Discontinuity	Concentration	Symmetrical	credit	1
I	__ is the function of diversification.	risk mapping	gives a higher risk-adjusted return	risk mitigation	risk avoidance	2
I	Construction of index portfolios _____ the risk of difference between the return of a portfolio and the benchmark portfolio.	maximizes	minimizes	moderates	increases	2
I	___ often considered the active return an investment.	Beta	Alpha	Delta	Ratio	2
I	When considering loss probability, business usually divide risk into two categories: pure risk and ___	calculative	speculative	discontinuity	gambling	2
I	Is a risk management technique that mixes a wide variety of investments within a portfolio thus minimizing the impact of any one security on an overall portfolio performance.	Diversification	Profit and loss statement	Balance sheet	Concentration	1

I	__ involves splitting responsibility for book keeping, deposits, reporting and auditing	separation of duties	access controls	physical audits	surprise check	1
I	___ locks in a fixed rate of return during the amount of time an investor plans to keep the bond without cashing in it.	immunization	lock down	drop down	diversification	1
I	___ is a techniques of internal control.	separation of duties	risk analysis	duration analysis	diversification	1
I	Risk is define as volatility of actual returns from	Profit	Saving	Investment	Deposit	3
I	Risk and return have___ relation.	indirect	direct	neutral	negative	2
II	The right to sell a security is called a ___	call option	put option	buy option	sell option	2
II	There are ___ factors which contribute to the decision to buy a call option instead of buying the currency outright.	5	2	3	4	3
II	___ of profit and loss takes place on maturity date in case of forward contracts.	calculation	management	adjustment	crystallization	4

II	Future contracts do not provide ___ hedge to the operator.	100percent	50percent	75percent	25percent	1
II	___ stands for strength, weakness, opportunities and threats.	SWOT	WOTS	TOWS	OTWS	1
II	___ exists in all projects.	manager	risk	template	return	2
II	__ is the process of planning, organizing, leading and controlling the activities of an organization in order to minimize the adverse effects of accidental losses on that organization at reasonable cost.	integrated enterprise risk management	enterprise risk management	risk management	risk avoidance	3
II	The COSO “Enterprise risk management-integrated framework” was published in _____.	1992	1980	1991	2004	4
II	_____ is a contract or a product whose value is derived from value of some other asset know as “underlying”.	derivative	forward	future	swaps	1
II	___ is feature of futures contract.	standardized contract	contract between 2 parties	alteraton of contract	counter party default risk	1
II	___ is the price at which the	spot price	option price	exercise price	stock option price	1

	underlying asset trades in the spot market.					
II	___ is one is a component of a risk register.	Date	Day	Time	Period	1
II	A derivative is contract between ___	2 parties	3 parties	4 parties	5 parties	1
II	____ is a derivative contract not traded on an exchange.	Forward	Options and Swaps	GDR	IDR	1
II	___ are preferred more.	Derivative	Underlying asset	Preferred shares	GDR	1
II	___ are in business to take advantage of a discrepancy between prices in two different markets.	company	arbitrageurs	agents	gambling	2
II	Positions in derivatives market ____	open position	vertical position	horizontal position	straight position	1
II	___ is an ERM activity.	increased profitability	reduced earnings volatility	defining risk appetite	reduce employees	3
II	Maintaining settlement guarantee fund helps to eliminate.	Non-business risk	Counterparty risk	System risk	Uncertainty	3
II	External risk arises from	Human resource	Financial relationship	Physical resource risk	External market change	4
II	SEBI transitioned T+2 schedules with effect from	1st April 2003	10th Jan 2000	1st June 2001	5th July 1990	1
II	Risk management process end with	Identify risk	Monitor and review the risk	Analyse risk	Treat risk	2

II	____risk do not arise from board of company takes decision about production or service	Non business risk	Business risk	Operational risk	System risk	1
II	____is feature of uncertainty.	Controllable	Uncontrollable	Measurable	Can be reduced	2
II	Structural resource risk includes	Disaster	Price and cost burden	IT system	Cash flow	3
II	A company's financial risk is associated with	Market condition	Companies reputation	Legal action	Financial leverage	4
II	____deals with a company's ability to generate sufficient cash flow and able to make interest payment.	Business risk	Operational risk	System risk	Financial risk	4
II	___ is a factor that affects a company's financial risk.	Disaster	Legal action	Interest rate changes	Vender performance	3
II	______ is cause of market risk.	Change in consumer preferences	Delayed in payment	Change in business model	Change in operational model	1
II	Credit rating for a firm with average size and debt repayment capacity is indicated by	AAA	A	C	CCC	2
II	Credit rating D assigned to the firm with	Good debt repaying capacity	Excellent debt repaying capacity	Average debt repaying capacity	Loss and no debt repaying capacity	4
II	provide protection to lender in case of increase in credit risk of borrower.	Liquidity insurance	Total return swap	Liquidity securities	Trading exchange	2

II	Risk base pricing technique characterize by	Credit insurance	Bond holders can hedge risk	Change in market value of the loan	Deciding interest rate on case to case basis	4
II	____technique use to manage liquidity risk.	Investment in open ended fund	Risk based pricing	Credit default swap	Total return swap	1
II	Storing liquidity technique characterise by	Purchasing a liquidity insurance	Limiting exposure to illiquid securities	Keeping certain amount of money as cash reserve	Investing in open end fund	3
II	____assesses the credit worthiness of the borrower.	Uncertainty	Risk	Credit rating	Sensitivity analysis	3
II	___is the risk arising due to use of debt financing in the capital structure.	Financial risk	Market risk	Reputation risk	Operational risk	1
II	Credit Rating Agencies (CRA) take in to consideration	Changing market condition	Changing economic policies	Marketing policies of a firm	Track record of promoters of a firm	4
III	A ___ function that monitors financial risks and financial reporting issues.	risk management	compliance	controllership	risk avoidance	2
III	A ___ function facilities and monitors the implementation of effective risk management practices.	risk management	compliance	controllership	risk avoidance	1
III	Management establishes all the defense functions to ensure the ___ line of defense is properly	first	second	third	fourth	1

	designed, in place, and operating as internal.					
III	___ is about commitment to values and ethical business conduct. It is how an organizational is managed.	corporate risk	corporate function	corporate management	corporate governance	4
III	The ___ function can play a critical consultative role and layout an effective complement of riskand compliance-based auditing activities.	stakeholder	stakeholder engagement	stakeholder analysis	stakeholder management	1
III	__ is the process of effectively eliciting stakeholders' views on their relationship with the organization.	stakeholder	stakeholder engagement	stakeholder analysis	stakeholder management	2
III	__ is a technique used to identify and assess the influence and importance of key people, groups of people, or organization that may significantly impact the	stakeholder	stakeholder engagement	stakeholder analysis	stakeholder management	3

	success of your activity or project or business.					
III	_____ is essentially stakeholder relationship management as it is the relationship and not the actual stakeholder groups that are managed.	stakeholder	stakeholder engagement	stakeholder analysis	stakeholder management	1
III	__ who are engaged in contributing their views and experiences in addressing the issues that are important to them as patients, service users, careers and member of the local community.	external stakeholder	stakeholder engagement	stakeholder analysis	internal stakeholder	1
III	__ are the people who are at the same level in the organization as you and may or may not be on the project team.	Peers	Project team	Internal customers	External customers	1
III	____ is individuals within the organization who are customers for projects that	Peers	Project team	Internal customers	External customers	3

	meet the needs of internal demands.					
III	Third line defense includes _____	internal audit	greater independence	Reports to govt. body	operational management	1
III	First line of defense includes ___	internal audit	greater independence	Reports to govt. body	operational management	4
III	Second line defense includes _____	reports primarily to management	greater independence	Reports to govt. body	operational management	1
III	In organization there are variety of people carrying out work to provide assurance are known as ___	sources of assurance	managing director	CEO	Secretary	1
III	__ are responsible for implementing corrective actions to address process and control deficiencies.	Risk management and compliance functions	Operational management	Internal audit	Board of directors	2
III	The third line defense model includes _____ as its scope.	risk identification	risk control	risk curtailment	to avoid risks	1
III	In organization there are variety of people carrying out work to provide assurance are known as ___	sources of assurance	managing director	CEO	Secretary	1
III	___ is the third step in stake holder management.	identify stakeholders	analyze stakeholders	documents needs	analyze stakeholders interest	4
III	Warning signs that stakeholder management is suffering	order	Certainity	tranquility	churning	4

	includes ___					
III	One of the special tactics to deal with different type of stakeholders is ___	ability	discourage delegation of authority	no structure to encourage	demonstrate competence	4
III	Project stakeholders does not include ___	top management	peers	internal customers	internal audits	4
III	__ is relationship building tool.	neglect stakeholders	ignore the influence	understand their expectations	keep stakeholders uninformed	3
III	A project manager will command respect if __	takes accountability for mistakes	changes his decisions frequently	is dishonest	is not transparent about his work	1
III	arises from failed internal process of organisation.	Market risk	Strategic risk	External risk	Operational risk	4
III	____ can be eliminated by delivery v/s payment mechanism.	System risk	Counterparty risk	Operational risk	Legal risk	2
III	Businesses suffer by extending credit to customers are called _______	Operational risk	Management risk	Market risk	Credit risk	4
III	Liquidity risk arises, when ___	Personal problems of company	Asset /security cannot be traded quickly in the market	Increase competition in the market	Delay in payment	2
III	____technique used to hedge credit risk.	Risk based pricing	Shadow pricing	Market pricing	Foreign currency exchange	1
III	Business risk associated with	Debt fund	Leverage multiplier	Used debt capital	Economic environment	4
III	____identify by difference in	Business risk	Credit risk	Liquidity risk	Market risk	1

	net operating income and net cash flow.					
IV	1st life insurance company- Oriental Life Insurance Company was established in _____	Kolkata	Mumbai	Delhi	Hyderbad	1
IV	In ___ the life insurance business in India was nationalized.	1973	1997	1991	1956	4
IV	In 1973 __ business was nationalized in India.	Life insurance	General Insurance	Insurance	marine insurance	2
IV	The TAC had ____ rates applicable to a wide range of fire and miscellaneous insurance covers.	flexible	tentative	fixed	variable	3
IV	The ___ was constituted by an Act of Parliament in 1999 as regulator for the insurance sector.	IRDA	LIC	GIC	SEBI	1
IV	__ deals with covering the lives of human beings.	life insurance	term insurance	medical insurance	marine insurance	1
IV	__ policy provides pure risk covers without any element of saving for a	life insurance	term insurance	medical insurance	marine insurance	2

	specified period only and may be described as temporary insurance.					
IV	__ insurance is a plan in which the benefit is payable to the insured only on survival after the specified term.	life insurance	Pure Insurance	medical insurance	marine insurance	2
IV	___ is purchased with a single premium (purchase price) and begins at once or on the expiry of the designated period.	life insurance	term insurance	medical insurance	immediate annuity	4
IV	A _____ is an insurance policy in which the benefits depend on the performance of the nvestment portfolio.	ULIP	term insurance	medical insurance	immediate annuity	1
IV	___ means Insurance Regulatory Authority established under section 3 of the Insurance Act CAP 487, laws of keyna.	Licensee	Complaint	Claimant	Authority	4

IV	__ means any person that holds a license from the Authority or any other person where the approval of the commissioner is required and shall include the insurers, insurance intermediaries and service providers as licensed by the Authority.					1
IV	__ means a person who has a right to settlement arising from a contract of insurance.	Licensee	Complaint	Claimant	Authority	3
IV	__ means any communication that express dissatisfaction about an action or omission of a service and calls for a remedial action.	Licensee	Complaint	Claimant	Authority	2
IV	___ means any communication from a customer for the primary purpose of seeking information about a company or services.	Enquiry	Complaint	Claimant	Authority	1

IV	___ has been recognized as an exclusive field of insurance business and carved out from the umbrella of general insurance.	life insurance	motor insurance	fire insurance	health insurance	4
IV	___ has been granted the power to suspend or cancel the registration on breach of certain specified conditions of insurance co.	RBI	Life Insurance Company	State Bank of India	IRDA	4
IV	___ are required to underwrite certain minimum percentage of its insurance business in third party risks of motor vehicles.	General insurance	Life insurance	Motor insurance	Fire insurance	3
IV	The Insurance Ordinance provides that the insurance policies will become unchallengeable after the expiry of ___ years from the date of the policy.	one	three	two	four	2

IV	___ is an arrangement in which a bank and an insurance company form a partnership so that the insurance company can sell its products to the bank's client base.	Bancassurance	ART	Debit card	Credit Card	1
IV	According to the gazette notification, an appointed actuary should have a minimum experience _____	5 years	10 years	15 years	8 year	2
IV	___ is not type of life insurance policy.	Endowment policy	Money back policy	Long term policy	Health policy	3
IV	____ is not a type of life reinsurance policy.	Endowment	Facultative	treaty	Retrocession	1
IV	___ is not a type of fire insurance policy.	Valued policy	General policy	Long term policies	Floating policies	2
IV	___ is a type of marine insurance policy.	Declaration policy	Unvalued policy	Reinvestment value policy	Long term policy	2