

Unit 14 - Week 12

Course outline

How does an NPTEL online course work?

- Week 0
- Week 1
- Week 2
- Week 3
- Week 4
- Week 5
- Week 6
- Week 7
- Week 8
- Week 9
- Week 10
- Week 11
- Week 12
 - Lecture 56 : Management of Off-Balance Sheet Activities - III
 - Lecture 57 : Management of Bank Capital - I
 - Lecture 58 : Management of Bank Capital - II
 - Lecture 59 : Management of Bank Capital - III
 - Lecture 60 : Management of Bank Capital - IV
 - Lecture material of Week 12
 - Quiz : Week 12 Assignment 12**
 - Week 12 Feedback Form

details Solution

DOWNLOAD VIDEOS

Live Interactive Session

Text Transcripts

Week 12 Assignment 12

The due date for submitting this assignment has passed. As per our records you have not submitted this assignment.

Due on 2020-04-22, 23:59 IST.

- 1) Which of the following is true about banker's acceptance? 1 point
- | | |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Statement I | A banker's acceptance is created when the bank accepts a demand draft (a bill of exchange) and agrees to pay it at face value on maturity |
| Statement II | Banker's acceptance is booked as an asset |
- a. Only I
b. Only II
c. Both I and II
d. Neither I nor II
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
b.
- 2) _____ is a collaboration between a bank and insurance company wherein the bank undertakes corporate agency to sell insurance products to its customers for the fees. 1 point
- a. Annuity Investment
b. Networking
c. Bancassurance
d. Strategic Alliance
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
c.
- 3) Bank capital or net worth is traditionally measured on a market value basis where assets and liabilities are listed in terms of historical cost. 1 point
- a. True
b. False
- a.
 b.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
b.
- 4) How many BASEL accords have been introduced as of now? 1 point
- a. 1
b. 2
c. 3
d. 4
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
c.
- 5) Which of the following is not a part of Tier II capital in BASEL I: 1 point
- a. Allowance (reserves) for loan and lease losses
b. Subordinated debt capital instruments
c. Minority interests in the equity accounts of consolidated subsidiaries
d. Equity notes
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
c.
- 6) Basel _____ introduced internal risk assessment. 1 point
- a. I
b. II
c. III
d. IV
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
b.
- 7) Basel I dictated there should be _____ risk weighting category of Assets. 1 point
- a. 1
b. 2
c. 3
d. 4
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
d.
- 8) Which of the following risk(s) is/are included in BASEL I 1 point
- a. Credit Risk
b. Market Risk
c. Liquidity Risk
d. Default Risk
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
a.
b.
- 9) Which of the following risk(s) is/are not included in BASEL II 1 point
- a. Credit Risk
b. Market Risk
c. Liquidity Risk
d. Operational Risk
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
c.
- 10) Which of the following statement(s) is/are true about loan sales? 1 point
- | | |
|---------------|------------------------------------------------------------|
| Statement I | It is part of Off-Balance Sheet Activities |
| Statement II | It is part of Balance Sheet Activities |
| Statement III | Banks can sell loans to a third party as a source of funds |
- a. Only I
b. Only II
c. Only I and III
d. Only II and III
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
c.
- 11) Which of the following is a measure of market risk? 1 point
- a. Advanced Management Approach
b. Value at Risk Approach
c. Internal Ratings Based Approach (IRB)
d. Basic Indicator Approach
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
b.
- 12) According to BASEL III, which of the following statement(s) is/are true? 1 point
- | | |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Statement I | The total regulatory capital will consist of Tier I and Tier II capital |
| Statement II | Tier I capital represents highest quality form of a bank's capital which can absorb losses without bank being required to cease trading |
| Statement III | Tier II capital is capital fund which can absorb losses in the event of winding up. |
- a. Only I and II
b. Only I and III
c. Only II and III
d. All: I, II and III
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
d.
- 13) In line with BASEL-II guidelines, what was the minimum percentage CRAR prescribed by Reserve Bank of India? 1 point
- a. 3
b. 4
c. 8
d. 9
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
d.
- 14) As per BASEL II Capital Standards, the CRAR of a well-capitalized bank should be _____ % 1 point
- a. 10%
b. 9%
c. 8%
d. 6%
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
a.
- 15) Which of the following is not a part of Tier I capital in BASEL I: 1 point
- a. Common stock and surplus
b. Undivided profits (retained earnings)
c. Qualifying noncumulative perpetual preferred stock
d. Cumulative perpetual preferred stock with unpaid dividends
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
d.
- 16) Which of the following is a measure of operational risk? 1 point
- a. Basic Indicator Approach
b. Specific Risk Charge
c. Internal Ratings Based Approach
d. Securitization
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
a.
- 17) Bank a has INR 40,000 in tier I capital and INR 14,000 in tier II capital. It has a total asset of INR 500,000 and a risk weighted asset of INR 440,000. The total capital ratio is closest to _____ 1 point
- a. 3.182%
b. 9.091%
c. 10.800%
d. 12.273%
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
d.
- 18) Average over the three years of annual gross operating income of a commercial bank XYZ is INR 253.33 million. The Operational Risk of the bank using basic indicator approach is the closest to _____ million. 1 point
- a. INR 24
b. INR 38
c. INR 42
d. INR 48
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
b.
- 19) Under BASEL I, the components market risk includes: 1 point
- a. General market risk and specific risk
b. Credit market risk and specific risk
c. Default risk and specific risk
d. Interest risk and currency risk
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
a.
- 20) Which of the following is an internal method of raising capital? 1 point
- a. Issuing Common Stock-most expensive
b. Issuing Preferred Stock
c. Dividend Policy
d. Issuing Subordinated Notes and Debentures
- a.
 b.
 c.
 d.
- No, the answer is incorrect.
Score: 0
Accepted Answers:
c.