Flag question

Question text

Forex is generally maintained b which of the following?

Select one:

a. Central government of the country

b. Foreign Exchange and Regulation

c. Commercial bank of the country

d. Central Bank of the country

Feedback

The correct answer is: Foreign Exchange and Regulation

Question **10**

Not answered

Marked out of 1.00

Flag question

Question text

Interest Rate Parity (IRP) implies that…………

Select one:

a. In the long run real interest rate between two countries will be equal

b. The interest rates between two countries start in equilibrium, any change in the differential rate of inflation between the two countries tends to be offset over the long- term by an equal but opposite change in the spot exchange rate

c. The difference in interest rates in different currencies for securities of similar risk and maturity should be consistent with the forward rate discount or premium for the foreign currency

d. Interest rates should change by an equal amount but in the opposite direction to the difference in inflation rates between two countries

Feedback

The correct answer is: The difference in interest rates in different currencies for securities of similar risk and maturity should be consistent with the forward rate discount or premium for the foreign currency

Flag question

Question text

In the balance of payments travels and tourism are included in the category of ?

Select one:

a. Capital account

b. Merchandise account

c. Unilateral transfers

d. Services account

Feedback

The correct answer is: Services account

Question 2

Incorrect

Mark 0.00 out of 1.00

Flag question

Question text

The difference between the balance on current account and the balance on capital account is the ?

Select one:

a. Statistical discrepancy

b. Balance of trade

c. Balance of payments

d. Trade deficit

Feedback

The correct answer is: Statistical discrepancy

Question 3

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Why is market value share important

Select one:

a. The respective companies

b. Shareholders

c. The investment market

d. The government

Feedback

The correct answer is: The investment market

Question **10**

Not answered

Marked out of 1.00

Flag question

Question text

The foreign direct investment includes ___________

Select one:

a. Tangible good

b. Intellectual property

c. Human resources

d. Intangible good

Feedback

The correct answer is: Intangible good

Question **1**

Not answered

Marked out of 1.00

Flag question

Question text

When does Covered interest rate parity occurs

Select one:

a. Interest rate arbitrage

b. Purchasing power parity

c. The actions of market-makers

d. Stabilising speculation

Feedback

The correct answer is: Interest rate arbitrage

Question **4**

Not answered

Marked out of 1.00

Flag question

Question text

What is Financial management process

Select one:

a. Investments

b. None of these

c. Financing decisions

d. Capital decisions

Feedback

The correct answer is: Financing decisions

Question **5**

Not answered

Marked out of 1.00

Flag question

Question text

What is exchange rate between two currencies defined as per economist

Select one:

a. Difference between total exports and total imports within a country

b. Price at which the sales and purchases of foreign goods takes place

c. Ratio of import prices to export prices for a particular country

d. Amount of one currency that must be paid in order to obtain one unit of another currency

Feedback

The correct answer is: Amount of one currency that must be paid in order to obtain one unit of another currency

Question **6**
Not answered
Marked out of 1.00

Flag question

Question text

When should we hold Purchasing Power Parity

Select one:

a. Under a dirty exchange rate regime

b. Always

c. Under a flexible exchange rate regime

d. Under a fixed exchange rate regime

Feedback

The correct answer is: Under a flexible exchange rate regime

Question **7**
Not answered
Marked out of 1.00

a. TT buying rate

b. Cross rates

c. Bill selling rate

d. TT selling rate

Feedback

The correct answer is: Cross rates

Question **10**

Incorrect

Mark 0.00 out of 1.00

Flag question

Question text

An export bill is taken for collection by the bank. The exchange rate applied for the transaction will be:

Select one:

a. TT buying rate as on the date of sending the bill for collection

b. bill selling rate

c. bill buying rate

d. TT buying rate as on the date of realization of the bill

Feedback

The correct answer is: TT buying rate as on the date of realization of the bill

Question **1**

Not answered

Marked out of 1.00

Flag question

Question text

If portable device made in India are imported into the United States, the Indian manufacturer is paid with ________

Select one:

a. Tax evasion

b. Black money

c. Money laundering

d. Demonetization

Feedback

The correct answer is: Money laundering

Question **8**

Not answered

Marked out of 1.00

Flag question

Question text

A floating exchange rate

Select one:

a. is allowed to vary according to market forces)

b. is determined by the national governments involved

c. is determined by the actions of central banks

d. remains extremely stable over long periods of time

Feedback

The correct answer is: is allowed to vary according to market forces)

Question **9**

Incorrect

Mark 0.00 out of 1.00

Not answered
Marked out of 1.00

Flag question

Question text

The exchange loss/gain due to transaction exposure is reckoned on-

Select one:

a. quoting a price for a foreign currency transaction

b. entering into a transaction in foreign exchange

c. entry in the books of accounts

d. conversion of foreign currency into domestic currency

Feedback

The correct answer is: conversion of foreign currency into domestic currency

Question **4**
Not answered
Marked out of 1.00

Flag question

Question text

What problem does the financial intermediaries face, if bad credit risks are those that most actively seek and receive loans from financial intermediaries?

Select one:

a. Adverse selection

b. Moral hazard

c. Free-riding

d. Costly state verification

Feedback

The correct answer is: Adverse selection

Question **5**
Correct

Flag question

Question text

the transaction where the exchange of currencies takes place two days after the date of the contract is known as

Select one:

a. spot transactions

b. value today

c. ready transaction

d. value tomorrow

Feedback

The correct answer is: spot transactions

Question **8**

Not answered

Marked out of 1.00

Flag question

Question text

Exchange control as a method of correcting balance of payments disequilibrium does not include

Select one:

a. exchange intervention

b. exchange restriction

c. exchange reserves

d. exchange clearing arrangement

Feedback

The correct answer is: exchange reserves

Question **9**

Not answered

Marked out of 1.00

Feedback

The correct answer is: To eliminate the economic fluctuations that result from short-run, self-reversing forces

Question 3

Correct

Mark 1.00 out of 1.00

Flag question

Question text

A transaction in which the currencies to be exchanged the next day of the transaction is known as

Select one:

a. ready transaction

b. spot transactions

c. Value tomorrow

d. value today

Feedback

The correct answer is: Value tomorrow

Question 4

Incorrect

Mark 0.00 out of 1.00

Flag question

Question text

Direct quotation is also known as

Select one:

c. spot

d. merchant

Feedback

The correct answer is: interbank

Question **17**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Which of the following option complete the sentence? In most variable-rate mortgages, the homebuyer:

Select one:

a. Assumes none of the interest rate risk

b. Does not repay the principal until maturity

c. Assumes all of the interest rate risk

d. Shares the interest rate risk with the lender

Feedback

The correct answer is: Shares the interest rate risk with the lender

Question **18**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Exchange control as a method of correcting balance of payments disequilibrium does not include

Select one:

a. exchange clearing arrangement

The additional debt instrument or equity instruments of publically traded firm are included in the markets classified as –

Select one:

- a. Derivative market
- b. Secondary markets
- c. Flow market
- d. Primary market

Feedback

The correct answer is: Primary market

Question **25**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

In quote of 1 USD = INR 60, is a home country

Select one:

- a. Russia
- b. India
- c. France
- d. USA

Feedback

The correct answer is: India

Question **26**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Find out odd one :

Select one:

- a. Fund based activity
- b. Purchase of raw materials
- c. Fee based activity
- d. Modern activities

Feedback

The correct answer is: Purchase of raw materials

Question **29**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

.... in this case underwriter agrees to take up a specified number of securities.

Select one:

- a. Joint underwriting
- b. Syndicate underwriting
- c. Sub underwriting
- d. Firm underwriting

Feedback

The correct answer is: Firm underwriting

Question **30**

Correct

Mark 1.00 out of 1.00

Flag question

Mark 1.00 out of 1.00

Flag question

Question text

................is the act of trading different currencies.

Select one:

a. Foreign exchange

b. Exports

c. Arbitrage

d. Foreign trade

Feedback

The correct answer is: Foreign trade

Question **7**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

The market where the national currencies are traded for one another is known as _______

Select one:

a. Shop

b. Bazaar

c. Foreign exchange market

d. Domestic exchange market

Feedback

The correct answer is: Foreign exchange market

Question **8**

Correct
Mark 1.00 out of 1.00

Flag question

Question text

A source of supply of foreign exchange is _______

Select one:

a. Gifts

b. Risk taking

c. Donations

d. Exports

Feedback

The correct answer is: Exports

Question **9**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Which one of the following is NOT a type of "foreign exchange exposure"?

Select one:

a. Tax exposure

b. Transaction exposure

c. Translation exposure

d. Balance sheet exposure

Feedback

The correct answer is: Tax exposure

The correct answer is: Commercial bank deposits at the Federal Reserve

Question **18**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Flexible exchange rate system is also known as

Select one:

a. dirty floating

b. Floating exchanges rates

c. Pegged exchange rate system

d. Pegged exchange rate system and dirty floating

Feedback

The correct answer is: Floating exchanges rates

Question **19**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Under the current rate method, when management anticipates appreciation of a foreign currency, it may use one of the following techniques to enhance its position. Which?

Select one:

a. May try to decrease net exposed assets in that country

b. May try to increase net exposed assets in that country

c. May move funds from cash into plant and equipment

d. May move funds from cash into inventories

c. Shares

d. Transfer funds

Feedback

The correct answer is: Shares

Question **24**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

The stock or shares that are also sold to investors without transacting through financial institution are classified as

Select one:

a. Home transfer

b. Global transfer

c. Direct transfer

d. Indirect transfer

Feedback

The correct answer is: Direct transfer

Question **25**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

The institutions classified as depository once and have loans as their major assets are classified as

Select one:

a. Commercial mortgages

In the calculation of gross domestic product net exports are ?

Select one:

a. The sum of merchandise trade and services

b. The value of merchandise exports minus imports

c. The current account plus long-term capital

d. Short-term capital plus the basic balance

Feedback

The correct answer is: The sum of merchandise trade and services

Question **2**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

A nation will a current account deficit will be ?

Select one:

a. Experiencing a surplus in exports of goods an services

b. Lending more money to other nations

c. Going further into debt with other nations

d. Reducing its indebtedness to other nations

Feedback

The correct answer is: Going further into debt with other nations

Question **3**

Incorrect

Mark 0.00 out of 1.00

Flag question

Question text

c. 3

d. 6

Feedback

The correct answer is: 5

Question **25**

Incorrect

Mark 0.00 out of 1.00

Flag question

Question text

----------- is suitable lease arrangement for retail shop, mall etc.

Select one:

a. Leverage lease

b. Financial lease

c. Sale and lease back

d. Operating lease

Feedback

The correct answer is: Sale and lease back

Question **26**

Incorrect

Mark 0.00 out of 1.00

Flag question

Question text

Which of the following is /are not regulatory institutions

Select one:

a. IRDA

Question **20**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

The transaction where the exchange of currencies takes place on the same date is known as

Select one:

a. spot transactions

b. ready transaction

c. tom

d. value tomorrow

Feedback

The correct answer is: ready transaction

Question **21**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

A currency future is not

Select one:

a. available in India

b. traded on futures exchanges

c. of standard size

d. a special type of forward contract

Feedback

The correct answer is: available in India

c. Merchandise imports equal merchandise exports

d. The total surplus or deficit equals zero

Feedback

The correct answer is: The total surplus or deficit equals zero

Question **2**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

The role of ______ is to direct one nation's savings into investments of another nation?

Select one:

a. Services flows

b. Merchandise trade flows

c. Capital flows

d. Current account flows

Feedback

The correct answer is: Capital flows

Question **3**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

For the first time since World War I, in the mid-1980s the United States became a net international ?

Select one:

a. Exporter

b. Debtor

c. Importer

d. Creditor

Feedback

The correct answer is: Debtor

Question **4**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Which of the following is true?

Select one:

a. Flexible exchange rate is determined by market forces

b. None of these

c. Both Fixed exchange rate is determined by the government and Flexible exchange rate is determined by market forces

d. Fixed exchange rate is determined by the government

Feedback

The correct answer is: Both Fixed exchange rate is determined by the government and Flexible exchange rate is determined by market forces

Question **5**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

The U.S balance of payments is constructed by ?

Flag question

Question text

DFI stands for:

Select one:

a. Direct Foreign Interior

b. Deemed Foreign Investment

c. Direct Foreign Image

d. Direct Foreign Investment

Feedback

The correct answer is: Direct Foreign Investment

Question **24**

Incorrect

Mark 0.00 out of 1.00

Flag question

Question text

______ is a financial service which pooling risks of people

Select one:

a. Insurance

b. Venture capital

c. Mutual fund

d. Investment institution

Feedback

The correct answer is: Insurance

Question **25**

Correct

Question **27**
Correct
Mark 1.00 out of 1.00

Flag question

Question text

When a company has receipts & payments in the same foreign currency due at the same time, it can use technique of managing foreign exchange risk.

Select one:

a. Risk sharing agreement

b. Leading

c. Exposure netting (matching)

d. Lagging

Feedback

The correct answer is: Exposure netting (matching)

Question **28**
Incorrect
Mark 0.00 out of 1.00

Flag question

Question text

Nations that have major economic expansion attract

Select one:

a. Imports

b. Exports

c. FDI

d. Privatization

Feedback

The correct answer is: FDI

Question **29**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Post issue management activities include:-

Select one:

a. Analysis of collection

b. Agreement

c. Memorandum of understanding

d. Power of authority

Feedback

The correct answer is: Analysis of collection

Question **30**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

In India Insurance business are regulated by

Select one:

a. IFCI

b. RBI

c. SEBI

d. IRDA

Feedback

The correct answer is: IRDA

uestion **1**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

When an enterprise has an unheeded receivable or payable denominated in a foreign currency and settlement of the obligation has not yet taken place, that firm is said to have

Select one:

a. Infinite exposure

b. Operating exposure

c. Transaction exposure

d. Tax exposure

Feedback

The correct answer is: Transaction exposure

Question **2**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

A/An _______ is an agreement between a buyer and seller that a fixed amount of one currency will be delivered at a specified rate for some other currency

Select one:

a. foreign exchange transaction

b. interbank market transaction

c. import/export exchange

The main objective of international financial Management is to arrange sufficient funds for meeting the ___________ goals of an organization.

Select one:

a. Intellectual property

b. Intangible good

c. Short term

d. Tangible good

Feedback

The correct answer is: Short term

Question **15**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

In direct quotation the principle adopted by the bank is to

Select one:

a. buy low; sell high

b. buy low only

c. buy high; sell low

d. sell low only

Feedback

The correct answer is: buy low; sell high

Question **16**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

Who regulates the foreign trade in India?

Select one:

a. DGFT

b. SEBI

c. FEDAI

d. RBI

Feedback

The correct answer is: SEBI

Question **17**

Correct

Mark 1.00 out of 1.00

Flag question

Question text

______ market deals with current sales and purchases of foreign exchange.

Select one:

a. Domestic exchange market

b. Shop

c. Bazaar

d. Foreign exchange market

Feedback

The correct answer is: Foreign exchange market

Question **18**

Incorrect

Mark 0.00 out of 1.00

Flag question