



# GENERAL AWARENESS

LIC ADO



**1) The Securities and Exchange Board of India recently sent notices to mutual fund companies that defaulted on FMPs. 'F' in FMP stands for \_\_\_\_\_.**

- a) Fiscal
- b) Facility
- c) Future
- d) Fixed
- e) Funds

**2) \_\_\_\_\_ is India's first exchange to offer commodity options contracts.**

- a) Multi-Commodity Exchange
- b) National Stock Exchange
- c) Bombay Stock Exchange
- d) Reserve Bank of India
- e) Securities & Exchange Board of India

**3) Which among the following is used as a reference rate for floating rate notes, corporate debentures and forward rate agreement?**

- a) REER
- b) NEER
- c) MIBOR
- d) LIBOR
- e) None of these

**4) In Financial market terminology, \_\_\_\_\_ is an agreement for a transaction in the future.**

- a) Commodity
- b) Contract
- c) Trading

- d) Hedging
- e) None of the above

**5) \_\_\_\_\_ has made an investment of \$222 million in Cholamandalam Investment and Finance Company (CIFCL).**

- a) ADB
- b) AIIB
- c) IFC
- d) EBRD
- e) NABARD

**6) Who among the following can be a Depository Participant?**

- a) Public financial institutions
- b) scheduled commercial banks
- c) foreign banks operating in India
- d) a & b only
- e) All a,b & c

**7) \_\_\_\_\_ is an amount charged from an investor for leaving the mutual fund scheme or the company as an investor.**

- a) Penalty
- b) Leaving cost
- c) Exit load
- d) Charge load
- e) Withdrawal charge

**8) What is the premium to be charged initially under Aam Aadmi Bima Yojana?**

- a) Rs.100 per annum

- b) Rs. 200 per annum
- c) Rs. 100 per month
- d) Rs. 200 per month
- e) Rs.500 per annum

**9) With respect to Financial investments in Mutual Funds, what does 'UCR' stands for?**

- a) Universal Confirmation Receipt
- b) Unit Complimentary Receipt
- c) Unit Confirmation Receipt
- d) Universal Currency Receipt
- e) Unit Commercial Receipt

**10) The government has set a disinvestment target of \_\_\_\_\_ crore for 2019-20.**

- a) Rs. 30,000
- b) Rs. 50,000
- c) Rs. 70,000
- d) Rs. 90,000
- e) Rs.1,20,000

**Answers :**

**1) Answer: d)**

Fixed Maturity Plans primarily invest in fixed income instruments like certificates of deposits or bonds that lock in the yields that are currently available. These are closed-ended mutual fund schemes with a pre-defined period of tenure. This tenure can range between 30 days to as long as five years. As per SEBI rules, a Fixed Maturity Plan payments (FMP) must invest in debt securities that mature in line with the FMP.

**2) Answer: a)**

Multi-Commodity Exchange (MCX) offers trading in commodity derivative contracts across varied segments including bullion, industrial metals, energy and agricultural commodities. It is India's first exchange to offer commodity options contracts. The Exchange focuses on providing commodity value chain participants with neutral, secure and transparent trade mechanisms. The Exchange, which started operations in November 2003, operates under the regulatory framework of Securities and Exchange Board of India (SEBI).

**3) Answer: c)**

MIBOR (Mumbai Interbank Offer Rate) is used as a reference rate for floating rate notes, corporate debentures, term deposits, interest rate swaps and forward rate agreement.

It is the rate at which banks borrow unsecured funds from one another in the interbank market.

LIBOR (London interbank offered rate) is a benchmark rate that represents the interest rate at which banks offer to lend funds to one another in the international interbank market for short-term loans.

**4) Answer: b)**

Contract is an agreement for a transaction in the future. Futures contracts are available in durations of 1 month, 2 months and 3 months. These are called near month, middle month and far month, respectively. Once the contracts expire, another contract is introduced for each of the three durations. The month in which it expires is called the contract month. New contracts are issued on the day after expiry.

**5) Answer: c)**

International Finance Corporation (IFC), a member of the World Bank Group, has made an investment of \$222 million (approximately ₹1,550 crore) in Cholamandalam Investment and Finance Company (CIFCL). Funding will help the company expand access to finance for micro and small borrowers, especially in the rural and semi-urban parts of India.

**6) Answer: e)**

Public financial institutions, scheduled commercial banks, foreign banks operating in India with the approval of the Reserve Bank of India, state financial corporations, custodians, stock-brokers, clearing corporations /clearing houses, NBFCs and Registrar to an Issue or Share Transfer Agent complying with the requirements prescribed by SEBI can be registered as Depository Participant. A Depository Participant (DP) is an agent of

the depository through which it interfaces with the investor and provides depository services.

**7) Answer: c)**

Mutual funds companies collect an amount from investors when they join or leave a scheme. This fee charged is generally referred to as a 'load'. Exit load is a fee or an amount charged from an investor for exiting or leaving a scheme or the company as an investor.

**8) Answer: b)**

The premium to be charged initially Aam Aadmi Bima Yojana the scheme is be Rs.200/- per annum per member for a cover of Rs.30,000/-, out of which 50% will be subsidized from the Social Security Fund.

In case of Rural Landless Household (RLH) remaining 50 % premium shall be borne by the State Government/ Union Territory and in case of other occupational groups the remaining 50% premium shall be borne by the Nodal Agency and/or Member and/or State Government/ Union Territory

**9) Answer: c)**

A Qualified Foreign Investor may elect to hold the Indian mutual fund's units indirectly, though a type of depository receipt – called a unit confirmation receipt (UCR).

These UCRs are to be issued by overseas issuers that will be appointed by the concerned Indian mutual funds.

**10) Answer: d)**

The government has set a disinvestment target of ₹90,000 crore for 2019-20. Recently, Prime Minister's Office (PMO) had asked the think-tank to look into the viability of disinvestment of state-run companies and the Aayog has already recommended strategic divestment of 34 sick PSUs and national carrier Air India.