



GENERAL AWARENESS

LIC ADO



1) _____ is a security that tracks an index but has the flexibility of trading like a stock.

- a) Eurobond
- b) Dotcom Stocks
- c) Dividend Cover
- d) Exchange traded funds
- e) None of these

2) In Context of credit rating, which of the following statements is/are true?

- a) Credit ratings measure a borrower's creditworthiness and provide an international framework for comparing the credit quality of issuers and rated debt securities.
- b) Rating agencies allocate three kinds of ratings: issuer credit ratings, long-term debt, and short-term debt
- c) The top credit rating issued by the main agencies – Standard & Poor's, Moody's and Fitch IBCA – is AAA or Aaa
- d) Only (A) & (B)
- e) All of the above

3) CMO is a generic term for a security backed by real estate mortgages. 'O' in CMO stands for _____.

- a) Offerings
- b) Operational
- c) Ombudsman
- d) Ownership
- e) Obligation

4) Reliance Alternative Investment Fund is set to dispatch ₹ _____ crore soon with the launch of its first commodity fund Reliance Commodity Plus AIF.

- a) 200
- b) 300
- c) 400
- d) 700
- e) None of the above

5) _____, recently passed on a government subsidy of ₹175.56 crore received from National Housing Bank to eligible customers.

- a) LIC Housing Finance
- b) Indiabulls Housing Finance
- c) Dewan Housing Finance
- d) Aadhar Housing Finance
- e) GIC Housing Finance

6) In Financial market terminology, which of the following term is used to define a rapid and sharp decline in a security or index?

- a) Break
- b) Boom
- c) Bonus
- d) Bond
- e) Blow Out

7) The Reserve Bank of India is set to infuse ₹ _____ crore of liquidity into the system through purchase of government bonds.

- a) 12,500
- b) 8,500
- c) 5,500
- d) 14,500

e) None of the above

8) Interest on state development loans (SDLs) is paid every _____ and the principal is repaid on the maturity date.

a) Three months

b) Six months

c) Nine months

d) Eleven months

e) None of these

9) The European Central Bank recently rolled out the first pan-euro zone instant payment service, namely _____ system.

a) INSTA

b) TIPS

c) EUROAREA

d) None of these

e) DIGIEURO

10) Which of the following entities have launched a five-year tenor 'women's livelihood bond' to raise Rs.300 cr?

a) IMF, UN Women, RBI

b) None of these

c) AIIB, UN Women, NABARD

d) ADB, IMF, UN Women

e) World Bank, UN Women, SIDBI

Answers :

1) Answer: d)

Exchange traded funds (ETF) is a security that tracks an index but has the flexibility of trading like a stock.

An ETF is a basket of stocks that reflects the composition of an Index, like S&P CNX Nifty or BSE Sensex. The ETFs trading value is based on the net asset value of the underlying stocks that it represents.

2) Answer: e)

Credit ratings measure a borrower's creditworthiness and provide an international framework for comparing the credit quality of issuers and rated debt securities. Rating agencies allocate three kinds of ratings: issuer credit ratings, long-term debt, and short-term debt. Issuer credit ratings are amongst the most widely watched. They measure the creditworthiness of the borrower including its capacity and willingness to meet financial needs. The top credit rating issued by the main agencies – Standard & Poor's, Moody's and Fitch IBCA – is AAA or Aaa. This is reserved for a few sovereign and corporate issuers. Ratings are divided into two broad groups – investment grade and speculative (junk) grade.

3) Answer: E)

Collateralised Mortgage Obligation (CMO) is a generic term for a security backed by real estate mortgages. CMO payment obligations are covered by interest and/or principal payments from a pool of mortgages. In addition to its generic meaning, CMO usually suggest a non-governmental issue.

4) Answer: d)

Reliance Alternative Investment Fund, a wholly-owned subsidiary of Reliance Nippon Life Asset Management, is set to dispatch ₹ 700 crore soon with the launch of its first commodity fund Reliance Commodity Plus AIF.

5) Answer: d)

Aadhar Housing Finance has passed on a government subsidy of ₹175.56 crore received from National Housing Bank to eligible customers. The receipt of subsidy from NHB has been passed on to 7,592 customers in the economically weaker section and low-income group, who were eligible to claim the subsidy under Pradhan Mantri Awas Yojana (PMAY).

6) Answer: a)

Break is defined as a rapid and sharp decline in a security or index

Blow Out- A security offering that sells out almost immediately.

Bond- A negotiable certificate evidencing indebtedness.

Boom- A condition of the market denoting increased activity with rising prices and higher volume of business resulting from greater demand of securities.

7) Answer: a)

The Reserve Bank of India, will infuse ₹ 12,500 crore of liquidity into the system through purchase of government bonds.

It is based on an assessment of prevailing liquidity conditions and also of the durable liquidity needs going forward.

8) Answer: b)

States raise money from the market through SDLs, which are dated securities issued through auctions similar to those issued by the central government. Interest on SDLs is paid every six months and the principal is repaid on the maturity date. SDLs are backed by the sovereign and acknowledge the government's debt obligation.

9) Answer: b)

The European Central Bank rolled out the first pan-euro zone instant payment service, TIPS system. It will allow consumers and businesses across the 19-nation euro area to send and receive money in mere seconds, without the usual lags associated with online and real-world.

10) Answer: e)

The World Bank, UN Women (a United Nations entity dedicated to gender equality and empowerment of women), and Small Industries Development Bank of India (SIDBI) have come together to launch a five-year tenor 'women's livelihood bond' to raise Rs.300 crore.