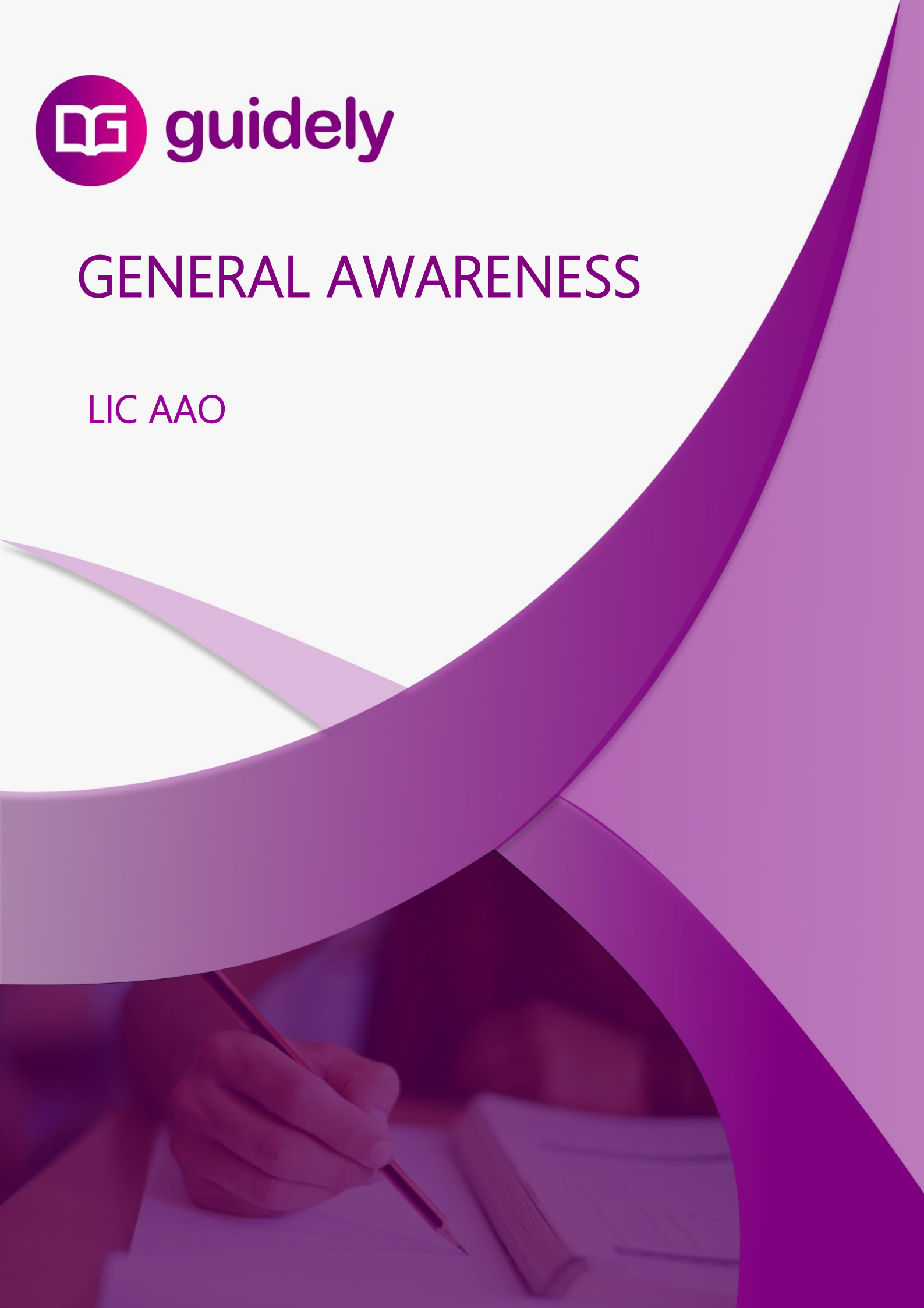




GENERAL AWARENESS

LIC AAO



1) The market price of a share of common stock is determined by _____

- a) The board of directors of the firm.
- b) The stock exchange on which the stock is listed.
- c) The president of the company.
- d) Individuals buying and selling the stock.
- e) Securities and Exchange Board of India

2) Which of the following is not a reason why a company may prefer debt financing to equity financing?

- a) Debt can be raised for finite time periods
- b) Debt, unlike equity finance, will not need to be secured against assets
- c) Debt is cheaper than equity finance
- d) Interest payments are tax-deductible
- e) Debt finance can be raised more quickly than equity finance

3) High operating leverage of the firm indicates

- a) A small change in sales results in a large change in net income.
- b) A small change in sales results in a small change in net income.
- c) A small change in earnings before interest and taxes result in a small change in net income.

- d) A small change in net income results in a small change in the firm's earnings before interest and taxes.
- e) A small change in the number of units a firm produces and sells result in a similar change in the firm's earnings before interest and taxes.
- 4) With an aim to bring foreign policy to the masses the External Affairs Ministry has come up with an initiative called SAMEEP. SAMEEP stands for _____.
- a) Students and Ministers Engagement Program
- b) Students and MEA Enrolment Program
- c) Students and MEA Engagement Program
- d) Students and MEA Encouragement Program
- e) Students and MEA Effort Program
- 5) Which of the following is not a function performed by financial system?
- a) Savings function
- b) Liquidity function
- c) Risk function
- d) Social function
- e) Policy function
- 6) According to the RBI data, what amount of bad loans banks has recovered in the fiscal ended March 2018?
- a) Rs 40,400 crore

- b) Rs 37,500 crore
- c) Rs 33,300 crore
- d) Rs 42,500 crore
- e) Rs 47,800 crore

7) State-owned United Bank of India announced that the government has decided to infuse _____ in the bank as part of Rs 28,615 crore capital infusion to be done in about half a dozen banks.

- a) Rs 3,454 crore
- b) Rs 4,555 crore
- c) Rs 2,159 crore
- d) Rs 5,654 crore
- e) Rs 2,353 crore



8) As per the Financial Stability Report, gross non-performing assets (GNPA) ratio of scheduled commercial banks (SCBs) has declined from 11.5% in March 2018 to _____ in September 2018.

- a) 10.3%
- b) 11.1%
- c) 10.8%
- d) 11.3%
- e) 10.5%

9) According to the Central Statistics Office (CSO), income earned by an average Indian per year doubled in 7 years. What is the income earned by an average Indian in 2018-19?

- a) Rs 1.45 lakh
- b) Rs 96,500
- c) Rs 1.01 lakh
- d) Rs 1.25 lakh
- e) Rs 86,000

10) Central Statistics Office (CSO) stated that the growth in GDP during 2018-19 is estimated at _____.

- a) 7.4%
- b) 6.9%
- c) 7.2%
- d) 7.5%
- e) 8.1%



Answers :

1) Answer: d)

The market price of a share of common stock is determined by the market forces ie. Individuals buying and selling the stock.

2) Answer: b)

Debt, unlike equity finance, will not need to be secured against assets is not a reason why a company may prefer debt financing to equity financing

3) Answer: a)

High operating leverage of the firm indicates a small change in sales results in a large change in net income

4) Answer: c)

With an aim to bring foreign policy to the masses the External Affairs Ministry has come up with an initiative called SAMEEP – ‘Students and MEA Engagement Programme’. Under this MEA officials will talk to students to help them better understand foreign policy.

5) Answer: e)

Saving function: Public saving find their way into the hands of those in production through the financial system. The world’s financial markets provide liquidity (immediately spendable cash) for savers who hold financial instruments but are in need of money. Policy functions enable the regulators to take suitable measures through the market. Risk function where require instruments are provided to hedge against risk.

6) Answer: a)

According to the RBI data, in the fiscal ended March 2018, banks recovered Rs 40,400 crore worth of bad loans as against Rs 38,500 crore recovered in FY17. The various channels through which lenders recovered their bad loans include the Insolvency and Bankruptcy Code (IBC), SARFAESI Act, debt recovery tribunals (DRTs) and Lok Adalats.

7) Answer: C)

State-owned United Bank of India announced that the government has decided to infuse Rs 2,159 crore in the bank as part of Rs 28,615 crore capital infusion to be done in about half a dozen banks.

8) Answer: c)

As per the Financial Stability Report, gross non-performing assets (GNPA) ratio of scheduled commercial banks (SCBs) has declined from 11.5% in March 2018 to 10.8% in September 2018

9) Answer: d)

The income earned by an average Indian doubled in 7 years, from Rs 63,642 per year in 2011-12 to Rs 1.25 lakh in 2018-19, the first advance estimates of national income released by the Central Statistics Office (CSO) show.

10) Answer: c)

India Ratings and Research (Ind-Ra), a Fitch Group Company, estimated India's GDP growth could touch 7.5 % in the financial year 2019-20 as against 7.2 % during current fiscal i.e. 2018-19. India Ratings believes investments are slowly but steadily gaining traction with gross fixed capital formation growing 12.2 % in FY19 and projected to clock 10.3 % in FY20.