



GENERAL AWARENESS

LIC AAO



1) When an agent asks a customer to invest in a mutual fund product without telling him/her about the risks involved in the investment, the process is termed as _____

- a) Mis-selling
- b) Undertaking
- c) Misappropriation of funds
- d) cross-selling
- e) None of the given options is true

2) In the capital market, the term arbitrage is used with reference to _____

- a) Purchase of securities to cover the sale
- b) Sale of securities to reduce the loss on purchase
- c) The simultaneous purchase and sale of an asset to profit from an imbalance in the price
- d) Variation in different markets
- e) All of the above

3) The availability of cash and other cash like marketable instruments that are useful in purchases and investments are commonly known as-?

- a) Cash crunch
- b) Liquidity
- c) Credit

d) Marketability

e) None of the given options is true

4) In a company, the use of price-sensitive corporate information by the company people to make gains or cover losses is known as_____

a) Insider trading

b) Future trading

c) Foreign trading

d) Stock trading

e) None of the given options is true

5) The actual return of an investor is reduced sometimes as the prices of the commodities go up all of a sudden. In financial sector, this type of phenomenon is known as-

a) Probability risk

b) Market risk

c) Inflation risk

d) Credit risk

e) None of the given options is true

6) In partnership with States, the Ministry of Rural Development has completed how many Rural Homes since April 2014?

a) 1.45 crore

b) 1.32 crore

c) 1.85 crore

d) 1.37 crore

e) 1.83 crore

7) According to International Monetary Fund's (IMF) World Economic Outlook Update, India to grow at how much percent in 2019-20?

a) 7.5%

b) 7.0%

c) 7.7%

d) 7.8%

e) 7.9%



8) How much amount was approved by the cabinet in EXIM Bank through recapitalisation bonds to boost the bank's capacity in export financing?

a) Rs. 6000 crore

b) Rs. 6500 crore

c) Rs. 7000 crore

d) Rs. 7500 crore

e) Rs. 8000 crore

9) Which denomination coins were released to mark the 102nd birth anniversary of late Tamil Nadu chief minister and ruling AIADMK founder MG Ramachandran?

- a) Rs 50 and Rs 100
- b) Rs 100 and Rs 5
- c) Rs 350 and Rs 100
- d) Rs 10 and Rs 350
- e) Rs 10 and Rs 100

10) According to World Economic Survey, which country has emerged as the biggest supporters of international aid?

- a) India
- b) USA
- c) China
- d) Russia
- e) Germany



Answers:

1) Answer: a)

Misselling is a significant problem in financial services industry and for financial industry regulators. Brokers, financial advisors, bank representatives or other salespeople of financial products or services who are compensated based on commissions may have significant incentives to sell investments or investment

products based on how much they can earn rather than what is suitable or what is needed by a customer. Misselling may occur with insurance products, annuities, investments, mortgages and a variety of other financial products. A financial loss is not necessarily required to meet the definition of misselling; the sale of an unsuitable product is enough.

2) Answer: c)

Arbitrage is the simultaneous purchase and sale of an asset to profit from an imbalance in the price. It is a trade that profits by exploiting the price differences of identical or similar financial instruments on different markets or in different forms.

3) Answer: b)

The availability of cash and other cash like marketable instruments that are useful in purchases and investments are commonly known as is liquidity.

4) Answer: a)

Insider trading is the trading of a public company's stock or other securities by individuals with access to non-public information about the company. In various countries, some kinds of trading based on insider information is illegal.

5) Answer: b)

Market risk is the possibility of an investor experiencing losses due to factors that affect the overall performance of the financial markets in which he or she is involved. Market risk, also called "systematic risk," cannot be eliminated through diversification, though it can be hedged against.

6) Answer: d)

In partnership with States, the Ministry of Rural Development has completed 1.37 crore Rural homes since April 2014.

7) Answer: a)

The International Monetary Fund's (IMF) World Economic Outlook Update released by chief economist Gita Gopinath recently said that India's economy is expected to grow by 7.5 per cent in the 2019-20 fiscal year, keeping an upward trajectory as the rest of the world slumps.

8) Answer: a)

The Union Cabinet approved capital infusion of Rs. 6000 crore in EXIM Bank through recapitalisation bonds to boost the bank's capacity in export financing.

9) Answer: b)

Two commemorative coins in the denomination of Rs 100 and Rs 5 were released to mark the 102nd birth anniversary of late Tamil Nadu chief minister and ruling AIADMK founder MG Ramachandran which was celebrated across the state.

10) Answer: a)

Indians have emerged as the biggest supporters of international aid, with a global public opinion survey putting India on the top when it comes to people expecting their nation to help other countries.