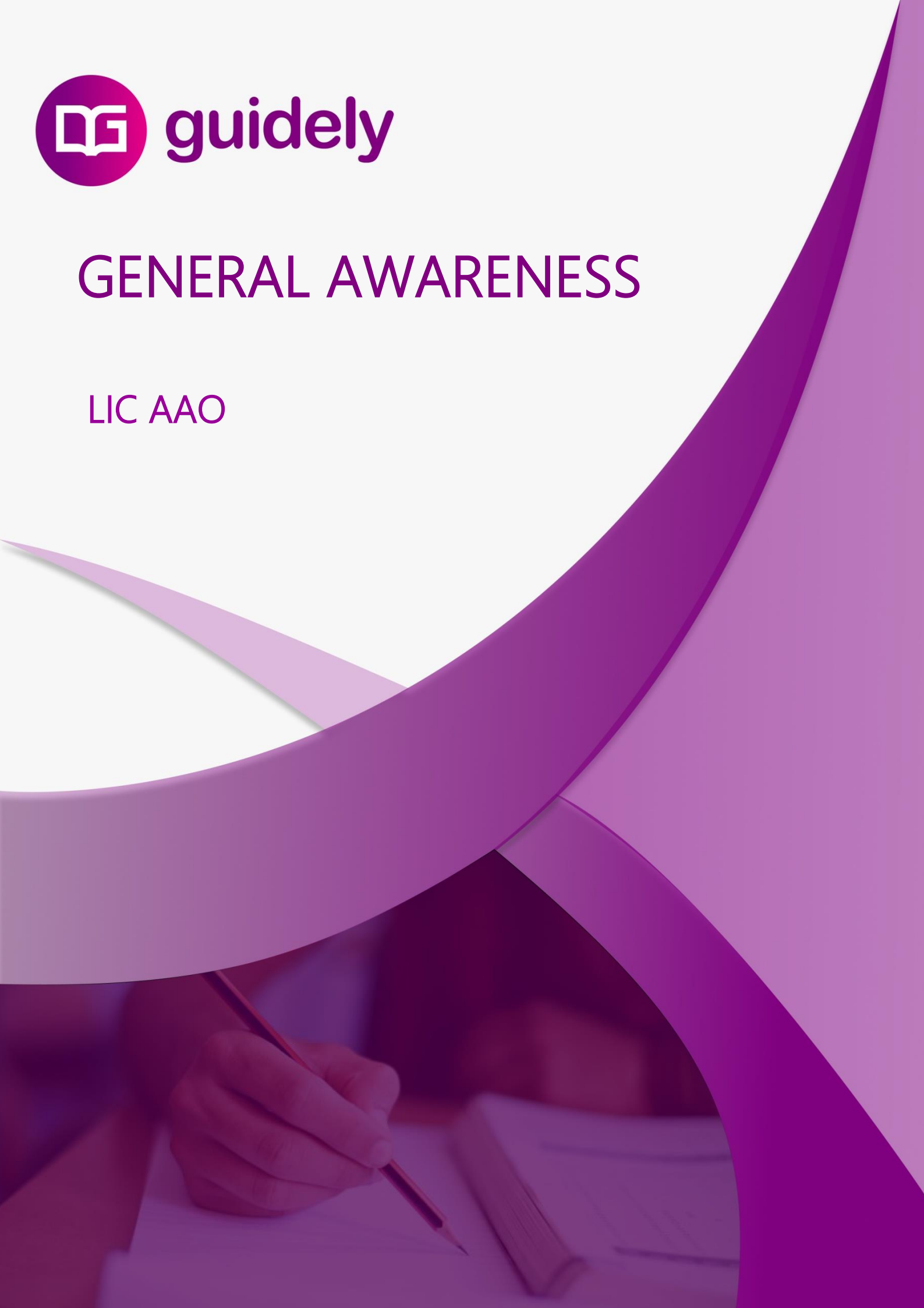




GENERAL AWARENESS

LIC AAO



1) The value of each unit of a fund on any given day is known as its –

- a) NAV
- b) Surrender value
- c) Market value
- d) Mark to market
- e) New day price

2) Which of the following is/are treated as artificial currency?

- a) ADR
- b) GDR
- c) SDR
- d) All of the above
- e) None of these



3) EMI is a fixed payment amount made by a borrower to a lender at a specified date each calendar month. What does EMI stand for?

- a) External Monthly Installment
- b) Equated Monthly Installment
- c) Easy Monthly Installment
- d) Equated Money Investment

e) None of these

4) Which one of the following is an accounting identity?

a) $\text{Assets} = \text{Liabilities} + \text{Equity}$

b) $\text{Assets} + \text{Liabilities} = \text{Equity}$

c) $\text{Assets} = \text{Liabilities} - \text{Equity}$

d) Either 1 and 2

e) None of these

5) A trade period of more than one day to a few weeks is considered as

_____.

a) Day Trading

b) Short Term Trading

c) Medium Term Trading

d) Long Term Trading

e) None of these

6) Economic growth is usually coupled with:

a) Deflation

b) Inflation

c) Hyper inflation



d) Stagflation

e) None of these

7) Consider the following components of India's Foreign Exchange Reserves.

1.Foreign currency assets (FCAs)

2.Security Exchange

3.Special Drawing Rights (SDRs)

4.RBI's Reserve position with International Monetary Fund (IMF)

Which of the following options is/are correct regarding this?

a) Only 1 and 2

b) Only 2 and 3

c) Only 1, 2 and 3

d) Only 1, 3 and 4

e) All of the above

8) Depreciation is also known as –

a) Work in progress

b) Amortization

c) Wear and tear

d) Warranty



e) Write off

9) The interim budget 2019 had significant announcements for home buyers, the budget proposed to exempt levy of income tax on notional rent on the _____ self-occupied house.

a) second

b) first

c) third

d) fourth

e) Fifth

10) Finance Minister Piyush Goyal, in the interim budget 2019 proposes to hike the standard deduction limit to what amount from Rs 40,000, currently?

a) Rs 45,000

b) Rs 50,000

c) Rs 55,000

d) Rs 60,000

e) None of these

Answers :

1) Answer: a)

NAV stands for Net Asset Value and is the value of each unit of the fund on a given day. The NAV of each fund is displayed on the website of the respective insurers.

2) Answer:c)

Artificial currency is a substitute for an actual currency that is used in economic transactions. An example of an artificial currency is the Special Drawing Rights (SDR) that were created by the International Monetary Fund (IMF). SDRs are used by the members of the IMF to pay their dues and transfer funds between countries. The value of the SDR is computed using a grouping of currencies and adjusts as the prices of the underlying currencies change.

3) Answer: b)

An Equated Monthly Installment (EMI) is a fixed payment amount made by a borrower to a lender at a specified date each calendar month. Equated monthly installments are used to pay off both interest and principal each month so that over a specified number of years, the loan is paid off in full. With most common types of loans, such as real estate mortgages, the borrower makes fixed periodic payments to the lender over the course of several years with the goal of retiring the loan.

4) Answer: a)

Assets = Liabilities + Equity

5) Answer: b)

Day Trading: It is a type of stock trading where both buying and selling of a financial instrument is done on the same day and all the tradings are closed before the market close for the day.

Short Term Trading: A trade period of more than one day to a few weeks is considered as short term trade. A stock is bought and held in position from one day to a few weeks. A short trade is entered by creating a sell position, which is covered by buying after one day or in a few weeks.

Medium Term Trading: A trade period from a few weeks to a few months is considered as medium term trade. A trend is followed with tailoring stop loss.

Long Term Trading: In this type of stock trading, stock is held for many months to many years. Investment decision is made by fundamental analysis of a stock.

6) Answer: b)

Economic growth is usually coupled with inflation.

Inflation is the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling. Central banks attempt to limit inflation, and avoid deflation, in order to keep the economy running smoothly.

7) Answer: d)

The Foreign Exchange Reserves of India consists of below four categories:

1. Foreign Currency Assets
2. Gold
3. Special Drawing Rights (SDRs)
4. Reserve Tranche Position in the IMF

8) Answer: b)

Depreciation is also known as Wear and tear.

9) Answer: a)

The interim budget 2019 had significant announcements for home buyers, the budget proposed to exempt levy of income tax on notional rent on the second self-occupied house.

10) Answer: b)

Finance Minister Piyush Goyal, in the interim budget 2019 proposes to hike the standard deduction limit to Rs 50,000 from Rs 40,000, currently.

