

**Sub- Risk Management**

**Standard - T.Y.BMS Semester – V**

**Q. 1 Multiple Choice Questions .**

1. What is example of pure risk.

- A) Natural Disasters    B) Credit Risk    C) Market Risk    D) Risk Exposure

2. Which is NOT a type of legal risk.

- A) Litigation risk    B) Contract risk    C) Currency risk    D) Risk Process

3. Which is not A type of Market Risk .

- A) Interest Rate risk    B) Equity Rate    C) Currency risk    D) Financial Policies

4. Principles of risks .

- A) Alpha and Beta    B) Standard Deviation    C) Trail Balance    D) Treading Account

5. Risk is not .....

- A) Variable    B) Certain    C) Measurable    D) Structural

6. .... often considered the active return on an investment.

- A) beta    B) alpha    C) delta    D) Credit

7. Which is not a legal risk .

- A) Structural    B) Contractual    C) Credit Risk    D) Debit risk

8. .... Is pointer to risk and not risk in itself.

- A) Uncertainty    B) certainty    C) Liquidity    D) uncertainty

9. Which one is the techniques of internal control .

- A) Separation of duties    B) Risk Analyst    C) Duration Analysis    D) Risk Evaluation

10. R-squared Measures the relationship between .

- A) Portfolio and its benchmark    B) Profit and Lo    C) Assets and Liability    D) Credit and Market Risks

11. Which of these functions are “NOT” a part of risk process.

- A) Identification of risk    B) Risk Analysis    C) Risk Evaluation    D) Generating Profit

12. Which is one of the feature of futures contract.

- A) Standardized Contract    B) Contract between 2 Parties  
C) Alteration of Contract    D) Contract Party default risk

13. Which is NOT A positions in derivate market.
- A) Long B) Short C) Open D) Closed
14. Which is the Feature of options contract.
- A) Highly Flexible B) down payment C) Settlements D) Alteration of contract
15. Which is not Response to the Risk
- A) Ignorance B) Reduce C) Accept D) Share
16. Which one is not included in SWOT
- A) Strength B) Weakness C) Opportunities D) Time
17. A derivative is contract between
- A) 2 parties B) 3 parties C) 3 parties D) 5 parties
18. Derivatives are form of
- A) Insurance risk B) Risk Management C) Both A and B D) Risk Evaluation
19. What are preferred more
- A) Derivatives B) Underlying asset C) Preferred shares D) Liquidity
20. Limitations of forward
- A) Liquidity risk B) No risk C) Structural risk D) Contractual
21. Positions in derivatives markets
- A) Open position B) Vertical position C) Horizontal position D) Risk Analysis
22. Third line of defense include.
- A) Internal audit B) Greater independence  
C) Report to gov. body D) Operational management
23. Management of stakeholders does not include
- A) top management B) Project team C) manager D) internal audit
24. First Line of Defense Includes.
- A) Operational Management B) Risk Management  
C) Reports to gov. body D) internal audio
25. The Third line of Defense Includes this as its scope
- A) risk identification B) risk control C) risk curtailment D) To avoid risks
26. Which one is not a line of assurance

- A) management
- B) monitoring and checking functions
- C) internal audit
- D) self assessment

27. What is not a relationship building tool

- A) Understand their expectations
- B) Analyze stakeholders
- C) Define “ Success”
- D) Keep stakeholders unaware

28. What is the not third step in stake holder management

- A) Identify stakeholders
- B) manage stakeholder expectations
- C) Documents need
- D) Analyze stakeholders interest

29. Warning signs that stakeholder management is suffering include.

- A) Order
- B) Certainty
- C) Tranquility
- D) churning

30. Project Stakeholders does not include

- A) Top Managements
- B) Peers
- C) Internal Customers
- D) Internal audits

31. The Line of defense includes

- A) Operational Management
- B) Manager
- C) Resource Manager
- D) Top management

32. Our of these is a project stakeholder

- A) Peers
- B) Minor Stakeholder
- C) Senior Citizens
- D) Mentally Challenged people

33. .... Is a type of marine insurance policy.

- A) Declaration policy
- B) Unvalued policy
- C) Reinstatement value policy
- D) Long term policy

34. .... is not a type of fire insurance policy.

- A) Valued policy
- B) General policy
- C) Long term policy
- D) Floating policies

35. .... Is not a reinsurance policy.

- A) facultative
- B) treaty
- C) Retrocession
- D) Endowment

36. ....is not a type of life insurance policy.

- A) Money back policy
- B) Long term policy
- C) Health Policy
- D) Endowment policy

37. Which of the Following is not a risk faced by global firms.

- A) Terrorism
- B) Kidnapping
- C) Political stability
- D) Import Restrictions

38. According to the gazette notification an appointed actuary should have a minimum experience .....

- A) 5 Years
- B) 10 Years
- C) 15 Years
- D) 8 Years

39. Which one is not includes Reinsurers policies.
- A) facultative    B) treaty    C) proportional    D) General
40. Which one is not includes Basic actuarial concepts.
- A) Probabilities                      B) Time value of none                      C) Actuarial mode                      D) Profit and loss statement
41. .... The Insurance Ordinance provides that the insurance policies will become unchallengeable after the expiry of ..... Years from the date of the policy.
- A) One    B) Three    C) Two    D) Four
42. .... are required to underwrite certain minimum percentage of its insurance business in third party risks of motor vehicles.
- A) General insurers    B) life insurers    C) Motor insurers    D) fire insurers
43. The minimum paid up equity share capital requirement for exclusively carrying on the business of health insurance is .....
- A) 2 billion    B) 3 billion    C) 50000 rs    D) INR 1 billion
44. .... Has been recognized as an exclusive filed of insurance business and carded out from the umbrella of General insurance .
- A) Health insurers    B) life insurers    C) Motor insurers    D) fire insurers
45. Diversifiable risk is also called as .....
- A) risk priority    B) investment risk    C) Unsystematic risk    D) Risk Analysis
46. The financial risk a results of over dependence on .....
- A) fixed interest    B) deposits    C) investment    D) burrowed funds
47. The ..... scale determines the nature of the risk and the action.
- A) risk priority    B) investment risk    C) Unsystematic risk    D) ) risk priority
48. There are ..... ways to mange risk.
- A) 2    B) 3    C) 6    D) 4
49. There are ..... basic approaches to investment management.
- A) 2    B) 3    C) 6    D) 4
50. .... is one of the two general techniques investment risk.
- A) Active management                      B) Passive Management  
C)Diversification                      D) None of these

51. Value at risk usually referred as .....
- A) P & L    B) VR    C) VaR    D) TOWS
52. .... Is the imitation of the operation of real world process system overtime.
- A) Risk    B) Duration    C) Summary    D) Simulation
53. Standard Deviation measures the dispersion of data from its .....
- A) core    B) system    C) mean    D) None of these
54. A positive alpha of 1.0 means the fund has outperformed its benchmark index by .....
- A) 100%    B) 1 %    C) 10%    D) 50%
55. There are ..... Main indicators of investment risk that apply to the analysis of stocks, bonds and mutual fund portfolios.
- A) 5    B) 4    C) 3    D) 2
56. The right to sell a security is called a .....
- A) call option    B) put option    C) buy option    D) save option
57. Future contract do not provide ..... hedge to the operator.
- A) 100%    B) 50 %    C) 75%    D) 25
58. .... stands for strength, weakness ,opportunities and threats.
- A) SWOT    B) WOTS    C) TOWS    D) SWTO
59. .... Exists in all projects.
- A) Manager    B) Risk    C) Template    D) Diversification
60. The COSO “ Enterprise Risk Management – Integrated Framework “ was published in .....
- A) 1992    B) 1980    C) 1991    D) 2004
61. Risk Management is responsibility of the .....
- A) Customer    B) Investor    C) Project team    D) Developer
62. RE represents what .....
- A) Risk expense    B) Related expense    C) Risk Exposure    D) Risk Evaluation
63. Which of the following technique will ensure that impact of risk will be less ?
- A) Risk avoidance technique    B) Risk Mitigation technique  
C) Risk contingency technique    D) Risk Management technique

64. What is associated with product risk ?

- A) control o test item
- B) Negative consequences
- C) non availability of test environment team
- D) Test object

65. After deployment of system a softer ware is incorrectly performing one of its major functionality who is going to determine how badly it will hamper the organization ?

- A) QA personal
- B) Developer
- C) Technical people
- D) Business analyst

66. Which is ways to deal with risk ?

- A) Mitigate
- B) non Contingency
- C) Non Transfer
- D) Ignore

67. What is the Risk ?

- A) Negative consequence that could Occur
- B) Negative consequence that could Occur
- C) Negative consequence that must Occur
- D) Negative consequence shall could Occur

68. Insurances Ombudsman is open to all individuals whose claim amount is less than

- A) 1 crore
- B) 20 Crore
- C) 20 Lakhs
- D) 10 Lakhs

69. Higher the percentage of ..... in GDP lower the Insurances penetration.

- A) Agricultural
- B) insurances
- C) banking
- D) manufactural

70. Purchasing Insurances is a technique used to

- A) assume risk
- B) shift risk
- C) reduce risk
- D) avoid risk

71. When was the Oriental Life Insurance Company Established ?

- A) 1815
- B) 1818
- C) 1821
- D) 1833

72. Upon the death of the insured who receives the proceeds of the life insurances policy ?

- A) beneficiaries
- B) actuaries
- C) policyholders
- D) recipients

73. The Risk arises from trading of assets because of change in asset prices and exchange rates is classified as .

- A) Asset risk
- B) trade risk
- C) market risk
- D) exchange risk

74. The type of risk in which payments are interrupted by the intervention of foreign governmental is considered as.

- A) channel risk
- B) globalization risk
- C) state risk
- D) country risk

75. The markets in which the derivatives are traded are classified as

- A) assets backed market
- B) cash flow backed market
- C) mortgage backed market
- D) derivatives backed market

76. Which of the one not of the following goals ,the internal control helps to control them.

- A) Safeguard university assets
- B) Ensure Compliance
- C) Promote Efficient
- D) Repo and reverse repo rates

77. R- squared Measures the relational ship between

- A) Portfolio and its benchmark
- B) profit and Loss
- C) Assets And Liability
- D) Credit and Market Risks

78. The Risk Management organization delineates the risk at three level, namely Board of Directors , Executive Management And .....

- A) CEO
- B) Operative Management
- C) Chief operating Officer
- D) Manager

79. To properly identify risks ..... must recognizant understand existing risks or risks that may arise from new business initiative.

- A) Bank
- B) Company
- C) Risk Manager
- D) CEO

80.....risk arise out of political polices , government , wars, devaluation, economics environment.

- A) Discontinuity
- B) Concentration
- C) Symmetrical
- D) Communication

81. Construction of index portfolios ..... The risk of difference between the return of a portfolio and the benchmark portfolio.

- A) maximizes
- B) minimizes
- C) moderates
- D) portfolios

82. .... is a pointer to risk and not risk in itself.

- A) Uncertainty
- B) Certainty
- C) Liquidity
- D) Illiquidity

83. When considering loss probability , business usually divide risk into two categories, pure risk and .....

- A) calculative
- B) speculative
- C) discontinuity
- D) probability

84. .... involves splitting responsibility for book keeping, deposited, reporting, and auditing.

- A) separation of duties
- B) access controls
- C) physical audits
- D) Risk analysis

85. .... locks in a fixed rate of return during the amount of time an investor plans to keep the bond without cashing it in.

- A) immunization
- B) lock down
- C) drop down
- D) moderates

86. Which is the techniques of internal control ?

- A) separation of duties
- B) Risk analysis
- C) Duration Analysis
- D) Symmetrical

87. .... is a contract or a product whose value is derived from value of some other asset know as underlying.

- A) Derivative      B) Forward C) Future D) Swaps

88. Which is one of the feature of futures contract ?

- A) Standardized contract      B) Contract between 2 parties  
C) Alteration of contract      D) Counter party default risk

89. Positions in Derivatives markets

- A) Open Positions   B) Vertical Positions   C) Horizontal Positions   D) Standing Positions

90. .... are in business to take advantages of a discrepancy between prices in two different markets.

- A) Company      B) arbitrageurs   C) agents   D) Manger

91. Which of the following is an ERM activity ?

- A) increased Profitability      B) reduced earning volatility  
C) defining risk appetite      D) Call option

92. What is not disadvantage of short straddle

- A) The profit potential is limited to the net credit received and nothing more  
B) The loss potential is unlimited  
C) Able to profit when stock does not move  
D) Standardized contract

93. Second Line of Defence Incudes.

- A) Report Primarily to management  
B) Greater independence  
C) Report to gov. body  
D) Operational Management

94. Which is not a line defense.

- A) Risk management and compliance Function   B) Internal Audit  
C) Operational Management      D) Analysis stakeholders

95. In Organization there are variety of people carrying out work to provide assurance are know as .....

- A) sources of assurance   B) managing director   C) CEO   D) Secretary



96. What is the third step in stake holder management.

- A) Identify stake holder
- B) Manage stake holder expectations
- C) Document needs
- D) Analyze stakeholders interest .

97. What is a relationship building tool

- A) Neglect stake holder
- B) Ignore the influences
- C) Understand their expectations
- D) Keep stakeholders uniformed .

98. Warning signs that stake holder management is suffering includes.

- A) Order
- B) Certainty
- C) Tranquility
- D) Churning .

99. Project stake holder does not includes.

- A) Top management
- B) Peers
- C) Internal Customer
- D) Internal Audits

100. A project manager will command respect if .....

- A) Takes accountability for mistakes
- B) Change his Decision frequently
- C) Is dishonest
- D) Is not transparent about his work



