

1. **FEDAI requires banks to undertake profit / loss evaluation of forex positions at the end of each _____.**
 - a) week
 - b) month
 - c) quarter
 - d) year

2. **Entities which are authorised only to buy foreign currency notes and traveller's cheques are known as _____.**
 - a) Authorised Person - Category I
 - b) Authorised Person - Category II
 - c) Authorised Person - Category III
 - d) Authorised Person - Category IV

3. **What is the maximum time period for crystallisation period?**
 - a) 15 days
 - b) 30 days
 - c) 45 days
 - d) 60 days

4. **Failure of the counter party during the course of the settlement (due to time zone differences between the two currencies to be exchanged) is the _____ risk.**
 - a) Operational
 - b) Market
 - c) Settlement
 - d) Legal

5. **How forward rates are calculated?**
 - a) By adding a mark up to spot rates
 - b) By adding premium or discount to spot rates
 - c) By deducting premium or discount from spot rates
 - d) By adding premium to and deducting discount from spot rates

6. **An import bill not retired by the importer should be crystallized by the bank on what day?**
 - a) On 21st day from the date of Bill of Lading
 - b) On the 10th day from the receipt of documents at the counters of the bank
 - c) On the expiry of five banking days
 - d) On the day of receipt of the Bill

-
7. **The value of the currency is decided by supply and demand factors for a particular currency in ____ rates mechanism.**
- Fixed
 - Floating
 - Both a and b
 - None of these
8. **All foreign currency inward remittances upto, as per FEDAI guidelines, be converted immediately into Indian Rupees?**
- Rs. 50000 equivalent
 - USD 10000
 - USD 5000
 - £ 1000
9. **All rates quoted in foreign exchange are generally ____ rates.**
- Spot
 - Tom
 - Forward
 - Value
10. **Select the incorrect sentence / sentences from the following:**
- In direct quotes, local currency is variable.
 - In direct quotes, local currency is fixed.
 - In indirect quotes, local currency is variable.
 - In indirect quotes, local currency is fixed.
- 1 and 2
 - 1 and 3
 - 2 and 3
 - 2 and 4
11. **Which of the following currency is not quoted as indirect quote (rate)?**
- NZD
 - USD
 - BP
 - Euro
12. **Which of the following shipments out of India are exempt from export declaration forms?**
- Goods or software, when accompanied by a declaration by the exporter that they are not more than USD 50000 in value
 - Gifts of goods, valuing not over Rs.50000 along with declaration of exports
 - Gifts of goods, valuing not over Rs.500000 along with declaration of exports

-
- d) Goods not exceeding in value USD 10000 per transaction exported to Myanmar under bilateral trade agreement
- 13. A Bank received an LC for USD 2 Mio issued by MT 700 and opened on Jan 25, 2011. The credit calls for shipment of 200 tonnes of good quality wheat cultivated in Punjab. What is the time available for issuing bank for examination of documents under UCP600?**
- a) 21 days
b) Reasonable time not exceeding 7 days
c) Reasonable time not exceeding 7 banking days
d) Five banking days
- 14. The risk arising owing to non-enforceability of contract against a counter party is the ____ risk.**
- a) Legal
b) Systematic
c) Credit
d) Liquidity
- 15. The risk of failure of the counter party before maturity of the contract and hence the exposure of the other party to cover the transaction at the ongoing market rates is the ____ risk.**
- a) **Country**
b) Liquidity
c) Pre settlement
d) Settlement
- 16. A mismatch in assets / liabilities and receivables / payables is _____ risk.**
- a) Credit
b) Exchange
c) Gap
d) Interest
- 17. Authorised persons - Category I was earlier known as ____.**
- a) Full Fledged Money Changers
b) Restricted Money Changers
c) Authorised dealers
d) None of these
- 18. Authorised persons - Category II was earlier known as ____.**
- a) Full Fledged Money Changers
b) Restricted Money Changers
c) Authorised dealers
d) None of these

19. Authorised persons - Category III was earlier known as ____.

- a) Full Fledged Money Changers
- b) Restricted Money Changers
- c) Authorised dealers
- d) None of these

20. Which of the following is not quoted as 100 unit of foreign currency = INR?

- a) Kenyan Sheiling
- b) Indonesian Rupaih
- c) Irani Dinar
- d) JPY (Japanese Yen)

1. b 2. c 3. d 4. c 5. d 6. b 7. b 8. c 9. a 10. c 11. b 12. c 13. d 14. a 15. c 16. b 17. c 18. a
19. b 20. c