20 True or False

Decide, then check the answer and reason below each statement.

Question 1

CGTMSE stands for the Credit Guarantee Fund Trust for Micro and Small Enterprises.

TRUE

CGTMSE provides guarantee cover so MSMEs can access credit without heavy collateral.

Question 2

ZED certification stands for Zero Defect Zero Effect.

TRUE

ZED promotes quality manufacturing with minimal environmental impact for MSMEs.

Question 3

MSME Sambandh is a scheme that provides collateral-free credit guarantees to small enterprises.

FALSE

MSME Sambandh is the public procurement portal; CGTMSE provides collateral-free credit guarantees.

Question 4

PMEGP combines a bank loan with a government subsidy to fund new self-employment ventures.

TRUE

PMEGP is a credit-linked subsidy programme run to generate self-employment opportunities.

Question 5

PMEGP allows every adult member of the same family to apply as a separate beneficiary.

FALSE

Under PMEGP, only one person from a family is eligible to receive assistance for a project.

Question 6

Pradhan Mantri MUDRA Yojana set up MUDRA to fund small businesses through last-mile lending agents.

TRUE

MUDRA channels funds to small entrepreneurs via partner banks, NBFCs, and last-mile agents.

Question 7

Under CGTMSE, a proprietor's personal guarantee is the only form of primary security accepted.

FALSE

CGTMSE primary security also includes assets created from the credit and the unit's land and building.

Question 8

Priority sector lending norms distinguish between direct and indirect finance categories in agriculture.

TRUE

Loans to farmers are direct finance, while credit for inputs like seeds and fertilizers is indirect finance.

Question 9

Banks that miss the priority-sector agriculture lending sub-target deposit the shortfall directly with the RBI.

FALSE

The shortfall is deposited with NABARD, typically under the Rural Infrastructure Development Fund.

Question 10

The Performance & Credit Rating Scheme is used to rate the creditworthiness of MSMEs.

TRUE

It is the MSME Ministry's scheme to assess the performance and credit standing of small units.

Question 11

PMEGP restricts eligibility to families below a fixed income ceiling.

FALSE

PMEGP generally places no income ceiling on the applicant's family for eligibility.

Question 12

The MSME Databank Portal maintains a central database of registered enterprises.

TRUE

The portal consolidates enterprise records to support MSME policy planning and monitoring.

Question 13

Franchising typically gives a franchisee access to an established market and brand under the franchisor.

TRUE

A franchisor usually offers market access, brand strength, and operational support to franchisees.

Question 14

A franchisor's normal role includes overselling business rights without any limit in the same territory.

FALSE

Oversale of rights is not a benefit a franchisor provides; it undermines the franchise arrangement.

Question 15

The IIBF MSME certificate exam covers MSME credit management, schemes, and policy.

TRUE

The exam's core focus is testing knowledge of MSME credit management, government schemes, and policy.

Question 16

The IIBF MSME certificate exam is conducted only in Hindi.

FALSE

The IIBF MSME exam is generally conducted in English as the exam medium.

Question 17

MSMEs are major contributors to employment and exports in the Indian economy.

TRUE

The MSME sector drives significant job creation, exports, and grassroots economic growth in India.

Question 18

CGTMSE requires MSME borrowers to pledge third-party collateral before availing any loan.

FALSE

CGTMSE exists precisely to help small units borrow without pledging heavy collateral.

Question 19

A higher Ease of Doing Business ranking generally reflects a regulatory environment that supports starting and operating firms.

TRUE

The World Bank's index measures how well local regulations enable businesses to start and operate.

Question 20

The National SC-ST Hub was created mainly to support large corporate enterprises rather than SC/ST entrepreneurs.

FALSE

The National SC-ST Hub specifically supports SC/ST entrepreneurs, including through outreach campaigns.