20 True or False

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

Question 1

MSME stands for Micro, Small and Medium Enterprises.

TRUE

This is the standard official expansion of the MSME acronym used in Indian banking and government policy.

Question 2

MSME stands for Medium, Small and Micro Export enterprises.

FALSE

MSME actually stands for Micro, Small and Medium Enterprises, with no reference to exports in the acronym.

Question 3

The MSMED Act, 2006 is the legislation that provides the classification framework for MSMEs in India.

TRUE

The Micro, Small and Medium Enterprises Development Act, 2006 underpins how such enterprises are classified.

Question 4

The MSMED Act governing MSME classification in India was enacted in 2016.

FALSE

The correct year is 2006, not 2016; the MSMED Act has governed MSME classification since then.

Question 5

IIBF stands for the Indian Institute of Banking and Finance.

TRUE

IIBF is the professional body that designs and conducts most Indian banking certification exams, including the MSME course.

Question 6

IIBF is a private coaching institute unrelated to the banking industry.

FALSE

IIBF is the Indian Institute of Banking and Finance, the official body that conducts the MSME certification exam.

Question 7

MSME lending falls under priority sector lending for banks in India.

TRUE

Because MSME lending is treated as priority sector lending, banks invest heavily in training staff on the sector.

Question 8

MSME lending is excluded from priority sector lending in India.

FALSE

MSME lending is actually included within priority sector lending, not excluded from it.

Question 9

The IIBF MSME syllabus includes a module on rehabilitation of sick or stressed MSME units.

TRUE

Rehabilitation of MSMEs, covering the revival of stressed units, is a core topic in the official syllabus.

Question 10

The IIBF MSME syllabus does not include any module on financing options for MSMEs.

FALSE

Financing options and modes is one of the core modules in the official IIBF MSME syllabus.

Question 11

Under Indian classification rules, enterprises are broadly grouped as manufacturing enterprises or service enterprises.

TRUE

The MSMED Act broadly groups business enterprises into these two categories for classification purposes.

Question 12

Under Indian classification rules, MSMEs can only be manufacturing enterprises, never service enterprises.

FALSE

MSMEs are grouped into both manufacturing enterprises and service enterprises, not manufacturing alone.

Question 13

The IIBF Certificate Course on MSME for Bankers is intended to build banking staff expertise in the MSME sector.

TRUE

The course targets bankers, finance professionals and students seeking deep knowledge of the MSME sector.

Question 14

The IIBF Certificate Course on MSME for Bankers has no connection to banking staff training at all.

FALSE

The course is specifically built to deepen banking staff knowledge and confidence in handling MSME lending.

Question 15

Recalled questions are memory-based questions drawn from candidates' recollection of past exams.

TRUE

Recalled questions reveal the real exam pattern and are a recommended practice resource for candidates.

Question 16

There is no such thing as recalled or memory-based questions used in exam preparation.

FALSE

Recalled questions, based on candidates' memory of past exams, are a widely used preparation resource.

Question 17

Mock tests are commonly recommended as part of exam preparation for IIBF certification courses.

TRUE

Practising with mock tests helps candidates test themselves and identify weak areas before the actual exam.

Question 18

Skipping mock tests entirely is the recommended strategy for IIBF exam preparation.

FALSE

Skipping mock tests is actually a common mistake, since reading without practice gives false confidence.

Question 19

A well-structured MSME study plan can include a final phase dedicated to practice and revision.

TRUE

A common approach reserves the last week for mock tests, recalled questions and revising weak areas.

Question 20

A 30-day study plan for MSME preparation has no room for revision or mock tests.

FALSE

A well-structured 30-day plan reserves dedicated time, typically the final week, for revision and mock tests.