20 True or False

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

Question 1

CAIIB Risk Management is an elective paper offered under the CAIIB exam conducted by IIBF.

TRUE

Candidates choose it as their elective alongside compulsory CAIIB papers.

Question 2

Credit Risk refers to losses from failed internal processes or systems.

FALSE

That describes Operational Risk; Credit Risk is the risk of borrower default.

Question 3

Market Risk arises from movements in interest rates, exchange rates, equity or commodity prices.

TRUE

These price movements are the defining sources of market risk.

Question 4

Operational Risk refers to the risk of a borrower failing to repay a loan.

FALSE

That describes Credit Risk; Operational Risk stems from failed processes, people, or systems.

Question 5

Liquidity Risk is the risk of not having enough cash to meet obligations on time.

TRUE

This defines a bank's exposure to funding shortfalls.

Question 6

Module A of CAIIB Risk Management covers risk definition, policies, ALM, and capital adequacy norms.

TRUE

This module lays the conceptual foundation for the rest of the syllabus.

Question 7

Module B, Credit Risk Management, primarily covers RBI guidelines on operational risk.

FALSE

RBI guidelines on operational risk fall under Module C, not Module B.

Question 8

Module C, Operational Risk, covers Sound Principles of Operational Risk Management (SPOR).

TRUE

SPOR is explicitly listed as a topic within this module.

Question 9

Module D, Market Risk, covers Value at Risk (VaR) under the internal measurement approach.

TRUE

VaR is a key measurement tool discussed within this module.

Question 10

Module E, Risk Organisation and Policy, has no connection to Treasury, Credit or ALCO.

FALSE

Module E explicitly covers interlinkages to Treasury, Credit and ALCO.

Question 11

The CAIIB Risk Management exam is conducted online for 120 minutes.

TRUE

This is the standard duration for the online exam.

Question 12

The CAIIB Risk Management exam has 50 objective-type questions carrying 50 marks.

FALSE

The exam has 100 objective-type questions carrying 100 marks.

Question 13

The CAIIB Risk Management paper is available in English or Hindi.

TRUE

Candidates can choose either language medium for the exam.

Question 14

The CAIIB Risk Management exam carries negative marking for incorrect answers.

FALSE

There is no negative marking in the standard CAIIB exam pattern.

Question 15

Candidates are advised to attempt every question in the CAIIB Risk Management exam since there is no negative marking.

TRUE

With no penalty for wrong answers, an educated guess can only help the score.

Question 16

Once a paper is cleared in CAIIB, its credit cannot be retained for any period and must be re-cleared each attempt.

FALSE

Credits for a cleared paper can be retained until the overall passing time limit expires.

Question 17

ICAAP is referenced under the Credit Risk Management module of the CAIIB Risk Management syllabus.

TRUE

ICAAP appears within Module B alongside Basel-II's three pillars.

Question 18

Most working bankers need over six months of preparation for CAIIB Risk Management.

FALSE

Most working bankers need around 6 to 8 weeks of consistent study.

Question 19

Basel-I and the three pillars of Basel-II are covered under the Credit Risk Management module.

TRUE

These frameworks are explicitly listed within Module B's topics.

Question 20

Strategic and Reputational Risk arise from poor decisions or damage to a bank's image.

TRUE

These are listed among the main risk categories in banking.