20 True or False

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

Question 1

Treasury Management involves planning, organising and controlling an organisation's holdings, finances and working capital.

TRUE

This is the core definition of Treasury Management.

Question 2

The primary goal of Treasury Management is maximising idle cash reserves.

FALSE

The primary goal is liquidity, and idle cash is treated as a missed opportunity, not a target.

Question 3

Efficiency is considered a key goal of Treasury Management, alongside liquidity.

TRUE

Efficient deployment of available cash is the second major goal after liquidity.

Question 4

The four core functions of Treasury Management include cash management and liquidity control.

TRUE

These are two of the four pillars of Treasury Management along with resource optimisation and risk management.

Question 5

Risk management in treasury only involves controlling foreign exchange rates.

FALSE

Treasury risk management covers identifying, measuring, analysing and managing all financial risk, not just forex.

Question 6

Treasury Management is regarded as one of the lowest-scoring and hardest CAIIB papers.

FALSE

The article describes it as one of the highest-scoring and moderately difficult papers.

Question 7

A bank should ideally hoard large amounts of idle cash to stay safe.

FALSE

Idle cash sitting unused is treated as inefficient; funds should be deployed smartly.

Question 8

Module A of the Treasury Management CAIIB syllabus covers Financial Markets and Scope of Treasury.

TRUE

These topics form the foundational Module A chapters.

Question 9

Liquidity Management and Integrated Treasury fall under Module B of Treasury Management.

TRUE

Module B covers Liquidity Management, Integrated Treasury and Treasury Instruments.

Question 10

A treasury management system typically slows down payment approval processes.

FALSE

A treasury management system speeds up payments and cuts approval time.

Question 11

Efficient treasury management lowers borrowing costs and maximises working capital.

TRUE

This is listed as one of the key cost-saving benefits of good treasury management.

Question 12

Good relationship management with banks has no impact on the terms a business receives.

FALSE

Strong bank relationships unlock better terms and a wider range of products.

Question 13

Managing cash flow well can reduce interest rate risk and short-term funding needs.

TRUE

Efficient cash flow management lowers dependence on costly short-term borrowing.

Question 14

Treasury provides outdated financial data that rarely supports investment decisions.

FALSE

Treasury delivers exact, up-to-date financial data that supports better decision-making.

Question 15

Skipping numerical questions until the final week is a recommended exam strategy.

FALSE

The article warns against this and recommends practising numericals early.

Question 16

Regulations and exam weightage for Treasury Management can change across cycles, so aspirants should check the latest IIBF notification.

TRUE

Marks, weightage and rules should always be confirmed against the current official notification.

Question 17

Treasury Management as a subject spans corporate finance, currency management, working capital and financial risk management.

TRUE

These four areas together define the scope of treasury management.

Question 18

Rote memorisation without understanding is described as an effective strategy for this subject.

FALSE

The article calls treasury a concept-driven subject where rote learning fails on applied questions.

Question 19

Mock tests are described as unnecessary for building exam temperament in Treasury Management.

FALSE

The article states exam temperament comes only from timed mock test practice.

Question 20

Liquidity control requires meeting obligations to suppliers, employees and creditors as they fall due.

TRUE

This is the definition of liquidity control given for treasury management.