20 True or False

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

Question 1

CAIIB ABM stands for Advanced Bank Management.

TRUE

ABM is one of the papers in the CAIIB examination conducted by IIBF.

Question 2

The CAIIB ABM paper consists of 100 objective MCQs carrying 100 marks.

TRUE

Candidates attempt 100 multiple-choice questions worth 100 marks in the ABM paper.

Question 3

There is negative marking for wrong answers in the CAIIB ABM exam.

FALSE

CAIIB ABM has no negative marking, so a blank answer costs the same as a wrong one.

Question 4

The CAIIB ABM syllabus is divided into four modules, A through D.

TRUE

The modules are Economic Analysis, Business Mathematics & Finance, HRM in Banks, and Credit Management.

Question 5

Module B of CAIIB ABM covers HRM topics such as motivation theories and performance appraisal.

FALSE

HRM topics belong to Module C; Module B covers business mathematics and finance.

Question 6

Module D of CAIIB ABM covers credit management topics like ratio analysis and DSCR.

TRUE

Module D is Credit Management, focused on financial statement and ratio analysis, NPA norms and DSCR.

Question 7

The CAIIB ABM exam duration is 3 hours.

FALSE

The ABM exam duration is 2 hours, not 3.

Question 8

Present value is defined as future cash flows discounted to the present at an appropriate rate.

TRUE

This is the standard finance definition tested in ABM Module B.

Question 9

A rightward shift in the supply curve indicates a decrease in supply.

FALSE

A rightward shift of the supply curve indicates an increase in supply, not a decrease.

Question 10

Income elasticity of demand measures how quantity demanded responds to a change in income.

TRUE

It is a standard economics concept distinguishing it from price elasticity of demand.

Question 11

Stratified sampling involves drawing random samples independently from distinct population groups.

TRUE

This describes stratified sampling, a technique covered in ABM statistics topics.

Question 12

DSCR is primarily used to evaluate HRM performance appraisals in banks.

FALSE

DSCR is a credit and term-loan appraisal ratio, part of Module D, not an HRM tool.

Question 13

Seasonal variation describes a repetitive pattern around a trend line occurring within a year.

TRUE

It is one of the four components of time series analysis in ABM statistics.

Question 14

Scientific Management stresses the scientific study and organisation of work at the operational level.

TRUE

This is a recognised management theory covered under ABM Module C.

Question 15

Numerical questions in CAIIB ABM carry negligible weight and can safely be skipped.

FALSE

Modules B and D numericals carry heavy weight and are highly scoreable with practice.

Question 16

Because ABM has no negative marking, candidates are advised to attempt every question.

TRUE

A blank answer and a wrong answer both score zero, so attempting every question is advised.

Question 17

The current ratio is regarded as the single most important ratio for appraising a term loan.

FALSE

For term loans, matching of asset and liability tenure and DSCR matter more than the current ratio alone.

Question 18

Under the hedging approach to financing, permanent working capital is financed with long-term liabilities.

TRUE

The hedging (matching) approach funds permanent assets with long-term sources.

Question 19

The CAIIB ABM exam is conducted through subjective, essay-type answers only.

FALSE

CAIIB ABM uses objective multiple-choice questions, not essay-type answers.

Question 20

Candidates should verify the latest CAIIB ABM exam pattern and passing criteria from the official IIBF notification.

TRUE

IIBF updates exam details periodically, so the official notification is the authoritative source.