20 True or False

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

Question 1

CAIIB BFM is a 100-mark paper with 100 multiple-choice questions.

TRUE

Each MCQ in the Bank Financial Management paper carries one mark, totalling 100 marks.

Question 2

The CAIIB BFM exam duration is 2 hours.

TRUE

Candidates are given a fixed two-hour window to complete the online BFM paper.

Question 3

There is negative marking in CAIIB BFM, so wrong answers lose marks.

FALSE

IIBF does not apply negative marking in CAIIB BFM, so candidates should attempt every question.

Question 4

CAIIB BFM can be attempted in Hindi or English medium.

TRUE

IIBF conducts the exam in a candidate's choice of Hindi or English.

Question 5

CAIIB stands for Chartered Association of Indian Institute of Bankers.

FALSE

CAIIB actually stands for Certified Associate of Indian Institute of Bankers.

Question 6

Candidates must clear JAIIB before they become eligible for CAIIB.

TRUE

JAIIB is the prerequisite exam that opens eligibility for the CAIIB certification.

Question 7

Bank Financial Management is an optional elective paper in CAIIB.

FALSE

BFM is one of the two compulsory papers in CAIIB, not an elective.

Question 8

Treasury Management, Risk Management, Forex and Basel III carry high weightage in the BFM syllabus.

TRUE

These modules recur most frequently across CAIIB BFM exam cycles.

Question 9

Basel III capital adequacy norms are excluded from the CAIIB BFM syllabus.

FALSE

Balance sheet management in BFM specifically covers Basel III norms, including Tier-1 and Tier-2 capital.

Question 10

The treasury front office is also known as the dealing room.

TRUE

Bank treasury operations split into the front office (dealing room), back office and risk management division.

Question 11

Value at Risk (VaR) alone is sufficient to assess a portfolio's market risk without stress testing.

FALSE

Stress testing is needed alongside VaR to capture risk from abnormal, extreme market movements.

Question 12

Stress testing helps assess risk arising from abnormal movements in market parameters.

TRUE

Stress testing complements VaR by modelling extreme, low-probability scenarios.

Question 13

UCPDC 600 is the rulebook that governs letters of credit in international trade.

TRUE

Banks and examiners reference UCPDC 600 for handling and interpreting letter-of-credit terms.

Question 14

An RFCD account can only be opened by non-resident Indians.

FALSE

An RFCD account is opened by a person resident in India to hold foreign currency assets like notes and traveller cheques.

Question 15

Basel III classifies bank capital into categories such as Tier-1 and Tier-2.

TRUE

This capital classification underpins the capital adequacy requirements tested in BFM.

Question 16

The CAIIB BFM exam is conducted strictly in offline, pen-and-paper mode.

FALSE

CAIIB BFM is conducted online in a flexible, candidate-friendly format.

Question 17

Since there is no negative marking, candidates should attempt all 100 BFM questions.

TRUE

Leaving a question blank wastes a free attempt because wrong answers carry no penalty.

Question 18

Solving previous year question papers alone is a complete substitute for finishing the BFM syllabus.

FALSE

Past papers test application of concepts already learned, not first-time learning of the syllabus.

Question 19

A sound BFM study plan includes full-length timed mock tests before the exam.

TRUE

Mock tests under real time pressure build the speed needed to finish 100 questions in two hours.

Question 20

Qualifying marks and marking-scheme details for CAIIB BFM never change between exam cycles.

FALSE

Such regulatory figures can vary by cycle, so candidates should always confirm them on the latest IIBF notification.