20 True or False

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

Question 1

The CAIIB BFM syllabus has four modules.

TRUE

BFM comprises Module A International Banking, B Risk Management, C Treasury Management and D Balance Sheet Management.

Question 2

There is negative marking in the CAIIB BFM exam.

FALSE

IIBF does not apply negative marking in the BFM paper.

Question 3

The CAIIB BFM paper has 100 MCQs for 100 marks.

TRUE

BFM is an objective paper of 100 multiple choice questions carrying 100 marks.

Question 4

The duration of the CAIIB BFM exam is 2 hours.

TRUE

Candidates get 120 minutes to attempt the BFM paper.

Question 5

The general passing rule for CAIIB BFM is 50% aggregate, subject to confirmation on the official notification.

TRUE

IIBF's typical passing criterion is 50% aggregate, though candidates should verify on the latest notification.

Question 6

Treasury operations and bond pricing are covered under Module B, Risk Management.

FALSE

Treasury operations and bond pricing fall under Module C, Treasury Management.

Question 7

Value at Risk (VaR) is a market risk measurement tool tested in Module B.

TRUE

VaR estimates potential portfolio loss and is part of the Risk Management module.

Question 8

LCR stands for Loan Coverage Ratio.

FALSE

LCR stands for Liquidity Coverage Ratio, a liquidity risk measure.

Question 9

FEMA provisions relevant to banking are covered under Module A, International Banking.

TRUE

The Foreign Exchange Management Act is part of the International Banking module.

Question 10

NPA classification and provisioning norms are covered under Module A of BFM.

FALSE

NPA classification and provisioning are covered under Module D, Balance Sheet Management.

Question 11

IRRBB stands for Interest Rate Risk in the Banking Book.

TRUE

IRRBB is a risk category examined under Module B, Risk Management.

Question 12

HTM, AFS and HFT are loan account classification categories.

FALSE

HTM, AFS and HFT are investment portfolio classification categories under RBI norms, not loan categories.

Question 13

CRAR computation is a topic under Module D, Balance Sheet Management.

TRUE

Capital to Risk-weighted Assets Ratio is part of the capital adequacy topics in Module D.

Question 14

SWIFT is a global payment system referenced under Module A, International Banking.

TRUE

SWIFT and other global payment systems are covered in the International Banking module.

Question 15

Basel III capital adequacy concepts are covered under Module B, Risk Management.

TRUE

Basel III/IV framework and capital adequacy are part of the Risk Management module.

Question 16

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

FALSE

BFM is conducted online as a computer-based test at authorised centres.

Question 17

RAROC stands for Risk-Adjusted Return on Capital.

TRUE

RAROC is a risk-based profitability measure referenced in the BFM syllabus.

Question 18

Nostro and Vostro accounts are examples of correspondent banking arrangements.

TRUE

These accounts facilitate cross-border transactions between correspondent banks.

Question 19

The medium of the CAIIB BFM exam is only Hindi.

FALSE

The BFM exam medium is English.

Question 20

Module D of BFM overlaps in content with the ABM and AFM papers.

TRUE

Balance sheet and profitability concepts in Module D are also covered in ABM and AFM.