20 True or False

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

Question 1

CCP (Certified Credit Professional) is a certification course offered by the Indian Institute of Banking and Finance (IIBF).

TRUE

IIBF administers the CCP certification for credit officers and lending-side bankers.

Question 2

The IIBF CCP exam includes case-let based objective questions.

TRUE

CCP questions include scenario-based case-lets alongside standard MCQs.

Question 3

The IIBF CCP exam is conducted only in offline pen-and-paper mode.

FALSE

The CCP exam is conducted online at designated test centres, not on paper.

Question 4

Expected Loss in credit risk considers default probability, loss severity and exposure at default.

TRUE

These three parameters together determine the Expected Loss on a credit exposure.

Question 5

A bond portfolio's loss from rising interest rates is classified as a form of credit risk.

FALSE

Interest-rate risk is distinct from credit risk, which relates to borrower default.

Question 6

Credit risk is also referred to as default risk.

TRUE

Credit risk and default risk both describe the risk of a borrower failing to repay.

Question 7

Commercial appraisal of a loan evaluates whether the firm's products have good market demand.

TRUE

Commercial appraisal specifically studies market demand and acceptance of the firm's products.

Question 8

A bank's credit policy is responsible for defining its branch expansion network.

FALSE

Credit policy covers risk appetite and profit objectives, not the branch expansion network.

Question 9

Stress testing begins by visualising possible adverse scenarios before stress is applied.

TRUE

Scenario visualisation is the first step in stress testing, followed by applying stress and impact analysis.

Question 10

RBI's exposure norms include both credit exposure and investment exposure.

TRUE

RBI's Master Circular on Exposure Norms covers funded/non-funded credit exposure and investment exposure.

Question 11

A rise in a bank's Non-Performing Assets has no effect on its capital requirement.

FALSE

Rising NPAs increase provisioning needs and directly strain a bank's capital requirement.

Question 12

Loan pricing should factor in a borrower's risk rating and credit quality.

TRUE

Sound loan pricing links interest rates to the borrower's credit risk rating.

Question 13

Systematic risk operates at the macro level and is difficult to predict, avoid or mitigate.

TRUE

Systematic risk is broad market-wide risk affecting a large number of assets simultaneously.

Question 14

In accounting, cash flow is standardly defined as net profit minus taxes.

FALSE

Cash flow is more commonly approximated as net profit plus non-cash expenses like depreciation.

Question 15

Directed lending is generally not considered a core benefit of government ownership of a bank.

TRUE

Capital support and depositor credibility are typical benefits; directed lending is not classed as one.

Question 16

A stable, uncertainty-free political environment is viewed as a credit negative for a bank's rating.

FALSE

Political uncertainty, not political stability, is treated as a credit negative for bank ratings.

Question 17

The IIBF CCP exam rewards application of concepts to scenarios over rote memorisation of definitions.

TRUE

The CCP paper is case-let heavy, testing application skills rather than pure recall.

Question 18

Maintaining an error log of wrong mock-test answers is a recommended CCP preparation habit.

TRUE

Tracking recurring mistakes helps candidates focus revision on weak topics.

Question 19

The IIBF CCP exam is conducted in Hindi medium only.

FALSE

The CCP exam medium is English, not Hindi.

Question 20

CCP candidates should confirm exam marks, duration and pass mark from the latest official IIBF notification.

TRUE

Exam parameters can change between cycles, so official IIBF notifications are the authoritative source.