20 True or False

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

Question 1

The CCP syllabus has five modules, labelled Module A to Module E.

TRUE

Correct, the CCP syllabus is organised into five modules from Introduction to Credit through Impaired Assets.

Question 2

The CCP certification is conducted by the Reserve Bank of India, not IIBF.

FALSE

False; CCP is conducted by the Indian Institute of Banking and Finance, not the RBI.

Question 3

The 6 C's of Credit include Character, Capacity and Collateral among the six factors.

TRUE

Correct, these are three of the six factors in the classic credit appraisal framework.

Question 4

Module A of the CCP syllabus is entirely dedicated to NPA management.

FALSE

False; NPA management falls under Module E, while Module A covers introduction to credit and lending principles.

Question 5

MPBF stands for Maximum Permissible Bank Finance, a working capital assessment method.

TRUE

Correct, MPBF is a traditional method for assessing working capital limits, studied in Module C.

Question 6

PCFC allows exporters to avail pre-shipment credit in foreign currency.

TRUE

Correct, PCFC is a pre-shipment export finance facility denominated in foreign currency.

Question 7

Priority Sector Lending targets are fixed permanently and never revised.

FALSE

False; PSL targets and norms are periodically revised by RBI, so candidates must check current figures.

Question 8

SARFAESI is one of the recovery routes covered under management of impaired assets.

TRUE

Correct, SARFAESI enables secured creditors to enforce security interest without court intervention.

Question 9

Hypothecation and mortgage are treated as the exact same type of charge on security.

FALSE

False; hypothecation and mortgage are distinct legal charges covered separately under Module E.

Question 10

Ratio analysis, including liquidity and profitability ratios, is part of Module B.

TRUE

Correct, Module B on Analysis of Financial Statements covers ratio analysis in depth.

Question 11

Retail loans such as home and vehicle loans are covered under Module A.

FALSE

False; retail loans are covered under Module D, Other Credits, not Module A.

Question 12

IRAC norms govern how banks classify loan accounts as standard or non-performing.

TRUE

Correct, Income Recognition and Asset Classification norms determine loan account classification.

Question 13

The CCP exam pattern, fee and pass mark never change from year to year.

FALSE

False; exam pattern, fee and pass mark are set by IIBF and can be revised, so candidates should check the latest notification.

Question 14

Bank guarantees studied in CCP include performance guarantees and financial guarantees.

TRUE

Correct, these are among the guarantee types studied under Module C.

Question 15

Capital budgeting tools like IRR and NPV are used in project and term loan appraisal.

TRUE

Correct, these tools are covered under project appraisal in Module B.

Question 16

Letters of Credit are classified as fund-based credit facilities.

FALSE

False; Letters of Credit are non-fund-based, or quasi-credit, facilities.

Question 17

DRT stands for Debt Recovery Tribunal, a route for recovering bad loans.

TRUE

Correct, DRT is one of the legal recovery mechanisms studied under Module E.

Question 18

The Turnover Method is not one of the working capital assessment methods in the CCP syllabus.

FALSE

False; the Turnover Method is one of the working capital assessment methods covered in Module C.

Question 19

Mock tests are recommended as part of an effective CCP study strategy.

TRUE

Correct, regular mock tests help candidates test readiness and identify weak areas.

Question 20

Provisioning Coverage Ratio measures a bank's total deposits relative to its advances.

FALSE

False; PCR measures provisions held against gross non-performing assets, not deposits versus advances.