

Sample Questions

Finance and Banking Services

1. Debt ratio is the ratio of _____.
 - a. current liabilities to current assets
 - b. current assets to current liabilities
 - c. total assets to total liabilities
 - d. total liabilities to total assets

2. Which of the following is correct in regards to gross profit?
 - a. It is always equal to net profit.
 - b. It is always more than net profit.
 - c. It is always less than net profit.
 - d. It has no relation to net profit.

3. Which of the following are high risk stocks?
 - a. Common stocks
 - b. Preferred stocks
 - c. Both involve the same amount of risk.
 - d. It depends upon the market situation.

4. What is the difference between American and European index options?
 - a. American index option may be exercised any time before the option expires, while European index option may be exercised only at expiration.
 - b. American index option stops trading one day before European index option.
 - c. European index option may be exercised any time before the option expires, while American index option may be exercised only at expiration.
 - d. European index option stops trading two days before American index option.

5. State whether the following statement is True or False:

The interest rate on loans either decreases or remains the same if the CRR is reduced.

- a. True
- b. False