

SEM V ATKT 2019-2020 RISK MANAGEMENT MOCK TEST

Question	Option 1	Option 2	Option 3	Option 4	Correct Option
_____ are required to underwrite certain minimum percentage of its insurance business in third party risks of motor vehicles	fire insurance	general insurance	life insurance	motor insurance	motor insurance
The insurance ordinance provides that life insurance policies will become unchallengeable after the expiry of _____ years from the date of the policy.	two	one	three	four	three
CAPM stands for _____	Capital Asset Project Model	Capital Asset Pricing Monitoring	Capital Asset Pricing Model	Capital Asset Pricing Management	Capital Asset Pricing Model
In _____, the life insurance business in India was nationalised	1997	1956	1973	1991	1956
_____ results in poor outcomes for customers	conduct risk	fraud	operational	none of these	conduct risk
Which is not a benefit of ERM?	down payment	greater management consensus	smoother governance practice	better informed decisions	down payment
Which one is a component of a risk register?	period	day	dates	time	dates
Which of the following is an ERM activity?	better informed decisions	reduced earning volatility	increased profitability	defining risk appetite	defining risk appetite

First line of defense includes _____	internal audit	greater independence	operational management	reports to Govt. body	operational management
Relationship building tools does not include _____	understand their expectations	analyse stakeholders	report to Govt. body	assess influence	report to Govt. body
_____ involves splitting responsibility for book keeping, deposits, reporting and auditing	access controls	separation of duties	physical audit	none of these	separation of duties
_____ is the price at which the underlying asset trades in the spot market	spot price	option price	stick option price	exercise option	spot price
The third line of defense includes this as its scope _____	to avoid risks	risk control	risk curtailment	risk identification	risk identification
What is the third step in stakeholder management?	identify stakeholders	documents need	analyse stakeholder's interest	managing stakeholders expectations	analyse stakeholder's interest
Which one is not included Reinsurers policies?	proportional	general	treaty	facultative	general
According to the gazette notification, an appointed actuary should have a minimum experience _____	15 years	5 years	10 years	8 years	10 years

Short hedge is a transaction when the hedge is accomplished by _____	going short in future market	going long in spot market	going short in spot market	going long in future market	going short in spot market
Which one is the techniques of internal control	duration analysis	risk analysis	separation of duties	none of these	separation of duties
Risk is not _____	measurable	variable	certain	uncertain	certain
Which one is not included in SWOT?	opportunities	strength	weakness	time	time