




BANK FOR  
INTERNATIONAL  
SETTLEMENTS



**Today's Topic**

**Basel Norms 1, 2 & 3  
MCQ**

**Q.1. Which of the following is known as the third pillar of basel-II accord?**


- a) Minimum capital requirement
- b) Supervisory review process
- c) Standard approach
- d) Market discipline 



**Q.2. The minimum total capital ratio under Basel -III is .....% of RWA. That is :**

a) 2.5%

b) 3.5%

c) 9% 

d) 10.5%

**Q.3. With reference to basel III how much capital conservation buffer are bank required to maintain?**

a) 3.5%

b) 2.5%




c) 7.5%

d) 1.5%


e) 5.5%



**Q.4. Which one is not under the three pillars of BASEL III norms in banking industry?**


- a) Market Discipline
- b) Minimum Capital Requirement
- c) Risk oriented Supervision 
- d) Supervisory Review Process

**Q.5. What are the elements of Tier-I capital, including additional Tier-I capital as per BASEL-III?**

- a) Paid up equity capital, statutory & disclosed reserves
- b) Capital reserves representing surplus arising out of sale proceeds of assets
- c) Perpetual non cumulative preference shares and debt capital instruments eligible for inclusion under additional tier-I
- d) All of the above 



**Q.6. To calculate capital adequacy ratio, the banks are required to take into account which of the following risks?**

- a) Credit risk and operational risk
- b) Credit risk and market risk
- c) Market risk and operational risk
- d) Credit risk, market risk, operational risk 


**Q.7. Basel Committee on Banking Supervision is a committee of banking super authorities that was established by:**

- a) RBI
- b) Central Bank governors of the group of 10 countries
- c) Unites state of America
- d) European countries






## Q.8. What is the full form of NSFR?

- a) Net stable fund ratio
- b) Net sustainable funding ratio
- c) Net stable funding ratio 
- d) Net stable fundable ratio

**NSFR** norms that mandate banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities will be operational from April 2020

**Q.9. As per the basel III implementation in India, minimum Tier1 capital must be \_\_\_\_\_ % of risk weighted assets on going basis.**

a) 5.5%

b) 7% 

c) 9%

d) 11%

e) 8%



**Q.10. As per Basel III , the risk of losses in on balance sheet and off balance sheet positions arising from movements in market prices is called\_\_\_\_\_**

- a) Credit risk
- b) Market risk 
- c) Pricing risk
- d) Liquidity risk
- e) Operational risk

**Q.11. How many pillars is the Basel II Framework based?**

a) 1

b) 2

c) 3

d) 4

e) 5






**Q.12. Operational risk is the risk of loss arising from various types of;**

- a) Human error
- b) System failed in the bank
- c) Breakdown in internal control
- d) All of the above



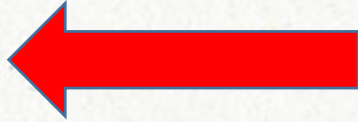
**Q.13. Which of the following statement is not correct regarding Basel III implementation in India?**

- a) Minimum tier1 capital ratio should be 8% 
- b) Maximum tier2 capital should be 2%
- c) Minimum total capital ratio should be 9%
- d) Minimum total capital plus capital conservation buffer should be 11.5%



**Q.14. Which of the following is the risk of default on a debt that may arise from a borrower failing to make required payments?**

a) Market Risk



b) Credit Risk

c) Operational Risk

d) Forex Risk