

**CAIIB PAPER NO. I – ADVANCED BANK MANAGEMENT**

1. Ram Prasad needs to buy a car. He has two options – which one is best for him. Rate of interest is 10%
  - a. Rs.700000/- cash payment
  - b. Rs.150000/- in 5 annual instalments
2. You invest Rs.1010/- in 10% coupon interest at 8% pa. annual compounding bond and sell at Rs.1030/- after one year. What is the rate of return.
3. Which of the following economists gave welfare theory of economics.
4. Micro economics is concerned with.
5. Money supply refers to the amount of money.
6. What is the Present Value of Perpetual Annuity of Rs.1000/- per month if rate of interest is 10%.
7. What is the effective rate of return if compounding is done quarterly and monthly at interest rate of 8%
8. According to Eric Berne, in every individual there are three main 'ego states' called 'Parent, Adult & Child'. Parent ego state is classified as.
9. Coupon rate is 9%, Face Value is Rs.1000/-. Calculate Current yield if Market Price is Rs.975/-
10. Sanctioned Limit: Rs.5/- Lac; Stocks: Rs.8/- Lac; Creditors: Rs.3/- Lac; Margin: 30%. How much we should allow the customer to withdraw?
11. Sanctioned limit is Rs.4/- Lac. Margin: 25%. What should be the minimum level of stocks to use the entire limit?
12. Answer the questions on the following date.....

Current Liabilities		Current Assets	
Cash Credit	2.50	Cash	1.00
Creditors	10.50	Stocks	18.00
Other CL	2.00	Debtors	7.00
		Prepaid Expenses	1.50
		Other CA	0.50
<b>Total CL</b>	<b>15.00</b>	<b>Total CA</b>	<b>28.00</b>

How much is .....

- |  |  |
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| <ol style="list-style-type: none"> <li>a. Gross Working Capital</li> <li>c. Net Working Capital</li> <li>e. Current Ratio</li> <li>g. Margin – Tandon Method –I</li> <li>i. Margin – Tandon Method –II</li> <li>k. Margin – Tandon Method –III</li> <li>m. Current Ratio - Tandon Method –I</li> </ol> | <ol style="list-style-type: none"> <li>b. Working Capital</li> <li>d. Working Capital Gap</li> <li>f. Quick Ratio</li> <li>h. Limit – Tandon Method –I</li> <li>j. Limit – Tandon Method –II</li> <li>l. Limit – Tandon Method –III</li> <li>n. Current Ratio - Tandon Method -II</li> </ol> |
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13. If I need Rs.10/- Lac after 7 years how much amount I should invest if rate of interest is 8.5% pa.
  14. If I need Rs.10/- Lac after 7 years how much amount every year I should invest if rate of interest is 8.5% pa.
  15. To accumulate Rs.50/- Lac for purchase of new machinery after 10 years, how much amount the company must contribute towards this Sinking Fund account if rate of interest if 9% pa.
  16. What is the Current Value of the flat if the builder is willing to sell at Rs.5/- Lac cash down & 15 annual instalments of Rs.3/- Lac and the rate of interest is 8.75% pa,
  17. What is the future value of annuity due of Rs.2/- Lac after 7 years at 11% pa.
  18. How much is IRR at the following cash flows...

0 year	1 year	2 year	3 year
- 5000	+3000	+3000	+3000

19. What would be the annual instalment if I take a loan of Rs.40/- Lac for purchase of a flat and I want to repay in 20 years at 8.50% pa.
20. In case of borrowers enjoying working capital credit limits of Rs. 10 Cr. and above from the banking system, the working capital (cash credit) component should normally be.
21. How much my 9 monthly instalments of Rs.5000/- would accumulate to if rate of interest is 12% pa.
22. Which of the following is not a 'Source of Financing Project Cost'.

*Higher Academy of Banking, Chandigarh*