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20 CAIIB

PART-I

Recollected Questions in

ADVANCED BANK MANAGEMENT (ABM)

For CAIIB 2022 Examination

KEY HIGHLIGHTS

- Most likely to be asked questions
- Recollected from the previous 5 years
- Thoroughly curated by Industry Experts
- 20 Questions with Solutions
- Based on the Latest Pattern for 2022 Exam

Advanced Bank Management (ABM) – Part I

Directions: In a survey of 150 people in a city, it was found that there were 50 smokers. Calculate the following based on the above data.

Q1. The estimate of population proportion
(a) 0.3333
(b) 0.5
(c) 0.6666
(d) 1.0
Ans.(a)
Explanations:
P = 50/150 = 0.3333

Q2. Estimated standard error of population
(a) 0.0015
(b) 0.2211
(c) 0.0385
(d) 0.4725
Ans.(c)
Explanations:
Estimated standard error = sqrt [P (1-P) / n]
P = 0.3333
1-P = 1 - 0.3333 = 0.6666
n = 150
So, sqrt [P (1-P) / n] = sqrt [0.3333 x 0.6666 / 150]
= sqrt (0.2222 / 150)
= sqrt (0.00148)
σx = 0.0385

Q3. Binominal standard deviation of population
(a) 1.76
(b) 2.26
(c) 5.77
(d) 7.87
Ans.(c)
Explanations:
Binominal standard deviation = √n*p*q
= √150*.333*.666
= √33.27
= 5.77

Q4. 95% confidence interval level of population proportion
(a) 0.4326, 0.2340
(b) 0.5468, 0.3178
(c) 0.4088, 0.2578
(d) 0.5568, 0.2778
Ans.(c)
Explanations:
Level of Confidence and their Multiplier Number (z*) (Commonly used)
99% - 2.58, 95% - 1.96, 90% - 1.645
95% confidence interval = P +/- (1.96 (σx))
= 0.3333 + (1.96 x 0.0385)
= 0.3333 + 0.0755
= 0.4088
and
= 0.3333 - (1.96 x 0.0385)
= 0.3333 - 0.0755
= 0.2578

Q5. 99% confidence interval level of population proportion
(a) 0.4326, 0.2340
(b) 0.5468, 0.3178
(c) 0.4088, 0.2578
(d) 0.5568, 0.2778
Ans.(a)
Explanations:
99% confidence interval = P +/- (2.58 (σx))
= 0.3333 + (2.58 x 0.0385)
= 0.3333 + 0.0993
= 0.4326
and
= 0.3333 - (2.58 x 0.0385)
= 0.3333 - 0.0993
= 0.2340

Q6. Under Johari Window, known to self and known to others, is called .....
(a) Arena
(b) Blind
(c) Closed
(d) Dark
Ans.(a)

Q7. For rediscounting commercial instruments, the discount rate used by RBI is called .....
(a) Base Rate
(b) Bank Rate
(c) Repo Rate
(d) Reverse Repo
Ans.(b)

Q8. As per Achievement Motivation Theory, needs are .....
(i) Achievement,
(ii) Power,
(iii) Affiliation
(a) Only (i) and (ii)
(b) Only (i) and (iii)
(c) Only (ii) and (iii)
(d) (i), (ii) and (iii)
Ans.(d)

Q9. Market equilibrium comes at the price at which commodity demanded equals to quantity ..... (i) Produced, (ii) Supplied
(a) Only (i)
(b) Only (ii)
(c) Either (i) or (ii)
(d) Both (i) and (ii)
Ans.(b)

Directions: Given the values for the samples 60.25, 62.38, 65.32, 61.41, and 63.23 of a population.

Q10. Calculate Mean
(a) 56.12
(b) 61.52
(c) 62.51
(d) 65.12
Ans.(c)
Explanations:
Mean = (60.25 + 62.38 + 65.32 + 61.41 + 63.23)/5
= 312.59/5
= 62.51

Q11. Calculate standard deviation
(a) 1.72
(b) 1.92
(c) 2.19
(d) 2.37
Ans.(b)
Explanations:
Standard deviation
= √((1/(5 - 1)) * (60.25 - 62.51799)2 + (62.38 - 62.51799)2 + (65.32 - 62.51799)2 + (61.41 - 62.51799)2 + (63.23 - 62.51799)2)
= √((1/4) * (-2.267992 + -0.137989992 + 2.802012 + -1.107992 + 0.712012))
= √((1/4) * (5.14377 + 0.01904 + 7.85126 + 1.22764 + 0.50695))
= √ 3.68716
σ = 1.92

Q12. Calculate coefficient of variance
(a) 0.03071
(b) 0.04071
(c) 0.05071
(d) 0.06071
Ans.(a)
Explanations:
coefficient of variance
CV = (Standard Deviation (σ) / Mean (μ))
= 1.92 / 62.51
= 0.03071

Directions (13-16): The Concept of Johari Window is related to self-awareness.
The authors Luft and Ingham refer two dimensions i.e how much of one's behavior is known to him and how much he feels others known to him.
These two dimensions give four windows (Open, Blind, Hidden and dark).
Based on this concept. Answer the following questions.

Q13. Each of the four windows relate to specific situation. Which of these is matched?
(a) Open – Known to others but not known to self
(b) Blind – Unknown to self and others
(c) Hidden – Known to self and unknown to others.
(d) Dark – known to self and others
Ans.(c)

Q14. There is need to enhance the open area. If the actual situation is "Hidden" how the open area can be increased and hidden area reduced.
(a) By receiving feedback from others
(b) By self disclosure.
(c) By sharing
(d) All he above
Ans.(b)

Q15. There is need to enhance the open area. If the actual situation is "Blind" how the open area can be increased and hidden area reduced.
(a) By receiving feedback from others.
(b) By self disclosure
(c) By sharing
(d) All he above
Ans.(a)

Q16. There is need to enhance the open area. If the actual situation is "Dark" how the open area can be increased and hidden area reduced.
(a) By receiving feedback from others
(b) By self disclosure.
(c) By sharing.
(d) All the above
Ans.(c)

Directions (17-20): Answer the following questions based on the above information.

Year	Nominal GDP	GDP Deflator
2019-20	2500	120
2020-21	3200	145

Q17. If GDP Deflator in 2018-19 is 100, then Real GDP of 2020-21 .....
(a) 2207
(b) 2215.5
(c) 2214.7
(d) 2214.6
Ans.(c)
Explanations:
Real GDP = Nominal GDP / deflater
=3200/145*100
=2206.89
=2207

Q18. If GDP Deflator in 2018-19 is 100, then real GDP of 2019-20 .....
(a) 2083
(b) 2038
(c) 2112
(d) 1961
Ans.(a)
Explanations:
Real GDP = Nominal GDP / deflator
=2500/120*100
=2083.33
=2083

Q19. Growth Rate of Real GDP from 2019-20 .....
(a) 6.12
(b) 5.95
(c) 5.20
(d) 6.95
Ans.(b)
Explanations:
% change=New value-old value/old value*100
=Real GDP (2020-21)-Real GDP (2019-20)/Real GDP (2019-2020)
=2207-2083/2083*100
=124/2083*100
=0.0595*100
=5.95

Q20. Inflation Rate in 2020-21 in relation to 2019-20 .....

(a) 19.61

(b) 20.83

(c) 20.38

(d) 21.12

Ans.(b)

Explanations:

Inflation rate (2020-21) = GDP Deflator (2020-21)-GDP deflator(2019-20)/GDP deflator(2019-20)*100

=145-120/120*100

=25/120*100

=0.2083*100

=20.83%