CAIIB ABM Practice Questions (Set-1)

Q1. Which of the following best describes the role of Human Resource Management (HRM) in an organization?
(a) HRM only focuses on hiring and firing employees.
(b) HRM provides a framework for developing new people-related systems and evaluating existing ones.
(c) HRM is solely responsible for managing payroll and benefits.
(d) HRM emphasizes that managing people is exclusively a staff function.

Q2. Which statement best describes systematic sampling?
(a) Elements are selected randomly from the population.
(b) Elements are selected based on their willingness to participate in the study.
(c) Elements are selected based on their geographical location.
(d) Elements are selected at regular intervals from a population that is ordered in time, order, or space.

Q3. Why is it crucial for Subsidiaries and Regional Rural Banks (RRBs) to establish a compliance function with the approval of their respective Boards?
(a) To avoid duplication of compliance efforts across different branches and reduce operational costs.
(b) To ensure alignment with the parent bank's strategic goals and facilitate easier integration of services.
(c) To mitigate risks of non-compliance that could harm the parent bank's reputation and ensure adherence to statutory and regulatory guidelines.
(d) To increase the profitability of Subsidiaries and RRBs by streamlining compliance processes.

Q4. Given that the Arithmetic Mean is 50 and the Standard Deviation is 8 for a dataset, calculate the Coefficient of Variation.
(a) 11%
(b) 16%
(c) 15%
(d) 20%

Q5. What is the primary purpose of classification in the context of data analysis?
(a) To arrange data randomly to identify potential patterns.
(b) To group data into homogeneous categories based on common characteristics.
(c) To discard irrelevant data from the dataset.
(d) To calculate the average of the dataset.

Q6. Which of the following is correct?
Statement 1: Learning and Development (L&D) in HRD primarily aims at enhancing the current job performance of employees and preparing them for future roles.
Statement 2: The career development of individuals is secondary to the organization's requirements and should not be a focal point in L&D initiatives.
(a) Both statements 1 and 2 are correct.
(b) Statement 1 is incorrect, but statement 2 is correct.
(c) Statement 1 is correct, but statement 2 is incorrect.
(d) Both statements 1 and 2 are incorrect.

Q7. Which of the following best explains why the principle of Self-Directed Learning is particularly significant in adult education compared to traditional learning environments for children?
(a) Adults require external validation and reinforcement to stay motivated in their learning process.
(b) Adults have established life experiences and cognitive frameworks that enable them to guide their learning paths and integrate new knowledge autonomously.
(c) Self-directed learning focuses on formal education settings where learners must follow a strict curriculum.
(d) In adult education, the learning process is dictated by strict regulations and standardized testing to ensure comprehension and retention.

Q8. Which of the following best describes the role of Strategic HRM in service-oriented organizations like banks?
(a) Ensuring compliance with labor laws and regulations to avoid legal issues.
(b) Aligning the knowledge, skills, and abilities of employees with the organization's strategic goals to foster innovation and flexibility.
(c) Focusing solely on reducing operational costs by streamlining HR processes.
(d) Concentrating on administrative functions such as payroll and employee benefits management.

Q9. Which of the following best explains why unreconciled credit balances in transitory accounts should not be transferred to the profit and loss account or any reserves?
(a) Unreconciled credit balances represent potential liabilities that must be thoroughly investigated to ensure they do not distort the financial statements.
(b) Transferring unreconciled credit balances to the profit and loss account helps in reducing the complexity of financial reporting.
(c) Banks are required to clear all unreconciled balances to reserves by the end of each fiscal year as a part of standard accounting practices.
(d) Unreconciled credit balances are considered immaterial and thus can be written off without any further investigation.

Q10. A remote car has a battery life ~ N (60,16). Find the probability its lifetime will be P(x>63).
(a) 0.167
(b) 2.34
(c) 0.5
(d) 0.1587

Q11. Consider the following statements about sampling distribution. Which of the following is correct?
Statement I: If the population is normally distributed, the sampling distribution of the sample mean is also normally distributed.
Statement II: The mean of the sampling distribution is equal to the population mean, and the standard deviation is equal to the population standard deviation divided by the square root of the sample size.
(a) Both statements I and II are correct.
(b) Statement I is correct, but statement II is incorrect.
(c) Statement I is incorrect, but statement II is correct.
(d) Both statements I and II are incorrect.

Q12. How should ABC Corp effectively assess skills as part of their performance management overhaul?

In ABC Corp, the HR department is revising its performance management system. The focus is on aligning the goals of departments and individual employees with the company's strategic objectives to boost productivity and success. During this revision, they are considering how to better set expectations, assess skills, provide feedback, and ensure continuous improvement. This initiative is part of a broader effort to enhance overall organizational performance.

(a) By focusing solely on the outcomes of team efforts without individual assessments.
(b) By implementing rigorous testing for all employees on a weekly basis.
(c) By integrating continuous skill development and regular performance evaluations.
(d) By reducing the frequency of feedback to save on resources.

Q13. Fill in the blanks:

A composite loan limit of Rs. ___ can be sanctioned by banks to enable MSE entrepreneurs to avail of their working capital and term loan requirements through a Single Window.

(a) 50 lakhs
(b) 2 crores
(c) 1 crore
(d) 5 crores

Q14. Suppose a dataset contains the heights (in cm) and weights (in kg) of a group of individuals, with a correlation coefficient r of 0.65. If the mean height is 170 cm with a standard deviation of 8 cm, and the mean weight is 65 kg with a standard deviation of 12 kg, what would be the estimated weight of a person who is 180 cm tall according to the least squares regression line?

Q15. The Trade Receivables Discounting System (TReDS) was introduced by the Reserve Bank of India under which Act?

(a) Companies Act, 2013
(b) Banking Regulation Act, 1949
(c) Payment and Settlement Systems Act, 2007
(d) Negotiable Instruments Act, 1881

Q16.The correlation coefficient of a set of data is found to be 0.8. The standard deviation of data set x (σx) = 1, and the standard deviation of data set y (σy) = 1.4. Find out the covariance of the data.

Q17. According to cognitive theories, what distinguishes human beings in terms of learning?

ABC Corp. is a multinational company that is restructuring its training and development programs to align with various learning theories. They aim to enhance employee learning and performance by integrating mechanistic, cognitive, and organismic theories into their training initiatives. As the Training Manager, you are tasked with designing a comprehensive training program that incorporates these theories effectively.

(a) Physical capabilities
(b) Emotional intelligence
(c) Critical thinking abilities
(d) Social skills

Q18. Which theory emphasizes that learning should be relevant to an individual's personal life situation to foster the development of their full potential?
ABC Corp. is a multinational company that is restructuring its training and development programs to align with various learning theories. They aim to enhance employee learning and performance by integrating mechanistic, cognitive, and organismic theories into their training initiatives. As the Training Manager, you are tasked with designing a comprehensive training program that incorporates these theories effectively.
(a) Mechanistic Theories
(b) Cognitive Theories
(c) Humanistic Theories
(d) Behavioral Theories

Q19. Which of the following can be inferred regarding the process of estimating inventory levels in industries?
1. The estimation of inventory levels is exclusively determined by the Tandon committee norms for each industry.
2. Critical information such as lead time, minimum order quantity, and supplier details plays a significant role in assessing inventory levels.
3. Industry norms, although not mandatory, serve only as a loose guideline and have no real impact on the estimation of inventory levels by banks.
(a) Only 1, 2
(b) Only 1, 3
(c) Only 2, 3
(d) All of the above

Q20. Which factor is essential for ensuring that learning can be applied effectively to job tasks?
ABC Corp. is a multinational company that is restructuring its training and development programs to align with various learning theories. They aim to enhance employee learning and performance by integrating mechanistic, cognitive, and organismic theories into their training initiatives. As the Training Manager, you are tasked with designing a comprehensive training program that incorporates these theories effectively.
(a) Motivation
(b) Practice
(c) Transferability
(d) Reinforcement

Directions (21-24): The Board of Directors of ABC Bank Ltd. recently revised its internal audit policy to enhance the independence and efficiency of the internal audit function. The board delegated its powers to the Audit Committee for conducting internal audits, implementing an internal audit framework, and reviewing its effectiveness. To avoid any conflict of interest, the internal auditors were given direct access to the board and the Audit Committee. Management was prohibited from filtering internal audit reports before submission to the board.

Q21. Which of the following is a critical factor to ensure the independence of an internal audit function in a bank?
(a) Allowing management to filter internal audit reports before they are submitted to the board.
(b) Delegating all internal audit responsibilities to the external auditors.
(c) Ensuring direct access of internal auditors to the Board or its Audit Committee.
(d) Making the internal audit team report to the management for operational efficiency.

Q22. What is the role of the Audit Committee as per effective internal audit policies?
(a) To solely prepare internal audit reports for external stakeholders.
(b) To review, approve, and oversee the internal audit framework delegated by the Board.
(c) To ensure that the Board manages the day-to-day operations of internal audits.
(d) To act as a mediator between the internal auditors and management.

Q23. What is a significant risk if management filters internal audit reports before they reach the Board?
(a) Enhanced accountability and transparency.
(b) Decreased trust and reliability of the audit process.
(c) Improved objectivity and accuracy of reports.
(d) Strengthened role of the Board in decision-making.

Q24. Why is it important for the Board of Directors to ensure the internal audit function is adequately staffed and resourced?
(a) To facilitate quicker operational approvals from management.
(b) To ensure the internal audit team can independently and effectively execute their duties.
(c) To enable the delegation of all audit responsibilities to the management.
(d) To reduce the reporting burden on the Audit Committee.

Q25. Find the mean deviation of the following data table.

Class Interval	Frequency
05-15	8
15-25	12
25-35	6
35-45	4

Q26. Find the probability of getting two heads when five coins are tossed.
(a) 2/13
(b) 4/15
(c) 3/17
(d) 5/16

Q27. Find the average for the following discrete series.

X	3	5	6	7	8
f	2	4	3	8	10

Q28. Find the Harmonic mean of two numbers a and b, if their Arithmetic mean is 18 and the Geometric mean is 9.

Q29. According to the Companies Act 2013, which section mandates that every director must have a Director Identification Number (DIN)?
(a) Section 142 to 145
(b) Section 153 to 158
(c) Section 162 to 167
(d) Section 175 to 176

Q30. Consider the following statements about the properties of the normal distribution. Which of the following is correct?
Statement I: The normal distribution is symmetric around its mean, with half of the observations falling below the mean and half above.
Statement II: In a normal distribution, the mean, median, and mode are all equal.
Statement III: The standard deviation of a normal distribution determines the spread or variability of the data points around the mean.
(a) All statements I, II, and III are correct.
(b) Statements I and II are correct, but statement III is incorrect.
(c) Statement I is correct, but statements II and III are incorrect.
(d) Statements I and III are correct, but statement II is incorrect.

Q31. What is a characteristic of a well-designed questionnaire?
(a) Lengthiness to cover all possible aspects of the research topic.
(b) Inclusion of leading questions to guide respondents towards desired answers.
(c) Clear and concise wording to avoid confusion and misinterpretation.
(d) Limitation to closed-ended questions to simplify data analysis.

Q32. How might an employee's feeling of belonging to an organization affect their work attitude?
(a) It leads to increased absenteeism and lower productivity.
(b) It does not impact their work attitude or performance.
(c) It enhances their commitment and satisfaction, leading to better performance.
(d) It reduces their willingness to collaborate with coworkers.

Q33. Find the Median of the following data,
If the marks scored by the students in a class test out of 50 are,

Marks	0-10	10-20	20-30	30-40	40-50
Number of Students	5	8	6	6	5

Q34. Which statements accurately describe the impact of geopolitical changes on financial organizations?

Statement 1: Geopolitical changes directly or indirectly affect economic activities, trade businesses, and monetary policies.

Statement 2: Financial organizations do not need to worry about disruptions if they are addressing diverse policies and regulations.

Statement 3: Financial organizations must anticipate and adapt to changes in regulations such as Data Protection and KYC due to geopolitical shifts.

Statement 4: In regions with geopolitical uncertainty, financial crime may increase due to the advantages provided by innovative technologies.

(a) Statements 1 and 2 only

(b) Statements 2 and 3 only

(c) Statements 1, 3, and 4 only

(d) Statements 1, 2, and 4 only

Q35. Which of the following statements best reflects the common characteristic shared by credit managers and prospective home buyers?

(a) Credit managers and prospective home buyers both require regulatory approval before making financial estimates.

(b) Both groups rely heavily on quantitative data from past financial reports to make future predictions.

(c) Credit managers and prospective home buyers base their decisions on personal financial goals and immediate needs.

(d) Both credit managers and prospective home buyers make judgments based on past experiences and future expectations.

Direction (36-39): A large private bank is in the process of selecting a new Chief Compliance Officer (CCO). The Board has constituted a senior executive-level selection committee to oversee this process. After thorough evaluations, the committee has recommended three top candidates based on merit. Now, the Board must decide whom to appoint. Additionally, the bank's MD & CEO has prepared the required 'fit and proper' certification for the final candidate, and they are ready to inform the Department of Supervision at the RBI about the prospective appointment and provide a detailed rationale for their choice, in compliance with supervisory requirements.

Q36. What could be a potential reason for the RBI to reject the appointment of a candidate as CCO?

(a) The candidate's experience primarily comes from sectors other than banking.

(b) The candidate has not been ranked as the top choice by the selection committee.

(c) The detailed rationale for appointment submitted lacks sufficient evidence of the candidate's compliance expertise.

(d) The bank failed to provide a yearly audit report along with the appointment details.

Q37. Which document is critical to submit to the RBI before finalizing the CCO's appointment, as per the regulatory requirements?
(a) A comprehensive background check report from an independent third-party.
(b) A 'fit and proper' certification by the MD & CEO confirming the candidate meets specific supervisory requirements.
(c) An endorsement letter from the board members not serving on the selection committee.
(d) A financial stability statement from the candidate's previous employer.

Q38. What consequence might the bank face if it fails to provide prior intimation to the RBI about the premature transfer/removal of the CCO?
(a) Immediate re-evaluation of the bank's operational licenses.
(b) A mandatory review of the bank's internal compliance policies.
(c) Possible penalties or a formal warning from the RBI.
(d) A compulsory freeze on all upper management hiring for a six-month period.

Q39. In the event of a discrepancy between the selection committee's recommendation and the Board's final decision, what is the most likely protocol for the bank to follow before the appointment of a CCO?
(a) Re-convene the selection committee to reassess the candidates' rankings.
(b) Seek additional external legal advice to validate the Board's decision.
(c) Prepare a detailed report comparing the top candidates for a reassessment by the Board.
(d) Submit both the committee's recommendation and the Board's final choice to the RBI for approval.

Q40. Find the harmonic mean from the data

X	1	2	3	4
F	5	4	9	16

Q41. Which of the following reflects the revised definition of Micro, Small, and Medium Enterprises (MSMEs) according to the MSMED Act, 2006, effective from 1st July 2020?
(a) Micro: Investment up to ₹1 crore and annual turnover up to ₹5 crores.
(b) Small: Investment up to ₹20 crores and annual turnover up to ₹50 crores.
(c) Medium: Investment up to ₹50 crores and annual turnover up to ₹350 crores.
(d) Micro: Investment up to ₹5 crores and annual turnover up to ₹1 crore.

Q42. Under which section of the Indian Penal Code 1860 is the act of making a false document defined?
(a) Section 455
(b) Section 460
(c) Section 464
(d) Section 469

Q43. What is the primary objective of a Distributed Denial of Service attack?
(a) To compromise sensitive data by directly accessing the target system.
(b) To overwhelm the target system's resources and render it inoperative.
(c) To engage in collaboration with security teams for improved cyber defense.
(d) To test the system's resilience against various cyber threats.

Q44. Two dice are thrown together. What is the probability that the number obtained on one of the dice is a multiple of the number obtained on the other dice?
(a) 11/18
(b) 12/13
(c) 13/15
(d) 17/18

Q45. Which statement accurately reflects the expectations surrounding an organization's adherence to norms and laws?
A. Only regulators are concerned with an organization's compliance to both external laws and internal policies.
B. Compliance exclusively pertains to following external laws, with internal policies and values having no significant relevance.
C. Organizations are expected to adhere to external laws, internal policies, and ethical values, with different stakeholders emphasizing different aspects.
D. Board members, employees, and the public prioritize compliance with external laws over internal policies and ethical values.
(a) Only A, B
(b) Only C
(c) Only A, C
(d) Only D

Q46. What does the term "Advanced Persistent Threat" generally refer to?
(a) A common form of malware that spreads rapidly across networks.
(b) Unauthorized access to a network that is quickly discovered and mitigated.
(c) A simple and easily detectable cyber attack strategy.
(d) Long-term unauthorized network access by attackers who remain undetected.

Q47. Which of the following statements accurately reflects the concept of "Cowboys" in the context of organizational culture?
(a) "Cowboys" are individuals who prefer rural lifestyles and have limited risk tolerance.
(b) "Cowboys" are employees who consistently avoid taking risks in the organization.
(c) "Cowboys" are individuals who are rewarded for risk-taking without any limits or consideration of the organization's risk tolerance.
(d) "Cowboys" are individuals who excel in financial performance and are considered essential for a strong compliance culture.

Q48. What is Compliance Risk Assessment in the context of banking?
(a) A process to evaluate the financial health of borrowers.
(b) A procedure to assess the effectiveness of a bank's internal auditing system.
(c) A process to assess the bank's adherence to regulatory directives and identify major compliance risks.
(d) A method for determining the profitability of different banking products.

Q49. What is the primary difference between inspections and audits in an organizational context?
(a) Inspections are focused on long-term strategic planning, while audits deal with day-to-day operations.
(b) Inspections address immediate risks and potential accidents, whereas audits investigate the root causes of these issues.
(c) Inspections are concerned with financial performance, while audits focus on compliance with regulatory standards.
(d) Inspections are optional processes, while audits are mandatory for all organizations.

Q50. According to the Social Learning Theory, which of the following best describes the primary factor influencing personality development?
(a) Genetic inheritance and biological factors.
(b) Unconscious drives and childhood experiences.
(c) Social variables and learned behaviors through reinforcement and punishment.
(d) Inborn traits and fixed personality characteristics.

Directions (51-55): A firm has Capital of Rs. 200, Reserve Rs. 230 Term Loan of Rs. 180, Advance from customers Rs. 40, sundry creditor Rs. 100, Bank CC limit balance Rs. 400, Fixed Assets Rs. 300, Preliminary expenses Rs. 80, Debit balance of profit and loss account balance Rs. 30, advance tax paid Rs. 20, cash on hand Rs. 20, Stock Rs. 400 and sundry creditor Rs. 300. on the basis of the above information:

Q51. Calculate the Tangible Net worth of the firm.
(a) Rs. 430
(b) Rs. 200
(c) Rs. 350
(d) Rs. 320

Q52. In the above problem, the current ratio would be ......
(a) 1.25:1
(b) 1.28:1
(c) 1.33:1
(d) 1.37:1

Q53. In the above problem, the total outside liabilities to tangible net worth......
(a) 1:1
(b) 1.8:1
(c) 2.1:1
(d) 2.25:1

Q54. If the sales are Rs. 2000, stock turnover Ratio is ......
(a) 5 times
(b) 6 times
(c) 3 times
(d) 2 times

Q55. If the sales are Rs. 3000, the debt collection period and debit turnover ratio would be:
(a) 1 month and 12 times
(b) 1.2 month and 10 times
(c) 1.5 month and 8 times
(d) 2 month and 6 times

Q56. Calculate the geometric mean of the given data set: 2, 4, 6, 8, 10, 12.

Q57. Find the median of the given data set 13, 47, 19, 25, 75, 66, and 50.

Q58. What is a point estimate in statistics?
John works as a data analyst at a marketing firm, tasked with estimating customer satisfaction scores for a new product launch based on a sample survey. The firm plans to use these estimates to make strategic decisions about marketing budgets and product improvements. John needs to ensure that his estimation methods are reliable and accurate to guide the company effectively. John decides to use a point estimate and an interval estimate to provide insights into customer satisfaction levels. He calculates a point estimate to give a single value for customer satisfaction and an interval estimate to indicate the range within which the true satisfaction score is likely to fall.
(a) A range of values used to estimate a population parameter.
(b) An estimate that includes multiple values of a statistic.
(c) A single value is used to estimate an unknown population parameter.
(d) An estimate based on the maximum value in a sample.

Q59. What is the primary function of HR databases within organizations?
(a) To serve as a secure platform for online interviews and meetings, streamlining the recruitment and onboarding process for remote employees.
(b) To track the productivity and performance metrics of employees in real-time, allowing managers to make immediate operational decisions.
(c) To store personal and professional information about employees, assisting HR professionals in managing various tasks such as recording training details and handling recruitment processes.
(d) To facilitate the direct transfer of salaries and bonuses to employee bank accounts, ensuring accurate and timely payment without the need for manual intervention.

Q60. What is the correct sequence of simulation methodology?
1. Specify the values of the parameter.
2. Propose a new experiment.
3. Construct a simulation model.
4. Define the problem
5. Evaluate results
(a) 1, 2, 3, 4, 5
(b) 2, 3, 4, 1, 5
(c) 3, 1, 4, 2, 5
(d) 4, 3, 1, 5, 2

Q61. In the Simplex Method for linear programming, what does it indicate when there are no negative numbers present in the Z-row of the tableau?
(a) The problem has multiple optimal solutions.
(b) The current solution is the optimal solution.
(c) The problem is infeasible and cannot be solved.
(d) The problem is unbounded and has no optimal solution.

Q62. How do HRMS, HRIS, and HCM differ in the context of human resources management?
(a) HRMS focuses exclusively on the recruitment and onboarding process, while HRIS is concerned with employee performance management, and HCM provides a comprehensive suite covering all aspects of human capital management.
(b) HRMS is a broader term that includes financial management tools alongside human resources functions, whereas HRIS and HCM are specialized tools focused solely on HR tasks and employee lifecycle management.
(c) HRIS is a type of HRMS designed specifically for managing personal employee information and payroll, while HCM encompasses broader strategic HR functions including talent management and succession planning.
(d) There is essentially no functional difference between HRMS, HRIS, and HCM; historically, HRMS referred to a more complete solution, but re-branding has made these terms generally indistinguishable.

Q63. __ concerns with the impact of __ on the project and vice versa. The factors which may affect a project include __, ___, land, sound, geographical location, etc. The borrower should have obtained all necessary clearances from the __, permission, and licenses to run the business.
(a) Environmental appraisal, the project, water, air, pollution control board
(b) Environmental management, the government, land, water, health department
(c) Project planning, stakeholders, sound, air, environmental agency
(d) Project appraisal, the economy, geographical location, air, licensing authority

Q64. In the context of statistical data sets, which of the following statements correctly describes a situation where the data is said to be multimodal?
(a) A data set where the most frequently occurring value is greater than any other number, and there is only one such value.
(b) A data set where two values occur with equal frequency, making it bimodal, but no other values occur as frequently.
(c) A data set where more than three values occur with the same highest frequency, indicating the presence of multiple modes.
(d) A data set where one value occurs most frequently, but several other values occur nearly as often, creating a near-multimodal distribution.

Q65. Which of the following statements best reflects the role of credit managers and prospective home buyers in financial decision-making?

(a) Credit managers rely solely on historical data to estimate a borrower's creditworthiness, whereas prospective home buyers focus exclusively on current market trends for making decisions about mortgages.

(b) Both credit managers and prospective home buyers utilize their personal experiences and future outlooks to make estimations related to creditworthiness and mortgage interest rates, respectively.

(c) Credit managers and prospective home buyers depend primarily on third-party financial advisors for making decisions about borrower credibility and mortgage rates.

(d) Prospective home buyers use advanced financial models to predict mortgage interest rates, while credit managers follow a fixed algorithm to assess borrower reliability without considering future outlooks.

Q66. Tickets numbered 1 to 20 are mixed up and then a ticket is drawn at random. What is the probability that the ticket drawn has a number which is a multiple of 3 or 5?

(a) 9/20

(b) 4/20

(c) 6/20

(d) 7/20

Q67. Which of the following can be inferred regarding the SARFAESI Act, 2002, and its impact on the recovery of dues by banks and financial institutions?

1. The SARFAESI Act, 2002, allowed banks and financial institutions to recover dues more quickly without court or tribunal intervention.

2. The Act was extended to include co-operative banks through a notification in 2003.

3. The SARFAESI Act primarily deals with the establishment of special tribunals for the recovery of dues.

(a) Only 1, 2

(b) Only 1, 3

(c) Only 2, 3

(d) All of the above

Q68. Which statement best describes the concept of the mode in a set of numbers?

(a) The mode of a dataset is the number that appears with the highest frequency, or the most times, distinguishing it as the most typical or common value in the set.

(b) Mode is determined by calculating the average of all data points in a set, identifying it as the value that best represents the central tendency of the dataset.

(c) The mode is computed by finding the median value of the dataset, which occurs most frequently in cases where the dataset has an odd number of observations.

(d) Mode refers to the difference between the highest and lowest values in a dataset, indicating the most repeated difference or interval between data points.

Q69. An electric firm manufactures light bulbs that have a length of life with mean μ and a standard deviation of 40 hours. If a sample of 100 bulbs has an average life of 780 hours. Find a 95% confidence interval for the population mean of all bulbs produced by this firm.
(a) LCL = 760, UCL = 778
(b) LCL = 772.16, UCL = 787.84
(c) LCL = 775.90, UCL = 790.67
(d) LCL = 773.67, UCL = 788

Q70. In the context of Linear Programming (LP), which of the following best describes the requirements and application of LP in optimizing resource allocation?
(a) Linear Programming is utilized to allocate limited resources optimally among competing demands, requiring problems to have linear constraints and an objective function that the decision-maker aims to maximize.
(b) Linear Programming primarily focuses on non-linear constraints and functions to manage resources in situations where resources are unlimited.
(c) Linear Programming is suitable for any type of mathematical problem regardless of the linearity of constraints or the objective function.
(d) Linear Programming is used exclusively for maximizing or minimizing financial outcomes without considering the structure or constraints of the problem.

Q71. Class Intervals: 50-60, 60-70, 70-80, 80-90, 90-100
Frequencies: 16, 20, 27, 32, 48
Calculate the frequency density, for the fourth-class interval 80-90.

Q72. Which performance appraisal method involves assessing employees based on their relative positions and ranking them according to their merit?
(a) Behaviorally Anchored Rating Scales (BARS)
(b) Critical Incident Technique (CIT)
(c) Straight Ranking Method
(d) Management by Objectives (MBO)

Q73. A random sample of 100 men is taken and their mean height is found to be 180cm. The population variance is 49cm. Find the 95% confidence interval for μ.
(a) 178.63 and 181.37
(b) 123.98 and 176.98
(c) 154.36 and 187.56
(d) 167.87 and 177.77

Q74. What is the characteristic feature of Fixed Cost in production?
(a) It varies directly with the level of production, increasing as production increases and decreasing as production decreases, to efficiently allocate resources per unit of output.
(b) Fixed Cost remains unchanged regardless of the level of production, from zero to full capacity utilization, making it difficult to allocate on a per-unit basis. Examples include depreciation.
(c) It is the sum of all costs that fluctuate with sales volume, such as materials and labor, ensuring that the cost per unit remains constant regardless of production scale.
(d) Fixed Cost is determined by the market and external economic conditions, adjusting automatically to maintain competitive pricing and profitability margins.

Q75. What is cluster sampling?
(a) Selecting individuals from the population who share similar characteristics.
(b) Dividing the population into homogeneous groups and randomly selecting entire groups to be part of the sample.
(c) Choosing individuals who are conveniently available for the study.
(d) Sampling individuals based on their availability at a specific time.

Q76. What type of event is rolling a fair six-sided dice and getting a number 7?
A school is conducting a series of probability experiments in their mathematics class to teach students about different types of events. They use various examples to illustrate certain, impossible, mutually exclusive, equally likely, exhaustive, and complementary events.
(a) Certain Event
(b) Impossible Event
(c) Mutually Exclusive Event
(d) Equally Likely Event

Q77. The correlation coefficient (r) between two variables X and Y is calculated to be -0.75. What does this value indicate about the relationship between X and Y?
(a) There is a weak positive correlation between X and Y.
(b) There is a strong negative correlation between X and Y.
(c) There is no correlation between X and Y.
(d) There is a moderate positive relation between X and Y.

Directions (78-82): In an annual school sports competition, the scores of 100 students in a fitness test were recorded. The data showed a wide range of scores, from very low to exceptionally high. The school's sports department decided to analyze this data to assess overall student fitness and identify areas for improvement. They calculated the mean and median to understand the central tendency and used standard deviation to measure the dispersion of scores.

Q78. What would be an appropriate statistical measure to determine if most students scored around a similar range?
(a) Range of the scores
(b) Median of the scores
(c) Mode of the scores
(d) Standard deviation of the scores

Q79. If the sports department finds a large difference between the mean and median of the scores, what could this indicate about the data?
(a) The data is symmetrically distributed
(b) There is a low level of variability among scores
(c) Outliers are affecting the data distribution
(d) The data is perfectly normally distributed

Q80. Which measure would most accurately reflect the typical score if several outlier scores are extremely high?
(a) Mean score
(b) Median score
(c) Mode score
(d) Range of the scores

Q81. Assuming the data shows a large standard deviation, what could be inferred about the students' fitness scores?
(a) Most students have similar fitness levels.
(b) The fitness levels vary widely among the students.
(c) All students are either high performers or low performers.
(d) The students' scores are clustered around the mode.

Q82. Which scenario would most likely result in a high mean but a lower median in the dataset?
(a) Most students scored below the halfway mark, with very few high scores.
(b) Scores are uniformly distributed across the range.
(c) A few students scored exceptionally high compared to others.
(d) All scores are clustered near the central value.

Q83. In a standard deck of cards, what are the complementary events when drawing a card?
A school is conducting a series of probability experiments in their mathematics class to teach students about different types of events. They use various examples to illustrate certain, impossible, mutually exclusive, equally likely, exhaustive, and complementary events.
(a) Drawing a red card and drawing a black card.
(b) Drawing an ace and drawing a face card.
(c) Drawing a heart and drawing a club.
(d) Drawing a spade and not drawing a spade.

Q84. Which of the following statements is true about the terminology used in statistics for studying a group of items or people?
(a) The term "population" in statistics exclusively refers to a group of people being studied for demographic analysis.
(b) A "sample" in statistics refers to any part or subset of a population that is not intended to represent the entire group being studied.
(c) In statistics, the word "sample" refers to a part of the population chosen specifically to represent the entire group under study.
(d) The use of the word "population" in statistics is limited to the study of tangible items and does not encompass the study of human populations.

Q85. Which of the following can be inferred regarding the Auditor's Report and the applicability of the Companies (Auditor's Report) Order, 2020 (CARO)?
1. The Auditor's Report includes the auditor's opinion on the financial statements and the true and fair representation of material facts.
2. CARO 2020 has a statutory format with 21 items in which the auditor reports on other legal and regulatory requirements.

3. CARO 2020 is applicable to all companies without any exceptions or exclusions.
(a) Only 1, 2
(b) Only 1, 3
(c) Only 2, 3
(d) All of the above

Q86. Considering the applications of simulation, which statement best summarizes its usefulness across different sectors?
A. Simulation is primarily used in the financial sector to predict investment outcomes and manage risks by replicating market conditions and economic scenarios.
B. Simulation is employed extensively in training scenarios, such as driving lessons, to mimic real-life situations and prepare individuals effectively for actual challenges in various fields, including finance and traffic management.
C. Simulation is a specialized tool used exclusively in educational settings to enhance learning experiences without practical applications in real-world scenarios.
D. Simulation is used only for managing traffic systems and training drivers, without significant relevance to other professional or educational areas.
(a) Only C, D
(b) Only B
(c) Only A, C
(d) Only D

Q87. Which of the following statements is NOT true about the evolution of the Human Resource function globally?
(a) The evolution of Human Resource functions was largely influenced by historical events such as the world wars, which created similar welfare issues across different nations.
(b) Human Resource development was isolated to specific regions, unaffected by global events or advancements in other countries.
(c) Advances in communication and scientific knowledge helped facilitate the spread of industrial-era practices from the US and UK to India during the British Raj.
(d) The impact of the industrial era in the US and UK during the British Raj had a significant influence on the evolution of Human Resource practices in India.

Q88. Fill in the blanks:
A supplier of goods will be more willing to provide credit to the purchaser (bank's customer) if the ___ drawn by her on the purchaser and accepted by her is also accepted by the ___. The bank's co-acceptance acts like a ___ for her against non-payment by the purchaser. By providing this facility to the customer, the need for ___ from the bank is reduced due to credit provided by the supplier.
(a) letter of credit, bank, loan, short-term financing
(b) invoice, supplier, contract, long-term financing
(c) bill of exchange, bank, guarantee, working capital finance
(d) purchase order, purchaser, security, revolving credit

Q89. Who suggested the mathematical approach for determining the magnitude of a linear relationship between two variables, such as X and Y?
(a) Ya Lun Chou
(b) Croxton and Cowden
(c) Karl Pearson
(d) Spearman

Q90. Consider the following statements regarding the functioning of the Audit Committee. Which of the following options is correct regarding these statements?
Statement 1: The Audit Committee shall meet at least once in a quarter and at such other times as the Board of Directors may require by resolution, or as any member of the Audit Committee may request.
Statement 2: The proceedings of the Audit Committee meetings shall be reported to the Board by the Chairperson/Chairman of the Audit Committee to ensure that other Directors are informed and can seek clarification from Audit Committee members.
(a) Both statements 1 and 2 are correct.
(b) Statement 1 is correct, but statement 2 is incorrect.
(c) Statement 2 is correct, but statement 1 is incorrect.
(d) Both statements 1 and 2 are incorrect.

Q91. What is the probability of getting an even number when a dice is thrown?
(a) 1/5
(b) 1/2
(c) 1/3
(d) 1/8

Q92. A research company wants to estimate the proportion of people who like oatmeal. They want the confidence level to be 95%. The company gets 325 people to sign up for the survey, but on the day that the survey is issued, only 250 people show up and take the survey. What happens to the confidence interval?
(a) It gets larger
(b) It gets smaller
(c) It stays the same
(d) Too little information given

Q93. Fill in the blanks:
__ methods of performance appraisal can be categorized into __ and __. The traditional methods focus on __, whereas the modern methods prioritize __. This shift is believed to enhance the process by making it more __.
(a) Contemporary, personality traits, results, job achievement, objective
(b) Traditional, traditional methods, modern methods, results, personality traits, subjective
(c) Performance appraisal, traditional methods, modern methods, personality traits, job achievement, objective
(d) Modern, traditional methods, modern methods, personality traits, job achievement, subjective

Q94. Which of the following can be inferred regarding the objectives and scope of agricultural finance under PSL (Priority Sector Lending)?
1. The maximum loan amount for crop loans and medium-term loans, including pre and post-harvesting activities and transportation, is Rs. 2 crores.
2. Advances for up to 12 months against Negotiable Warehouse Receipts (eNWR) are capped at Rs. 75 lakh, while advances against non-NWR/eNWR are capped at Rs. 50 lakh.
3. Loans to co-operative societies of farmers for the purchase of produce from members or to Farmers Producing Company or Farmer Producing Organisation are considered PSL only if they exceed Rs. 5 crores.
(a) Only 1, 2
(b) Only 1, 3
(c) Only 2, 3
(d) All of the above

Q95. What impact did the nationalization of banks in 1969 have on the credit flow in India's banking sector, and how did the concept of 'Priority Sector' contribute to this transformation?
(a) After nationalization, RBI exerted more control over banks, directing credit towards neglected sectors of the economy.
(b) The 'Priority Sector' concept was abolished after nationalization to focus solely on profitable ventures.
(c) The nationalization of banks led to increased credit flow to big business houses.
(d) The nationalization of banks resulted in reduced credit availability due to increased bureaucracy.

Q96. Which of the following statements accurately reflects the concepts of "Delivery," "Control, and Monitoring," in the context of lending operations?
Statement 1: Delivery involves legal documentation and the establishment of a security charge, while Control and Monitoring pertain only to ensuring the borrower's interests.
Statement 2: Control and Monitoring are essential for ensuring efficient fund utilization, timely assistance, and maximizing chances of fund recovery.
(a) Statement 1 is correct, and Statement 2 is incorrect.
(b) Statement 1 is incorrect, and Statement 2 is correct.
(c) Both Statement 1 and Statement 2 are correct.
(d) Both Statement 1 and Statement 2 are incorrect.

Q97. Which of the following statements regarding the common guidelines/instructions for lending to the Micro, Small, and Medium Enterprises (MSME) sector is correct?
(a) Banks are required to accept collateral security for all loans extended to units in the MSME sector, regardless of the loan amount.
(b) Banks are advised to extend collateral-free loans up to Rs. 10 lakh only to units financed under the Prime Minister Employment Generation Programme (PMEGP).
(c) Banks are not allowed to extend composite loans to MSME entrepreneurs.
(d) Banks are not required to acknowledge loan applications from MSME borrowers.

Q98. In the context of Break Even Analysis (BEP), which of the following statements accurately describes it?
(a) BEP is the point where variable costs equal fixed costs, indicating a balanced cost structure.
(b) At the BEP, the business has achieved profitability and any additional sales will result in a profit.
(c) The primary function of BEP analysis is to identify the exact point where total revenue equals total costs, indicating no net loss or gain.
(d) BEP forecasts future profits by comparing projected sales against historical cost data.

Q99. How is credit risk defined in financial contexts?
(a) The risk of operational failure leading to financial losses for the organization.
(b) The risk of losses arising from adverse market movements, such as changes in interest rates and exchange rates.
(c) The risk of non-payment of principal and interest by the borrower in accordance with the agreed repayment terms.
(d) The risk associated with natural disasters and calamities affecting business operations.

Q100. What are some key characteristics of a Collateralized Debt Obligation (CDO)?
(a) It is a type of derivative instrument that allows investors to bet on the creditworthiness of a particular company.
(b) It is a government-backed security that provides a fixed interest rate and is considered a low-risk investment.
(c) It is a structured financial product that pools together various types of debt instruments, such as bonds and loans, and repackages them into different tranches with varying levels of risk.
(d) It is a short-term financial instrument issued by central banks to control the money supply and interest rates in an economy.

Solutions

S1. Ans.(b)
Sol. Human Resource Management (HRM) acts as an overarching guide for all aspects of people management, facilitating the development of new systems and the evaluation of current subsystems. It integrates various functions to ensure effective management of personnel.

S2. Ans.(d)
Sol. Systematic sampling is a methodical approach where elements are chosen at fixed intervals from an ordered list of the population, such as time, order, or space. For instance, to select every twentieth student from a college directory, one would randomly start within the first twenty names and then pick every subsequent twentieth name. This technique ensures a structured and representative sample from the entire population.

S3. Ans.(c)
Sol. Establishing a compliance function in Subsidiaries and Regional Rural Banks (RRBs) is crucial for mitigating risks associated with non-compliance. These institutions are closely connected to the parent bank, and any failure to adhere to statutory and regulatory guidelines can significantly impact the parent bank's reputation. Regulatory bodies hold the parent bank accountable for the actions of its Subsidiaries and RRBs, making it essential to ensure that these entities are compliant with all relevant guidelines. By having a dedicated compliance function approved by their respective Boards, Subsidiaries, and RRBs can monitor, manage, and adhere to regulations more effectively, thus protecting the integrity and reputation of the parent bank.

S4. Ans.(b)
Sol. Coefficient of variation = standard deviation/arithmetic mean*100%
= 8/50*100%
= 16%

S5. Ans.(b)
Sol. Classification in data analysis involves organizing or arranging data into groups or categories that share common characteristics. The purpose of classification is to simplify complex data sets by grouping similar items, making it easier to analyze and interpret the data. By classifying data, patterns, and relationships within the data become more apparent, which aids in drawing meaningful conclusions and making informed decisions.

S6. Ans.(c)
Sol. Statement 1 correctly highlights the dual purpose of Learning and Development (L&D) in HRD, which includes improving employees' current job performance and preparing them for future roles. This aligns with the goal of L&D to not only enhance the skills and capabilities required for the present job but also to equip employees with the knowledge and skills needed for upcoming roles, ensuring they can meet future organizational needs.
Statement 2 is incorrect because it misrepresents the relationship between individual career development and organizational requirements. Effective L&D initiatives recognize that individual career growth is crucial and should be linked to organizational needs. By aligning the growth needs of individuals with organizational objectives, both parties benefit: employees advance in their careers, and the organization gains skilled, motivated individuals who are better prepared to meet its evolving demands.

S7. Ans.(b)
Sol. The principle of Self-Directed Learning is fundamental in adult education because it leverages the unique characteristics of adult learners. Unlike children, who often require structured guidance and external motivation, adults typically have a wealth of life experiences and established cognitive frameworks that allow them to take control of their learning. This autonomy in learning means they can set their own pace, choose learning strategies that work best for them, and integrate new information in a way that connects with their existing knowledge and life context.

S8. Ans.(b)

Sol. Strategic HRM goes beyond traditional HR functions such as compliance, cost reduction, or administrative tasks. It involves integrating HR practices with the strategic objectives of the organization to enhance business performance, develop a supportive organizational culture, and encourage innovation and flexibility. In the context of service-oriented organizations like banks, where employees play a crucial role in customer interaction and service delivery, aligning their skills and abilities with strategic goals is essential. This alignment not only fosters a culture of continuous improvement and adaptability but also ensures that employees are committed to the organization's strategic objectives and are partners in its success.

S9. Ans.(a)

Sol. Unreconciled credit balances in transitory accounts often represent potential liabilities that could arise from unclaimed or improperly recorded transactions. These balances mustn't be transferred to the profit and loss account or any reserves because doing so can misrepresent the financial position of the bank. These balances need to be thoroughly investigated and reconciled to ensure they are correctly accounted for and do not mislead stakeholders about the bank's financial health. If such balances were transferred without proper reconciliation, it could result in a false portrayal of profits or reserves, thus not reflecting a true and fair view of the financial statements.

S10. Ans.(d)

Sol. $\mu = 60$, $\sigma^2 = 16$

$Z = X - \mu/ \sigma$

$Z = X – 60/4$

$P (Z > 64-60/4)$

$P (Z > 1) = 0.5 – 0.3413$

$= 0.1587$

S11. Ans.(a)

Sol. Statement I: If the population from which samples are drawn is normally distributed, the sampling distribution of the sample mean will also be normally distributed. This is a key property of the Central Limit Theorem (CLT), which states that regardless of the shape of the population distribution, the sampling distribution of the sample mean tends to be normal for large sample sizes (typically $n \geq 30$).

Statement II: The mean (μ_x) of the sampling distribution is equal to the population mean (μ), ensuring that the sample means are unbiased estimators of the population mean. The standard deviation ($\sigma\_\bar{x}$) of the sampling distribution is equal to the population standard deviation (σ) divided by the square root of the sample size (n). This relationship illustrates how the variability of sample means decreases as the sample size increases.

S12. Ans.(c)

Sol. Effective skill assessment involves continuous development and regular performance evaluations, which help in identifying areas of improvement and aligning skills with organizational needs.

S13. Ans.(c)

Sol. A composite loan limit of Rs. **1 crore** can be sanctioned by banks for MSE entrepreneurs. This allows them to access both working capital and term loan requirements through a single application process, simplifying and streamlining their financing needs. This Single Window system helps in reducing administrative burdens and promotes easier access to credit for small businesses.

S14. Ans.(74<>75)

Sol.

The regression line can be estimated using the formula for the slope (b) of the regression line:

$$b = r\frac{\sigma_y}{\sigma_x} = 0.65 \times \frac{12\,\text{kg}}{8\,\text{cm}} = 0.975\,\text{kg/cm}$$

The equation of the regression line is:

$$y - \bar{y} = b(x - \bar{x})$$
$$y - 65\,\text{kg} = 0.975\,\text{kg/cm}(180\,\text{cm} - 170\,\text{cm})$$
$$y - 65\,\text{kg} = 0.975\,\text{kg/cm} \times 10\,\text{cm}$$
$$y = 65\,\text{kg} + 9.75\,\text{kg}$$
$$y = 74.75\,\text{kg}$$

S15. Ans.(c)

Sol. The Trade Receivables Discounting System (TReDS) was conceptualized and implemented by the Reserve Bank of India under the provisions of the Payment and Settlement Systems Act, 2007. This Act provides the regulatory framework for electronic payment systems in India, including platforms like TReDS which facilitate the discounting of trade receivables.

S16. Ans.(1<>2)

Sol.

$$\text{Correlation} = \frac{Cov(x,y)}{\sigma x * \sigma y}$$

Correlation = 0.8
$\sigma_x = 1$
$\sigma_y = 1.4$
Therefore, cov(x,y) = 0.8 x 1 x 1.4
= 1.12

S17. Ans.(c)

Sol. Cognitive theories posit that human beings possess brains capable of critical thinking and problem-solving, distinguishing them from other living organisms.

S18. Ans.(c)

Sol. Humanistic (or organismic) theories assert that learning is most effective when it allows individuals the freedom to learn what is personally meaningful and relevant to their unique circumstances.

S19. Ans.(c)
Sol. The Tandon committee's norms, once a standard, are no longer binding. Banks now adapt their estimations based on unique characteristics pertinent to each situation, indicating that reliance on these norms isn't absolute.
Information such as lead time, order quantity, and supplier details are crucial for inventory assessment. This points to a sophisticated approach where multiple specific details guide decision-making, aligning with realistic operational needs.
While industry norms are helpful, they function more as guiding principles rather than strict rules. They are integrated into the assessment process, influencing decisions but not solely determining outcomes.

S20. Ans.(c)
Sol. Learning must be transferable to job tasks to be effective. This means employees should be able to apply what they have learned in training directly to their work responsibilities.

S21. Ans.(c)
Sol. The independence of the internal audit function is a cornerstone of effective governance. By granting internal auditors direct access to the Board or the Audit Committee, the possibility of management interference is minimized. This access ensures that audits are objective and trustworthy, allowing the Board to make informed decisions without distortion. Options A, B, and D fail to meet this requirement, as they compromise the independence or effectiveness of internal audits.

S22. Ans.(b)
Sol. The Audit Committee is empowered by the Board to oversee the internal audit framework's implementation and effectiveness. This delegation allows the Board to focus on governance while ensuring the internal audit framework remains robust. The Committee's role includes reviewing policies, systems, and controls, ensuring alignment with the organization's goals. Option A is incorrect because the internal audit's scope extends beyond external stakeholders. Options C and D contradict the principles of independent governance.

S23. Ans.(b)
Sol. Filtering audit reports compromises the integrity of the audit process by allowing management to influence the findings, creating a conflict of interest. This practice can lead to a lack of transparency and undermine stakeholders' trust in the governance system. Options A and D describe outcomes that are contrary to the situation, while Option C is misleading as filtering reduces objectivity rather than enhancing it.

S24. Ans.(b)
Sol. Adequate staffing and resources empower the internal audit team to conduct thorough and unbiased audits, ensuring compliance with governance standards. This support enhances the team's ability to operate independently and fulfill its responsibilities effectively. Options A and C misrepresent the Board's role, and Option D suggests an operational concern rather than a governance priority, making them incorrect.

S25. Ans.(1<>2)
Sol.

The mean of the following data is,

Class Interval	Frequency(f_i)	Mid Point(x_i)	f_ix_i
05-15	8	10	80
15-25	12	20	240
25-35	6	30	180
35-45	4	40	160
	$\sum f_i = 30$		$\sum f_ix_i = 660$

$\bar{x} = \sum f_ix_i / \sum f_i = 660/30$

$= 22$

Class Interval	Frequency(f_i)	Mid Point(x_i)	$|x_i - \bar{x}|$
05-15	8	10	12
15-25	12	20	2
25-35	6	30	8
35-45	4	40	18
	$\sum f_i = 30$		$\sum |x_i - \bar{x}| = 40$

Mean Deviation = 40/30 = 1.33

S26. Ans.(d)
Sol.
The number of ways of getting two heads = $^5C_2 = 10$.
Total Number of ways = $2^5 = 32$
P (two heads) = $10/32 = 5/16$

S27. Ans.(6<>7)
Sol.

X	f	fX
3	2	6
5	4	20
6	3	18
7	8	56
8	10	80
	N=∑f= 27	∑fX= 180

Calculating average for the above discrete series:

$$X = \frac{\Sigma fX}{\Sigma f}$$

$$X = \frac{180}{27} \Rightarrow X = 6.66$$

Thus, the average of the above series is 6.66

S28. Ans.(4.5)
Let a and b are the two numbers. A.M. × H.M. = (G.M.)^2
Given: A.M. = 18 and G.M. = 9
The relation between A.M. G.M. H.M. is given as:
A.M. × H.M. = G.M.^{2}
18 × H.M. = 9^2
18 × H.M. = 81
H.M.= 81/18 = 4.5

S29. Ans.(b)
Sol. Section 153 to 158 of the Companies Act 2013 mandates that every director of a company must obtain a Director Identification Number (DIN) before they can be appointed or continue as a director. DIN is a unique identification number issued by the Ministry of Corporate Affairs to individuals intending to be directors or existing directors of companies.

S30. Ans.(a)
Sol. All Statements are correct:
Statement I: The normal distribution is indeed symmetric around its mean. This means that if you were to fold the distribution along its center (mean), the two halves would mirror each other. This symmetry is a fundamental characteristic of the normal distribution.
Statement II: In a normal distribution, the mean, median, and mode are all equal. This holds true because of the symmetry of the distribution. The peak of the distribution (mode) occurs at the mean, and since the distribution is symmetric, the median (middle value) coincides with the mean.
Statement III: The standard deviation (σ) of a normal distribution determines the spread or variability of the data points around the mean. A larger standard deviation indicates that the data points are more spread out from the mean, while a smaller standard deviation indicates that the data points are closer to the mean.

S31. Ans.(c)
Sol. Clear and concise wording in a questionnaire is crucial for ensuring respondents understand questions accurately, leading to more reliable data. Ambiguity or complexity in language can confuse participants, affecting response quality. By using straightforward language and avoiding jargon, researchers facilitate respondents' comprehension and encourage more accurate and meaningful responses, enhancing the overall effectiveness of the questionnaire as a data collection tool.

S32. Ans.(c)
Sol. When employees feel that they belong to their organization and are valued, they are generally more committed and satisfied. This positive feeling translates into enhanced performance and a proactive work attitude.

S33. Ans.(21<>22)
Sol.

Marks	0-10	10-20	20-30	30-40	40-50
Number of Students	5	8	6	6	5
Cumulative Frequency	0+5 = 5	5+8 = 13	13+6 = 19	19+6 = 25	25+5 = 30

Median = l + [(n/2 – cf) / f]×h

Median = 20 + [(15 – 10)/6]×10
= 20 + 5/3
= 60/3 + 5/3
= 65/3 = 21.67 (approx)
Thus, the median mark of the class test is 21.67

S34. Ans.(c)
Sol. Geopolitical changes can significantly impact economic activities, trade businesses, and monetary policies, requiring financial organizations to remain vigilant and adaptive to evolving regulations such as Data Protection and KYC. Additionally, regions with geopolitical uncertainty may see a rise in financial crime due to the use of innovative technologies. Hence, statements 1, 3, and 4 are accurate.

S35. Ans.(d)
Sol. The credit managers evaluating a borrower's ability to repay and prospective home buyers assessing interest rate trends both use their experiences and expectations about the future to make decisions.

S36. Ans.(c)
Sol. The RBI could reject the appointment if the detailed rationale for appointment lacks sufficient evidence of the candidate's compliance expertise. This information is crucial to ensure the candidate meets the necessary supervisory standards, and insufficient documentation may lead to concerns about the candidate's suitability for the role.

S37. Ans.(b)
Sol. The 'fit and proper' certification by the MD & CEO is critical. This document confirms that the candidate meets the supervisory requirements laid out by the RBI, making it essential for regulatory compliance and approval of the appointment.

S38. Ans.(c)
Sol. Failing to provide prior intimation to the RBI about such significant changes can result in penalties or a formal warning. This failure goes against the compliance protocols set by the RBI, and adherence to these protocols is crucial for maintaining the trust and regulatory approval of the banking operations.

S39. Ans.(a)
Sol. If there is a discrepancy between the committee's recommendations and the Board's decision, the most likely protocol is to re-convene the selection committee to reassess the candidates' rankings. This ensures that all considerations are reviewed again, maintaining the integrity of the selection process and ensuring the best candidate is chosen in alignment with both committee insights and Board perspectives.

S40. Ans.(2<>3)
Sol.
$$H.M. =$$
$$H.M. = \quad = \frac{n}{\sum_{i=1}^{n} \frac{f_i}{x_i}}$$
$$= 34/14$$
$$= 2.428$$

S41. Ans.(a)
Sol. As per the updated definition of Micro, Small, and Medium Enterprises (MSMEs) effective from 1st July 2020 under the MSMED Act, 2006. These are defined as enterprises where the investment in plant and machinery or equipment does not exceed ₹1 crore, and the annual turnover does not exceed ₹5 crores.

S42. Ans.(c)
Sol. The act of making a false document is defined under Section 464 of the Indian Penal Code (IPC) 1860. This section outlines the offense of making a false document with the intent to cause injury, harm, or fraud.

S43. Ans.(b)
Sol. The primary objective of a Distributed Denial of Service (DDoS) attack is to overwhelm the resources of a target system in such a way that the system stops functioning, leading to denial of access for its users. The goal is to make the system inoperative by overloading it with a massive volume of traffic.

S44. Ans.(a)
Sol. Total number of cases = 6^2 = 36
Since the number on a die should be multiple of the other, the possibilities are
(1, 1) (2, 2) (3, 3) ------ (6, 6) --- 6 ways
(2, 1) (1, 2) (1, 4) (4, 1) (1, 3) (3, 1) (1, 5) (5, 1) (6, 1) (1, 6) --- 10 ways
(2, 4) (4, 2) (2, 6) (6, 2) (3, 6) (6, 3) -- 6 ways
Favorable cases are = 6 + 10 + 6 = 22. So, P (A) = 22/36 = 11/18

S45. Ans.(b)
Sol. All statements are correct:
A is incorrect as it inaccurately states that regulators are the only stakeholders concerned with an organization's adherence to both external and internal norms, which is not supported.
B is incorrect because it undermines the importance of internal policies and values, which are explicitly mentioned as significant aspects of compliance.
C is correct as it encapsulates the comprehensive nature of compliance, highlighting adherence to external laws, internal policies, and ethical values, with different stakeholders focusing on different elements.
D is incorrect as it falsely suggests that board members, employees, and the public prioritize external laws over internal policies and values.

S46. Ans.(d)
Sol. The term Advanced Persistent Threat (APT) refers to a type of cyber attack where an individual or group gains unauthorized access to a network and remains undetected for an extended period. During this time, attackers exfiltrate sensitive data and deliberately evade detection by the organization's security personnel.

S47. Ans.(c)
Sol. "Cowboys" in the context of organizational culture, refers to individuals who are rewarded for risk-taking without any limits or consideration of the organization's risk tolerance. This behavior contradicts a strong culture of compliance, where risks are taken within the organization's risk tolerance and prioritizes the collective rather than individual interests.

S48. Ans.(c)
Sol. Compliance Risk Assessment in banking involves evaluating how well the bank is adhering to regulatory directives and identifying the major compliance risks it faces. This process is crucial for ensuring that the bank operates within legal and regulatory frameworks, thereby minimizing the risk of legal penalties, financial losses, and reputational damage.

S49. Ans.(b)
Sol. In an organizational context, inspections are primarily concerned with identifying and addressing immediate risks and potential hazards that could lead to accidents or other problems. They focus on what is currently happening and ensure that safety standards are met to prevent immediate incidents. On the other hand, audits delve deeper to uncover the underlying causes of these issues, aiming to understand and rectify systemic problems to prevent future occurrences.

S50. Ans.(c)
Sol. The Social Learning Theory posits that personality development is primarily influenced by social variables and learned behaviors rather than biological factors or genetic inheritance. This theory suggests that much of human behavior is acquired or modified through learning, where reinforcement (rewards) and punishment play significant roles in shaping behaviors and, consequently, personality.

S51. Ans.(d)
Sol. Tangible Networth = Networth - intangible assets
Capital + reserve - (preliminary expenses + P&L debit balance)
= 200+230-(80+30) = 430-110 = 320

S52. Ans.(d)
Sol. 1.37:1
Current Ratio=Current Assets / Current Liabilities
CA= (20+20+400+300)=740
CL=(40+100+400)=540
= 740/540 = 1.37:1

S53. Ans.(d)
Sol. 2.25:1
Total outside liabilities/Tangible networth
=720/320 =2.25:1

S54. Ans.(a)
Sol. 5 times
Stock turnover ratio= Sales/stock
=2000/400 =5 times

S55. Ans.(b)
Sol. Debt Collection period = No. days or months or Weeks in a year/Debt Turnover Ratio.
12 months in year
=12/10 = 1.2
Debtors Turnover Ratio = Net Credit Sales / Average Debtors.
=3000/300 =10 times 1.2 month and 10 times

S56. Ans.(5<>6)
Sol. The given data set is 2, 4, 6, 8, 10, and 12.
Product of Terms = 2 × 4 × 6 × 8 × 10 × 12 = 46080
Number of Terms (n) = 6
Using the Geometric Mean Formula
$G.M=(x_1 \times x_2 \times \ldots x_n)^{1/n}$
$GM = (2 \times 4 \times 6 \times 8 \times 10 \times 12)^{1/n}$
$GM = (46080)^{1/6}$
GM = 5.98

S57. Ans.(47)
Sol. Step 1: Order the given data in ascending order as:
13, 19, 25, 47, 50, 66, 75
Step 2: Check if n (number of terms of the data set) is even or odd and find the median of the data with the respective 'n' value.
Step 3: Here, n = 7 (odd)
Median = [(n + 1)/2]th term
Median = [(7 + 1)/2]th term = 4th term
= 47

S58. Ans.(c)
Sol. A point estimate is a single value (like a sample mean or proportion) used to estimate an unknown population parameter, such as a population mean or proportion.

S59. Ans.(c)
Sol. HR databases are centralized systems used by HR professionals to store and manage extensive personal and professional information of employees. They are crucial for efficiently handling various HR-related tasks, such as monitoring employee training progress, streamlining recruitment efforts, and more. By offering a structured way to collect, store, and access employee data, these databases support the HR department's ability to make informed decisions, enhance employee management processes, and ultimately contribute to the organization's overall efficiency.

S60. Ans.(d)
Sol. The sequence of Simulation Methodology is:
Define the problem: This is the starting point where you establish what you want to achieve with the simulation.
Construct a simulation model: Once the problem is defined, you create a model that simulates the system or process you're studying.
Specify the values of the parameter: After building the model, you input the necessary variables and parameters.
Evaluate results: You analyze the simulation results to draw conclusions and make decisions.
Propose a new experiment: This step involves running simulations and proposing scenarios to study the system's behavior.

S61. Ans.(b)
Sol. When there are no negative numbers in the Z-row of the tableau in the Simplex Method, it indicates that the current solution is the optimal solution to the linear programming problem. The objective function cannot be further improved, and the values of the decision variables in the current solution provide the best possible outcome according to the given constraints and objective function. This condition is a termination criterion for the Simplex Method, indicating that the optimization process is complete, and the optimal solution has been reached.

S62. Ans.(d)
Sol. HRMS (Human Resource Management System), HRIS (Human Resource Information System), and HCM (Human Capital Management) are terms often used interchangeably in the context of human resources management software. Despite historical distinctions where HRMS was considered a more comprehensive solution, encompassing a wider array of HR functionalities compared to HRIS and even HCM, modern re-branding efforts by many software providers have blurred these lines. Today, there is no significant functional difference between systems offered under these different titles, with each type of system generally providing a full suite of tools to manage various aspects of HR from employee data management to recruitment, payroll, performance management, and more. The choice of term more often reflects marketing strategies rather than distinct product capabilities.

S63. Ans.(a)
Sol. Environmental appraisal concerns with the impact **of the project** on the project and vice versa. The factors which may affect a project include **water**, **air**, land, sound, geographical location, etc. The borrower should have obtained all necessary clearances from the **pollution control board,** permission, and licenses to run the business.

S64. Ans.(c)
Sol. The mode of a set of numbers is the value that appears most frequently. If only one value appears most frequently, it is unimodal. If two values appear with the highest frequency, it is bimodal. When there are three or more values with the highest frequency, the data set is said to be multimodal. Therefore, the correct description of a multimodal distribution is when more than three values occur with the same highest frequency.

S65. Ans.(b)
Sol. Both credit managers and prospective home buyers use their experiences and outlooks for the future to make informed estimates about borrower reliability and interest rates in the mortgage market. This reflects their roles in financial decision-making.

S66. Ans.(a)
Sol. Here, S = {1, 2, 3, 4, ..., 19, 20}.
Let E = event of getting a multiple of 3 or 5 = {3, 6, 9, 12, 15, 18, 5, 10, 20}.
P(E) = n(E)/n(S) = 9/20.

S67. Ans.(a)
Sol. All correct statements are as follows:
1. **The SARFAESI Act, 2002, allowed banks and financial institutions to recover dues more quickly without court or tribunal intervention.**
o This statement is correct. The SARFAESI Act provides for the enforcement of security interest for the realization of dues without the intervention of courts or tribunals, thus hastening the recovery process.
2. **The Act was extended to include co-operative banks through a notification in 2003.**
o This statement is correct. The Act was extended to cover co-operative banks by a notification dated January 28, 2003.

3. **The SARFAESI Act primarily deals with the establishment of special tribunals for the recovery of dues.**

o   This statement is incorrect. The SARFAESI Act does not primarily deal with the establishment of special tribunals but rather allows for the enforcement of security interest without the intervention of courts or tribunals.

S68. Ans.(a)
Sol. The mode is a measure of central tendency that identifies the most frequently occurring number in a dataset. It is the value or values that appear most often, and it's especially useful in understanding what is typical or common within a set of data. In cases where multiple values are equally frequent, the dataset can have multiple modes, making it bimodal or multimodal if more than two values are most frequent.

S69. Ans.(b)
Sol. S.D = 40 hours

$\bar{X}$ = 780 hours

$Z_{a/2}$ = critical value of Z for two tail test = 1.96

In this question, n>30, so

$$\bar{x} - Z_{\alpha/2} \frac{\sigma}{\sqrt{n}} < \mu < \bar{x} + Z_{\alpha/2} \frac{\sigma}{\sqrt{n}}$$

= $780 \pm 1.96 * 40/(100)^{1/2}$

= $780 \pm 1.94 * 4$

= 780 ± 7.84

= 780 – 7.84, 780 + 7.84

= 772.16, 787.84

S70. Ans.(a)
Sol. Linear Programming is a mathematical technique used to optimally distribute limited resources among competing demands. It requires that the problems be structured with linear constraints, and there must be a linear objective function that the decision-maker seeks to maximize or minimize.

S71. Ans.(3<>4)
Sol. Frequency Density= Class frequency/Width of class

= 32/10

= 3.2

S72. Ans.(c)
Sol. The correct method is the Straight Ranking Method. This approach ranks employees in order of merit based on their performance by assessing their relative positions and grouping them accordingly. This method focuses on direct comparisons between individuals to establish a hierarchy of performance.

S73. Ans.(a)
Sol.
For 95% Z value is ±1.96
Standard deviation = $(49/100)^{1/2}$
= 0.7

Confidence interval = $\bar{x} - Z_{\alpha/2} \dfrac{\sigma}{\sqrt{n}} < \mu < \bar{x} + Z_{\alpha/2} \dfrac{\sigma}{\sqrt{n}}$
= (180±1.96*0.7)
= (180±1.37)
So µ should be between 178.63 and 181.37

S74. Ans.(b)
Sol. Fixed Cost is a type of cost in production that remains constant, irrespective of the level of production. This means that whether a company is producing at zero level or at its full capacity, the Fixed Cost will not change. This characteristic makes it challenging to distribute the Fixed Cost into a cost per unit of production, as it does not vary with the quantity of goods produced. An example of Fixed Cost is depreciation, which is a charge taken for the wear and tear of assets over time, and it remains the same regardless of how much the company produces using those assets.

S75. Ans.(b)
Sol. Cluster sampling involves dividing the population into clusters or groups that are internally homogeneous but differ from each other. Then, a random sample of clusters is selected, and all individuals within the chosen clusters are included in the sample. This method is particularly useful when it's impractical or costly to sample individuals directly from the population.

S76. Ans.(b)
Sol. An impossible event is one that cannot occur under any circumstances. Rolling a number 7 on a six-sided dice is impossible because the dice only has faces numbered from 1 to 6.

S77. Ans.(b)
Sol. A correlation coefficient of -0.75 signifies a strong negative correlation between the two variables X and Y. This indicates that the other tends to decrease as one variable increases. The value of -0.75 is relatively close to -1, which denotes a very strong negative linear relationship, thus option (b) is the correct answer.

S78. Ans.(d)
Sol. Standard deviation is a measure of dispersion that helps understand how spread out the scores are around the mean. A low standard deviation would indicate that most scores are close to the mean, suggesting similarity in student performance levels.

S79. Ans.(c)
Sol. A significant difference between the mean and median generally indicates the presence of outliers or an asymmetric distribution of data, where the mean is more affected by extreme values than the median.

S80. Ans.(b)

Sol. The median is the middle score in a data set and is less affected by outliers. This makes it a better measure of central tendency in the presence of extreme values compared to the mean, which can be skewed by outliers.

S81. Ans.(b)

Sol. A large standard deviation indicates that there is a wide spread in the scores, which suggests considerable variability in fitness levels among students rather than uniformity.

S82. Ans.(c)

Sol. A few very high scores can significantly increase the mean while the median, being the middle value, remains lower if the majority of the scores are below the mean. This scenario indicates a skewed distribution with high-end outliers.

S83. Ans.(d)

Sol. Complementary events are mutually exclusive and exhaustive. Drawing a spade and not drawing a spade covers all possibilities when drawing a card from a deck.

S84. Ans.(c)

Sol. In statistics, the term "population" is used more broadly than just referring to people; it encompasses all items or individuals that are the focus of a study, regardless of their nature. A "sample" is specifically a subset of this population, selected to represent the whole group.

S85. Ans.(a)

Sol. All Correct Statements are as follows:
1. **The Auditor's Report includes the auditor's opinion on the financial statements and the true and fair representation of material facts.**
o   This statement is correct. The Auditor's Report is indeed the auditor's opinion on the financial statements, focusing on the true and fair representation of material facts and aspects.
2. **CARO 2020 has a statutory format with 21 items in which the auditor reports on other legal and regulatory requirements.**
o   This statement is correct. CARO 2020 specifies a statutory format consisting of 21 items for reporting on other legal and regulatory requirements.
3. **CARO 2020 is applicable to all companies without any exceptions or exclusions.**
o   This statement is incorrect. CARO 2020 is not applicable to certain companies, such as those excluded under Sec 2(40) and those without cash flow statements.

S86. Ans.(b)

Sol. Simulation serves as a practical training tool by replicating real-world scenarios to train individuals effectively for actual challenges. It is used in various fields, notably in driving lessons where learners face simulated traffic conditions to prepare for real road situations, and in the financial world for areas like forex, investment, and risk management.

S87. Ans.(b)
Sol. Option B is not true as it incorrectly suggests that Human Resource Development was regionally isolated and unaffected by global events or advancements in other countries. The evolution of HR practices was influenced globally, with developments in the US and UK impacting other regions such as India, facilitated by scientific advancements and communication. This interconnectedness is highlighted by the spread of industrial-era practices and the impact of world events like the world wars.
- Option A is true as it correctly states that the world wars had a global influence on HR functions by creating similar welfare issues across nations, which contributed to the evolution of HR practices.
- Option C is true as it accurately describes how advances in communication and scientific knowledge helped spread industrial-era HR practices from the US and UK to India during the British Raj.
- Option D is true as it correctly acknowledges that the industrial era developments in the US and UK during the British Raj influenced HR practices in India, showcasing the global interconnectedness of HR evolution.

S88. Ans.(c)
Sol. A supplier of goods will be more willing to provide credit to the purchaser (bank's customer) if the **bill of exchange** drawn by her on the purchaser and accepted by her is also accepted by the **bank**. The bank's co-acceptance acts like a **guarantee** for her against non-payment by the purchaser. By providing this facility to the customer, the need for **working capital finance** from the bank is reduced due to credit provided by the supplier.

S89. Ans.(c)
Sol. Karl Pearson suggested the mathematical approach for determining the magnitude of a linear relationship between two variables, such as X and Y. This approach is known as Pearson's correlation coefficient.

S90. Ans.(a)
Sol. Statement 1 accurately describes the frequency and conditions under which the Audit Committee is required to meet. According to regulatory and governance practices, the Audit Committee must meet at least once every quarter, and additional meetings can be held as needed based on a resolution by the Board of Directors or at the request of any member of the Audit Committee.
Statement 2 correctly outlines the responsibility of the Chairperson or Chairman of the Audit Committee to report the proceedings of the meetings to the Board of Directors. This practice ensures transparency and allows the other Board members to stay informed about the Committee's activities and discussions. It also enables them to seek further clarification if required, which is crucial for effective oversight and governance.

S91. Ans.(b)
Sol. The sample space when a dice is rolled, S = (1, 2, 3, 4, 5, and 6)
So, n (S) = 6
E is the event of getting an even number.
So, n (E) = 3
Probability of getting an even number P (E) = Total number of favorable outcomes/Total number of outcomes
n(E) / n(S) = 3/6 = 1/2

S92. Ans.(a)

Sol. When fewer people show up for the survey, the sample size decreases from the originally intended 325 to 250. This decrease in sample size affects the confidence interval. Specifically, a smaller sample size generally leads to a wider confidence interval because the estimate becomes less precise.

S93. Ans.(c)

Sol. Performance appraisal methods of performance appraisal can be categorized into **traditional methods and modern methods**. The traditional methods focus on **personality traits**, whereas the modern methods prioritize job achievement. This shift is believed to enhance the process by making it more **objective**.

S94. Ans.(a)

Sol.

- **The maximum loan amount for crop loans and medium-term loans, including pre and post-harvesting activities and transportation, is Rs. 2 crores.**
- This statement is correct as per the given text. Crop loans, medium-term loans, and loans for pre and post-harvesting activities, including transportation, have an upper cap of Rs. 2 crores.
- **Advances for up to 12 months against Negotiable Warehouse Receipts (eNWR) are capped at Rs. 75 lakh, while advances against non-NWR/eNWR are capped at Rs. 50 lakh.**
- This statement is also correct. Advances for a period not exceeding 12 months against Negotiable Warehouse Receipts or eNWR are up to Rs. 75 lakh, and those against non-NWR/eNWR are up to Rs. 50 lakh.
- **Loans to co-operative societies of farmers for the purchase of produce from members or to Farmers Producing Company or Farmer Producing Organisations are considered PSL only if they exceed Rs. 5 crores.**
- This statement is incorrect. Loans to co-operative societies of farmers for the purchase of produce from members, Farmers Producing Companies, or Farmer Producing Organisations up to Rs. 5 crores, not exceeding Rs. 5 crores, are considered PSL.

S95. Ans.(a)

Sol. The nationalization of banks in 1969 marked a significant turning point in India's credit landscape. Before nationalization, credit flow was often directed toward prominent business houses that had ownership or management stakes in the banks. The nationalization of banks changed this scenario by placing greater control over banks under the Reserve Bank of India (RBI). This shift aimed to ensure that credit was allocated more equitably, reaching sectors of the economy that had been previously overlooked.

S96. Ans.(b)

Sol. Statement 1 is incorrect because "Delivery" encompasses not only legal documentation and creating security charges but also includes methods of delivering funds, such as loans or cash credit for working capital limits, as well as procedures for disbursing term loans.

Statement 2 is correct. "Control and Monitoring" are vital for both the borrower and the bank. It ensures proper use of the bank's funds and safeguards the borrower's interests by offering timely assistance during unforeseen difficulties. For the bank, efficient monitoring is crucial for timely intervention if the borrower deviates from projected activities, preventing potential losses in fund recovery.

S97. Ans.(b)
Sol. Statement (a) is incorrect as banks are mandated not to accept collateral security in the case of loans up to Rs. 10 lakh extended to units in the MSE sector. Statement (c) is incorrect as banks are allowed to sanction a composite loan limit of Rs. 1 crore to enable the MSE entrepreneurs to avail of their working capital and term loan requirements through Single Window. Statement (d) is incorrect as banks are required to mandatorily acknowledge all loan applications from MSME borrowers and implement a system of Central Registration, online submission, and e-tracking of MSE loan applications.

S98. Ans.(c)
Sol. Break Even Analysis (BEP) identifies the point where total costs are equal to total revenue, meaning there is no net loss or gain. It helps businesses predict financial health and determine when they might start repaying loans, thus offering a comprehensive understanding of both current standing and future financial planning.

S99. Ans.(c)
Sol. Credit risk refers to the potential that a borrower may fail to meet their financial obligations, particularly regarding the repayment of principal and interest as per the agreed terms. This risk arises from the borrower's unwillingness or inability to fulfill their financial commitments to the lender.

S100. Ans.(c)
Sol. A Collateralized Debt Obligation (CDO) is a structured financial product that pools together various types of debt instruments, such as bonds and loans and repackages them into different tranches with varying levels of risk. These tranches are then sold to investors. Each tranche represents a different level of risk and return, with the highest tranche being the least risky and the lowest tranche being the riskiest. CDOs played a significant role in the 2008 financial crisis. They are complex financial instruments and can be difficult to understand for non-experts.