

# Chartered Debt Advisor (Mock Test)

- 1.) Banks & other financial institutions hire \_\_\_\_\_ in order to recover debt from clients on their behalf.
  - A. Lawyers
  - B. Recovery Agents
  - C. Police
  - D. Customer Assistance Specialists
  
- 2.) Which is one of the documents that debt recovery agents is legally authorized to collect from the debtor on behalf of the lender?
  - A. Non-convertible debentures
  - B. Loan agreements
  - C. Valuable goods
  - D. Commercial paper
  
- 3.) When a bank advances money to a borrower, the goods of the borrower may be brought under the control of a bank. What are these goods called?
  - A. Premium goods
  - B. Valuable Goods
  - C. Pledged goods
  - D. Deposited goods

- 4.) Which right of recovery means that an agent can retain the money belonging to a principal, for meeting various kinds of expenses and thereafter remit the balance amount to the principal?
- A. Right to compensation
  - B. Right to indemnity
  - C. Right to retainer
  - D. Right to recover work-related expenses
- 5.) An asset including leased asset becomes \_\_\_\_\_ when it ceases to generate income for the bank
- A. Non-performing
  - B. Loan
  - C. Advance
  - D. Installment
- 6.) Under which circumstance a bank can disclose information regarding a customer's account to a person?
- A. Closing of account
  - B. Compulsion of law
  - C. Request by nominee of account
  - D. Death of the account holder

- 7.) If a customer thinks he is being harassed he should first approach the bank, and if not satisfied with the response he should get in touch with
- A. Debt Recovery Tribunal
  - B. Bank's Board of Directors
  - C. Banking Ombudsman
  - D. Recovery Agent
- 8.) What does the phase "Layering" means in the process of money laundering?
- A. Categorization of customers and also compilation and periodic updating of customer profiles
  - B. Money is invested in normal activities as economic funds
  - C. Separation of illicit proceeds from their source by complex layers of financial transactions
  - D. It means physical disposal of proceeds of criminal activity.
- 9.) Which of the following is not a cash inflow?
- A. Decrease in creditors
  - B. Decrease in debtors
  - C. Issue of shares
  - D. Sale of fixed assets

- 10.) What is “cross-border” debt?
- A. A debt outside creditor’s location of operation
  - B. Outstanding balance in excess of the sanctioned limit
  - C. Overdue receivables representing positive mark-to-market value
  - D. Amount due to the bank under any credit facility
- 11.) Which of the following is not a prescribed asset class under the Companies (Registered Valuers and Valuation) Rules, 2017?
- A. Securities or Financial Assets
  - B. Plant and machinery
  - C. Enterprise
  - D. Land and buildings
- 12.) Which of the following is not eligible to be registered as a valuer?
- A. Registered partnership Firm
  - B. Limited Liability partnership
  - C. Limited liability company
  - D. Hindu Undivided Family
- 13.) A person appointed by an agent to act for the principle is called \_\_\_\_
- A. Agent
  - B. Substitute agent
  - C. Sub-agent
  - D. Pretended agent

14.) 'Let the Buyer Beware' refers to:

- A. Caveat Emptor
- B. Caveat venditor
- C. Exmtor Venditor
- D. Unfair Trade Practices

15.) How is stamp duty paid in transactions where more than one instrument is required?

- A. Stamp Duty is paid on all the instruments equally
- B. Stamp duty is paid only on one of the principal instruments and on the balance documents only minimum duty is payable
- C. Stamp Duty is paid on any one of the instrument
- D. Stamp duty is paid on ad valorem basis

16.) Under the Insolvency and Bankruptcy Code, 2016, debts owed to a secured creditor in the event such secured creditor has relinquished security ranks equally with \_\_\_\_\_.

- A. Insolvency resolution process costs
- B. Dues to Central Government
- C. wages and any unpaid dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date
- D. Workmen's dues for a period of 24 months prior to liquidation commencement date.

- 17.) Value of a firm is usually based on \_\_\_\_\_.
- A. The value of debt and equity
  - B. The value of assets and liabilities
  - C. The value of debt
  - D. The value of equity
- 18.) What adjustment is made while using the Discounted Cash Flow method to value cyclical Companies?
- A. Use high discount rate
  - B. Use bank rate for discounting
  - C. Normalize earnings
  - D. Use high growth rate
- 19.) The only available option for managing excessive debt is bankruptcy
- A. True
  - B. False
- 20.) Credit cards are considered a type of secured debt

- A. True
- B. False

21.) What is the range of the CIBIL Score

- A. 300-900
- B. 600-900
- C. 400-800
- D. 300-800

22.) Securitization means

- A. Pooling of financial assets for forming in to a scrip for sale in a financial market
- B. Pooling of loans of a single borrower
- C. Converting loans to capital of banks
- D. Arranging for repayment of dues

23.) OTS scheme refers to

- A. Sanctioning of ad-hoc limits to sick units
- B. Settlement of all outstanding dues as on specified date as agreed to between the bank and the borrower
- C. Sanction of rehabilitation package
- D. Consortium lending of banks to the sick units

24.) SEFCs formed for Cluster Financing are a joint collaboration of:

- A. Banks & MSMEs
- B. MSMEs and Private Lenders
- C. SIDBI & Public Sector Banks
- D. SIDBI and MSMEs

25.) Credit Rating is mandatory for MSEs

- A. True
- B. False



## Answers

1. B	2. B	3. C	4. C	5. A	6. D
7. C	8. C	9. A	10.A	11.C	12.D
13.C	14.A	15.B	16.D	17.D	18.C
19.B	20.B	21.A	22.A	23.B	24.C
25.B					

**Thank you!**