

PRACTICE QUESTIONS

BACK OFFICE OPERATION MODULE

1. Provisions of PMLA are applicable to [1Mark]
- a) Banks
 - b) Financial Institutions
 - c) SEBI-regulated Intermediaries
 - d) All the above
- Correct Answer: All the above**
2. Which of the following is true for branches and subsidiaries of intermediaries located abroad? [1Mark]
- a) Comply with SEBI AML requirements to the extent local laws and regulations permit
 - b) In case of variance between AML requirements of India and the host country, adopt the more stringent requirements of the two.
 - c) Both the above
 - d) None of the above
- Correct Answer: None the above**
3. Which of the following is true of accounts for PEP? [1Mark]
- a) Intermediaries not permitted to open accounts
 - b) Intermediaries are required to obtain senior management approval for establishing business relationships with PEPs
 - c) Intermediaries are required to obtain SEBI's consent before opening account
 - d) Intermediaries are required to obtain SEBI's concurrence after opening the account
- Correct Answer: Intermediaries are required to obtain senior management approval for establishing business relationships with PEPs**
4. There is no minimum investment threshold/ category-wise exemption available for carrying out CDD measures by registered intermediaries. [1Mark]
- a) True
 - b) False
- Correct Answer: True**
5. In which of the following is PAN card not required? [1Mark]
- a) UN entities/ multilateral agencies which are exempt from paying taxes/ filling tax returns in India
 - b) Residents of Andaman & Nicobar Islands
 - c) Both the above
 - d) None of the above
- Correct Answer: UN entities/ multilateral agencies which are exempt from paying taxes/ filling tax returns in India**

6. Which of the following can make a nomination? [1Mark]
- a) Individual
 - b) HUF
 - c) Trust
 - d) Individual & HUF
- Correct Answer: Individual**
7. The culmination of an IPO is [1Mark]
- a) QIP
 - b) FPO
 - c) Listing
 - d) ASBA
- Correct Answer: Listing**
8. Issue of shares to new investors calls for _____ from current investors [1Mark]
- a) Ordinary resolution
 - b) Special resolution
 - c) Two-thirds majority approval
 - d) No approval
- Correct Answer: Special resolution**
9. 'Offer for sale' can be part of: [1Mark]
- a) IPO
 - b) FPO
 - c) Either of the above
 - d) None of the above
- Correct Answer: Either of the above**
10. Preferential allotment shares are locked in for [1Mark]
- a) 1 year
 - b) 3 years
 - c) 1 year for non-promoters
 - d) 1 year for non-promoters and 3 years for promoters
- Correct Answer: 1 year for non-promoters and 3 years for promoters**
11. It is compulsory for companies coming out with a public issue to offer demat facility [1Mark]
- a) True
 - b) False
- Correct Answer: True**
12. ASBA is available for [1Mark]
- a) IPO
 - b) IPO and FPO
 - c) Rights
 - d) All the above

Correct Answer: All the above

13. What is the form to be used for dematerialisation of securities? [1Mark]

- a) DRN
- b) DRF
- c) RRF
- d) DF

Correct Answer: DRF

14. Re-materialisation is to be completed within _____ days of request. [1Mark]

- a) 15
- b) 30
- c) 7
- d) 10

Correct Answer: 30

15. Investor can choose to hold the securities in either physical form or demat form.

[1Mark]

- a) True
- b) False

Correct Answer: True

16. The maximum demat accounts that an investor can own in his single name is _

[1Mark]

- a) 1
- b) 2
- c) 3
- d) Any number

Correct Answer: Any number

17. What are the first 2 digits / characters of ISIN for Indian companies? [1Mark]

- a) 91
- b) IN
- c) IS
- d) IA

Correct Answer: IN

18. _reduces the investor's pressures for timely transfer of securities sold. [1Mark]

- a) Standing instructions
- b) De-mat Debit & Pledge Instruction
- c) Freeze
- d) Nomination

Correct Answer: De-mat Debit & Pledge Instruction

19. Rights entitlements of shareholders is calculated by [1Mark]
a) Depository
b) Depository Participant
c) RTA
d) Custodian
Correct Answer: RTA
20. The RTA is entitled to become a DP. [1Mark]
a) True
b) False
Correct Answer: True
21. In a postal ballot, shareholders get _____ days to decide on resolutions. [1Mark]
a) 7
b) 10
c) 15
d) 30
Correct Answer: 30
22. In a poll by a company, who gets to vote? [1Mark]
a) Depository
b) DP
c) Beneficiary Owner
d) RTA
Correct Answer: Beneficiary Owner
23. Dividend is paid as a percentage of: [1Mark]
a) Subscribed Capital
b) Called up Capital
c) Paid up Capital
d) Authorised Capital
Correct Answer: Paid up Capital
24. If directors do not propose a dividend, then shareholders cannot insist on a dividend. [1Mark]
a) True
b) False
Correct Answer: True
25. The prime mover behind setting up a mutual fund is [1Mark]
a) Trustee
b) Sponsor
c) SEBI
d) FII
Correct Answer: Sponsor