

319 – Treasury Management

1. What is a primary objective of Treasury Management?

- A) Increase financial risks
- B) Decrease operational efficiency
- C) Ensure optimal utilization of funds
- D) Ignore organizational objectives

Answer: C) Ensure optimal utilization of funds

2. What is a responsibility of a Treasury Manager?

- A) Limiting access to financial information
- B) Enhancing financial transparency
- C) Minimizing liquidity concerns
- D) Ignoring market trends

Answer: B) Enhancing financial transparency

3. What role does the Reserve Bank of India (RBI) play in Treasury Management?

- A) No role in Treasury Management
- B) Sets monetary policy
- C) Ensures financial instability
- D) Restricts market activities

Answer: B) Sets monetary policy

4. What are recent developments in the RBI's policy framework?

- A) Increased regulation
- B) Decreased market intervention
- C) Implementation of new monetary tools
- D) Ignoring economic trends

Answer: C) Implementation of new monetary tools

5. What is an essential function of Treasury?

- A) Increasing financial risks
- B) Decreasing operational efficiency
- C) Managing financial assets and liabilities
- D) Limiting market exposure

Answer: C) Managing financial assets and liabilities

6. What is a characteristic of the Foreign Exchange Market?

- A) Limited international participation
- B) High liquidity
- C) Low volatility
- D) No impact on global economy

Answer: B) High liquidity

7. What role do banks play in the Forex Market?

- A) Minimal involvement
- B) Facilitators of currency exchange

C) Reduce market volatility

D) Ignore market trends

Answer: B) Facilitators of currency exchange

8. What factors impact the Forex Market?

A) Political stability

B) Limited market participants

C) Decreased international trade

D) Ignoring economic indicators

Answer: A) Political stability

9. What are examples of Forex Treasury products?

A) Commodities only

B) Stocks only

C) Currency options, forwards, and swaps

D) Bonds only

Answer: C) Currency options, forwards, and swaps

10. What is the primary goal of Financial Planning and Control in Treasury Management?

A) Decreasing financial transparency

B) Minimizing financial risks

C) Ignoring market trends

D) Limiting organizational objectives

Answer: B) Minimizing financial risks

11. What is the significance of Cash Management?

- A) Increased liquidity concerns
- B) Enhanced operational efficiency
- C) Limited access to financial resources
- D) Ignoring organizational objectives

Answer: B) Enhanced operational efficiency

12. What is a key objective of Cash Flow Budgeting and Forecasting?

- A) Decreasing financial risks
- B) Minimizing financial transparency
- C) Predicting cash flows accurately
- D) Limiting market exposure

Answer: C) Predicting cash flows accurately

13. Why is liquidity management important?

- A) To increase financial risks
- B) To decrease operational efficiency
- C) To ensure availability of funds
- D) To ignore market trends

Answer: C) To ensure availability of funds

14. Why is Internal Control important?

- A) To increase operational efficiency
- B) To minimize financial transparency
- C) To enhance financial risks
- D) To limit organizational objectives

Answer: A) To increase operational efficiency

15. What distinguishes Internal from External Control?

- A) Limited financial oversight
- B) Operational risks
- C) Independence from the organization
- D) Ignoring market trends

Answer: C) Independence from the organization

16. How does Treasury adapt to the changing global scenario?

- A) By limiting international transactions
- B) By enhancing market participation
- C) By increasing financial risks
- D) By ignoring economic indicators

Answer: B) By enhancing market participation

17. What is the role of Front and Back Office in Treasury Structure?

- A) Minimize operational efficiency

B) Enhance financial transparency

C) Increase financial risks

D) Ignore market trends

Answer: B) Enhance financial transparency

18. What is the significance of Moral and Ethical aspects in Treasury Management?

A) To enhance market participation

B) To minimize financial risks

C) To ensure regulatory compliance

D) To ignore organizational objectives

Answer: C) To ensure regulatory compliance