



**Lending: Products, Operations and Risk Management**

The sample questions are related to the JAIBP Stage 2 course “*Lending: Products, Operations and Risk Management*”. The students are advised to thoroughly read the exam guidelines and the syllabus guide for this course before start studying for the paper. The questions are shared to give an idea to the student about the paper format and types of questions. For further information visit the IBP website [www.ibp.org.pk](http://www.ibp.org.pk)

**Multiple Choice Questions**

**Each MCQ carry one mark.**

- Q1.** If a bank is willing to lend its money to a person or a company or a sector/ industry, this reflects its confidence in:
- A. Purpose of loan  
B. Ability to repay  
C. Intent to repay  
D. All of the provided choices (Answer)
- Q2.** Ratio which determines the relationship between debt and capital is known as:
- A. Gearing Ratio (Answer)  
B. Capital Adequacy Ratio  
C. Interest Coverage Ratio  
D. Breakeven Ratio
- Q3.** A/ an \_\_\_\_\_ is the transfer of rights to a claim or dues in favor of the lender as a security of credit facilities.
- A. Assignment (Answer)  
B. Mortgage  
C. Pledge  
D. Lien