

Question 1: The Credit Bureau or Credit Reference Agency is a company that \_\_\_\_\_.

- Provides credit to public
- Provides consumer credit information on individual borrower
- Only exists in USA and UK
- Works for credit card companies only

Question 2: All of the following are the activities covered in a credit history or credit report, EXCEPT:

- Consumer's payment patterns
- Consumer's lending patterns
- Consumer's credit balances
- Consumer's credit inquiries by debtors

Question 3: Which of the following is the one way for a bank to deal with credit risk?

- Charge all borrowers from the same industry an average rate or interest for that industry
- Avoid making loans to borrowers from a broad spectrum and to specialize geographically and in specific industries
- Add a mark-up to the cost of funds for a specific borrower based on the borrower's credit history
- All loans within the conforming loan limit at the time of origination will continue to be deemed

Question 4: Banks should ensure that the credit risk involved in new products and activities needs prior approval by the \_\_\_\_\_.

- Senior management
- Branch manager
- Board of directors
- Middle management

Question 5: Corporate credit scoring is represented through \_\_\_\_\_.

- Numerical expression
- Algebraic expression
- Capital Letters
- Small letters

Question 6: Creditworthiness of a borrower is represented by a numerical expression that is called \_\_\_\_\_.

- Credit rating
- Credit report
- Credit score