



IDBI RECRUITMENT JUNIOR ASSISTANT MANAGER

5 JUNE 2025

**General/ Economy/ Banking
Awareness**

Q1.Which was the only public sector undertaking to be Nationalised in 1955?

- (a)Bank of Hindustan
- (b)Punjab National Bank
- (c)Bank of india
- (d)State Bank of India
- (e)Reserve Bank of India

Q2.How many Banks were Nationalised in 1969?

- (a)6
- (b)8
- (c)10
- (d)12
- (e)14

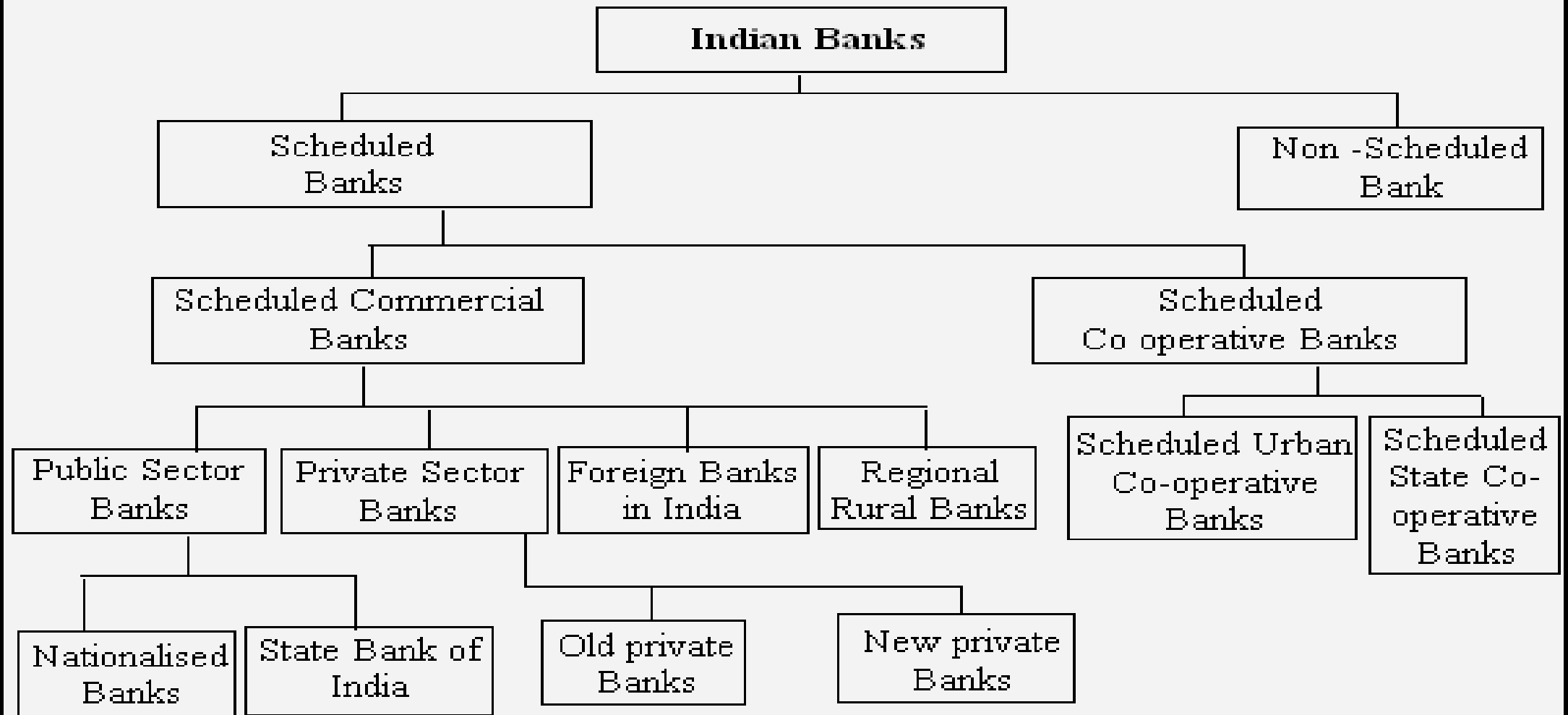
Q3.Second Phase of Nationalisation was conducted in which year?

- (a)1970
- (b)1980
- (c)1990
- (d)1995
- (e)2000

Q4.How many Banks were Nationalised during Phase II?

- (a)2
- (b)4
- (c)6
- (d)8
- (e)10

Banking Structure in India



Definition of Scheduled Banks:

“Banks which have been included in the **second scheduled of the RBI Act, 1934**”.

https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=3657

Definition of Non- Scheduled Banks:

The banks which are **not included in the list of the scheduled banks** are called the Non-Scheduled Banks.

अनुसूचित बैंकों की परिभाषा:

"जिन बैंकों को RBI अधिनियम, 1934 के दूसरे अनुसूचित में शामिल किया गया है"।

गैर-अनुसूचित बैंकों की परिभाषा:

जो बैंक अनुसूचित बैंकों की सूची में शामिल नहीं हैं, उन्हें गैर-अनुसूचित बैंक कहा जाता है।

RESERVE BANK OF INDIA



INTRODUCTION OF RBI

**BOARD OF DIRECTORS
AND OFFICES OF RBI**

SUBSIDIARY OF RBI

FUNCTIONS OF RBI

**ISSUE OF COINS AND
BANK NOTES**



RBI: AN INTRODUCTION

Recommended by Hilton Young commission (1926),

Established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934.

The Central Office was initially established in Calcutta but was permanently moved to Mumbai in 1937





GOVERNOR

DEPUTY GOVERNORS

4

BOARD OF DIRECTORS

Four Members from Local Board.
Two Members from Finance Ministry.
Ten members from Government of India.



RBI GOVERNORS

List of Governors

| | | |
|----------------------|--------------------|----------------------|
| Sir Osborne Smith | S Jagannathan | Dr. C Rangarajan |
| Sir James Taylor | N C Sen Gupta | Dr. Bimal Jalan |
| Sir C D Deshmukh | K R Puri | Dr. Y V Reddy |
| Sir Benegal Rama Rau | M Narasimham | Dr. D. Subbarao |
| K G Ambegaonkar | Dr. I G Patel | Dr. Raghuram Rajan |
| H V R Iengar | Dr. Manmohan Singh | Dr. Urjit R. Patel |
| P C Bhattacharya | A Ghosh | Shri Shaktikanta Das |
| L K Jha | R N Malhotra | |
| B N Adarkar | S Venkitaramanan | |

FUNCTIONS OF RBI



To Formulate Monetary Policy.



To Issue Currency.



To Manage Foreign Exchange Reserve.



To Act as Banker of all Bank



To Act as Banker to the Government



To Act as Lender of Last Resort (LOLR)



To Regulate the Indian Banking System.



To Perform Development Functions.



SUBSIDIARIES OF RBI



Deposit Insurance And Credit Guarantee Corporation Of India (DICGC)



Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL)



Reserve Bank Information Technology Private Limited (REBIT)



Indian Financial Technology And Allied Services (IFTAS)
Reserve Bank Innovation Hub (RBIH)

Q2. Which Commission recommended the formation of Reserve Bank of India (RBI)?

- (a) YV Reddy Committee
- (b) Hilton Young Commission
- (c) Rangrajan Committee
- (d) J Reddy Committee
- (e) None of these

Q3. The Reserve Bank of India was established in 1935 with a capital of _____ crore.

- (a) 50 lakhs
- (b) 1 crores
- (c) 2 crores
- (d) 5 crores
- (e) 10 crores

Q11. DICGC is one of the fully owned subsidiaries of RBI, full form of DICGC is?

- (a) Deposit Initially and Credit Guarantee Corporation of India
- (b) Deposit Insurance and Credit Guarantee Corporation of India
- (c) Deposit Incorporation and Credit Guarantee Corporation of India
- (d) Deposit Intern and Credit Guarantee Corporation of India
- (e) None of these

- **The concept of insuring deposits kept with banks received attention for the first time in the year 1948 after the banking crises in Bengal.** The question came up for reconsideration in the year 1949, but it was decided to hold it in abeyance till the Reserve Bank of India ensured adequate arrangements for inspection of banks. Subsequently, in the year 1950, the Rural Banking Enquiry Committee also supported the concept. Serious thought to the concept was, however, given by the Reserve Bank of India and the Central Government after the crash of the Palai Central Bank Ltd., and the Laxmi Bank Ltd. in 1960. The Deposit Insurance Corporation (DIC) Bill was introduced in the Parliament on August 21, 1961. After it was passed by the Parliament, the Bill got the assent of the President on December 7, 1961 and the Deposit Insurance Act, 1961 came into force on January 1, 1962.
- The Deposit Insurance Scheme was initially extended to functioning commercial banks only. This included the State Bank of India and its subsidiaries, other commercial banks and the branches of the foreign banks operating in India.
- Since 1968, with the enactment of the Deposit Insurance Corporation (Amendment) Act, 1968, the Corporation was required to register the 'eligible co-operative banks' as insured banks under the provisions of Section 13 A of the Act. An eligible co-operative bank means a co-operative bank (whether it is a State co-operative bank, a Central co-operative bank or a Primary co-operative bank) in a State which has passed the enabling legislation amending its Co-operative Societies Act, requiring the State Government to vest power in the Reserve Bank to order the Registrar of Co-operative Societies of a State to wind up a co-operative bank or to supersede its Committee of Management and to require the Registrar not to take any action for winding up, amalgamation or reconstruction of a co-operative bank without prior sanction in writing from the Reserve Bank of India.

Chairman

Dr. M.D. Patra

Deputy Governor, Reserve Bank of India, Mumbai

Nominated by the Reserve Bank of India under Section 6(1)(a) of The Deposit Insurance and Credit Guarantee Corporation Act, 1961.

https://www.dicgc.org.in/FD_A-GuideToDepositInsurance.html#q1

LINK FOR FURTHER DETAILS REGARDING DICGC



Bharatiya Reserve Bank Note Mudran Private Limited

- **BRBNMPL was established by Reserve Bank of India (RBI) as its wholly owned subsidiary on 3rd February 1995 with a view to augmenting the production of bank notes.**
- **It has two presses one in Mysore and Salboni.**
- **HQ:BANGALURU**
- **CHAIRMAN: SHRI T RABI SHANKAR**
- **The present capacity for both the presses is 16 billion note pieces per year on a 2-shift basis.**

BRBNMPL को भारतीय रिज़र्व बैंक (RBI) द्वारा 3 फरवरी 1995 को बैंक के नोटों के उत्पादन को बढ़ाने के उद्देश्य से पूर्ण स्वामित्व वाली सहायक कंपनी के रूप में स्थापित किया गया था। इसमें मैसूर और सालबोनी में दो प्रेस हैं।

मुख्यालय: बेंगलुरु

चेयरमैन: श्री बी.प. कानूनगो

2-शिफ्ट के आधार पर दोनों प्रेस की वर्तमान क्षमता 16 बिलियन नोट प्रति वर्ष है।

Reserve Bank Information Technology Private Limited (ReBIT)

Established: 2016

Role of ReBIT: It has been set up by the Reserve Bank of India, for **its IT and cybersecurity needs** and to ensure cyber resilience of Indian banking.

Deliver and manage IT projects of RBI; Assist RBI in performing risk-based supervision of regulated entities; Safeguard RBI assets by detecting and responding to cyber-threats.

Chairman: PROF. SACHIN CHATURVEDI

HQ:MUMBAI

ReBIT की भूमिका:

इसकी स्थापना भारतीय रिज़र्व बैंक द्वारा, इसकी आईटी और साइबर सुरक्षा आवश्यकताओं के लिए और भारतीय बैंकिंग की साइबर लचीलापन सुनिश्चित करने के लिए की गई है।

आरबीआई की आईटी परियोजनाओं को वितरित और प्रबंधित करना; विनियमित संस्थाओं के जोखिम-आधारित पर्यवेक्षण करने में RBI की सहायता करना; साइबर खतरों का पता लगाने और जवाब देने के द्वारा आरबीआई की संपत्ति की सुरक्षा करें।

अध्यक्ष: श्री। किरण कार्णिक
मुख्यालय: मुंबई

Indian Financial Technology and Allied Services (IFTAS)

Function and Role of IFTAS– Financial Technology and Allied Services (IFTAS) is a wholly-owned subsidiary of the Reserve Bank of India, mandated to design, deploy & support IT-related services to all Banks and Financial Institutions in the country and also to the Reserve Bank of India.

It manages & operates the Financial messaging platform (SFMS) that comprising of Real-Time Gross Settlement and National Electronic Funds Transfer.

INFINET is also managed by IFTAS.

IFTAS operates CLOUD (Indian Banking Community Cloud), the only community cloud in the country, hosting cloud based solutions (Platform, Core, Channel, Corporate, etc.) dedicated to the Banking & Financial Community.

The IFTAS has taken over the Indian Financial Network (INFINET), Structured Financial Messaging System (SFMS) and the Indian Banking Community Cloud (IBCC) from the IDRBT, effective April 01, 2016.

The Director, IDRBT, is the Chairman of The Indian Financial Technology and Allied Services.

Chairman of IFTAS: Shri. VIVEK DEEP
HQ:MUMBAI

भारतीय वित्तीय प्रौद्योगिकी और संबद्ध सेवाएँ (IFTAS)

IFTAS- वित्तीय प्रौद्योगिकी और संबद्ध सेवाएँ (IFTAS) की कार्यप्रणाली और भूमिका भारतीय रिज़र्व बैंक की पूर्ण स्वामित्व वाली सहायक कंपनी है, जो देश के सभी बैंकों और वित्तीय संस्थानों में आईटी से संबंधित सेवाओं को डिजाइन, तैनात और समर्थन करने के लिए अनिवार्य है। भारतीय रिज़र्व बैंक।

यह वित्तीय मैसेजिंग प्लेटफ़ॉर्म (SFMS) का प्रबंधन और संचालन करता है, जिसमें रियल-टाइम ग्राँस सेटलमेंट और नेशनल इलेक्ट्रॉनिक फंड ट्रांसफर शामिल हैं।

INFINET भी IFTAS द्वारा प्रबंधित किया जाता है।

IFTAS CLOUD (इंडियन बैंकिंग कम्युनिटी क्लाउड) का संचालन करता है, जो बैंकिंग और वित्तीय समुदाय को समर्पित क्लाउड आधारित समाधान (प्लेटफ़ॉर्म, कोर, चैनल, कॉर्पोरेट आदि) की मेजबानी करने वाला देश का एकमात्र सामुदायिक क्लाउड है।

IFTAS ने 01 अप्रैल, 2016 से प्रभावी, IDRBT से इंडियन फाइनेंशियल नेटवर्क (INFINET), स्टक्चर्ड फाइनेंशियल मैसेजिंग सिस्टम (SFMS) और इंडियन बैंकिंग कम्युनिटी क्लाउड (IBCC) को अपने कब्जे में ले लिया है।

IDRBT के निदेशक, भारतीय वित्तीय प्रौद्योगिकी और संबद्ध सेवाओं के अध्यक्ष हैं।

IFTAS के अध्यक्ष: श्री। टी रबी शंकर
मुख्यालय: मुंबई

RBIH

The Reserve Bank Innovation Hub is a wholly owned subsidiary of the Reserve Bank of India (RBI) set-up to promote and facilitate an environment that accelerates innovation across the financial sector.

Chairman : Shri. Senapathy “Kris” Gopalakrishnan.

HQ: BENGALURU

EST: 2022

Which of the following are subsidiaries of RBI?

(A) National Housing Bank (NHB)

(B) National Bank for Agriculture and Rural Development (NABARD)

(C) Export Import Bank (EXIM Bank)

(D) Deposit Insurance and Credit Guarantee Corporation of India (DICGC)

(E) Bhartiya Reserve Bank Note Mudran Private Limited (BRBNMPL)

Choose the correct answer from the options given below:

1. (A), (B), (C), (D) Only

2. (A), (B), (D), (E) Only

3. (D), (E) Only

4. (A), (C), (E) Only

In the event of a bank failure, the Deposit Insurance and Credit Guarantee Corporation (DICGC) protects bank deposits that are payable in India.

Which of the following deposits will be insured by the DICGC ?

- ☐ A Deposits of foreign governments
- ☐ B Deposits of Central/state governments
- ☐ C Inter-bank deposits
- ☐ D All the above
- ☐ E None of the above

2. Which of the following is insured by the DICGC?

- A. Commercial Banks
- B. Foreign Banks in India
- C. Local Area Banks
- D. Regional Rural Banks
- E. All of these

4. Which of the following is not insured by the DICGC?

- A. State cooperative Banks
 - B. Central cooperative Banks
 - C. Urban cooperative Banks
 - D. Primary cooperative societies
 - E. Primary cooperative banks
-

7. Which of the following deposits is insured by DICGC?

- A. Fixed Deposit
- B. Savings
- C. Current
- D. RD
- E. All of these

NABARD



NABARD

NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

- Set up on the recommendation of CRAFICARD (Committee to Review the Arrangements for Institutional Credit for Agriculture and Rural Development) set up by RBI under the Chairmanship of B. Sivaraman (1979)
- NABARD came into existence on the 12th of July 1982.
- Govt. Of India stake in NABARD-100%
- Head Office – MUMBAI
- Its initial **paid up capital** was Rs. 100 cr. contributed with 50: 50 by government of India and Reserve bank of India

कृषि और ग्रामीण विकास के लिए राष्ट्रीय बैंक

- बी शिवरामन की अध्यक्षता में RBI द्वारा गठित CRAFICARD की सिफारिश पर स्थापित किया गया।
- 12 जुलाई 1982 को नाबार्ड अस्तित्व में आया।
- नाबार्ड -100% में भारत सरकार की हिस्सेदारी
- प्रधान कार्यालय - मुंबई

OUR SUBSIDIARIES

- ▶ NABKISAN
- ▶ NABSAMRUDDHI
- ▶ NABFINS
- ▶ NABFOUNDATION
- ▶ NABCONS
- ▶ NABVENTURES
- ▶ NABSanrakshan

Important Contributions of NABARD

NABARD Contributions

Kisan Credit Card Scheme:

- This scheme was introduced in 1998 in association with RBI to provide crop loans.

RuPay Kisan Cards:

- All farmer clients were provided with RuPay cards trying to bring a technological change in the rural financial sector.



REGIONAL RURAL BANKS (RRBs)

- Established on 2nd OCT. 1975
- In 5 districts of India (MORADABAD, GORAKHPUR, JAIPUR, MALDA, BHIWANI).
- Under the provisions of the Ordinance enacted on the 26th September 1975 and followed by Regional Rural Banks Act, 1976.
- There are _____ RRBs as on date.

क्षेत्रीय ग्रामीण बैंक (आरआरबी)

- 2 अक्टूबर 1975 को स्थापित किया गया
- भारत के 5 जिलों में (मोरादाबाद, गोरखपुर, जयपुर, मालदा, भिवानी)
- अध्यादेश के प्रावधानों के तहत 26 सितंबर 1975 को अधिनियमित किया गया और उसके बाद क्षेत्रीय ग्रामीण बैंक अधिनियम, 1976 तिथि के अनुसार 45 आरआरबी हैं।



SHARE CAPITAL OF RRBS

- **Government of India - 50%**
- **State Government - 15%**
- **Sponsor bank - 35%**
- **Authorized capital-2000 cr.**

• AMALGAMATION OF RRBS

- **The amalgamated RRBs also benefit from larger area of operation, enhanced credit exposure limits for high value and diverse banking activities.**
- **Prathama Grameen Bank was the 1st RRB to be established in Moradabad and it was sponsored by Syndicate Bank.**

आरआरबीएस का शेयर कैपिटल

भारत सरकार - 50%

राज्य सरकार - 15%

प्रायोजक बैंक - 35%

अधिकृत पूंजी - 2000 करोड़

- आरआरबी की गणना

समामेलित आरआरबी भी परिचालन के बड़े क्षेत्र से लाभान्वित होते हैं, उच्च मूल्य और विविध बैंकिंग गतिविधियों के लिए ऋण जोखिम सीमा में वृद्धि होती है।

- प्रथम ग्रामीण बैंक मुरादाबाद में स्थापित होने वाला पहला RRB था और यह था सिंडिकेट बैंक द्वारा प्रायोजित।

DEVELOPMENT BANKS

NABARD

Headquarters -
Mumbai
Established -12 July
1982

NHB(NATIONAL HOUSING BANK)

Headquarters-New Delhi
Established- 9 July 1988

EXIM-BANK (EXPORT- IMPORT BANK)

Headquarters- Mumbai
Established - 1982



राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK



Development Banks in India

IFCI

(Industrial finance corporation of India)

Headquarters - New Delhi

Established - 1 July 1948.



SIDBI

(Small Industries Development Bank of India)

Headquarters- Lucknow

Established - 2 April 1990



| | | | |
|------------------------------------------------|-----------------------------------------------------------|------------------------------|-------|
| कृषि और ग्रामीण विकास के लिए राष्ट्रीय बैंक | NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT | 12 July 1982 MUMBAI | |
| लघु उद्योग भारत के विकास बैंक | SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA | 2 April 1990 LUCKNOW | _____ |
| निर्यात आयात बैंक | EXPORT IMPORT BANK | 1 Jan 1982 MUMBAI | |
| राष्ट्रीय आवास बैंक | NATIONAL HOUSING BANK | 9 July 1988 NEW DELHI | |
| भारत का औद्योगिक वित्त निगम | INDUSTRIAL FINANCE CORPORATION OF INDIA | 1 July 1948 NEW DELHI | |

Expand IFSC.

(1) Indian Financial Statistical Committee

(2) Indian Financial System Code

(3) International Financial Statistical Committee

(4) International Financial System Code

(5) None of these

Disinvestment means-

- (1) To reduce the government share in the private sector.
- (2) To reduce government share in the FDI.
- (3) To reduce government share in Market.
- (4) To reduce the government share in the public sector.
- (5) All of these

Q2. Which of the following statements is/are correct regarding the Monetary Policy Committee (MPC)? (2017)

1. It decides the RBI's benchmark interest rates.
2. It is a 12-member body including the Governor of RBI and is reconstituted every year.
3. It functions under the chairmanship of the Union Finance Minister.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 1 and 2 only
- (c) 3 only
- (d) 2 and 3 only

Ans: (a)

The total income of the country divided by its total population is termed as?

1. Per capita income
2. Annual income
3. Real income
4. GDP

6. Which section of Banking Regulation Act 1949 has Statutory Liquidity Ratio?

(1) Section 24

(2) Section 22

(3) Section 23

(4) Section 25

(5) Section 21

6. Which section of Reserve Bank of India Act 1934 direct Cash reserves of scheduled banks to be kept with the Bank?

(1) Section 39

(2) Section 31

(3) Section 44

(4) Section 48

(5) Section 42

Which of the following country's capital is "Hanoi" and currency is "Dong"?

निम्न में से किस देश की राजधानी "हनोई" और मुद्रा "डॉंग" है?

01. Vietnam
वियतनाम

03. Cambodia
कम्बोडिया

05. Mexico
मैक्सिको

02. Philippines
फिलीपींस

04. Nigeria
नाइजीरिया

If money is borrowed for a period of more than 14 days, it is known as –

यदि धन 14 दिनों से अधिक की अवधि के लिए उधार लिया जाता है, तो इसे निम्न के रूप में जाना जाता है -

01. Term money
टर्म मनी

03. Call money
कॉल मनी

05. None of the above
इनमे से कोई भी नहीं

02. Notice money
नोटिस मनी

04. Fixed Money
फिक्स्ड मनी

Who has been appointed as the new Chairman of the State Bank of India (SBI)?

भारतीय स्टेट बैंक (एसबीआई) के नए अध्यक्ष के रूप में किसे नियुक्त किया गया है?

01. Challa Sreenivasulu Setty

चल्ला श्रीनिवासुलु सेट्टी

03. Rana Ashutosh Kumar Singh

राणा आशुतोष कुमार सिंह

05. None of these

इनमें से कोई नहीं

02. Dinesh Kumar Khara

दिनेश कुमार खरा

04. Rajnish Kumar

रजनीश कुमार

Which of the following institution publishes the Financial Stability Report (FSR) in India?

- ☐ Reserve Bank of India
- ☐ Securities and Exchange Board of India
- ☐ Competition Commission of India
- ☐ NITI Aayog

Who is the author of the book titled 'Modi's Governance Triumph: Reshaping India's Path to Prosperity'?

- 1) Vishal Pandey
- 2) Bhavi Mehta
- 3) Duvvuri Subbarao
- 4) Tarun Chugh
- 5) S.Ramann



INFLATION

- **DEFINITION OF INFLATION**
- **STAGES OF INFLATION**
- **CAUSES OF INFLATION**
- **TYPES OF INFLATION**
- **EFFECTS OF INFLATION**
- **MEASUREMENT OF INFLATION**
- **NEW WPI SERIES**
- **MEASURES TO CONTAIN INFLATION**
- **HYPERINFLATION**
- **STAGFLATION**
- **DISINFLATION**
- **REFLATION**
- **RECESSION**

Inflation



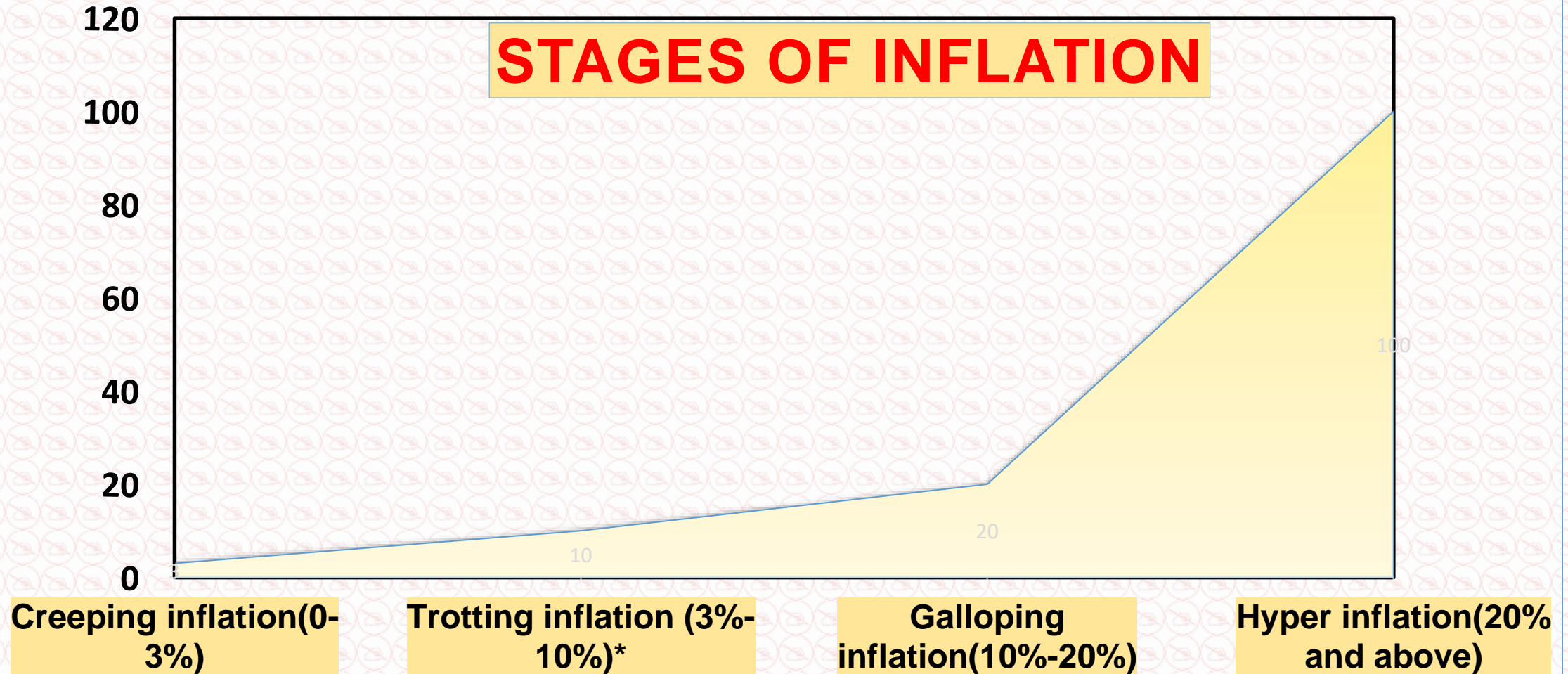
- A rise in the general level of prices,
- A sustained rise in the general level of prices,
- Persistent increase in the general level of prices,
- An increase in the general level of prices in an economy that is sustained over time,
- Rising prices across the board-is inflation

मुद्रास्फीति



- कीमतों के सामान्य स्तर में वृद्धि,
- कीमतों के सामान्य स्तर में निरंतर वृद्धि,
- कीमतों के सामान्य स्तर में लगातार वृद्धि,
- समय के साथ स्थिर रहने वाली अर्थव्यवस्था में कीमतों के सामान्य स्तर में वृद्धि,

STAGES OF INFLATION



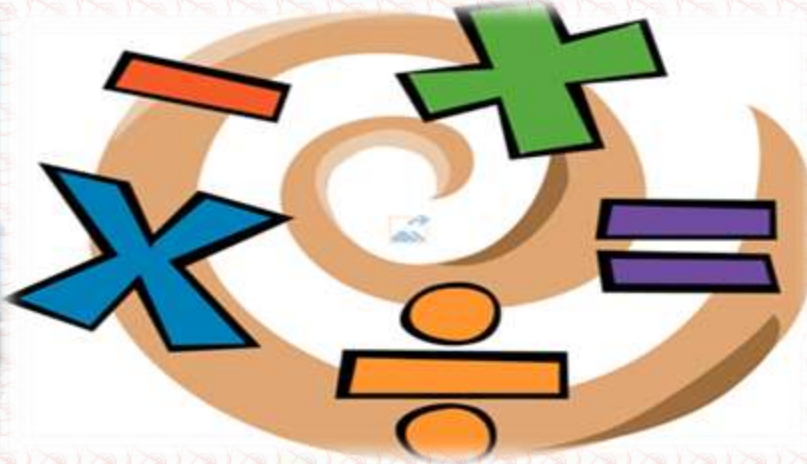
* DATA MAY

Base Effect

Current Inflation Rate = $[(\text{Current Price Index} - \text{Base year's Price Index}) \div \text{Base year's Price Index}] \times 100$

What is Base Year?

Increase or decrease in general price level is measured against price level of some reference year called base year.



Types of inflation Inflation is usually categorized on different basis which are given as below: **A. On the basis of Rate:** Inflation has been categorized into following types on the basis of its different rates:

1. Creeping Inflation: Creeping Inflation also known as a Mild Inflation or Low Inflation refers to that type of inflation when the rise in prices is very slow like that of snail or creeper. It is the mildest form of inflation with less than 3% per annum.

2. Chronic Inflation: If creeping inflation persist for a longer period of time then it is often called as Chronic or Secular Inflation. It is called chronic because if an inflation rate continues to grow for a longer period without any downturn which may possibly lead to Hyperinflation.

3. Walking or Trotting Inflation: When prices rise moderately with a single digit of less more than 3% but less than 10% per annum it is called as Walking Inflation.

4. Running Inflation: A rapid acceleration in the rate of rising prices is referred as Running Inflation. This type of inflation occurs when prices rise by more than 10% per annum.

5. Galloping Inflation: Galloping inflation also known as Jumping inflation occurs when prices rise by double or triple digit inflation rates of more than 20% but less than 1000% per annum.

6. Hyperinflation: when prices rise at an alarming high rate with quadruple or four digit inflation rate of above 1000% per annum then is termed as Hyperinflation. It is a situation where the prices rise so fast that it becomes very difficult to measure its magnitude. During a worst case scenario of hyperinflation, value of national currency of an affected country reduces almost to zero. Paper money becomes worthless and people start trading either in gold and silver or sometimes even use the old barter system of commerce. Two worst examples of hyperinflation recorded in world history are of those experienced by Hungary in year 1946 and Zimbabwe during 2004-2009 under Robert Mugabe's regime

B. On the basis of Causes: Inflation has been categorized into following types on the basis of its different causes:

- 1. Demand-Pull Inflation:** Demand-Pull Inflation also known as Excess Demand Inflation takes place when aggregate demand for a good or service outstrips aggregate supply. In other words, when aggregate demand for all purposes- consumption, investment and government expenditure-exceeds the supply of goods at current prices then it is called Demand-Pull Inflation. Demand-Pull inflation gives rise to a situation often economists describe as “Too much money chasing too few goods”.
- 2. Cost-Push Inflation:** When prices rise due to growing cost of production of goods and services then it is known as Cost-Push Inflation. Cost-push inflation also came to known as “New Inflation” is determined by supply-side factors mainly caused by higher wage-push, Profit-Push and higher costs of raw materials.
- 3. Scarcity Inflation:** Scarcity inflation occurs due to hoarding by unscrupulous traders and black marketers so as to create an artificial shortage of essential goods like food grains, kerosene, etc. with an intention to sell them only at higher prices to make huge profits.
- 4. Structural Inflation:** Structural inflation is that type of inflation often experienced in developing countries which is caused by structural rigidities such as agricultural bottlenecks, resource constraints bottlenecks, foreign exchange bottlenecks, physical infrastructural bottlenecks etc

- **Built-in Inflation**

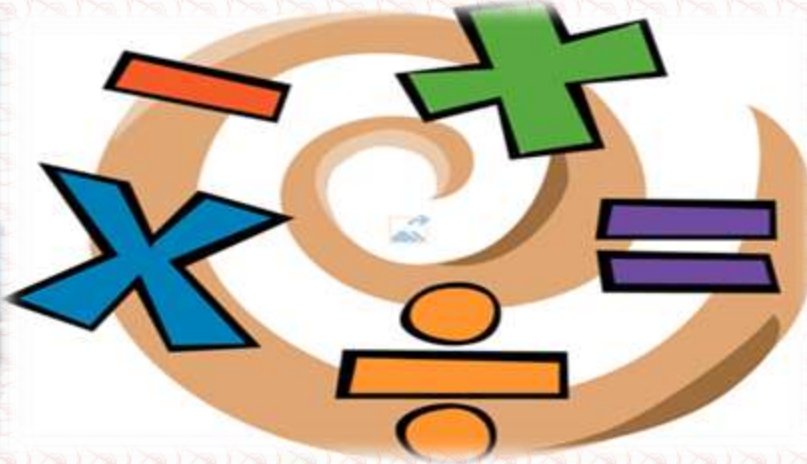
- This type of inflation involves a high demand for wages by the workers which the firms address by increasing the cost of goods and services for the customers.

Base Effect

Current Inflation Rate = $[(\text{Current Price Index} - \text{Base year's Price Index}) \div \text{Base year's Price Index}] \times 100$

What is Base Year?

Increase or decrease in general price level is measured against price level of some reference year called base year.



- **Core inflation:** It is the measure of inflation calculated after deducting the prices of food and fuel.
- **Super core inflation:** It is the measure of inflation calculated after deducting the gold and silver price inflation from the core inflation .

MONETARY POLICY

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graph TD; MP[MONETARY POLICY] --> DI[DIRECT INSTRUMENT]; MP --> II[INDIRECT INSTRUMENT]; DI --> CRR[CRR]; DI --> SLR[SLR]; DI --> RF[REFINANCE FACILITY]; II --> RR[REPO RATE]; II --> RRR[REVERSE REPO RATE]; II --> MSF[MSF]; II --> BR[BANK RATE]; II --> OMO[OPEN MARKET OPERATION]; II --> MS[MARKET STABILISATION SCHEME];
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The diagram illustrates the classification of Monetary Policy into Direct and Indirect Instruments. Direct Instruments include CRR, SLR, and Refinance Facility. Indirect Instruments include Repo Rate, Reverse Repo Rate, MSF, Bank Rate, Open Market Operation, and Market Stabilisation Scheme.

DIRECT INSTRUMENT

CRR

SLR

**REFINANCE
FACILITY**

INDIRECT INSTRUMENT

REPO RATE

REVERSE REPO RATE

MSF

BANK RATE

OPEN MARKET OPERATION

**MARKET STABILISATION
SCHEME**

मौद्रिक नीति

```
graph TD; A[मौद्रिक नीति] --> B[प्रत्यक्ष उपकरण]; A --> C[अप्रत्यक्ष उपकरण]; B --> B1[सीआरआर]; B --> B2[एसएलआर]; B --> B3[रिफाइनेंस सुविधा]; C --> C1[रेपो दर]; C --> C2[रिवर्स रेपो दर]; C --> C3[एमएसएफ]; C --> C4[बैंक दर]; C --> C5[खुले बाजार प्रचालन]; C --> C6[बाजार स्थिरीकरण योजना];
```

The diagram is a hierarchical flowchart. At the top is a box labeled 'मौद्रिक नीति' (Monetary Policy). A line from this box branches into two boxes: 'प्रत्यक्ष उपकरण' (Direct Instruments) on the left and 'अप्रत्यक्ष उपकरण' (Indirect Instruments) on the right. Below 'प्रत्यक्ष उपकरण' is a red arrow pointing to a vertical stack of three boxes: 'सीआरआर' (CRR), 'एसएलआर' (SLR), and 'रिफाइनेंस सुविधा' (Refinance Facility). Below 'अप्रत्यक्ष उपकरण' is a red arrow pointing to a vertical stack of six boxes: 'रेपो दर' (Repo Rate), 'रिवर्स रेपो दर' (Reverse Repo Rate), 'एमएसएफ' (MSF), 'बैंक दर' (Bank Rate), 'खुले बाजार प्रचालन' (Open Market Operation), and 'बाजार स्थिरीकरण योजना' (Market Stabilization Scheme). The background features a repeating pattern of small, faint circular motifs.

प्रत्यक्ष उपकरण

सीआरआर

एसएलआर

रिफाइनेंस
सुविधा

अप्रत्यक्ष उपकरण

रेपो दर

रिवर्स रेपो दर

एमएसएफ

बैंक दर

खुले बाजार प्रचालन

बाजार स्थिरीकरण योजना

(CRR)-CASH RESERVE RATIO



The share of net demand and time liability (NDTL) that a bank must maintain with RBI in cash.

It is applicable on all scheduled commercial banks.

It has no minimum and maximum limits.

No interest is paid on it by RBI.

It is mentioned in RBI Act 1934 section 42 (1)

नकद संरक्षण अनुपात



शुद्ध मांग और समय देयता (NDTL) का हिस्सा जो एक बैंक को नकदी में RBI के पास बनाए रखना चाहिए।

यह सभी अनुसूचित वाणिज्यिक बैंकों पर लागू है।

इसकी कोई न्यूनतम और अधिकतम सीमा नहीं है।

आरबीआई द्वारा इस पर कोई ब्याज नहीं दिया जाता है।

आरबीआई अधिनियम 1934 की धारा 42 (1) में इसका उल्लेख है।

(SLR)-STATUTORY LIQUIDITY RATIO

The share of net demand and time liability (NDTL) that a bank must maintain with itself in cash and liquid assets.

It is applicable on all banks and Financial Institutions.

It has no minimum and 40% maximum limits.

Liquid assets includes gold, bonds, foreign currency etc.

It is mentioned in BR Act 1949 section 24.

वैधानिक तरलता अनुपात

शुद्ध मांग और समय देयता (NDTL) का हिस्सा जिसे एक बैंक को नकदी और तरल संपत्तियों में खुद को बनाए रखना चाहिए।

यह सभी बैंकों और वित्तीय संस्थानों पर लागू है।

इसकी कोई न्यूनतम सीमा नहीं है 40% अधिकतम सीमा।

तरल संपत्ति में सोना, बांड, विदेशी मुद्रा आदि शामिल हैं।

बीआर एक्ट 1949 सेक्शन 24 में इसका उल्लेख है।

If RBI reduces the cash reserve ratio, what will happen to the credit creation?

1. There will be no impact.
2. It will decrease.
3. It will increase.
4. None of the above

The primary purpose of the RBI monetary policy is to maintain:

1. wealth
2. exchange rate
3. growth
4. price stability

What is the difference between monetary and fiscal policy?

1. The tool used by the central bank to regulate the money supply in the economy is known as Monetary Policy.
2. The tool used by the government in which it uses its tax revenue and expenditure policies to affect the economy is known as Fiscal Policy.
3. Monetary policy is administered by the government of the country whereas fiscal policy is administered by the central bank of the country.

1. 1 only

2. 2 only

3. 1 and 2 only

4. 1 and 3 only

5. 2 and 3 only

REPO/REVERSE REPO RATE

Repo rate, also called repurchase rate, is the rate of interest that banks pay when they borrow money from the Reserve Bank of India to meet their short-term fund requirements.



Reverse repo rate is the rate of interest that banks get when they keep their surplus money with the RBI. Repo rate is always higher than the reverse repo rate.

रेपो / रिजर्व रेपो दर

रेपो रेट, जिसे पुनखरीद दर भी कहा जाता है, ब्याज की दर है जो बैंक तब भुगतान करते हैं जब वे भारतीय रिज़र्व बैंक से अपनी अल्पकालिक निधि आवश्यकताओं को पूरा करने के लिए पैसे उधार लेते हैं।



रिवर्स रेपो दर वह ब्याज दर है जो बैंकों को आरबीआई के पास अपना अतिरिक्त धन रखने पर मिलता है। रेपो दर हमेशा रिवर्स रेपो दर से अधिक होती है।

MARGINAL STANDING FACILITY

Marginal Standing Facility is a window for banks to borrow from Reserve Bank of India in emergency situation when inter-bank liquidity dries up completely.

Introduced with effect from May 9, 2011

Minimum amount of Rs. 1 crore and in multiples of Rs. One crore thereafter.

Available on all working days in Mumbai, excluding Saturdays between 5.30 P.M. and 7.30 P.M.

Amount that can be availed is upto two percent of their respective Net Demand and Time Liabilities (NDTL).

सीमांत स्थायी सुविधा

सीमांत स्थायी सुविधा बैंकों के लिए आपातकालीन स्थिति में भारतीय रिज़र्व बैंक से उधार लेने के लिए एक खिड़की है जब अंतर-बैंक तरलता पूरी तरह से सूख जाती है।

9 मई, 2011 से प्रभावी रूप से पेश किया गया

न्यूनतम राशि रु 1 करोड़ और रुपये के गुणकों में। इसके बाद एक करोड़ रु।

मुंबई में सभी कार्य दिवसों पर उपलब्ध, शनिवार को छोड़कर 5.30 बजे के बीच। और 7.30 बजे।

जो राशि प्राप्त की जा सकती है, वह उनके संबंधित नेट डिमांड और टाइम लायबिलिटी (NDTL) के दो प्रतिशत तक होती है।

BANK RATE

Bank rate is the rate at which Central Bank lends money to the Commercial Banks by buying or re-discount their eligible rated securities - Bills of Exchange or Commercial Paper.

Bank Rate

Up or *Down?*



बैंक दर

बैंक दर को बिल में कटौती दर के रूप में भी जाना जाता है जो कि ब्याज की वह दर है, जो केंद्रीय बैंक द्वारा लंबी अवधि के ऋणों व अग्रिमों पर वाणिज्यिक बैंकों से लिया जाता है।

Bank Rate

Up or *Down?*



REFINANCE FACILITIES / पुनर्वित्त सुविधाएं

**Sector-specific refinance facilities
(e.g., against lending to export
sector) provided to banks.**

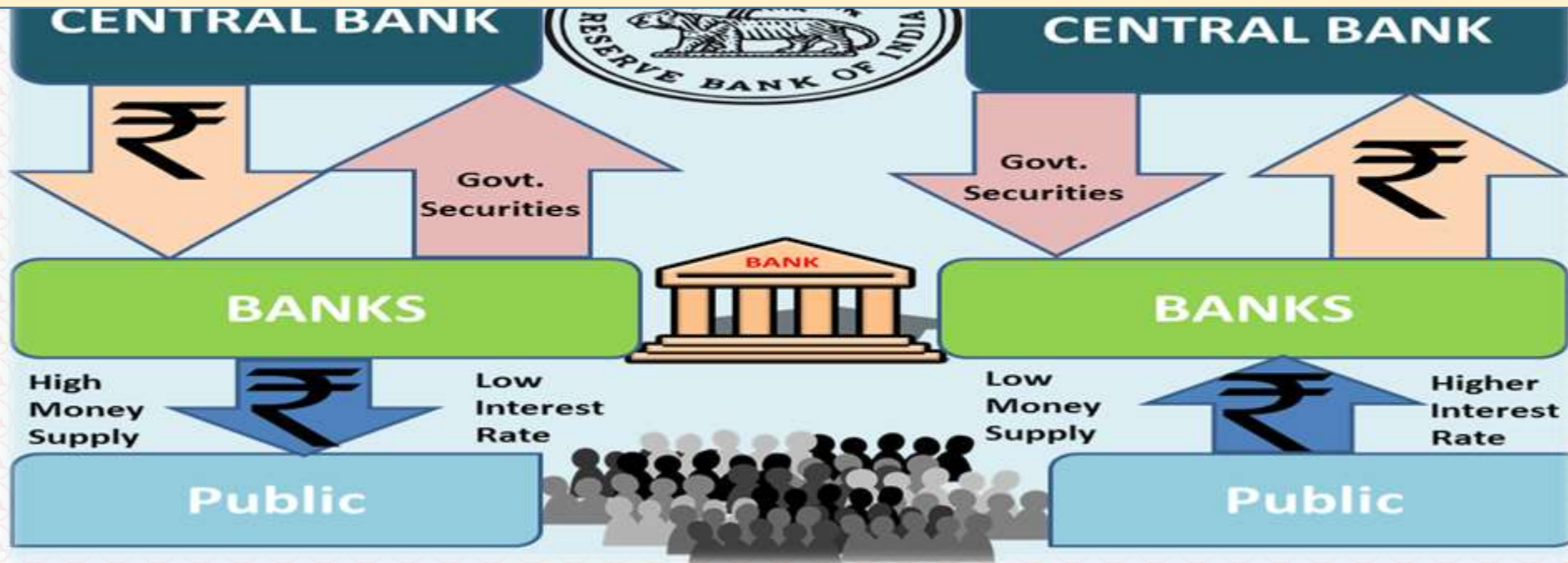
बैंकों को प्रदान की जाने वाली सेक्टर-विशिष्ट
पुनर्वित्त सुविधाएं



OPEN MARKET OPERATION/खुले बाजार संचालन

OMO refers to the buying and selling of Government Securities in the Open Market in order to expand or contract the amount of money in the banking system. Purchase of securities inject money into the banking system and stimulate growth, while sales of securities do the opposite and contract the economy.

ओएमओ बैंकिंग प्रणाली में धन की मात्रा का विस्तार या अनुबंध करने के लिए ओपन मार्केट में सरकारी प्रतिभूतियों की खरीद और बिक्री को संदर्भित करता है। प्रतिभूतियों की खरीद बैंकिंग प्रणाली में धन को इंजेक्ट करती है और विकास को उत्तेजित करती है, जबकि प्रतिभूतियों की बिक्री विपरीत होती है और अर्थव्यवस्था को अनुबंधित करती है।



LIQUIDITY ADJUSTMENT FACILITY

Reserve Bank of India's liquidity adjustment facility of LAF helps banks to adjust their daily liquidity mismatches.



When banks need liquidity to meet its daily requirement, they borrow from RBI through Repo.

LAF has two components- Repo (repurchase agreement) and Reverse Repo. By controlling these rates, the RBI controls the rate of interest in the economy.



चलनिधि समायोजन की सुविधा

एलएएफ की तरलता समायोजन सुविधा बैंकों को अपनी दैनिक तरलता बेमेल को समायोजित करने में मदद करती है।

एलएएफ के दो घटक हैं-रेपो (पुनर्खरीद समझौता) और रिवर्स रेपो। इन दरों को नियंत्रित करके, आरबीआई अर्थव्यवस्था में ब्याज दर को नियंत्रित करता है।

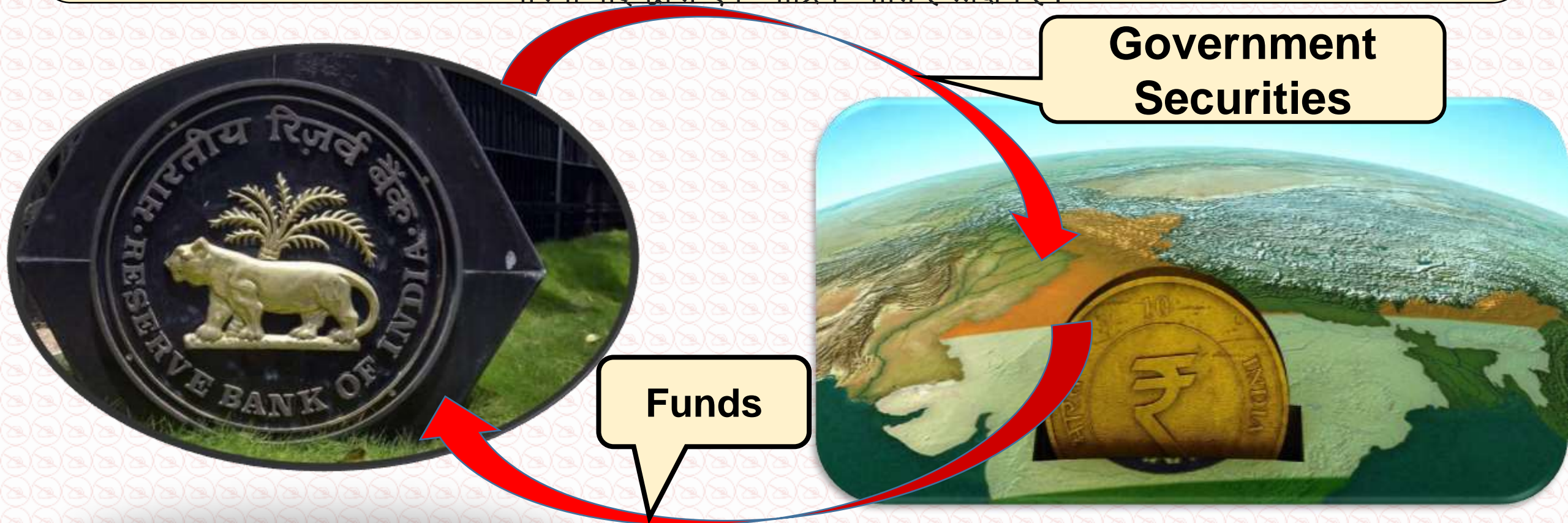


MARKET STABILIZATION SCHEME (MSS) 2004

बाजार स्थापन योजना (MSS) 2004

MSS is a Monetary Policy intervention by the RBI to withdraw excess liquidity (or money supply) by selling Government securities in the economy.

एमएसएस अर्थव्यवस्था में सरकारी प्रतिभूतियों को बेचकर अतिरिक्त तरलता (या धन की आपूर्ति) को वापस लेने के लिए आरबीआई द्वारा एक मौद्रिक नीति हस्तक्षेप है।



2) In context of Indian economy , 'Open Market Operations' refers to? (CSE, 2013)

- Borrowing by Scheduled banks from RBI.
- Lending by commercial banks to industry and trade.
- Purchase and sale of govt securities by the RBI.
- None of the above.

Que. 143 Where is the headquarters of 'International Bank for Reconstruction and Development' located?

1. Sweden
2. Peru
3. Delhi
4. Washington
5. Netherlands



Consortium Advances refer to-

- (1) Concurrent borrowings
- (2) Multiple financing
- (3) Joint Financing by more than one bank
- (4) Financing of consignment business
- (5) None of these

. Who is the Regulator of Capital Market?

- (1) RBI
- (2) TRAI
- (3) NASSCOM
- (4) SEBI
- (5) PFRDA

Which of the following is a foreign Bank?

- (1) Yes Bank
- (2) Dena Bank
- (3) UCO Bank
- (4) ICICI Bank
- (5) HSBC

1. Which of the following is a method to measure the National Income?

- a. Expenditure method
- b. Income method
- c. Product method
- d. All of the above

9. Which of the following is another term for the Net National Product at factor cost?

- a. Personal Income
- b. National Income
- c. Gross National Product
- d. Net Domestic Product

11. Which of the following organisations calculate the Gross Domestic Product in India?

- a. Reserve Bank of India
- b. Indian Statistical Institute
- c. National Statistical Office
- d. None of the above

13. Which of the following is true for Inflation?

- a. The value of money increases during Inflation
- b. The value of money decreases during Inflation
- c. The value of money stays the same during Inflation
- d. None of the above

14. Which of the following is true for Net National Income?

- a. The Net National Income is the total of Gross National Product and Depreciation
- b. The Net National Income is the difference between Gross National Product and Depreciation
- c. The Net National Income is the difference between Gross Domestic Product and Depreciation
- d. The Net National Income is the difference between Net Domestic Product and Depreciation

16. Which of the following is the definition of a closed economy?

- a. A closed economy is a type of economy where the money supply is totally controlled by the government
- b. A closed economy is a type of economy where neither exports nor imports take place
- c. A closed economy is a type of economy where deficit financing takes place
- d. A closed economy is a type of economy where there are no exports to other countries

The Net National Product can be calculated by subtracting Depreciation from _____.

1. Direct Taxes
2. Gross Domestic Product
3. Gross National Product
4. National Income

3. Which Article of the Indian Constitution requires the Government of India to present a statement of expected income and expenditures for each fiscal year to Parliament?

- (a) Article 110
- (b) Article 111
- (c) Article 112
- (d) Article 113
- (e) Article 114

Q1. Which of the following section in the Negotiable Instruments Act deals with the bill of exchange?

- (a) Section 7
- (b) Section 5
- (c) Section 9
- (d) Section 11
- (e) None of these

Q3. Section 6 of the Negotiable Instruments Act defines.....

- (a) Draft
- (b) Banker's Note
- (c) Cheque
- (d) Promissory notes
- (e) None of these

Q4. What is Negotiable Instruments?

- (a) Bill of exchange
- (b) Promissory note
- (c) Cheque payable either to order or to bearer
- (d) All of these
- (e) None of these

Which of the following statement is correct about the NITI Aayog?

(a) NITI Aayog was Formed 25 January 2016

(b) NITI Aayog comes under the Ministry of Commerce and Industry

(c) The full form of NITI Aayog is National institute for Transforming India

(d) The NITI Aayog is a policy think tank of the Government of India

When was NITI Aayog established?

- (a) 1 January 2015
- (b) 25 January 2016
- (c) 14 May 2014
- (d) 1 July 2015

Who of the following is the part of Governing Council of NITI Aayog?

- (a) All Chief Ministers of the states
- (b) Chief Ministers of Delhi and Puducherry
- (c) Lieutenant Governor of Andaman & Nicobar Island
- (d) All of the above

Which of the following is not matched correctly about NITI Aayog?

- (a) NITI Aayog head office: Delhi
- (b) Narendra Modi: Chairman
- (c) Parent Agency: Government of India
- (d) NITI Aayog replaced: National Development Council

1. Which of the following is not associated with the UNO?

☐ A ILO

☐ B WHO

☐ C ASEAN

☐ D All of the above

3. Which of the following is not a chief organ of the United Nations Organisations?

- Ⓐ International Labour Organisation
- Ⓑ Security Council
- Ⓒ International Court of Justice
- Ⓓ General Assembly

14. Besides UK, USA, Germany and Japan the G-7 countries includes

- Ⓐ Canada, France and Russia
- Ⓑ Canada, Italy and Netherlands
- Ⓒ France, Netherlands and Russia
- Ⓓ Canada, France and Italy

15. The headquarters of World Intellectual Property Organisation (WIPO) is located in

- Ⓐ Paris
- Ⓑ Madrid
- Ⓒ New York
- Ⓓ Geneva

24. Which of the following countries is not a member of SAARC?

- Ⓐ Nepal
- Ⓑ Bangladesh
- Ⓒ Afghanistan
- Ⓓ Myanmar

31. Which of the following is the headquarters of World Trade Organisation (WTO)?

Ⓐ New York

Ⓑ Geneva

Ⓒ Madrid

Ⓓ Paris

38. The International Court of Justice is located at

- Ⓐ Geneva
- Ⓑ Hague
- Ⓒ Amsterdam
- Ⓓ Vienna

42. The headquarters of International Atomic Energy Agency is located in

- Ⓐ Vienna
- Ⓑ London
- Ⓒ Geneva
- Ⓓ Washington

New Development Bank was developed by which organization in 2014?

A ASEAN

B BRICS

C European Union

D SAARC

Thank
you

