

**1. What are the services available under IMPS?**

- A. Funds Transfer and Remittances
- B. Merchant Payments
- C. NUUP
- D. Both (A) and (B)
- E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**

The services available under IMPS are  
Funds Transfer and Remittances  
Merchant Payments  
NUUP  
QSAM

**2. What is the full form of NUUP?**

- A. National Unified USSD Protocol
- B. National Unitted USSD Platform
- C. National Unitted USSD Protocol
- D. National Unified USP Platform
- E. National Unified USSD Platform

Answer & Explanation

**E. National Unified USSD Platform**

**Explanation:**

NUUP – National Unified USSD Platform

**3. Which of the following is a USSD based mobile banking service from NPCI that brings together all the Banks and Telecom Service Providers?.**

- A. WAP
- B. QSAM
- C. NUUP
- D. Both (A) and (B)
- E. Both (B) and (C)

Answer & Explanation

**C. NUUP**

**Explanation:**

NUUP (National Unified USSD Platform) is a USSD based mobile banking service from NPCI that brings together all the Banks and Telecom Service Providers.

4. **In NUUP, a customer can access banking services by just pressing \_\_\_\_\_ from his/her mobile phones.**
- A. \*999#
  - B. #\*99#
  - C. \*99#
  - D. 1\*99#
  - E. None of the Above

Answer & Explanation

**C. \*99#**

**Explanation:**

In NUUP, a customer can access banking services by just pressing \*99# from his/her mobile phones. This service works across all GSM mobile handsets.

5. **What is the full form of QSAM?**
- A. Quality Service on Aadhaar Mapper
  - B. Query Sending on Aadhaar Mapping
  - C. Query Service on Aadhaar Mapper
  - D. Quality Service on Aadhaar Mapping
  - E. Query Sending on Aadhaar Mapper

Answer & Explanation

**C. Query Service on Aadhaar Mapper**

**Explanation:**

Query Service on Aadhaar Mapper

6. \_\_\_\_\_ service helps user in knowing their Aadhaar Seeding status with their bank account.
- A. WAP
  - B. QSAM
  - C. NUUP
  - D. Both (A) and (B)
  - E. Both (B) and (C)

Answer & Explanation

**B. QSAM**

**Explanation:**

QSAM (Query Service on Aadhaar Mapper) – This service helps user in knowing their Aadhaar Seeding status with their bank account

7. **QSAM service can be availed by dialling \_\_\_\_\_**
- A. \*999#
  - B. \*99\*99#

- C. \*99#
- D. 1\*99#
- E. None of the Above

Answer & Explanation

**B. \*99\*99#**

**Explanation:**

This service can be availed by dialling \*99\*99#. User will know whether his/her AADHAAR number is seeded/linked to any bank account number or not. If yes, then with which bank and when it was last updated.

8. **How many digits are there in Mobile Money Identifier(MMID)?**
- A. 7 digits
  - B. 9 digits
  - C. 10 digits
  - D. 11 digits
  - E. None of the Above

Answer & Explanation

**A. 7 digits**

**Explanation:**

Mobile Money Identifier is a 7 digit number, issued by banks. MMID is one of the input which when clubbed with mobile number facilitates fund transfer. Combination of Mobile no. & MMID is uniquely linked with an Account number and helps in identifying the beneficiary details. Different MMID's can be linked to same Mobile Number.

9. **A customer can link how many account to the same mobile number?**
- A. Only One
  - B. Only Two
  - C. Only Three
  - D. More than One
  - E. None of the Above

Answer & Explanation

**D. More than One**

**Explanation:**

customer can link more than one account to the same mobile number. However each A/C no will have different MMID.

10. **An unbanked customer can initiate IMPS transaction using the services of \_\_\_\_\_.**
- A. PPI
  - B. PCI
  - C. PFI

- D. PDI
- E. None of the Above

Answer & Explanation

**A. PPI**

**Explanation:**

An unbanked customer can initiate IMPS transaction using the services of Pre-Paid Payments instrument issuer (PPI).

**1. Which of the following is the Slogan of UPI(Unified Payment Interface)?**

- A. Less Amount More Digital
- B. Less Cash More Transaction
- C. Less Cashflow More Digital
- D. Less Circulation More Digital
- E. Less Cash More Digital

Answer & Explanation

**E. Less Cash More Digital**

**Explanation:**

Less cash more digital is the Slogan of UPI(Unified Payment Interface)

**2. Which of the following is the parent organisation of UPI?**

- A. RBI
- B. GOI
- C. NPCI
- D. All of the Above
- E. None of the Above.

Answer & Explanation

**C. NPCI**

**Explanation:**

National Payments Corporation of India(NPCI) is the parent organisation of UPI(Unified Payment Interface)

**3. Customers using the UPI system only share \_\_\_\_\_**

- A. Bank Account Number
- B. IFSC Code
- C. Virtual Address
- D. All of the Above
- E. None of the Above.

Answer & Explanation

**C. Virtual Address**

**Explanation:**

Customers using the system do not have to disclose any sensitive information such as bank account numbers or IFSC codes during a financial transaction. It is safe as the customers only share a virtual address and provide no other sensitive information.

**4. What is the upper transaction limit of UPI system?**

- A. 1 lakh
- B. 2 lakh
- C. 5 lakh
- D. 10 lakh
- E. No limit

Answer & Explanation

**A. 1 lakh**

**Explanation:**

The upper transaction limit of UPI is Rs.1 lakh.

**5. Which of the following is the format of Virtual Address in UPI?**

- A. [name] @ [bank name]
- B. [Phone number] @ [bank name]
- C. [name] @ [bank branch name]
- D. Both (A) and (B)
- E. Both (B) and (C)

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

Instead of account details, the receiver can share a virtual address, which can be your name, or your phone number and the sender can transfer money. For example, if your name is abc, the your virtual address could be abc@axisbank or abc@icicibank; if your phone number is 1234567890, then your virtual address could be 1234567890@axisbank or 1234567890@icicibank and so on.

**6. In UPI, we can Send money to any bank account through mobile without entering**

- A. debit/credit card details
- B. net banking/wallet password
- C. receiver's account number.
- D. All of the Above
- E. None of the Above.

Answer & Explanation

**D. All of the Above**

**Explanation:**

Send money up to Rs 1 lakh to any bank account through the mobile without entering debit/credit card details, net banking/wallet password or even knowing the receiver's account number.

**7. Which of the following banks are on-boarded as issuers?**

- A. IDBI Bank
- B. RBL Bank
- C. Karnataka Bank
- D. Both (A) and (B)
- E. Both (B) and (C)

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

IDBI Bank and RBL Bank are on-boarded as issuers. It enables their customers to download any UPI enabled Apps mentioned above and link their account.

**8. Unified Payment System (UPI), a common platform which links your \_\_\_\_\_ to a virtual payment address, effectively making money transfer as easy as an SMS.**

- A. Bank Account Number
- B. IFSC Code
- C. Virtual Address
- D. All of the Above
- E. None of the Above.

Answer & Explanation

**A. Bank Account Number**

**Explanation:**

Unified Payment System (UPI), a common platform which links your bank account number to a virtual payment address, effectively making money transfer as easy as an SMS.

**9. UPI will eliminate the need of entering \_\_\_\_\_ details**

- A. Bank Account Number
- B. IFSC Code
- C. CVV code
- D. All of the Above
- E. None of the Above.

Answer & Explanation

**D. All of the Above**

**Explanation:**

UPI can be used for shopping at the supermarket, or online shopping as well. It will

eliminate the need of entering card details such as number, expiry date, CVV code and OTP.

**10. What are the important instruments under Indian Stamp Act, 1899?**

- A. bill of exchange
- B. power of Attorney
- C. policy of insurance
- D. None of the Above
- E. All of the Above

Answer & Explanation

**E. All of the Above**

Explanation:

Important Instruments are agreements, conveyances, exchange, gift, Certificate of sale, deed of partition, Power of Attorney to sell immovable property when given for consideration, deed of settlement and transfer of lease by way of assignment, bill of exchange, bill of lading, debenture, letter of credit, policy of insurance, proxy, receipt and transfer of shares.

**1. Which of the following is/are feature(s) of e-stamping?**

- A. Cost Savings
- B. Security
- C. User-friendly
- D. All of the Above
- E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

Features:

Easy accessibility and faster processing

Security

Cost savings

User friendly

**2. Which of the following can be used to check the authenticity of the Certificate?**

- A. PAN Number
- B. Unique Identification Number
- C. A/C Number
- D. All of the Above
- E. None of the Above

Answer & Explanation

**B. Unique Identification Number**

**Explanation:**

UIN is a Unique system generated number mentioned on the e-Stamp Certificate. Anybody, having the Unique Identification Number, can check the authenticity of the Certificate

**3. What are the different modes of paying stamp duty in e-Stamping system?**

- A. RTGS
- B. NEFT
- C. Pay order
- D. All of the Above
- E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

Client can pay stamp duty amount through the following modes

Cash

Cheque

Demand Draft

Pay Order

RTGS

NEFT

Account to Account transfer.

**4. In which States/UT s e-Stamping is currently operational?**

- A. Gujarat
- B. Karnataka
- C. Punjab
- D. All of the Above
- E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

e-Stamping is currently operational in the States/UT s of Gujarat, Karnataka, NCT Delhi, Assam, Tamil Nadu, Rajasthan, Himachal Pradesh, Uttarakhand, UT of Dadra & Nagar Haveli, UT of Daman & Diu, Puducherry, Uttar Pradesh, Chhattisgarh, Jharkhand, Jammu & Kashmir, Punjab and Chandigarh.

**5. Which of the following is a computer based application and a secured way of paying Non-Judicial stamp duty to the Government?**

- A. Commercial Papers
- B. E-stamp



- C. Treasury bill
- D. All of the Above
- E. None of the Above

Answer & Explanation

**B. E-stamp**

**Explanation:**

e-Stamping is a computer based application and a secured way of paying Non-Judicial stamp duty to the Government.

6. **Stamp Duty collected by the States can be broadly divided into \_\_\_\_\_ categories**
- A. One
  - B. Two
  - C. Three
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**B. Two**

**Explanation:**

Stamp Duty collected by the States can be broadly divided into two categories, viz., Stamp Duty paid under the Indian Stamp Act, 1899 and Stamps used in payment of fees under the Court-fees Act 1870.

7. **Which of the following details can be used to verify the authenticity of an e-Stamp?**
- A. Certificate Number (UIN)
  - B. Stamp Duty Type (Description of Document)
  - C. 6 character alphanumeric string
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

An e-Stamp can be verified online by clicking on verify e-Stamp certificate and entering the required details i.e

State

Certificate Number (UIN)

Stamp Duty Type (Description of Document)

Certificate Issue Date

6 character alphanumeric string

8. **Which of the following payment should be initiated only after consulting nearest e-Stamping center?**
- A. RTGS
  - B. NEFT
  - C. Pay order
  - D. Both (A) and (B)
  - E. Both (B) and (C)

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

RTGS / NEFT payment should be initiated only after consulting nearest e-Stamping center.

9. **Stamps used under the Indian Stamp Act, 1899 & The Bombay Stamp Supply And Sale Rules, 1934, can be broadly divided into \_\_\_\_\_ categories.**
- A. One
  - B. Two
  - C. Three
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**B. Two**

**Explanation:**

Stamps used under the Indian Stamp Act, 1899 & The Bombay Stamp Supply And Sale Rules, 1934, can be broadly divided into two categories.

Impressed stamps

Adhesive stamps.

10. **SHCIL will accept Stamp Duty Payment in \_\_\_\_\_ only**
- A. US\$
  - B. Euro
  - C. INR
  - D. None of the Above
  - E. All of the Above

Answer & Explanation

**C. INR**

**Explanation:**

SHCIL will accept Stamp Duty Payment in Indian Rupees (INR) only.

**1. What is the fullform of eSBTR?**

- A. Electronic Secured Basic Transaction Receipt
- B. Electronic Stamp Bank Treasury Receipt
- C. Electronic Stamp Bank Transaction Receipt
- D. Electronic Secured Bank Treasury Receipt
- E. Electronic Secured Basic Treasury Receipt

Answer & Explanation

**D. Electronic Secured Bank Treasury Receipt**

**Explanation:**

e-SBTR, is an Electronic – Secured Bank and Treasury Receipt, issued by the Officer of the participating bank, on secured Government stationery, on payment of Stamp- duty in Virtual Treasury.

**2. Which of the following is the country's largest custodian and depository participant?**

- A. CIBIL
- B. SEBI
- C. NABARD
- D. SHCIL
- E. None of the Above

Answer & Explanation

**D. SHCIL**

**Explanation:**

Stock Holding Corporation of India Ltd (SHCIL), India's largest custodian and depository participant.

**3. The Headquarters of SHCIL is located in \_\_\_\_\_**

- A. Hyderabad
- B. Mumbai
- C. Chennai
- D. New Delhi
- E. None of the Above

Answer & Explanation

**B. Mumbai**

**Explanation:**

The Headquarters of SHCIL is located in Mumbai, Maharashtra.

**4. Which of the following is the only Central Record Keeping Agency (CRA) appointed by the Government of India?**

- A. CIBIL

- B. SEBI
- C. NABARD
- D. SHCIL
- E. None of the Above

Answer & Explanation

**D. SHCIL**

**Explanation:**

SHCIL is appointed as Central Record-keeping Agency (CRA) and associated with stamp duty collection and not valuation.

5. **Stock Holding Corporation of India Limited is owned by?**

- A. SU-UTI
- B. NIA
- C. GIC
- D. LIC
- E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**

Stock Holding Corporation of India Limited (SHCIL) is owned by the India's leading Banks and Financial Institutions such as, SU-UTI, IFCI Ltd., LIC, GIC, NIA, NIC, UIC, and TOICL.

6. **SHCIL was established in 1986 under the Government of India as \_\_\_\_\_**

- A. Private Ltd
- B. Public Ltd
- C. Limited Liability Partnership
- D. Unlimited company
- E. None of the Above

Answer & Explanation

**B. Public Ltd**

**Explanation:**

Stock Holding Corporation of India Limited (SHCIL) was established in 1986 under the Government of India as public limited company.

7. **Minimum value of transaction for e-SBTR should be \_\_\_\_\_**

- A. Rs.1000
- B. Rs.2000
- C. Rs.3000

- D. Rs.5000
- E. No limit

Answer & Explanation

**D. Rs.5000**

**Explanation:**

Minimum value of transaction for e-SBTR should be Rs.5,000.

8. **Maximum value of transaction for e-SBTR should be \_\_\_\_\_**
- A. Rs.1000
  - B. Rs.2000
  - C. Rs.3000
  - D. Rs.5000
  - E. No limit

Answer & Explanation

**E. No limit**

**Explanation:**

There is no maximum limit.

9. **Authorised Collection Center(ACC) is an agent appointed by SHCIL?**
- A. SU-UTI
  - B. GOI
  - C. GIC
  - D. SHCIL
  - E. All of the Above

Answer & Explanation

**D. SHCIL**

**Explanation:**

ACC means Authorised Collection Center (ACC). Its an agent appointed by SHCIL. ACC is the intermediary between the CRA and Stamp Duty payer.

10. **Which of the following can become ACCs?**
- A. Scheduled Banks
  - B. Insurance Majors
  - C. Post Offices
  - D. Both (A) and (B)
  - E. Both (A) and (C)

Answer & Explanation

**E. Both (A) and (C)**

**Explanation:**

Scheduled Banks and Post Offices can become ACCs.

1. \_\_\_\_\_ is a temporary pass through account held by a third party during the process of a transaction between two parties.
- A. Savings Bank Account
  - B. Current Account
  - C. Deposit Account
  - D. Escrow Account
  - E. None of the Above

Answer & Explanation

**D. Escrow Account**

**Explanation:**

Escrow Account: Account in which funds are accumulated for specific disbursements. It is a temporary pass through account held by a third party during the process of a transaction between two parties.

2. Which of the following is not available to depositors of NBFCs?
- A. Deposit Insurance facility
  - B. Acquisition of shares
  - C. Loans and Advances
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**A. Deposit Insurance facility**

**Explanation:**

Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

3. NBFCs include \_\_\_\_\_
- A. loan company
  - B. investment company
  - C. asset finance company
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

NBFCs include a loan company, an investment company, asset finance company (i.e. a

company conducting the business of equipment leasing or hire purchase finance) and Residuary Non-Banking Companies.

4. **Infrastructure Finance Company (IFC) is a non-banking finance company has a minimum Net Owned Funds of \_\_\_\_\_**
- A. Rs.100 Crore
  - B. Rs.200 Crore
  - C. Rs.500 Crore
  - D. Rs.300 Crore
  - E. None of the Above

Answer & Explanation

**D. Rs.300 Crore**

**Explanation:**

Infrastructure Finance Company (IFC) is a non-banking finance company has a minimum Net Owned Funds of Rs.300 Crore.

5. **NBFCs whose asset size is of \_\_\_\_\_ or more as per last audited balance sheet are considered as systemically important NBFCs.**
- A. Rs.100 Crore
  - B. Rs.200 Crore
  - C. Rs.500 Crore
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**C. Rs.500 Crore**

**Explanation:**

NBFCs whose asset size is of Rs.500 Crore or more as per last audited balance sheet are considered as systemically important NBFCs.

6. **Which of the following does not guarantee the repayment of deposits accepted by NBFCs?**
- A. RBI
  - B. GOI
  - C. SEBI
  - D. NABARD
  - E. None of the Above

Answer & Explanation

**A. RBI**

**Explanation:**

RBI does not guarantee the repayment of deposits accepted by NBFCs.

7. **RNBC stands for \_\_\_\_\_**
- A. Residuary Non Banking Companies
  - B. Reserve Non Banking Companies
  - C. Reserve New Banking Companies
  - D. Residuary New Banking Companies
  - E. None of the Above

Answer & Explanation

**A. Residuary Non Banking Companies**

**Explanation:**

RNBC – Residuary non banking companies. Residuary Non-Banking Company is a class of NBFC which is a company and has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner and not being investment, asset financing, loan company.

8. **RNBCs cannot accept deposits for a period less than \_\_\_\_\_ months and more than \_\_\_\_\_ months**
- A. 12, 84
  - B. 12, 60
  - C. 24, 60
  - D. 24, 84
  - E. None of the Above

Answer & Explanation

**A. 12, 84**

**Explanation:**

RNBCs cannot accept deposits for a period less than 12 months and more than 84 months.

9. **According to accepting public deposits, NBFCs can be classified into \_\_\_\_\_ broad categories.**
- A. Two
  - B. Three
  - C. Four
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**A. Two**

**Explanation:**

According to accepting public deposits, NBFCs can be classified into two broad categories, viz.,



- (i) NBFCs accepting public deposit (NBFCs-D)
- (ii) NBFCs not accepting/holding public deposit (NBFCs-ND).

10. **IFC is a non-banking finance company with Capital to Risk (Weighted) Assets Ratio (CRAR) of \_\_\_\_\_**
- A. 15%
  - B. 20%
  - C. 25%
  - D. 30%
  - E. None of the Above

Answer & Explanation

**A. 15%**

**Explanation:**

IFC is a non-banking finance company with Capital to Risk (Weighted) Assets Ratio (CRAR) of 15%.

1. **A fund that tracks an index but can be traded like a stock is known as \_\_\_\_\_**
- A. Exchange Traded Funds(ETF)
  - B. Mutual Funds
  - C. Energy Funds
  - D. Investment Fund
  - E. None of the Above

Answer & Explanation

**A. Exchange Traded Funds(ETF)**

**Explanation:**

An ETF(Exchange Traded Fund) is a marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund. Unlike mutual funds, an ETF trades like a common stock on a stock exchange.

2. **\_\_\_\_\_ are financial markets for the buying and selling of long-term debt or equity-backed securities.**
- A. Bullion Market
  - B. Capital Market
  - C. Money Market
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**B. Capital Market**

**Explanation:**

Capital market is a market where buyers and sellers engage in trade of financial securities like bonds, stocks, etc

3. **A market established for the buying and selling of precious metals such as Gold and Silver is termed as \_\_\_\_\_**
- A. Bullion Market
  - B. Capital Market
  - C. Money Market
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**A. Bullion Market**

**Explanation:**

A market established for the buying and selling of precious metals such as Gold and Silver is termed as Bullion Market.

4. **Which of the following is a currency established as money by government regulation or law but it is not backed by any commodity, such as gold, silver etc., but only by the faith of the bearer?**
- A. Commodity Money
  - B. Representative Money
  - C. Fiat Money
  - D. fiduciary currency
  - E. None of the Above

Answer & Explanation

**C. Fiat Money**

**Explanation:**

Fiat money is currency that a government has declared to be legal tender, but it is not backed by a physical commodity.

5. **Which of the following is a form of money that has an intrinsic value, like gold coins?**
- A. Commodity Money
  - B. Representative Money
  - C. Fiat Money
  - D. fiduciary currency
  - E. None of the Above

Answer & Explanation

**A. Commodity Money**

**Explanation:**

Commodity Money is a form of currency in which the value of the currency comes from the material of which it is made.

6. **Paper Money issued on the credit of a bank or government is called \_\_\_\_\_**
- A. Commodity Money
  - B. Representative Money
  - C. Fiat Money
  - D. Fiduciary currency
  - E. None of the Above

Answer & Explanation

**D. Fiduciary currency**

**Explanation:**

Fiduciary Money that depends for its value on confidence that it is an accepted medium of exchange. It originated as a paper certificate that was a promise to pay a certain amount of gold or silver to the bearer.

7. **Any type of money that has face value greater than its value as material substance is known as \_\_\_\_\_**
- A. Commodity Money
  - B. Representative Money
  - C. Fiat Money
  - D. fiduciary currency
  - E. None of the Above

Answer & Explanation

**B. Representative Money**

**Explanation:**

A claim on a commodity, for example gold certificates or silver certificates. Any type of money that has face value greater than its value as material substance is called Representative Money.

8. **Loan and Advances of a bank come under which of the following category?**
- A. Assets
  - B. Liabilities
  - C. Deposits
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**A. Assets**

**Explanation:**

Anything tangible or intangible that can be owned or controlled to produce value and that

is held to have positive economic value is considered an asset. Anything tangible or intangible that can be owned or controlled to produce value and that is held to have positive economic value is considered an asset.

9. **NABARD was established on the recommendations of the \_\_\_\_\_**
- A. Public Accounts Committee
  - B. Shivaraman Committee
  - C. Narasimham Committee
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**B. Shivaraman Committee**

**Explanation:**

NABARD was established on the recommendations of Shivaraman Committee, (by Act 61, 1981 of Parliament) on 12 July 1982 to implement the National Bank for Agriculture and Rural Development Act 1981.

10. **RBI sold its stake in NABARD to the Government of India, which now holds \_\_\_\_\_ stake**
- A. 65%
  - B. 70%
  - C. 95%
  - D. 99%
  - E. None of the Above

Answer & Explanation

**D. 99%**

**Explanation:**

RBI sold its stake in NABARD to the Government of India, which now holds 99% stake.

1. **Currency swap is an instrument to manage \_\_\_\_\_**
- A. Interest Rate Risk
  - B. Currency Risk
  - C. Cash flows in different countries
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**C. Cash flows in different countries**

**Explanation:**

A currency swap (or a cross currency swap) is a foreign exchange derivative between two

institutions to exchange the principal and/or interest payments of a loan in one currency for equivalent amounts, in net present value terms, in another currency.

2. **“Hawala transactions” in India are prohibited under the provision of which of the following acts?**
- A. Banking Regulation Act
  - B. Financial Action Task Force Act
  - C. Foreign Exchange Management Act
  - D. All of the Above
  - E. None of the above

Answer & Explanation

**C. Foreign Exchange Management Act**

**Explanation:**

“Hawala transactions” in India are prohibited under the provision of Foreign Exchange Management Act.

3. **Which of the following refers to an account that a bank holds in a foreign currency in another bank?**
- A. Nostro Account
  - B. Vostro Account
  - C. LORO Account
  - D. Mirror Account
  - E. None of the Above

Answer & Explanation

**A. Nostro Account**

**Explanation:**

Nostro account refers to an account that a bank holds in a foreign currency in another bank.

4. **Local currency account maintained by a local bank for a foreign (correspondent) bank is termed as \_\_\_\_\_**
- A. Nostro Account
  - B. Vostro Account
  - C. LORO Account
  - D. Mirror Account
  - E. None of the Above

Answer & Explanation

**B. Vostro Account**

**Explanation:**

Local currency account maintained by a local bank for a foreign (correspondent) bank is termed as Vostro Account.

5. \_\_\_\_ is a Current Account Maintained by one Domestic Bank on behalf of other domestic bank in foreign bank in foreign currency
- A. BSBDA
  - B. CA
  - C. LORO Account
  - D. Mirror Account
  - E. None of the Above

Answer & Explanation

**C. LORO Account**

**Explanation:**

LORO Account is a Current Account Maintained by one Domestic Bank on behalf of other domestic bank in foreign bank in foreign currency.

6. How many Basic Savings Bank Deposit Account(BSBDA) can be opened by an individual?
- A. One
  - B. Two
  - C. Three
  - D. Four
  - E. None of the Above

Answer & Explanation

**A. One**

**Explanation:**

An individual is eligible to have only one 'Basic Savings Bank Deposit Account' in one bank.

7. What are the other deposit accounts can be opened by an individual in where one holds 'Basic Savings Bank Deposit Account'?
- A. Fixed Deposit
  - B. Recurring Deposit
  - C. Another BSBDA
  - D. Both A and B
  - E. None of the Above

Answer & Explanation

**D. Both A and B**

**Explanation:**

One can have Term/Fixed Deposit, Recurring Deposit etc., accounts in the bank where one holds 'Basic Savings Bank Deposit Account'.

8. **Maximum balance in the BSBDA small account should not exceed \_\_\_\_\_ rupees at any time**
- A. 50000
  - B. 100000
  - C. 200000
  - D. 300000
  - E. None of the Above

Answer & Explanation

**A. 50000**

**Explanation:**

Maximum balance in the BSBDA small account should not exceed fifty thousand rupees at any time.

9. **The total of debits by way of cash withdrawals and transfers will not exceed ten thousand rupees in \_\_\_\_\_**
- A. One month
  - B. Two month
  - C. Three month
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**A. One month**

**Explanation:**

The total of debits by way of cash withdrawals and transfers will not exceed ten thousand rupees in a month for BSBDA small accounts.

10. **BSBDA Small accounts are valid for a period of \_\_\_\_\_**
- A. 3 months
  - B. 4 months
  - C. 12 months
  - D. 6 months
  - E. None of the Above

Answer & Explanation

**C. 12 months**

**Explanation:**

Small accounts are valid for a period of 12 months initially which may be extended by

another 12 months if the person provides proof of having applied for an Officially Valid Document.

1. **SEBI is a/an \_\_\_\_\_**
  - A. Constitutional body
  - B. Advisory body
  - C. non-statutory body
  - D. Statutory body
  - E. None of the Above

Answer & Explanation

**D. Statutory body**

**Explanation:**

Initially SEBI was a non statutory body without any statutory power. However, in 1995, the SEBI was given additional statutory power by the Government of India through an amendment to the Securities and Exchange Board of India Act, 1992.

2. **Which of the following policies is known as Annual Policy Statement?**
  - A. Annual budget of central government
  - B. Credit and Monetary Policy of RBI
  - C. Foreign trade policy of DGFT
  - D. Regulations issued by SEBI
  - E. None of the Above

Answer & Explanation

**B. Credit and Monetary Policy of RBI**

**Explanation:**

Credit and Monetary Policy of RBI is known as Annual Policy Statement.

3. **Which of the following is the Regulator of the credit rating agencies in India ?**
  - A. RBI
  - B. SEBI
  - C. SIDBI
  - D. GOI
  - E. None of the Above

Answer & Explanation

**B. SEBI**

**Explanation:**

The capital market regulator regulates rating agencies in most regions. In India, the capital markets regulator, the Securities and Exchange Board of India (SEBI), regulates the rating agencies in the country.



4. **Securities Appellate Tribunal is a/an \_\_\_\_\_ established under the provisions of Section 15K of the Securities and Exchange Board of India Act, 1992**
- A. Constitutional body
  - B. Advisory body
  - C. non-statutory body
  - D. Statutory body
  - E. None of the Above

Answer & Explanation

**D. Statutory body**

**Explanation:**

Securities Appellate Tribunal is a statutory body established under the provisions of Section 15K of the Securities and Exchange Board of India Act, 1992 to hear and dispose of appeals against orders passed by the Securities and Exchange Board of India.

5. **Which of the following is a function of SEBI?**
- A. to approve by-laws of stock exchanges.
  - B. inspect the books of accounts of financial intermediaries.
  - C. to require the stock exchange to amend their by-laws.
  - D. compel certain companies to list their shares in one or more stock exchanges.
  - E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**

Function of SEBI:

To approve by-laws of stock exchanges.

Inspect the books of accounts of financial intermediaries.

To require the stock exchange to amend their by-laws.

Compel certain companies to list their shares in one or more stock exchanges.

6. **The Monetary Authority in India, viz Reserve Bank of India is bound to maintain a reserve against the notes issued, Whatever may be the amount. This system is called as \_\_\_\_\_**
- A. Minimum Reserve System
  - B. Proportional Reserve System
  - C. Maximum Fiduciary Issue system
  - D. Simple deposit system
  - E. None of the Above

Answer & Explanation

**A. Minimum Reserve System**

**Explanation:**

The RBI follows a minimum reserve system in the note issue. Initially, it used to keep 40 per cent of gold reserves in its total assets.

**7. Which of the following services is NOT provided by the post offices in India ?**

- A. Savings Bank Scheme
- B. Retailing of Mutual Funds
- C. Sale of stamp Papers (Judicial)
- D. Issuance of Demand Drafts
- E. Life Insurance cover

Answer & Explanation

**D. Issuance of Demand Drafts**

**Explanation:**

Issuance of Demand Drafts is NOT provided by the post offices in India.

**8. Credit rating \_\_\_\_\_**

- A. is used to rate the borrowers while giving advances
- B. is used to work out performance of the employees
- C. is used to calculate the number of excellent audit rated branches
- D. is not used in any bank
- E. is necessary before giving promotion to employees

Answer & Explanation

**A. is used to rate the borrowers while giving advances**

**Explanation:**

Credit rating is an analysis of the credit risks associated with a financial instrument or a financial entity. An assessment of the creditworthiness of a borrower with respect to a particular debt or financial obligation.

**9. The section 4 of the Negotiable Instruments Act, 1881 deals with \_\_\_\_\_**

- A. Cheque
- B. Bills of Exchange
- C. Promissory Note
- D. All of the Above
- E. None of the Above

Answer & Explanation

**C. Promissory Note**

**Explanation:**

The section 4 of the Negotiable Instruments Act, 1881 deals with Promissory Note.

**10. Which of the following section of Negotiable Instruments Act, 1881 deals with Cheques?**

- A. Section 4
- B. Section 5
- C. Section 6
- D. Section 7
- E. None of the Above

Answer & Explanation

**C. Section 6**

**Explanation:**

The section 6 of the Negotiable Instruments Act, 1881 deals with Cheques.

1. **Small finance banks are a type of \_\_\_\_\_ banks in our country.**

- A. niche
- B. investment
- C. industrial
- D. All of the Above
- E. None of the Above

Answer & Explanation

**A. niche**

**Explanation:**

Small finance banks are a type of niche banks in India. Niche Bank is a specialised bank which deals only with certain types of customers or services.

2. **Which of the following service(s) is/are available in small finance banks?**

- A. Providing loans
- B. Acceptance of deposits
- C. Setting up of Subsidiaries
- D. Both (A) and (B)
- E. None of the Above

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

Banks with a small finance bank license can provide basic banking service of acceptance of deposits and lending.

3. **According to RBI Regulations, which of the following are allowed to set up small finance banks?**

- A. NBFC
- B. MFI
- C. LAB

- D. All of the Above
- E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

The firms must have a capital of Rs.100 crore. Existing non-banking financial companies (NBFC), micro-finance institutions (MFI) and local area banks (LAB) are allowed to set up small finance banks.

4. **Reserve Bank of India gave provisional licences to \_\_\_\_\_ entities to launch small finance banks.**
- A. 10
  - B. 11
  - C. 12
  - D. 13
  - E. None of the Above

Answer & Explanation

**A. 10**

**Explanation:**

Reserve Bank of India gave provisional licences to 10 entities out of 72 applicants to launch small finance banks.

The selected applicants are: Au Financiers (Jaipur), Capital Local Area Bank (Jalandhar), Disha Microfin (Ahmedabad), Equitas Holdings (Chennai), ESAF Microfinance and Investments (Chennai), Janalakshmi Financial Services (Bengaluru), RGVN (Northeast) Microfinance (Guwahati), Suryoday Micro Finance (Navi Mumbai), Ujjivan Financial Services (Bengaluru) and Utkarsh Micro Finance (Varanasi).

5. **Minimum paid-up capital of small finance banks is \_\_\_\_\_**
- A. 100 crore
  - B. 200 Crore
  - C. 500 crore
  - D. 1000 crore
  - E. None of the Above

Answer & Explanation

**A. 100 crore**

**Explanation:**

Minimum paid-up capital of small finance banks is Rs.100 crore.

6. **The small finance banks will be licensed under \_\_\_\_\_ of the Banking Regulation Act, 1949.**

- A. Section 21
- B. Section 22
- C. Section 23
- D. Section 24
- E. None of the Above

Answer & Explanation

**B. Section 22**

**Explanation:**

The small finance banks will be licensed under Section 22 of the Banking Regulation Act, 1949.

7. **An external advisory committee headed by \_\_\_\_\_ evaluated the license applications for small finance banks.**
- A. NR Madhawan Menon
  - B. Usha Thorat
  - C. Nachiket Mor
  - D. Y.H. Melagam
  - E. None of the Above

Answer & Explanation

**B. Usha Thorat**

**Explanation:**

An external advisory committee headed by Usha Thorat evaluated the license applications for small finance banks.

8. **\_\_\_\_\_ percentage of Foreign share holding will be allowed in small finance banks as per the rules for FDI in private banks in India**
- A. 64%
  - B. 74%
  - C. 61%
  - D. 50%
  - E. None of the Above

Answer & Explanation

**B. 74%**

**Explanation:**

Foreign share holding will be allowed in these banks as per the rules for FDI in private banks in India. Foreign shareholding capped at 74% of paid capital.

9. **Which of the following can be provided by small finance banks**
- A. Mutual Funds
  - B. Insurance Products

- C. Third Party financial products
- D. All of the Above
- E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

Small finance banks can distribute mutual funds, insurance products and other simple third-party financial products.

10. **Maximum loan size to a single person cannot exceed \_\_\_\_\_ of total capital funds.**
- A. 30%
  - B. 20%
  - C. 11%
  - D. 10%
  - E. None of the Above

Answer & Explanation

**D. 10%**

**Explanation:**

Maximum loan size to a single person cannot exceed 10% of total capital funds; cannot exceed 15% in the case of a group.

Small finance bank can

lend 75% of their total adjusted net bank credit to priority sector

Maximum loan size would be 10% of capital funds to single borrower, 15% to a group

Minimum 50% of loans should be up to 25 lakhs.

1. **The banks will be licensed as payments banks under \_\_\_\_\_ of the Banking Regulation Act, 1949.**
- A. Section 21
  - B. Section 22
  - C. Section 23
  - D. Section 24
  - E. None of the Above

Answer & Explanation

**B. Section 22**

**Explanation:**

The payment banks will be licensed as payments banks under Section 22 of the Banking Regulation Act, 1949 and will be registered as public limited company under the Companies Act, 2013.

2. **Payment banks can accept a restricted deposit which is currently limited to \_\_\_\_\_ per customer account.**
- A. Rs.1 lakh
  - B. Rs.3 lakh
  - C. Rs.2 lakh
  - D. Rs.5 lakh
  - E. None of the Above

Answer & Explanation

**A. Rs.1 lakh**

**Explanation:**

Payment banks can accept a restricted deposit which is currently limited to Rs. 1 lakh per customer account.

3. **Payment Banks can not issue \_\_\_\_\_**
- A. Credit Card
  - B. Debit Card
  - C. loans
  - D. Both (B) and (C)
  - E. Both (A) and (C)

Answer & Explanation

**E. Both (A) and (C)**

**Explanation:**

Payment banks cannot issue loans and credit cards while at the same time current account and savings accounts can be operated by such banks.

4. **Any acquisition by the Payment Banks that are more than \_\_\_\_ will require approval of the RBI.**
- A. 5%
  - B. 10%
  - C. 15%
  - D. 20%
  - E. None of the Above

Answer & Explanation

**A. 5%**

**Explanation:**

Any acquisition of more than 5% will require approval of the RBI.

5. **Which of the following services can be offered by Payment Banks?**
- A. Debit Cards
  - B. Online Banking

- C. Mobile Banking
- D. All of the Above
- E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

Payments banks can issue services like ATM cards, debit cards online banking and mobile banking.

6. \_\_\_\_\_ percentage of Payment Bank's branches must be in the unbanked rural area.
- A. 25%
  - B. 10%
  - C. 15%
  - D. 20%
  - E. None of the Above

Answer & Explanation

**A. 25%**

**Explanation:**

25% of Payment Bank's branches must be in the unbanked rural area.

7. **Committee on Comprehensive Financial Services for Small Businesses and Low Income Households, headed by \_\_\_\_\_ recommended the formation of a new category of bank called payments bank.**
- A. NR Madhawan Menon
  - B. Bimal Jalan
  - C. Nachiket Mor
  - D. Y.H. Melagam
  - E. None of the Above

Answer & Explanation

**C. Nachiket Mor**

**Explanation:**

Committee on Comprehensive Financial Services for Small Businesses and Low Income Households, headed by Nachiket Mor recommended the formation of a new category of bank called payments bank.

8. **Reserve Bank of India gave "in-principle" licences to \_\_\_\_\_ entities to launch payments banks.**
- A. 10
  - B. 11



- C. 12
- D. 13
- E. None of the Above

Answer & Explanation

**B. 11**

**Explanation:**

Reserve Bank of India gave “in-principle” licences to 11 entities to launch payments banks. They are:-

Aditya Birla Nuvo  
Airtel M Commerce Services  
Cholamandalam Distribution Services  
Department of Posts  
FINO PayTech  
National Securities Depository  
Reliance Industries  
Dilip Shanghvi, Sun Pharmaceuticals  
Vijay Shekhar Sharma, Paytm  
Tech Mahindra  
Vodafone M-Pesa.

9. Which of the following surrendered their “in-principle” to launch payments banks?
- A. Cholamandalam Distribution Services
  - B. Dilip Shanghvi, Sun Pharmaceuticals
  - C. Tech Mahindra
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

Three of the 11 entities have surrendered their licenses. They are “Cholamandalam Distribution Services”, “Dilip Shanghvi, Sun Pharmaceuticals” and “Tech Mahindra”.

10. The “in-principle” license is valid for \_\_\_\_\_ months within which the entities must fulfil the requirements.
- A. 12 Months
  - B. 14 Months
  - C. 18 Months
  - D. 24 Months
  - E. None of the Above

Answer & Explanation

**C. 18 Months**

**Explanation:**

The “in-principle” license is valid for 18 months within which the entities must fulfil the requirements.

1. **As per the licensing norms of RBI, a new bank must have a \_\_\_\_\_ capital**
- A. 200 Crore
  - B. 100 Crore
  - C. 1000 Crore
  - D. 500 Crore
  - E. None of the Above

Answer & Explanation

**D. 500 Crore**

**Explanation:**

The RBI licensing norms stipulate that a new bank must have Rs.500 crore capital.

2. **Who among the following inaugurates Bandhan Bank as full-fledged scheduled commercial bank?**
- A. Narendra Modi
  - B. Rajnath Singh
  - C. Santosh Gangwar
  - D. Arun Jaitley
  - E. None of the Above

Answer & Explanation

**D. Arun Jaitley**

**Explanation:**

Union Finance Minister Arun Jaitley officially inaugurated the bank in Kolkata. Initially it opened with 501 branches across India.

3. **Which is the first bank to be set up in eastern part of India after Independence?**
- A. UCO Bank
  - B. Allahabad Bank
  - C. United Bank of India
  - D. Bandhan Bank
  - E. None of the Above

Answer & Explanation

**D. Bandhan Bank**

**Explanation:**

Kolkata-headquartered Bandhan Bank is the first bank to be set up in eastern part of India after Independence.

4. **Bandhan Bank is headquartered in \_\_\_\_\_**  
A. Mumbai  
B. Kolkata  
C. Chennai  
D. Bangalore  
E. None of the Above

Answer & Explanation

**B. Kolkata**

**Explanation:**

Bandhan Bank is headquartered in Kolkata.

5. **Bandhan Bank starts with a capital base of \_\_\_\_\_ crore**  
A. 2500 Crore  
B. 1070 Crore  
C. 2570 Crore  
D. 2470 Crore  
E. None of the Above

Answer & Explanation

**C. 2570 Crore**

**Explanation:**

Bandhan Bank starts with a capital base of Rs. 2,570 crore and this will be raised to Rs. 3,052 crore.

6. **Which of the following is/are the loan product(s) of Bandhan Bank?**  
A. Agri loan  
B. MSME loan  
C. Retail loan  
D. Both (A) and (C)  
E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**

Products of Bandhan Bank includes Agri loan, MSME loan, Retail loan and Micro loan.

7. **Which of the following is the slogan of Bandhan Bank?**  
A. Hum Hai na  
B. Aapka Bhala, Sabki Bhalai  
C. Aao Sochein Bada  
D. Both (A) and (C)  
E. None of the Above

Answer & Explanation

**B. Aapka Bhalai, Sabki Bhalai**

**Explanation:**

Aapka Bhalai, Sabki Bhalai is the slogan of Bandhan Bank.

8. **IDFC Bank is headquartered in \_\_\_\_\_**

- A. Mumbai
- B. Kolkata
- C. Chennai
- D. Bangalore
- E. None of the Above

Answer & Explanation

**A. Mumbai**

**Explanation:**

IDFC Bank is headquartered in Mumbai.

9. **Who among the following launched IDFC Bank?**

- A. Narendra Modi
- B. Rajnath Singh
- C. Santosh Gangwar
- D. Arun Jaitley
- E. None of the Above

Answer & Explanation

**A. Narendra Modi**

**Explanation:**

Prime Minister Narendra Modi formally launched IDFC Bank on 19 October 2015.

10. **Which of the following is/are the product(s) of IDFC Bank?**

- A. Commercial Banking
- B. Bharat Banking
- C. Retail Banking
- D. Business Banking
- E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**

Products of IDFC Bank are as follows

Retail banking,

Commercial & Wholesale Banking,

Business Banking  
Bharat Banking

1. **Which of the following is the clearing agency for Government securities?**

- A. RBI
- B. GOI
- C. CCIL
- D. SEBI
- E. None of the Above

Answer & Explanation

**C. CCIL**

**Explanation:**

The CCIL is the clearing agency for Government securities. It acts as a Central Counter Party (CCP) for all transactions in Government securities by interposing itself between two counter parties.

2. **\_\_\_\_\_ is used for electronic dealing and reporting of transactions in government securities**

- A. Delivery versus Payment (DvP)
- B. Negotiated Dealing System (NDS)
- C. Risk Mitigation
- D. All of the Above
- E. None of the Above

Answer & Explanation

**B. Negotiated Dealing System (NDS)**

**Explanation:**

The Negotiated Dealing System (NDS) for electronic dealing and reporting of transactions in government securities was introduced in February 2002. It facilitates the members to submit electronically, bids or applications for primary issuance of Government Securities when auctions are conducted.

3. **Which of the following is the mode of settlement of securities wherein the transfer of securities and funds happen simultaneously?**

- A. Delivery versus Payment (DvP)
- B. Duration
- C. Convexity
- D. All of the Above
- E. None of the Above

Answer & Explanation

**A. Delivery versus Payment (DvP)**

**Explanation:**

Delivery versus Payment (DvP) is the mode of settlement of securities wherein the transfer of securities and funds happen simultaneously. This ensures that unless the funds are paid, the securities are not delivered and vice versa. DvP settlement eliminates the settlement risk in transactions.

4. **The monetary ceiling of amount for settlement through Lok Adalat is \_\_\_\_\_**
- A. 5 lakh
  - B. 10 lakh
  - C. 15 lakh
  - D. 20 lakh
  - E. None of the Above

Answer & Explanation

**D. 20 lakh**

**Explanation:**

The monetary ceiling of amount for settlement through Lok Adalat is INR 20 Lakh

5. **An EEFC account can be held only in the form of a \_\_\_\_\_**
- A. Current Account
  - B. Savings Bank Account
  - C. loan Account
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**A. Current Account**

**Explanation:**

An EEFC(Exchange Earners' Foreign Currency Account) account can be held only in the form of a current account. No interest is payable on EEFC accounts.

6. **Reserve Bank of India has made it mandatory on the banks to discontinue the practice of stapling the currency note packets under \_\_\_\_\_ of the Banking Regulation Act, 1949**
- A. Section 35A
  - B. Section 25A
  - C. Section 15A
  - D. Section 30A
  - E. None of the Above

Answer & Explanation

**A. Section 35A**

**Explanation:**

The Reserve Bank of India has made it mandatory on the banks to discontinue the practice of stapling the currency note packets. It has issued a directive to banks under Section 35A of the Banking Regulation Act, 1949.

7. **“Islamic Banking” the term used for \_\_\_\_\_**
- A. Covering Banking to Islamic nation
  - B. prohibition of the collection and payment of interest
  - C. Sharing of Profit and loss
  - D. Both (A) and (B)
  - E. Both (B) and (C)

Answer & Explanation

**E. Both (B) and (C)**

**Explanation:**

Two basic principles behind Islamic banking are the sharing of profit and loss and, significantly, the prohibition of the collection and payment of interest by lenders and investors. Collecting interest is not permitted under Islamic law.

8. **The first Indian RRB that has achieved Core Banking Solution(CBS) is \_\_\_\_\_**
- A. Rushikulya Gramya Bank (RGB)
  - B. Pallavan Bank
  - C. Bangiya Gramin Vikash Bank
  - D. Allahabad UP Gramin Bank
  - E. None of the Above

Answer & Explanation

**A. Rushikulya Gramya Bank (RGB)**

**Explanation:**

The Rushikulya Gramya Bank (RGB), a regional rural bank (RRB) operating in south Orissa, has become the first RRB in the state to have placed all its branches on the Core Banking Solutions (CBS) platform.

9. **Government of India closed \_\_\_\_\_ and established National Company Law Tribunal and National Company Law Appellate Tribunal.**
- A. IIFCL
  - B. BIFR
  - C. SICA
  - D. Both (A) and (C)
  - E. None of the Above

Answer & Explanation

**B. BIFR**

**Explanation:**

The Sick Industrial Companies (Special Provisions) Repeal Act, 2003 replaced SICA and sought to dissolve the BIFR and the Appellate Authority for Industrial and Financial Reconstruction (AAIFR), replacing them by the NCLT and NCLAT. The Board for Industrial and Financial Reconstruction (BIFR), an agency of GOI was established under The Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

**10. RBI can inspect the branches of Banks under \_\_\_\_\_ of the Banking Regulation Act, 1949**

- A. Section 35
- B. Section 25
- C. Section 15
- D. Section 30
- E. None of the Above

Answer & Explanation

**A. Section 35**

**Explanation:**

RBI can inspect the branches of Banks under section 35 of the Banking Regulation Act, 1949

**1. Which allows banks and other financial institution to auction residential or commercial properties to recover loans?**

- A. Industrial Disputes Act 1947
- B. Foreign Exchange Management Act, 1999
- C. Banking Regulation Act, 1949
- D. SARFAESI Act, 2002
- E. None of the Above

Answer & Explanation

**D. SARFAESI Act, 2002**

**Explanation:**

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (also known as the SARFAESI Act) is an Indian law. It allows banks and other financial institution to auction residential or commercial properties to recover loans.

**2. \_\_\_\_\_ is an integrated bill payment system which will offer inter operable bill payment service to customers online as well as through a network of agents on the ground.**

- A. BBPS
- B. IMPS
- C. AEPS



- D. APBS
- E. None of the Above

Answer & Explanation

**A. BBPS**

**Explanation:**

The Bharat Bill Payment System (BBPS) is a RBI mandated system which will offer integrated and interoperable bill payment services to customers across geographies with certainty, reliability and safety of transactions.

3. **Which of the following will function as the Bharat Bill Payment Central Unit (BBPCU), single authorized entity operating the BBPS?**
- A. RBI
  - B. NPCI
  - C. GOI
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**B. NPCI**

**Explanation:**

National Payments Corporation of India (NPCI) will function as the authorized Bharat Bill Payment Central Unit (BBPCU), which will be responsible for setting business standards, rules and procedures for technical and business requirements for all the participants. NPCI, as the BBPCU, will also undertake clearing and settlement activities related to transactions routed through BBPS.

4. **Which of the following is not a type of Billers?**
- A. Online Mode
  - B. Offline Mode (A)
  - C. Offline Mode (B)
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

Type of Billers:

- Online Mode
- Offline Mode (A)
- Offline Mode (B)

5. **Which of the following will be the authorised operational units?**
- A. BBPCU
  - B. BBPOU
  - C. Biller
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**B. BBPOU**

**Explanation:**

Bharat Bill Payment Operating Units (BBPOUs) will be the authorised operational units.

6. **To become BBPOUs, Banks and non-bank entities are mandatorily required to apply for approval / authorisation to Reserve Bank of India under \_\_\_\_\_**
- A. Payment and Settlement Systems (PSS) Act 2007.
  - B. Foreign Exchange Management Act, 1999
  - C. Banking Regulation Act, 1949
  - D. SARFAESI Act, 2002
  - E. None of the Above

Answer & Explanation

**A. Payment and Settlement Systems (PSS) Act 2007.**

**Explanation:**

To become BBPOUs, Banks and non-bank entities are mandatorily required to apply for approval / authorisation to Reserve Bank of India under Payment and Settlement Systems (PSS) Act 2007. Bharat Bill Payment Operating Units (BBPOUs) will be the authorised operational units.

7. **In which of the following mode, BBPOU will confirm the bill payment basis the bill information dump provided by the respective biller?**
- A. Online Mode
  - B. Offline Mode (A)
  - C. Offline Mode (B)
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**B. Offline Mode (A).**

**Explanation:**

In Offline Mode (A) BBPOU will confirm the bill payment basis the bill information dump provided by the respective biller.

8. **In which of the following mode, the BBPOU receives all the bill payment requests for that particular biller without any validation?**
- A. Online Mode
  - B. Offline Mode (A)
  - C. Offline Mode (B)
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**C. Offline Mode (B)**

**Explanation:**

In Offline Mode (B) receives all the bill payment requests for that particular biller without any validation.

9. **As per the Reserve Bank of India, BBPS will initially accept utility bill payments such as \_\_\_\_\_**
- A. Telephone Bill
  - B. Electricity Bill
  - C. DTH services
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

As per the Reserve Bank of India, BBPS will initially accept utility bill payments such as electricity, water, gas, telephone and direct-to-home services and will later include other repetitive payments including school and university fees and municipal taxes.

10. **\_\_\_\_\_ have been awarded the license by the Central Bank to operate Bharat Bill Payment System (BBPS) recently.**
- A. Common Service Centres (CSC)
  - B. Financial Institutions
  - C. Only (A)
  - D. Both (A) and (B)
  - E. None of the Above

Answer & Explanation

**A. Common Service Centres (CSC)**

**Explanation:**

over 1.5 Lakh common service centres (CSC) or Digital Seva Kendres have been awarded the license by the Central Bank to operate Bharat Bill Payment System (BBPS).

1. **A trad-able form of loan is normally termed as \_\_\_\_\_**
- A. Certificate of Deposit (CD)
  - B. Inter Bank term Money
  - C. Bill Re-discounting
  - D. Debt Instrument
  - E. None of the Above

Answer & Explanation

**D. Debt Instrument**

**Explanation:**

A trad-able form of loan is normally termed as a Debt Instrument. They are usually obligations of issuer of such instrument as regards certain future cash flow representing Interest & Principal, which the issuer would pay to the legal owner of the Instrument.

2. **Which of the following is not a type of Debt Instrument?**
- A. Issuer class
  - B. Security
  - C. Coupon bearing
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**E. None of the Above**

**Explanation:**

Debt Instruments are of various types. The distinguishing factors of the Debt Instruments are as follows:

Issuer class

Coupon bearing / Discounted

Interest Terms

Repayment Terms

Security / Collateral / Guarantee

3. **Debentures are divided into different categories on the basis of which of the following?**
- A. Convertibility
  - B. Security
  - C. Term
  - D. Both (A) and (B)
  - E. None of the Above

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

Debentures are divided into different categories on the basis of: convertibility of the instrument and Security.

Debentures can be classified on the basis of convertibility into:

Non Convertible Debentures (NCD)

Partly Convertible Debentures (PCD)

Fully convertible Debentures (FCD)

Optionally Convertible Debentures (OCD)

Debentures can be classified on the basis of security into:

Secured Debentures

Unsecured Debentures

4. **Which of the following instruments retain the debt character and can not be converted in to equity shares?**

A. Non Convertible Debentures (NCD)  
B. Partly Convertible Debentures (PCD)  
C. Fully convertible Debentures (FCD)  
D. Optionally Convertible Debentures (OCD)  
E. None of the Above

Answer & Explanation

**A. Non Convertible Debentures (NCD)**

**Explanation:**

Non Convertible Debentures instruments retain the debt character and can not be converted in to equity shares.

5. **In which of the following instruments the investor has the option to either convert these debentures into shares at price decided by the issuer/agreed upon at the time of issue.**

A. Non Convertible Debentures (NCD)  
B. Partly Convertible Debentures (PCD)  
C. Fully convertible Debentures (FCD)  
D. Optionally Convertible Debentures (OCD)  
E. None of the Above

Answer & Explanation

**D. Optionally Convertible Debentures (OCD)**

**Explanation:**

The investor has the option to either convert these debentures into shares at price decided by the issuer/agreed upon at the time of issue.

6. **In which of the following conversion the investors enjoy the same status as ordinary shareholders of the company?**

A. Secured Debentures  
B. Partly Convertible Debentures (PCD)

- C. Fully convertible Debentures (FCD)
- D. Optionally Convertible Debentures (OCD)
- E. Unsecured Debentures

Answer & Explanation

**C. Fully convertible Debentures (FCD)**

**Explanation:**

These are fully convertible into Equity shares at the issuer's notice. The ratio of conversion is decided by the issuer. Upon conversion the investors enjoy the same status as ordinary shareholders of the company.

7. **Under \_\_\_\_\_ debentures, if the issuer fails on payment of either the principal or interest amount, his assets can be sold to repay the liability to the investors**
- A. Secured Debentures
  - B. Partly Convertible Debentures (PCD)
  - C. Fully convertible Debentures (FCD)
  - D. Optionally Convertible Debentures (OCD)
  - E. Unsecured Debentures

Answer & Explanation

**A. Secured Debentures**

**Explanation:**

These instruments are secured by a charge on the fixed assets of the issuer company. So if the issuer fails on payment of either the principal or interest amount, his assets can be sold to repay the liability to the investors.

8. **A part of debt instruments that are converted into Equity shares in the future at notice of the issuer is called \_\_\_\_\_**
- A. Secured Debentures
  - B. Partly Convertible Debentures (PCD)
  - C. Fully convertible Debentures (FCD)
  - D. Optionally Convertible Debentures (OCD)
  - E. Unsecured Debentures

Answer & Explanation

**B. Partly Convertible Debentures (PCD)**

**Explanation:**

A part of these instruments are converted into Equity shares in the future at notice of the issuer. The issuer decides the ratio for conversion. This is normally decided at the time of subscription.

9. **Who among the following are institutional investors in the Indian Debt Market?**
- A. Banks

- B. Mutual funds
- C. Foreign investors (FIIs)
- D. Trusts
- E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**

Institutional investors operating in the Indian Debt Market are :

Banks

Insurance companies

Provident funds

Mutual funds

Trusts

Corporate treasuries

10. **Who among the following regulates the Indian Corporate Debt Market?**

- A. RBI
- B. NABARD
- C. SIDBI
- D. SEBI
- E. None of the Above

Answer & Explanation

**D. SEBI**

**Explanation:**

Regulator for the Indian Corporate Debt Market is the Securities and Exchange Board of India (SEBI). SEBI controls bond market and corporate debt market in cases where entities raise money from public through public issues.

1. **Who among the following appoints the “Authorized Dealers” for foreign exchange transactions?**

- A. GOI
- B. RBI
- C. PSBs
- D. FEDAI
- E. FIMMDA

Answer & Explanation

**D. FEDAI**

**Explanation:**

Foreign Exchange Dealer’s Association of India (FEDAI) was set up in 1958 as an Association of banks dealing in foreign exchange in India (typically called Authorised

Dealers – ADs) as a self regulatory body and is incorporated under Section 25 of The Companies Act, 1956. It's major activities include framing of rules governing the conduct of inter-bank foreign exchange business among banks vis-à-vis public and liaison with RBI for reforms and development of forex market.

2. **Which of the following is an Association of Commercial Banks, Financial Institutions and Primary Dealers?**
- A. GOI
  - B. RBI
  - C. PSBs
  - D. FEDAI
  - E. FIMMDA

Answer & Explanation

**E. FIMMDA**

**Explanation:**

FIMMDA stands for The Fixed Income Money Market and Derivatives Association of India (FIMMDA). It is an Association of Commercial Banks, Financial Institutions and Primary Dealers. FIMMDA is a voluntary market body for the bond, Money And Derivatives Markets.

3. **Banking services provided to Special Economic Zones(SEZ) units have been exempted from \_\_\_\_\_**
- A. Sales Tax
  - B. Securities Transaction Tax – STT.
  - C. Central Excise Duty
  - D. Service Tax
  - E. None of the Above

Answer & Explanation

**D. Service Tax**

**Explanation:**

Banking services offered to units set up in special economic zones have been exempted from paying service tax.

4. **The relationship between maturity and interest rates is known as \_\_\_\_\_**
- A. Yield Curve
  - B. Zero Coupon Yield Curve
  - C. Negative Yield Curve
  - D. Neutral Yield Curve
  - E. None of the Above

Answer & Explanation



**B. Zero Coupon Yield Curve**

**Explanation:**

The Zero Coupon Yield Curve aka the Spot Curve is a relationship between maturity and interest rates which differs from a normal yield curve

5. **The relationship between time and yield on a homogenous risk class of securities is called \_\_\_\_\_**
- A. Yield Curve
  - B. Zero Coupon Yield Curve
  - C. Spot Curve
  - D. Both (A) and (B)
  - E. None of the Above

Answer & Explanation

**A. Yield Curve**

**Explanation:**

The relationship between time and yield on a homogeneous risk class of securities is called the Yield Curve.

6. **Long-term debt securities issued by the GOI or any of the State Government's or undertakings owned by them or by development financial institutions are called as \_\_\_\_\_**
- A. Shares
  - B. Debentures
  - C. Bonds
  - D. Both (A) and (C)
  - E. None of the Above

Answer & Explanation

**C. Bonds**

**Explanation:**

Long-term debt securities issued by the Government of India or any of the State Government's or undertakings owned by them or by development financial institutions are called as bonds.

7. **A long-term security yielding a fixed rate of interest, issued by a company is called \_\_\_\_\_**
- A. Shares
  - B. Debentures
  - C. Bonds
  - D. Both (A) and (C)
  - E. None of the Above

Answer & Explanation

**B. Debentures**

**Explanation:**

A debenture is a type of debt instrument that is not secured by physical assets or collateral. Instruments issued by companies are called debentures. The difference between the two is actually a function of where they are registered and pay stamp duty and how they trade.

8. **Issuance of stamp duty on bonds is under \_\_\_\_\_**
- A. The Companies Act, 1956
  - B. The Public Debt Act 1944.
  - C. Indian Stamp Act 1899 (Central Act)
  - D. Reserve Bank of India Act, 1934
  - E. Both (A) and (C)

Answer & Explanation

**C. Indian Stamp Act 1899 (Central Act)**

**Explanation:**

Issuance of stamp duty on bonds is under Indian Stamp Act 1899 (Central Act). A bond is transferable by endorsement and delivery without payment of any transfer stamp duty.

9. **Which of the following is subject to payment of Stamp Duty under Indian Stamp Act, 1899 (Central Act)?**
- A. Commercial Paper
  - B. Treasury Bills
  - C. Certificate of Deposit
  - D. Both (A) and (C)
  - E. None of the Above

Answer & Explanation

**C. Certificate of Deposit**

**Explanation:**

CD is subject to payment of Stamp Duty under Indian Stamp Act, 1899 (Central Act).

10. **Which of the following is/are not eligible to issue Certificates of deposit(CD)?**
- A. RRBs
  - B. Co-operative banks
  - C. Scheduled banks
  - D. Both (A) and (B)
  - E. None of the Above

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

All scheduled banks (except RRBs and Co-operative banks) are eligible to issue CDs

1. **An Indian rupee denominated bond issued outside India is called \_\_\_\_\_**
- A. Yankee bond
  - B. Bulldog bond
  - C. Uridashi bond
  - D. Samurai bond
  - E. Masala bond

Answer & Explanation

**E. Masala bond**

**Explanation:**

Masala bonds are Indian rupee denominated bonds issued outside India.

2. **A Japanese yen-denominated bond issued by a non-Japanese entity in the Japanese market is known as \_\_\_\_\_**
- A. Yankee bond
  - B. Bulldog bond
  - C. Uridashi bond
  - D. Samurai bond
  - E. Maple bond

Answer & Explanation

**D. Samurai bond**

**Explanation:**

Samurai bond, a Japanese yen-denominated bond issued by a non-Japanese entity in the Japanese market.

3. **“Maple bond” issued by which of the following countries?**
- A. USA
  - B. Japan
  - C. China
  - D. Canada
  - E. Korea

Answer & Explanation

**D. Canada**

**Explanation:**

Maple bond, a Canadian dollar-denominated bond issued by a non-Canadian entity in the Canadian market.

4. **A foreign currency denominated bond issued by foreign company in Singapore is known as \_\_\_\_\_**  
A. Yankee bond  
B. Bulldog bond  
C. Uridashi bond  
D. Husao bond  
E. Lion City bond

Answer & Explanation

**E. Lion City bond**

**Explanation:**

Lion City bond foreign currency denominated bond issued by foreign company in Singapore.

5. **A non-yen-denominated bond sold to Japanese retail investors is called \_\_\_\_\_**  
A. Yankee bond  
B. Bulldog bond  
C. Uridashi bond  
D. Husao bond  
E. Lion City bond

Answer & Explanation

**C. Uridashi bond**

**Explanation:**

Uridashi bond, a non-yen-denominated bond sold to Japanese retail investors.

6. **\_\_\_\_\_ is an Australian dollar-denominated bond issued by a non-Australian entity in the Australian market.**  
A. Yankee bond  
B. Bulldog bond  
C. Kangaroo bond  
D. Husao bond  
E. Panda bond

Answer & Explanation

**C. Kangaroo bond**

**Explanation:**

Kangaroo bond is an Australian dollar-denominated bond issued by a non-Australian entity in the Australian market.

7. **A Chinese renminbi-denominated bond issued by a Chinese entity in Hong Kong is called \_\_\_\_\_**  
A. Yankee bond

- B. Dim sum bond
- C. Kangaroo bond
- D. Husao bond
- E. Panda bond

Answer & Explanation

**B. Dim sum bond**

**Explanation:**

A Chinese renminbi-denominated bond issued by a Chinese entity in Hong Kong is called Dim sum bond.

8. \_\_\_\_\_ is a Chinese renminbi-denominated bond issued by a non-China entity in the People's Republic of China market
- A. Yankee bond
  - B. Dim sum bond
  - C. Kangaroo bond
  - D. Husao bond
  - E. Panda bond

Answer & Explanation

**E. Panda bond**

**Explanation:**

A Panda bond is a Chinese renminbi-denominated bond from a non-Chinese issuer, sold in the People's Republic of China.

9. In Which of the following countries "Shogun bond" is issued?
- A. USA
  - B. Japan
  - C. China
  - D. Canada
  - E. Korea

Answer & Explanation

**B. Japan**

**Explanation:**

A type of foreign-currency denominated bond that is issued in Japan by foreign entities.

10. "Matryoshka bond" is issued by?
- A. USA
  - B. Japan
  - C. Russia
  - D. Canada
  - E. Korea

Answer & Explanation

**C. Russia**

**Explanation:**

A Russian rouble-denominated bond issued in the Russian Federation by non-Russian entities. The name derives from the famous Russian wooden dolls, Matrioshka, popular among foreign visitors to Russia.

1. **The safest form of Crossed Cheque is \_\_\_\_\_**

A. Double Crossing  
B. General Crossing  
C. Special Crossing  
D. Account payee crossing  
E. None of the Above

Answer & Explanation

**D. Account payee crossing**

**Explanation:**

In Account payee crossing the amount will not be paid to anybody over the counter. It will be credited to the account of the payee only. Thus account payee crossing ensures safe transfer of funds.

2. \_\_\_\_\_ is a cheque that is not crossed on the left corner and payable at the counter of the drawee bank on presentation of the cheque.

A. Crossed Cheque  
B. Open Cheque  
C. General Crossing  
D. Restrictive Crossing  
E. None of the Above

Answer & Explanation

**B. Open Cheque**

**Explanation:**

An open cheque is a cheque that is not crossed on the left corner and payable at the counter of the drawee bank on presentation of the cheque.

3. **The words 'not negotiable' can be added to \_\_\_\_\_**

A. Double Crossing  
B. General Crossing  
C. Special Crossing  
D. Both (B) and (C)  
E. Both (A) and (B)

Answer & Explanation

**D. Both (B) and (C)**

**Explanation:**

The words 'not negotiable' can be added to general-crossing as well as special-crossing and a crossing with these words is known as not negotiable crossing. The effect of such a crossing is that it removes the most important characteristic of a negotiable instrument.

**4. Which of the following endorsements is not valid?**

- A. Restrictive Endorsement
- B. Partial Endorsement
- C. Conditional Endorsement
- D. Facultative Endorsement
- E. Both (A) and (B)

Answer & Explanation

**B. Partial Endorsement**

**Explanation:**

If the bill purposes to be endorsed for a part of the amount payable, the endorsement is called partial. It is legally ineffective.

**5. If the endorsement makes the payment of a bill subject to the fulfilment of a condition the endorsement is called \_\_\_\_\_**

- A. Restrictive Endorsement
- B. Partial Endorsement
- C. Conditional Endorsement
- D. Facultative Endorsement
- E. Both (A) and (B)

Answer & Explanation

**C. Conditional Endorsement**

**Explanation:**

If the endorsement makes the payment of a bill subject to the fulfilment of a condition the endorsement is called Conditional Endorsement.

**6. Which of the following endorsement specifies the name of the transferee for the payment of the bill?**

- A. Restrictive Endorsement
- B. Partial Endorsement
- C. Conditional Endorsement
- D. Facultative Endorsement
- E. Special Endorsement

Answer & Explanation

**E. Special Endorsement**

**Explanation:**

An endorsement which specifies the name of the transferee for the payment of the bill is called special endorsement.

7. **If the endorser signs, but does not give his/her name to whom he/she wishes to transfer the cheque is called \_\_\_\_\_**
- A. Restrictive Endorsement
  - B. Partial Endorsement
  - C. Conditional Endorsement
  - D. Facultative Endorsement
  - E. Blank Endorsement

Answer & Explanation

**E. Blank Endorsement**

**Explanation:**

If the endorser signs, but does not give his name to whom he wishes to transfer the cheque is called Blank Endorsement.

8. **When an endorsee give up some of his/her rights then it is called \_\_\_\_\_**
- A. Restrictive Endorsement
  - B. Partial Endorsement
  - C. Conditional Endorsement
  - D. Facultative Endorsement
  - E. Blank Endorsement

Answer & Explanation

**D. Facultative Endorsement**

**Explanation:**

When notice of dishonour is received by the endorsee instead of endorser it is known as facultative endorsement.

9. **The endorser expresses that he/she would not be liable for any expenses incurred by endorsee or any holder, in case of dishonour of the instrument the endorsement is called \_\_\_\_\_**
- A. Restrictive Endorsement
  - B. Partial Endorsement
  - C. Conditional Endorsement
  - D. Facultative Endorsement
  - E. Sans recourse Endorsement

Answer & Explanation



**E. Sans recourse Endorsement**

**Explanation:**

The endorser expresses that he would not be liable for any expenses incurred by endorsee or any holder, in case of dishonour of the instrument the endorsement is called Sans recourse Endorsement.

**10. Which of the following is an endorsement that restrict the further negotiation of the bill?**

- A. Restrictive Endorsement
- B. Partial Endorsement
- C. Conditional Endorsement
- D. Facultative Endorsement
- E. Sans recourse Endorsement

Answer & Explanation

**A. Restrictive Endorsement**

**Explanation:**

An endorsement which restrict the further negotiation of the bill.

**1. Which of the following is an independent banking industry watchdog that protects consumers of banking services in the country?**

- A. BBB
- B. IBA
- C. BCSBI
- D. IBRD
- E. None of the Above

Answer & Explanation

**C. BCSBI**

**Explanation:**

The Banking Codes and Standards Board of India (BCSBI) is an independent banking industry watchdog that protects consumers of banking services in India.

**2. Which of the following is the headquarters of BCSBI?**

- A. Chennai
- B. New Delhi
- C. Mumbai
- D. Hyderabad
- E. None of the Above

Answer & Explanation

**C. Mumbai**

**Explanation:**

Headquarters of BCSBI is located in Mumbai.

3. **BCSBI is governed by a \_\_\_\_\_ governing Council including one Chairman.**
- A. six-member
  - B. Four-member
  - C. Five-member
  - D. Three-member
  - E. None of the Above

Answer & Explanation

**A. six-member**

**Explanation:**

The board is governed by a six-member governing Council including one Chairman.

4. **BCSBI registered as an independent and autonomous body under \_\_\_\_\_**
- A. RBI Act 1934
  - B. Societies Registration Act, 1860
  - C. Banking Regulation Act, 1949
  - D. The Companies Act, 1956
  - E. Both (B) and (C)

Answer & Explanation

**B. Societies Registration Act, 1860**

**Explanation:**

BCSBI is an independent and autonomous body, registered as a separate society under the Societies Registration Act, 1860.

5. **Which of the following is/are non-banking subsidiary of the State Bank of India?**
- A. SBI Capital Markets Ltd.
  - B. SBI General Insurance Company Limited.
  - C. SBI Funds Management Pvt Ltd.
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

SBI has the following Non-Banking Subsidiaries in India:

SBI Capital Markets Ltd.

SBI Funds Management Pvt Ltd.

SBI Global Factors Ltd.

SBI Cards & Payments Services Pvt. Ltd. (SBICPSL)  
SBI DFHI Ltd.  
SBI General Insurance Company Limited.  
SBI Pension Funds Pvt Ltd (SBIPFPL)

6. **The International Bank for Reconstruction and Development (IBRD) is an international financial institutions that offer loans to \_\_\_\_\_**
- A. Multinational Banks
  - B. Multinational Financial Institutions
  - C. Middle Income Developing Countries
  - D. Non Government Organizations
  - E. None of the Above

Answer & Explanation

**C. Middle Income Developing Countries**

**Explanation:**

The International Bank for Reconstruction and Development (IBRD) is an international financial institution that offers loans to middle-income developing countries.

7. **The “in-principle” approval for setting up ‘small finance banks’ granted by RBI will be valid for \_\_\_\_\_**
- A. 12 Months
  - B. 24 Months
  - C. 10 Months
  - D. 18 Months
  - E. None of the Above.

Answer & Explanation

**D. 18 Months**

**Explanation:**

The “in-principle” approval granted will be valid for 18 months to enable the applicants to comply with the requirements under the Guidelines and fulfil other conditions as may be stipulated by the RBI.

8. **Which of the following is an independent commodity exchange based in Mumbai?**
- A. MGEX
  - B. MCE
  - C. MDEX
  - D. MCX
  - E. MEX

Answer & Explanation

**D. MCX**

**Explanation:**

Multi Commodity Exchange of India Ltd (MCX) (BSE: 534091) is an independent commodity exchange based in India. It was established in 2003 and is based in Mumbai.

9. **Which of the following state is known as “Cradle of Indian Banking”?**
- A. Kerala
  - B. Maharashtra
  - C. Tamil Nadu
  - D. Karnataka
  - E. Uttar Pradesh

Answer & Explanation

**D. Karnataka**

**Explanation:**

The state of Karnataka, particularly the region comprising the coastal districts of Dakshina Kannada and Udupi is called as the cradle of banking in India. This is because seven of the country's leading banks, Canara Bank, Syndicate Bank, Corporation Bank, Vijaya Bank, Karnataka Bank, Vysya Bank and the State Bank of Mysore originated from this state.

10. **Which of the following is a pension scheme focused on the workers in the unorganised sector?**
- A. SSY
  - B. AMRUT
  - C. APY
  - D. PMAY
  - E. None of the Above

Answer & Explanation

**C. APY**

**Explanation:**

Atal Pension Yojna (APY) a guaranteed pension scheme administered by PFRDA and established by Government of India. This scheme mainly for workers in unorganised sector.

1. **Which of the following is an apex financial institution for housing?**
- A. AIFI
  - B. NHB
  - C. DFI
  - D. Both (A) and (B)
  - E. None of the Above

Answer & Explanation

**B. NHB**

**Explanation:**

NHB is an apex financial institution for housing. NHB has been established with an objective to operate as a principal agency to promote housing finance institutions both at local and regional levels.

2. **NHB is wholly owned by \_\_\_\_\_**
- A. GOI
  - B. RBI
  - C. SEBI
  - D. NABARD
  - E. None of the Above

Answer & Explanation

**B. RBI**

**Explanation:**

NHB is wholly owned by Reserve Bank of India.

3. **The Headquarters of NHB located in \_\_\_\_\_**
- A. Chennai
  - B. Mumbai
  - C. New Delhi
  - D. Gurugram
  - E. None of the Above

Answer & Explanation

**C. New Delhi**

**Explanation:**

Headquarters of NHB located in New Delhi.

4. **National Housing Bank(NHB) was set up under \_\_\_\_\_**
- A. National Housing Bank Act, 1987
  - B. National Housing Bank Act, 1977
  - C. National Housing Bank Act, 1967
  - D. National Housing Bank Act, 1957
  - E. None of the Above

Answer & Explanation

**A. National Housing Bank Act, 1987**

**Explanation:**

NHB was set up on 9 July 1988 under the National Housing Bank Act, 1987.

5. **Which of the following contributed the entire paid-up capital in National Housing Bank(NHB)?**  
A. GOI  
B. RBI  
C. SEBI  
D. NABARD  
E. None of the Above

Answer & Explanation

**B. RBI**

**Explanation:**

RBI contributed the entire paid-up capital in National Housing Bank(NHB).

6. **An HFC is required to have Minimum net owned fund of \_\_\_\_\_**  
A. Rs. 100 lakhs  
B. Rs. 200 lakhs  
C. Rs. 500 lakhs  
D. Rs. 1000 lakhs  
E. None of the Above

Answer & Explanation

**D. Rs. 1000 lakhs**

**Explanation:**

For commencing the housing finance business, an HFC is required to have the following in addition to the requirements under the Companies Act, 1956:

- ♦ Certificate of registration from NHB
- ♦ Minimum net owned fund of Rs. 1000 lakhs

7. **HFCs can accept public deposits for a period of \_\_\_\_\_**  
A. 2 to 5 years  
B. 1 to 5 years  
C. 2 to 7 years  
D. 1 to 7 years  
E. All of the Above

Answer & Explanation

**D. 1 to 7 years**

**Explanation:**

In terms of the Housing Finance Companies (NHB) Directions, 2001, HFCs can accept public deposits for periods of one year and above and upto seven years only.

8. **What is/are the credit rating agencies approved for the acceptance of public deposits by an HFC?**

- A. The Credit Rating Information Services of India Ltd. (CRISIL)
- B. ICRA Ltd.
- C. Credit Analysis and Research Limited (CARE)
- D. FITCH Ratings India Pvt. Ltd.
- E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**

The HFC having credit rating can accept more deposits as compared to an HFC without such rating.

The following credit rating agencies have been approved for the above purpose

- ♦ The Credit Rating Information Services of India Ltd. (CRISIL)
- ♦ ICRA Ltd.
- ♦ Credit Analysis and Research Limited (CARE)
- ♦ FITCH Ratings India Pvt. Ltd.

**9. What is difference between banks & HFCs?**

- A. HFCs cannot accept demand deposits
- B. It cannot issue cheques drawn on itself
- C. deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of HFCs
- D. All of the Above
- E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

HFCs are doing functions similar to banks as banks also provides housing loans.

However, there are a few differences as given below:

- ♦ HFCs cannot accept demand deposits
- ♦ HFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
- ♦ Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation(DICGC) is not available to depositors of HFCs, unlike in case of banks.

**10. In terms of \_\_\_\_\_, HFCs cannot conduct business of housing finance without obtaining a Certificate of Registration (CoR) from NHB**

- A. Section 29A of National Housing Bank 1987
- B. Section 28A of National Housing Bank 1987
- C. Section 27A of National Housing Bank 1987
- D. Section 26A of National Housing Bank 1987
- E. None of the Above

Answer & Explanation

**A. Section 29A of National Housing Bank 1987**

**Explanation:**

In terms of section 29A of the National Housing Bank, 1987, HFCs cannot conduct business of housing finance without obtaining a Certificate of Registration (CoR) from NHB. Conduct of business without obtaining certificate of registration is an offence punishable under the provisions of the National Housing Bank Act, 1987. NHB can also file application for winding up of such HFCs, under section 33B of the said Act.

**1. Which of the following is India's first Credit Information Company?**

- A. CRISIL
- B. CIBIL
- C. SMERA
- D. CERSAI
- E. CARE

Answer & Explanation

**B. CIBIL**

**Explanation:**

TransUnion CIBIL Limited is India's first Credit Information Company, also commonly referred as a Credit Bureau. It collect and maintain records of individuals' and non-individuals' (commercial entities) payments pertaining to loans and credit cards. These records are submitted to credit bureau by banks and other lenders on a monthly basis; using this information a Credit Information Report (CIR) and Credit Score is developed, enabling lenders to evaluate and approve loan applications.

**2. Which of the following provides license to a credit bureau?**

- A. SEBI
- B. SIDBI
- C. NABARD
- D. RBI
- E. GOI

Answer & Explanation

**D. RBI**

**Explanation:**

A Credit Bureau is licensed by the RBI.

**3. How many divisions are there in CIBIL?**

- A. one
- B. Two
- C. Three



- D. Four
- E. None of the Above

Answer & Explanation

**B. Two**

**Explanation:**

It has two divisions : Consumer Bureau and Commercial Bureau

4. **A Credit Bureau is governed by \_\_\_\_\_**
- A. Securities and Exchange Board of India Act, 1992
  - B. Reserve Bank of India Act, 1934
  - C. Banking Regulation Act, 1949
  - D. Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999
  - E. Credit Information Companies (Regulation) Act of 2005

Answer & Explanation

**E. Credit Information Companies (Regulation) Act of 2005**

**Explanation:**

A Credit Bureau is governed by the Credit Information Companies (Regulation) Act of 2005.

5. **Which of the following plays an important role in the loan approval process?**
- A. Credit Information Report (CIR)
  - B. CIBIL TransUnion Score
  - C. Only A
  - D. Both (A) and (B)
  - E. None of the Above

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

The Credit Information Report (CIR) and CIBIL TransUnion Score are very important in the loan approval process.

6. **Which of the following is/are technical partners of CIBIL?**
- A. TransUnion International
  - B. Dun and Bradstreet
  - C. SIDBI & PSBs
  - D. Both (A) and (B)
  - E. Both (A) and (C)

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

TransUnion International and Dun and Bradstreet are technical partners of CIBIL.

**7. Which of the following holds 4% stake in CIBIL?**

- A. Bank of India
- B. TransUnion International
- C. Aditya Birla Trustee Company Private Ltd
- D. ICICI Bank Ltd
- E. India Infoline Finance Limited

Answer & Explanation

**C. Aditya Birla Trustee Company Private Ltd**

**Explanation:**

Aditya Birla Trustee Company Private Ltd – 4%

**8. Which of the following holds minority stake in CIBIL?**

- A. Bank of India
- B. TransUnion International
- C. Aditya Birla Trustee Company Private Ltd
- D. ICICI Bank Ltd
- E. India Infoline Finance Limited

Answer & Explanation

**E. India Infoline Finance Limited**

**Explanation:**

India Infoline Finance Limited – 1%

**9. Which of the following holds majority stake in CIBIL?**

- A. Bank of India
- B. Bank of Baroda
- C. United Bank of India
- D. TransUnion International
- E. ICICI Bank Ltd

Answer & Explanation

**D. TransUnion International**

**Explanation:**

TransUnion International Inc (66.1%)

ICICI Bank Ltd (6%)

Bank of Baroda (5%)

Bank of India (5%)

Union Bank of India (5%)

Indian Overseas Bank (5)%  
Aditya Birla Trustee Company Private Ltd. (4)%  
India Alternatives Private Equity Fund (2.9%)  
India Infoline Finance Limited (1%)

**10. Which of the following is the slogan of CIBIL?**

- A. Empowering Banks
- B. Empowering Women
- C. Empowering India
- D. Empowering you
- E. None of the Above

Answer & Explanation

**D. Empowering you**

**Explanation:**

Slogan: Empowering you

**1. Which is a full service credit rating agency exclusively set up for micro, small and medium enterprises?**

- A. CRISIL
- B. ICRA
- C. CARE
- D. ONICRA
- E. SMERA

Answer & Explanation

**E. SMERA**

**Explanation:**

SMERA Ratings Limited (formerly SME Rating Agency of India Ltd.) is a full service credit rating agency exclusively set up for micro, small and medium enterprises.

**2. SMERA is a joint initiative of \_\_\_\_\_**

- A. SIDBI & Leading PSBs
- B. Dun & Bradstreet Information Services India Private Limited (D&B) & Leading Private Banks
- C. RBI & SEBI
- D. Both (A) and (B)
- E. Both (A) and (C)

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

SMERA Ratings Limited (formerly SME Rating Agency of India Ltd.) is a joint initiative

of Small Industries Development Bank of India (SIDBI), Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India.

3. **The Headquarters of SMERA is located in \_\_\_\_\_**
- A. Mumbai
  - B. New Delhi
  - C. Hyderabad
  - D. Gurugram
  - E. None of these

Answer & Explanation

**A. Mumbai**

**Explanation:**

The Headquarters of SMERA is located in Mumbai, Maharashtra.

4. **SMERA Ratings Ltd (SMERA) is registered by \_\_\_\_\_**
- A. SEBI
  - B. SIDBI
  - C. NABARD
  - D. RBI
  - E. None of these

Answer & Explanation

**A. SEBI**

**Explanation:**

SMERA is registered with the Securities and Exchange Board of India (SEBI) as a Credit Rating Agency.

5. **SMERA is the \_\_\_\_\_ rating agency in the country?**
- A. First
  - B. Sixth
  - C. Seventh
  - D. Eighth
  - E. None of these

Answer & Explanation

**B. Sixth**

**Explanation:**

SMERA is registered with the Securities and Exchange Board of India (SEBI) as a Credit Rating Agency (6th in India).

6. **Credit Rating Agency, SMERA accredited by \_\_\_\_\_**  
A. SEBI  
B. SIDBI  
C. NABARD  
D. RBI  
E. None of these

Answer & Explanation

**D. RBI**

**Explanation:**

The Company has received accreditation from the Reserve Bank of India (RBI) as an External Credit Assessment Institution (ECAI) under BASEL – II norms for undertaking bank loan ratings.

7. **Which of the following instruments rated/graded by SMERA?**  
A. Commercial Papers  
B. Security Receipts  
C. Fixed Deposits  
D. Only (B) and (C)  
E. All of these

Answer & Explanation

**E. All of these**

**Explanation:**

SMERA can rate/grade various instruments such as: IPO, NCDs, Commercial Papers, Bonds, Security Receipts, Fixed Deposits etc

8. **SMERA is also em-panelled as an approved rating agency by \_\_\_\_\_**  
A. SIDBI  
B. NABARD  
C. NSIC  
D. Both (B) and (C)  
E. None of these

Answer & Explanation

**C. NSIC**

**Explanation:**

SMERA is also em-panelled as an approved rating agency by the National Small Industries Corporation Ltd. (NSIC) under the “Performance & Credit Rating Scheme for Small Industries”, approved by the Ministry of Small Scale Industries, Government of India.

9. **Which of the following has awarded SIDBI with “Outstanding Development Project Award” for setting up SMERA?**
- A. Standard & Poor
  - B. IBRD
  - C. ADB
  - D. ADFIAP
  - E. None of these

Answer & Explanation

**D. ADFIAP**

**Explanation:**

The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) has awarded SIDBI with “Outstanding Development Project Award” for setting up SMERA in 2007.

10. **SMERA has been registered under \_\_\_\_\_**
- A. Securities and Exchange Board of India Act, 1992
  - B. Reserve Bank of India Act, 1934
  - C. Banking Regulation Act, 1949
  - D. Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999
  - E. None of these

Answer & Explanation

**D. Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999**

**Explanation:**

SMERA has been registered under Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999.

1. **Which company is providing free 4G sims to certain smartphone users like Samsung, LG, etc.?**
- A) Airtel
  - B) Vodafone
  - C) Reliance
  - D) Aircel
  - E) Tata

Answer & Explanation

**C) Reliance**

**Explanation:**

Reliance is providing its 4G sims free of cost to some companies smartphone users on which they will have free calls and net for 3 months

2. **Which bank has become the first private sector bank to sell Indian gold coins?**

A) Dhanlaxmi Bank  
B) Federal Bank  
C) ICICI Bank  
D) IndusInd Bank  
E) Karur Vysya Bank

Answer & Explanation

**B) Federal Bank**

**Explanation:**

Kerala based private sector lender, Federal Bank has tied up with MMTC for distribution of Indian Gold Coins (IGC), the first-Ever national gold offering by the government, which was launched by Prime Minister Narendra Modi In November 2015.

3. **With which card company has Axis bank launched its contactless debit cards?**

A) MasterCard  
B) RuPay  
C) EuroPay  
D) Visa  
E) None of these

Answer & Explanation

**D) Visa**

**Explanation:**

Axis Bank, on Wednesday announced the launch of its Contactless Secure+ Debit Card for regular savings account customers, to provide access to a larger customer base with contactless technology. The card, launched on the Visa payWave platform, will enable Axis Bank's customers to conveniently 'Just Wave to Pay' at NFC-enabled point of sale (POS) terminals and also use the card as a normal debit card at any POS terminal.

4. **Which bank recently tied up with Chillr for cashless transactions?**

A) Federal Bank  
B) DCB Bank  
C) IDFC Bank  
D) Karnataka Bank  
E) IndusInd Bank

Answer & Explanation

**A) Federal Bank**

**Explanation:**

Federal Bank announced its partnership with with Chillr, a mobile banking application, to provide cashless transactions.

Chillr, India's first and only multi-bank mobile application, allows users to connect

seamlessly with multiple bank accounts and manage all their banking needs on a single platform, making money transfer between bank accounts easier, faster and safer than sending a text message.

5. **After Mumbai, Doha bank is now going to open its branches in which city?**

A) Palakkad  
B) Kochi  
C) Idukki  
D) Kasaragod  
E) None of these

Answer & Explanation

**B) Kochi**

**Explanation:**

Qatar-based Doha Bank will open a state-of-the-art branch in Kochi, the only branch of a Gulf Cooperation Council (GCC)-based bank in India.

6. **Who has been named as the new RBI Governor?**

A) Subir Gokarn  
B) Arundhati Bhattacharya  
C) R. Gandhi  
D) Urjit R Patel  
E) Arvind Subramanian

Answer & Explanation

**D) Urjit R Patel**

**Explanation:**

The choice of Urjit Patel as RBI governor was made by PM Narendra Modi himself.

7. **IndusInd Bank has tied up with which company to use its Cloud commerce solutions to transform customer engagements and enhance its cross-sell platforms?**

A) Accenture  
B) Infosys  
C) Wipro  
D) TCS  
E) IBM

Answer & Explanation

**E) IBM**

**Explanation:**

As a part of a three year strategic agreement, IBM will provide a cloud and predictive analytics based multi-channel campaign management solution that enables IndusInd



Bank to strengthen its online banking presence while improving the product holding per customer.

8. **For customers of how many banks, the UPI mobile application is going to launch in the first phase?**
- A) 21
  - B) 19
  - C) 15
  - D) 25
  - E) None of these

Answer & Explanation

**A) 21**

**Explanation:**

According to NPCI, the UPI application of 19 banks can be downloaded from Google Play Store in next two to three working days.

The list of banks providing the app on Google Play Store are: Andhra Bank, Axis Bank, Bank of Maharashtra, Bhartiya Mahila Bank, Canara Bank, Catholic Syrian Bank, DCB Bank, Federal Bank, ICICI Bank, TJSB Sahakari Bank, Oriental Bank of Commerce, Karnataka Bank, UCO Bank, Union Bank of India, United Bank of India, Punjab National Bank, South Indian Bank

The customers of IDBI Bank and RBL Bank can download any UPI enabled apps and link their account.

9. **Which two banks have been given the tag “too big too fail” for the year 2016?**
- A) ICICI and Axis Bank
  - B) Axis Bank and Punjab National Bank
  - C) Punjab National bank and SBI
  - D) SBI and ICICI
  - E) SBI and Axis Bank

Answer & Explanation

**D) SBI and ICICI**

**Explanation:**

The Reserve Bank of India retained the tag of “too big to fail” banks for SBI and ICICI second year in a row. This means that the banking regulator considers failure of these banks to be dangerous for the economy, which renders them ‘too big to fail’.

RBI had designated both these banks as domestic systemically important banks (D-SIBs) last year in August for the first time.

Both these banks are required to make additional capital requirements after they were named as D-SIBs.

10. **SBI has been named as domestic systemically important banks (D-SIBs) this year. What additional capital it will have to maintain as a percent of loans and**

**investments?**

- A) 0.2%
- B) 0.4%
- C) 0.6%
- D) 0.8%
- E) None of these

Answer & Explanation

**C) 0.6%**

**Explanation:**

Based on the methodology announced by the central bank, SBI will need to maintain additional capital equivalent to 0.6 per cent of its loans and investments while ICICI will need to maintain 0.2 per cent more.

**1. What is the full form of CERSAI?**

- A. Combined Registry of Securitisation Asset Reconstruction and Security Interest
- B. Central Registry of Securitisation Agency Reconstruction and Security Interest
- C. Combined Registry of Securitisation Agency Reconstruction and Security Interest
- D. Central Registry of Securitisation Asset Reconstruction and Security Interest
- E. None of these

Answer & Explanation

**D. Central Registry of Securitisation Asset Reconstruction and Security Interest**

**Explanation:**

Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) is a central online security interest registry of India. It was primarily created to check frauds in lending against equitable mortgages, in which people would take multiple loans on the same asset from different banks.

**2. The headquarters of CERSAI located in \_\_\_\_\_**

- A. Mumbai
- B. New Delhi
- C. Hyderabad
- D. Gurugram
- E. None of these

Answer & Explanation

**B. New Delhi**

**Explanation:**

The headquarters of Central Registry of Securitisation Asset Reconstruction and Security Interest(CERSAI) located in New Delhi.

3. **CERSAI was registered as a government-licensed company, under section 25 of**

\_\_\_\_\_

- A. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- B. Companies Act, 1956
- C. Banking Regulation Act, 1949
- D. Both (A) and (B)
- E. None of these

Answer & Explanation

**B. Companies Act, 1956**

**Explanation:**

Central Registry of Securitisation Asset Reconstruction and Security Interest of India is a company licensed under section 25 of the Companies Act, 1956

4. **CERSAI incorporated with majority share holding of**

\_\_\_\_\_

- A. Government of India
- B. National Housing Bank
- C. Public Sector Banks
- D. Both (B) and (C)
- E. (A), (C) and (B)

Answer & Explanation

**A. Government of India**

**Explanation:**

51% of the equity is owned by the government, and the rest is owned equally by National Housing Bank and 10 other public sector banks.

5. **Which of the following is/are share holders of CERSAI?**

- A. GOI
- B. RBI
- C. PSBs
- D. NHB
- E. (A), (C) and (D)

Answer & Explanation

**E. (A), (C) and (D)**

**Explanation:**

The Company is a Government Company with a shareholding of 51% by the Central Government and select Public Sector Banks and the National Housing Bank are also shareholders of the Company.

6. **Financial institutions must register details of security interests created by them with CERSAI within how many days of its creation?**
- A. 30
  - B. 60
  - C. 15
  - D. 90
  - E. None of these

Answer & Explanation

**A. 30**

**Explanation:**

Financial institutions must register details of security interests created by them with CERSAI within 30 days of its creation.

7. **Which of the following is/are provided by the platform of CERSAI?**
- A. Registrations of transactions of securitisation
  - B. Asset Reconstruction
  - C. Security Interest
  - D. All of the Above
  - E. None of these

Answer & Explanation

**D. All of the Above**

**Explanation:**

The Company is providing the platform for filing registrations of transactions of securitisation, asset reconstruction and security interest by the banks and financial institutions.

8. **Which of the following defines the objectives of CERSAI?**
- A. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
  - B. Companies Act, 1956
  - C. Banking Regulation Act, 1949
  - D. Both (A) and (B)
  - E. None of these

Answer & Explanation

**A. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.**

**Explanation:**

The object of the company is to maintain and operate a Registration System for the purpose of registration of transactions of securitisation, asset reconstruction of financial assets and creation of security interest over property, as contemplated under Chapter IV

of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. (SARFAESI Act).

9. **According to \_\_\_\_\_, Any person can also search and inspect the records maintained by the Registry on payment of fees.**
- A. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
  - B. Companies Act, 1956
  - C. Both (A) and (B)
  - D. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) Rules, 2011
  - E. None of these

Answer & Explanation

**D. Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) Rules, 2011**

**Explanation:**

Any person can also search and inspect the records maintained by the Registry on payment of fees prescribed under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) Rules, 2011.

For the general public, especially for home buyers, it enables them to check the registry's records to ensure that any property they are planning to purchase, is free of any loan/security interest created by a lender.

10. **Which of the following is/are functions of CERSAI?**
- A. check frauds in lending against equitable mortgages
  - B. maintains a central registry of equitable mortgages
  - C. Provides loan
  - D. Both (A) and (B)
  - E. None of these

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

CERSAI was primarily created to check frauds in lending against equitable mortgages, in which people would take multiple loans on the same asset from different banks. CERSAI to start registration of security interests created on movable and intangible assets such as accounts receivables, book debt, and hypothecation as well as to start registration of all other types of mortgages used in India.

1. **NCAER is located in \_\_\_\_\_**
- A. Mumbai
  - B. New Delhi
  - C. Noida

- D. Chennai
- E. Hyderabad

Answer & Explanation

**B. New Delhi**

**Explanation:**

National Council of Applied Economic Research or NCAER is a New Delhi based non-profit think tank of economics.

2. **The Central Statistical Office (CSO) is located in \_\_\_\_\_**
- A. Mumbai
  - B. New Delhi
  - C. Noida
  - D. Chennai
  - E. Hyderabad

Answer & Explanation

**B. New Delhi**

**Explanation:**

The Central Statistics Organisation is responsible for coordination of statistical activities in the country, and evolving and maintaining statistical standards. Its activities include National Income Accounting, etc.

3. **National Sample Survey Organization(NSSO) is an organization under the \_\_\_\_\_**
- A. Ministry of Finance
  - B. Ministry of Statistics
  - C. Ministry of Commerce
  - D. All (B) and (C)
  - E. None of the Above

Answer & Explanation

**B. Ministry of Statistics**

**Explanation:**

The National Sample Survey Organisation (NSSO), now known as National Sample Survey Office, is an organization under the Ministry of Statistics of the Government of India. It is the largest organisation in India conducting regular socio-economic surveys. It was established in 1950.

4. **Headquarter of Agriculture of Finance Corporation(AFC) is situated at \_\_\_\_\_**
- A. Mumbai
  - B. New Delhi
  - C. Noida

- D. Gurugram
- E. Hyderabad

Answer & Explanation

**A. Mumbai**

**Explanation:**

Headquarter of AFC is situated at Mumbai. The Company has three Regional Offices at Kolkata, New Delhi and Bangalore besides three Branch Offices at Lucknow, Hyderabad and Pune and Field Offices at Kalahandi, Bargarh (Orissa) and Godda (Jharkhand).

5. **The headquarters of Investment Information & Credit Rating Agency(ICRA) Limited is located in \_\_\_\_\_**

- A. Mumbai
- B. New Delhi
- C. Noida
- D. Gurugram
- E. Hyderabad

Answer & Explanation

**D. Gurugram**

**Explanation:**

ICRA is second largest Indian rating company in term of customer base. It was a joint-venture between Moody's and various Indian commercial banks and financial services companies. Headquarters is in Gurgaon (Haryana), India

6. **The headquarter of CARE is \_\_\_\_\_**

- A. Mumbai
- B. New Delhi
- C. Noida
- D. Gurugram
- E. Hyderabad

Answer & Explanation

**A. Mumbai**

**Explanation:**

Credit Analysis & Research Limited(CARE) is located in Mumbai.

7. **SME Rating Agency of India Limited (SMERA), a third party rating agency is situated in \_\_\_\_\_**

- A. Mumbai
- B. New Delhi
- C. Noida

- D. Gurugram
- E. Hyderabad

Answer & Explanation

**A. Mumbai**

**Explanation:**

SME Rating Agency of India Limited (SMERA) is a third party rating agency exclusively set up for micro, small and medium enterprises (MSME) in India for ratings on creditworthiness.

8. **Credit Information Bureau India Limited (CIBIL) is India's first Credit Information Company (CIC) headquartered at \_\_\_\_\_**

- A. Mumbai
- B. New Delhi
- C. Noida
- D. Gurugram
- E. Hyderabad

Answer & Explanation

**A. Mumbai**

**Explanation:**

Credit Information Bureau (India) Limited (CIBIL) is India's first Credit Information Company (CIC) founded in August 2000. CIBIL collects and maintains records of an individual's payments pertaining to loans and credit cards.

9. **STANDARD & POOR'S (S&P) is located in \_\_\_\_\_**

- A. New York
- B. Washington D.C
- C. Los Angeles
- D. San Francisco
- E. Chicago

Answer & Explanation

**A. New York**

**Explanation:**

Standard & Poor's Financial Services LLC is an American financial services company. It is a division of S&P Global that publishes financial research and analysis on stocks, bonds and commodities.

10. **The headquarter of ONICRA is \_\_\_\_\_**

- A. Mumbai
- B. New Delhi
- C. Noida



- D. Gurugram
- E. Hyderabad

Answer & Explanation

**D. Gurugram**

**Explanation:**

Onicra-leading Credit and Performance Rating agencies in India providing ratings, risk assessment and analytical solutions.

1. **The rules framed in the Clayton's case have been incorporated in \_\_\_\_\_**
- A. Banking Regulation Act, 1949
  - B. Reserve Bank of India Act, 1934
  - C. Negotiable Instruments Act, 1881
  - D. Indian Contract Act, 1872
  - E. None of the Above

Answer & Explanation

**D. Indian Contract Act, 1872**

**Explanation:**

The rules framed in the Clayton's case was incorporated in Section 59 of the Indian Contract Act, 1872.

2. **The Definition of 'Banking' is given in \_\_\_\_\_**
- A. Negotiable Instrument Act, 1881
  - B. RBI Act, 1934
  - C. The Banking Regulation Act, 1949
  - D. Indian Contract Act, 1872
  - E. None of the Above

Answer & Explanation

**C. The Banking Regulation Act, 1949**

**Explanation:**

As per Section 5(b) of the Banking Regulation Act, 1949, "banking" means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdraw-able by cheque, draft, order or otherwise.

3. **Banks are required to maintain SLR under \_\_\_\_\_**
- A. Section 24 of the Banking Regulation Act
  - B. Section 35 of the Negotiable Instrument Act, 1881
  - C. Section 24 of RBI Act
  - D. Section 40 of Indian Contract Act, 1872
  - E. None of the Above

Answer & Explanation

**A. Section 24 of the Banking Regulation Act**

**Explanation:**

SLR is governed by the provisions of Section 24 of the Banking Regulation Act. There is no minimum stipulation on SLR (earlier there used to be a minimum stipulated SLR of 25% – but this was removed with an amendment to the Banking Regulation Act in 2007). However, SLR can not exceed 40%.

4. **Which of the following was/were established under the Recovery of Debts Due to Banks and Financial Institutions Act (RDDBFI Act), 1993?**
- A. DRTs
  - B. DRATs
  - C. ATs
  - D. Both (A) and (B)
  - E. None of the Above

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

The Debts Recovery Tribunals (DRTs) and Debts Recovery Appellate Tribunal (DRATs) were established under the Recovery of Debts Due to Banks and Financial Institutions Act (RDDBFI Act), 1993 with the specific objective of providing expeditious adjudication and recovery of debts due to Banks and Financial Institution.

5. **Which of the following is governed by the provisions of Section 42 of the Reserve Bank of India Act, 1934?**
- A. Bank rate
  - B. Reverse Repo Rate
  - C. SLR
  - D. CRR
  - E. None of the Above

Answer & Explanation

**D. CRR**

**Explanation:**

CRR is governed by the provisions of Section 42 of the Reserve Bank of India Act, 1934. There is no minimum & maximum level of CRR. We could go upto zero CRR (negative values are of course absurd).

6. **A Shareholder has been defined by \_\_\_\_\_**
- A. Banking Regulation Act, 1949
  - B. Reserve Bank of India Act, 1934
  - C. Negotiable Instruments Act, 1881

- D. Indian Contract Act, 1872
- E. The companies act, 1956

Answer & Explanation

**E. The companies act, 1956**

**Explanation:**

The Companies Act, 1956

“Small Shareholder” means a shareholder holding shares of nominal value of twenty thousand rupees or less in a public company to which section 252 of the Act applies.

7. **Spurious coins detected at the counter are sent to \_\_\_\_\_**
- A. RBI
  - B. GOI
  - C. IBRD
  - D. Mint
  - E. None of the Above

Answer & Explanation

**D. Mint**

**Explanation:**

when Spurious coins tendered over the counter, it should be cut and handed over to the tenderer. If the tenderer disputes it, the coins should be sent to the mint at his cost, for examination.

8. **On a Cheque instead of two parallel lines only bank's name is written is known as \_\_\_\_\_**
- A. Payable to bearer
  - B. General Crossing
  - C. Special Crossing
  - D. Both (B) and (C)
  - E. None of the Above

Answer & Explanation

**C. Special Crossing**

**Explanation:**

When a particular bank's name is written in between the two parallel lines the cheque is said to be specially crossed. The effect of special crossing is that the bank makes payment only to the banker whose name is written in the crossing. Specially crossed cheques are more safe than a generally crossed cheques.

9. **Minimum period of reinvestment deposits is \_\_\_\_\_**
- A. 2 months
  - B. 3 months

- C. 6 months
- D. 9 months
- E. E. None of the Above

Answer & Explanation

**C. 6 months**

**Explanation:**

A Reinvestment Deposit Plan basically allows you to reinvest the interest earned on your deposit. Period of deposit 6 months to 10 years.

**10. What is the minimum limit in reinvestment deposits?**

- A. 100
- B. 500
- C. 1000
- D. 5000

Answer & Explanation

**C. 1000**

**Explanation:**

E. None of the Above

The minimum deposit amount is Rs. 1,000/-. Initially deposits should be made only in multiples of Rs. 100/-. Renewals can be made in any amount.

**1. Which of the following is the most active segment of the money market in India?**

- A. Commercial Paper(CP)
- B. Certificate of Deposit(CD)
- C. Call Money
- D. All of the above
- E. None of the Above

Answer & Explanation

**C. Call Money**

**Explanation:**

Call money is short-term finance repayable on demand, with a maturity period of one to fourteen days or overnight to fortnight.

**2. SEPA Stands for \_\_\_\_\_**

- A. Scottish Environment Protection Agency
- B. Single Euro Payments Area
- C. Scottish Environment Protection Area
- D. Single Euro Payments Agency
- E. None of the Above

Answer & Explanation

**B. Single Euro Payments Area**

**Explanation:**

The Single Euro Payments Area (SEPA) is a payment-integration initiative of the European Union for simplification of bank transfers denominated in euro.

3. **The paid-up capital of non-scheduled bank is less than \_\_\_\_\_**
- A. Rs. 10 lakh
  - B. Rs. 20 lakh
  - C. Rs. 15 lakh
  - D. Rs. 5 lakh
  - E. None of the Above

Answer & Explanation

**D. Rs. 5 lakh**

**Explanation:**

Banks not under in the second schedule of RBI Act, 1934 are called non-scheduled banks.

Banks with a reserve capital of less than 5 lakh rupees qualify as non-scheduled banks.

Unlike scheduled banks, they are not entitled to borrow from the RBI for normal banking purposes, except, in emergency or "abnormal circumstances.

Jammu & Kashmir Bank is an example of a non-scheduled commercial bank.

4. **The paid up capital and collected funds of scheduled bank must not be less than \_\_\_\_\_**
- A. Rs. 10 lakh
  - B. Rs. 20 lakh
  - C. Rs. 15 lakh
  - D. Rs. 5 lakh
  - E. None of the Above

Answer & Explanation

**D. Rs. 5 lakh**

**Explanation:**

Banks under in the second schedule of RBI Act, 1934 are called scheduled bank. To qualify as a scheduled bank, the paid up capital and collected funds of the bank must not be less than Rs.5 lakh. Scheduled banks are eligible for loans from the Reserve Bank of India at bank rate, and are given membership to clearing houses.

5. **Co-operative banks are regulated by the Reserve Bank of India under \_\_\_\_\_**
- A. Banking Regulation Act, 1949
  - B. Banking Laws (Application to Co-operative Societies) Act, 1965
  - C. Both (A) and (B)

- D. Negotiable Instrument Act–1881
- E. None of the Above

Answer & Explanation

**C. Both (A) and (B)**

**Explanation:**

Co-operative banks are regulated by the Reserve Bank of India under the Banking Regulation Act, 1949 and Banking Laws (Application to Co-operative Societies) Act, 1965

6. **All banks registered under the \_\_\_\_\_ are considered co-operative banks.**
- A. Banking Regulation Act 1949
  - B. The Bankers' Books Evidence Act–1891
  - C. Cooperative Societies Act, 1912
  - D. Both (B) and (C)
  - E. None of the Above

Answer & Explanation

**C. Cooperative Societies Act, 1912**

**Explanation:**

Co-operative banks operate in both urban and non-urban areas. All banks registered under the Cooperative Societies Act, 1912 are considered co-operative banks. These are banks run by an elected managing committee with provisions of members' rights and a set of "communally developed and approved bylaws and amendments.co-operative banks work on a "no profit, no loss" basis.

7. \_\_\_\_\_ refers to the system in which two or more banks are brought under common control by a device other than the holding company?
- A. Chain Banking
  - B. Group Banking
  - C. Mixed Banking
  - D. Branch Banking
  - E. None of the Above

Answer & Explanation

**A. Chain Banking**

**Explanation:**

Chain Banking refers to the system in which two or more banks are brought under common control by a device other than the holding company.

8. **A negotiable instrument delivered to a person conditionally or for safe custody, but not for the purpose of negotiation is called \_\_\_\_\_**
- A. Protest

- B. Escrow
- C. Noting
- D. All of the Above
- E. None of the Above

Answer & Explanation

**B. Escrow**

**Explanation:**

An escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties.

9. \_\_\_\_\_ is the process by which the ownership of the credit instrument is transferred from one person to another.
- A. Assignment
  - B. Endorsement
  - C. Negotiation
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**C. Negotiation**

**Explanation:**

In documentary credit, usually the beneficiary's bank which agrees to pay the beneficiary by purchasing a negotiable instrument (importer's or buyer's draft). Also called accrediting party.

10. A charge where there is neither the transfer of ownership nor the possession is called \_\_\_\_\_
- A. Pledge
  - B. Hypothecation
  - C. Mortgage
  - D. Lien
  - E. None of the Above

Answer & Explanation

**B. Hypothecation**

**Explanation:**

A charge against property for an amount of debt where neither ownership nor possession is passed to the creditor.

1. Which of the following is/are correct about the "Operational Risk" as used in the field of banking?
- A. Risk of loss due to inadequate or failed internal process

- B. Risk of loss due to natural calamities
- C. Loss occurred due to non-compliance of legal procedures
- D. All of the Above
- E. None of the Above

Answer & Explanation

**A. Risk of loss due to inadequate or failed internal process**

**Explanation:**

The Basel Committee defines the operational risk as the “risk of loss resulting from inadequate or failed internal processes, people and systems or from external events”.

**2. What is/are the characteristics of ‘Hot Money’?**

- A. The term is used for fresh currency notes issued by RBI
- B. It is the fund which inflows in the market to take advantage of high interest rates
- C. It is the fund which is thrown in the market to create imbalance in the stock markets
- D. All of the Above
- E. None of the Above

Answer & Explanation

**B. It is the fund which inflows in the market to take advantage of high interest rates**

**Explanation:**

Hot money is currency that moves regularly, and quickly, between financial markets so investors ensure they are getting the highest short-term interest rates available.

**3. When a corporate entity wishes to raise money from the market it can do that by issuing**

- A. Treasury Bills
- B. Kisan Vikas Patra
- C. National Savings Certificate
- D. Commercial Papers
- E. None of the Above

Answer & Explanation

**D. Commercial Papers**

**Explanation:**

Commercial paper is an unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities.

**4. When an agent asks a customer to invest in a Mutual Fund product without telling him/her about the risks involved in the investment, the process is termed as \_\_\_\_\_**

- A. Mis-selling
- B. Undertaking



- C. Misappropriation of Funds
- D. cross selling
- E. None of the Above

Answer & Explanation

**A. Mis-selling**

**Explanation:**

The act of selling something that is not suitable for the person who buys it.

5. **In the Capital market, the term arbitrage is used with reference to \_\_\_\_\_**
- A. Purchase of securities to cover the sale
  - B. Sale of securities to reduce the loss on purchase
  - C. Simultaneous purchase and sale of securities to make profits from price
  - D. Variation in different markets
  - E. None of the Above

Answer & Explanation

**C. Simultaneous purchase and sale of securities to make profits from price**

**Explanation:**

Arbitrage is the simultaneous purchase and sale of an asset to profit from a difference in the price. It is a trade that profits by exploiting the price differences of identical or similar financial instruments on different markets or in different forms. Arbitrage exists as a result of market inefficiencies.

6. **Sub-prime lending refers to \_\_\_\_\_**
- A. lending done by banks at rates below PLR
  - B. Funds raised by the banks at sub-libor rates
  - C. Group of banks which are not rated as prime banks as per Banker's Almanac
  - D. lending done by financing institutions including banks to customers not meeting with normally required credit appraisal standards
  - E. All of the Above

Answer & Explanation

**D. lending done by financing institutions including banks to customers not meeting with normally required credit appraisal standards**

**Explanation:**

In finance, subprime lending (also referred to as near-prime, non-prime, and second-chance lending) means making loans to people who may have difficulty maintaining the repayment schedule, sometimes reflecting setbacks, such as unemployment, divorce, medical emergencies, etc.

7. **Currency Swap is an instrument to manage \_\_\_\_\_**
- A. currency risk

- B. interest rate risk
- C. currency and interest rate risk
- D. cash flows in different currency
- E. All of the above

Answer & Explanation

**D. cash flows in different currency**

**Explanation:**

A currency swap (or a cross currency swap) is a foreign exchange derivative between two institutions to exchange the principal and/or interest payments of a loan in one currency for equivalent amounts, in net present value terms, in another currency.

8. **Head quarters of National Council of Applied Economic Research(NCAER) is located in \_\_\_\_\_**
- A. Mumbai
  - B. New Delhi
  - C. Hyderabad
  - D. Chennai
  - E. None of the Above

Answer & Explanation

**B. New Delhi**

**Explanation:**

National Council of Applied Economic Research or NCAER is a New Delhi based non-profit think tank of economics.

9. **Trade Gap means**
- A. Gap between total GDP and total consumption
  - B. Gap between total imports and total exports
  - C. Gap between available liquidity and expected demand in next five months
  - D. Gap between budgeted revenue collection and actual collection of the same
  - E. None of the above

Answer & Explanation

**B. Gap between total imports and total exports**

**Explanation:**

The amount by which the value of a country's visible imports exceeds that of visible exports; an unfavourable balance of trade.

10. **Which of the following agencies in India is responsible for computation of national income?**
- A. NCAER
  - B. CSO

- C. NSS
- D. RBI
- E. None of the Above

Answer & Explanation

**B. CSO**

**Explanation:**

The Central Statistical Office which is one of the two wings of the National Statistical Organisation (NSO) is responsible for coordination of statistical activities in the country and for evolving and maintaining statistical standards. Its activities include compilation of National Accounts.

1. **The IMGC is the sole provider of mortgage guarantor for housing finance in India. The alphabet "I" in the abbreviation IMGC stands for \_\_\_\_\_**
  - A. India
  - B. Institute
  - C. Internal
  - D. Informative
  - E. International

Answer & Explanation

**A. India**

**Explanation:**

Mortgage Guarantee (also known as mortgage insurance in some parts of the world) is a financial product which compensates lending institutions or housing finance companies for losses that may arise when a home owner defaults on a mortgage loan.

IMGC is the first company of its kind to introduce this kind of product in the Housing sector in India. The intention is to mitigate risk taken by lenders, banks and housing finance companies, over time making it easier for people to get access to home loans of higher values (or with lower down-payment amounts) earlier in life than would have been possible without IMGC's involvement.

2. **The national agency mandated to control, analyse and disseminate Suspicious Transaction Reports(STR), Cash Transaction Reports and counterfeit currency reports to various investigative agencies of the country after receiving it from banks and other financial intermediaries is \_\_\_\_\_**
  - A. RBI
  - B. Financial Intelligence Unit(FIU)
  - C. Intelligence Bureau(IB)
  - D. Central Bureau of Investigation(CBI)
  - E. Central Intelligence Unit(CIU)

Answer & Explanation

**B. Financial Intelligence Unit(FIU)**

**Explanation:**

The FIU is the national agency mandated to collect, analyse and disseminate Suspicious Transaction Reports (STRs), Cash Transaction Reports and Counterfeit Currency Reports to various investigative agencies of the country after receiving it from banks and other financial intermediaries under a stipulated mechanism.

3. **According to RBI guidelines the term ‘bulk deposit’ is used for single rupee term deposit of \_\_\_\_\_**
- A. Rs. 1 crore and above
  - B. Rs, 25 lakh and above
  - C. Rs, 75 lakh and above
  - D. Rs, 50 lakh and above
  - E. Rs, 15 lakh and above

Answer & Explanation

**A. Rs. 1 crore and above**

**Explanation:**

Bulk Deposit means single Rupee term deposits of 1 Crore and above.

4. **A collection of non-bank financial intermediaries that provide services similar to traditional commercial banks is known as \_\_\_\_\_**
- A. Off-shore Banking
  - B. Investment Banking System
  - C. Shadow Banking System
  - D. Conventional Banking
  - E. Merchant Banking System

Answer & Explanation

**C. Shadow Banking System**

**Explanation:**

A shadow banking system refers to the financial intermediaries involved in facilitating the creation of credit across the global financial system but whose members are not subject to regulatory oversight. The shadow banking system also refers to unregulated activities by regulated institutions.

5. **According to Reserve Bank of India Regulations, “Universal Banks” are permitted to pick up stake in Payment Banks up to \_\_\_\_\_**
- A. 35%
  - B. 25%
  - C. 20%
  - D. 40%
  - E. 30%

Answer & Explanation

**E. 30%**

**Explanation:**

RBI regulations allow universal banks to invest up to 30 per cent in payments banks.

6. **The “Stand Up India” is aimed at promoting entrepreneurship among women and scheduled castes and tribes. The bank loans under the scheme shall be referenced to**

A. SIDBI  
B. NABARD  
C. RBI  
D. MUDRA  
E. DRDA

Answer & Explanation

**A. SIDBI**

**Explanation:**

The “Stand up India Scheme” is being launched now to promote entrepreneurship among Scheduled Caste/Schedule Tribe and Women for loans in the range of Rs. 10 Lakhs to Rs. 100 Lakhs. The bank loans under the scheme shall be referenced to SIDBI.

7. **An NBFC-MFI is defined as a non-deposit taking NBFC (other than a company licensed under Section 25 of the Indian Companies Act, 1956) with Minimum Net Owned Funds of \_\_\_\_\_**
- A. Rs.5 crore  
B. Rs.4 crore  
C. Rs.3 crore  
D. Rs.2 crore  
E. None of the Above

Answer & Explanation

**A. Rs.5 crore**

**Explanation:**

Non Banking Financial Company – Micro Finance Institutions (NBFC-MFIs) licensed under Section 25 of the Indian Companies Act, 1956) with Minimum Net Owned Funds of Rs.5 crore.

8. **The Minimum Net Owned Fund for NBFC-MFIs registered in the North Eastern Region of the country is \_\_\_\_\_**
- A. Rs.5 crore  
B. Rs.4 crore  
C. Rs.3 crore

- D. Rs.2 crore
- E. None of the Above

Answer & Explanation

**Rs.2 crore**

**Explanation:**

Minimum Net Owned Fund for NBFC-MFIs registered in the North Eastern Region of the country is Rs. 2 crore.

9. **Which are defined as total assets other than cash and bank balances and money market instruments?**
- A. Net Assets
  - B. Qualifying Assets
  - C. Commercial Papers
  - D. Both(A) and (C)
  - E. All of the Above

Answer & Explanation

**A. Net Assets**

**Explanation:**

“Net assets” are defined as total assets other than cash and bank balances and money market instruments.

10. **In SNRR Account, SNRR stands for \_\_\_\_\_**
- A. Statutory Non Resident Rupee
  - B. Single Non Resident Rupee
  - C. Statutory Non Reflex Rupee
  - D. Single Non Resident Rupee
  - E. Special Non Resident Rupee

Answer & Explanation

**E. Special Non Resident Rupee**

**Explanation:**

Any person resident outside India, having a business interest in India, can open a Special Non-Resident Rupee Account (SNRR account) with an authorised dealer for the purpose of putting through bonafide transactions in rupees.

1. \_\_\_\_\_ **is an account maintained in foreign currency with an Authorised Dealer Bank.**
- A. Exchange Earners' Foreign Currency Account
  - B. Exchange Eligible Foreign Currency Account
  - C. Earners' Eligible Foreign Currency Account

- D. Earners' Exchange Foreign Currency Account
- E. Equity Exchange Foreign Currency Account

Answer & Explanation

**A. Exchange Earners' Foreign Currency Account**

**Explanation:**

Exchange Earners' Foreign Currency Account (EEFC) is an account maintained in foreign currency with an Authorised Dealer Bank (Category – I Bank) in foreign exchange.

2. **An EEFC account can be held only in the form of \_\_\_\_\_**
- A. Savings Bank Account
  - B. Deposit Account
  - C. Current Account
  - D. Both (B) and (C)
  - E. None of the Above

Answer & Explanation

**C. Current Account**

**Explanation:**

An EEFC account can be held only in the form of a current account. No interest is payable on EEFC accounts.

3. **Who is/are eligible to open an EEFC Account?**
- A. Individuals
  - B. Companies
  - C. Residents of India
  - D. Both (B) and (C)
  - E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**

All categories of foreign exchange earners, such as individuals, companies, etc., who are resident in India, may open EEFC accounts.

4. **Which of the following percentage of foreign exchange earnings can be credited to the EEFC account?**
- A. 80%
  - B. 90%
  - C. 75%
  - D. 95%
  - E. 100%

Answer & Explanation

**E. 100%**

**Explanation:**

under EEFC account, a facility provided to the foreign exchange earners, including exporters, to credit 100 per cent of their foreign exchange earnings to the account. so that the account holders do not have to convert foreign exchange into Rupees and vice versa, thereby minimizing the transaction costs.

**5. What is the minimum maturity period for Rupee Denominated Bonds?**

- A. 2 years
- B. 3 years
- C. 4 years
- D. 5 years
- E. None of the Above

Answer & Explanation

**B. 3 years**

**Explanation:**

The Rupee denominated bonds can only be issued in a country and can only be subscribed by a resident of a country with minimum maturity period of 3 years.

**6. Which of the following can issue Rupee denominated bonds?**

- A. Real Estate Investment Trusts (REITs)
- B. Infrastructure Investment Trusts (InvITs)
- C. Limited Liability Partnerships
- D. Both (A) and (B)
- E. None of the Above

Answer & Explanation

**D. Both (A) and (B)**

**Explanation:**

Any corporate (entity registered as a company under the Companies Act, 1956/ 2013) or body corporate (entity specially created out of a specific act of the Parliament) is eligible to issue Rupee denominated bonds overseas. Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) coming under the regulatory jurisdiction of the Securities and Exchange Board of India (SEBI) are also eligible. Indian banks are, however, not permitted to issue such bonds. Other resident entities like Limited Liability Partnerships and Partnership firms, etc. are also not eligible to issue these bonds.

**7. What is the maximum amount that can be raised through issuance of Rupee denominated bonds under automatic route?**

- A. INR 50 billion
- B. INR 60 billion



- C. INR 55 billion
- D. INR 65 billion
- E. No limit

Answer & Explanation

**A. INR 50 billion**

**Explanation:**

The maximum amount that any eligible borrower can raise through issuance of these bonds under automatic route is INR 50 billion or its equivalent during a financial year.

8. **Under Liberalised Remittance Scheme, PAN card need not be insisted upon for remittance made towards permissible current account transactions up to**

- A. USD 25,000
- B. USD 20,000
- C. USD 15,000
- D. USD 10,000
- E. None of the Above

Answer & Explanation

**A. USD 25,000**

**Explanation:**

PAN card need not be insisted upon for remittance made towards permissible current account transactions up to USD 25,000 per financial year.

9. **Which of the following account can be repatriable?**

- A. NRE Account
- B. NRO Account
- C. FCNR(B) Account
- D. Both (A) and(C)
- E. All of the Above

Answer & Explanation

**D. Both (A) and(C)**

**Explanation:**

Non-Resident (External) Rupee Account Scheme[NRE Account] and Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR (B) Account]can be repatriable while Non-Resident Ordinary Rupee Account Scheme[NRO Account]is not repatriable except for all current income.Balances in an NRO account of NRIs/ PIOs are remittable up to USD 1 (one) million per financial year (April-March) along with their other eligible assets.

**10. Which of the following does not have savings account?**

- A. NRE Account
- B. NRO Account
- C. FCNR(B) Account
- D. Both (A) and(C)
- E. All of the Above

Answer & Explanation

**C. FCNR(B) Account**

**Explanation:**

Non-Resident (External) Rupee Account Scheme[NRE Account]: Savings, Current, Recurring, Fixed Deposit

Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR (B) Account]: Term Deposit only

Non-Resident Ordinary Rupee Account Scheme [NRO Account]: Savings, Current, Recurring, Fixed Deposit.

**1. What is the full form of RDA?**

- A. Rupee Draft Arrangement
- B. Rupee Demand Arrangement
- C. Rupee Draw Arrangement
- D. Rupee Drawing Arrangement
- E. None of the Above

Answer & Explanation

**D. Rupee Drawing Arrangement**

**Explanation:**

Rupee Drawing Arrangement (RDA) is a channel to receive cross-border remittances from overseas jurisdictions. Under this arrangement, the Authorised Category I banks enter into tie-ups with the non-resident Exchange Houses in the FATF compliant countries to open and maintain their Vostro Account.

Vostro Account means Local currency account maintained by a local bank for a foreign (correspondent) bank. For the foreign bank it is a Nostro account.

**2. FATF stands for \_\_\_\_\_**

- A. Financial Action Task Force
- B. Financial Asset Task Force
- C. Financial Asset Trade Force
- D. Financial Action Trade Force
- E. None of the Above

Answer & Explanation

**A. Financial Action Task Force**

**Explanation:**

The Financial Action Task Force (on Money Laundering) (FATF), also known by its French name, Groupe d'action financière (GAFI), is an intergovernmental organization founded in 1989 on the initiative of the G7 to develop policies to combat money laundering.

3. **FATF, an Intergovernmental Organization is headquartered in \_\_\_\_\_**
- A. Newyork, USA
  - B. Geneva, Switzerland
  - C. Italy, Rome
  - D. Paris, France
  - E. None of the Above

Answer & Explanation

**D. Paris, France**

**Explanation:**

The Financial Action Task Force (on Money Laundering) (FATF), also known by its French name, Groupe d'action financière (GAFI), is an intergovernmental organization founded in 1989

The FATF Secretariat is housed at the headquarters of the OECD in Paris.

4. **How many members are there in FATF?**
- A. 42
  - B. 43
  - C. 40
  - D. 37
  - E. 39

Answer & Explanation

**D. 37**

**Explanation:**

There are currently 37 members of the FATF; 35 jurisdictions and 2 regional organisations (the Gulf Cooperation Council and the European Commission). These 37 Members are at the core of global efforts to combat money laundering and terrorist financing.

5. **Which of the following is an observer of FATF?**
- A. Ireland
  - B. Israel
  - C. Saudi Arabia
  - D. Both (B) and (C)
  - E. All of the Above

Answer & Explanation

**D. Both (B) and (C)**

**Explanation:**

FATF Observer Countries:

Israel

Saudi Arabia

6. \_\_\_\_\_ is a way of transferring personal remittances from abroad to beneficiaries in India
- A. RDA
  - B. MTSS
  - C. Both (A) and (B)
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**B. MTSS**

**Explanation:**

Money Transfer Service Scheme (MTSS) is a way of transferring personal remittances from abroad to beneficiaries in India.

Only inward personal remittances into India such as remittances towards family maintenance and remittances favouring foreign tourists visiting India are permissible. Under the scheme there is a tie-up between reputed money transfer companies abroad known as Overseas Principals and agents in India known as Indian Agents who would disburse funds to beneficiaries in India at ongoing exchange rates.

7. **The Overseas Principal should obtain necessary authorisation from the Reserve Bank of India under the provisions of which Act to commence/ operate a payment system?**
- A. Reserve Bank of India Act-1934
  - B. Banking Companies (Acquisition and Transfer of Undertakings) Act-1970
  - C. Banking Regulation (Companies) Rules, 1949
  - D. Payment and Settlement Systems Act (PSS Act), 2007
  - E. None of the Above

Answer & Explanation

**D. Payment and Settlement Systems Act (PSS Act), 2007**

**Explanation:**

The Overseas Principal should obtain necessary authorisation from the Department of Payment and Settlement Systems, Reserve Bank of India under the provisions of the Payment and Settlement Systems Act (PSS Act), 2007 to commence/ operate a payment system.

8. **What is the maximum limit on the amount of money that can be sent under MTSS?**
- A. USD 2,500
  - B. USD 1,500
  - C. USD 1,000
  - D. USD 2,200
  - E. None of the Above

Answer & Explanation

**A. USD 2,500**

**Explanation:**

A cap of USD 2,500 has been placed on individual remittances under the Money Transfer Service Scheme (MTSS)

9. **How many remittances can be received by a single individual beneficiary under the scheme during a year?**
- A. 40
  - B. 45
  - C. 40
  - D. 35
  - E. 30

Answer & Explanation

**E. 30**

**Explanation:**

Thirty remittances can be received by a single individual beneficiary under the scheme during a calendar year.

10. **What is the maximum limit on cash payment that is to be made to the beneficiary under MTSS in India?**
- A. Rs. 25,000
  - B. Rs. 15,000
  - C. Rs. 10,000
  - D. Rs. 40,000
  - E. Rs. 50,000

Answer & Explanation

**E. Rs. 50,000**

**Explanation:**

Amounts up to INR 50,000/- may be paid in cash to a beneficiary in India. These can also be loaded on to a pre-paid card issued by banks. Any amount exceeding this limit shall be paid by means of account payee cheque/ demand draft/ payment order, etc., or credited directly to the beneficiary's bank account. However, in exceptional circumstances, where the beneficiary is a foreign tourist, higher amounts may be disbursed in cash.

1. **The seed capital of Bharatiya Mahila Bank is \_\_\_\_\_**  
A. Rs.5000 crore  
B. Rs.1000 crore  
C. Rs.500 crore  
D. Rs.100 crore  
E. None of the above

Answer & Explanation

**B. Rs.1000 crore**

**Explanation:**

Bharatiya Mahila Bank (BMB) is an Indian financial services banking company based in New Delhi, India. India is the third country in the world to have a bank especially for women, after Pakistan and Tanzania. The Bank's initial capital consists of Rs 1,000 crores.

2. **Which of the following is an investment advisory discipline?**  
A. Corporate Industrial Finance  
B. Offshare Banking  
C. Wholesale Banking  
D. Wealth Management  
E. Trade Finance

Answer & Explanation

**D. Wealth Management**

**Explanation:**

Wealth management as an investment-advisory discipline incorporates financial planning, investment portfolio management and a number of aggregated financial services. High-net-worth individuals (HNWIs), small-business owners and families who desire the assistance of a credentialed financial advisory specialist call upon wealth managers to coordinate retail banking, estate planning, legal resources, tax professionals and investment management.

3. **Which of the following economic concepts is categorised on the basis of Current Account or Capital Account or both?**  
A. Balance of Payments  
B. Value of the food grain stock of a country  
C. Gross National Product  
D. Gross National Income(GNI)  
E. Total collection of Direct Taxes in a year

Answer & Explanation

**A. Balance of Payments**

**Explanation:**

A Balance of payments statements is a summary of a nation's total economic transactions undertaken on international account. It is usually composed of two sections :-

1. Current Account
2. Capital Account

4. **When there is a difference between all receipts and expenditure of the Government of India both capital and revenue it is called \_\_\_\_\_**

- A. Revenue Deficit
- B. Budgetary Deficit
- C. Zero Budgeting
- D. Trade Gap
- E. Balance of Payment Problem

Answer & Explanation

**B. Budgetary Deficit**

**Explanation:**

Budgetary deficit is the difference between all receipts and expenses in both revenue and capital account of the government. If revenue expenses of the government exceed revenue receipts, it results in revenue account deficit. Similarly, if the capital disbursements of the government exceed capital receipts, it leads to capital account deficit. Budgetary deficit is usually expressed as a percentage of GDP.

5. **Lack of access to financial services is technically known as \_\_\_\_\_**

- A. Financial Instability
- B. Financial Stability
- C. Financial Inclusion
- D. Financial Exclusion
- E. Poverty

Answer & Explanation

**D. Financial Exclusion**

**Explanation:**

Financial exclusion can be defined as the unavailability of banking services to people with low or non income. It is believed to be one factor preventing poor people leave out poverty.

6. **Sukanya Samriddhi Account can be opened up to age of \_\_\_\_\_ years only from the date of birth**

- A. Five years
- B. Four years
- C. Six years
- D. Eight years
- E. Ten years

Answer & Explanation

**E. Ten years**

**Explanation:**

Sukanya Samriddhi Account can be opened up to age of 10 years only from the date of birth.

7. **If minimum Rs.1000 is not deposited in Sukanya Samriddhi Account in a financial year, account will become discontinued and can be revived with a penalty of \_\_\_\_\_ per year.**
- A. Rs.50
  - B. Rs.100
  - C. Rs.25
  - D. Rs.75
  - E. Rs.125

Answer & Explanation

**A. Rs.50**

**Explanation:**

In Sukanya Samriddhi Account, if minimum Rs 1000/- is not deposited in a financial year, account will become discontinued and can be revived with a penalty of Rs 50/- per year with minimum amount required for deposit for that year.

8. **In Sukanya Samriddhi Account, What is the maximum limit on number of deposits either in a month or in a Financial year?**
- A. 5
  - B. 4
  - C. 6
  - D. 8
  - E. No limit

Answer & Explanation

**E. No limit**

**Explanation:**

No limit on number of deposits either in a month or in a Financial year.

9. **Investment under senior citizen savings scheme qualifies for the benefit of \_\_\_\_\_ of the Income Tax Act, 1961.**
- A. Section 60C
  - B. Section 70C
  - C. Section 80C
  - D. Section 90C
  - E. None of the Above



Answer & Explanation

**C. Section 80C**

**Explanation:**

Investment under this scheme qualifies for the benefit of Section 80C of the Income Tax Act, 1961.

**10. What is the maturity period for senior citizen savings scheme?**

- A. 3 years
- B. 5 years
- C. 2 years
- D. 5 years
- E. 4 years

Answer & Explanation

**B. 5 years**

**Explanation:**

There shall be only one deposit in the account in multiple of INR.1000/- maximum not exceeding INR 15 lakh in senior citizen savings scheme. Maturity period is 5 years.

**1. Axis Bank has tied up with which payments company to operate its Unified Payments Interface (UPI) enabled app?**

- A) PayU
- B) Paytm
- C) Freecharge
- D) Mobikwik
- E) Oxigen

Answer & Explanation

**C) Freecharge**

**Explanation:**

Country's third largest private sector lender Axis Bank said it is ready with a Unified Payments Interface (UPI) app, while it also announced a tie-up with digital payments company Freecharge for it.

**2. Yes Bank in August rolled out which facility under its 'Yes We Care' initiative?**

- A) 2 months leave for new father
- B) 6 months leave for pregnant women
- C) work for home
- D) adoption leave
- E) None of these

Answer & Explanation

**D) adoption leave**

**Explanation:**

The new policy is called “Bringing A Beautiful Yes”.

Private sector lender Yes Bank has rolled out adoption benefits for its workforce, in an effort to align organisational objectives with the needs of employees.

Realising that employees need to spend time building an emotional connect with new additions to the family and recognising that many are choosing to adopt children, the organisation has introduced the benefits, which are applicable 1st August onwards.

3. **Kotak Mahindra Bank has enabled which of the following banks online shopping portal on its mobile banking app to provide seamless shopping experience for its customers?**
- A) Flipkart
  - B) Snapdeal
  - C) Amazon India
  - D) Ebay India
  - E) Mytra

Answer & Explanation

**A) Flipkart**

**Explanation:**

Private sector lender Kotak Mahindra Bank has enabled online shopping portal Flipkart in its mobile banking application in order to ensure a seamless shopping experience for its customers.

“The biggest problem faced by consumers is the transaction failure during the payment mode. Through this integration the bank will try to solve that problem for our customers.

4. **The Reserve Bank of India will transfer how much surplus to the government for FY'16 as dividend?**
- A) Rs 68876 crore
  - B) Rs 65885 crore
  - C) Rs 75876 crore
  - D) Rs 65876 crore
  - E) Rs 65776 crore

Answer & Explanation

**D) Rs 65876 crore**

**Explanation:**

The Reserve Bank of India will Rs 65876 crore as surplus transfer to the government for FY'16, Rs 20 crore less than previous year's Rs 65896 crore, a central bank release said. The surplus approved by the Reserve Bank of India board could be used to fund the centre's fiscal deficit .

5. **Recently RBI has made necessary to have certification for bank employees involved in specialised jobs. The deadline to get this certification is**
- A) April 1, 2017
  - B) April 1, 2018
  - C) January 1, 2018
  - D) January 1, 2017
  - E) July 1, 2017

Answer & Explanation

**B) April 1, 2018**

**Explanation:**

Bank employees working in specialised areas such as treasury, risk management and accounting will need to be specially trained and go through certification programmes, Reserve Bank of India directed banks.

The central bank said that bank staff would have obtain the requisite certification before April 1, 2018 for getting posted in these functional areas.

6. **Which bank has launched USSD based mobile app for basic banking needs with NPCI**
- A) United Bank of India
  - B) Union Bank of India
  - C) UCO Bank
  - D) Indian Bank
  - E) Indian Overseas Bank

Answer & Explanation

**B) Union Bank of India**

**Explanation:**

National Payments Corporation of India (NPCI), the umbrella organisation for all retail payments system in the country has partnered with Union Bank of India to launch an USSD based \*99# mobile application for their customers.

This application can be downloaded in an android smartphone from the Google Play Store by the bank customers and can be used even without any internet connection as it does not require any data.

7. **SBI card is going to launch a co-branded credit cards for the customers of private sector bank**
- A) Karnataka Bank
  - B) Federal Bank
  - C) City Union
  - D) South Indian Bank
  - E) RBL Bank

Answer & Explanation

**D) South Indian Bank**

**Explanation:**

South Indian Bank, leading private sector bank, and SBI Card, one of India's leading Credit Card issuers, announced the launch of co-branded credit cards for the customers of South Indian Bank.

**8. Times Internet has partnered with which Bank to launch co-branded Debit Card?**

- A) Punjab National Bank
- B) HDFC Bank
- C) ICICI Bank
- D) SBI
- E) None of these

Answer & Explanation

**B) HDFC Bank**

**Explanation:**

Times Internet (part of Bennett, Coleman & Co that owns The Economic Times), in partnership with HDFC Bank, announced the launch of a co-branded card on Thursday called the Times Points Debit Card.

**9. Which Financial institutions has announced a comprehensive Housing finance scheme called prapti with an attractive 4% interest rate?**

- A) Tata Capita Housing
- B) LIC Housing
- C) Reliance Home
- D) HDFC Ergo
- E) Housing and Urban Development Corporation Ltd.

Answer & Explanation

**A) Tata Capita Housing**

**Explanation:**

Tata Capita Housing Limited announced a Comprehensive Housing finance scheme called Prapti with an attractive 4% interest rate for people earning less than Rs 6 lakh a year.

**10. Which bank partnered with a fintech start-up Fisdom for personal wealth management services?**

- A) Bank of India
- B) Allahabad Bank
- C) Union Bank of India
- D) Bank of Baroda
- E) None of these

Answer & Explanation

**D) Bank of Baroda**

**Explanation:**

Vadodara headquartered Public Sector lender Bank of Baroda has entered into partnership with a fintech start-up Fisdom for personal wealth management services.

**1. What does amortization mean?**

- A. Spreading payments over multiple periods
- B. Buying a financial instrument in order to sell the same instrument at a higher price in another market
- C. Issuance approval, by a credit card issuer
- D. Buying the underlying securities at a specified exercise price
- E. None of the Above

Answer & Explanation

**A. Spreading payments over multiple periods**

**Explanation:**

Amortization is an accounting term that refers to the process of allocating the cost of an intangible asset over a period of time. It also refers to the repayment of loan principal over time.

**2. What is the duration of Public Provident Fund (PPF) account?**

- A. 3 years
- B. 5 years
- C. 9 years
- D. 15 years
- E. 18 years

Answer & Explanation

**D. 15 years**

**Explanation:**

A PPF account matures in 15 years, but you can extend the tenure in blocks of five years after maturity. The balance continues to earn interest at the normal rate. The minimum investment of Rs 500 has to be maintained even for accounts extended beyond 15 years.

**3. Under which Act are the KYC norms implemented?**

- A. SEBI Act 1992
- B. Foreign Contribution and Regulation Act, 1976
- C. Prevention of Money laundering Act 2002
- D. Banking Regulation Act, 1949
- E. Both (C) and (D)

Answer & Explanation

**C. Prevention of Money laundering Act 2002**

**Explanation:**

KYC guidelines/instructions are issued under Prevention of Money laundering Act PMLA, 2002.

4. **When a customer deposits cheque to a bank, the bank is a(n)**
- A. Drawer
  - B. Agent
  - C. Principal
  - D. Drawee
  - E. Bailee

Answer & Explanation

**B. Agent**

**Explanation:**

When a customer deposits cheque to a bank then that particular bank acts as an agent for the customer. Collection occurs when the drawee bank (the bank ordered by the cheques to make payment) takes funds from the account of the drawer (its customer who has written the cheque) and presents it to the collecting bank.

5. **Which of the following is a receipt, declaring ownership of shares of a foreign company. which can be listed in India and traded in rupees?**
- A. ADR
  - B. GDR
  - C. IDR
  - D. EDR
  - E. None of the Above

Answer & Explanation

**C. IDR**

**Explanation:**

An IDR(Indian Depository Receipts)is a receipt, declaring ownership of shares of a foreign company. These receipts can be listed in India and traded in rupees.

6. **What is the term for a bank without any branch network that offers its services remotely?**
- A. Internet only Banks
  - B. Direct Bank
  - C. Lending Institution
  - D. Indirect Bank
  - E. Online Bank

Answer & Explanation

**B. Direct Bank**

**Explanation:**

A direct bank is a bank without any branch network that offers its services remotely via online banking and telephone banking and may also provide access via ATMs (often through interbank network alliances), mail and mobile. By eliminating the costs associated with bank branches, direct banks can make significant savings which they may pass on to clients via higher interest rates or lower service charges.

7. **Derivatives contract which gives the buyer/holder of the contract the right (but not the obligation) to buy/sell the underlying asset at a predetermined price within or at end of a specified period is known as**
- A. Futures contract
  - B. Option Contract
  - C. Index Futures contract
  - D. Mini Derivative contract
  - E. None of the Above

Answer & Explanation

**B. Option Contract**

**Explanation:**

Options Contract is a type of Derivatives Contract which gives the buyer/holder of the contract the right (but not the obligation) to buy/sell the underlying asset at a predetermined price within or at end of a specified period.

8. **For expanding access to banking services, the RBI has advised banks to open branches with minimum infrastructure support of 8 to 10 BC units at a reasonable 3-4km. Such branches are known as \_\_\_\_\_**
- A. White Label ATMs
  - B. Ultra Small Branches
  - C. Banking Kiosks
  - D. CBS Terminals
  - E. ICT Hubs

Answer & Explanation

**B. Ultra Small Branches**

**Explanation:**

Ultra Small Branches may be set up between the base branch and BC locations so as to provide support to about 8-10 BC Units at a reasonable distance of 3-4 kilometres. These could be either newly set up or by conversion of the BC outlets. Such Ultra Small Branches should have minimum infrastructure such as a Core Banking Solution (CBS) terminal linked to a pass book printer and a safe for cash retention for operating large customer transaction and would have to be managed full time by bank officers/employees.

9. According to the Income Tax act of 1961, the age of Super senior Citizens should be

- A. 60 years
- B. 70 years
- C. 80 years
- D. 75 years
- E. 65 years

Answer & Explanation

**C. 80 years**

**Explanation:**

According to the Income Tax act of 1961, the age of Super senior Citizens is 80 years.

10. Part of company's earning or profit which is paid out to share holders is known as

- A. Premium
- B. Dividend
- C. Bonus
- D. Sum Assured
- E. Return

Answer & Explanation

**B. Dividend**

**Explanation:**

A dividend is a payment made by a corporation to its shareholders, usually as a distribution of profits. When a corporation earns a profit or surplus, it can re-invest it in the business (called retained earnings), and pay a fraction of the profit as a dividend to shareholders.

1. Which of the following is the most liquid money?

- A. M1
- B. M2
- C. Securities
- D. M3
- E. Call Money

Answer & Explanation

**A. M1**

**Explanation:**

The most liquid portions of the money supply are measured by M1 because it contains currency and assets that can be converted to cash quickly. "Near money" and "near, near money," which fall under M2 and M3, cannot be converted to currency as quickly.



2. **Which of the following can issue commercial paper for raising short term funds?**
- A. Corporates
  - B. Primary Dealers
  - C. All-India Financial Institutions
  - D. Both (B) and (C)
  - E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**

A Commercial Paper (CP) is an unsecured money market instrument issued as a promissory note. It is a short-term funding tool that highly rated companies, primary dealers (PDs), and all-India financial institutions (AIFIs) can use, typically to meet short-term funding and working capital requirements.

3. **Alterations, if any, on cheques are required to be authenticated by the signature of**
- A. Payee
  - B. Depositor
  - C. Drawer
  - D. Endorse
  - E. All of the above

Answer & Explanation

**C. Drawer**

**Explanation:**

Alterations, if any, on cheques are required to be authenticated by the drawer's signature against each such alteration.

4. **What is the purpose of KYC in banking?**
- A. It is used for customer identification
  - B. It is used for increasing the CRR of banks
  - C. It is used against money laundering
  - D. It is used by the central bank to control liquidity
  - E. Both (A) and (C)

Answer & Explanation

**E. Both (A) and (C)**

**Explanation:**

Know your customer (KYC) is the process of a business verifying the identity of its clients. Know your customer policies are becoming much more important globally to prevent identity theft, financial fraud, money laundering and terrorist financing.

**5. Which of the following types of cards is free from credit risk?**

- A. Credit card
- B. Debit Card
- C. Prepaid Cards
- D. Charge Cards
- E. Both (C) and (D)

Answer & Explanation

**B. Debit Card**

**Explanation:**

A debit card a safe, convenient, risk-free alternative to cash and has no credit risks attached.

**6. Which of the following types of economy is an example of sustainable economy?**

- A. Capitalist Economy
- B. Mixed Economy
- C. Socialist Economy
- D. Traditional Economy
- E. None of the Above

Answer & Explanation

**D. Traditional Economy**

**Explanation:**

Traditional economies are considered sustainable because they are less harmful to the environment.

**7. In the field of banking, what does ADF stand for?**

- A. Additional Dearness Allowance
- B. Automated Data Flow
- C. Additional Deposit Allowance
- D. Automated Deposit Allowance
- E. None of the Above

Answer & Explanation

**B. Automated Data Flow**

**Explanation:**

The Automated Data Flow (ADF) is a unique initiation by RBI aimed at the purpose of meeting the needs for accurate and consistent flow of data. Automated Data Flow ensures that the data submitted from the banks to Reserve Bank of India is correct and consistent without any kind of manual intervention.

**8. Section 80E of the Income Tax Act provides for deduction of interest paid on Education or study loan taken for higher education. Deduction under section 80E is**

**available for \_\_\_\_\_**

- A. 2 years
- B. 4 years
- C. 8 years
- E. 10 years

**Answer & Explanation**

**C. 8 years**

**Explanation:**

An education loan can not only fund your higher studies but also help save tax. The interest paid on the education loan can be claimed as deduction, as per Section 80E of the Income Tax Act, 1961. The deduction on education can be claimed only when you start the repayment and is available up to eight years, or until the payment of interest in full, whichever is earlier.

9. **A financial contract that derives its value from another asset or an index of asset values is known as \_\_\_\_\_**

- A. Insurance Policy
- B. Security
- C. Derivative
- D. Share
- E. None of the above

**Answer & Explanation**

**C. Derivative**

**Explanation:**

In finance, a derivative is a contract that derives its value from the performance of an underlying entity.

10. **Inflation refers to a fall in the value of money. Which of the following is the key measure of inflation in India?**

- A. Consumer Price Index
- B. Wholesale Price Index
- C. Personal Consumption Expenditures Price Index
- D. GDP Deflator
- E. All of the above

**Answer & Explanation**

**B. Wholesale Price Index**

**Explanation:**

Inflation rates in India are usually quoted as changes in the Wholesale Price Index, for all commodities. Many developing countries use changes in the Consumer Price Index (CPI) as their central measure of inflation.

1. **Poverty line is expressed in terms of an overall \_\_\_\_\_**
- A. Per capita Income
  - B. Per Capita consumption expenditure
  - C. Per Capita entertainment expenditure
  - D. Per Capita development expenditure
  - E. Per Capita GDP

Answer & Explanation

**B. Per Capita consumption expenditure**

**Explanation:**

In India consumption-expenditure has been made the basis for the measurement of the minimum standard. The usual method is to fix a poverty level. This level is expressed in terms of an overall per capita consumption-expenditure.

2. **The process by which the central bank of a country controls the supply of money in the economy by exercising its control over interest rates in order to maintain price stability and achieve high economic growth is known as:**
- A. Economic Policy
  - B. Monetary Policy
  - C. Fiscal Policy
  - D. Credit Policy
  - E. Budgetary Policy

Answer & Explanation

**B. Monetary Policy**

**Explanation:**

Monetary Policy is the process by which monetary authority of a country, generally a central bank controls the supply of money in the economy by exercising its control over interest rates in order to maintain price stability and achieve high economic growth. In India, the central monetary authority is the Reserve Bank of India (RBI). is so designed as to maintain the price stability in the economy.

3. **Loans granted by a bank to an exporter popularly known as 'Export credit' is guaranteed, in case of default, by which of the following**
- A. EXIM Bank
  - B. Ministry of International Trade, GOA
  - C. ECGC
  - D. DICGC
  - E. Other than those given as options

Answer & Explanation

**C. ECGC**

**Explanation:**

ECGC Limited (Formerly Export Credit Guarantee Corporation of India Ltd) is a company wholly owned by the Government of India based in Mumbai, Maharashtra. It provides export credit insurance support to Indian exporters and is controlled by the Ministry of Commerce.

4. **The ratio of deposits to loans of a bank is known as \_\_\_\_\_**
- A. NPA coverage Ratio
  - B. Return on asset ratio
  - C. Asset Coverage ratio
  - D. CD Ratio
  - E. Other than those given as options

Answer & Explanation

**E. Other than those given as options**

**Explanation:**

The loan to deposit ratio is used to calculate a lending institution's ability to cover withdrawals made by its customers.

5. **In Bank's balance sheet, which of the following is an asset?**
- A. Its paid up capital
  - B. Its saved deposits
  - C. Its instrument in government securities
  - D. Its accumulated Reserve Funds
  - E. Its Current Deposits

Answer & Explanation

**C. Its instrument in government securities**

**Explanation:**

Bank assets comprises cash, money at short notice, bills and securities discounted, bank's investments in government securities, loans sanctioned by the bank.

6. **Who amongst the following is the regulator in the financial system of the country?**
- A. Other than those given as options
  - B. SEBI
  - C. CRISIL
  - D. TRAN
  - E. CERC

Answer & Explanation

**B. SEBI**

**Explanation:**

The financial system in India is regulated by independent regulators in the field of

banking, insurance, capital market, commodities market, and pension funds. Example of Financial Regulators: RBI, IRDAI, SEBI, PFRDA.

**7. Which of the following is the negotiable instrument?**

- A. Fixed Deposit of a Bank
- B. Share certificate issued by a PSU
- C. Demand Draft issued by a bank
- D. Debenture of a company
- E. Airway Receipt

Answer & Explanation

**C. Demand Draft issued by a bank**

**Explanation:**

A demand draft is a negotiable instrument similar to a bill of exchange. A bank issues a demand draft to a client (drawer), directing another bank (drawee) or one of its own branches to pay a certain sum to the specified party (payee).

**8. In International Banking terms, "Appreciation" of Rupee means \_\_\_\_\_**

- A. Excess of exports over imports
- B. Purchasing power of rupee has come down
- C. Availability of less foreign currency vis-a-vis rupee
- D. Excess of imports over exports
- E. Availability of more foreign currency vis-a-vis rupee

Answer & Explanation

**C. Availability of less foreign currency vis-a-vis rupee**

**Explanation:**

Currency Appreciation refers to increase in the value of domestic currency in terms of foreign currency. The domestic currency becomes more valuable and less of it is required to buy the foreign currency.

**9. Bank Holidays are covered by which of the following?**

- A. As per the order of the GOI
- B. As per the order of the IBA
- C. Negotiable Instruments Act
- D. RBI Act
- E. Other than those given as options

Answer & Explanation

**C. Negotiable Instruments Act**

**Explanation:**

Bank Holidays are declared by Central/State Governments/ Union Territory under the Negotiable Instruments (NI) Act, 1881.

10. **A non performing Asset in Banking Business means \_\_\_\_\_**
- A. A fixed asset of Bank is not been utilized
  - B. A portion of deposits not been utilized
  - C. A loan asset on which interest and/or instalments remain unchanged.
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**C. A loan asset on which interest and/or instalments remain unchanged.**

**Explanation:**

A nonperforming asset (NPA) refers to a classification for loans on the books of financial institutions that are in default or are in arrears on scheduled payments of principal or interest. In most cases, debt is classified as nonperforming when loan payments have not been made for a period of 90 days.

1. **Earlier in July, which of the following companies was upgraded to a high safety grade by Crisil?**
- A) Manappuram Finance Limited
  - B) Mahindra Finance
  - C) Muthoot Finance
  - D) Kosamattam
  - E) None of these

Answer & Explanation

**C) Muthoot Finance**

**Explanation:**

Ratings firm Crisil has upgraded Muthoot Finance's long-term debt rating to a high safety grade of AA/stable from AA-/stable earlier.

Under Crisil scale, AA rating will fall under high safety category and carries very low credit risk.

2. **Which of the following US-based life and health reinsurer has received the approval regulator IRDAI to set up a branch in the country?**
- A) Swiss Reinsurance America Corporation
  - B) Everest Reinsurance Company
  - C) Reinsurance Group of America
  - D) National Indemnity Company
  - E) None of these

Answer & Explanation

**C) Reinsurance Group of America**

**Explanation:**

US-based life and health reinsurer Reinsurance Group of America (RGA) has received

the first level approval regulator Irdai to set up a branch in the country, a company official said today.

The Insurance Regulatory and Development Authority of India (Irdai) has approved R-1 (requisition for registration) application of the company

3. **Which of the following insurance companies has launched a series of Youtube videos for insurance reminders to its customers?**

A) Coverfox Insurance Broking Pvt. Ltd.  
B) Max Life Insurance Co. Ltd.  
C) Shriram Life Insurance Co. Ltd.  
D) IDBI Federal Life Insurance Co. Ltd.  
E) None of these

Answer & Explanation

**A) Coverfox Insurance Broking Pvt. Ltd.**

**Explanation:**

Online insurance portal Coverfox.com on Tuesday launched a series of small films on youtube to engage people and alert them to renew their insurance.

The campaign was created in collaboration with BBH India a digital innovation on Youtube.

4. **Which of the following has/have received 'certificate of registration' from insurance regulator IRDAI to commence insurance business in the country?**

A) Sahayog Microfinance Ltd  
B) Aditya Birla group  
C) Edelweiss Financial Services  
D) Both A and B  
E) Both B and C

Answer & Explanation

**E) Both B and C**

**Explanation:**

Aditya Birla Health Insurance Co today said it has received 'certificate of registration' from regulator Irda, moving a step closer to commencing business.

The company is a step down subsidiary of Aditya Birla Nuvo

Edelweiss Financial Services has also informed BSE that Irda has accepted the registration application form IRDA /R1, for setting up a General Insurance Company in India, filed by Edelweiss General Insurance Company, a wholly owned subsidiary.

5. **Which of the following has approved \$500 million loan for bridge over Ganga River in Bihar?**

A) World Bank  
B) Asian Development Bank  
C) International Monetary Fund



- D) European Development Bank
- E) None of these

Answer & Explanation

**B) Asian Development Bank**

**Explanation:**

Asian Development Bank accorded \$500 million to build bridge over India's longest river bridge which is in Bihar having distance of 9.8 km road.

6. **In July, the UK government's development finance unit, CDC announced to infuse Rs 1,000 crore into its Finance unit in India to boost people's access to affordable housing. This finance unit is**
- A) SKS Microfinance Ltd
  - B) India Infoline Finance
  - C) IDF Financial Services Pvt Ltd
  - D) YVU Financial Services Pvt Ltd
  - E) None of these

Answer & Explanation

**B) India Infoline Finance**

**Explanation:**

Diversified financial services company IIFL Holdings announced that UK government-owned CDC Group will invest about Rs 1,000 crore in its unit India Infoline (IIFL) Finance.

CDC's investment will help the group in expanding its financing business and address the capital needs of under-served segments through diversified offerings, IIFL Holdings said in a release.

7. **Which of the following companies has set up two wholly owned subsidiaries in July 2016, one for its broker business and another for insurance business?**
- A) EXIM Bank
  - B) Religare Enterprises
  - C) Muthoot Finance
  - D) Sahara Asset Management Company
  - E) None of these

Answer & Explanation

**B) Religare Enterprises**

**Explanation:**

Religare Enterprises has set up two wholly owned subsidiaries – Religare Broking Limited and Religare Insurance Ltd – as part of its restructuring plan.

8. **The merger process of State bank subsidiaries with State Bank of India will be completed by**  
A) December 2017  
B) March 2017  
C) April 2017  
D) July 2017  
E) None of these

Answer & Explanation

**C) April 2017**

**Explanation:**

The country's largest lender State Bank of India, which started the process of merging all its subsidiaries with itself about three months back, would become a single entity by April next, indicating the speed at which the administration is moving to revitalise the banking system.

9. **RBI has eased norms in cheque dishonour cases of Rs \_\_\_\_\_ and above.**  
A) 50 lakh  
B) 1 crore  
C) 1 lakh  
D) 10 crore  
E) 5 crore

Answer & Explanation

**B) 1 crore**

**Explanation:**

Relaxing chequebook norms, the Reserve Bank today left it to the lender's discretion on whether to issue fresh chequebooks or not in cases of dishonour of Rs 1 crore and above. As per the existing directive, banks are not allowed to issue fresh chequebooks in the event of cheque dishonour valuing Rs 1 crore and above on four occasions during a financial year for want of sufficient funds.

10. **As per RBI said in its statement, banks have to seek whose permission before selling stake in stressed companies?**  
A) GOI  
B) CVC  
C) RBI  
D) CBI  
E) Both B and D

Answer & Explanation

**E) Both B and D**

**Explanation:**

Following the central bank's directive to banks to ensure that stake sales in stressed companies under the strategic debt restructuring (SDR) does not get to fronts of the original promoters, lenders are initiating permissions from the Central Bureau of Investigation (CBI) and the Central Vigilance Commission (CVC) before closing such deals, people familiar with the development said.

1. **Balance in a current account is classified as \_\_\_\_\_**

- A. Hybrid Deposit
- B. Term Deposit
- C. Demand Deposit
- D. Flexi Deposit
- E. other than those given as options

Answer & Explanation

**C. Demand Deposit**

**Explanation:**

Current accounts form a large portion of demand deposits of a bank. It can be opened by Individuals, Business entities (firms, company), Institutions, Government bodies / departments, Societies, Liquidators, Receivers, and Trusts.

2. **The Foreign exchange of India is kept with \_\_\_\_\_**

- A. SBI
- B. ECGC
- C. RBI
- D. NABARD
- E. other than those given as options

Answer & Explanation

**C. RBI**

**Explanation:**

Reserve Bank of India accumulates foreign currency reserves by purchasing from authorized dealers in open market operations. Foreign exchange reserves of India act as a cushion against rupee volatility once global interest rates starts rising. The Foreign exchange reserves of India consists of below four categories. (a) Foreign Currency Assets (b) Gold (c) SDRs (d) Reserve Tranche Position in the IMF.

3. **Fiscal policy is concerned with which of the following?**

- A. Public revenue and Expenditure
- B. Issue of Currency
- C. Export Import
- D. Population Control
- E. Education for all

Answer & Explanation

**A. Public revenue and Expenditure**

**Explanation:**

Fiscal policy is the policy relating to government revenues from taxes and expenditure on various projects. Monetary Policy, on the other hand, is mainly concerned with the flow of money in the economy.

4. **In which of the following types of banking, there is a direct execution of transaction between a bank and its consumers?**
- A. Retail Banking
  - B. Universal Banking
  - C. Virtual Banking
  - D. Unit Banking
  - E. other than those given as options

Answer & Explanation

**A. Retail Banking**

**Explanation:**

Retail banking also known as Consumer Banking is the provision of services by a bank to individual consumers, rather than to companies, corporations or other banks. Services offered include savings and transactional accounts, mortgages, personal loans, debit cards, and credit cards.

5. **Maximum loan amount to individuals against security shares can be \_\_\_\_\_**
- A. 20 lakh
  - B. 15 lakh
  - C. 25 lakh
  - D. 50 lakh
  - E. other than those given as options

Answer & Explanation

**A. 20 lakh**

**Explanation:**

Loans/ advances granted to individuals against the security of shares, debentures and PSU bonds should not exceed Rs.10 lakh and Rs.20 lakh, if the securities are held in physical form and dematerialized form respectively.

6. **Deposits under Foreign Currency Non-Resident(FCNR) scheme can be accepted for a minimum of \_\_\_\_\_**
- A. 15 days
  - B. 3 months
  - C. 6 months
  - D. 1 year
  - E. 7 days

Answer & Explanation

**D. 1 year**

**Explanation:**

Term Deposit with maturity of minimum 1 year & maximum 5 years can be opened under Foreign Currency Non-Resident(FCNR) scheme.

7. **In case of failed ATM transactions, if the amount is not credited to customer's account within 7 working days from the date of receipt of the complaint. Banks have to pay compensation at the rate of Rs.\_\_\_\_\_ per day.**
- A. 150
  - B. 200
  - C. 100
  - D. 10
  - E. 50

Answer & Explanation

**C. 100**

**Explanation:**

Reconciliation of failed transactions at ATMs – For any failure to re-credit the customer's account within 7 working days from the date of receipt of the complaint, the bank will pay compensation of Rs.100/-, per day, to the aggrieved customer.

8. **Which of the following forms of securing a loan is the safest one?**
- A. Lien
  - B. Assignment
  - C. Pledge
  - D. Hypothecation
  - E. Mortgage

Answer & Explanation

**C. Pledge**

**Explanation:**

A pledged asset is collateral pledged by a borrower to a lender (usually in return for a loan). The lender has the right to seize the collateral if the borrower defaults on the obligation.

9. **Which of the following is known as “Demat” account?**
- A. Account in which shares are held in electronic form
  - B. other than those given as options
  - C. Account allowed to be operated by guardian of minor
  - D. Account operated by business correspondents in rural centres.
  - E. Account opened with zero balance

Answer & Explanation

**A. Account in which shares are held in electronic form**

**Explanation:**

A Dematerialized account is opened by the investor while registering with an investment broker (or sub-broker).

10. **The Aadhaar-Enabled Payment Systems(AEPS) is a bank led model that facilitates banking facilities by allowing transactions at Point of Sale through the Business Correspondent (BC) using the Aadhaar authentication number. Aadhaar enabled basic types of banking do not include**

- A. Balance Enquiry
- B. Cash Withdrawal
- C. Online Payment
- D. Cash Deposit
- E. Aadhaar to Aadhaar funds transfer

Answer & Explanation

**C. Online Payment**

**Explanation:**

Services Offered by AEPS:

Balance Enquiry  
Cash Withdrawal  
Cash Deposit  
Aadhaar to Aadhaar Fund Transfer  
Gateway Authentication Services

1. **What is the full form of FCCB?**
- A. Foreign Currency convertible Bond
  - B. Foreign Currency credit Bond
  - C. Financial Consortium and Credit Bureau
  - D. Future Credit and Currency Bureau
  - E. None of the Above

Answer & Explanation

**A. Foreign Currency convertible Bond**

**Explanation:**

Foreign currency convertible bonds (FCCBs) are a special category of bonds. FCCBs are issued in currencies different from the issuing company's domestic currency. A convertible bond is a mix between a debt and equity instrument.

2. **What is the ceiling on amount of Insured deposits kept by one person in different branches of a bank?**
- A. Rs.25000

- B. Rs.50000
- C. Rs.75000
- D. Rs.1,00,000
- E. Rs.2,00,000

Answer & Explanation

**D. Rs.1,00,000**

**Explanation:**

The deposits kept in different branches of a bank are aggregated for the purpose of insurance cover and a maximum amount upto Rupees one lakh is paid.

3. **Which of the following institutions is responsible for the supervision of RRBs?**
- A. RBI
  - B. SEBI
  - C. NABARD
  - D. GOI
  - E. Both (A) and (C)

Answer & Explanation

**E. Both (A) and (C)**

**Explanation:**

NABARD has been sharing with the Reserve Bank of India certain supervisory functions in respect of cooperative banks and Regional Rural Banks (RRBs).

4. **By which rate is the domestic current rate of currency converted into foreign currency?**
- A. Bank Rate
  - B. CRR
  - C. Stock Exchange Rate
  - D. Repo Rate
  - E. Exchange Rate

Answer & Explanation

**E. Exchange Rate**

**Explanation:**

An exchange rate aka a (foreign-exchange rate, forex rate, FX rate or Agio) between two currencies is the rate at which one currency will be exchanged for another. It is also regarded as the value of one country's currency in terms of another currency.

5. **Which of the following works is/are done by Credit Information Companies?**
- A. Collecting records of an individual's payments pertaining to loans
  - B. Maintaining records of an individual's payments pertaining to credit cards
  - C. Creating Credit Information Reports

- D. All of the Above
- E. None of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

Credit Information Companies collect and maintain records of an individual's payments pertaining to loans and credit cards. These records are submitted to Credit Information Companies by banks and other lenders, on a monthly basis. This information is then used to create Credit Information Reports (CIR) and credit scores which are provided to lenders in order to help evaluate and approve loan applications.

6. **Which of the following was the first credit rating agency of India?**
- A. CIBIL
  - B. Equifax
  - C. CRISIL
  - D. ICRA
  - E. Experian

Answer & Explanation

**A. CIBIL**

**Explanation:**

Credit Information Bureau (India) Ltd; CIBIL is India's first Credit Information Company, also commonly referred to as a Credit Bureau. We collect and maintain records of individuals' and non-individuals' (commercial entities) payments pertaining to loans and credit cards. These records are submitted to us by banks and other lenders on a monthly basis; using this information a Credit Information Report (CIR) and Credit Score is developed, enabling lenders to evaluate and approve loan applications. A Credit Bureau is licensed by the RBI and governed by the Credit Information Companies (Regulation) Act of 2005.

7. **The largest shareholder of a nationalized bank is \_\_\_\_\_**
- A. RBI
  - B. Government of India
  - C. NABARD
  - D. All of the Above
  - E. None of the Above

Answer & Explanation

**B. Government of India**

**Explanation:**

Public Sector Banks (PSBs) are banks where a majority stake (i.e. more than 50%) is held by a government. The shares of these banks are listed on stock exchanges. There are a



total of 27 PSBs in India [21 Nationalized banks + 6 State bank group (SBI + 5 associates)] In 2011 IDBI bank and in 2014 Bharatiya Mahila Bank were nationalized with a minimum capital of Rs 500 crore.

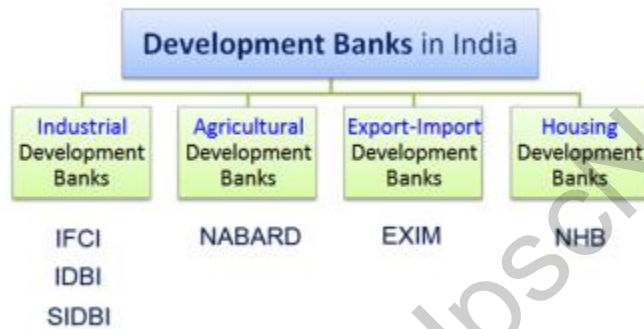
**8. Which of the following comes under the category of Development Banks?**

- A. Industrial Development Banks
- B. Agricultural Development Banks
- C. Housing Development Banks
- D. Export-Import Development Banks
- E. All of the Above

Answer & Explanation

**E. All of the Above**

**Explanation:**



**9. With which article of the Indian Constitution is Money Bill related?**

- A. Article 110
- B. Article 109
- C. Article 108
- D. Article 107
- E. None of the Above

Answer & Explanation

**A. Article 110**

**Explanation:**

Under Article 110(1) of the Constitution, a Bill is deemed to be a Money Bill if it contains only provisions dealing with all or any of the following matters:

- (a) the imposition, abolition, remission, alteration or regulation of any tax;
- (b) regulation of borrowing by the government;
- (c) custody of the Consolidated Fund or Contingency Fund of India, and payments into or withdrawals from these Funds;
- (d) appropriation of moneys out of the Consolidated Fund of India;
- (e) declaring of any expenditure to be expenditure charged on the Consolidated Fund of India or the increasing of the amount of any such expenditure;

- (f) receipt of money on account of the Consolidated Fund of India or the public account of India or the custody or issue of such money or the audit of the accounts of the Union or of a State; or  
(g) any matter incidental to any of the matters specified in sub-clauses (a) to (f).

**10. CGTMSE stands for \_\_\_\_\_**

- A. Central Government Fund Trust for Medium and Small Enterprises
- B. Central Government Fund Transfer fund for Medium and Small Enterprises
- C. Central Government Fund for Medium Size Enterprises
- D. Credit Guarantee Fund Trust for Micro and Small Enterprises
- E. None of the Above

Answer & Explanation

**D. Credit Guarantee Fund Trust for Micro and Small Enterprises**

**Explanation:**

Government of India and SIDBI set up the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).

The main objective is that the lender should give importance to project viability and secure the credit facility purely on the primary security of the assets financed. The other objective is that the lender availing guarantee facility should endeavor to give composite credit to the borrowers so that the borrowers obtain both term loan and working capital facilities from a single agency.

**1. The structure of the registry which will enable quick sharing of information about unstructured borrowers and help banks fight bad loans. The registry is called \_\_\_\_\_**

- A. CIBIL
- B. Fraudulent Borrowers List
- C. RBI wilful Defaulter List
- D. Central Fraud Registry
- E. None of the Above

Answer & Explanation

**D. Central Fraud Registry**

**Explanation:**

The Reserve Bank of India has operationalised a Central Fraud Registry (CFR). The registry will make available more information to banks at the time of starting a banking relationship, extending credit facilities or at any time during the operation of an account. The CFR is a centralised searchable database which can be accessed by banks.

**2. The record of all economic transactions between the residents of a country and the rest of the world in a particular period is known as \_\_\_\_\_**

- A. Balance in Current Account
- B. Balance in Capital Account

- C. Trade Settlements
- D. Balance of Trade
- E. Balance of Payments

Answer & Explanation

**E. Balance of Payments**

**Explanation:**

The balance of payments (BOP) is the method countries use to monitor all international monetary transactions at a specific period of time. A record of all transactions made between one particular country and all other countries during a specific time period.

3. **Public Debt Management Agency (PDMA) is being set up to prevent leakages and development of the \_\_\_\_\_**
- A. Treasury Market
  - B. Bond Market
  - C. Money Market
  - D. Capital Market
  - E. Call Money Market

Answer & Explanation

**B. Bond Market**

**Explanation:**

The government's intention to set up a Public Debt Management Agency (PDMA) is not only required for the development of the bond market in the country, but it would also prevent leakages of public funds.

4. **The agency which is tasked with collecting, analysing and disseminating information related to dubious financial transactions is \_\_\_\_\_**
- A. Financial Intelligence Unit (FIU)
  - B. Financial Action Task Force (FATF)
  - C. Central Economic Intelligence Bureau (CEIB)
  - D. Central Intelligence Bureau (CIB)
  - E. Financial Stability Board (FSB)

Answer & Explanation

**A. Financial Intelligence Unit (FIU)**

**Explanation:**

The Financial Intelligence Unit (FIU), an agency tasked with collecting, analysing and disseminating information related to dubious financial transactions. The main function of FIU-IND is to receive cash/suspicious transaction reports, analyse them and, as appropriate, disseminate valuable financial information to intelligence/enforcement agencies and regulatory authorities.

5. **Who finalises the value and volume of the notes to be printed every year?**
- A. Independently by Ministry of Finance
  - B. Independently by Ministry of Government of India
  - C. Committee of Bank Heads
  - D. With Mutual Consultation of the GOI and Bank Heads
  - E. With Mutual Consultation of the RBI and GOI

Answer & Explanation

**E. With Mutual Consultation of the RBI and GOI**

**Explanation:**

The Reserve Bank based on the demand requirement indicates the volume and value of banknotes to be printed each year to the Government of India which get finalized after mutual consultation. The quantum of banknotes to be printed, broadly depends on the requirement for meeting the demand for banknotes, GDP growth, replacement of soiled banknotes, reserve stock requirements, etc.

6. **e-KYC is possible only for those who have \_\_\_\_\_**
- A. PAN Card
  - B. Driving License
  - C. Ration Card
  - D. Aadhaar Number
  - E. None of the Above

Answer & Explanation

**D. Aadhaar Number**

**Explanation:**

e-KYC is possible only for those who have Aadhaar numbers. While using e-KYC service, you have to authorise the Unique Identification Authority of India (UIDAI), by explicit consent, to release your identity/address through biometric authentication to the bank branches/business correspondent (BC). The UIDAI then transfers your data comprising name, age, gender, and photograph of the individual, electronically to the bank/BC.

7. **An open source platform for mobile-to-mobile fund transfers without account details launched by NPCI was \_\_\_\_\_**
- A. Unified Payment Interface
  - B. Union of Payment Interface
  - C. Payment Interface
  - D. Unique Payment Interface
  - E. People's Payment Interface

Answer & Explanation

**A. Unified Payment Interface**

**Explanation:**

UPI allows you to pay directly from your bank account to different merchants without the hassle of typing your card details, or netbanking/wallet password.

8. **The practice of lending money to unrelated individuals, or “peers”, without going through a traditional financial intermediary such as a bank or other traditional financial institution is called \_\_\_\_\_**
- A. B2B transactions
  - B. C2C transactions
  - C. P2P lending
  - D. PPP Model
  - E. P2P Investing

Answer & Explanation

**C. P2P lending**

**Explanation:**

P2P lending, is the practice of lending money to individuals or businesses through online services that match lenders directly with borrowers.

9. **Banks can not generally accept interest-free deposits. which of the following is an exception to this rule?**
- A. Current Account
  - B. Savings Account of Minors
  - C. Deposit from Minority groups
  - D. BSBDA
  - E. None of the Above

Answer & Explanation

**A. Current Account**

**Explanation:**

Banks cannot accept interest free deposits other than in current account.

10. **Deposits under Foreign Currency Non-Resident(FCNR) scheme can be accepted for a minimum of \_\_\_\_\_**
- A. Six months
  - B. Three months
  - C. One year
  - D. 15 days
  - E. None of the Above

Answer & Explanation

**C. One year**

**Explanation:**

The deposits should be accepted under the Foreign Currency Non-Resident (FCNR) Scheme for the following maturity periods:

One year and above but less than two years

Two years and above but less than three years

Three years and above but less than four years

Four years and above but less than five years

Five years only

1. **Which of the following private banks has signed an agreement with Reliance Jio Money for One-Click payment service ?**

- A) Laxmi Vilas Bank
- B) Federal Bank
- C) South Indian Bank
- D) Karnataka Bank
- E) Karur Vysya Bank

Answer & Explanation

**B) Federal bank**

**Explanation:**

Federal bank has signed an agreement with Reliance Jio Money for One-Click payment service. Reliance Jio money is a wallet application that will be launched soon for mobile devices where Federal bank will enable a direct payment option for its customers.

2. **Which of the following General Insurance Company has entered into agreement with Shamrao Vithal Co-operative (SVC) Bank for bancassurance business?**

- A) Reliance General Insurance Co. Ltd.
- B) L&T General Insurance Co. Ltd.
- C) HDFC ERGO General Insurance Co. Ltd.
- D) Future Generali India Insurance Co. Ltd.
- E) Tata AIG General Insurance Co. Ltd.

Answer & Explanation

**C) HDFC ERGO General Insurance Co. Ltd.**

**Explanation:**

HDFC ERGO General Insurance Company and Shamrao Vithal Co-operative (SVC) Bank announced their bancassurance agency partnership to provide range of non-life insurance offerings to the customers of the bank.

The partnership combines HDFC ERGO's experience in introducing innovative non-life insurance products with SVC Bank's customer base across various states.

3. **The Reserve Bank of India imposed how much penalty on Bank of Baroda in the alleged Rs 6000 crore forex related irregularities that came to light in October last**

**year?**

- A) Rs 5 crore
- B) Rs 7 crore
- C) Rs 5.5 crore
- D) Rs 6.2 crore
- E) Rs 6 crore

Answer & Explanation

**A) Rs 5 crore**

**Explanation:**

The RBI carried out an inspection after Rs 6,100 crore import remittances were effected by Bank of Baroda's Ashok Vihar branch in New Delhi.

4. **Which of the following banks have become the first banks to join SWIFT's global payments initiative?**

- A) ICICI and HDFC Bank
- B) IndusInd Bank and SBI
- C) PNB and Federal Bank
- D) Axis Bank and ICICI
- E) ICICI and SBI

Answer & Explanation

**D) Axis Bank and ICICI**

**Explanation:**

Global payments leader SWIFT said that ICICI Bank and Axis Bank have become the first domestic lenders to sign up for its global payments innovation initiative, which already has over 70 other leading banks globally.

The initiative aims to enhance cross-border payments by leveraging Swift's messaging platform and global reach and in the first phase, the initiative will focus on business-to-business payments.

5. **RBI has imposed how much fine on 13 banks for violation of FEMA and lapses in know your client (KYC) rules?**

- A) Rs 24 crore
- B) Rs 25 crore
- C) Rs 27 crore
- D) Rs 28 crore
- E) Rs 29 crore

Answer & Explanation

**C) Rs 27 crore**

**Explanation:**

The Reserve Bank of India has come down hard on 13 banks and fined them for Rs 27 crore for violation of FEMA and lapses in know your client (KYC) rules.

6. **RBI has imposed a fine of Rs 1 crore on which of the following banks for flouting bill discounting norms?**
- A) Syndicate Bank
  - B) United Bank of India
  - C) Indian Overseas Bank
  - D) UCO Bank
  - E) Vijaya Bank

Answer & Explanation

**D) UCO Bank**

**Explanation:**

Reserve Bank of India has told state-run Uco Bank to pay Rs 1 crore penalty for flouting bill discounting norms which allowed current account holders siphon out funds.

7. **A payments company OKI installed 600 automatic teller machines with cash recycling abilities for State Bank of India. OKI has its headquarters in**
- A) England
  - B) Singapore
  - C) USA
  - D) Malaysia
  - E) Japan

Answer & Explanation

**E) Japan**

**Explanation:**

The company which is headquartered in Japan and operates out of Mumbai in India manufactures ATMs which work with recyclable cash and has both cash acceptance mechanism along with cash dispensing in their teller machines.

Indian banks which mostly deploy standalone ATMs have very recently taken to the new technology of machines with both depositing as well as dispensing abilities.

8. **Recently, Yeldi Softcom received a licence for RBI to set up which of the following?**
- A) open wallet
  - B) semi-closed wallet
  - C) closed wallet
  - D) semi-open wallet
  - E) None of these

Answer & Explanation



**B) semi-closed wallet**

**Explanation:**

Yeldi Softcom received its semi-closed wallet license on Wednesday from the Reserve Bank of India. This opens up a new league of possibilities in terms of the products that could be launched by Yeldi Softcom to bring in further avenues to carry out cashless transactions.

Semi-closed wallet is a payment instrument that is accepted by a predefined set of merchants that have been contracted specifically by the issuer of the semi-closed wallet.

**9. What is the initial minimum paid-up equity capital required for new on-tap license to set up private bank as announced by RBI?**

- A) Rs 5 crore
- B) Rs 100 crore
- C) Rs 500 crore
- D) Rs 50 crore
- E) Rs 200 crore

Answer & Explanation

**C) Rs 500 crore**

**Explanation:**

The Reserve Bank of India released norms for on-tap permits for private sector banks and said the validity of the in-principle approval issued by the RBI will be 18 months from the date of granting in-principle approval.

1. The initial minimum paid-up voting equity capital for a bank shall be 500 crore rupees. Thereafter, the bank shall have a minimum net worth of 500 crore rupees at all times.
2. Resident individuals and professionals having 10 years of experience in banking and finance at a senior level are also eligible to promote universal banks.

**10. Which of the following banks has teamed up with Apollo to set up asset reconstruction company (ARC)?**

- A) SBI
- B) Punjab National Bank
- C) Axis Bank
- D) ICICI Bank
- E) Both A and D

Answer & Explanation

**D) ICICI Bank**

**Explanation:**

With the banking sector buffeted by bad loans, the country's largest private lender ICICI Bank teamed up with private equity major Apollo Global Management to launch an asset reconstruction company.

ICICI and Apollo have signed a memorandum of understanding to set up the ARC, which

will acquire debt from lenders and also take equity stakes in borrowers, a bank statement read.

1. **The Headquarters of National Payments Corporation of India(NPCI) is \_\_\_\_\_**  
A. New Delhi  
B. Hyderabad  
C. Mumbai  
D. Chennai

Answer & Explanation

**C. Mumbai**

**Explanation:**

National Payments Corporation of India (NPCI), Mumbai is an umbrella organization for all retail payments system in India. It was set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks' Association (IBA). The RBI, after setting up the Board for Regulation and Supervision of Payment and Settlement Systems (BPSS) in 2005, released a vision document incorporating a proposal to set up an umbrella institution for all the RETAIL PAYMENT SYSTEMS in the country. The core objective was to consolidate and integrate the multiple systems with varying service levels into nation-wide uniform and standard business process for all retail payment systems.

2. **Micro Units Development Refinance Agency (MUDRA) has a corpus of \_\_\_\_\_, and credit guarantee corpus of \_\_\_\_\_**  
A. Rs 25,000 crore and Rs.3,000 crore  
B. Rs 20,000 crore and Rs.4,000 crore  
C. Rs 15,000 crore and Rs.4,000 crore  
D. Rs 20,000 crore and Rs.3,000 crore

Answer & Explanation

**D. Rs 20,000 crore and Rs.3,000 crore**

**Explanation:**

The bank will have an initial corpus of Rs 20,000 crore and a credit guarantee fund of Rs.3,000 crore. The bank will initially function as a non-banking financial company and a subsidiary of the Small Industries Development Bank of India (SIDBI).

3. **Authorised capital of National Payments Corporation of India (NPCI) is \_\_\_\_\_ and paid up capital is \_\_\_\_\_**  
A. Rs 300 crore and Rs 100 crore  
B. Rs 350 crore and Rs 50 crore  
C. Rs 200 crore and Rs 100 crore  
D. Rs 100 crore and Rs 50 crore

Answer & Explanation

**A. Rs 300 crore and Rs 100 crore**

**Explanation:**

National Payments Corporation of India (NPCI) was incorporated in December 2008 and the Certificate of Commencement of Business was issued in April 2009. It has been incorporated as a Section 8 company under Companies Act, 2013 and is aimed to operate for the benefit of all the member banks and their customers. The authorised capital has been pegged at Rs 300 crore and paid up capital is Rs 100 crore so that the company can create infrastructure of large dimension and operate on high volume resulting payment services at fraction of the present cost structure.

**4. NABARD was set up with an initial capital of \_\_\_\_\_**

- A. 100 crore
- B. 200 crore
- C. 300 crore
- D. 500 crore

Answer & Explanation

**A. 100 crore**

**Explanation:**

NABARD was set up with an initial capital of 100 crore. Currently the share capital between Government of India and RBI, the paid up capital stood at 5000 crore with Government of India holding 4,980 crore (99.60%) and Reserve Bank of India 20.00 crore (0.40%).

**5. Minimum amount that can be invested in Kisan Vikas Patra(KVP) Certificate is \_\_\_\_\_**

- A. Rs.100
- B. Rs.200
- C. Rs.500
- D. Rs.1000

Answer & Explanation

**D. Rs.1000**

**Explanation:**

KVP certificates are available in the denominations of Rs 1000, Rs 5000, Rs 10000 and Rs 50000. The minimum amount that can be invested is Rs 1000. However, there is no upper limit on the purchase of KVPs.

**6. The amount invested in Kisan Vikas Patra(KVP) would get doubled in \_\_\_\_\_ months.**

- A. 100
- B. 105
- C. 110
- D. 115

Answer & Explanation

**C. 110**

**Explanation:**

The amount invested in Kisan Vikas Patra would get doubled in 110 months or nine years and two months. The interest rate of KVP is 7.8 per cent annually.

7. **The 5-year National saving certificate has the interest rate of \_\_\_\_\_**
- A. 7.1%
  - B. 7.2%
  - C. 8.1%
  - D. 8.2%

Answer & Explanation

**C. 8.1%**

**Explanation:**

National Savings Certificates, popularly known as NSC, is an Indian Government Savings Bond, primarily used for small savings and income tax saving investments in India. These can be purchased from any Post Office in India by an adult (either in his/her own name or on behalf of a minor), a minor, a trust, and two adults jointly. These are issued for five and ten year maturity and can be pledged to banks as collateral for availing loans. Currently the 5-year National saving certificate has the interest rate of 8.1%.

8. **In National Savings Certificates, investment up to \_\_\_\_\_ per annum qualifies for IT Rebate under section 80C of Income Tax Act.**
- A. Rs.10 lakh
  - B. Rs.2 lakh
  - C. Rs.5 lakh
  - D. Rs.1 lakh

Answer & Explanation

**D. Rs.1 lakh**

**Explanation:**

There is no maximum limit for investment. Certificates can be kept as collateral security to get loan from banks. Investment up to INR 1,00,000/- per annum qualifies for IT Rebate under section 80C of Income Tax Act. Trust and HUF cannot invest. Rate of interest effective from 1st April 2016 is 8.10%

9. **A minimum yearly deposit of \_\_\_\_\_ is required to open and maintain a PPF account, and a maximum deposit of \_\_\_\_\_.**
- A. Rs. 500 and Rs 1.50 lakhs
  - B. Rs. 1000 and Rs 2.50 lakhs

- C. Rs. 2000 and Rs 3.50 lakhs
- D. Rs. 5000 and Rs 4.50 lakhs

Answer & Explanation

**A. Rs. 500 and Rs 1.50 lakhs**

**Explanation:**

A minimum yearly deposit of Rs. 500 is required to open and maintain a PPF account, and a maximum deposit of Rs.1.5 lakhs (as on Financial year 2015-2016) can be made in a PPF account in any given financial year. The subscriber should not deposit more than Rs.1.50 lac per annum as the excess amount will neither earn any interest nor will be eligible for rebate under Income Tax Act. The amount can be deposited in lump sum or in a maximum of 12 instalments per year.

**10. The Public Provident Fund (PPF) has the interest rate of \_\_\_\_\_**

- A. 7.1%
- B. 7.2%
- C. 8.1%
- D. 8.2%

Answer & Explanation

**C. 8.1%**

**Explanation:**

The Public Provident Fund is a savings-cum-tax-saving instrument in India, introduced by the National Savings Institute of the Ministry of Finance in 1968. The aim of the scheme is to mobilize small savings by offering an investment with reasonable returns combined with income tax benefits. The current interest rate effective from 1 April 2016 is 8.1% Per Annum (compounded annually).

**1. The China-led Asian Infrastructure Investment Bank (AIIB) approved its first set of loans amounting to \$ 509 million to four countries. Which of the following is not among these 4 countries?**

- A) Bangladesh
- B) Indonesia
- C) Pakistan
- D) Nepal
- E) Tajikistan

Answer & Explanation

**D) Nepal**

**Explanation:**

AIIB headquartered in Beijing, China, has given loan to finance projects in four countries viz. Bangladesh, Pakistan, Indonesia and Tajikistan.

2. **Which of the following has exited the shareholding of CIBIL?**
- A) ICICI and Bank of India
  - B) United Bank of India and Aditya Birla Trustee Company Private Ltd.
  - C) United Bank of India and Bank of Baroda
  - D) ICICI and Bank of Baroda
  - E) Indian Overseas Bank and ICICI

Answer & Explanation

**D) ICICI and Bank of Baroda**

**Explanation:**

ICICI Bank has sold its whole six per cent stake in the company, while Bank of Baroda has sold its whole five per cent holding.

3. **With ICICI and BoB sold their shareholding in CIBIL, who has bought their percentage of shares?**
- A) Aditya Birla Trustee Company Private Ltd.
  - B) Indian Overseas Bank
  - C) TransUnion International Inc
  - D) Union Bank of India
  - E) India Infoline Finance Limited

Answer & Explanation

**C) TransUnion International Inc**

**Explanation:**

Earlier the shareholding patterns of CIBIL were

TransUnion International Inc (66.1%)

ICICI Bank Ltd (6%)

Bank of Baroda (5%)

Bank of India (5%)

Union Bank of India (5%)

Indian Overseas Bank (5%)

Aditya Birla Trustee Company Private Ltd. (4%)

India Alternatives Private Equity Fund (2.9%)

India Infoline Finance Limited (1%)

4. **Which of the following bank has launched 'Elite' card on the Master Card World platform which is enabled with NFC (Near Field Communication) technology?**
- A) ICICI
  - B) PNB
  - C) SBI
  - D) Axis Bank
  - E) Canara Bank

Answer & Explanation

**C) SBI**

**Explanation:**

This allows customers a contactless payment experience, adding more speed and suave to their wallets.

The new card comes with a joining fee of Rs 4,999 and all customers will receive a welcome gift worth Rs 5,000 in the form of vouchers from popular lifestyle and travel brands.

5. **Cabinet Committee on Economic Affairs (CCEA) cleared the proposal of Axis Bank for increasing foreign shareholding limit from existing 62 per cent to \_\_\_\_ per cent.**

- A) 70%
- B) 84%
- C) 74%
- D) 65%
- E) None of these

Answer & Explanation

**C) 74%**

**Explanation:**

Cabinet Committee on Economic Affairs (CCEA) headed by Prime Minister Narendra Modi cleared the proposal of Axis Bank for increasing foreign shareholding limit from existing 62 per cent to 74 per cent.

6. **According to rating agency Fitch, Indian banks will need approximately how much capital by 2019 to meet new Basel III capital norms?**

- A) \$100 billion
- B) \$90 billion
- C) \$85 billion
- D) \$70 billion
- E) \$95 billion

Answer & Explanation

**B) \$90 billion**

**Explanation:**

According to rating agency Fitch, Indian banks will need about \$90 billion of capital to meet new Basel III capital norms to be implemented by the financial year ending March 2019, more than 80% of which will be needed by public sector lenders.

7. **Who has been named as the best banking CEO in Asia?**

- A) Shikha Sharma
- B) Uday Kotak
- C) Chanda Kochar
- D) Aditya Puri
- E) Arundhati Bhattacharya

Answer & Explanation

**D) Aditya Puri**

**Explanation:**

Aditya Puri, the chief executive and managing director of the second largest private sector lender HDFC Bank has been ranked as the best banking CEO in Asia by the investor community.

8. **Sudarshan Sen has been appointed as the Executive Director of RBI. He replaced**

- A) NS Vishwanathan
- B) KR Subramaniam
- C) Sarvesh Rana
- D) NS Iyer
- E) None of these

Answer & Explanation

**A) NS Vishwanathan**

**Explanation:**

The Union Government has appointed NS Vishwanathan as deputy governor of the Reserve Bank of India (RBI). His appointment was approved by the Appointments Committee of the Cabinet (ACC) presided by Prime Minister Narendra Modi in New Delhi.

In his place, Sudarshan Sen has been appointed.

9. **Who has been appointed as the head of Working Group on Fin Tech and Digital Banking by RBI?**

- A) NS Vishwanathan
- B) KR Subramaniam
- C) Sarvesh Rana
- D) NS Iyer
- E) Sudarshan Sen

Answer & Explanation

**E) Sudarshan Sen**

**Explanation:**

The Reserve Bank of India (RBI) has set up an inter-regulatory Working Group to study the regulatory issues relating to Financial Technology (Fintech) and Digital Banking in India. The inter-regulatory Working Group will be headed by RBI's Executive Director Sudarshan Sen and consist of 12 members.

10. **Which of the following banks is ready to acquire Microfinance Grama Vidiyal?**

- A) Bandhan Bank
- B) Yes Bank
- C) Axis Bank



- D) Kotak Mahindra Bank
- E) IDFC Bank

Answer & Explanation

**E) IDFC Bank**

**Explanation:**

Private sector lender IDFC Bank announced the acquisition of Tamil Nadu-based Grama Vidiyal Microfinance that will help it widen the reach.

1. **ECGC Limited (Export Credit Guarantee Corporation of India Ltd) is a company wholly owned by?**
  - A. RBI
  - B. Government Of India
  - C. IRDAI
  - D. NABARD

Answer & Explanation

**B. Government Of India**

**Explanation:**

ECGC Ltd. (Export Credit Guarantee Corporation of India Ltd.), wholly owned by Government of India, was set up in 1957 with the objective of promoting exports from the country by providing Credit Risk Insurance and related services for exports. It functions under the administrative control of Ministry of Commerce & Industry, and is managed by a Board of Directors comprising representatives of the Government, Reserve Bank of India, banking, and insurance and exporting community.

2. **National Housing Bank (NHB), a wholly owned subsidiary of \_\_\_\_\_**
  - A. RBI
  - B. Government Of India
  - C. IRDAI
  - D. State Government

Answer & Explanation

**A. RBI**

**Explanation:**

National Housing Bank (NHB) is an apex level institution for housing. NHB was set up on July 9, 1988 under the National Housing Bank Act, 1987. NHB is wholly owned by Reserve Bank of India, which contributed the entire paid-up capital.

3. **As per the Exim Bank Act, at a particular point in time, the Exim Bank can have a maximum of \_\_\_\_\_ directors on its Board.**
  - A. 16
  - B. 15

- C. 14
- D. 13

Answer & Explanation

**A. 16**

**Explanation:**

As per the Exim Bank Act, at a particular point in time, the Bank can have a maximum of 16 directors on its Board.

Including Chairman and Managing Director, the Bank's Board constitutes of 13 directors who are appointed by the GOI, they are five top level Government of India functionaries, three directors from scheduled commercial banks and four directors who are industry/trade experts. Three other directors are nominated by the Reserve Bank of India (RBI), Industrial Development Bank of India (IDBI) and ECGC Ltd respectively.

4. **Which of the following holds majority stake in NABARD?**
- A. RBI
  - B. Government Of India
  - C. IRDAI
  - D. None of the Above

Answer & Explanation

**B. Government Of India**

**Explanation:**

National Bank for Agriculture and Rural Development (NABARD) is an apex development bank in India, having headquarters in Mumbai, Maharashtra. RBI sold its stake in NABARD to the Government of India, which now holds 99% stake.

5. **Currently Small Industries Development Bank of India(SIDBI) is a wholly owned subsidiary of \_\_\_\_\_**
- A. RBI
  - B. IDBI
  - C. 34 Government of India owned / controlled institutions
  - D. None of the Above

Answer & Explanation

**C. 34 Government of India owned / controlled institutions**

**Explanation:**

Small Industries Development Bank of India(SIDBI) was incorporated initially as a wholly owned subsidiary of Industrial Development Bank of India. Currently the ownership is held by 34 Government of India owned / controlled institutions.

6. **Which of the following is/are an entity founded by SIDBI?**
- A. Credit Guarantee Fund Trust for Micro and Small Enterprises

- B. SIDBI Venture Capital Ltd
- C. ISARC
- D. All of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

Credit Guarantee Fund Trust for Micro and Small Enterprises – provides collateral-free loans extended to SME.

SIDBI Venture Capital Ltd – a venture capital company focussed at SME.

SME Rating Agency of India Ltd – provides composite ratings to SME.

ISARC – India SME Asset Reconstruction Company.

7. **Micro Units Development and Refinance Agency(MUDRA) Bank has been headquartered in \_\_\_\_\_**
- A. Mumbai
  - B. Bangalore
  - C. New Delhi
  - D. Hyderabad

Answer & Explanation

**C. New Delhi**

**Explanation:**

Micro Units Development and Refinance Agency Bank (or MUDRA Bank) is a public sector financial institution has been headquartered in New Delhi. It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs. It was launched by Prime Minister Narendra Modi.

8. **Deposit Insurance and Credit Guarantee Corporation ( DICGC) is a subsidiary of \_\_\_\_\_**
- A. RBI
  - B. IDBI
  - C. 34 Government of India owned / controlled institutions
  - D. None of the Above

Answer & Explanation

**A. RBI**

**Explanation:**

Deposit Insurance and Credit Guarantee Corporation ( DICGC) is a subsidiary of Reserve Bank of India.

It was established under Deposit Insurance and Credit Guarantee Corporation Act, 1961 for the purpose of providing insurance of deposits and guaranteeing of credit facilities.

DICGC insures all bank deposits, such as saving, fixed, current, recurring deposits for up to the limit of Rs. 100,000 of each deposits in a bank.

9. **The Regional Rural Banks were owned by \_\_\_\_\_**
- A. Central Government
  - B. State Government
  - C. Sponsor Banks
  - D. All of the Above

Answer & Explanation

**D. All of the Above**

**Explanation:**

The Regional Rural Banks were owned by the Central Government, the State Government and the Sponsor Bank.

Central Government-50%

State Government- 15%

Sponsor Banks- 35%.

10. **Which of the following holds majority stake in RRBs?**
- A. Central Government
  - B. State Government
  - C. Sponsor Banks
  - D. All of the Above

Answer & Explanation

**A. Central Government**

**Explanation:**

The Regional Rural Banks were owned by the Central Government, the State Government and the Sponsor Bank.

Central Government-50%

State Government- 15%

Sponsor Banks- 35%.

1. **The Headquarters of Capital Local Area Bank is situated in \_\_\_\_\_**
- A. Amritsar, Punjab
  - B. Ludhiana, Punjab
  - C. Bathinda, Punjab
  - D. Jalandhar, Punjab

Answer & Explanation

**D. Jalandhar, Punjab**

**Explanation:**

Currently, Capital Area Local Bank is operating in Punjab's five districts – Jalandhar,

Kapurthala, Hoshiarpur, Ludhiana and Amritsar. Capital Local Area Bank has emerged as the first bank to have received licence from the Reserve Bank of India to start small finance bank. The bank plans to start operations as a small finance bank from the next financial year as it eyes a total business size of Rs 6,700 crore with 110 branches by 2020.

**2. Which of the following is the Headquarters of City Union Bank?**

- A. Kanchipuram
- B. Cuddalore
- C. Dindigul
- D. Kumbakonam

Answer & Explanation

**D. Kumbakonam**

**Explanation:**

City Union Bank (CUB) India is one of the private banks in India. It was previously known as Kumbakonam Bank Limited

**CEO:** Dr. N. Kamakodi

**Founded:** 1904

**3. The Headquarters of Kotak Mahindra Bank is located in \_\_\_\_\_**

- A. Mumbai
- B. Hyderabad
- C. Chennai
- D. Bangalore

Answer & Explanation

**A. Mumbai**

**Explanation:**

Kotak Mahindra Bank is an Indian private sector banking headquartered in Mumbai, Maharashtra. Kotak Mahindra Bank Launches International Banking Unit in GIFT City recently. **Kotak Mahindra Bank CEO Uday Kotak**, who has a net worth of about \$7.1 billion, is the sole Indian in Forbes' list of 40 of the most powerful people in the financial world who control the flow of trillions of dollars around the global economy.

**4. RBS Bank has been headquartered in \_\_\_\_\_**

- A. Glasgow, United Kingdom
- B. Edinburgh, United Kingdom
- C. Skye, United Kingdom
- D. Aberdeen, United Kingdom

Answer & Explanation

**B. Edinburgh, United Kingdom**

**Explanation:**

The Royal Bank of Scotland Group plc is a British banking and insurance holding company, based in Edinburgh, Scotland. Royal Bank of Scotland will close down its retail operations in India which will result in shutting down of 10 branches.

**5. Which of the following is the Headquarters of Axis Bank?**

- A. Mumbai
- B. Hyderabad
- C. Chennai
- D. Bangalore

Answer & Explanation

**A. Mumbai**

**Explanation:**

Axis Bank Limited is the third largest private sector bank in India, has been headquartered in Mumbai, Maharashtra.

**Recent Activities of Axis Bank:**

India's largest insurer **Life Insurance Corporation of India (LIC)** has signed an agreement with private sector lender **Axis Bank** as its bancassurance partner wherein the bank will distribute LIC's products to its customers.

Global payments leader **SWIFT** announced ICICI Bank and Axis Bank have become the first domestic lenders to sign up for its global payments innovation initiative, which already has over 70 other leading banks globally.

Axis Bank has signed an agreement with **Thailand's Kasikorn Bank** to enhance cooperation in trade and investment.

**6. DBS Bank has been headquartered in \_\_\_\_\_**

- A. United Kingdom
- B. Spain
- C. Singapore
- D. South Africa

Answer & Explanation

**C. Singapore**

**Explanation:**

DBS Bank Ltd is a Singaporean multinational banking and financial services company. The company was known as The Development Bank of Singapore Limited. DBS Bank plans to set up new technology hub in Hyderabad.

**7. Which of the following is the Headquarters of Yes Bank?**

- A. Noida
- B. Hyderabad

- C. Chennai
- D. Mumbai

Answer & Explanation

**D. Mumbai**

**Explanation:**

Yes Bank is India's fifth largest private sector Bank, co-founded by Rana Kapoor in 2004. It has been headquartered in Mumbai. Yes Bank is the only Greenfield Bank licence awarded by the RBI in the last two decades.

YES Bank gets SEBI nod to provide custodian services.

SIDBI entered into a partnership with private sector lender Yes Bank to guarantee 75 per cent of loans of up to Rs 15 crore extended to energy efficiency projects under a World Bank initiative.

8. **The Headquarters of Islamic Development Bank is \_\_\_\_\_**

- A. Sohar, Oman
- B. Kuala Lumpur, Malaysia
- C. Jeddah, Saudi Arabia
- D. Baghdad, Iraq

Answer & Explanation

**C. Jeddah, Saudi Arabia**

**Explanation:**

Motto- Together We Build A Better Future

Headquarters – Jeddah, Saudi Arabia

Membership – 56 countries

President – Ahmad Mohamed Ali Al-Madani

The Islamic Development Bank (IDB) will open its first branch in India at Ahmedabad, Gujarat.

9. **Which of the following is the Headquarters of IndusInd Bank?**

- A. Noida
- B. Hyderabad
- C. Chennai
- D. Mumbai

Answer & Explanation

**D. Mumbai**

**Explanation:**

IndusInd Bank Limited is a Mumbai based Indian new generation bank, established in 1994. The bank offers commercial, transactional and electronic banking products and services. IndusInd Bank was inaugurated in April 1994 by then Union Finance Minister **Manmohan Singh**. Indusind Bank is the **first among the new-generation private**

**banks** in India.

IndusInd Bank one of the Indian firms that grab top spot for transparency in survey by Institutional Investor.

IndusInd Bank opened its IFSC Banking Unit (IBU) at the Gujarat International Finance Tec-City (GIFT City) to meet the requirements of offshore banking operations from India.

**10. Caixa Bank has been headquartered in \_\_\_\_\_**

- A. United Kingdom
- B. Spain
- C. Singapore
- D. South Africa

Answer & Explanation

**B. Spain**

**Explanation:**

Caixa Bank, formerly Criteria CaixaCorp, is a Spanish financial services company headquartered in Barcelona.

SBI and Spain's CaixaBank have inked pact to provide loans to Indo-Spanish joint ventures and local enterprises recently.

**1. Reserve Bank announced the cap under Market Stabilisation Scheme (MSS) which has been fixed at Rs 30,000 crore for the current fiscal. MSS was launched in the year**

- A) 2001
- B) 2006
- C) 2005
- D) 2004
- E) None of these

Answer & Explanation

**D) 2004**

**Explanation:**

The scheme was launched in 2004. Under this scheme securities are issued with the objective of providing the RBI with a stock of securities with which it can intervene in the market for managing liquidity.

These securities are issued not to meet the government's expenditure.

**2. Which of the following has approved \$500 million loan for bridge over Ganga River in Bihar?**

- A) World Bank
- B) Asian Development Bank
- C) International Monetary Fund



- D) European Development Bank
- E) None of these

Answer & Explanation

**B) Asian Development Bank**

**Explanation:**

Asian Development Bank accorded \$500 million to build bridge over India's longest river bridge which is in Bihar having distance of 9.8 km road.

3. **First Annual General Meeting of Asian Infrastructure Investment Bank held at**
- A) Dhaka
  - B) Jakarta
  - C) Shanghai
  - D) Beijing
  - E) None of these

Answer & Explanation

**D) Beijing**

**Explanation:**

Finance Minister Arun Jaitley Participated in the First Annual General Meeting of Asian Infrastructure Investment Bank at Beijing to discuss about the investment in Infrastructure and accorded the approval to establish the Regional Office of AIIB in New Delhi.

4. **Which of the following approved \$63 million for Tejaswini Project in Jharkhand?**
- A) World Bank
  - B) Asian Development Bank
  - C) International Monetary Fund
  - D) European Development Bank
  - E) None of these

Answer & Explanation

**A) World Bank**

**Explanation:**

The World Bank Board has approved the 63 million US dollar for Tejaswini project that paves the way for Socioeconomic Empowerment of Adolescent Girls and Young Women in Jharkhand.

5. **Which of the following approved \$201.50 million for Technical Education Quality Improvement Project in India?**
- A) World Bank
  - B) Asian Development Bank
  - C) International Monetary Fund

- D) European Development Bank
- E) None of these

Answer & Explanation

**A) World Bank**

**Explanation:**

United States based World Bank's Board of Executive Directors has approved \$201.50 million for Technical Education Quality Improvement Project III in India

6. **India is to get \$1 bn funding for solar projects from which of the following?**
- A) World Bank
  - B) Asian Development Bank
  - C) International Monetary Fund
  - D) European Development Bank
  - E) None of these

Answer & Explanation

**A) World Bank**

**Explanation:**

The World Bank today committed USD 1 billion (about Rs 6,750 crore) to support solar energy programme in India, which is reducing dependence on conventional energy sources to reduce greenhouse gas emissions.

7. **SBI is going to offer its banking services on Facebook, Twitter through?**
- A) SBI Quick
  - B) SBI Online
  - C) SBI Sort
  - D) SBI Social
  - E) SBI Mingle

Answer & Explanation

**E) SBI Mingle**

**Explanation:**

Leveraging on the popularity of Facebook and Twitter, State Bank of India (SBI) today launched 'SBI Mingle', allowing its customers access various banking services via these social platforms. Using SBI Mingle, the bank's customers can do a host of banking services on their Facebook or Twitter accounts at their own convenience.

8. **Name the newly appointed deputy governor of RBI.**
- A) NS Vishwanathan
  - B) KR Subramaniam
  - C) Sarvesh Rana

- D) NS Iyer
- E) None of these

Answer & Explanation

**A) NS Vishwanathan**

**Explanation:**

The Union Government has appointed NS Vishwanathan as deputy governor of the Reserve Bank of India (RBI). His appointment was approved by the Appointments Committee of the Cabinet (ACC) presided by Prime Minister Narendra Modi in New Delhi.

9. **Reliance Industries (RIL) has signed agreement with which of the following to set up payments bank?**
- A) Canara Bank
  - B) State Bank of India
  - C) Yes Bank
  - D) Axis Bank
  - E) Indian Overseas Bank

Answer & Explanation

**B) State Bank of India**

**Explanation:**

Telecom-to-energy conglomerate Reliance Industries (RIL) and India's largest lender State Bank of India (SBI) have signed Subscription and Shareholders' Agreement to set up payments bank. As per the agreement, RIL will be the promoter with a 70 per cent equity contribution in the payments bank and SBI as joint venture will have 30 per cent equity contribution.

10. **Which of the banks has signed agreements with the World Bank for \$625 million to support grid connected rooftop solar programme in the Country?**
- A) Canara Bank
  - B) State Bank of India
  - C) Bank of India
  - D) Bank of Maharashtra
  - E) Indian Overseas Bank

Answer & Explanation

**B) State Bank of India**

**Explanation:**

State Bank of India has signed agreements with the World Bank for \$625 million to support grid connected rooftop solar programme in the Country  
SBI Capital Markets was keen advisor for structuring and setting up the facility

1. **According to a recent news, the State Bank of India was being put in “Hall of Shame” list along with some other banks. The reason for this was**

A) for not recovering the NPAs in the last 6 months  
B) for financing a US cluster bomb manufacturer  
C) for supporting Vijay Malaya  
D) it listed the worst NPAs ever the last quarter  
E) None of these

Answer & Explanation

**B) for financing a US cluster bomb manufacturer**

**Explanation:**

The State Bank of India has defended financing a US cluster bomb manufacturer, saying its investments were legal, after being put in a “Hall of Shame” along with several other major banks by a Dutch campaign group.

A report by PAX last week listed the government-owned bank as one of 158 lenders – including JP Morgan Chase, Barclays, Bank of America and Credit Suisse – that violated an international ban for investing in cluster bomb firms.

2. **How much amount is going to be disbursed by banks under Pradhan Mantri Mudra Yojana in FY’17?**

A) Rs 2.80 lakh crore  
B) Rs 1.50 lakh crore  
C) Rs 1.80 lakh crore  
D) Rs 1.30 lakh crore  
E) Rs 1.20 lakh crore

Answer & Explanation

**C) Rs 1.80 lakh crore**

**Explanation:**

Having met the target last year, banks are expected to disburse Rs 1.80 lakh crore loans under the Pradhan Mantri Mudra Yojana (PMMY) in the current fiscal, Minister of State for Finance Jayant Sinha said today.

Last year, 3.5 crore beneficiaries availed Rs 1.22 lakh crore loans under PMMY.

3. **Star Union Dai-Ichi Life insurance is a life insurance joint venture between life insurer Dai-Ichi and which banks?**

A) Indian Overseas Bank and United Bank of India  
B) Bank of India and Union Bank  
C) Canara Bank and Bank of India  
D) Allahabad Bank and OBC Bank  
E) Union Bank and Bank of Baroda

Answer & Explanation

**B) Bank of India and Union Bank**

**Explanation:**

Star Union Dai-Ichi Life insurance = Japan's largest life insurer Dai-Ichi + Bank of India + Union Bank

4. **Bank of India has sold how much percent of its stake in Star Union Dai-Ichi Life insurance to Dai-Ichi?**
- A) 18%
  - B) 26%
  - C) 38%
  - D) 15%
  - E) 12%

Answer & Explanation

**A) 18%**

**Explanation:**

The shareholding of Dai-Ichi in the Indian life insurance venture will now increase from 26% to 44% while Bank of India's shareholding will decrease from 30% to 48%. Union Bank will continue to hold 26%.

5. **Which of the following banks has planned to commence urban microfinance operations in its 85 branches across the country?**
- A) Yes Bank
  - B) Kotak Mahindra Bank
  - C) ICICI Bank
  - D) Axis Bank
  - E) None of these

Answer & Explanation

**D) Axis Bank**

**Explanation:**

India's third largest private sector lender Axis Bank has forayed into Urban Microfinance segment and will now provide collateral free credit facilities to low-income women groups. The urban micro lending initiative 'Axis Sahyog' under the Bank's flagship microfinance programme will be delivered via its technology driven 'TAB based lending' solution.

6. **Aadhar Housing Finance Ltd is going to be merged with which of the following?**
- A) DHFL Vysya Housing Finance Ltd
  - B) Cent Bank Home Finance Limited
  - C) Housing and Urban Development Corporation Ltd.
  - D) Manipal Housing Finance Syndicate Ltd.
  - E) None of these

Answer & Explanation

**A) DHFL Vysya Housing Finance Ltd**

**Explanation:**

Dewan Housing group companies Aadhar Housing Finance Ltd and DHFL Vysya Housing Finance Ltd will be merged into one to create a pan-India entity with Rs 3,300 crore of loan assets for financing affordable housing, a priority area for the Narendra Modi-led government.

The merger plan received backing from International Finance Company (IFC), which holds 20% in Aadhar Finance and provides financial support to India's scheme of promoting dwelling units for low income families.

7. **Which of the following international organization is going to invest Rs 60 crore in Aadhar Housing Finance?**

- A) International Monetary Fund
- B) International Finance Corporation
- C) Asian Development Bank
- D) World Bank
- E) European Investment Bank

Answer & Explanation

**B) International Finance Corporation**

**Explanation:**

The World Bank's private sector funding arm International Finance Corporation (IFC) and Wadhawan Global Capital Pvt Ltd are going to raise their investments in Aadhar Housing Finance by putting in Rs 60 crore between them to help the housing loan provider to lower income families double its business.

8. **According to a report by Reserve Bank of India, country's gross bad loans are expected to grow from 7.6% to \_\_\_\_\_ by March 2017.**

- A) 9.2%
- B) 8.2%
- C) 8.5%
- D) 8.0%
- E) None of these

Answer & Explanation

**C) 8.5%**

**Explanation:**

Gross bad loans at banks may rise to 8.5 percent of total assets by March 2017 from 7.6 percent in March 2016 if the central bank orders them to conduct a second round of asset quality reviews.

Meanwhile, under a "severe stress" situation, total bad loans could rise to 9.3 percent in March 2017.

9. **Which of the following has decided to block LPG subsidy and PAN of the tax defaulters?**

A) RBI  
B) SBI  
C) Income Tax Department  
D) Govt. of India  
E) Finance Ministry

Answer & Explanation

**C) Income Tax Department**

**Explanation:**

Income Tax Department is set to block Permanent Account Number (PAN) of wilful defaulters and their LPG subsidy and take measures to ensure that they are not sanctioned loans.

10. **According to United Nations Conference on Trade and Development (UNCTAD) report, what is the position of India in Asia among the largest recipients of Foreign Direct Investment (FDI)?**

A) 12th  
B) 10th  
C) 4th  
D) 9th  
E) 6th

Answer & Explanation

**C) 4th**

**Explanation:**

Switzerland based United Nations Conference on Trade and Development (UNCTAD) released the World Investment Report stated that India is the fourth largest recipient of Foreign Direct Investment in Asia and ranked tenth Position in World.

UN Economist said that involvement of India in Foreign Direct Investment is likely to reach USD 60 billion in 2016

1. **Which of the following High Courts has ruled that banks can recover bad loans from person's saving account if the agreement allows?**

A) Punjab and Haryana  
B) Madras  
C) Mumbai  
D) Assam  
E) Kerala

Answer & Explanation

**B) Madras**

**Explanation:**

If a debtor failed to settle the loan dues despite reminders from the bank, then the money could be recovered from his savings bank account, ruled the Madras High Court bench

2. **The newest private sector bank, Bandhan Bank has announced that it targets 180 new branches by March 2017. Who is the MD and CEO of Bandhan Bank?**

A) Vikram Limaye  
B) Rajiv B. Lall  
C) Chandra Shekhar Ghosh  
D) Narain Chand  
E) None of these

Answer & Explanation

**C) Chandra Shekhar Ghosh**

**Explanation:**

Bandhan Bank plans to open 180 new branches by March next year with an aim to build a pan India brand.

It is headquartered at Kolkata.

3. **Which Indian bank has signed an agreement with Thailand's Kasikorn Bank to enhance cooperation in trade and investment?**

A) State Bank of India  
B) Yes Bank  
C) Canara Bank  
D) Axis Bank  
E) Union Bank of India

Answer & Explanation

**D) Axis Bank**

**Explanation:**

The MoU will serve to strengthen existing ties between the two banks and will help facilitate and enhance cooperation in the areas of trade, investment and other businesses

The agreement between the two banks were signed as the Thailand Prime Minister Prayut Chan-o-cha is on a three-day visit to India.

4. **Reserve Bank of India has granted in principle approval to the common service Centres to act as which operating unit to make bill payments in rural?**

A) Bharat Bill Payment  
B) National Bill Payment  
C) Non Banking Financial  
D) Mobile Banking Payment  
E) None of these



Answer & Explanation

**A) Bharat Bill Payment**

**Explanation:**

Reserve Bank of India has granted in-principle nod to the common service centres RBI (CSCs) as Bharat Bill Payment Operating Unit to make bill payments at centres in rural bands.

5. **Name the bank which has been awarded with CFBP (Council for Fair Business Practices) Jammnalal Bajaj Award for Fair Business Practices?**

- A) Karnataka Bank
- B) Federal Bank
- C) RBS Bank
- D) Laxmi Vilas Bank
- E) None of these

Answer & Explanation

**A) Karnataka Bank**

**Explanation:**

Mangaluru based Karnataka Bank has bagged CFBP Jammnalal Bajaj Award for Fair Business Practices, a certificate of merit under the category service enterprises – large.

6. **Name the US based bank which has become the first bank to issue the first ever credit card to be used in Cuba?**

- A) American Express
- B) SunTrust Bank
- C) Citigroup
- D) Stonegate Bank
- E) Wells Fargo

Answer & Explanation

**D) Stonegate Bank**

**Explanation:**

Pompano Beach-based Stonegate Bank issued the first of its MasterCard credit cards for use in Cuba

The South Florida bank was the first – and so far the only bank to launch a debit card for use by U.S. travelers in Cuba.

7. **The State bank of India and America's which financial company have jointly launched a distribution alliance with travel prepaid cards distributor Centrum?**

- A) Visa
- B) American Express
- C) Capital One

- D) MasterCard
- E) Amex

Answer & Explanation

**D) MasterCard**

**Explanation:**

India's largest bank, State Bank of India (SBI) and MasterCard announced pilot launch of a distribution alliance with travel prepaid cards distributor Centrum. This partnership will aid the distribution strength of the Bank for its multicurrency prepaid card and will largely target the corporate customers of the bank.

8. **Jayant Sinha, minister of state for finance reported how many willful defaulters owing Rs 66,190 crore to state-owned banks as of December 2015?**
- A) 6719
  - B) 7128
  - C) 5275
  - D) 7686
  - E) None of these

Answer & Explanation

**D) 7686**

**Explanation:**

Sinha also said that the total outstanding amount in top 100 non-performing accounts (NPAs) with public sector banks (PSBs) was Rs 1.73 lakh crore as of December 2015. Willful defaulters of PSBs rose from 5,554 to 7,686 in three years to December 2015 while the amount involved more than doubled to Rs 66,190 crore from Rs 27,749 crore.

9. **The State Bank of India has created how much crores fund for investing in IT or Fintech startups?**
- A) 200
  - B) 50
  - C) 100
  - D) 150
  - E) 300

Answer & Explanation

**A) 200**

**Explanation:**

India's largest public sector lender State Bank of India has created IT innovations and startup fund and have allotted Rs 200 crore for investment in promising startups.  
ii. The fund would be covering upto Rs 3 crore for any India registered entity for their business promotion in India using information technology for banking.

10. **Max Life and Max Financial Services have entered into merger agreement with which of the following insurance company?**

A) Oriental Insurance Company  
B) ICICI Prudential Life Insurance Co. Ltd  
C) HDFC Standard Life  
D) Tata AIG general Insurance  
E) Birla Sun Life Insurance

Answer & Explanation

**C) HDFC Standard Life**

**Explanation:**

HDFC Standard Life and Max Life and Max Financial Services are entered into merger agreement that will create the largest private player in India's insurance sector.

The proposed merger between the companies will create an entity with assets worth over Rs 1 lakh crore.

A combination of the entities would be overtaking ICICI Prudential Life Insurance Co. Ltd

1. **Which of the following company has changed its name to Bharat Financial Inclusion Ltd.?**

A) SKS Microfinance Ltd  
B) Spandana Sphoorty Financial Ltd  
C) Bhartiya Samruddhi Finance Limited  
D) Cashpor Micro Credit  
E) None of these

Answer & Explanation

**A) SKS Microfinance**

**Explanation:**

The company had said the decision to change the name was taken as its core had undergone a transformation, equipping it to play a major role in fulfilling the national priority of financial inclusion.

The company is among the largest microfinance companies in India. It has presence across 18 states covering 1,00,000 villages, catering to its 63.65 lakh women members.

2. **How much shareholding is must for the promoters of insurance companies after their listing?**

A) 40%  
B) 50%  
C) 49%  
D) 52%  
E) None of these

Answer & Explanation

**B) 50%**

**Explanation:**

Promoters of insurance companies will be forced to maintain their shareholding at 50 per cent even after listing under the guidelines proposed by the insurance regulator.

This is in sharp contrast to the banking sector where the regulator insists that promoters of banks dilute their shareholding to 20 per cent within a time frame.

The minimum shareholding requirements are part of the Insurance Regulatory and Development Authority of India's (IRDAI) draft guidelines for listed companies.

3. **British bank Barclays has launched a new financial technology platform in which of the following places in India?**

A) New Delhi  
B) Ahmedabad  
C) Mumbai  
D) Jaipur  
E) Hyderabad

Answer & Explanation

**C) Mumbai**

**Explanation:**

British bank Barclays has launched a new financial technology platform in MUMBAI which will provide these start-ups with a physical site to work and interact with stakeholders and their peers in other markets for a fee. The lender hopes that providing such a platform will help it find innovative financial technology quickly and at a cheaper cost.

4. **Soon to be set up India Post Payments Bank will have how many branches in the country?**

A) 650  
B) 550  
C) 500  
D) 750  
E) 600

Answer & Explanation

**A) 650**

**Explanation:**

The communications and IT minister Ravi Shankar Prasad has said that all 650 branches of the payment bank set up by the department of posts will be established by September 2017.

5. **Who is the head of committee which has been made to select the next RBI governor, as present RBI Governor Mr. Raghuram Rajan's term will end in closer to September 2016?**

- A) PK Mishra
- B) Urjit Patel
- C) R Gandhi
- D) P K Sinha
- E) None of these

Answer & Explanation

**D) P K Sinha**

**Explanation:**

The committee route would be in sync with PM Narendra Modi's remark that the appointment is an "administrative decision" that will be taken closer to September when Rajan's term ends.

PK Sinha is the Cabinet Secretary.

6. **RBI's which deputy governor/s is going to get retired on July 7 this year?**

- A) Urjit Patel
- B) SS Mundra
- C) R Gandhi
- D) HR Khan
- E) All of the above

Answer & Explanation

**D) HR Khan**

**Explanation:**

Khan is due to retire on July 7 as he turns 62.

for his replacement, interview is to be conducted by a panel headed by Cabinet Secretary Pradeep Kumar Sinha.

Urjit Patel had got a 3 yr extension in Jan this year.

7. **The State bank of India has entered into alliance with which of the following companies to provide the acceptance of latter's card in India?**

- A) Discover
- B) American Express
- C) Capital One
- D) MasterCard
- E) Amex

Answer & Explanation

**B) American Express**

**Explanation:**

India's largest lender State Bank of India (SBI) and American Express have entered into alliance to expand AmEx card acceptance in India.

8. **RBI has launched new restructuring tool 'S4A' to raise banks' moral hazard risk. What is it?**

A) Scheme for Systematic Structuring of Stressed Assets  
B) Scheme for Sustainable Structuring of Stressed Assets  
C) Scheme for Sustainable Structuring of Scholastic Assets  
D) Scheme for Sustainable Strength of Stressed Assets  
E) None of these

Answer & Explanation

**B) Scheme for Sustainable Structuring of Stressed Assets**

**Explanation:**

Under a new 'Scheme for Sustainable Structuring of Stressed Assets' (S4A), RBI allowed banks to take equity in debt laden firms permitting them to split total loans of struggling companies into sustainable and unsustainable based on the cash flows of the projects.

9. **Which bank has launched India's first certified green bond at London Stock Exchange (LSE)?**

A) State Bank of India  
B) Bank of Baroda  
C) ICICI Bank  
D) Axis Bank  
E) None of these

Answer & Explanation

**D) Axis Bank**

**Explanation:**

Axis Bank raised \$500 million at the London Stock Exchange after it launched India's first internationally-listed certified green bond to finance climate change solutions around the world.

10. **Recently, Dr. R Seetharaman has been honored with the 2016 Green Economy Visionary Award. He is the CEO of**

A) South Indian Bank  
B) Federal Bank  
C) Doha Bank  
D) Deutsche Bank  
E) None of these

Answer & Explanation

**C) Doha Bank**

**Explanation:**

A Qatar-based Indian banker has been awarded for his contribution in environment-

friendly activities and for promoting green economy for nearly two decades.

R Seetharaman, Group CEO of Doha Bank, was honoured with the 'Green Economy Visionary award' at the 2016 Union of Arab Banks International Banking Summit held in Rome.

1. **The Department of Posts launched a logo and tagline design contest for its soon-to-be set up India Post Payments Bank on which of the following website?**

A) GovPost  
B) IndianPost  
C) MyGov  
D) PayPost  
E) None of these

Answer & Explanation

**C) MyGov**

**Explanation:**

The cabinet on June 1, 2016, gave its nod to setting up of the IPPB under the Department of Posts.

The Department of Post wants to connect with and involve the people of India in designing the DNA of the India Post Payments Bank. So it launched this contest.

The contest is open to all Indian citizens, institutions, agencies and entities for a period of one month, until July 9, 2016.

2. **To provide loans to Indo-Spanish joint ventures and local enterprises in India, State Bank of India (SBI) has signed a memorandum of agreement with Spain's which bank to enhance business synergies?**

A) Caja Madrid  
B) CaixaBank  
C) Liberbank  
D) Gallego bank  
E) None of these

Answer & Explanation

**B) CaixaBank**

**Explanation:**

As per the agreement, they will expand banks' guarantee transaction businesses by jointly providing credit to Indian-Spanish joint ventures and Indian local enterprises

The banks will collaborate in areas of mutual interest such as syndicated loan business, guarantee transactions, trade finance and export credit agency finance, infrastructure finance and networking services, among others.

3. **Recently an Indian bank launched next generation features on its app 'iMobile' which will enable customers to instantly pay taxes and book railway tickets within the app. Name the bank.**

- A) Federal Bank
- B) Punjab National Bank
- C) Kotak Mahindra Bank
- D) ICICI Bank
- E) Bandhan Bank

Answer & Explanation

**D) ICICI Bank**

**Explanation:**

New features will enable customers to instantly pay taxes and book railway tickets within the app. iMobile users will also be able to purchase travel & motor insurance as well as buy mutual funds from 19 asset management companies.

4. **According to HSBC, India is expected to contribute how much of the world GDP by the middle of next decade?**
- A) 4.3%
  - B) 4.9%
  - C) 5.2%
  - D) 3.4%
  - E) None of these

Answer & Explanation

**B) 4.9%**

**Explanation:**

India is expected to equal China's 4.9% share of world GDP in 2025 by the middle of next decade and if the country grows faster, the date can be advanced.

India's economy grew a stronger-than-expected 7.9% in the March quarter, making it the fastest growing major economy.

HSBC said that if India grows at 8% rate, it would achieve the 4.9% share by 2027.

5. **Which payment company launched a new POS terminal which seeks to ease payments across millions of small merchant outlets across India?**
- A) PayUmoney
  - B) Udio
  - C) Paytm
  - D) MoneyGram
  - E) None of these

Answer & Explanation

**A) PayUmoney**

**Explanation:**

It can allow even the smallest of merchants to start accepting card based payments. It can accept all credit/debit cards.



The POS terminal is easy to set up, can be operated using a pre- or post-paid SIM, and does away with the use of paper receipts—making it cost & battery effective, and, of course, very environment friendly. With a simple and hassle-free documentation policy, a merchant can start using a PayUmoney POS terminal within 48 hours of signing up for the service.

6. **Which of the following company launched “Receive and Win” campaign for Ramzan?**
- A) Mobikwik
  - B) Freecharge
  - C) Paytm
  - D) MoneyGram
  - E) Udio

Answer & Explanation

**D) MoneyGram**

**Explanation:**

Global money transfer service provider, MoneyGram, has rolled out Receive & Win, a month-long promotional campaign set to run throughout the Ramadan period, beginning 6 June 2016. The exercise affords customers the opportunity to win an all-expense paid Umrah trip for two.

The promotional push by MoneyGram is set to run in the Indian states of Telangana, Bihar, Uttar Pradesh, Gujarat, and Kerala.

7. **Name the newly appointed MD of State Bank of Mysore.**
- A) NK Chari
  - B) Romil Bhattacharya
  - C) Surya Kumar
  - D) CR Sasikumar
  - E) DP Sardana

Answer & Explanation

**A) NK Chari**

**Explanation:**

N.K.Chari, the new Managing Director of State Bank of Mysore, assumed office on May 30. Prior to his new position, he was the Deputy Managing Director of State Bank of India.

8. **Name the newly appointed MD of State Bank of Travancore.**
- A) PN Naidu
  - B) Naresh Sharma
  - C) NK Chari
  - D) CR Sasikumar
  - E) Ravi Verma

Answer & Explanation

**D) CR Sasikumar**

**Explanation:**

CR Sasikumar assumed the charge of Managing Director of State Bank of Travancore (SBT), one of the associate banks of State Bank of India (SBI), on June 1.

9. **Which of the following international organization has lead the race to buy stake in government controlled IDBI bank?**

- A) Asian Development Bank
- B) Commonwealth Development Corporation
- C) International Finance Corporation
- D) GIC of Singapore
- E) None of these

Answer & Explanation

**C) International Finance Corporation**

**Explanation:**

World Bank's private sector lending arm International Finance Corporation (IFC) has emerged as the top contender to buy around 15 per cent in government controlled IDBI Bank, even as talks have been held with at least three other players-GIC of Singapore, Asian Development Bank and Commonwealth Development Corporation. IFC is World Bank arm and is looking for a greater say in running IDBI.

10. **Government has asked banks to increase the coverage under which of the following schemes?**

- A) Atal Pension Yojana
- B) Jan Dhan Yojana
- C) Suraksha Bima Yojana
- D) Both A and C
- E) None of these

Answer & Explanation

**A) Atal pension Yojana**

**Explanation:**

Government has asked banks to take steps to increase coverage under the Atal pension scheme as banks failed in meeting the sales target for the social security scheme in the last financial year.

All the large PSBs, including State Bank of India, fell short of the target by a wide margin.

1. **Cash kept in the currency chest is owned by?**

- A. Currency Chest branch bank
- B. State Bank of India

- C. Central Government
- D. Reserve Bank of India

Answer & Explanation

**D. Reserve Bank of India**

**Explanation:**

The amount of cash kept in the currency chest belongs to the RBI and is used for maintaining the Cash Reserve Ratio. To facilitate the distribution of banknotes and rupee coins, the Reserve Bank has authorised select branches of scheduled banks to establish currency chests. These are actually storehouses where banknotes and rupee coins are stocked on behalf of the Reserve Bank.

2. **What is the minimum amount of deposit into/withdrawal from currency chest?**
- A. Rs.1,00,000
  - B. Rs.1,50,000
  - C. Rs.2,00,000
  - D. Rs.3,00,000

Answer & Explanation

**A. Rs.1,00,000**

**Explanation:**

The minimum amount of deposit into/withdrawal from currency chest will be Rs.1,00,000/- and thereafter, in multiples of Rs.50,000.

3. **When more than one bank is allowing credit facilities to one party in coordination with each other under a formal arrangement, the arrangement is generally known as \_\_\_\_\_**
- A. Consortium
  - B. Syndication
  - C. Multiple Banking
  - D. Participation

Answer & Explanation

**A. Consortium**

**Explanation:**

A banking syndicate formed by multiple banks, often from different countries, for the singular purpose of financing a specific project that is too large for any individual bank to finance on its own. Under this arrangement participating banks acquire a common interest and share equally in the risk and the profits. Upon completion of the project the consortium bank is disbanded.

4. **What is the maximum period for which a term deposit can be normally opened?**
- A. 8 years

- B. 7 years
- C. 9 years
- D. 10 years

Answer & Explanation

**D. 10 years**

**Explanation:**

The tenure of an Fixed Deposit or Term Deposit can vary from 7, 15 or 45 days to 1.5 years and can be as high as 10 years.

5. \_\_\_\_\_ are safer than Post Office Schemes as that are covered by the Deposit Insurance and Credit Guarantee Corporation(DICGC)
- A. Fixed Deposit
  - B. Demand Deposit
  - C. Flexi-Fixed Deposit
  - D. All of the Above

Answer & Explanation

**A. Fixed Deposit**

**Explanation:**

Fixed Deposit investments are safer than Post Office Schemes as they are covered by the Deposit Insurance and Credit Guarantee Corporation (DICGC).

6. **DICGC guarantees amount up to \_\_\_\_\_ per depositor per bank.**
- A. Rs.1,00,000
  - B. Rs.1,50,000
  - C. Rs.2,00,000
  - D. Rs.3,00,000

Answer & Explanation

**A. Rs.1,00,000**

**Explanation:**

DICGC guarantees amount up to Rs. 1,00,000 per depositor per bank. They also offer income tax and wealth tax benefits.

7. **Which of the following institutions do not hold a banking license?**
- A. Small Banks
  - B. Foreign Banks
  - C. Commercial Banks
  - D. NBFCs

Answer & Explanation

**D. NBFCs**

**Explanation:**

Non-banking financial companies, or NBFCs, are financial institutions that provide banking services, but do not hold a banking license. These institutions are not allowed to take deposits from the public.

**8. What is the full form of FATCA?**

- A. Forex Account Tax Compliance Act
- B. Foreign Account Tax Compliance Act
- C. Forex Account Total Compliance Act
- D. Foreign Account Total Compliance Act

Answer & Explanation

**B. Foreign Account Tax Compliance Act**

**Explanation:**

The Foreign Account Tax Compliance Act (FATCA) is a 2010 United States federal law to enforce the requirement for United States persons including those living outside the U.S. to file yearly reports on their non-U.S. financial accounts to the Financial Crimes Enforcement Network (FINCEN).

**9. What is the minimum initial deposit required for opening a Basic Savings Bank Deposit Account(BSBDA)?**

- A. 500
- B. 1000
- C. 100
- D. No initial deposit

Answer & Explanation

**D. No initial deposit**

**Explanation:**

There is no requirement for any initial deposit for opening a BSBDA.

**10. Who among the following decides the volume and value of bank notes to be printed in India?**

- A. RBI
- B. SBI
- C. Security Printing and Minting Corporation of India
- D. All of the Above

Answer & Explanation

**A. RBI**

**Explanation:**

The Reserve Bank based on the demand requirement indicates the volume and value of

banknotes to be printed each year to the Government of India which get finalised after mutual consultation. The quantum of banknotes to be printed, broadly depends on the requirement for meeting the demand for banknotes, GDP growth, replacement of soiled banknotes, reserve stock requirements, etc.

1. **An ECS transaction gets bounced and you are unable to recover your money from your customer. Under which Act criminal action can be initiated?**
  - A. Negotiable Instrument Act 1881
  - B. Criminal Procedure Code
  - C. Payment and Settlement Systems Act 2007
  - D. Indian Companies Act 1956

Answer & Explanation

**C. Payment and Settlement Systems Act 2007**

**Explanation:**

Under the Section 25 of Payment and Settlement Systems (PSS) Act, 2007, dishonour of an electronic fund transfer instruction due to insufficiency of funds in the account etc., is an offence punishable with imprisonment or with fine or both, similar to the dishonour of a cheque under the Negotiable Instruments Act 1881.

2. **In which of the following fund transfer mechanisms, can funds be moved from one bank to another and where the transaction is settled instantly without being bunched with any other transaction?**
  - A. RTGS
  - B. NEFT
  - C. TT
  - D. EFT

Answer & Explanation

**A. RTGS**

**Explanation:**

In RTGS, the beneficiary branches are expected to receive the funds in real time as soon as funds are transferred by the remitting bank. The beneficiary bank has to credit the beneficiary's account within 30 minutes of receiving the funds transfer message.

3. **A worldwide financial messaging network which exchanges messages between banks and financial institutions is known as \_\_\_\_\_**
  - A. SWIFT
  - B. Basel
  - C. RTGS
  - D. NEFT

Answer & Explanation

**A. SWIFT**

**Explanation:**

Society for Worldwide Inter bank Financial Telecommunication code. An internationally-recognized identification code for banks around the world. SWIFT codes are most commonly used for international wire transfers and are comprised of 8 or 11 alphanumeric characters.

**4. Which of the following is not a 'Money Market Instrument'?**

- A. Treasury Bills
- B. Commercial Paper
- C. Certificate of Deposit
- D. Equity Shares

Answer & Explanation

**D. Equity Shares**

**Explanation:**

There are several money market instruments, including treasury bills, commercial paper, bankers' acceptances, deposits, certificates of deposit, bills of exchange, repurchase agreements, federal funds, and short-lived mortgage-, and asset-backed securities.

**5. When there is a difference between all receipts and expenditure of the Govt. of India, both capital and revenue it is called \_\_\_\_\_**

- A. Income Deficit
- B. Fiscal Deficit
- C. Budgetary Deficit
- D. None of the Above

Answer & Explanation

**C. Budgetary Deficit**

**Explanation:**

A budget deficit occurs whenever a government spends more than it makes, which is nearly every year. Budgetary deficit is the difference between all receipts and expenses in both revenue and capital account of the government.

**6. With reference to a cheque which of the following is the 'drawee bank' ?**

- A. The bank that collects the cheque
- B. The payee's bank
- C. The endorser's bank
- D. The bank upon which the cheque is drawn

Answer & Explanation

**D. The bank upon which the cheque is drawn**

**Explanation:**

Drawee is a legal and banking term used to describe the party that has been directed by the depositor to pay a certain sum of money to the person presenting the check or draft. A typical example is if you are cashing a paycheck.

7. **Banks issue a letter to beneficiary on behalf of its constituents like guarantee for making payment on their behalf on fulfilment of its terms and conditions. What is this arrangement known in banking context?**
- A. Line of Credit
  - B. Loan to Client
  - C. Loan on Credit
  - D. Letter of Credit

Answer & Explanation

**D. Letter of Credit**

**Explanation:**

A letter issued by a bank to another bank (especially one in a different country) to serve as a guarantee for payments made to a specified person under specified conditions.

8. **When a Bank provides a loan for purchase of white goods, it is categorised as \_\_\_\_\_**
- A. Consumption loan
  - B. White Goods loan
  - C. Consumer Durable loan
  - D. Working Capital

Answer & Explanation

**C. Consumer Durable loan**

**Explanation:**

Consumer Durable loan is a finance option for purchase of (White Goods) household items like Washing Machines, Refrigerators, AC, LED, LCD, Microwaves etc.

9. **Fixed Deposits and Recurring Deposits are \_\_\_\_\_**
- A. repayable after an agreed period.
  - B. repayable on demand.
  - C. not repayable.
  - D. repayable on demand or after an agreed period as per bank's choice.

Answer & Explanation

**D. repayable on demand or after an agreed period as per bank's choice.**

**Explanation:**

A fixed deposit (FD) is a financial instrument provided by banks which provides investors with a higher rate of interest than a regular savings account, until the given maturity date. And Recurring Deposit is a special kind of Term Deposit offered by banks



in India which help people with regular incomes to deposit a fixed amount every month into their Recurring Deposit account and earn interest at the rate applicable to Fixed Deposits.

**10. What is the fullform of 'FSDC' which is used in financial sectors?**

- A. Financial Security and Development Council
- B. Financial Stability and Development Council
- C. Fiscal Security and Development Council
- D. Fiscal Stability and Development Council

Answer & Explanation

**B. Financial Stability and Development Council**

**Explanation:**

Financial Stability and Development Council is an apex-level body constituted by the government of India.

**Chairperson:** The Union Finance Minister of India

**Members:** Governor Reserve Bank of India (RBI), Finance Secretary and/ or Secretary, Department of Economic Affairs (DEA), Secretary, Department of Financial Services (DFS), Chief Economic Advisor, Ministry of Finance, Chairman, Securities and Exchange Board of India (SEBI), Chairman, Insurance Regulatory and Development Authority (IRDA), Chairman, Pension Fund Regulatory and Development Authority (PFRDA), Chairman, Forward Markets Commission (FMC), Additional Secretary, Ministry of Finance, DEA, will be the Secretary of the Council.

**1. A provision in some loans that allows the borrower to change the interest rate from fixed to variable or Vice Versa is termed as \_\_\_\_\_**

- A. Convertible Bond
- B. Convertible Clause
- C. Convertible Security
- D. None of the Above

Answer & Explanation

**B. Convertible Clause**

**Explanation:**

A provision that can be found on some bonds allowing the bondholder to exchange their debt into common stock.

**2. CRAR stands for \_\_\_\_\_**

- A. Capital to Risk-Weighted Assets Ratio
- B. Capital to Risk Assets Ratio
- C. Credit Rating-Weighted Assets Ratio
- D. Credit Rating Assets Ratio

Answer & Explanation

**A. Capital to Risk-Weighted Assets Ratio**

**Explanation:**

The Capital Adequacy Ratio (CAR) or Capital-to-Risk weighted Assets Ratio (CRAR) is a measure of a bank's capital. It is expressed as a percentage of a bank's risk weighted credit exposures. It is used to protect depositors and promote the stability and efficiency of financial systems around the world.

3. **An index that is used to determine interest rates and/or changes of interest rates of certain types of loans is known as \_\_\_\_\_**
- A. Covenant
  - B. CRAR
  - C. COFI
  - D. CRAs

Answer & Explanation

**C. COFI**

**Explanation:**

A cost of funds index or COFI is a regional average of interest expenses incurred by financial institutions, which in turn is used as a base for calculating variable rate loans.

4. **\_\_\_\_\_ are long term corporate bonds that are unsecured in nature.**
- A. DCF
  - B. Debentures
  - C. Covenant
  - D. CRAs

Answer & Explanation

**B. Debentures**

**Explanation:**

A long-term security yielding a fixed rate of interest, issued by a company and secured against assets are known as debentures.

5. **A type of loan, where the bank or the lending institution provides the borrower with a loan that helps the borrower to pay off his all previous debts is termed as \_\_\_\_\_**
- A. Debt Recovery
  - B. Debt Settlement
  - C. Debt Management
  - D. Debt Consolidation

Answer & Explanation

**D. Debt Consolidation**

**Explanation:**

Debt consolidation is a form of debt refinancing that entails taking out one loan to pay off many others.

6. **An account for which a bank acts as an uninterested third party is termed as \_\_\_\_\_**

A. Savings Account  
B. Current Account  
C. Reserve Account  
D. Escrow Account

Answer & Explanation

**D. Escrow Account**

**Explanation:**

An escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties. Definition: An escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties.

7. **The unpaid principal balance of a loan on property divided by the asset's appraised value is termed as \_\_\_\_\_**

A. Liquidity Adjustment Facility  
B. Loss Given Default(LGD)  
C. Loan to Value(LTV)  
D. Long term liabilities

Answer & Explanation

**C. Loan to Value(LTV)**

**Explanation:**

The loan-to-value (LTV) ratio is a financial term used by lenders to express the ratio of a loan to the value of an asset purchased. The term is commonly used by banks and building societies to represent the ratio of the first mortgage lien as a percentage of the total appraised value of real property.

8. **A signed undertaking from one party containing a promise to pay a stated sum to a specified person or a company is known as \_\_\_\_\_**

A. Power of Attorney  
B. Promissory Note  
C. Purchasing Power Parity  
D. None of the Above

Answer & Explanation

**B. Promissory Note**

**Explanation:**

A promissory note is a legal instrument in which one party (the maker or issuer) promises in writing to pay a determinate sum of money to the other (the payee)

9. \_\_\_\_\_ is a transfer of property to its real owner, once the loan or mortgage is paid off.
- A. Reconveyance
  - B. Repossession
  - C. Recurring Billing
  - D. Revalidation

Answer & Explanation

**A. Reconveyance**

**Explanation:**

The transfer of real property that takes place when a mortgage is fully paid off and the land is returned to the owner free from the former debt.

10. Which of the following is defined as the difference between current assets and current liabilities?
- A. Venture Capital
  - B. Working Capital
  - C. Equitable Mortgage
  - D. None of the Above

Answer & Explanation

**B. Working Capital**

**Explanation:**

The capital of a business which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities.

1. Time period that is considered from the inception of the credit, investment or negotiable instrument and ends upon the maturity or expiry of the instrument is referred as \_\_\_\_\_
- A. Amortisation Period
  - B. Amortising Swap
  - C. Asset Backed Security
  - D. Attrition Analysis

Answer & Explanation

**A. Amortisation Period**

**Explanation:**

The amortisation period on a mortgage is the total length of time it will take you to pay off your mortgage.

2. **A debt which is irrecoverable and is therefore written off as loss in the accounts of an institution or bank is known as \_\_\_\_\_**
- A. external debt
  - B. good debt
  - C. bad debt
  - D. internal debt

Answer & Explanation

**C. bad debt**

**Explanation:**

The term bad debts usually refers to accounts receivable (or trade accounts receivable) that will not be collected.

3. \_\_\_\_\_ **is basically charged when a person uses a credit card to obtain cash.**
- A. Early Repayment Charge
  - B. Redemption Fee
  - C. Transaction Fee
  - D. Cash Advance Fee

Answer & Explanation

**D. Cash Advance Fee**

**Explanation:**

A cash advance fee is a charge that a credit card issuer charges a customer for accessing the cash credit line on his or her account, either through an ATM, convenience check or at a bank's teller window.

4. **Which is an interest-free period that is to be given by a creditor to debtor?**
- A. Fixed Period
  - B. Preset Period
  - C. Grace Period
  - D. None of the Above

Answer & Explanation

**C. Grace Period**

**Explanation:**

The grace period is the provision in most loan and insurance contracts which allows payment to be received for a certain period of time after the actual due date. During this period no late fees will be charged, and the late payment will not result in default or cancellation of the loan.

5. **An account which is maintained by depositing undistributed parts of profit for future needs is known as \_\_\_\_\_**
- A. Savings Account

- B. Current Account
- C. Reserve Account
- D. None of the Above

Answer & Explanation

**C. Reserve Account**

**Explanation:**

Funds taken out of earnings to provide for anticipated future payments is called Reserve Account.

6. **The difference between the total cost of a project and the sanctioned loan amount is termed as \_\_\_\_\_**
- A. Near Money
  - B. Hot Money
  - C. Gross Income
  - D. Margin Amount

Answer & Explanation

**D. Margin Amount**

**Explanation:**

The Difference between the market value of a collateral and amount of the loan advanced against it. Margin Amount is also known as haircut.

7. **A loan which is secured by collateral and for which borrower is not personally liable is called \_\_\_\_\_**
- A. Secured loan
  - B. Syndicated loan
  - C. Non-Recourse loan
  - D. No Documentation loan

Answer & Explanation

**C. Non-Recourse loan**

**Explanation:**

A non-recourse debt is a type of loan that is secured by collateral, which is usually property. If the borrower defaults, the issuer can seize the collateral, but cannot seek out the borrower for any further compensation, even if the collateral does not cover the full value of the defaulted amount.

8. **Which term refers closure of the loan account prior to the tenure fixed for the account?**
- A. Pre Approved
  - B. Pre Closure

- C. Personal Disposable
- D. None of the Above

Answer & Explanation

**B. Pre Closure**

**Explanation:**

Prepayment or pre-closure of a loan implies to the early repayment of a loan, in part or in full. Prepayment is done to reduce the tenure of the loan as well as the interest.

9. **Taking back of property by a seller or a lender from the buyer or borrower due to default of payment is termed as \_\_\_\_\_**
- A. Reconveyance
  - B. Repossession
  - C. Recurring Billing
  - D. Revalidation

Answer & Explanation

**B. Repossession**

**Explanation:**

Repossession is a term used to denote a financial institution taking back an object that was either used as collateral or rented or leased.

10. **A very large loan extended by a group of small banks to a single borrower is known as \_\_\_\_\_**
- A. Secured loan
  - B. Syndicated loan
  - C. Non-Recourse loan
  - D. No Documentation loan

Answer & Explanation

**B. Syndicated loan**

**Explanation:**

A syndicated loan is a loan offered by a group of lenders (called a syndicate) who work together to provide funds for a single borrower. The borrower could be a corporation, a large project, or a sovereignty (such as a government). The loan may involve fixed amounts, a credit line, or a combination of the two.

1. **Which of the following is a special type of credit card with stored money value?**
- A. Preset Value Card
  - B. Stored Value Card
  - C. Both(A) & (B)
  - D. None of the Above

Answer & Explanation

**B. Stored Value Card**

**Explanation:**

A stored-value card is a payments card with a monetary value stored on the card itself, not in an external account maintained by a financial institution. Stored-value cards differ from debit cards, where money is on deposit with the issuer, and credit cards which are subject to credit limits set by the issuer.

2. **A financial product which provides senior citizens with funds against their home equity is referred as \_\_\_\_\_**
- A. Mortgage
  - B. Reverse Mortgage
  - C. Repossession
  - D. Refinance

Answer & Explanation

**B. Reverse Mortgage**

**Explanation:**

A reverse mortgage or home equity conversion mortgage (HECM) is a special type of home loan for older home owners (62 years or older) that requires no monthly mortgage payments. Borrowers are still responsible for property taxes and home owner's insurance.

3. **\_\_\_\_\_ is a cheque rather an amount of cheque, which is above the balance available in the account of the payer.**
- A. Travellers cheque
  - B. Multicity Cheque
  - C. Mutilated Cheque
  - D. Over Draft

Answer & Explanation

**D. Over Draft**

**Explanation:**

An overdraft is an extension of credit from a lending institution when an account reaches zero. An overdraft allows the individual to continue withdrawing money even if the account has no funds in it.

4. **Which of the following term refers the illegal escape from the tax payment?**
- A. Tax Break
  - B. Tax Evasion
  - C. Tax Shifting
  - D. None of the Above

Answer & Explanation



**B. Tax Evasion**

**Explanation:**

Tax evasion is an illegal practice where a person, organization or corporation intentionally avoids paying his/her/its true tax liability. Those caught evading taxes are generally subject to criminal charges and substantial penalties.

5. **A situation which is providing some relief from tax in whole or part is referred as** \_\_\_\_\_

- A. Tax Break
- B. Tax Evasion
- C. Tax Shifting
- D. None of the Above

Answer & Explanation

**A. Tax Break**

**Explanation:**

Tax break is a term referring to any item which avoids taxes, including any tax exemption, tax deduction, or tax credit.

6. **A type of market in which there is a relatively high degree of concentration is referred as** \_\_\_\_\_

- A. Mortgage Refinance
- B. Oligopoly
- C. Near Money
- D. Open Economy

Answer & Explanation

**B. Oligopoly**

**Explanation:**

Large number of potential buyers but only a few sellers is known as Oligopoly.

7. **Which of the following cheque issued by a customer under a pre-approved arrangement with the bank?**

- A. Travellers cheque
- B. Multi-city Cheque
- C. Mutilated Cheque
- D. Crossed Cheque

Answer & Explanation

**B. Multi-city Cheque**

**Explanation:**

A Multi-City Cheque (MCC) is one that can be written by the customer in favour of his client and is payable at par at all branches of the Bank. These are issued as Order Cheque.

8. **A cheque for a fixed amount that may be cashed or used in payment abroad after endorsement by the holder's signature is known as \_\_\_\_\_**
- A. Travellers cheque
  - B. Multicity Cheque
  - C. Mutilated Cheque
  - D. Crossed Cheque

Answer & Explanation

**A. Travellers cheque**

**Explanation:**

Traveller's cheque is a medium of exchange that can be used in place of hard currency. Traveller's cheques are often used by individuals travelling on vacation to foreign countries.

9. **A commission or fee paid, when an agent or an individual sells an investment such as mutual funds or annuity is known as \_\_\_\_\_**
- A. Redemption fee
  - B. Service Charge
  - C. Regressive tax
  - D. Sales tax

Answer & Explanation

**A. Redemption fee**

**Explanation:**

A mutual fund redemption fee, also referred to as a "market timing fee", or "short-term trading fee", is a charge by a mutual fund company to discourage investors from making a short-term "round trip" (i.e. a purchase, typically a transfer, followed by a sale within a short period of time).

10. **A legal agreement between the lender and borrower where real estate property is used as a collateral for the loan is termed as \_\_\_\_\_**
- A. Mortgage
  - B. Reverse Mortgage
  - C. Repossession
  - D. Refinance

Answer & Explanation

**A. Mortgage**

**Explanation:**

A loan that is secured by property or real estate is called a mortgage. In exchange for funds received by the homebuyer to buy property or a home, a lender gets the promise of that buyer to pay back the funds within a certain time frame for a certain cost.

**1. Which of the following is not a measure of the Risk Management in Banks?**

- A. CRR
- B. RTGS
- C. SLR
- D. Deposit Insurance

Answer & Explanation

**B. RTGS**

**Explanation:**

Cash reserve Ratio (CRR) is the amount of funds that the banks have to keep with the RBI. Statutory liquidity ratio (SLR) is the Indian government term for reserve requirement that the commercial banks in India require to maintain in the form of gold, government approved securities before providing credit to the customers. Deposit insurance is mandatory, and pays claims from a pool of funds to which every depository institution regularly contributes.

**2. “The Doing Business Report” is prepared by which of the following organizations every year?**

- A. Asian Development Bank(ADB)
- B. World Bank(WB)
- C. New Development Bank(NDB)
- D. World Trade Organization(WTO)

Answer & Explanation

**B. World Bank(WB)**

**Explanation:**

The Doing Business Report (DB) is a study elaborated by the World Bank Group since 2003 every year that is aimed to measure the costs to firms of business regulations. The study has become one of the flagship knowledge products of the World Bank Group in the field of private sector development, and is claimed to have motivated the design of several regulatory reforms in developing countries.

**3. Which of the following cannot be called as a debt instrument as referred in financial transactions?**

- A. Certificate of Deposits
- B. Bonds
- C. Stock
- D. Commercial Paper

Answer & Explanation

**C. Stock**

**Explanation:**

Debt instruments are assets that require a fixed payment to the holder, usually with

interest. Examples of debt instruments include bonds (government or corporate) and mortgages.

4. **Which of the following is not a type of cheque issued by an individual?**
- A. Bearer Cheque
  - B. Crossed Cheque
  - C. Order Cheque
  - D. Savings Cheque

Answer & Explanation

**D. Savings Cheque**

**Explanation:**

An order cheque can be a bearer cheque if the words or bearer are not cancelled out. A crossed cheque is a cheque that has been marked to specify an instruction about the way it is to be redeemed.

5. **“World Investment Report” is annually published by \_\_\_\_\_**
- A. IBRD
  - B. WTO
  - C. IMF
  - D. UNCTAD

Answer & Explanation

**D. UNCTAD**

**Explanation:**

The World Investment Report has been published annually since 1991. Each year's Report covers the latest trends in foreign direct investment around the World and analyses in depth one selected topic related to foreign direct investment and development.

6. **An account which remains in operative for an extended period of time is referred as \_\_\_\_\_**
- A. DEMAT Account
  - B. Dormant Account
  - C. Nominal Account
  - D. Deposit Account

Answer & Explanation

**B. Dormant Account**

**Explanation:**

When there has been no financial activity for a long period of time, other than posting of interest, an account can be classified as dormant.

7. **Scheduled banks are required to keep cash reserve with RBI, in terms of \_\_\_\_\_**  
A. Section 24 of the Banking Regulation Act, 1949  
B. Section 20 of the Banking Regulation Act, 1949  
C. Section 42(i) of the RBI Act, 1934  
D. Section 42 of Negotiable Instruments Act

Answer & Explanation

**C. Section 42(i) of the RBI Act, 1934**

**Explanation:**

Every bank included in the Second Schedule shall maintain with the Bank an average daily balance the amount.

8. **Treasury bills are issued in India by \_\_\_\_\_**  
A. RBI  
B. State Government  
C. Government of India  
D. SEBI

Answer & Explanation

**C. Government of India**

**Explanation:**

Treasury bills (T-bills) offer short-term investment opportunities, generally up to one year. They are thus useful in managing short-term liquidity. At present, the Government of India issues three types of treasury bills through auctions, namely, 91-day, 182-day and 364-day. There are no treasury bills issued by State Governments.

9. **Banking Code & Standards Board of India(BCSBI) set up by \_\_\_\_\_**  
A. SEBI  
B. Ministry of Finance  
C. RBI  
D. GOI

Answer & Explanation

**C. RBI**

**Explanation:**

The Banking Codes and Standards Board of India (BCSBI) is an independent banking industry watchdog that protects consumers of banking services in India. The board oversee compliance with the “Code of Bank’s Commitment to Customers”

10. **The law regarding negotiable instruments is contained in \_\_\_\_\_**  
A. The Bill of exchange Act 1881  
B. The Banking Regulation Act 1949

- C. Cheques Act, 1881
- D. The Negotiable Instruments Act, 1881

Answer & Explanation

**D. The Negotiable Instruments Act, 1881**

**Explanation:**

The Negotiable Instruments Act, 1881 – An Act to define and Law relating to negotiable instruments which are Promissory Notes, Bills of Exchange and cheques.

**1. When was the currency system in India converted into decimal system?**

- A. April 1 1959
- B. April 1 1957
- C. April 1 1955
- D. April 1 1953

Answer & Explanation

**B. April 1 1957**

**Explanation:**

The Indian currency system was converted into decimal system by Indian Coinage (Amendment) Act 1955 which brought into force from April 1, 1957.

**2. Dalal Street in Mumbai is famous for which of the following?**

- A. NABARD
- B. Stock Exchange
- C. RBI
- D. SEBI

Answer & Explanation

**B. Stock Exchange**

**Explanation:**

The Bombay Stock Exchange (BSE) is located at Dalal Street.

**3. Deposits which can be withdrawn by a customer without notice is called \_\_\_\_\_**

- A. Time Deposits
- B. Demand Deposits
- C. Variable Deposits
- D. Low cost Deposits

Answer & Explanation

**B. Demand Deposits**

**Explanation:**

A deposit of money that can be withdrawn without prior notice is known as Demand Deposits, Ex:- in a current account.

**4. Which of the following is not e-banking software?**

- A. ECS
- B. RTGS
- C. PIPS
- D. IBR

Answer & Explanation

**C. PIPS**

**Explanation:**

ECS – Electronic Clearing Service

RTGS – Real Time Gross Settlement

PIPS is not an e-banking software.

**5. ICRA, CRISIL, and Standard and Poor's (S&P) are \_\_\_\_\_**

- A. Financial Institutions
- B. NGOs
- C. NBFCs
- D. Credit Rating Agencies

Answer & Explanation

**D. Credit Rating Agencies**

**Explanation:**

A credit rating agency (CRA, also called a ratings service) is a company that assigns credit ratings, which rate a debtor's ability to pay back debt by making timely interest payments and the likelihood of default.

Example:- ICRA, CRISIL, and Standard and Poor's (S&P).

**6. Which of the following is the feature of IBS?**

- A. Multi Currency
- B. Multi Entity
- C. Multi Branch
- D. All of the above

Answer & Explanation

**D. All of the above**

**Explanation:**

Features of IBS:

Multi-bank, multi-branch, multi-currency, Highly parametric design, Real time posting and End of Day Processing, Highly efficient Auditing and Control.

7. **The largest number of commercial bank's offices are located in \_\_\_\_\_**
- A. Kerala
  - B. Karnataka
  - C. Uttar Pradesh
  - D. Tamil Nadu

Answer & Explanation

**C. Uttar Pradesh**

**Explanation:**

Uttar Pradesh has the largest number of commercial bank's offices.

8. **Which of the following is not a member of the World Bank Group?**
- A. International Development Association(IDA)
  - B. International Bank for Reconstruction and Development(IBRD)
  - C. International Finance Corporation(IFC)
  - D. Bank of International Settlement(BIS)

Answer & Explanation

**D. Bank of International Settlement(BIS)**

**Explanation:**

The World Bank Group is made of the following five organizations:

International Bank for Reconstruction and Development (IBRD), established in 1945,

International Finance Corporation (IFC), established in 1956,

International Development Association (IDA), established in 1960,

Multilateral Investment Guarantee Agency (MIGA), established in 1988 and

International Centre for Settlement of Investment Disputes (ICSID), established in 1966.

Where as Bank of International Settlement(BIS)is the Bank for International Settlements is an international financial institution owned by central banks which "fosters international monetary and financial cooperation and serves as a bank for central banks".

9. **Indian Banking Regulation Act was passed in the year \_\_\_\_\_**
- A. 1989
  - B. 1968
  - C. 1949
  - D. 1948

Answer & Explanation

**C. 1949**

**Explanation:**

The Banking Regulation Act, 1949 is a legislation in India that regulates all banking firms in India. Initially, the law was applicable only to banking companies. But, 1965 it was amended to make it applicable to cooperative banks.



**10. Which of the following is an apex institution in the field of Industrial Finance?**

- A. Industrial Reconstruction Bank of India
- B. Industrial Finance Corporation of India
- C. Industrial Development Bank of India
- D. Industrial Credit & Investment Corporation of India

Answer & Explanation

**C. Industrial Development Bank of India**

**Explanation:**

IDBI is the apex financial institution and besides providing financial assistance on consortium basis, the major function of coordination between the various institutions is looked after by the bank. It also provides refinance facility to the eligible financial institutions including term loans. The bank sanctions the financial assistance to the industrial concerns engaged in the manufacture or processing of goods, mining, transport generation and distribution of power etc. both in private and public sectors.

**1. NEFT is an electronic fund transfer system that operates on a \_\_\_\_\_ basis which settles transactions in batches.**

- A. Domain Net Settlement (DNS)
- B. Defined Net Settlement (DNS)
- C. Declared Net Settlement (DNS)
- D. Deferred Net Settlement (DNS)

Answer & Explanation

**D. Deferred Net Settlement (DNS)**

**Explanation:**

NEFT is an electronic fund transfer system that operates on a Deferred Net Settlement (DNS) basis which settles transactions in batches. In DNS, the settlement takes place with all transactions received till the particular cut-off time. These transactions are netted (payable and receivables) in NEFT.

**2. In National Electronic Funds Transfer (NEFT) maximum amount per transaction is limited to \_\_\_\_\_**

- A. Rs.75000
- B. Rs.50000
- C. Rs.80000
- D. Rs.90000

Answer & Explanation

**B. Rs.50000**

**Explanation:**

No. There is no limit – either minimum or maximum – on the amount of funds that could be transferred using NEFT. However, maximum amount per transaction is limited to

Rs.50,000/- for cash-based remittances within India and also for remittances to Nepal under the Indo-Nepal Remittance Facility Scheme.

3. **The NEFT system facilitates \_\_\_\_ cross-border transfer of funds from India to Nepal which is known as the Indo-Nepal Remittance Facility Scheme.**
- A. One Way
  - B. Two Way
  - C. Multi way
  - D. None of the Above

Answer & Explanation

**A. One Way**

**Explanation:**

The NEFT system also facilitates one-way cross-border transfer of funds from India to Nepal. This is known as the Indo-Nepal Remittance Facility Scheme. A remitter can transfer funds from any of the NEFT-enabled branches in to Nepal, irrespective of whether the beneficiary in Nepal maintains an account with a bank branch in Nepal or not. The beneficiary would receive funds in Nepalese Rupees.

4. **What is the charge of Inward transactions at destination bank branches in NEFT?**
- A. Rs.1
  - B. Rs.1.50
  - C. Rs.2
  - D. No Charge

Answer & Explanation

**D. No Charge**

**Explanation:**

Inward transactions – Free, no charge to be levied.

5. **The beneficiary can expect to get credit for the NEFT transactions within \_\_\_\_\_ business hours.**
- A. 2
  - B. 3
  - C. 1
  - D. None of the Above

Answer & Explanation

**A. 2**

**Explanation:**

The beneficiary can expect to get credit for the NEFT transactions within two business hours (currently NEFT business hours is from morning 8 AM to evening 7 PM on all

week days and from morning 8 AM to afternoon 1 PM on Saturdays) from the batch in which the transaction was settled.

6. **NEFT operates in hourly batches and there are \_\_\_\_\_ settlements from 8 am to 7 pm on week days.**
- A. 3
  - B. 6
  - C. 8
  - D. 12

Answer & Explanation

**D. 12**

**Explanation:**

NEFT operates in hourly batches – there are twelve settlements from 8 am to 7 pm on week days (Monday through Friday) and six settlements from 8 am to 1 pm on Saturdays.

7. **The first 4 alpha characters in the 11 digit IFSC code represents \_\_\_\_\_**
- A. Bank Name
  - B. Branch Name
  - C. Place Name
  - D. None of the Above

Answer & Explanation

**A. Bank Name**

**Explanation:**

The Indian Financial System Code (IFS Code or IFSC) is an 11-character code with the first four alphabetic characters representing the bank name, and the last six characters (usually numeric, but can be alphabetic) representing the branch. The fifth character is 0 (zero).

8. **In NEFT What is the charge for transactions up to Rs 10,000?**
- A. not exceeding Rs 2.50 (+ Service Tax)
  - B. not exceeding Rs 5 (+ Service Tax)
  - C. not exceeding Rs 15 (+ Service Tax)
  - D. None of the Above

Answer & Explanation

**A. not exceeding Rs 2.50 (+ Service Tax)**

**Explanation:**

Outward transactions at originating bank branches – charges applicable for the remitter  
For transactions up to Rs 10,000 : not exceeding Rs 2.50 (+ Service Tax)

9. **In NEFT, What is the charge for transactions above Rs 10,000 upto Rs.1 lakh?**  
A. not exceeding Rs 2.50 (+ Service Tax)  
B. not exceeding Rs 5 (+ Service Tax)  
C. not exceeding Rs 15 (+ Service Tax)  
D. None of the Above

Answer & Explanation

**B. not exceeding Rs 5 (+ Service Tax)**

**Explanation:**

Outward transactions at originating bank branches – charges applicable for the remitter  
For transactions above Rs 10,000 up to Rs 1 lakh: not exceeding Rs 5 (+ Service Tax)

10. **In NEFT What is the charge for transactions above Rs 1 lakh and upto Rs.2 lakh?**  
A. not exceeding Rs 2.50 (+ Service Tax)  
B. not exceeding Rs 5 (+ Service Tax)  
C. not exceeding Rs 15 (+ Service Tax)  
D. None of the Above

Answer & Explanation

**C. not exceeding Rs 15 (+ Service Tax)**

**Explanation:**

Outward transactions at originating bank branches – charges applicable for the remitter  
For transactions above Rs 1 lakh and up to Rs 2 lakhs: not exceeding Rs 15 (+ Service Tax)

1. **The BRICS New Development Bank has issued its first \_\_\_\_\_ denominated bonds.**  
A) Uridashi  
B) Yuan  
C) Masala  
D) Rupee  
E) None of these

Answer & Explanation

**B) Yuan**

**Explanation:**

The New Development Bank (NDB) of the BRICS countries is set to issue its first yuan-denominated bonds with plans to release more bonds in local currencies including in Indian Rupee

The bank's first five-year yuan-denominated bonds, also referred as green bonds, will be issued after receiving a rating from international ratings agencies as well as getting authorities' approval

2. **Which of the following was declared as “Best Company Promoting Sports (Private sector)” in the country at the National Sports Awards 2015?**

A) Kotak Mahindra Bank  
B) Yes Bank  
C) Axis Bank  
D) HDFC Bank  
E) None of these

Answer & Explanation

**B) Yes Bank**

**Explanation:**

Lalita Babar was named Sportsperson of the Year in India Sports Awards.

3. **Insurance regulator IRDAI has warned which insurance company for non-compliance of ‘Expenses of Management’ (EoM) norms?**

A) Sahara India Life Insurance  
B) Bajaj Allianz Life Insurance  
C) Aegon Life Insurance  
D) IDBI Federal Life Insurance  
E) Max Life Insurance

Answer & Explanation

**A) Sahara India Life Insurance**

**Explanation:**

Insurance regulator IRDAI has warned Sahara India Life Insurance Co for non-compliance of ‘Expenses of Management’ (EoM) norms, and asked it to bring the expenditure levels within the limits by 2016-17-end.

4. **Which of the following schemes was replaced by Atal Pension Yojana (APY) in June 2015?**

A) Swabhiman  
B) Antyodaya Yojna  
C) National Pension System  
D) Swavalamban  
E) None of these

Answer & Explanation

**D) Swavalamban**

**Explanation:**

Under APY, Rs 750 crore have been collected so far with 2.8 million accounts Pension fund regulator Pfrda is looking at nearly doubling the Atal Pension Yojana (APY) this fiscal year by opening 5 million accounts

**5. Who has been appointed as the CEO and MD of Airtel Payments Bank?**

- A) Rakesh Arora
- B) Shashi Arora
- C) Bharti Mittal
- D) Manik Bose
- E) Raja Malik

Answer & Explanation

**B) Shashi Arora**

**Explanation:**

Airtel Payments Bank has appointed Shashi Arora as the CEO & Managing Director of the company, subject to the approval of the Reserve Bank of India .

Airtel is the first among the 11 applicants which were granted in-principle approvals in August 2015 to receive the final license from the central bank.

**6. Which of the following companies has tied up with ICICI Lombard General Insurance to offer motor insurance to its customers?**

- A) Audi
- B) BMW
- C) Ford
- D) Porsche
- E) Volkswagen

Answer & Explanation

**B) BMW**

**Explanation:**

BMW has partnered with ICICI Lombard General Insurance to provide the most comprehensive and beneficial motor insurance solutions to BMW customers.

**7. HDFC Ergo general insurance company has agreed to buy which of the following company's general insurance business for Rs 551 crore?**

- A) L&T
- B) Tata
- C) ICICI Lombard
- D) Bajaj Allianz
- E) IFFCO-Tokio

Answer & Explanation

**A) L&T**

**Explanation:**

HDFC has agreed to pay around 1.1 times the gross premium of L&T General Insurance Company

This will help HDFC Ergo improve its ranking in the sector from fourth largest to third largest in the private sector insurance segment.

8. **The RBI has allowed Axis Bank to raise shareholding to up to \_\_\_\_ from the earlier limit of 49%.**
- A) 54%
  - B) 62%
  - C) 59%
  - D) 64%
  - E) 70%

Answer & Explanation

**B) 62%**

**Explanation:**

The Reserve Bank of India (RBI) allowed the bank to raise foreign shareholding limit to 62%, from the earlier limit of 49%.

Foreign institutional investors (FIIs)/registered foreign portfolios investors (RFPIs) can now invest from the existing 49% up to 62% of the paid-up capital of Axis Bank under the Portfolio Investment Scheme (PIS)

9. **Payments bank of the postal department will have how much corpus at the beginning?**
- A) Rs 900 crore
  - B) Rs 600 crore
  - C) Rs 1000 crore
  - D) Rs 800 crore
  - E) Rs 700 crore

Answer & Explanation

**D) Rs 800 crore**

**Explanation:**

The payments bank of the department will be functional by March 2017. It is one of the 11 applicants which got in principle approval to set up payments bank in the country.

10. **Which of the following banks has reported its point of sales terminal (PoS) network as largest in the country?**
- A) HDFC
  - B) Punjab National Bank
  - C) SBI
  - D) ICICI
  - E) Axis Bank

Answer & Explanation

**C) SBI**

**Explanation:**

SBI's point of sales terminal network has become the largest in the country after it took over its private sector rivals. It plans to add 1 lakh PoS terminals in current fiscal ending March 2017.

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