

Banking Interview Questions & Answers

1. What is banking?

Answer: Banking is the business of accepting deposits and lending money.

2. What are the types of banks?

Answer: Commercial, retail, investment, central, cooperative.

3. What is a savings account?

Answer: Account to deposit money and earn interest.

4. What is a current account?

Answer: Account for business transactions with no interest.

5. What is NEFT?

Answer: National Electronic Funds Transfer system.

6. What is RTGS?

Answer: Real-Time Gross Settlement system.

7. What is SWIFT?

Answer: International financial messaging system.

8. What is KYC?

Answer: Know Your Customer process for identity verification.

9. What is a credit score?

Answer: Numeric rating representing creditworthiness.

10. What is a loan?

Answer: Borrowed money to be repaid with interest.

11. Difference between secured and unsecured loans?

Answer: Secured: backed by collateral; Unsecured: no collateral.

12. What is interest rate?

Answer: Percentage charged on borrowed money.

13. What is a bank draft?

Answer: Instrument to transfer money safely.

14. What is a cheque?

Answer: Written order to pay money.

15. What is digital banking?

Answer: Banking through online/mobile platforms.

16. What is inflation?

Answer: General increase in prices over time.

17. What is repo rate?

Answer: Rate at which central bank lends to commercial banks.

18. What is reverse repo rate?

Answer: Rate at which central bank borrows from commercial banks.

19. What is capital adequacy ratio?

Answer: Minimum capital a bank must maintain.

20. What is liquidity ratio?

Answer: Measure of bank's ability to meet obligations.