

**LOVELY PROFESSIONAL UNIVERSITY**  
**Mittal School of Business**  
**Academic Task**  
**Assignment 1**

Name of the faculty member: **Dr. Rekha**

Course Code: **FIN 901**

Course Title: **Banking and Insurance**

Section: **DOM 51, EOM 51**

Max. Marks: **30**

Date of Allotment: **11<sup>th</sup> February 2022**

Date of Submission: **11<sup>th</sup> February 2022**

<b>S. No</b>	<b>Academic Task</b>	<b>Objectives of Academic Activity</b>	<b>Topic Details</b>	<b>Expected outcomes</b>
1	Assignment	To test the knowledge and subject understanding of student	Students will be assigned with 30 MCQ to check the application of the concept covered in the class.  The page numbers are limited to 1 page  No negative marking	This academic task focuses on the following: <ul style="list-style-type: none"><li>• To check the concept clarity</li><li>• Knowledge and application of the concepts.</li></ul>

1. Current deposit is also known as---
  - a. **Demand deposit**
  - b. Time deposit
  - c. Savings deposit
  - d. Recurring deposit
2. The credit facility extended to the current deposit holders are called-
  - a. Short term demand loan
  - b. Discounting of bill of exchange
  - c. **Overdraft**
  - d. Cash credit
3. The commercial bank lend money from primary deposit, the process is called-----
  - a. Cash credit
  - b. Overdraft
  - c. **Credit creation**
  - d. Debit creation
4. SLR signifies –
  - a. Stability liquidity ratio
  - b. **Statutory liquidity ratio**
  - c. Safety liquidity ratio
  - d. Security liquidity ratio
5. Which bank introduced the first ATM in India ---
  - a. SBI
  - b. ICICI
  - c. HDFC
  - d. **HSBC**
6. In which year RBI came into existence.
  - a. **1<sup>st</sup> April 1935**
  - b. 1<sup>st</sup> November 1930
  - c. 15<sup>th</sup> August 1935
  - d. 1<sup>st</sup> October 1949
7. MICR in cheque refers to –
  - a. Magnetic icon character recognition
  - b. **Magnetic ink character recognition**
  - c. Magnetic information character recognition
  - d. Magnetic ink code character recognition
8. Which one of the following is not a fund-based business of commercial bank?
  - a. Overdraft facilities
  - b. **Issuance of Letter of credit**
  - c. Acceptance of deposit
  - d. RTGS/NEFT transactions
9. National Bank for Agricultural and Rural Development is set up in 1982 as to coordinate the activities of all institution of rural financing
  - a. Micro Credit
  - b. Rural credit

- c. Cooperative society
- d. Apex**

10. NBFC stands for
- a. New banking finance company
  - b. New business finance and credit
  - c. National banking and Finance Corporation
  - d. Non banking financial company**
11. Which is the first bank to introduce Internet banking?
- a Canara Bank
  - b ICICI Bank**
  - c Punjab National Bank
  - d State Bank of India
12. From the following trace out a security which commercial bank does not take as security for loan
- a. Fixed Deposit Receipt
  - b. Post office savings certificate
  - c. LIC Policy
  - d. Lottery Tickets**
13. In which type of banking, electronic financial transactions are done?
- a E-Banking**
  - b Internet Banking
  - c M-Banking
  - d Universal Banking
14. Mr. Shaktikanta Das signed the 20-rupee bank note of Mahatma Gandhi with green yellow colored series ---
- a Finance minister
  - b Finance Secretary
  - c RBI Governor**
  - d The President
15. RBI is controlling the ---of the economy
- a. Asset
  - b. credit**
  - c. Gold
  - d. Liabilities of Banks
16. The autonomy of RBI is controlled by-
- a. Govt restrictions
  - b. Govt security
  - c. Govt intervention**
  - d. Govt order
17. Repo rates used by RBI to --
- a. Safety of fund
  - b. Liquidity of fund**
  - c. Liability of fund
  - d. Profitability of fund
18. Bank rate policy will be executed by RBI as measure of
- a. Quantitative**

- b. Qualitative
  - c. Illegal trade
  - d. Stability
19. 14 banks were nationalized in the year-
- a. 1947
  - b. 1950
  - c. 1980
  - d. 1969**
20. UCO bank is an example for
- a. Agricultural bank
  - b. Development bank
  - c. Foreign bank
  - d. Scheduled bank**
21. Bank of Bengal is renamed as
- a. Bank of Hindustan
  - b. Bank of Baroda
  - c. Bank of Calcutta**
  - d. Bank of India
22. A negotiable instrument that is payable to order can be transferred by:
- a) Simple delivery
  - b) endorsement and delivery**
  - c) endorsement
  - d) registered post
23. Electronic Fund Transfer (EFT) is introduced by
- a. IRDA
  - b. RBI**
  - c. SEBI
  - d. NSE
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25. Credit rating helps in measuring the credit risk and facilitates while?
- a) Considering higher credit limits
  - b) Making loan provisioning at an early stage
  - c) Accurately calculate the probable loan losses
  - d) Pricing of a loan**
26. What do banks utilize a major portion of the deposits for?
- a. Guarantee
  - b. Collaterals
  - c. Loans**
  - d. Interest
27. Debit Card' is issued by a bank to
- A) all customers of a bank
  - B) all customers having savings bank account with a bank**

C) all customers having loan  
28. account with a bank

D) a bank customer who is income tax assessee

28. The type of charge which is created on immovable property is known as

a. Pledge

b. Hypothecation

c. Assignment

**d. Mortgage**

29. The rate at which RBI discounts approved bill of exchange is \_\_\_\_\_.

A. bank rate

B. interest rate

C. exchange rate

**D. discount rate**

30. A' signs the instrument in the following manner. State the instrument which cannot be considered as promissory note.

a) I promise to pay B or order INR 500.

b) I acknowledge myself to be indebted to B for INR 1,000 to be paid on demand for value received.

c) I promise to pay B INR 10,000 after three months.

**d) I promise to pay B INR 500 seven days after my marriage with C.**