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# Banking and Financial Awareness Questions for SBI Clerk Mains

## Banking and Financial Awareness Quiz 8

Directions: Study the following the information carefully and answer the questions given below,

**1. Which among the following is paid to the investors out of the profits of a company in a financial year?**

- A. Equity                                      B. Debenture                                      C. Dividend  
D. Stake                                      E. None of the above

**2. Which among the following is/are the area(s) of operation regarding which complaints can be received by the Banking Ombudsman?**

- A. Sale of mutual funds by banks  
B. Sale of insurance products by banks  
C. Mobile banking operations      D. Both A and B      E. All A, B and C

**3. Who is the appellate authority to which an appeal can be filed against any award of the Banking Ombudsman?**

- A. The Finance Minister                      B. The RBI Governor                      C. One of the Deputy Governors of RBI  
D. The Prime Minister                      E. None of the above

**4. What is the maximum amount of compensation that can be awarded by the Banking Ombudsman?**

- A. Rs 10 lakhs                                      B. Rs 20 lakhs                                      C. Rs 25 lakhs  
D. Rs 30 lakhs                                      E. None of the above

**5. What is the maximum award that can be imposed by the NBFC Ombudsman in India, as decided by the RBI?**

- A. Rs 10 lakhs                                      B. Rs 20 lakhs                                      C. Rs 5 lakhs  
D. Rs 1 lakh                                      E. Rs 3 lakhs

**6. The Public Provident Fund account duration can be extended for a period of \_\_\_\_\_ at once after the initial maturity period of 15 years.**

- A. 10 years                                      B. 5 years                                      C. 1 year

D. 3 years E. It cannot be extended

**7. What can be the maximum tenure of term deposits in India?**

A. 5 years B. 7 years C. 8 years  
D. 10 years E. There is no such maximum period

**8. What is the minimum limit of withdrawal that should be allowed by banks in the Basic Savings Bank Deposit Accounts?**

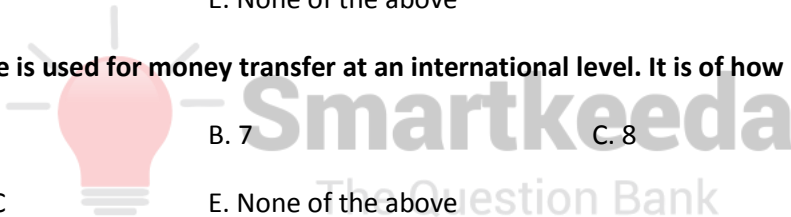
A. Three times a month B. Four times a month C. Six times a month  
D. Ten times a month E. There is no such minimum criterion

**9. What is the maximum balance that can be allowed at any time in case of the Basic Savings Bank Deposit Accounts?**

A. Rs 1 lakh B. Rs 25000 C. Rs 10000  
D. Rs 50000 E. None of the above

**10. SWIFT code is used for money transfer at an international level. It is of how many digits?**

A. 11 B. 7 C. 8  
D. Either A or C E. None of the above



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**Correct answers:**

1	2	3	4	5	6	7	8	9	10
C	E	C	B	A	B	D	B	D	D

**Explanations:**

1. Dividend is defined as the sum of money paid to the investors of a company out of its profits. Such payments can be done yearly, quarterly or monthly as well. Debentures are medium to long term debt instruments in India whereas equity refers to the shares of a company.

Hence, option C is correct.

2. Banking Ombudsman Scheme was introduced in 1995 as per Section 35A of the Banking Regulation Act 1949. Banking Ombudsman can be approached in order to register a complaint against deficiency in certain banking services. All scheduled banks are covered under this scheme. Now, the sale of third party products, complains regarding mobile and online banking services have also been covered under this scheme.

Hence, option E is correct.

3. Any complaint filed with the Banking Ombudsman should be settled within 30 days from the date of such complaint, failing which, an award is passed by the ombudsman. In case of grievance against the decision of the ombudsman, one can approach the appellate authority within 30 days. The appellate authority is vested with one of the Deputy Governors of the RBI in this case.

Hence, option C is correct.

4. The Banking Ombudsman can award upto maximum amount of Rs 20 lakhs whereas Rs 1 lakh can be awarded maximum towards the mental agony and harassment. There is no fee involved in filing a complaint with the banking ombudsman in India.

Hence, option B is correct.

5. The RBI has recently launched the Ombudsman Scheme for the NBFCs operating in India, under the Section 45L of the RBI Act 1934. The maximum award that can be passed by such an ombudsman will be Rs 10 lakhs whereas an appeal can be filed against the award within 30 days with a deputy governor of the RBI. There is no fee involved in filing a complaint with the NBFC Ombudsman.

Hence, option A is correct.

6. The Public Provident Fund Scheme is a very popular scheme of the government that provides tax benefit under Section 80C of the IT Act 1961. The maximum amount that will qualify for such benefit in a financial year will be Rs 1.50 lakhs whereas the minimum amount that should be deposited to keep the account alive is Rs 500. The initial maturity period of PPF Account is 15 years whereas it can be extended for duration of 5 years after that at once and so on.

Hence, option B is correct.

7. Term Deposits can be defined as the fixed deposits and recurring deposits. Such deposits can be opened for a maximum duration of 10 years. Regarding the minimum duration, for FDs, it can be as less as seven days whereas for RDs, it is generally six months though some banks allow this facility for three months as well. No cheque facility is provided for such accounts maintained with a bank.

Hence, option D is correct.

8. BSBDA Accounts are aimed at promoting financial inclusion in the country. They were earlier known as the “no-frills account” and later all such accounts were converted to the BSBDA Accounts. For such accounts, there is no limit on the number of deposits in a month but there should be at least four withdrawals in a month in such accounts including the ATM withdrawals. An individual can have only one BSBDA account with one bank.

Hence, option B is correct.

9. The total credit should not be more than Rs 1 lakh in a year in the BSBDA accounts whereas the maximum balance at any point of time should not be more than Rs 50000. The cash withdrawals and transfers in a month should not be more than Rs 10000 in a month. Foreign remittances will not be allowed in such accounts before completing the normal KYC facilities. These accounts are normally valid for 12 months and can be extended for a period of another 12 months in case the account holder submits the proof regarding application for the KYC documents.

Hence, option D is correct.

10. SWIFT stands for Society for Worldwide Interbank Financial Telecommunication. It is a network used by the banks to transfer funds fast. It cannot transfer the funds directly but it sends the message regarding that between institutions. It is also known as the Bank Identifier Code. The SWIFT code can be of 8 or 11 characters.

Hence, option D is correct.

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