



SmartKeeda

The Question Bank

Presents

TestZone

India's least priced Test Series platform

JOIN

12 Month Plan

2019-20 All Test Series

@ Just

₹ 499/-

300+ Full Length Tests

- Brilliant Test Analysis
- Excellent Content
- Unmatched Explanations

JOIN NOW

100 Questions of Banking and Financial Awareness for SBI Clerk Mains

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

1. What was the initial share capital of the Reserve Bank of India at the time of its establishment in 1935?

- A. Rs 2 crores B. Rs 1 crore C. Rs 5 crores
D. Rs 15 crores E. Rs 100 crores

2. There are _____ in the Board of Directors of the Reserve Bank of India including the governor.

- A. 20 members B. 21 members C. 22 members
D. 24 members E. None of the above

3. Which among the following is issued by the Government of India, instead of the Reserve Bank of India?

- A. All the coins B. One Rupee Notes C. Ten Rupee Notes
D. Five Rupee Notes E. Both A and B



Smartkeeda
The Question Bank

4. What is the maximum time period given to the states to repay the Ways and Means Advances extended to them by the RBI?

- A. 14 days B. 7 days C. 1 month
D. 3 months E. 6 months

5. Which among the following constitutes the foreign exchange reserves of India as maintained by the Reserve Bank of India?

- A. Gold B. Special Drawing Rights by IMF
C. IMF Reserve Positions D. Both A and B E. All A, B and C

6. Which among the following is NOT correctly matched regarding the new series of banknotes issued by the RBI?

- A. Ellora Caves – Rs 20 Note B. Konark Sun Temple – Rs 10 note
C. Rani Ki Vav – Rs 100 note D. Red Fort –Rs 2000 note E. All are correct

7. Which among the following is/are NOT covered under the insurance cover issued by the Deposit Insurance and Credit Guarantee Corporation?

- A. State Government Deposits
- B. Savings Deposits with the Commercial Banks
- C. Current Account Deposits with the Commercial Banks
- D. Both B and C
- E. All A, B and C

8. Which among the following is NOT a function of the National Housing Bank?

- A. Strengthening the credit delivery network for housing finance
- B. Regulation of the housing finance institutions at the regional as well as local levels
- C. Running the daily administration of the Housing Finance Companies
- D. Both A and C
- E. All are functions of NHB

9. Which among the following states in India has / have banknote press run by the Bharatiya Reserve Bank Note Mudran Private Limited?

- A. West Bengal
- B. Karnataka
- C. Maharashtra
- D. Both A and B
- E. All A, B and C

10. If the RBI wants to increase the liquidity in the monetary system, which among the following should be done?

- A. It will buy the government securities through the Open Market Operations
- B. It will increase the Cash Reserve Ratio
- C. It will reduce the Statutory Liquidity Ratio
- D. Both A and C
- E. All A, B and C

11. Which among the following is the minimum amount that can be borrowed under the Liquidity Adjustment Facility system of the RBI?

- A. Rs 1 Crore
- B. Rs 2 Crores
- C. Rs 5 Crores

D. Rs 10 Crores

E. There is no minimum amount

12. What is the maximum amount that can be borrowed by banks under the Marginal Standing Facility route?

A. 1% of the Net Demand and Time Liabilities (NDTL)

B. 2% of NDTL

C. 5% of NDTL

D. 10% of NDTL

E. None of the above

13. If a bank has to borrow funds from RBI for a long term, which among the following will be applicable?

A. Repo Rate

B. Reverse Repo Rate

C. Bank Rate

D. Liquidity Adjustment Facility Rate

E. None of the above

14. Which among the following is NOT a qualitative measure of monetary policy undertaken by the RBI in India?

A. Moral Suasion

B. Direct Action

C. Reduction in Repo and Reverse Repo Rates

D. Both A and B

E. All A, B and C

15. The Marginal Cost of Funds-Based Lending Rate (MCLR) System came into force in India from –

A. April 01, 2017

B. April 01, 2016

C. April 01, 2018

D. April 01, 2019

E. None of the above

16. The Monetary Policy Committee (MPC) has _____ members who decide the policy rates.

A. Six members

B. Five members

C. Four members

D. Three members

E. Seven members

17. The Regional Rural Banks were formed in India on the basis of the recommendations of –

A. CV Raja Committee

B. UC Garg Committee

C. M Narasimhan Committee

D. YC Sinha Committee

E. None of the above

18. What is the minimum capital requirement for the new private banks to start operation in India?

A. Rs 200 crores

B. Rs 300 crores

C. Rs 100 crores

D. Rs 500 crores

E. Rs 250 crores

19. Which among the following is/are NOT supervised by the National Bank for Agriculture and Rural Development?

A. District Central Cooperative Banks

B. State Cooperative Banks

C. Regional Rural Banks

D. Both A and B

E. All are supervised by NABARD

20. The Forward Markets Commission was merged with which among the following in September 2015?

A. Reserve Bank of India

B. Securities and Exchange Board of India

C. National Stock Exchange

D. Bombay Stock Exchange

E. None of the above

21. The Small Industries Development Bank of India (SIDBI) was set up in 1990 as a subsidiary of which among the following?

A. State Bank of India

B. Reserve Bank of India

C. IDBI Bank

D. Life Insurance Corporation of India

E. None of the above

22. What is the maximum amount of loan that can be obtained under the Pradhan Mantri Mudra Yojana?

A. Rs 5 lakhs

B. Rs 10 lakhs

C. Rs 15 lakhs

D. Rs 20 lakhs

E. There is no maximum amount specified

23. The Export-Import Bank of India has its headquarters in –

A. Mumbai, Maharashtra

B. New Delhi

C. Kolkata, West Bengal

D. Bangalore, Karnataka

E. None of the above

24. ECGC Limited was first established as Export Risks Insurance Corporation (ERIC) in the year –

A. 1958

B. 1959

C. 1960

D. 1965

E. None of the above

25. The Priority Sector Lending targets given by the RBI are applicable for foreign banks having _____ branches or more.

A. 20 branches

B. 10 branches

C. 15 branches

D. 25 branches E. None of the above

26. What is the minimum credit exposure required for the agriculture sector under the Priority Sector Lending Guidelines?

A. 18 percent B. 25 percent C. 20 percent
D. 15 percent E. 30 percent

27. What is the loan amount in the education sector for studying abroad that is included in the Priority Sector by the Reserve Bank of India?

A. Rs 15 lakhs B. Rs 20 lakhs C. Rs 10 lakhs
D. Rs 25 lakhs E. Rs 30 lakhs

28. What is the loan amount in the housing loan segment for metropolitan cities that is considered under the priority sector by the RBI?

A. Rs 35 lakhs B. Rs 40 lakhs C. Rs 50 lakhs
D. Rs 60 lakhs E. None of the above

29. The asset size of a non-banking finance company should be _____ or more in order for it to be identified as a systemically important NBFC.

A. Rs 400 Crores B. Rs 350 Crores C. Rs 250 Crores
D. Rs 500 Crores E. None of the above

30. The Prevention of Money Laundering Act was passed in the year –

A. 2003 B. 2004 C. 2002
D. 2005 E. 2006

31. What is the overdraft facility available now under the Pradhan Mantri Jan Dhan Yojana?

A. Rs 10000 B. Rs 15000 C. Rs 20000
D. Rs 5000 E. None of the above

32. What is the maximum age limit till which one can enroll for the Pradhan Mantri Suraksha Bima Yojana?

A. 40 years B. 50 years C. 60 years
D. 70 years E. There is no such age limit

33. What is the annual premium amount under the Pradhan Mantri Jeevan Jyoti Bima Yojana?

- A. Rs 330 B. Rs 350 C. Rs 500
D. Rs 600 E. None of the above

34. What is the maximum pension amount that can be opted for under the Atal Pension Yojana?

- A. Rs 5000 B. Rs 1000 C. Rs 10000
D. Rs 6000 E. None of the above

35. Which among the following administers the Financial Inclusion Fund floated by the Reserve Bank of India?

- A. RBI B. NABARD C. Government of India
D. State Governments E. None of the above

36. Which among the following is required in order to deal in shares in India?

- A. Demat Account B. Broker Registration Account
C. Sub-broker Registration Account
D. Terminal Account E. None of the above

37. Which among the following is an example of a Derivative Contract?

- A. Forward Contract in Forex Trading
B. Physical Delivery of Shares C. Cash Segment D. Initial Public Offering
E. None of the above

38. Which among the following defines the difference between the total receipts and the total expenditure of the government?

- A. Fiscal Deficit B. Revenue Deficit C. Budget Deficit
D. Income Deficit E. None of the above

39. Which among the following gives us a clear picture regarding the actual consumption expenditure of the government in a financial year?

- A. Budget Deficit B. Effective Revenue Deficit C. Revenue Deficit
D. Fiscal Deficit E. None of the above

40. Which among the following is the calculation of the borrowings of the government exclusive of the interest payment?

- A. Primary Deficit B. Revenue Primary Deficit C. Effective Primary Deficit
D. Fiscal Deficit E. None of the above

41. Which among the following is NOT taken into consideration while calculating the Gross Domestic Product of a country in a financial year?

- A. Investments B. Consumption C. Government Spending
D. Capital Asset Projects Creation E. Both A and D

42. Which among the following provides us a measure of the general price inflation in an economy?

- A. Gross National Product B. Gross Domestic Product C. Functional Analysis Product
D. GDP Deflator E. None of the above

43. If the rate of inflation is very slow, it is known as which among the following?

- A. Uncouth Inflation B. Disinflation C. Uninflation
D. Deflation E. None of the above

44. Which among the following gives us a clear picture of all the international transactions of a country in a financial year?

- A. Balance of Trade B. Balance of Currency C. Balance of Payment
D. Balance of Justification E. None of the above

45. Selling off the stake of the government in a Public Sector Undertaking is known as –

- A. Disinvestment B. De-investment C. Un-investment
D. Cross investment E. None of the above

46. AMFI is the regulator of mutual funds in India. It was established in the year –

- A. 1995 B. 1997 C. 1996
D. 1998 E. 1999

47. An asset is classified as NPA if the interest payment is overdue for 90 days, from the financial year ending on –

- A. March 31, 2000 B. March 31, 2003 C. March 31, 2005
D. March 31, 2004 E. None of the above

48. A substandard asset is such that it has remained in the NPA status for a period of less than or equal to _____ .

- A. 3 months B. 6 months C. 12 months
D. 18 months E. 24 months

49. Corporate Debt Restructuring can be done in assets in which the exposure is _____ or more.

- A. Rs 5 Crores B. Rs 10 Crores C. Rs 15 Crores
D. Rs 20 Crores E. None of the above

50. As per Recovery of Debts due to Banks and Financial Institutions Act 1993, any case referred to the Debt Recovery Tribunal should be settled within _____ .

- A. 3 months B. 6 months C. 9 months
D. 12 months E. There is no such timeline

51. The Asset Reconstruction Companies (ARCs) in India are established as per the provision of which among the following?

- A. Banking Regulation Act 1949
B. Reserve Bank of India Act 1934
C. Negotiable Instruments Act 1881
D. SARFAESI Act 2002
E. None of the above

52. The Basel III guidelines have been implemented in India in phases starting from –

- A. April 01, 2014 B. April 01, 2011 C. April 01, 2013
D. April 01, 2015 E. None of the above

53. _____ of the Negotiable Instrument Act 1881 deals with the dishonor of cheques and the consequences, thereon.

- A. Section 6 B. Section 138 C. Section 139

D. Section 7

E. Section 120

54. A stale is cheque is such that it is presented after _____ from the date of its issue, at the bank.

A. Three months

B. Six months

C. Nine months

D. Twelve months

E. None of the above

55. Which among the following is issued in order to meet any future obligation for payment to a person?

A. Self cheque

B. Post-dated cheque

C. Bearer cheque

D. Crossed Cheque

E. None of the above

56. In the banking parlance, CTS stands for –

A. Cheque Truncation System

B. Cheque Transfer System

C. Cheque Traditional System

D. Cheque Tracking System

E. None of the above

57. For the small finance banks, _____ of the Adjusted Net Bank Credit should be towards the priority sectors as identified by the RBI.

A. 75 percent

B. 80 percent

C. 85 percent

D. 90 percent

E. 40 percent

58. The committee that recommended setting up Small Finance Banks in India was headed by –

A. Shymala Gopinath

B. Raghuram G Rajan

C. Urjit Patel

D. Usha Thorat

E. None of the above

59. Which among the following is NOT correctly matched?

A. Capital Small Finance Bank – Jalandhar, Punjab

B. Au Small Finance Bank – Jaipur, Rajasthan

C. ESAF Small Finance Bank – Thiruvananthapuram, Kerala

D. Utkarsh Small Finance Bank – Varanasi, UP

E. All are correctly matched

60. The payments banks in India are required to invest _____ of funds in the government securities.

- A. 75 percent B. 50 percent C. 60 percent
D. 80 percent E. There is no such criterion

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

- A. Term money B. Notice money C. Call money
D. Fixed Money E. None of the above

62. Which among the following cannot take part in raising funds from the money market in India?

- A. Scheduled Commercial Banks B. Regional Rural Banks
C. Cooperative Banks D. Both B and C E. All are eligible

63. What is the minimum denomination of the treasury bills issued by the government?

- A. Rs 50000 B. Rs 1 lakh C. Rs 2 lakhs
D. Rs 25000 E. None of the above

64. Which among the following cannot issue Commercial Papers to raise funds from the market?

- A. NABARD B. SIDBI C. EXIM Bank
D. Both B and C E. All can raise funds

65. Who among the following can invest in the Commercial Papers issued in India?

- A. Individuals B. Foreign Institutional Investors
C. Non-Resident Indians D. Both B and C E. All A, B and C

66. What should be the minimum duration for which a certificate of deposit can be issued?

- A. 7 days B. 30 days C. 45 days
D. 60 days E. 90 days

67. Which among the following can be considered as a part of the Secondary Market?

- A. Bombay Stock Exchange B. National Stock Exchange
C. Multi-Commodity Stock Exchange

D. Both A and B E. All A, B and C

68. Which among the following does not define a bond issued by the authorized entities?

A. It is a long term debt instrument

B. It has a fixed maturity date C. It has a fixed rate of interest D. Both B and C

E. All A, B and C are characteristics of bonds

69. Which among the following was the first to issue a Masala Bond?

A. International Monetary Fund

B. World Economic Forum C. World Bank

D. International Finance Corporation

E. None of the above

70. Green Bonds in India are regulated by which among the following?

A. Reserve Bank of India

B. Ministry of Environment and Forests

C. Ministry of Finance

D. SEBI

E. None of the above

71. 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

72. 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

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

A. The Finance Minister
of RBI

B. The RBI Governor

C. One of the Deputy Governors

D. The Prime Minister

E. None of the above

74. 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

75. 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

76. 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

77. 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

78. 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

79. 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

80. 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

81. What is the timing of clearing of batches in the National Electronic Fund Transfer Mechanism?

- A. 7 am – 7 pm B. 8 am – 7 pm C. 10 am -6 pm

D. 11 am – 9 pm E. None of the above

82. What is the maximum amount that can be transferred through the NEFT mechanism in case of Indo-Nepal Remittance Scheme?

A. Rs 25000 B. Rs 50000 C. Rs 75000
D. Rs 1 lakh E. None of the above

83. What is the daily cut-off time for customer transactions for the RTGS transactions for money transfer?

A. Till 4:30 pm B. Till 5 pm C. Till 5:30 pm
D. Till 6 pm E. None of the above

84. The additional fee that is levied on the RTGS transactions conducted in the third window of 1 pm – 6 pm above the processing charge is –

A. Rs 4 B. Rs 5 C. Rs 10
D. Rs 25 E. There is no such additional fee

85. In the IFSC Code, which among the following denotes name of the bank concerned?

A. First five characters B. First four characters C. First three characters
D. First six characters E. Last seven characters

86. What is the maximum limit of daily transaction in case of Interbank Mobile Payment Service in the transactions are done in the encrypted format?

A. Rs 25000 B. Rs 5000 C. Rs 10000
D. Rs 50000 E. There is no such limit

87. The Unified Payment Interface (UPI) has been developed by which among the following?

A. Reserve Bank of India B. National Payments Corporation of India
C. SEBI D. Ministry of Finance E. NABARD

88. What is the maximum amount that can be transferred by a user in a day using the BHIM Application?

A. Rs 40000 B. Rs 50000 C. Rs 1 lakh
D. Rs 2 lakhs E. None of the above

89. The National Financial Switch is associated with which among the following in India?

- A. NEFT
- B. RTGS
- C. ATMs
- D. UPI
- E. None of the above

90. Which among the following is correctly matched?

- A. Global Energy Architecture Performance Index Report – World Bank
- B. Inclusive Growth and Development Report – World Bank
- C. Global Innovation Index – INSEAD
- D. Both A and B
- E. All A, B and C

91. In the banking domain, DEAF stands for –

- A. Depositor Education and Awareness Fund
- B. Debenture, Equity, ASBA Fund
- C. Direct Early Acquisition Fund
- D. Detailed Early Application Function
- E. None of the above

92. The FATF was formed to fight the menace of black money. It stands for –

- A. Financial Acquisition Terminal Factor
- B. Financial Action Task Force
- C. Finance based Action and Transfer Fund
- D. Fundamental Acquisition Transfer Facility
- E. None of the above

93. The Reserve Bank of India uses the Negotiated Dealing System – Order Matching for bond trading that is operated by –

- A. National Automated Clearing House
- B. Clearing Corporation of India Limited
- C. National Payment Corporation of India
- D. Ministry of Finance
- E. None of the above

94. The headquarters of the European Investment Bank are situated in –

- A. Germany
- B. Switzerland
- C. Luxembourg
- D. France
- E. UK

95. Which among the following can also be termed as the National Income of a country?

- A. GDP
- B. GNP
- C. NDP
- D. NNP
- E. None of the above

96. The Mumbai Interbank Bid Rate (MIBID) is administered by which among the following?

- A. Reserve Bank of India
- B. SEBI
- C. National Payment Corporation of India
- D. National Stock Exchange
- E. None of the above

97. Which among the following is NOT included in the capital account of a country?

- A. Exports and Imports
- B. FDI
- C. FII
- D. External Commercial Borrowing
- E. Financial Assets by migrants leaving or entering the country

98. The GST e-way bill is applicable for consignments with value of _____ or more.

- A. Rs 50000
- B. Rs 1 lakh
- C. Rs 2 lakhs
- D. Rs 5 lakhs
- E. None of the above

99. The Security Printing and Minting Corporation of India Limited (SPMCIL) has four mints in India. Which among the following does NOT have such a mint?

- A. Hyderabad, Telangana
- B. Noida, Uttar Pradesh
- C. Kolkata, West Bengal
- D. Salboni, West Bengal
- E. Mumbai, Maharashtra

100. What is the validity of the Electoral Bonds in India?

- A. 15 days
- B. 30 days
- C. One month
- D. 45 days
- E. There is no such prescribed validity period

Join us on Telegram for more PDFs
Click here



Correct answers:

| | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|-----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| C | B | E | D | E | D | A | C | D | D |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| C | B | C | C | B | A | C | D | E | B |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| C | B | A | E | A | A | B | A | D | C |
| 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 |
| A | D | A | A | C | A | A | A | B | A |
| 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 |
| D | D | B | C | A | A | D | C | B | B |
| 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 |
| D | C | B | A | B | A | A | D | C | A |
| 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 |
| A | B | D | E | E | A | E | E | D | D |
| 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 |
| C | E | C | B | A | B | D | B | D | D |
| 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 |
| B | B | D | B | B | D | B | A | C | C |
| 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| A | B | B | C | D | D | A | A | D | A |

Explanations:

1. The Reserve Bank of India was established in 1935 as per the provisions of the RBI Act 1934. The initial share capital of the organization was Rs 5 crores. It was nationalized in 1949 and it is the central banking authority of the country.

Hence, option C is correct.

2. The general administration of the Reserve Bank of India is entrusted with 21-member Board of Directors comprising of the Governor, four Deputy Governors, two representatives from the Ministry of Finance, ten government-nominated directors representing various elements of Indian economy and four directors representing the four local boards of the bank situated in Kolkata, Mumbai, Delhi and Chennai.

Hence, option B is correct.

3. According to the Section 22 of the RBI Act 1934, the RBI is the sole authority to issue bank notes in the country except the One Rupee notes and the coins. These are issued by the Government of India. The maximum denomination for which a bank note can be issued by the RBI is Rs 10000 and amendment to the RBI Act 1934 will be required to issue any currency above that.

Hence, option E is correct.

4. Ways and Means Advances are extended by the Reserve Bank of India to the states in order to help them meet the temporary mismatch in the cash flow. The states can repay the advance within a maximum period of 90 days. There is no such facility given to the central government by the central bank. WMA is guided by the Section 17(5) of the RBI Act 1934.

Hence, option D is correct.

5. The Reserve Bank of India maintains the foreign exchange reserves of India. The reserves include the foreign exchange and gold, Special Drawing Rights with the IMF and the IMF Reserve Positions. The foreign exchanges are dealt with in India by the authorized dealers as per the FIMMDA guidelines.

Hence, option E is correct.

6. Denominations of the New Notes Dimension Colour Motif

| Denominations of the New Notes | Dimension | Colour | Motif |
|--------------------------------|----------------|-----------------|-------------------|
| Rs 10 | 63 mm × 123 mm | Chocolate Brown | Konark Sun Temple |

| | | | |
|---------|----------------|------------------|--------------------|
| Rs 20 | 63 mm × 129 mm | Greenish Yellow | Ellora Caves |
| Rs 50 | 66 mm × 135 mm | Fluorescent Blue | Hampi with Chariot |
| Rs 100 | 66 mm × 142 mm | Lavender | Rani Ki Vav |
| Rs 200 | 66 mm × 146 mm | Bright Yellow | Sanchi Stupa |
| Rs 500 | 66 mm × 150 mm | Stone Grey | Red Fort |
| Rs 2000 | 66 mm × 166 mm | Magenta | Mangalyaan |

Hence, option D is correct.

7. The Deposit Insurance and Credit Guarantee Corporation of India is a subsidiary of the Reserve Bank of India. It is mainly associated with providing insurance cover for the bank deposits in its member banks. It does not cover foreign government deposits, deposits of the central and the state governments, inter-bank deposits, deposits of the State Land Development Banks with the State Co-Operative Banks. It was established in 1978 and is based in Mumbai.

Hence, option A is correct.

8. The National Housing Bank is the regulator body for housing finance in India. It was established in 1988. The functions of the organization mainly include regulation and promotion of the housing finance companies in India, through on-site and off-site surveillance mechanism. The organization is also involved in strengthening the credit delivery network for housing finance in the country. It is based in New Delhi.

Hence, option C is correct.

9. The BRBNMPL is a subsidiary of the Reserve Bank of India and it was established in 1995 in order to facilitate the function of banknote production in the country. It is based in Bangalore, Karnataka. There are two banknote presses run by BRBNMPL – one in Salboni and another in Mysore. BRBNMPL is a private limited company registered under the provisions of the Companies Act 1956.

Hence, option D is correct.

10. If the government buys the government securities through the OMO, the money supply in the system will increase and banks will have money to lend. OMO is conducted by RBI in order to sell and buy government securities to manage the monetary supply in the economy.

The CRR is defined as the amount of the Net Demand and Time Liability that the banks have to keep with the RBI. If this is increased, the monetary supply decreases in the economy and vice versa.

The Statutory Liquidity Ratio is defined as the percentage of the Net Demand and Time Liabilities that banks have to invest in government securities, gold, cash or other

approved securities. This has the same bearing on the monetary supply in the economy as the CRR.

Hence, option D is correct.

- 11.** The LAF is the facility offered by the RBI through which banks can borrow money through the repurchase agreements such as the repo and the reverse repo mechanisms. All the clients of the RBI are eligible to utilize this quota whereas the maximum amount that can be borrowed can be any amount. The minimum bidding amount is Rs 5 Crores under the LAF quota.

Hence, option C is correct.

- 12.** The MSF was introduced by the Reserve Bank of India in 2011 in order to help banks manage the cash flow mismatch on overnight basis. The banks can approach RBI for loan under MSF facility in an interest rate that will be higher than the repo rate. Banks can borrow upto 2% of the total NDTL under this route whereas the minimum amount is Rs 1 crore.

Hence, option B is correct.

- 13.** Bank Rate is defined as the rate of interest that is applicable to the long term loans extended to the commercial banks by the RBI. These loans are generally provided for a period of 90 days to 1 year. The main difference of bank rate and repo rate is that bank rate is mainly for long term loans whereas repo rate is applicable for short term loans up to a period of 90 days.

Hence, option C is correct.

- 14.** Qualitative Measures are also adopted by the RBI to control the money supply in the economy. There are various measures for this: Margin Requirement, Rationing of Credit, Moral Suasion, Direction Action etc. Repo Rate and Reverse Repo Rate, LAF, MSF etc are quantitative measures adopted by RBI for this purpose.

Hence, option C is correct.

- 115.** The MCLR system replaced the old base rate system of the banks with the objective to rationalize the lending rate system in banks. The main aim was to make the rates more sensitive to the changes in the key policy rates of the RBI. This came into effect from April 01, 2016. MCLR is the minimum rate of interest below which a bank cannot lend money.

Hence, option B is correct.

- 16.** The MPC was formed by the government in order to assist the RBI in taking a call regarding the important policy rates. The MPC has six members – three each from the

RBI and the central government. The governor of RBI is the chairman of the Monetary Policy Committee and he has a casting vote in the whole process.

Hence, option A is correct.

- 17.** The RRBs were created in 1975 on the recommendations of the M Narasimhan Committee in order to serve the unbanked population of the country. Prathama Bank in Uttar Pradesh was the first ever RRB set up in India. The RRBs are administered by a sponsor bank, central government and the concerned state government in the ratio of 35:50:15.

Hence, option C is correct.

- 18.** Private Sector Banks in India are such that the majority stake is held by private shareholders and not the government. The minimum capital required to set up such a bank in India is Rs 500 crores whereas the FDI investment has been restricted to 74% for such entities.

Hence, option D is correct.

- 19.** NABARD is responsible for the development of the rural economy of the country. It was established in 1982 as per the recommendations of B Sivaraman Committee. It is based in Mumbai, Maharashtra. NABARD is engaged in extension of credit to the rural economy and also refinancing activities. It supervises the State Cooperative Banks, District Central Cooperative Banks and Regional Rural Banks of the country.

Hence, option E is correct.

- 20.** The Forward Markets Commission was the regulator of the commodities market in India. It was merged with SEBI in September 2015. SEBI is the regulator of the capital market in India and it was established in 1988 though it became an autonomous body by an act of the Parliament in 1992. SEBI is based in Mumbai, Maharashtra.

Hence, option B is correct.

- 21.** SIDBI was established in 1990 by an act of Parliament in order to regulate the MSME credit extension in the country. It was created as a wholly owned subsidiary of the IDBI Bank but later it was recognized as an independent body. SIDBI is based in Lucknow, Uttar Pradesh.

Hence, option C is correct.

- 22.** The Pradhan Mantri Mudra Yojana was launched in 2015 in order to provide hassle-free loans to the MSME Sector of the country. There were three categories of loans extended under the PMMY Scheme – Shishu (Upto Rs 50000), Kishore (From Rs 50001

to Rs 5 Lakhs) and Tarun (Rs 500001 to Rs 10 lakhs). These loans are only extended to borrowers from the non-farm sector.

Hence, option B is correct.

- 23.** The EXIM Bank was established in 1982 in order to promote the foreign trade of the country. The main objective of this bank is to facilitate exports and imports from the country. It is based in Mumbai, Maharashtra.

Hence, option A is correct.

- 24.** The ECGC Limited was established as the Export Risks Insurance Corporation (ERIC) in 1957 and later it was converted to Export Credit Guarantee Corporation Limited in 1964. It was then converted to Export Credit Guarantee Corporation of India in 1983. It is mainly engaged in providing export credit insurance to the exporters. It is based in Mumbai, Maharashtra.

Hence, option E is correct.

- 25.** The PSL Targets are given by the Reserve Bank of India in order to extend credit facility to the sectors which may not get adequate credit facility in the absence of any such special scheme. This scheme is extended to all the domestic commercial banks such as the public sector banks (excluding regional rural banks and small finance banks) and the foreign banks with 20 or more branches.

Hence, option A is correct.

- 26.** The banks have to give at least 40% of adjusted net bank credit in order to meet the PSL guidelines of the Reserve Bank of India. Within that quota, banks should give 18% to the agriculture sector, 7.5% to the micro, small and medium enterprises and 10 percent to the weaker sections of the society in order to fulfill the PSL quota. The calculation is done on the basis of the percentage of the adjusted net bank credit or credit equivalent of off-balance sheet exposure, whichever is higher.

Hence, option A is correct.

- 27.** Education is one of the priority sectors identified by the Reserve Bank of India. Under the PSL guidelines, loans upto Rs 10 lakhs to the individuals for education purposes including the vocational courses to study in India and upto Rs 20 lakhs for studying abroad are identified under the priority sector by the Reserve Bank of India.

Hence, option B is correct.

- 28.** Housing loans are considered as the priority sector loans upto certain limit in India. For metropolitan cities, housing loans upto Rs 35 lakhs are considered under the priority sector whereas loans upto Rs 25 lakhs are considered under the priority sector in other

areas of the country. This classification holds true for the regional rural banks and small finance banks as well.

Hence, option A is correct.

- 29.** NBFCs in India provide most of the banking services without meeting the legal requirements of a banking company. Such organizations are registered as per the provisions of the Companies Act 1956. NBFCs whose asset size is Rs 500 crores or more are mainly identified as the systemically important NBFCs in the country. These companies can function as per the mandate given to them.

Hence, option D is correct.

- 30.** Money Laundering is the process through which black money is converted into white money i.e. legitimate money. Such funds are used for various anti-social activities such as terrorism etc. In order to prevent that, the PMLA Act was passed in the year 2002 and it has the authority to also seize property obtained from the illegal money.

Hence, option C is correct.

- 31.** The PMJDY Scheme was launched in order to achieve financial inclusion in India in 2014. The main objective was to ensure that every family in the country has at least one bank account. Zero balance accounts can be opened under this scheme with any bank branch and also there is an overdraft facility of Rs 10000 to be given to the account holder. There is also a personal accident cover of Rs 2 lakhs along with the account, under this scheme.

Hence, option A is correct.

- 32.** PMSBY was launched by the government to ensure that personal accident insurance cover is provided to the citizens. The premium under this scheme is only Rs 12 on yearly basis and the cover that can be obtained is for Rs 2 lakhs. The scheme is provided to the citizens within the age group of 18-70 years.

Hence, option D is correct.

- 33.** The PMJJBY scheme was launched by the government to provide life insurance cover to the citizens of the country. The sum assured is Rs 2 lakhs under this scheme whereas the annual premium amount comes to Rs 330. The scheme is for citizens within the age group of 18-50 years in India.

Hence, option A is correct.

- 34.** Atal Pension Yojana is aimed at providing pension to the unorganized sector workers in the country. The minimum pension amount is Rs 1000 whereas the maximum amount is Rs 5000 in this scheme and monthly contribution will be based on the pension amount

determined by the applicant. This scheme is applicable for citizens in the age group of 18-40 years only.

Hence, option A is correct.

- 35.** The Financial Inclusion Fund was established by RBI in 2016 after merging the earlier FIF and Financial Inclusion Technology Fund. The initial corpus of the fund was Rs 2000 crores and it is maintained by NABARD. The fund is administered by the Government of India. The main objective of this fund is to ensure financial inclusion in the country by creating awareness regarding the same.

Hence, option C is correct.

- 36.** Demat Account is necessary in India in order to deal in shares i.e. buy or sell shares in the country. This is mainly used to store the securities in the dematerialized form by the account holder. A demat account can be opened with a broker registered with the Securities and Exchange Board of India. It is mainly aimed at curbing the physical delivery of stocks.

Hence, option A is correct.

- 37.** A derivative contract is such that it derives its value from the underlying asset i.e. any other financial product. It may be a stock, stock index, foreign exchange, commodity etc. Forward Contract in the forex trading segment is an example of a derivative contract.

Hence, option A is correct.

- 38.** Fiscal Deficit is defined as the difference between the total revenue or receipts of the government and the total expenditure of the government excluding borrowings in a financial year. On the other hand, revenue deficit is defined as the difference between the revenue receipts and revenue expenditures of the government. It happens if the actual net receipts of the government are lower than the projected receipts.

Hence, option A is correct.

- 39.** Effective Revenue Deficit gives us the idea regarding the actual consumption expenditure of the government. It is defined as the difference between the revenue deficit and the grants towards the creation of capital assets in the economy in a financial year. This term was introduced in the Union Budget from 2011-2012.

Hence, option B is correct.

- 40.** Primary Deficit is defined as the fiscal deficit of a country excluding the interest payments made on the earlier borrowings. It gives us the borrowings of the current year adjusted against the interest payments made for the borrowings in the previous years. It

gives us the borrowings of the government in a financial year except the interest payment.

Hence, option A is correct.

- 41.** The Gross Domestic Product (GDP) is defined as the estimated value of the goods and services produced in a country in a financial year by the nationals as well as the foreigners. Therefore, $GDP = \text{Consumption} + \text{Investment} + \text{Government spending} + \text{Exports} - \text{Imports}$.

Hence, option D is correct.

- 42.** GDP Deflator provides us a measure of the general price inflation of goods and services in an economy. It is obtained by dividing nominal GDP by real GDP and then multiplying the same by 100. Nominal GDP is the price of goods and services, unadjusted for inflation whereas in case of real GDP, the same is adjusted for inflation to give the real picture.

Hence, option D is correct.

- 43.** Disinflation is defined as the situation where the inflation has slowed down temporarily. It is basically inflation at very slow rate. It can take place due to recession in the economy or tightening of the monetary policy by the central bank of the country. It is different from deflation due to the fact that it is only change in the rate of inflation.

Hence, option B is correct.

- 44.** Balance of Payment (BOP) is defined as the statement of all the transactions between a country and the rest of the world in a financial year. It basically gives us an idea regarding all the international transactions taking place in a year. Balance of Trade gives us a picture regarding the exports and imports of a country in a financial year.

Hence, option C is correct.

- 45.** Disinvestment is defined as the deliberate sale of the capital stock of a company in order to raise capital and change the equity or management structure of the organization. Selling of the stake in a public sector undertaking by the government is known as the disinvestment.

Hence, option A is correct.

- 46.** Mutual Funds are investment companies that pool money from various sources and invest in various securities on behalf of such investors. It charges commission for that and the returns adjusted will be provided to the investors. Association of Mutual Funds in India (AMFI) is the regulating body of mutual funds in the country. It was founded in 1995 and is based in Mumbai.

Hence, option A is correct.

- 47.** An asset is classified as the Non-Performing Asset if there is no interest payment for a period of 90 days or more. This norm for identification of NPA has come into force from the financial year ending on March 31, 2004. It can happen if the cash credit or overdraft facility is out of order or a bill remains overdue for a period of more than 90 days, in case of the bills purchased and discounted.

Hence, option D is correct.

- 48.** A substandard asset is such that it has remained in the NPA status for less than or equal to 12 months. If the asset is in the substandard class for a period of less than or equal to 12 months, it is termed as a doubtful asset whereas a loss asset is such that it has been identified as being in loss by the bank or the external auditors or the RBI inspection team but the amount has not been written off completely from the books of the bank.

Hence, option C is correct.

- 49.** The Corporate Debt Restructuring (CDR) scheme came into effect in 2001 and under this scheme; accounts with outstanding exposures of Rs 10 Crores or more can be considered. It can come into play only when at least 75% of the creditors (by value of loan amount) and 60% of the creditors (by value of number of loans) agree to such proposal.

Hence, option B is correct.

- 50.** The DRTs came into being as per the Recovery of Debts due to Banks and Financial Institutions Act 1993. Banks can file an application to the DRTs in order to recover such loan amount from an individual or a company. According to the provisions of the act, such case should be settled within 6 months from the date of such application.

Hence, option B is correct.

- 51.** The Asset Reconstruction Companies (ARCs) are formed as per the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002. Any loan with an outstanding amount of Rs 1 lakh or more will come under the purview of ARCs. RBI has the authority to issue licenses to such companies. Asset Reconstruction Company of India Limited (ARCIL) is the first asset reconstruction company in India.

Hence, option D is correct.

- 52.** The Basel III norms were devised by the Basel Committee on Banking Supervision in order to take care of the systemic risks facing the banking sector of the country. These norms were first brought into public in 2010 by the BCBS. There are three main pillars of

Basel III guidelines – capital adequacy requirements, supervisory review and market discipline. In India, this came into effect from April 01, 2013.

Hence, option C is correct.

- 53.** The NI Act 1881 is mainly concerned regarding the negotiable instruments such as cheques, demand drafts etc. Such instruments can be defined as the written orders or unconditional promises to pay a certain sum of money on demand or at a certain point of time. Section 138 of this act deals with the cheque dishonor cases and the subsequent issues whereas Section 6 of this act is regarding the cheques and demand drafts.

Hence, option B is correct.

- 54.** A cheque is a negotiable instrument that is used for payment and settlement in India. A stale cheque is such that it is presented for payment after three months from the date of such cheque. Such an instrument is honoured by the bank. In such case, the instrument has to be re-issued from the issuer of the cheque.

Hence, option A is correct.

- 55.** A post-dated cheque is issued to the beneficiary in order to meet any future obligation for payment. The cheque remains valid from the date of the cheque till three months. A self cheque is such that it can be used by the account holder to withdraw money whereas a bearer cheque is such that it is paid to any person who presents the instrument at the bank. A crossed cheque is defined as an instrument which can be issued to transfer funds directly to the account of the payee.

Hence, option B is correct.

- 56.** CTS is a project undertaken by the RBI to ensure that faster clearing of cheques. In this method, the physical instrument does not move but the images are forwarded along with the MICR line of the cheque. Such cheques compliant with the CTS standards are less prone to any kind of frauds because of involvement of computer verification.

Hence, option A is correct.

- 57.** Small Finance Banks have been established in India as per the approval given by the Reserve Bank of India in order to achieve financial inclusion. Such banks have to extend at least 75 percent of the ANBC to the priority sectors only. Loans upto Rs 25 lakhs extended to the micro enterprises should constitute at least 50% of the total credit portfolio of such banks.

Hence, option A is correct.

- 58.** The Committee on Small Banks, headed by Usha Thorat, recommended setting up of the small finance banks in the country. The main objective is to achieve financial inclusion

and also to extend credit to the rural unbanked areas of the country. The minimum capital requirement to set up such a bank is Rs 100 crores whereas for the first three years, at least 25% of the branches are required to be in the unbanked areas only. The promoter shareholding has been pegged at 40% minimum for the first five years of operation for such banks.

Hence, option D is correct.

- 59.** The ESAF Small Finance Bank is based in Thrissur, Kerala. The tagline of the bank is 'Joy of Banking'. It was established in 2017 after getting license to open a small finance bank and the present MD-CEO of the bank is K Paul Thomas.

Hence, option C is correct.

- 60.** The payments banks in India were established in order to achieve financial inclusion and these banks can only accept deposits. They cannot undertake lending activities. The RBI has given the approval to open such banks as per Section 22(1) of the Banking Regulation Act 1949. Payment banks have been set up as per the recommendations of the Nachiket Mor committee and they can only accept deposits upto Rs 1 lakh per individual. These banks have to invest at least 75% of its funds in the government securities.

Hence, option A is correct.

- 61.** Money Market is mainly used in order to trade for duration of less than a year. Mainly unsecured loans are considered in this segment such as call money (money lent or borrowed for a day only), notice money (money lent or borrowed for 2 days to 14 days) and term money (Money lent or borrowed for more than 14 days to less than a year).

Hence, option A is correct.

- 62.** The money market can be tapped by the scheduled commercial banks except the regional rural banks, cooperative banks, primary dealers etc. The funds raised are mainly used to address the mismatch of funds. The money market is used for short term loans and trading and that is why the risk factor is very low here with the returns also being very less. The participants in this market need to maintain a current account with RBI because of the short duration of trading in this market.

Hence, option B is correct.

- 63.** Treasury Bills are issued by central government in order to raise funds from the market. There are three types of T-Bills in practice now – 91-day, 182-day and 364-days. There is no T-Bill issued by the state governments as of now. Such bills can be issued for a denomination of Rs 25000 and the multiples of that. These bills are issued at a discount and redeemed at par.

Hence, option D is correct.

- 64.** Commercial Papers are unsecured money market instruments issued in the form of the promissory notes. This was first issued in India in the year 1990. These instruments can be issued by corporates, primary dealers and all India Financial Institutions such as NHB, NABARD, SIDBI, ECGC, EXIM Bank etc. CP can be issued for a minimum period of 7 days and the maximum period of a year.

Hence, option E is correct.

- 65.** The Commercial Papers are unsecured money market instruments issued by corporates, primary dealers, all-India Financial Institutions etc. The minimum denomination of CPs should be Rs 5 lakhs and its multiples thereof. Individuals, banking companies, other corporate bodies, non-resident Indians and Foreign Institutional Investors can invest in the CPs.

Hence, option E is correct.

- 66.** Certificate of Deposit is a negotiable instrument issued in 1989 for the first time and it is issued against funds deposited with a bank or financial institution. The scheduled commercial banks (excluding the RRBs and the Local Area Banks) and All-India Financial Institutions can issue such CDs. The minimum amount should be Rs 1 lakh whereas the duration should not be less than 7 days and not more than a year.

Hence, option A is correct.

- 67.** Secondary market deals with the exchange of existing or previously-issued securities in India. On the other hand, the primary market is meant for trading and issuance of stocks and other securities. Equity and debt market come under the purview of the secondary market. That is why, BSE, NSE, MCX all come under the secondary market only.

Hence, option E is correct.

- 68.** A bond is defined as a long term debt instrument issued by the government or the companies or banks with a fixed rate of interest and a fixed maturity date as well. It is practically a loan agreement between the issuer and the purchaser against which the issuer will pay a certain amount to the purchaser of the bond at the time of maturity. It is mainly used to raise capital from the market.

Hence, option E is correct.

- 69.** Masala Bonds are rupee-denominated borrowings by the Indian entities in the overseas market. Such bonds are regulated by the Reserve Bank of India. The name 'Masala Bond' was first given by the International Finance Corporation to represent the Indian culture

and cuisine. IFC was the first to issue such bonds in order to raise capital to fund infrastructure projects in India.

Hence, option D is correct.

- 70.** A green-bond is a tax-exempt bond agreement used to raise money from the market to fund the green projects for the development of the brownfield sites. Brownfield sites are such that they are underutilized and can be developed. Such bonds are issued by World Bank, various municipalities, government agencies etc. In India, these bonds are regulated by SEBI.

Hence, option D is correct.

- 71.** 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.

- 72.** 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.

- 73.** 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.

- 74.** 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.

- 75.** 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.

- 76.** 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.

- 77.** 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.

- 78.** 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.

- 79.** 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.

- 80.** 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.

- 81.** The National Electronic Fund Transfer (NEFT) mechanism is used in order to transfer funds electronically from any bank branch to an individual, corporate etc. There is no maximum and minimum limit of transaction in the NEFT mechanism. It mainly operates in 23 batches of half-hourly settlements on all the working days of the week (Except the 2nd and 4th Saturdays of the month) starting from 8 am and ending at 7 pm.

Hence, option B is correct.

- 82.** The NEFT mechanism is mainly used to transfer funds from one bank account to any individual or corporate, electronically. There is no maximum or minimum amount that can be transferred through this mechanism. However for cash-based remittances and the Indo-Nepal Remittance Scheme, the maximum amount that can be transferred is Rs 50000 through the NEFT route.

Hence, option B is correct.

- 83.** Real Time Gross Settlement transactions are carried out in order to transfer funds on real time basis. The minimum amount that can be transferred through this mechanism is Rs 2 lakhs whereas there is no maximum limit for RTGS Fund transfer mechanism. The RBI has increased the daily cut-off limit for RTGS transaction for customers to 6 pm from June 01, 2019 from the earlier cut-off time of 4:30 pm.

Hence, option D is correct.

- 84.** The RTGS transactions take place in three windows in a day – 8 am to 11 am, 11 am to 1 pm and 1 pm to 6 pm. The customers who conduct the transactions in the first window do not have to pay any additional fee whereas for the second and third cases, an additional fee of Rs 2 and Rs 5 are levied respectively over and above the normal processing charge.

Hence, option B is correct.

- 85.** IFSC stands for Indian Financial System Code. It is 11-digit alphanumeric code that identifies the bank branch participating in the NEFT and RTGS fund transfer mechanism. It is used to route the message to the correct bank branch in the electronic fund transfer mechanism. The first four characters indicate the name of the bank in the IFSC code whereas the fifth character is zero and the last six characters represent the concerned branch of the bank.

Hence, option B is correct.

- 86.** IMPS is a fund transfer mechanism between banks through the use of the mobile phone. A Mobile Money Identifier is provided by the banks attached with the registered mobile number. MMID is 7-digit number issued by the bank. The maximum limit of transaction

is Rs 50000 in IMPS in case of encrypted format (from net banking) and Rs 1000 for unencrypted format (through mobile text messages).

Hence, option D is correct.

87. The UPI is a product developed by the NPCI to ensure 24*7 money transfer mechanism for 365 days a year. Through this mechanism, money can be transferred to another bank account instantly. It is similar to the NEFT and RTGS mechanism apart from the fact that it is applicable throughout the year and round the clock.

Hence, option B is correct.

88. The BHIM App is a mechanism through which funds can be transferred with the help of the mobile phone. A user can send upto Rs 40000 in a single day using this application whereas Rs 20000 can be transferred at once using the app. It was launched in December 2016 and can be used at any place anytime. There is no fee charged for such transfer in this application.

Hence, option A is correct.

89. The National Financial Switch (NFS) is the largest network of ATMs in India, developed in 2004. It was developed by the Institute of Development and Research in Banking Technology, Hyderabad. The NFS is handled and administered by the National Payment Corporation of India.

Hence, option C is correct.

90.

| Name of the Report | Published by |
|---|----------------------|
| Global Energy Architecture Performance Index Report | World Economic Forum |
| Inclusive Growth and Development Report | World Economic Forum |
| Global Innovation Index | INSEAD |

Hence, option C is correct.

91. DEAF stands for Depositor Education and Awareness Fund. It was created in 2014 in order to transfer the funds lying for more than 10 years in the inoperative accounts of the banks to the RBI. DEAF committee will have six members headed by a deputy governor of the central bank. The main objective of the fund is to undertake educational and awareness initiatives among the customers.

Hence, option A is correct.

- 92.** The Financial Action Task Force is an inter-governmental organization that was founded in 1989 on the initiative of the G7 countries to combat money laundering. Later the terror financing perspective was also added to its ambit. It has 39 members and is based in Paris, France.

Hence, option B is correct.

- 93.** The NDS-OM is a bond trading platform used by the RBI. Through this system, the participants can take part in bidding anonymously by placing their orders or accepting the orders already placed by the other participants. This is operated by the Clearing Corporation of India Limited on behalf of the RBI.

Hence, option B is correct.

- 94.** The European Investment Bank was established in 1958 as a non-profit organization meant for the purpose of long term lending activities. It is based in Kirchberg, Luxembourg. It was established under the Treaty of Rome and all the EU member states are its members as well. It is the largest international public lending institution of the world.

Hence, option C is correct.

- 95.** NNP refers to the Net National Product. It is calculated by the gross national product minus the loss due to depreciation of the assets. If the Net National Product figure is divided by the total population of the country, we get the per capita income of the country.

Hence, option D is correct.

- 96.** MIBID is the rate of interest in which funds are borrowed by banks from the other banks. It is mainly the average rate of interest at which term deposits are offered between the prime banks in the money market of the country. It is always lower than the Mumbai Interbank Offer Rate. It was launched by the National Stock Exchange in 1998 and is determined by NSE.

Hence, option D is correct.

- 97.** Capital Account of a country records all the international purchases and sale of assets such as money, stocks, bonds etc. It includes all the international capital transfer such as Foreign Direct Investment (FDI), Foreign Institutional Investment (FII), External Commercial Borrowing (ECB), financial assets by migrants leaving or entering the country. The exports and imports of a country are included in the current account of a country.

Hence, option A is correct.

- 98.** The GST E-Way Bill is applicable for any consignment exceeding Rs 50000 and it gives the details of movement of such goods between the states. The consignor or consignee can generate the e-way bill or the transporter can also do so. It is aimed at ensuring compliance with the GST Rules and also to keep track of the movement of goods.

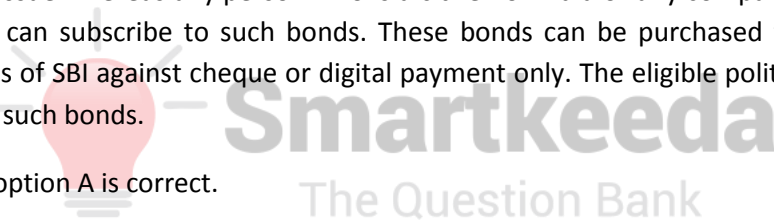
Hence, option A is correct.

- 99.** The coins in India are issued by the Government of India and it has four mints in the country in which such coins are prepared by the Security Printing and Minting Corporation of India Limited (SPMCIL). Such mints are situated in Kolkata, Mumbai, Hyderabad and Noida. Coins are minted as per the provisions of the Coinage Act 1906. The distribution of such coins is undertaken by the Reserve Bank of India.

Hence, option D is correct.

- 100.** Electoral Bonds were introduced in the Union Budget 2017-18 in order to make the funding in elections transparent. These bonds are interest-free instruments that can be issued on a non-refundable basis. Such bonds have the validity of 15 days from the date of such issue whereas any person who is a citizen of India or any company incorporated in India can subscribe to such bonds. These bonds can be purchased from designate branches of SBI against cheque or digital payment only. The eligible political parties can redeem such bonds.

Hence, option A is correct.



Join us on Telegram for more **PDFs**
Click here



Smartkeeda

The Question Bank



SmartKeeda

The Question Bank

प्रस्तुत करते हैं

TestZone

भारत की सबसे किफायती टेस्ट सीरीज़

अभी
जुड़ें

12 Month Plan

2019-20 All Test Series

@ Just

₹ 499/-

300+ फुल लेन्थ टेस्ट

- श्रेष्ठ विश्लेषण
- उत्कृष्ट विषय सामग्री
- बेजोड़ व्याख्या

अभी जुड़ें