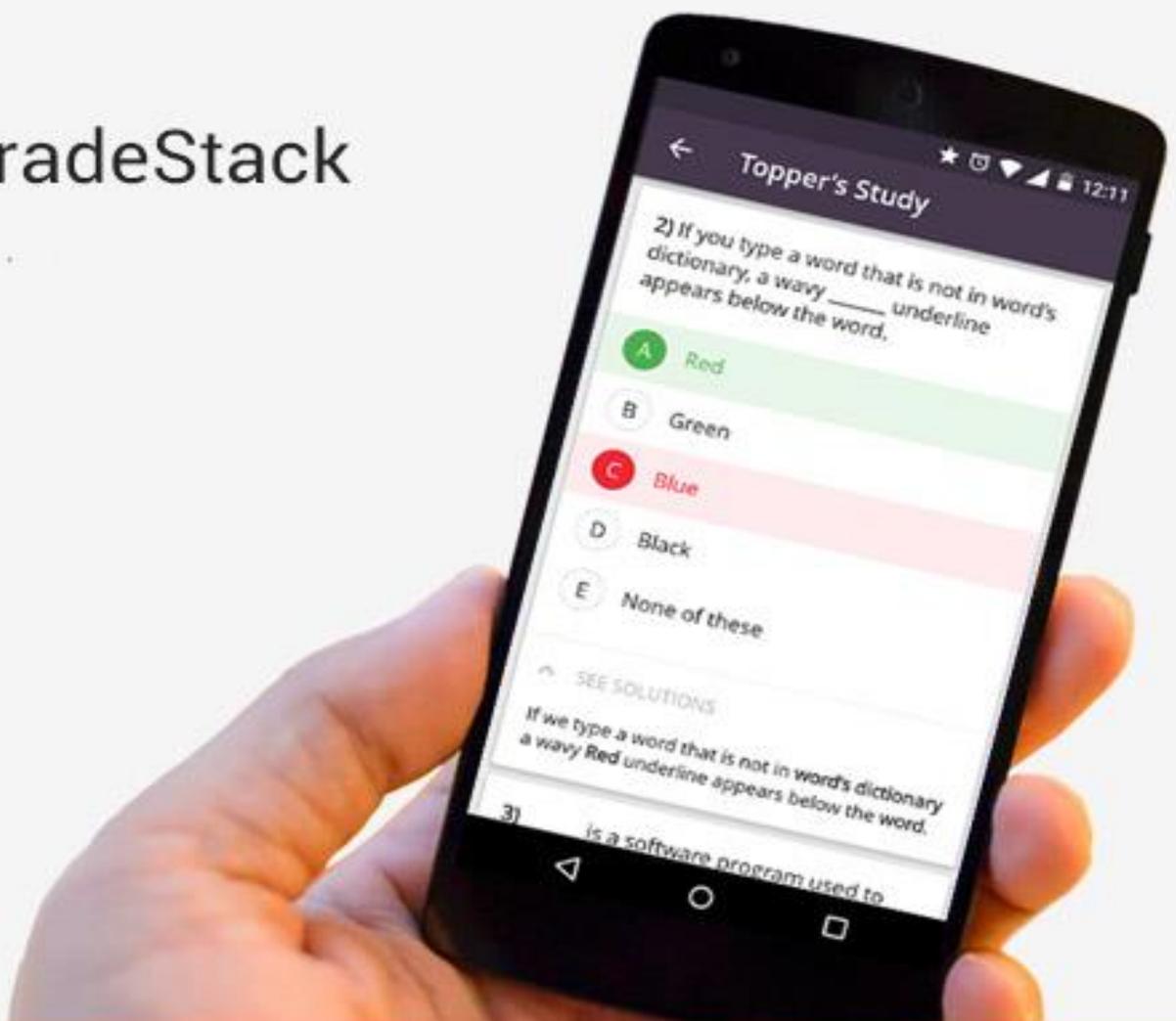


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IMPORTANT & EXPECTED BANKING AWARENESS QUESTIONS

for IBPS PO 2015 Main Exam

By : GradeStack



Banking Awareness Questions Digest

This Banking Awareness Digest consist of important & expected Banking Awareness questions which was asked in previous year Bank exams of SBI PO 2014, SBI Clerk 2014, SBI Associate PO 2014, IBPS PO 2014 and IBPS Clerk 2014 and RBI Assistant 2014.

Also we have covered some important & expected questions from **Banking Awareness Quiz** which was posted on **Gradestack blog**. This Banking Digest is relevant for IBPS PO Mains 2015 Exam and all upcoming Banking exams.

**Presented –
GradeStack Team**

Current Rates:

1.Repo Rate	6.75% (changed)
2.Reverse Repo	5.75% (changed)
3.CRR(Cash Reserve ratio)	4.00% (unchanged)
4.SLR (Statutory Liquidity Ratio)	21.50% (unchanged)
5.MSF (Marginal Standing Facility)	7.75% (changed)
6.Bank Rate	7.75% (changed)

Note: RBI reduced Repo Rate by 50 basis points - On 29th September 2015, the Reserve Bank of India in its fourth bi – monthly statement, reduced the repo rate by 50 basis points rate at **6.75%**. There has been no change in Cash Reserve Ratio (CRR) 4% and Statutory Liquidity Ratio (SLR) 21.5%.

Important & Expected Banking Awareness Qs. from GradeStack Quiz For IBPS PO 2015 Mains Exam

- Which among the following bank has launched the “Smart Vault” first of its kind fully automated digital locker facility in India?
A. SBI B. ICICI
C. HDFC D. AXIS Bank
E. Corporation Bank
Ans (B) India’s largest private sector lender ICICI Bank has launched ‘Smart Vault’ first of its kind fully automated digital locker facility in India. It was launched by Managing Director (MD) and CEO of ICICI Bank, Chanda Kochhar in New Delhi.
- “Buddy” is a mobile app which aims at providing convenient and secure digital payment system to its customers, launched by which among the following banks?
A. SBI B. ICICI
C. HDFC D. Axis Bank
E. BOB
Ans (A) India’s largest banking entity State Bank of India (SBI) launched a Mobile wallet application dubbed as ‘SBI Buddy’.
- First Multi- Currency Contactless Card service launched by ____.
A. HDFC Bank B. Axis Bank
C. ICICI Bank D. SBI
E. Yes Bank
Ans (B) Axis Bank has launched the first Contactless Debit, Credit and Multi-Currency Forex Card in association with VISA payWave in the country.
- Union Government has launched a seven pronged plan called Indradhanush Mission to revamp functioning of ____.
A. Primary Schools in Rural areas
B. To boost Make in India initiative
C. Public Sector Banks (PSBs)
D. Handlooms sector in the country
E. Tourism sector in the country
Ans (C) Union Government has launched a seven pronged plan called Indradhanush Mission to revamp functioning of public sector banks (PSBs). It was launched by Union Finance Minister Arun Jaitley in New Delhi.

5. What is the minimum denomination of Treasury bills to issue in India?
- A. Rs. 20,000 B. Rs. 25,000
C. Rs. 30,000 D. Rs. 50,000
E. None of these

Ans (B) Treasury bills are available for a minimum amount of **Rs.25,000** and in multiples of **Rs. 25,000**.

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.

6. In CRAR, A stands for:
- A. Application B. Accounts
C. Assets D. Annual
E. Alternate

Ans (C) Assets (Capital to Risk Weighted Assets Ratio)

CRAR is the acronym for capital to risk weighted assets ratio, a standard metric to measure balance sheet strength of banks.

7. _____ is the rate at which banks borrow funds overnight from the Reserve Bank of India (RBI) against approved government securities.
- A. CRR B. SLR
C. Call Money D. MSF
E. Repo Rate

Ans (D) Marginal Standing Facility (MSF) is a new scheme announced by the Reserve Bank of India (RBI) in its Monetary Policy (2011-12) and refers to the penal rate at which banks can borrow money from the central bank over and above what is available to them through the LAF window.

8. The availability of cash and other cash-like marketable instruments that are useful in purchases and investments are commonly known as:
- 1) Cash crunch 2) Liquidity
3) Credit 4) Marketability
5) None of these

Ans (2) The availability of cash and other cash-like marketable instruments that are useful in purchases and investments are commonly known as **Liquidity**.

9. Reserve Bank of India (RBI) has decided to issue _____ denomination coins to commemorate International Yoga Day which is being observed every year on 21 June.
- A. 10 rupee B. 1 rupee
C. 100 rupee D. 1000 rupee
E. 5 rupee

Ans (A) Reserve Bank of India (RBI) will soon issue 10 rupee denomination coins to commemorate

International Yoga Day which is being observed every year on 21 June.

10. According to the recommendation of the 14th Finance Commission, the Share of states in the centre's tax revenue is increased from 32% to ____.
- A. 40% B. 42%
C. 45% D. 50%
E. 38%

Ans (B) The Government of India has accepted the recommendation of the **14th Finance Commission** which was headed by **Dr. Y.V. Reddy**. The share of states in the centre's tax revenue is increased **from 32% to 42%**.

11. RBI grants "in-principle" approval to Reliance Industries Limited to set up Payments Banks in the country. To which among the following RIL has partnered with for Payment Bank Licence?
- A. LIC B. SBI
C. Bajaj Capital D. Apollo Munich
E. None of these

Ans (B) Reliance partnered with **SBI** (State Bank of India) for Payment Bank Licence. **RIL** will be the **promoter** and SBI will be the **joint venture partner** with equity investment of up to 30%.

12. National Electronic Funds Transfer (NEFT) is a nationwide payment system facilitating one-to-one funds transfer. What is the limit on the amount that could be transferred using NEFT?
- A. Rs. 2 lakh B. Rs. 5 lakh
C. Rs. 10 lakh D. Rs. 1 lakh
E. No limit

Ans (E) 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**.

13. What is the maximum value to be stored in a prepaid card?
- A. No limit B. Rs. 10,000
C. Rs. 5,000 D. Rs. 50,000
E. Limits depends on the issued by banks and authorised non-bank entities

Ans (D) As per extant instructions, the **maximum value** that can be stored in any **prepaid card** (issued by banks and authorised non-bank entities) at any point of time is **Rs 50,000/-**

14. Reserve Bank of India (RBI) has constituted a committee to prepare a 5 year action plan to spread the reach of financial services across country to unbanked population. The committee will be headed by ____.

- A. Nachiket Mor
- B. KC Chakraborty
- C. Anand Siha
- D. Urjit Patel
- E. Deepak Mohanty

Ans (E) The committee will be headed by **RBI** executive director **Deepak Mohanty**. It will review the existing policy of **financial inclusion**, including customer protection framework and **supportive payment system**.

15. Money lent for one day is called:

- (1) Call money
- (2) Notice money
- (3) Term Money
- (4) All of the above
- (5) None of these

Ans (A) 'Call Money' is the borrowing or lending of funds for 1 day. Where money is borrowed or lend for period between 2 days and 14 days it is known as 'Notice Money'. And 'Term Money' refers to borrowing/lending of funds for period exceeding 14 days.

16. Treasury bills or T-bills, which are money market instruments, are short term debt instruments issued by ____.

- A. Reserve Bank of India
- B. Individual Banks
- C. Government of India
- D. IRDA
- E. Corporate & Financial Institutions

Ans (C) Treasury bills or T-bills, which are money market instruments, issued by the Government of India and are presently issued in three tenors, namely, 91 day, 182 day and 364 day. Treasury bills are zero coupon securities and pay no interest.

17. India's first International Financial Services Centre opened at ____.

- (1) Gujarat
- (2) West Bengal
- (3) Maharashtra
- (4) Rajasthan
- (5) None of these

Ans (A) India's first International Financial Services Centre set up in Gujarat International Finance Tec-City (GIFT).

18. A Reserve Bank of India (RBI) committee has recommended conversion of Urban Cooperative Banks (UCBs) with business size of 20,000 crore rupees or more into regular banks. This recommendation was given by the High Powered Committee on UCBs headed by ____.

- A. Deepak Mohanty
- B. Urjit Patel
- C. MB Shah
- D. R Gandhi
- E. None of these

Ans (D) The High Powered Committee on UCBs headed by RBI Deputy Governor **R Gandhi**.

19. The Public Provident Fund is savings-cum-tax-saving instrument in India, introduced by the National Savings Institute of the Ministry of Finance in 1968. What is the minimum amount to be invested in PPF account?

- A. Rs. 100
- B. Rs. 500
- C. Rs. 1000
- D. Rs. 200
- E. None of these

Ans (B) The minimum investment of Rs. 500 and the maximum amount is Rs. 1.5 lakh per annum. **RATE OF INTEREST - 8.70%**

20. The transitional period for full implementation of Basel III Capital Regulations in India is extended upto?

- (1) March 1, 2018
- (2) March 31, 2019
- (3) April 1, 2018
- (4) April 30, 2018
- (5) None of these

Ans (B) The transitional period for full implementation of Basel III Capital Regulations in India is extended upto **March 31, 2019**, instead of as on **March 31, 2018**.

21. RBI has increased the limit for foreign exchange (FOREX) remittances under Liberalised Remittance Scheme (LRS) from \$125,000 to ____ per person per year.

- A. \$250,000
- B. \$150,000
- C. \$130,000
- D. \$20,000
- E. \$145,000

Ans (A) RBI has increased the limit for foreign exchange (FOREX) remittances under Liberalised Remittance Scheme (LRS) from \$125,000 to \$250,000 (Rs. 1.5 crore) per person per year.

22. According to the guidelines released by RBI, a Payments banks can open small savings accounts and accept deposits of up to ____.

- A. 10 lakh
- B. 5 lakh
- C. 3 lakh
- D. 2 lakh
- E. None of these

Ans (D) According to the guidelines released by RBI, Payments banks can open small savings accounts and accept deposits of up to **Rs.1 lakh per individual customer**.

23. Which bank has launched "Saral-Rural Housing Loan" scheme for weaker sections of society?

- A. Axis Bank
- B. SBI
- C. HDFC
- D. Yes
- E. ICICI

Ans (E) ICICI Bank has launched 'ICICI Bank Saral-Rural Housing Loan' Scheme for weaker sections of society. Housing loan will be provided at the ICICI Bank

Base Rate (known as I-Base) which is currently at 9.70%.

24. What is the minimum capital requirement for New Banks in the Private Sector
- A. Rs. 200 crore B. Rs. 300 crore
C. Rs. 500 crore D. Rs. 600 crore
E. None of these

Ans (C) Minimum capital requirement for New Banks in the Private Sector is Rs. 500 crore.

25. Many times we read a term 'ECB' in financial newspapers. What is the full form of ECB?
- A. Essential Commercial Borrowing
B. Essential Credit and Borrowing
C. External Credit and Business
D. External Commercial Borrowing
E. None of the above

Ans. (D) An external commercial borrowing (ECB) is an instrument used in India to facilitate the access to foreign money by Indian corporations and PSUs (public sector undertakings).

26. Which among the following banks had launched 'Dhanchayat', an educational film to raise awareness on the dangers of borrowing money from unorganised sources?
- 1) Axis 2) ICIC
3) HDFC 4) SBI
5) YES

Ans (3) HDFC Bank Ltd. launched 'Dhanchayat' an educational film to raise awareness on the dangers of borrowing money from unorganised sources. This film has been launched under the aegis of **Swachh Banking**, the Bank's CSR initiative for rural India.

27. Which among the following has launched a Smart Humsafar Plan, a unique plan which offers multiple benefits of savings and insurance cover for husband and wife under a single policy?
- 1) ICICI Prudential 2) SBI Life
3) NIACL 4) LIC
5) HDFC ERGO

Ans (2) Private insurer **SBI Life Insurance** launched **Smart Humsafar**, a unique plan which offers multiple benefits of savings and insurance cover for husband and wife under a single policy.

28. What is the maximum monthly pension for the subscribers under Atal Pension Yojana?
- (1) Rs 2000 (2) Rs 3000
(3) Rs 4000 (4) Rs 5000
(5) None of these

Ans (4) The **Atal Pension Yojana (APY)** is open to all Indians between the **age of 18 and 40**. Under the

scheme, the minimum monthly pension for the subscribers ranging between **Rs 1000 and Rs 5000 per month**.

29. What is the minimum amount to be invested under Sukanya Samriddhi Scheme?
- A. Rs. 500 B. Rs. 1000
C. Rs. 1500 D. No ceiling
E. Rs. 100

Ans (B) **Rs. 1000 is the minimum** and **Rs. 1.5 lakh is the maximum** amount to be invested under **Sukanya Samriddhi Scheme**.

30. Under Pradhan Mantri Jan-Dhan Yojana (PMJDY), the accidental insurance cover of ___ will be provided to all the beneficiaries.
- A. Rs.1.00 lac B. Rs.2.00 lac
C. Rs.3.00 lac D. Rs.30,000
E. Rs.50,000

Ans (A) Under Pradhan Mantri Jan-Dhan Yojana (PMJDY), the accidental insurance cover of **Rs. 1 lakh** will be provided to all the beneficiaries. **Life insurance cover of Rs.30,000**.

31. The Reserve Bank of India advised banks to make the Know Your Customer (KYC) procedures mandatory while opening and operating the accounts. RBI has issued the KYC guidelines under Section 35 (A) of the ___.
- A. Banking Regulation Act, 1949
B. RBI Act, 1934
C. Negotiable Instruments Act, 1881
D. Banking Regulation Act, 1935
E. Both A & B

Ans (A) RBI has issued the **KYC** guidelines under **Section 35 (A) of the Banking Regulation Act, 1949** and contravention of the same will attract the **penalties** under the relevant provisions of the act.

32. At which rate the RBI lends money to a public sector bank on a long term basis?
- A. PLR B. CRR
C. Repo Rate D. Reverse Repo Rate
E. Bank Rate

Ans (E) **Bank rate** is the rate of interest implemented by **RBI** when it lends money to a public sector bank on a **long term basis**, i.e. from a period ranging from **90 days to 1 year**

Note: Repo Rate is the rate at which RBI lends money to **commercial banks** in the event of **any shortfall of funds**. It is the rate of interest which RBI implements on the **short term loans**, i.e., from a period ranging between 2 days to 3 months (90 Days).

33. India's gross domestic product (GDP) grew at what percent in 2014-15. The growth is based on new methodology with 2011-12 as base year.

- A. 5.1 %
- B. 7.3 %
- C. 7.6 %
- D. 6. %
- E. 5.5 %

Ans (B) India's gross domestic product (GDP) grew **7.3 per cent in 2014-15**, slightly less than the advance estimate of 7.4 per cent. The growth is based on a new methodology of calculating GDP, **with 2011-12 as the base year**, against 2004-05 used earlier.

34. What is the full form of PPP?

- A. Purchasing Power Parity
- B. Public Private Parity
- C. Primary Power Parity
- D. Personal Private Power
- E. None of these

Ans (A) **Purchasing power parity (PPP)** is a component of some economic theories and is a technique used to determine the relative value of different currencies.

35. Which of the following is the first North East state to achieve 100 percent success in implementing the Pradhan Mantri Jan Dhan Yojana?

- A. Nagaland
- B. Tripura
- C. Meghalaya
- D. Assam
- E. None of these

Ans: (C) **Meghalaya** became the first state in India to **achieve 100 percent** success in implementing the **Pradhan Mantri Jan Dhan Yojana**.

36. What is the name given to Union Finance Ministry's flagship project which aims at widening the tax base by catching tax evaders using technology?

- (1) Project Insight
- (2) Indradhanush
- (3) Gospel Missions
- (4) Jan jagran
- (5) None of these

Ans (1) **Project Insight** is an ambitious project of the **Union Finance Ministry** to bring into net **black money hoarders and tax evaders** by using optimum technology. It will primarily track the Permanent Account Numbers (PAN) being quoted on financial transactions and tally them with income tax filings

37. What is the Minimum amount of transfer required for RTGS is ____.

- A. Rs. 5 lakh
- B. Rs. 2 lakh
- C. Rs. 1 lakh
- D. No limit
- E. None of these

Ans (B) **Minimum amount** of transfer required for **RTGS (Real Time Gross Settlement)** is **Rs. 2 lakh**. There is **no upper limit**, though. The beneficiary bank

has to credit the beneficiary's account within two hours of receiving the funds transfer message.

38. Who is the sole authority to issue and manage currency in India?

- A. Government of India
- B. Reserve Bank of India
- C. Finance Ministry
- D. State Bank of India
- E. None of these

Ans: (B) In terms of **Section 22 of RBI** is the sole authority for **issue of currency** in India.

39. Which among the following bank has opened its branch in Shanghai, China?

- A. SBI
- B. ICICI
- C. HDFC
- D. AXIS Bank
- E. Corporation Bank

Ans (B) To help Indian and Chinese corporates in cross-border businesses, top private sector lender **ICICI Bank** opened its first branch in **Shanghai, China**, which was inaugurated by **Prime Minister Narendra Modi**.

40. In CRR, C stands for __.

- A. Capital
- B. Currency
- C. Core
- D. Cash
- E. None of these

Ans (D) **Cash reserve Ratio (CRR)** is the **amount of funds** that the banks have to keep with the **RBI**. Current CRR is **4%**.

41. MICR code is used for ____?

- (1) For Electronic Clearance of Cheques
- (2) For Electronic Funds Transfer
- (3) For Code Banking Solution
- (4) For Cheque Truncation Services
- (5) None of these

Ans (A) **Magnetic Ink Character Recognition Code (MICR Code)** is a character-recognition technology used mainly by the banking industry to ease the processing and clearance of cheques and other documents.

42. The Statutory Liquidity Ratio (SLR), the amount of liquid assets such as cash, precious metals and other short-term securities are kept with:

- A. RBI
- B. Individual banks
- C. Finance Ministry
- D. A bank designated by RBI
- E. None of these

Ans (B) **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 cash, gold**, government approved securities before providing credit to the customers.

43. Which country launched world first Facial recognition ATM?
A. China B. Japan
C. US D. Canada
E. Brazil

Ans (A) China has unveiled the **world's first facial recognition ATM**. The new cash machine was developed by Tsinghua University, a research university in Beijing.

44. A cheque is considered a valid cheque if the date entered on the cheque is within ____of the actual date on which it is presented.
A. 6 months B. 3 months
C. 9 months D. 1 months
E. None of these

Ans (B) A cheque is considered a valid cheque if the date entered on the cheque **is within 3 months** of the actual date on which it is presented. For example, a cheque with the date of 10th Jan 2015 will be valid if it is presented to the bank on or before 10th April 2015.

45. As per the Banking Ombudsman Scheme, any person can file a complaint before the Banking Ombudsman, if the satisfied reply is not received from the bank within a period of ____.
A. one month B. three months
C. two months D. six months
E. None

Ans (A) One can file a complaint before the **Banking Ombudsman** if the reply is not received from the bank within a **period of one month after the bank** concerned has received one s representation, or the bank rejects the complaint, or if the complainant is not satisfied with the reply given by the bank.

46. The headquarter of BRICS Bank "The New Development Bank (NDB)" located in ____.
A. Beijing, China B. Shanghai, China
C. New Delhi, India D. New York, US
E. None of these

Ans (B) The New Development Bank (NDB) headquarter located in **Shanghai, China**.

47. Money lent for more than one day but less than 15 days in the money market is known as:
A. Notice Money B. Call Money
C. Term Money D. All of the above
E. None of the above

Ans (A) The period of lending may be for a period of 1 day which is known as call **money** and between 2 days and 14 days which is known as **notice money**. Term **money** refers to borrowing/lending of **funds** for a period exceeding 14 days.

48. National Electronic Funds Transfer (NEFT) is a nationwide payment system facilitating one-to-one funds transfer. What is the limit on the amount that could be transferred using NEFT?
A. Rs. 2 lakh B. Rs. 5 lakh
C. Rs. 10 lakh D. Rs. 1 lakh
E. No limit

Ans (E) 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**.

49. Smart Money' is a term used for -
A. Internet Banking B. FDRs in Banks
C. Credit Card D. Demand Drafts of Banks
E. None of these

Ans (C) SMART Money term used for Credit Card, is an electronic wallet, that allows you to Shop, pay bills, etc.

50. The Indian Financial System Code (IFS Code) is an alphanumeric code that uniquely identifies a bank-branch participating in the two main Electronic Funds Settlement Systems in India. IFSC code consists of how many alphanumeric codes?
A. 12 B. 11
C. 10 D. 9
E. 8

Ans (B) IFSC is an 11- alphanumeric 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) and reserved for future use. Bank IFS Code is used by the NEFT & RTGS systems to route the messages to the destination banks/branches.

51. Which among the following committee constituted on Payment Banks license?
(A) Dr. Nachiket Mor (B) R. Gandhi
(C) Anand Sinha (D) Deepak Mohanty
(E) None of these

Ans (A)Payment Banks applicant applications are analyzed and evaluated by an External Advisory Committee (EAC). The EAC Committee for Payment Banks is chaired by **Dr. Nachiket Mor**, Director, Central Board of the Reserve Bank of India.

52. The Reserve Bank has revised priority sector lending norms to ensure a phased increase in loans to small farmers. As per the new guidelines, credit to small and marginal farmers should be at least how much per cent of a bank's total credit by March 2017?
A. 5 percent B. 6 percent

- C. 7 percent
E. 9 percent
- D. 8 percent

Ans (D) The Reserve Bank has revised priority sector lending norms to ensure a phased increase in loans to small farmers, and also made it clear that smaller foreign banks will have to meet the **40 percent target over the next five years. As per the new guidelines, credit to small and marginal farmers should be at least 8 percent of a bank's total credit by March 2017.**

53. The initial total committed resources of the Contingent Reserve Arrangement (CRA) shall be \$100 billion in BRICS Development Bank. What is the total contribution of South Africa?
- A. \$18 billion
C. \$5 billion
E. None of these
- B. \$10 billion
D. \$41 billion

Ans (C) In BRICS Development Bank, the initial total committed resources of the Contingent Reserve Arrangement (CRA) is **\$100 billion**, with the following individual commitments: **China – \$ 41 billion; Brazil – \$18 billion; Russia – \$18 billion; India – \$18 billion and South Africa – \$5 billion.**

54. With which of the following is SARFAESI Act 2002 related?
- (1) Recovery of bad loans
(2) Regulation of foreign exchange
(3) Fixation of interest rates
(4) Acquisition of small banks
(5) None of these

Ans (1) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (**SARFAESI**) empowers Banks / Financial Institutions to recover their **non-performing assets (bad loans)** without the intervention of the Court.

55. Which among the following bank has tied up with Chinese e-commerce giant Alibaba to provide easier trade finance to small and medium enterprises (SMEs) in the country?
- (1) HDFC Bank
(3) Canara Bank
(5) Axis Bank
- (2) SBI Bank
(4) ICICI Bank

Ans (4) In order to tap into the **booming e-commerce** market in **India, ICICI Bank**, the country's largest private sector lender, has tied up with **Chinese e-commerce giant Alibaba** to provide easier trade finance to small and medium enterprises (SMEs) in the country.

56. Who among the following is the head of the committee constituted on the controversial issue of payment of Minimum Alternate Tax (MAT) by foreign institutional investors?
- (1) Vijay Kelkar
(2) SS Ahluwallia

- (3) RK Narayna
(5) AP Shah
- (4) HD Devraj

Ans (5) The Justice **AP Shah committee** looking into the issue of levying **minimum alternate tax (MAT)** on foreign portfolio investors (FPI).

57. The govt scheme, which gives accidental death-cum-disability cover of Rs two lakh to all the savings bank account holders in the age group of 18 to 70 years for a premium of Rs 12 per annum, is
- 1) Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY)
2) Pradhan Mantri Suraksha Bima Yojana (PMSBY)
3) Janashree Bima Yojana (JBY)
4) Aam Admi Bima Yojana (AABY)
5) None of these

Ans(2) Pradhan Mantri Suraksha Bima Yojana (PMSBY) - Account holders between 18 years (completed) and 70 years (age nearer birthday) who give their consent to join / enable auto-debit, as per the modality, will be enrolled into the scheme. **Premium:** Rs. 12 per annum. **Risk Coverage:** Total coverage (sum-insured) under the scheme is Rs. 2 Lakh.

58. What is the full form of the term NDTL, as used in banking environment?
- (1) Net Demand and Term Liability
(2) Net Demand and Time Liability
(3) Net Demand and Term Liquidity
(4) Net Demand and Time Liquidity
(5) None of the above

Ans (2) NDTL full form is - **Net Demand and Time Liability**

It is a sum of demand and time liabilities (deposits) of banks with public and other banks wherein assets with other banks is subtracted to get net liability of other banks. Deposits of banks are its liability and consist of demand and time deposits of public and other banks.

59. Magnetic Ink Character Recognition (MICR) is a 9 digits code is used mainly by the banking industry to ease the processing and clearance of cheques and other documents. The first three digits represent the ____.
- (1) City
(3) Branch
(5) None of these
- (2) Bank
(4) State

Ans (1) | Magnetic Ink Character Recognition Code (MICR Code) is a character-recognition technology used mainly by the banking industry to ease the processing and clearance of cheques and other documents.

Note: MICR code consists of **9 digits**. First 3 digits **represent the city**, next 3 digits **represent the bank** and the last 3 digits **represent the branch**.

60. The implementation of Goods and Services Tax (GST) is expected by
- A. April 2016
 - B. January 2016
 - C. April 2017
 - D. March 2016
 - E. January 2017

Answer (A) | Implementation of Goods and Services Tax is expected by **April 2016**.

61. Global Rating Agency Fitch has downgraded Viability Rating (VR) by one notch to 'bb' of which among the following banks?
- A. Bank of Baroda
 - B. State Bank of India
 - C. Punjab National Bank
 - D. Canara Bank
 - E. IDBI Bank

Answer (C) **Fitch** on 2 September 2015, downgraded **Punjab National Bank's (PNB's)** viability rating — a parameter to measure creditworthiness — by a notch to **'bb'**.

62. Union Cabinet approved how much per cent FDI in white label ATMs through automatic route?
- A. 100 percent
 - B. 74 percent
 - C. 51 percent
 - D. 49 percent
 - E. 25 percent

Answer (A) The Union Cabinet on 9 September 2015 approved **100 percent Foreign Direct Investment (FDI)** in **white label Automated Teller Machines (WLAs)**.

63. Central Statistical Office (CSO) released the estimates of Gross Domestic Product (GDP) for the April-June quarter of 2015. As per the estimates, India grew by how much per cent during the first quarter of the 2015-16 financial year?
- A. 7.5 percent
 - B. 7 percent
 - C. 8 percent
 - D. 7.6 percent
 - E. 8. Percent

Answer (B) **Central Statistical Office (CSO)** on 31 August 2015 released the estimates of Gross Domestic Product (GDP) for the April-June quarter of 2015. As per the estimates, **India grew by 7 percent** during the first quarter of the 2015-16 financial year.

64. Which of the following countries decided to end the local currency by September 2015?
- A. Ethiopia
 - B. Kenya
 - C. Sudan
 - D. Zimbabwe
 - E. Senegal

Answer (D) **Zimbabwe** has decided to end the local currency (**Zimbabwean Dollar**) by September 2015.

This is due to the fact that the **Zimbabwean dollar** has become almost worthless.

65. What is the name of the platform launched by State Bank of India (SBI) that enables customers to book their foreign exchange transactions online?
- A. SBI eforex
 - B. SBI emoney
 - C. SBI eonline
 - D. SBI eshare
 - E. SBI ebuddy

Answer (A) **State Bank of India** launched "**SBI eforex**", an internet-based platform that enables customers to book their foreign exchange transactions online.

66. India has become the second largest player in the China-led Asian infrastructure and Investment Bank (AIIB). What is India's stake in the bank's shares in AIIB?
- A. 7.5%
 - B. 8.52%
 - C. 20.06%
 - D. 30.34%
 - E. 5.2%

Answer (B) Bank share - China has received a **30.34 percent** stake in the bank's shares; India and Russia have **8.52** and **7.5 percent** respectively. **Voting share** - India has become the second largest player in the China-led Asian infrastructure and Investment Bank (AIIB), with a **7.5 percent** voting share, while China and Russia gained **20.06 percent** and **5.2% respectively**.

67. A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over a period of ___ years.
- A. One
 - B. Two
 - C. Three
 - D. Four
 - E. Five

Answer (B) **Dormant means inactive** and inoperative means which is not being operated i.e. no transactions have been undertaken recently. In terms of RBI guidelines "A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over **a period of two years**".

68. Reserve Bank of India (RBI) signed a Memorandum of Understanding (MoU) with which country central bank on Supervisory Cooperation and Exchange of Supervisory Information?
- A. Nepal Rastra Bank (NRB)
 - B. Central Bank of Sri Lanka
 - C. Reserve Bank of Australia
 - D. Bangladesh Bank
 - E. Royal Monetary Authority of Bhutan

Answer (A) Reserve Bank of India (RBI) on signed a Memorandum of Understanding (MoU) with the **Nepal Rastra Bank (NRB)** on Supervisory Cooperation and Exchange of Supervisory Information.

69. According to the World Bank Report, which among the following states has topped in ease of doing business in India?

- A. Maharashtra
- B. Gujarat
- C. Andhra Pradesh
- D. Madhya Pradesh
- E. Tamil Nadu

Answer (B) Gujarat has been placed to **top** position in **World Bank's first ever ranking** of States on the **ease of doing business in India**. All States were assessed over a six-month period from January to June 2015 on the basis of percentage scores in a 98-point reforms agenda. **Top 5 States:** Gujarat (71.14%), Andhra Pradesh (70.12%), Jharkhand (63.09%), Chhattisgarh (62.45%) and Madhya Pradesh (62.00%).

70. In CDR, "R" stands for ____.

- A. Ratio
- B. Receipt
- C. Regulation
- D. Restructuring
- E. Reserve

Answer (D) **Corporate Debt Restructuring ("CDR")** mechanism is a voluntary non statutory mechanism under which financial institutions and banks come together to restructure the debt of companies facing financial difficulties due to internal or external factors, in order to provide timely support to such companies.

71. A measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports is known as ____.

- A. Current Account Deficit
- B. Revenue Deficit
- C. Fiscal Deficit
- D. Capital Account
- E. Balance of Payments

Answer (A) **Current Account Deficit** - A measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports.

72. The Bank for International Settlements (BIS) is the world's oldest international financial organization established on 17 May 1930. The mission of the BIS is to serve central banks in their pursuit of monetary and financial stability, to foster international cooperation in those areas and to act as a bank for central banks. The head office of BIS is located in ____.

- A. Hong Kong
- B. Switzerland
- C. China
- D. Mexico
- E. Australia

Answer (B) The Bank for International Settlements (BIS) is the world's oldest international financial

organization established on 17 May 1930. The head office is in **Basel, Switzerland**.

73. What is the minimum amount required to open a Fixed Deposit (FD)?

- A. Rs. 100
- B. Rs. 500
- C. Rs. 1000
- D. Rs. 5000
- E. No limit

Answer (C) A **fixed deposit (FD)** is also known as Term Deposit 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. The minimum deposit amount required for the FD account is **Rs 1,000**. There is no fixed **multiple or upper limit**. FD can be opened for a **minimum period of 7 days** up to **maximum period of 10 years**.

74. What is the maximum deposit amount insured by the Deposit Insurance and Credit Guarantee Corporation (DICGC)?

- A. Rs. 10 lakh
- B. Rs. 5 lakh
- C. Rs. 1 lakh
- D. Rs. 50,000
- E. None

Answer (C) **Deposit Insurance and Credit Guarantee Corporation (DICGC)** is a subsidiary of **Reserve Bank of India**. 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

75. If one is not satisfied with the decision passed by the Banking Ombudsman, one can approach the appellate authority to ____.

- A. Concern Bank Branch Manager
- B. Deputy Governor of the RBI
- C. General Manager of Concern Bank
- D. Finance Secretary
- E. General Manager of RBI

Answer (B) If one is not satisfied with the decision passed by the Banking Ombudsman, one can approach the appellate authority who is the **Deputy Governor of the RBI**.

76. The Reserve Bank of India recently paid how much amount of dividend to the government, which is considered to be the highest ever dividend paid from the central bank in its 80-year history, and 22% more than it paid last year?

- A. Rs. 33,010 crore
- B. Rs 66,000 crore
- C. Rs. 25,020 crore
- D. Rs. 55,000 crore
- E. None of these

Answer (B) **The Reserve Bank of India** paid a dividend of nearly **Rs 66,000 crore** to the government, the highest ever from the central bank in its 80-year history, and 22% more than it paid last year. On a point

to point basis, RBI's dividend payment to the government is up more **than four times** in as many years.

77. The revised Financial Sector Legislative Reforms Commission (FSLRC) report which was released by the Finance Ministry proposes to subsume a number of existing sector specific financial regulators (SEBI, IRDA, PFRDA, FMC) into a Unified Financial Authority (UFA). FSLRC is headed by ____.
- A. BN Srikrishna B. B. Sudershan Reddy
C. A.K. Mathur D. A.K. Ganguly
E. B.S. Chauhan

Answer (A) Financial Sector Legislative Reforms Commission (FSLRC) was set up by the Indian Government in pursuance of the announcement made in Union Budget 2010-11, to help rewriting and harmonizing the financial sector legislation, rules and regulations so as to address the contemporaneous requirements of the sector. The Commission is chaired by **Supreme Court Justice (Retired) B. N. Srikrishna**, and had ten members with expertise in the fields of finance, economics, law and other relevant fields

78. National Investment and Infrastructure Fund (NIIF) is a fund created by the Government of India for enhancing infrastructure financing in the country. To be operational by the year end, the headquarter of NIIF will be located in ____.
- A. Mumbai B. New Delhi
C. Bengaluru D. Chennai
E. Kolkata

Answer (A) NIIF, proposed to be set up as a Trust, would raise debt to invest in the equity of infrastructure finance companies such as Indian **Rail Finance Corporation (IRFC) and National Housing Bank (NHB)**. The idea is that these infrastructure finance companies can then leverage this extra equity, manifold. In that sense, NIIF is a banker of the banker of the banker.

79. The committee on Urban Cooperative Bank (UCB) which is headed by R. Gandhi (Deputy Governor of RBI) has recommended that UCBs with business size more than ____ be allowed to convert into universal commercial banks.
- A. Rs. 20,000 cr B. Rs. 25, 000 cr
C. Rs. 50,000 cr D. Rs. 10,000 cr
E. Rs. 5,000 cr

Answer (A) To overhaul and strengthen the **urban cooperative bank** (UCB) structure, an internal committee of the Reserve Bank of India (RBI) chaired by **deputy governor R Gandhi** has recommended that

UCBs with business size more than **Rs 20,000 crore** be allowed to convert into **universal commercial banks** while those with a lower size be converted to **small finance banks**.

80. The Global Investor Meet 2015 held in ____.
- A. New Delhi B. Mumbai
C. Bengaluru D. Chennai
E. Ahmedabad

Answer (D) The Global Investors Meet (GIM 2015) was on 10 September 2015 held in **Tamil Nadu** to woo investors to invest in the state. The GIM 2015 was officially inaugurated by Tamil Nadu Chief Minister **J Jayalalithaa** at the **Chennai** Trade Centre.

81. Special drawing rights (SDRs) are international foreign exchange reserve assets issued by-
- A. World Bank B.WTO
C. ADB D. IMF
E. None of these

Answer (D) The Special Drawing Right (SDR) is an international reserve asset, created by the **International Monetary Fund (IMF)** in 1969 to supplement the existing official reserves of member countries.

82. In Deposits Account "KYC" (Know Your Customer) has been implemented in 2002 as per directive of -
- A. IBA B. RBI
C. Ministry of Finance D. SEBI
E. IRDAA

Answer (B) KYC means "**Know Your Customer**". It is a process by which banks obtain information about the identity and address of the customers. KYC has been implemented in 2002 as per directive of **Reserve Bank of India**.

83. Which of the following indexes used as the key measure of inflation in India?
- A. Wholesale Price Index
B. Consumer Price Index
C. Sensex and Nifty
D. Interest rate offered by banks on deposits
E. None of these

Answer (B) The Central Bank of India (RBI) had adopted the new **Consumer Price Index (CPI)** as the key measure of inflation. Earlier, RBI had given more weightage to **Wholesale Price Index (WPI)** than CPI as the key measure of inflation for all policy purposes.

84. A major Public Sector Bank has decreased the interest rates on loans by 25 basis points – was news in some major financial newspaper recently. This means bank has decreased interest rate by 25 basis points of ___.

- A. Saving Bank Interest Rate
- B. Base Lending Rate
- C. Repo Rate
- D. Present Rate on Deposits
- E. Discounted Rates of Interest

Answer (B) RBI has reduced the policy rate by 75 basis points since the beginning of this calendar year while most banks have reduced **base lending rates** by just 25 basis points.

85. What is the rank of India in the World Bank's 'Ease of Doing Business 2015' report?

- A. 134
- B. 141
- C. 142
- D. 135
- E. 145

Answer (C) India is ranked **142** among **189** nations in the **World Bank's 'Ease of Doing Business 2015' report**.

86. Which among the following was the venue for the Asian Banker Summit 2015?

- A. Hong Kong
- B. Shanghai
- C. New Delhi
- D. Dhaka
- E. None of these

Answer (A) The 16th Asian Banker Summit was held in Hong Kong. The Asian Banker Summit, is the region's largest annual meeting of global thought leaders and senior industry practitioners, it is the foremost forum for engaging on global themes bringing together global thought leaders and industry specialists.

87. Who among the following names as the first President of New Development Bank of BRICS nations?

- A. Arun Poorie
- B. Deepak Parekh
- C. KV Kamath
- D. Indra Nooyi
- E. Ravi Khanna

Answer (C) **K. V. Kamath** appointed as the first head of the **new development bank the BRICS** group.

88. According to the Moody's Investors Service, India ranks among the top five sovereign debt issuers from the emerging economies as of end-2014. What is the rank of India in the list?

- A. First
- B. Second
- C. Third
- D. Fourth
- E. Fifth

Answer (B) India ranks among the **top five sovereign** debt issuers from the emerging economies after China, said Moody's Investors Service. "**The top five largest sovereign EM** (emerging market) debt issuers, **as of end-2014, were**

- 1. China (with \$3.5 trillion total sovereign debt outstanding),
- 2. India (\$1.3 trillion),
- 3. Brazil (\$1.2 trillion),
- 4. Mexico (\$387.5 billion) and
- 5. Turkey (\$265.5 billion),".

89. Recently, global financial services firm Morgan Stanley has revised the India FY16 growth outlook to ___ from 7.9%

- A. 7.6%
- B. 7.5%
- C. 7.3%
- D. 7.1%
- E. 6.5%

Answer (B) Morgan Stanley revises FY16 growth outlook to **7.5% from 7.9%**.

90. As far as commitments to invest in India, United Arab Emirates (UAE) has promised to invest how much billion dollar in Infrastructure Investment Fund?

- A. \$35-billion
- B. \$41 billion
- C. \$20 billion
- D. \$50 billion
- E. \$75-billion

Answer (E) As far as commitments to invest in India, in the past year, the US has committed **\$41 billion**, **Japan has laid out a \$35-billion** plan, **China \$20 billion**, and now the **biggest of all, \$75 billion**, has been promised by the **United Arab Emirates (UAE)** as its investment target for India.

91. The government and the Reserve Bank have reached a consensus on the structure for the proposed MPC and Public Debt Management Agency (PDMA), on deciding on interest rate on advice of technical advisory committee. What is the expand form of MPC?

- A. Monetary Policy Control
- B. Management Public Committee
- C. Monetary Policy Committee
- D. Market Policy Company
- E. None of these

Answer (C) The government and the Reserve Bank have reached a consensus on the structure for the proposed **Monetary Policy Committee** and Public Debt Management Agency.

92. The SARFAESI Act 2002 empowers Banks / Financial Institutions to recover their non-performing assets (bad loans) without the intervention of the Court. In "SARFAESI" second "S" stands for ___.

- A. Securitisation
- B. Security
- C. Statutory
- D. Share
- E. Saving

Answer (B) In "SARFAESI" second "S" stands for – **Security**. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (**SARFAESI**) empowers Banks / Financial

Institutions to recover their **non-performing assets (bad loans)** without the intervention of the Court.

93. The Reserve Bank of India (RBI) doubled the limit for cash withdrawal at points of sale (PoS) in tier III to VI cities to___.

- A. Rs. 1000
- B. Rs. 2000
- C. Rs. 4000
- D. Rs. 6000
- E. Rs. 10,000

Answer (B) The Reserve Bank of India (RBI) doubled the limit for cash withdrawal at points of sale (PoS) in tier **III to VI cities from Rs1,000 to Rs2,000 per day**. The facility will be available for debit cards and open system pre-paid cards issued by banks. The limit remains **unchanged at Rs1,000 per day for tier I and II cities**.

94. The mobile banking app “LIME” has been launched by which of the following banks?

- A. SBI
- B. HDFC
- C. ICICI
- D. PNB
- E. AXIS

Answer (E) The mobile banking app “LIME” has been launched by **Axis Bank**. The app will allow customers in both account and non-account holders to compare and shop, split bills, transfer money and even share their mobile banking wallets. This app can also be used to pool money to buy gifts or for group travel by friends.

95. Many a times we read in the newspapers that RBI has changed or revised a particular ratio/rate by a few basis points. What is basis point?

- A. Ten per cent of one hundredth point
- B. One hundredth of 1%
- C. One hundredth of 10%
- D. Ten per cent of 1000
- E. None of these

Ans (B) Basis points - One hundredth of one percentage point (used chiefly in expressing differences of interest rates).

96. India's first fast reactor fuel reprocessing plant to be built at which state?

- A. Andhra Pradesh
- B. Gujarat
- C. Tamil Nadu
- D. Chennai
- E. Rajasthan

Answer (C) The foundation for India's first fast reactor fuel reprocessing plant to be built at a cost of Rs 9,600 crore is expected to be laid in two months' time at **Kalpakkam in Tamil Nadu**.

97. The 8th edition of Global Innovation Index (GII) 2015 was released jointly by Cornell University, INSEAD and the World Intellectual Property Organization (WIPO). What is the rank of India in the index?

- A. 64
- B. 76
- C. 81
- D. 95
- E. 101

Answer (C) India's ranking has slipped **further to 81** in the list, **compared to 76 in 2014**, but it remained at the top of the regional ranking of Central and Southern Asia. **Switzerland**, the United Kingdom, Sweden, the Netherlands and the United States of America are the world's five most innovative nations.

98. Recently, G-20 group has launched the “Women-20 (W20)” group to empower women. The first Women-20 (W20)”summit 2015 will be held in ___.

- A. Istanbul
- B. Ankara
- C. Indonesia
- D. Beijing
- E. Tokyo

Answer (A) To promote global gender-inclusive economic growth, the Group of Twenty (G20) launched Women-20 (W20) group. The first W20 summit 2015 will held on October 7-8, 2015 **at Istanbul, Turkey**. **Ms. Gulden Turkhan** from Turkey has been **appointed** as the **first President of W20 forum**.

99. Reserve Bank of India (RBI) declared State Bank of India (SBI) and ICICI Bank as D – SIBs. What is the expand form as D – SIBs?

- A. Domestic Security Internal Banks
- B. Domestic Systemically Initial Banks
- C. Domestic Systemically Important Banks
- D. Demand Systemically Individual Banks
- E. Deposit Systemically Interest Banks

Answer (C) The Reserve Bank of India (RBI) declared State Bank of India (SBI) and ICICI Bank as Domestic Systemically Important Banks (D- SIBs).

100. National Institution for Transforming India (NITI) Aayog has launched the open source web based tool by which name?

- A. IESS 2050
- B. IESS 2047
- C. IESS 2036
- D. IESS 2022
- E. IESS 2019

Answer (B) The second version of an open source web based tool, India Energy Security Scenarios 2047 calculator (IESS 2047) has been launched by the National Institution for Transforming India (NITI) Aayog.

101. According to the Socio Economic and Caste Census (SECC) which among the following states in India has highest per cent of Urban BPL households?

- A. Bihar
- B. Uttar Pradesh
- C. Manipur
- D. Jharkhand
- E. Sikkim

Ans (C) The highest fraction of Urban Poors are in **Manipur** (54.95% of its total population), Mizoram (52.35% of its total population and Bihar (49.82 per cent). On the other hand, least proportion of Urban poor in India are in Goa (16%) and UTs of D&NH and Delhi (8% each of their population).

102. Union Government has decided to set up a Bank Board Bureau (BBB) to monitor key performance indicators of two dozen public sector banks (PSBs). BBB will start functioning from ___.

- A. 31 December 2015
- B. 1st January 2016
- C. 31st March 2016
- D. 1st April 2016
- E. 1st June 2016

Ans (D) Bank Board Bureau (BBB) will start the functioning from next financial year i.e. from 1st **April 2016**.

103. Which among the following banks has launched country's first MUDRA (Micro Units Development and Refinance Agency) card under the Pradhan Mantri MUDRA Yojana (PMMY)?

- A. SBI
- B. PNB
- C. Canara Bank
- D. Corporation Bank
- E. Bank of Baroda

Ans (D) Corporation Bank launched country's first MUDRA (Micro Units Development and Refinance Agency) card under the Pradhan Mantri MUDRA Yojana (PMMY) in Mangalore, Karnataka.

104. India and United States have signed Inter Governmental Agreement to implement the FATCA. This agreement will promote transparency on tax matters. Expand the term FATCA.

- A. Financial Account Tax Compliance Act
- B. Foreign Account Trade Company Act
- C. Foreign Account Tax Compliance Act
- D. Fiscal Account Tax Compliance Act
- E. None of these

Ans (C) India and United States have signed Inter Governmental Agreement to implement the Foreign Account Tax Compliance Act (FATCA). This agreement will promote transparency on tax matters.

105. Which among the following statements are correct/s in the context with Payment Banks?

- A. The minimum paid-up capital requirement for payments banks is Rs. 100 crore
- B. Payment banks will offer both deposits as well as loan products.
- C. Payments banks will have to invest in government securities with a maturity of up to 1 year
- D. Payments banks can open small savings accounts and accept deposits of up to Rs.1 lakh per individual customer.

- (1) A, C, D
- (2) B, C, D
- (3) A, B, C
- (4) A, B, D
- (5) All are true

Ans (1) A, C, D The main objective of payment banks is **to increase financial inclusion in the country** via a primary focus on domestic payments services by providing small savings accounts.

Note: Payments banks will be used only for transaction and **deposits purposes**. Unlike **Small banks**, payments banks cannot **offer loan products to the customers**.

106. Union Government has launched Indradhanush Mission to revamp functioning of public sector banks (PSBs). How many pronged plan has been classified in Indradhanush Mission?

- A. Six
- B. Five
- C. Seven
- D. Four
- E. Eight

Ans (C) Union Government has launched a **seven** pronged plan called **Indradhanush Mission** to revamp functioning of public sector banks (PSBs). It was launched by Union Finance Minister **Arun Jaitley** in New Delhi.

The seven shades of Indradhanush mission include **(i)** appointments, **(ii)** Bank Board Bureau (BBB), **(iii)** capitalisation **(iv)** de-stressing PSBs, **(v)** empowerment, **(vi)** framework of accountability and **(vii)** governance reforms.

107. Recently, Asian Development lowered India's Growth Forecast for 2016 from 7.8% to ____.

- A. 7.6%
- B. 7.5%
- C. 7.4%
- D. 7.3%
- E. None of these

Answer (C) Asian Development Bank (ADB) had lowered India's gross domestic (GDP) growth projections for the fiscal year (FY) 2016 to **7.4 percent from 7.8 percent** projected in its March 2015 Outlook. For FY2015, Indian economy growth is forecasted at

7.8 percent which is lower than the earlier **forecast of 8.2 percent.**

108. The Employees Provident Fund Organisation (EPFO) increased the life insurance cover of its subscribers from 3.6 lakh to ____.

- A. 6 lakh
- B. 5 lakh
- C. 5.5 lakh
- D. 4 lakh
- E. None of these

Answer (A) The Employees Provident Fund Organisation (EPFO) on 16 September 2015 increased the life insurance cover of its **subscribers from 3.6 lakh to 6 lakh rupees.** About 40 million contributing members of the EPFO will be benefitted from the decision taken at the 208th CBT meeting in Hyderabad.

109. What is the full form of CVV?

- A. Credit Verification Value
- B. Currency Verification Variable
- C. Customer Verification Value
- D. Card Verification Value
- E. None of these

Answer (D) Full form of CVV is - "**Card Verification Value**" on your credit card or debit card is a 3 digit number on VISA, MasterCard etc.

110. The selling of life assurance and other insurance products and services by banking institution is known as ____.

- A. Insurance cover
- B. Bancassurance
- C. Protection cover
- D. Assurance cover
- E. None of these

Answer (B) The selling of life assurance and other insurance products and services by banking institution is known as Bancassurance.

111. In what denominations Commercial Paper (CP) can be issued?

- A. Rs. 1 lakh
- B. Rs. 2 lakh
- C. Rs. 5 lakh
- D. Rs. 10 lakh
- E. None of these

Answer (C) Commercial Paper (CP) can be issued in denominations **of Rs.5 lakh or multiples thereof.** Commercial Paper (CP) is an unsecured money market instrument issued in the form of a promissory note.

112. What is the loan limit for education under priority sector for studies abroad?

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

Answer (C) Loans to individuals for educational purposes including vocational courses **upto Rs.10 lakh for studies in India and Rs. 20 lakh for studies abroad** are included under priority sector.

113. What is the time limit for an asset or loan to be declared as Non-Performing Asset?

- A. 30 days
- B. 60 days
- C. 90 days
- D. 120 days
- E. 150 days

Answer (C) A Non-performing asset (NPA) is defined as a credit facility in respect of which the interest and/or installment of Bond finance principal has remained 'past due' for a specified period of time. Once the borrower has failed to make interest or principle payments **for 90 days the loan** is considered to be a **non-performing asset**

114. Reserve Bank will issue ____bank notes with 3 additional features to aid the visually impaired in identification.

- A. Rs 500 and Rs 1,000
- B. Rs. 100 and Rs. 500
- C. Rs. 50 and Rs. 100
- D. Rs. 10 and Rs. 100
- E. None of these

Answer (A) Reserve Bank will issue **Rs 500 and Rs 1,000** bank notes with 3 additional features to aid the visually impaired in identification. The central bank said the new **Rs 1,000 and Rs 500** denomination bank notes will have numerals in both the **numbering panels in ascending size from left to right**, while the first three alpha-numeric characters will remain constant in size.

Further, Rs 500 denomination bank notes will have five angular **bleed lines in three sets of 2-1-2 lines** on the obverse in both, the upper left and the right hand edge of the bank note. **While, Rs 1,000 bank notes** will have **six angular bleed lines in four sets of 1-2-2-1 lines** on the obverse in both, the upper left and right hand edge of the bank notes.

115. Recently, India has purchased Boeing's Apache and Chinook helicopters in a deal of worth around \$2.5 billion from which country?

- A. Russia
- B. France
- C. US
- D. UK
- E. None of these

Answer (C) India has purchased Boeing's Apache and Chinook helicopters in a deal of worth around \$2.5 billion from United States.

116. Foreign exchange Reserves in India are kept in the custody of ____.

- A. Govt. of India
- B. Finance Ministry
- C. Reserve Bank of India
- D. Overseas Ministry
- E. SEBI

Answer (C) **Foreign exchange Reserves** in India are kept in the custody of **Reserve Bank of India.**

117. Who is heading the committee to evaluate applications received for the proposed small finance banks that was constituted by the RBI in 2014?

- (A) Usha Thorat (B) Shyamala Gopinath
(C) Deepak Parekh (D) Bimal Jalan
(E) None of these

Ans: (A) Usha Thorat is the head of the committee to evaluate applications received for the proposed small finance banks in India.

118. Simply click a card launched by SBI special for ____.

- A. Cash Transfer B. Online Shopping
C. Pay Utility Bills D. For Home Loans
E. None of these

Answer (B) Simply click a card launched by SBI special for **Online Shopping**.

119. A receipt listed in India and traded in rupees declaring ownership of shares of a foreign company:

- A. Indian Depository Receipt (IDR)
B. Commercial Paper
C. Promissory Note
D. Indian Depository Revenue
E. None of these

Answer (A) A receipt listed in India and traded in rupees declaring ownership of shares of a foreign company is known as Indian Depository Receipt (IDR)

120. Recently, RBI declared which of the following as Domestic Systemically Important Banks (D-SIBs)?

- A. SBI & HDFC B. SBI & ICICI
C. ICICI & HDFC D. SBI & BOB
E. SBI & PNB

Ans (B) The Reserve Bank of India (RBI) recently, designated **State Bank of India (SBI) and ICICI Bank Ltd**, the country's two largest lenders, as **Domestic Systemically Important Banks (D-SIBs)**. The banks have been named Domestic Systemically Important Banks (D-SIBs), with SBI falling in **bucket three** while ICICI Bank is in **bucket one**.

Important Banking Awareness Questions From Previous year Bank Exams

1. MICR code consists of how many digits?

Ans: 9 digits.

(First three digits denotes city, next three digits representing the bank and the last three digits representing the bank branch)

2. What is the minimum limit in RTGS system?

Ans: 2 lakhs (there is no upper limit in RTGS)

3. What is full form of CTS?

Ans: Cheque Truncation System

4. Under which service, customers may access their bank account and perform basic transactions from any of the member branch offices.

Ans: Core Banking Solution (CBS)

5. Exchange of cash flow in different currency is known as:

Ans: Currency Swap

6. Assets or loans which stop performing after 90 days is known as:

Ans: Non Performing Asset (NPA)

7. Who controls the Monetary Policy in India?

Ans: RBI (Reserve Bank of India)

8. Which card is issued by NPCI (National Payments Corporation of India)?

Ans: RuPay Card

9. Definition of Current Account deficit:

Ans: A measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports.

10. Full form IFSC –

Ans: Indian Financial System Code

11. Commercial paper can be issued for a maximum period of:

Ans: 365 days or 1 year.

12. The Mutual funds in India follow accounting standards laid by:

Ans: SEBI (Securities and Exchange Board of India)

13. Minimum amount for Certificate of Deposit has been fixed at:

Ans: Rs. 1 Lakh

14. AML is a term mainly used in the financial and legal industries. Expand the term AML:

Ans: Anti Money Laundering

15. PIN is a number allocated to an individual and used to validate electronic transactions. Expand PIN:

Ans: Personal Identification Number

16. What is Repo rate?

Ans: It is the rate at which RBI lends money to the commercial banks.

17. What is Stale Cheque?

Ans: A cheque which is presented to a bank after 3 months from date of issue is considered as stale cheque and will often not be honored for cash or deposit at a bank.

18. What is Bancassurance?

Ans: The selling of life assurance and other insurance products and services by banking institutions.

19. The objective of KYC guidelines is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. What is the full form of KYC?

Ans: Know Your Customer (KYC)

20. Know Your Customer (KYC) guidelines are issued under:

Ans: Section 35A of **the Banking Regulation Act, 1949**

21. In BSBDA (Basic Savings Bank Deposit Account) the credits in a financial year does not exceed rupees:

Ans: Rs. 1 lakh

22. In BSBDA (Basic Savings Bank Deposit Account) the balance at any point of time does not exceed rupees:

Ans: Rs. 50,000

23. In BSBDA (Basic Savings Bank Deposit Account) the withdrawals and transfers in a month does not exceed rupees:

Ans: Rs. 10,000

24. At which rate RBI give loans to commercial banks?

Ans: Repo rate

25. Full form of CASA:

Ans: Current Account Saving Account

26. In what denominations Commercial Paper (CP) can be issued?

Ans: Rs. 5 lakh

27. What is the minimum denomination of Treasury bills to issue in India?

Ans: Rs. 25,000

28. Who cannot issue Certificate of Deposit (CD)?

Ans: Regional Rural Banks (RRBs) and Local Area Banks (LABs)

29. Expand ASBA:

Ans: Application Supported by Blocked Amount

30. Depositor Education and Awareness Fund (DEAF) is maintained with:

Ans: RBI

31. Cash Reserve Ratio (CRR) is the amount of funds that the banks have to keep with:

Ans: Central Bank (RBI)

32. What is the maximum amount per transaction NEFT limit for cash-based remittances to Nepal?

Ans: Rs. 50,000

33. What does CAR stands for?

Ans: Capital Adequacy Ratio

34. IFSC code consists of ___ alpha numeric code.

Ans: 11 digits

(The IFSC is an 11 digit alpha numeric code, with the first four digits identifying the bank, fifth is numeric (kept 0) and the last six digits represent the bank branch.)

35. When money is lent or borrowed for one day or on overnight basis it is known as:

Ans: Call Money

36. When money is lent or borrowed for between 2 days and 14 days it is known as:

Ans: Notice money

37. When money is lent or borrowed for a period of more than 14 days, it is known as:

Ans: Term money

38. Treasury Bills and Certificate of Deposit are considered as the ___ instruments.

Ans: negotiable money market

39. Commercial Paper (CP) is an unsecured money market instrument issued in the form of a ____.

Ans: Promissory note.

40. What is the upper limit in Public Provident Fund (PPF)?

Ans: Rs. 1.5 lakhs

41. As per RBI guidelines, with effect from April 1, 2012, the validity period of Cheques, Demand Drafts, Pay Orders and Banker's Cheques is ____.

Ans: 3 months

42. What is the time limit for an asset or loan to be declared as Non-Performing Asset?

Ans: 90 days

43. Deposit Insurance and Credit Guarantee Corporation (DICGC) does not cover:

Ans: Primary co-operative societies

44. RBI measure to liquidate the market:

Ans: Repo rate.

45. Full form of EFT:

Ans: Electronic Fund Transfer

46. Fastest mode of transaction:

Ans: RTGS

47. Alphanumeric code on cheque is known as:

Ans: Indian Financial System Code (IFSC)

48. Bank pays interest on savings account?

Ans: Daily Basis

49. What is the loan limit for education under priority sector for studies abroad?

Ans: Rs. 20 lakh

(Loans to individuals for educational purposes including vocational courses upto Rs.10 lakh for studies in India and Rs. 20 lakh for studies abroad are included under priority sector.)

50. RuPay Card is an Indian version of credit/debit card is launched by which organization:

Ans: NPCI (National Payments Corporation of India)

51. Fixed Deposit (FD) Account may be opened for a minimum period of:

Ans: 7 days

52. What is the minimum amount required to open a Fixed Deposit (FD)?

Ans: Rs.1000

53. The Banks has converted all 'no - frills' accounts' into:

Ans: Basic Savings Bank Deposit Accounts

54. 'Pradhan Mantri Jan Dhan Yojana' is a Scheme for:

Ans: Financial inclusion

55. How much overdraft facility to be provided in 'Pradhan Mantri Jan Dhan Yojana' scheme?

Ans: Rs. 5,000

56. In CBS, C stands for:

Ans: Core

57. In CRAR, A stands for:

Ans: Assets (Capital to Risk Weighted Assets Ratio)

58. IMPS - Immediate Payment Service is an interbank electronic instant mobile money transfer service through mobile phones in India, the facility is provided by:

Ans: NPCI (National Payment Corporation of India)

59. The Central Bank of India has adopted new measure of inflation:

Ans: Consumer Price Index (CPI)

60. When a cheque is torn into two or more pieces and presented for payment, such a cheque is called:

Ans: mutilated cheque

61. How much fee charged to file a complaint under Banking Ombudsman?

Ans: Banking Ombudsman does not charge any fee

62. Who is the appellate authority in Banking Ombudsman?

Ans Deputy Governor of RBI

63. If any customer is not satisfied by the decision of Banking Ombudsman, customer can appeal against the award before the appellate authority within how many days from the date of receipt?

Ans 30 days

64. ATMs or Cash Dispensing machine which are owned and operated by Non-Banking Financial Companies are called:

Ans: White Label ATMs.

65. RBI gave in-principle for Banking license to:

Ans: IDFC and Bandhan

66. Minimum capital requirement for new banks in private sector is:

Ans: Rs. 500 crore

67. A Non-Banking Financial Company (NBFC) is a company registered under the:

Ans: Companies Act, 1956

68. Minimum capital requirement for Non-Banking Financial Company (NBFC) is:

Ans: Rs. 500 crore

69. The NBFCs are allowed to accept/renew public deposits for a minimum period of:

Ans: 12 months (and maximum period of 60 months)

70. A NBFCs cannot offer interest rates higher than the ceiling rate prescribed by RBI? What is the present ceiling?

Ans: 12.5 per cent per annum

71. Minimum capital requirement for Foreign banks that want to set up operations in India is:

Ans: Rs. 500 crore

72. What is the minimum paid-up capital requirement of both small banks and payments banks in India?

Ans: Rs. 100 crore

73. RBI extended the timeline for full implementation of Basel III norms till:

Ans: 31 March 2019

74. SLR ((Statutory Liquidity Ratio)is the amount a commercial banks needs to maintain in the form of _____before providing credit to its customers.

Ans: cash, or gold, or govt. approved securities (Bonds)

75. _____ is the rate at which banks borrow funds overnight from the Reserve Bank of India (RBI) against approved government securities.

Ans: Marginal Standing Facility (MSF)

76. Who issues Treasury bills (T-bills) in India?

Ans: Government of India

77. Treasury bills are available for a minimum amount of:

Ans: Rs. 25,000

78. Minimum & Maximum Limit of NEFT:

Ans: no limit

79. Full form of CASA –

Ans: Current Account Saving Account

80. Govt. to implement GST (Goods & Services Tax) new indirect tax regime from:
Ans: 1st April 2016
81. RBI extends deadline for exchanging pre-2005 currency from June 30, 2015 to
Ans: December 31, 2015
82. How much amount RBI allows in 'Tap and pay' transactions without PIN?
Ans: Rs. 2000
83. RBI lifted a ban on carrying Indian bank notes of Rs 1,000 and Rs. 500 denominations to and from:
Ans: Nepal and Bhutan
84. C stands for in "KYC":
Ans: Customer
85. Pension scheme for unorganized sector:
Ans: Swavalamban
86. Full form of REIT:
Ans: Real State Investment Trust
87. Forward Market Commission merge with:
Ans: SEBI
88. Purpose of starting Minor account for 10 years children:
Ans: Financial inclusion
89. Full form of CVV:
Ans: Card Verification Value
90. Bank of International Settlement headquarter:
Ans: Switzerland
91. Who appoints Banking Ombudsman officer?
Ans: RBI
92. IFRS full form:
Ans: International Financial Reporting Standards.
93. Corporate Social Responsibility committee headed is by
Ans: Anil Bajjal
94. Which is the Regulatory body for RRBs?
Ans: NABARD
95. RBI policy related to money laundering?
Ans: Know Your Customer
96. Mutual funds regulated by:
Ans: SEBI (Securities and Exchange Board of India)
97. What is the full form of MTSS?
Ans: Money Transfer Service scheme
98. How much amount of money can RBI lend to a bank?
Ans: 2% of NDTL
99. What RBI does to Increase its Monetary Base?
Ans: OMO Open Market Operations
100. Which rate does RBI Reduces to Increase liquidity in market?
Ans: Repo Rate
101. After completion of 15 years, Public Provident Fund (PPF) can be extended up to how many years?
Ans: 5 years
102. Short term Money lending process is known as:
Ans: Call Money
103. Treasury bill tenure:
Ans: 91 days, 182 days, 364 days
104. Minimum limit for medium scale enterprises is Rs. 5 Cr. what is maximum limit?
Ans: 10 Cr.
105. Prime Lending Rate is replaced by:
Ans: Base rate
106. Banks cannot grant Loan below which rate:
Ans: Base Rate
107. If RBI reduces CRR, what happens:
Ans: Credit Supply increases, loans get cheaper.
108. Name the scheme to include every people under banking system:
Ans: Financial Inclusion
109. Special Drawing Right (SDR) is a monetary unit of:
Ans: IMF
110. Cheque which is not crossed is called:
Ans: Open cheque
111. Teaser rates are related to which type of loans:
Ans: Home loans
112. What is Teaser loan?
Ans: If a bank offers a slightly lower rate in the initial years and higher rate in later years, it is called a teaser loan.
113. The RBI policy rate which is purely an indicative rate used by RBI to signal long – term outlook on interest rates is:
Ans: Bank rate
114. The term 'pre – shipment' finance relates to:
Ans: export credit
115. A receipt listed in India and traded in rupees declaring ownership of shares of a foreign company:
Ans: Indian Depository Receipt (IDR)
116. With effect from July 2012, for calculating of lending rates, the RBI has advised banks to switch over to the:
Ans: Base Rate systems
117. Mobile banking fund transfer limit in a day:
Ans: Rs. 50,000
118. The seed capital of Bhartiya Mahila Bank is:
Ans: Rs.1000 crore
119. "Lender of the Last Resort" by Banks is known as:
Ans: RBI
120. "Fixed deposit" is also referred to as:
Ans: Term Deposit

121. The holidays for the banks are declared as per:

Ans: Negotiable Instruments Act

122. In banking business, when the borrowers avail a term Loan, initially they are given a repayment holiday and this is referred as:

Ans: Moratorium

123. Regulator of Micro, Small and Medium enterprises in India:

Ans: SIDBI (Small Industries Development Bank of India)

124. A worldwide financial messaging network which exchanges between banks and financial institutions is known as:

Ans: Structured Financial Messaging System (SFMS)

125. The term "Smart Money" refers to:

Ans: Credits Card

126. The maximum deposit amount insured by DICGC?

Ans: Rs. 1 lakh per depositors across all banks

127. With reference to a cheque which is the 'drawee bank'?

Ans: The bank upon which the cheque is drawn

128. 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?

Ans: RTGS

129. Bad advances of a Bank are called:

Ans: Non - performing Asset

130. By increasing repo rate, the economy may observe the following effects:

Ans: rate of interest on loans and advances will be costlier

131. Increased interest rates, as is existing in the economy at present will:

Ans: mean higher cost of raw materials

132. The sole authority to issue and manage currency in India:

Ans: RBI

133. In India, one- rupee coins are issued by:

Ans: Govt. of India

134. Fixed deposits and recurring deposits are:

Ans: repayable after an agreed period

135. When a bank returns a cheque unpaid, it is called:

Ans: dishonour of the cheque

136. What is 'Demat Accounts'?

Ans: Accounts in which shares of various companies are traded in electronic form

137. When the rate of inflation increases:

Ans: purchasing power of money decreases

138. Banks in India are regulated under:

Ans: Banking Regulation Act, 1949

139. Banking sector falls under which of the following sectors?

Ans: Service Sector

140. ASBA scheme is related to the purchase of:

Ans: IPO

141. In a bank, which of the following are the usual types of accounts?

Ans: Current accounts, Savings bank accounts and Term deposit accounts

142. The most powerful tool used by the Reserve Bank of India to control inflation is to:

Ans: raise interest rates

143. NEFT and RTGS in banking terminology speak of:

Ans: electronic fund transfer from bank to bank

144. The ownership of public sector banks rests:

Ans: jointly with the Government of India and the shareholders from the public

145. If a cheque is postdated, the bank on which it is drawn:

Ans: will not honour the cheque before the date of the cheque

146. Regulator of Capital Market in India:

Ans: SEBI

147. First Indian Bank to introduce credit card:

Ans: Central Bank of India

148. RBI nationalized in:

Ans: January 1, 1949

149. Loans of very small amounts given to low income groups is called:

Ans: Micro Credit

150. RBI established in:

As: April 1, 1935

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