

Banking & Finance -I (MCQ)

Q1. Some years back, Reverse Mortgage Scheme was begun by some organizations for help of which of the following class of the societies?

- a. Senior Citizens
- b. Young and un-employed
- c. BPL family
- d. Army retired persons

Q2. What is said to be hard currency?

- a. Such money, which is paid in exchange of the loan
- b. Such money, which is not available easily
- c. Such money, which is in the shape of gold
- d. Such money, which is easily available.

Q3. By which of the following institutions, supply of currency is controlled in India

- a. Finance Ministry
- b. Nationalised bank
- c. RBI
- d. Finance Commission

Q4. Which of the following steps is helpful to control the inflation?

- a. Reduction in SLR
- b. Reduction in Bank Rate
- c. Increase in CRR
- d. All of these

Q5. Which of the following organizations is established mainly to promote Micro, Small and Medium industrial sector in India?

- a. NABARD
- b. SIDBI
- c. IDBI
- d. EXIM

Q6. MIBOR stands for

- a. Mobile International banking Operation Rate
- b. Mumbai Inter Bank Offered Rate
- c. Merchant Inter Bank Offered Rate
- d. Merchandise Inclusion Bank Opportunity Rate

Q7. IFS Code is a ... digit number

- a. 12
- b. 9

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- c. 11
- d. 4

Q8. Which of the following is a credit rating agency works in India

- a. CRISIL
- b. CARE
- c. ICRA
- d. All of these

Q9. CTS stands for

- a. Cheque Transfer System
- b. Cheque Truncation System
- c. Currency Transfer System
- d. Credit Transformation System

Q10. A loan bearing low rate of interest is known as

- a. Hard Loan
- b. High Loan
- c. Marginal Loan
- d. Soft Loan

Qn->	1	2	3	4	5	6	7	8	9	10
Ans->	A	B	C	C	B	B	C	D	B	D

Q11. Which of the following bank is a housing finance regulator?

- a. NABARD
- b. SIDBI
- c. NHB
- d. RBI

Q12. Which committee is related to NPA?

- a. Khanna Committee
- b. L K Jha Committee
- c. Mahalanobis Committee
- d. C Rao Committee

Q13. MSF is being introduced with effect from

- a. 30.04.2011
- b. 09.05.2011
- c. 25.03.2011
- d. 01.09.2011

Q14. In SARFAESI Act 2002, R stands for

- a. Reconstruction
- b. Random

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- c. Reflation
- d. Re-Asset

Q15. SEBI is a

- a. Statutory Body
- b. Advisory Body
- c. Constitutional Body
- d. Non-Statutory Body

Q16. Bank Rate means the rate of interest

- a. Paid by banks to depositors
- b. Charged by banks from borrowers
- c. Charged on interbank loans
- d. Charged by RBI on loans given to commercial banks

Q17 Which among the following is the core method of stabilizing the markets under market stabilization scheme (MSS)

- a. Issuing T-bills and / or dated securities
- b. Purchasing T-bills and / or dated securities
- c. Conducting Open Market Operations
- d. All of these

Q18 Define GAAR

- a. GAAR is a set of rules aimed at curbing aggressive tax planning
- b. GAAR is a set of rules aimed at curbing money laundering by Indians to foreign countries
- c. GAAR is a set of rules aimed at regulating investments by Indians in foreign countries
- d. GAAR is a set of rules aimed at regulating investments by foreigners in India

Q19 Expand CRIS

- a. Comparative Rating Index for Sovereigns
- b. Cumulative Rating Index for Sates
- c. Comparative Rating Index for Sates
- d. Comparative Rating Index for Societies

Q20 Expand FCRA 2010

- a. Foreign Companies Regulation Act-2010
- b. Fiscal Control and Regulation Act-2010
- c. Foreign Commercial Representation Act-2010
- d. Foreign Contribution Regulation Act-2010

Qn->	11	12	13	14	15	16	17	18	19	20
Ans->	C	A	B	A	A	D	A	A	A	D

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Q21 Which among the following cannot be called as an anti-inflationary measure

- a. Raising the Bank Rate
- b. Raising the Reserves Ratio requirements
- c. Purchase of securities in the market
- d. Rationing of the credit

Q22. What is the validity period of equitable mortgage?

- a. 15 years
- b. 11 years
- c. 12 years
- d. 10 years

Q23. In How many cities RBI has started plastic money project?

- a. 5 cities
- b. 7 cities
- c. 4 cities
- d. 6 cities

Q24. FCNR stands for

- a. Foreign Currency Non Resident
- b. Foreign Credit National Resident
- c. Free Cross Nation Resource
- d. Forum Crisis National Resource

Q25. The minimum balance in the savings account is prescribed by

- a. IBA
- b. RBI
- c. Banks themselves
- d. BIS

Q26. Which of the following is a manager of foreign exchange reserves?

- a. SEBI
- b. IRDA
- c. RBI
- d. BSE

Q27. Which among the following is an indirect instrument used by RBI to regulate the availability, cost and use of money and credit?

- a. CRR
- b. Refinance facilities
- c. SLR

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d. Liquidity Adjustment Facility

Q28. Which statement(s) is / are not correct about promissory note?

- a. The money has to be paid to the certain person
- b. It has an unconditional undertaking called promise
- c. It is a promise to pay money
- d. All of the above

Q29. What is the main objective of KYC?

- a. To provide better customer services
- b. To make fast transaction of high value
- c. To control on money margin
- d. To bring more and more persons under the purview of Income Tax

Q30. What is the meaning of the term “Power of Attorney”?

- a. The power of authority given to any person
- b. The power of withdrawing the money from anybody’s bank account
- c. A written document, authorising anybody to do the work on behalf of the other person
- d. All of these

Qn->	21	22	23	24	25	26	27	28	29	30
Ans->	C	C	A	A	C	C	D	D	D	C

Q31. Which of the following is true about NEFT

- a. NEFT operates in hourly batches from 8:00 hours to 15:00 hours
- b. In week days there are 12 batches and in Saturdays there are 6 batches
- c. There is no restriction on minimum and maximum amount that can be remitted through NEFT
- d. All of the above

Q32. What is the full form of “CORE” in core banking solutions?

- a. Customer Online Rupee Exchange
- b. Customer Online Real –time Environment
- c. Centralized Online Rupee Exchange
- d. Centralized Online Real-time Environment

Q33. Foreign Currency which has a tendency of quick migration is called

- a. Flat currency
- b. Soft currency
- c. Hot Currency
- d. Liquid Currency

Q34. The last date for BASEL-III compliance is

- a. March 31,2013
- b. March 31,2018

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- c. March 31,2019
- d. March 31, 2017

Q35. Under which act local area banks can be established by private promoters?

- a. Companies Act-1956
- b. Bank Act-1956
- c. RBI Act-1934
- d. None of these

Q36. Devaluation of currency means

- a. Reduction in the value of the currency vis-a-vis major internationally traded currencies
- b. Permitting the currency to seek its worth in the international market
- c. Fixing the value of the currency in conjunction with the movement in the value of pre-determined currency
- d. Fixing the value of currency in multilateral consultation with the IMF, the World Bank and major trading partners

Q37. "ASBA" is a term used in which of the following sectors?

- a. Aviation
- b. Real estate
- c. Insurance
- d. Capital markets

Q38. RBI sometimes devaluates its currency primarily to promote

- a. Import and reduce export
- b. Export and reduce import
- c. Both import and export
- d. Outflow of foreign exchange

Q39. Which of the following deals in export insurance?

- a. ECGC
- b. SEBI
- c. SIDBI
- d. RBI

Q40. Guarantee to an importer that the importer of his goods will pay immediately for the goods ordered by him, is known as:

- a. Letter of Credit
- b. Laissez faire
- c. Inflation
- d. Deflation

Qn->	31	32	33	34	35	36	37	38	39	40
Ans->	D	D	C	C	A	A	D	B	A	A

Q41. Which rate is also known as key policy rate?

- a. Reverse repo rate
- b. Bank Rate

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- c. CRR
- d. SLR

Q42. CRAR stands for

- a. Capital to Risk(Weighted) Assets Ratio
- b. Credit Risk Account Ratio
- c. Commercial Risk (Weighted) Assets Ratio
- d. Cross Research And Recession

Q43. Which of the following is known as highest or Apex body of cooperative banks

- a. State Cooperative Banks
- b. Primary Credit Societies
- c. Central Cooperative Banks
- d. Local Cooperative Banks

Q44. SIDBI provides refinance facilities under ARS. What is the full form of ARS?

- a. Automatic Refinance Scheme
- b. Allocation and Refinance Solutions
- c. Automatic Refinance Solutions
- d. Allocation and Refinance Scheme

Q45. Index “Residex” is associated with

- a. Share prices
- b. Mutual Fund prices
- c. Price Inflation Index
- d. Real Estate Prices

Q46. SIDBI has been operating under SWS. What is the full form of SWS?

- a. Small Welfare Scheme
- b. Single Window Scheme
- c. Small Window Service
- d. Single Window Service

Q47. Blue revolution is related to

- a. Space research
- b. Fisheries
- c. Drinking water
- d. Sky

Q48. Bank grant short term financial assistance in modes which includes

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- a. Cash Credit
- b. Overdraft
- c. Discounting of bills
- d. All of these

Q49. The money available at exceptionally high rate of interest is called

- a. Cheap Money
- b. Dear Money
- c. Near Money
- d. Token Money

Q50. The formation of first mortgage Guarantee Company in India was announced by which of the following Banks

- a. SBI
- b. NHB
- c. NABARD
- d. RBI

Answer Key: General Banking -II (MCQ)

1	2	3	4	5	6	7	8	9	10
A	B	C	C	B	B	C	D	B	D
11	12	13	14	15	16	17	18	19	20
C	A	B	A	A	D	A	A	A	D
21	22	23	24	25	26	27	28	29	30
C	C	A	A	C	C	D	D	D	C
31	32	33	34	35	36	37	38	39	40
D	D	C	C	A	A	D	B	A	A
41	42	43	44	45	46	47	48	49	50
B	A	A	A	D	D	B	D	B	B