

**Banking & Finance –III (MCQ)**

**Q1. As per RBI guidelines, investment in which among the following is the most risk free asset of a bank?**

- a. Home Loans
- b. Loan against jewelry
- c. Government approved securities
- d. Venture capital investment

**Q2. ... is not a financial regulator.**

- a. IRDA
- b. SEBI
- c. PFRDA
- d. AMFI

**Q3. The Bank of Calcutta, Bank of Bombay and Bank of Madras were merged in 1921 to form**

- a. RBI
- b. Imperial Bank of India
- c. Bank of India
- d. Union Bank of India

**Q4. In which year RBI has devalued twice the Indian rupee?**

- a. 1971
- b. 1981
- c. 1991
- d. 2001

**Q5. Six factors examined under CAMELS does not include:**

- a. Asset Quality
- b. Sensitivity to market risk
- c. Earnings
- d. Capital Adequacy Ratio

**Q6. Foreign Exchange reserve of India are maintained with**

- a. World Bank
- b. Asian Development Bank
- c. IMF
- d. RBI

**Q7. RBI issues currency note against which reserve system**

- a. Cash Reserve Ratio
- b. Minimum Reserve System
- c. Minimum Capital Requirement
- d. Capital Adequacy Ratio

**Banking & Finance –III (MCQ)**

**Q8. MCLR stands for**

- a. Marginal Cost based Lending Rate
- b. Marginal Cost of funds based Lending Rate
- c. Minimal Cost based Lending Rate
- d. None of these

**Q9. The minimum amount can be remitted through RTGS is...**

- a. Rs.1 lakh
- b. Rs.2 lakh
- c. Rs.5 lakh
- d. There is no provision of such minimum amount

**Q10. Which of the following is true about RTGS**

- a. The RTGS time window for customer transaction opens at 8:00 hours and closes at 16:30 hours
- b. The RTGS time window for intra bank transaction opens at 8:00 hours and closes at 19:45 hours
- c. EoD at 20:00 hours
- d. All of the above

Qn->	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>Ans-&gt;</b>	c	d	b	c	b	d	b	b	b	d

**Q11. An account which remains in NPA category for a period of more than ... months will be classified as doubtful asset**

- a. 18
- b. 12
- c. 24
- d. 6

**Q12. Which of the following is true for Pradhanmantri Fasal Bima Yojana (PMFBY)**

- a. Insurance Premium for the crop will be uniform throughout the country
- b. Insurance premium for Kharif crop is 2%, Rabi-1.5% and commercial and horticulture -5%
- c. Village as unit of insurance
- d. All of the above

**Q13. Which of the following is true about Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY)**

- a. It is a government backed life insurance scheme in India
- b. It is available for the people between the age group of 18-50 and having a Bank account
- c. In case of death due to any cause payment to the nominee is Rs.2 lakh

## Banking & Finance –III (MCQ)

d. All of the above

**Q14. Which of the following is true about Pradhan Mantri Surakshya Bima Yojana (PMSBY)**

- a. It is a government backed accident insurance scheme in India
- b. It is available for the people between the age group of 18-70 and having a Bank account
- c. In case of accidental death/ full disability the nominee will get Rs.2 lakh, in case of partial permanent disability the nominee will get Rs.1 lakh
- d. All of the above

**Q15. Which of the following is true about Atal Pension Yojana (APY)**

- a. It is a government backed pension scheme in India, targeted at the unorganized sector
- b. It is available for the people between the age group of 18-40 and having a Bank account
- c. The age of exit and start of pension will be 60 years
- d. All of the above

**Q16. Which of the following is true about Prime Minister Jan Dhan Yojana (PMJDY)**

- a. PMJDY is a national mission for financial inclusion to ensure access to financial services
- b. Life insurance coverage of Account holders to the extent Rs.30,000
- c. Those who have opened PMJDY account before 26.01.2015 are eligible for Rs.1.00 lakh accidental insurance benefit over and above life insurance benefit of Rs.30,000
- d. All of the above

**Q17. Which of the following is true about Pradhan Mantri Mudra Yojana (PMMY)**

- a. Mudra Bank is a new institution set up by Govt for development and refinancing activities relating to micro units
- b. Under this scheme Sishu loan up to Rs.50000, Kishore loan ranging from Rs.50000 to Rs.5 lakh and Tarun loan above Rs.5 lakh and below Rs.10 lakh can be availed
- c. These loans can be availed from the Bank without any collateral
- d. All of the above

**Q18. To be eligible for Differential Rate of Interest (DRI) advance, the income of the borrower in Rural area should not exceed ... per year.**

- a. Rs.18,000
- b. Rs.24,000
- c. Rs.50,000
- d. Rs1,20,000

**Banking & Finance –III (MCQ)**

**Q19. Maximum loan under DRI scheme per borrower for any economic activity is Rs...**

- a. 15,000
- b. 30,000
- c. 50,000
- d. 1,00,000

**Q20. Under DRI scheme handicapped person can get loan up to Rs... for purchase of physical aids**

- a. Rs.5,000
- b. Rs.15,000
- c. Rs.20,000
- d. Rs.10,000

Qn->	11	12	13	14	15	16	17	18	19	20
Ans->	b	d	d	d	d	d	d	d	a	a

**Q21. The following cannot be a loanee under DRI scheme**

- a. Women homes
- b. Orphanages
- c. Institution of handicapped person
- d. None of the above

**Q22. Which of the following is true about DRI scheme**

- a. Applicable Interest rate is 4% pa simple, Nil margin & no collateral
- b. Maximum Repayment period is 5 years along with maximum moratorium period of 2 years
- c. Insurance in securities is waived in all cases
- d. All of the above

**Q23. Under the Prime Minister's Employment Generation Programme (PMEGP) the maximum project cost per manufacturing and service activities eligible for subsidies is ... and ... respectively.**

- a. Rs.5 lakh and Rs.2 lakh
- b. Rs.25 lakh and Rs.5 lakh
- c. Rs.15 lakh and Rs.5 lakh
- d. Rs.25 lakh and Rs.10 lakh

**Q24. In PMEGP the margin requirement for general and special category of borrowers is ... and ... respectively of project cost**

- a. 15% and 10%
- b. 5% and 0%
- c. 10% and 5%
- d. 20% and 10%

**Banking & Finance –III (MCQ)**

**Q25. Under PMEGP the minimum qualification required for undertaking a project with project cost up to Rs.10 lakh in manufacturing sector and up to Rs.5 lakh in service sector**

- a. Class 10 pass
- b. Class 8 pass
- c. Class 9 pass
- d. No stipulation as to minimum qualification

**Q26. Under PMEGP the applicant should have the maximum annual income of**

- a. Rs.1 lakh
- b. Rs.1.5 lakh
- c. Rs,45,000
- d. No upper limit

**Q27. Under PMEGP the following activities cannot be financed**

- a. Trucks & Buses
- b. Grocery shop
- c. Horticulture
- d. All of the above

**Q28. The selection of the borrower under PMEGP is made by a task force headed by the**

- a. Lead Bank officer
- b. GM DIC
- c. District Collector
- d. GM KVIC

**Q29. The subsidy received under PMEGP scheme is to be credited to the following account**

- a. Subsidy Reserve Fund Account
- b. Loan account
- c. Non bearing term deposit account
- d. PMEGP Subsidy account

**Q30. Under PMEGP no collateral security can be taken in case of**

- a. Loan amount up to Rs.10 lakh
- b. Loan amount up to Rs.5 lakh
- c. Project cost up to Rs.1 lakh
- d. Project cost up to Rs.10 lakh

Qn->	21	22	23	24	25	26	27	28	29	30
Ans->	d	d	d	c	d	d	d	c	c	a

## Banking & Finance –III (MCQ)

**Q31. Which of the following is true about National Rural Livelihood Mission (NRLM)**

- a. NRLM which is also called **Aajeevika** came into effect from 01.04.2013, which aims at financial inclusion and poverty reduction in rural area
- b. It has replaced the earlier scheme named SGSY
- c. It provides assistance by way of revolving fund of Rs.10000 to Rs.15000 per SHG
- d. All of the above

**Q32. In NRLM the SHG will have the following characteristics**

- a. All women SHGs
- b. Affinity based SHGs
- c. Maximum number of members 20
- d. All of this

**Q33. In NRLM interest subsidy will be provided maximum to the extent of**

- a. Rate of interest charged by the bank less than 7%
- b. Maximum 5.50%
- c. 1 or 2 whichever is lower
- d. 1 or 2 whichever is higher

**Q34. In NRLM “Panchasutra” involves the following**

- a. Regular meeting, regular saving
- b. Regular internal lending, Regular recoveries
- c. Maintenance of proper books of account
- d. All of this

**Q35. In NRLM internal subsidy will be available where the loan amount to an SHG does not exceed ...**

- a. Rs.5 lakh
- b. Rs.2 lakh
- c. Rs.3 lakh
- d. None of above

**Q36. In NRLM the second dose of finance will not exceed ... and the proposed saving during the next 12 months subject to a minimum of Rs.1 lakh**

- a. 5 to 10 times of existing corpus
- b. 10 to 15 times of existing corpus
- c. 5 times of existing corpus
- d. 10 times of existing corpus

**Q37. In NRLM no collateral security and no margin will be charged up to a loan amount of**

- a. Rs.3 lakh

**Banking & Finance –III (MCQ)**

- b. Rs.5 lakh
- c. Rs.10 lakh
- d. None of the above

**Q38. Which of the following are the benefits of currency chest?**

- a. To avoid frequent movement of cash
- b. To provide exchange facility from one denomination to another
- c. To meet currency requirement of public
- d. All of these

**Q39. Many a times, we read in newspaper that banks in India partially implement narrow banking. The feature of narrow banking includes:**

- a. Low risk jurisdictions
- b. Lower interest rates paid to depositor
- c. High risk jurisdictions
- d. None of these

**Q40. Which of the following schemes is related exclusively to financial inclusion?**

- a. Aam Admi Bima Yojana
- b. Swablamban
- c. Swabhiman
- d. National Social Assistance Programme

<b>Qn-&gt;</b>	<b>31</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>39</b>	<b>40</b>
<b>Ans-&gt;</b>	d	d	c	d	d	a	c	d	a	c

**Q41. The following statement is true in case of NPA classification**

- a. NPA classification is done borrower wise and not facility wise
- b. NPA is upgraded to PA once the overdue interest and installment are realized
- c. In case of rehabilitation loan the additional finance will be classified as performing for a period of 1 year from its disbursement
- d. 1, 2 & 3

**Q42. In case of consortium advance account the asset classification has to be done on the basis of record of recovery with the ...**

- a. Bank concern
- b. Leader Bank
- c. Majority of Banks
- d. 1 or 2

**Banking & Finance –III (MCQ)**

**Q43. In accounts where there is erosion of security value and the realizable value is less than 10% of the outstanding, the account will be classified as**

- a. Standard
- b. Doubtful
- c. Loss
- d. No such guidelines as NPA classification depends on recovery record only

**Q44. Advances accounts backed fully by the following security will not be treated as NPA**

- a. Gold ornaments
- b. Government securities
- c. NSC/ KVP
- d. Shares of PSU

**Q45. An agricultural advance for long duration crop will be treated as NPA if the interest or installment remains overdue for**

- a. 2 crop seasons
- b. 1 crop season
- c. 1 year
- d. 18 months

**Q46. In case of account guaranteed by Govt. the NPA will be treated as standard till the**

- a. Guarantee is invoked
- b. The Govt. repudiates its liability against the guarantee
- c. Becomes a loss asset due to complete erosion of security
- d. A/C is not more than 12 years

**Q47. In case of doubtful asset, which has remained doubtful for more than 3 years the provision to be made against the secured portion is ... of secured amount**

- a. 20%
- b. 30%
- c. 50%
- d. 100%

**Q48. As per prudential norm the NPA are classified into ... categories**

- a. 4
- b. 3
- c. 5
- d. 2

**Q49. Bank is required to make provision for country risk where its net funded exposure for the country is ... % or more of its total assets**



**Banking & Finance –III (MCQ)**

- a. 5
- b. 2
- c. 1
- d. 2.5

**Q50. An account will be classified as substandard if it remains NPA for a period not exceeding ... months**

- a. 18
- b. 12
- c. 24
- d. 6

**Answer Keys**

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