

Banking & Finance-II (MCQ)

Q1. RBI has introduced Banking Ombudsman Scheme in ... to redress the grievance of Banking Customer

- a. 1990
- b. 1992
- c. 1993
- d. 1995

Q2. In India the auditing is compulsory for which of the following entities

- a. Joint Stock Companies
- b. Banking Company
- c. Cooperative Societies
- d. All of these

Q3. Which of the following Acts regulates the Foreign Contribution in India

- a. The Indian Contract Act
- b. Foreign Regulation Act
- c. Foreign Contribution & Regulation Act
- d. All of these

Q4. The term “syndicate loan” is in vogue in these days. What is the meaning of the term Syndicate Loan?

- a. It is the loan provided by group of companies
- b. It is the loan provided by group of banks
- c. It is unsecured loan
- d. It is a loan provided to group of individuals

Q5. EXIM is a finance institution established in 1982. Which of the following governs this institution?

- a. RBI
- b. NHB
- c. GoI
- d. Both a & c

Q6. PPF account is opened for period of

- a. 5 years
- b. 10 years
- c. 15 years
- d. 20 years

Q7. Bridge loan refers to

- a. Loans granted to construction companies for construction of bridges
- b. Loans granted to PWD for construction of bridge over rivers

Banking & Finance-II (MCQ)

- c. Interim finance allowed by banks to their customer's pending disbursement of term loans by financial institutions
- d. All of these

Q8. Can anyone file an appeal against the order passed by Banking Ombudsman, if so who is the appellate authority?

- a. The Chairman of the concerned bank
- b. A Deputy Governor of RBI
- c. Governor of RBI
- d. Finance Minister

Q9. The interest charged on loans by commercial banks is regulated by...

- a. RBI
- b. Commercial Bank
- c. Finance Ministry
- d. SEBI

Q10. Which money market instrument is mainly used by the banks to meet their temporary requirement of cash?

- a. Call money
- b. T-bill
- c. Certificate of Deposit
- d. Trade Bill

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

Q11. Talking ATMs are designed for which of the following?

- a. Handicapped
- b. Visually challenged
- c. Mentally challenged
- d. Both a & b

Q12. Which of the following two alternative measures of money are known as broad money?

- a. M1 & M4
- b. M1 & M2
- c. M2 & M3
- d. M3 & M4

Banking & Finance-II (MCQ)

Q13. Full form of EPZ is

- a. Export Promotion Zone
- b. External Protection Zone
- c. Export Processing Zone
- d. Export Promoting Zone

Q14. Which of the following is meant to ensure export from India?

- a. ECGC
- b. CRISIL
- c. FICCI
- d. EXIM

Q15. The process of selling insurance product by bank is called

- a. Reinsurance
- b. Life insurance
- c. Banc assurance
- d. General Insurance

Q16. What is the minimum maturity period of commercial paper?

- a. 8 days
- b. 15 days
- c. 7 days
- d. 14 days

Q17. The PSB in India which obtained license for INB from RBI is

- a. OBC
- b. SBI
- c. PNB
- d. Corporation Bank

Q18. Offence of money laundering is defined in which act?

- a. Prevention of Money Laundering Act-2000
- b. Prevention of Money Laundering Act-2004
- c. Prevention of Money Laundering Act-2007
- d. Prevention of Money Laundering Act-2002

Q19. Which of the following products launched by banks is working on the principles of "Buy now pay later"?

- a. ATM
- b. Debit card
- c. Credit Card
- d. Master Card

Banking & Finance-II (MCQ)

Q20. Who gives guidelines for know your customer norms?

- a. BIS
- b. RBI
- c. SEBI
- d. SBI

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

Q21. As per the guidelines of RBI, what is the minimum amount of cash that one can deposit in his SB account?

- a. Rs.20
- b. Rs.50
- c. Rs.5
- d. Rs.1

Q22. Which of the following is not a money market instrument?

- a. T-bills
- b. Debenture
- c. Commercial bill
- d. Certificate of deposit

Q23. Which among the asset possess the least risk as per RBI guidelines?

- a. Central / state Govt guaranteed advances
- b. Secured loans to staff members
- c. Loans to Public Sector Undertaking
- d. Commercial Real Estate

Q24. Which of the following is the agency which regulates mutual funds in India?

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

Q25. There are mainly three pillars of BASEL-III guidelines Minimum Capital requirement, Supervisory Review Process and...

- a. Capital Adequacy
- b. Market Discipline
- c. Financial Inspection
- d. Capital Risk

Banking & Finance-II (MCQ)

Q26. What is the period of maturity of the financial assets in which money market deals?

- a. 60 days
- b. 90 days
- c. 1 year
- d. 1 and half year

Q27. What is trade bill?

- a. Trade bill is an instrument which enables the drawee of the bill to get funds for short period to meet the working capital needs
- b. Trade bill is an instrument which enables the drawer of the bill to get funds for short period to meet the working capital needs
- c. Trade bill is an instrument of exchange which RBI issues for selling its securities
- d. Trade bill is a bill which the government sells in the open market to increase its reserves

Q28. What is the allowed limit of FDI in private banking sector of India through Automatic route?

- a. 50%
- b. 49%
- c. 51%
- d. 55%

Q29. Which of the following is not categorized as NPA

- a. Risk assets
- b. Substandard asset
- c. Doubtful asset
- d. Loss asset

Q30. Why the instrument of money market are liquid and can be converted to cash easily?

- a. These are regulated by RBI
- b. Due to short maturity
- c. Due to long maturity
- d. Both a & c

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

Banking & Finance-II (MCQ)

Q31. Bank in the daily business face various kinds of risk. Which of the following is a major risk?

- a. Customer Risk
- b. Reputation Risk
- c. Protection Risk
- d. Operational Risk

Q32. Lack of access to financial services is known as

- a. Financial instability
- b. Financial Inclusion
- c. Financial stability
- d. Financial exclusion

Q33. Term deposit can be accepted by banks for a minimum and maximum duration of Days and ... years

- a. 5, 10
- b. 15, 15
- c. 7, 10
- d. 14, 10

Q34. White revolution is related to

- a. Fisheries
- b. Milk
- c. Poultry
- d. Both b & c

Q35. Padmanabhan Committee is related to

- a. Banking supervision
- b. Banking Sector Reform
- c. Market Risk
- d. Financial inclusion

Q36. Name the Indian secure messaging standard similar to SWIFT developed to serve as the platform for interbank and intra bank applications?

- a. SFMS
- b. SSMS
- c. IFME
- d. None of these

Q37. At present banks are using a machine other than an ATM, what is the name of this machine?

- a. CDM
- b. CRD

Banking & Finance-II (MCQ)

- c. PCR
- d. POS

Q38. MICR stands for

- a. Magnetic Ink Character Reader
- b. Marketing Character Reader
- c. Machine Input Character Reader
- d. Magnetic Ink Character Recognition

Q39. What is the full form of FEMA?

- a. Foreign Exchange Material Act
- b. Finance Exchange Management Act
- c. Foreign Export Management Act
- d. Foreign Exchange Management Act

Q40. What is LIBOR?

- a. The rate at which large bank lend each other
- b. It is stock exchange of London
- c. The rate at which small bank lend each other
- d. The rate at which government lend to Reserve Bank

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

Q41. The centrally sponsored / Technology Up gradation Fund Scheme is related to

- a. IT Sector
- b. Agro industry
- c. Textile Sector
- d. Steel Industry

Q42. ... is the rate at which RBI is ready to buy or rediscount bills of exchange or other commercial papers.

- a. Base Rate
- b. Bank Rate
- c. Repo Rate
- d. Reverse Repo Rate

Q43. As per RBI's clean note policy, the notes

- a. Should not be stapled
- b. Should not be written on

Banking & Finance-II (MCQ)

- c. Should not be folded excessively
- d. All of the above

Q44. Who is known as the “lender of last resort”?

- a. RBI
- b. Gol
- c. Allahabad Bank
- d. SBI

Q45. In the banking terminology the word “Sub-prime lending” is used. What do you understand by the term?

- a. It means all those sources of finance of bank which are not properly shown in its balance sheet
- b. It means all those sources of finance of bank which are properly shown in its balance sheet
- c. It means finance granted for unproductive purposes
- d. It means lending to more riskier customers

Q46. Which of the following is a function of NHB?

- a. To promote a sound, healthy, viable and cost effective housing finance system to all segments of the population
- b. To integrate the housing finance system with the overall financial system
- c. To augment resources for the sectors and channelize them for housing
- d. All of the above.

Q47. Which of the following is a subsidiary of RBI?

- a. NHB
- b. Bharatiya Reserve Bank Note Mudran Pvt Ltd
- c. NABARD
- d. All of the above

Q48. What is Capital Adequacy Ratio?

- a. It is the ratio of bank’s stock of financial assets to its expenditure
- b. It is the ratio of Bank’s capital to its Risk Weighted Asset
- c. It is the ratio of bank’s stock of financial assets to its reserves
- d. It is the ratio of Bank’s capital to its reserves

Q49. Who is the custodian of foreign exchange reserve in India?

- a. Gol
- b. DGFT
- c. RBI
- d. SBI

Banking & Finance-II (MCQ)

Q50. ... is the risk of loss arising from a borrower who does not make payment as promised?

- a. Market risk
- b. Credit risk
- c. Operational risk
- d. Payment risk

Answer Key: General Banking -II (MCQ)

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