

www.BankExamsToday.com

GK Digest December 2014

By Ramandeep Singh

Sports

Badminton

30 Nov. - P.V. Sindhu won Macau Open Grand Prix Gold Badminton Title 2014 after defeating Kim Hyo Min of Korea.

Football

30 Nov. - On 30th November 2014, Baichung Bhutia became the first football player of India to be inducted into Asian Football Confederation Hall of Fame.

05 Dec. - Tim Howard, Football team Goalkeeper of United States of America won US Player of the Year Award for the year 2014 on 05th December 2014.

20 Dec. Elano Blumer won Golden Boot Award in Indian Super League on 20th December 2014.

29 Dec. Sunil Chhetri declared All India Football Federation (AIFF) Player of the year 2014 while Bala Devi became Woman Player of the year 2014.

Cricket

01 Dec. - SAP SE, worldwide application software company chosen by International Cricket Council on 01st December 2014 as its Cloud Partner for ICC Cricket World Cup 2015.

03 Dec. - MRF Limited of India will be the global partner of ICC Cricket World Cup 2015 held in Australia and New Zealand. The Chairman of ICC is N. Srinivasan while Chairman of MRF Limited is K.M. Mammen.

03 Dec. - Kumar Sangakkara of Sri Lanka International Cricket Team became 4th person to complete 13000 ODI international runs on 03rd December 2014. He completes the score in 386 matches.

5 Dec. - 30 members selected for ICC Cricket World Cup 2015. Virender Sehwag, Zaheer Khan and Yuvraj Singh etc. will not be part of the team chosen for World Cup 2015. Yuvraj Singh was Man of the Series of World Cup 2011.

07 Dec. - On 07th December 2014, Mohammad Hafeez of Pakistan International Cricket Team suspended by ICC for illegal bowling action.

11 Dec. - Blind Cricket Team of India won Blind Cricket World Cup 2014 by defeating Pakistan. The captain of Indian team was Shekar Naik. In India, the number of visually challenged cricketers is 22000 as compared to 4000 in Pakistan.

12 Dec. - David Warner, Cricketer of Australia completed 1000 Runs in Test Matches in the year 2014.

16 Dec. On 16th December 2014, Kieron Pollard, the West Indies Cricketer hit six sixes in an over in the trial match for Australia's Big Bash Season.

22 Dec. Sachin Tendulkar appointed as Ambassador of ICC Cricket World Cup 2015 on 22nd December 2014. ICC Cricket World Cup will be held in Australia and New Zealand.

28 Dec. Pragyan Ojha, left-arm spin Indian bowler (Cricket) banned from bowling in competitive matches on 28th December 2014 by Board of Control for Cricket in India (BCCI).

30 Dec. Mahendra Singh Dhoni, Indian Cricket Player, retired from Test Cricket and announced his retirement on 30th December 2014. Under his captaincy, India became No.1 Test Team in the year 2008.

Tennis

07 Dec. - Roger Federer of Switzerland, 17 time Grand Slam Winner of Tennis, made his debut in India on 07th December 2014 by participating in International Premier Tennis League by representing the team Micromax Indian Aces.

13 Dec. Mima Ito and Miu Hirano of Japan became youngest Table Tennis Champions on 13th December 2014 after winning World Grand Finals held at Bangkok.

Athletics

07 Dec. - Amos Meindi of Kenya won Pune International Full Marathon in Men's category on 07th December 2014 while Nancy Wambua of Kenya won the Half Marathon in Women's category.

Golf

06 Dec. - Gwladys Nocera of France won Hero Women's Indian Golf Open 2014 on 06th December 2014.

22 Dec. Arjun Atwal of India won Dubai Open in Golf at Els Club in Dubai, United Arab Emirates.

Hockey

14 Dec. Germany won 35th Champions Trophy Hockey (Men's) after defeating Pakistan on 14th December 2014.

Chess

15 Dec. London Classic Chess Title won by Viswanathan Anand on 15th December 2014 by defeating Michael Adams.

22 Dec. India won Gold Medal in World Youth Under-16 Chess Olympiad organized in Hungary on 22nd December 2014.

Boxing

Laishram Sarita Devi, Indian Boxer banned for one year on 17th December 2014 for not accepting her Bronze Medal at Asian Games 2014 recently.

Shooting

17 Dec. Hariom Singh won Gold Medal in Men's 50 metre Rifle Prone Event in National Shooting Championship.

Appointments

01 Dec. - Rajiv Mehrishi appointed as a Director of the Central Board of Directors of Reserve Bank of India.

03 Dec. - Anil Kumar Sinha appointed as Director of CBI succeeded by Ranjit Sinha.

04 Dec. - Arun Majumdar, Indian-American Scientist appointed as the United States Science Envoy on 04th December 2014.

03 Dec. - Raninder Singh, the son of former Chief Minister of Punjab became the first Indian to be elected to International Shooting Sport Federation (ISSF) Executive Committee on 03rd December 2014.

10 Dec. - Richard Rahul Verma became first Indian-American to be appointed as US Ambassador to India.

10 Dec. - Anurag Jain appointed as Joint Secretary in the Prime Minister's Office (PMO) on 10th December 2014.

12 Dec. - Ismail Ould Cheikh Ahmed appointed as Head of UN Mission for Ebola Emergency Response (UNMEER). The Secretary General of United Nations is Ban Ki-moon.

10 Dec. - Randhir Singh appointed as Honorary Member of International Olympic Committee on 10th December 2014. He became 2nd Indian while the first one was Ashwini Kumar.

13 Dec. Shriti Vadera, Indian origin woman became the first woman to Head a British Bank namely Santander UK.

13 Dec. Dineshwar Sharma appointed as Director of Intelligence Bureau on 13th December 2014.

17 Dec. Amit Priyavadan Mehta appointed as Federal Judge in Columbia on 17th December 2014.

17 Dec. On 17th December 2014, Ghanta Chakrapani appointed as first Chairman of Telangana State Public Service Commission.

20 Dec. Prakash Mishra appointed as Director-General of Central Reserve Police Force on 20th December 2014.

21 Dec. Rajinder Khanna appointed as Director of Research and Analysis Wing.

22 Dec. Prakash Mishra appointed as Directorate General of Central Reserve Police Force on 22nd December 2014.

23 Dec. Jyotsna Suri appointed as President of Federation of Indian Chambers of Commerce and Industry.

22 Dec. Shyam Srinivasan appointed as Chairman of Indian Banks Association (IBA) Committee on Member Private Sector Banks for the year 2014-15.

23 Dec. S. Bhattacharya appointed as Chairman and Managing Director of Coal India on 23rd December 2014 succeeded by A.K. Dubey.

26 Dec. Trevor Bull appointed as Chief Executive Officer and Managing Director of Aviva Life Insurance Ltd. on 26th December 2014 succeeded by T.R. Ramachandran.

28 Dec. Raghubar Das became 6th Chief Minister of Jharkhand on 28th December 2014.

Science and Technology

06 Dec. - GSAT-16, Indian communication satellite which was placed in orbit by Ariane 5 Rocket on 06th December 2014, launched successfully.

18 Dec. Geosynchronous Satellite Launch Vehicle-Mark III (GSLV Mark-III) launched on 18th December 2014 by Indian Space Research Organization (ISRO).

23 Dec. Tuo Chiang, the largest ever missile warship launched by Taiwan on 23rd December 2014. This is the first ever missile produced by Taiwan.

Business and Economy

National Events

30 Nov. - Due to declined in international price of Brent Crude Oil, the prices of petrol in India slashed by 91 paise per litre and price of diesel slashed by 84 paise per litre.

04 Dec. - Two private sector banks namely ICICI Bank and HDFC Bank decided to lower Fixed Deposit Rates by 25 basis points and 50 basis points respectively on 04th December 2014.

15 Dec. In India, Wholesale Price Inflation hit the Zero level on 15th December 2014. Earlier, the data first time hit - 0.3% level in July 2009.

16 Dec. Reserve Bank of India increased the business hours of Real Time Gross Settlement (RTGS) from 07.30 hours to 12 hours which is 8:00 am to 8:00 pm.

17 Dec. Reserve Bank of India imposed penalty on 17th December 2014 on ICICI Bank Ltd. and Bank of Baroda for violate its instructions.

20 Dec. Dilwale Dulhaniya Le Jayenge, the famous Bollywood Film completed its 1000 weeks at cinema hall in Mumbai namely 'Maratha Mandir'. Earlier, the film released on 20th October 1995.

22 Dec. On 22nd December 2014, Ford Credit India got permission from Reserve Bank of India to operate as non-banking financial company.

22 Dec. Walmart, the US retail company announced to open a Cash and Carry Store in Agra, India after the gap of about 2 years.

26 Dec. The Government of India has notified Printing of One Rupee Current Notes Rules 2015 and One Rupee Note will be re-launched in the year 2015 which was discontinued earlier in the year 1994 due to the high cost.

Agreements

01 Dec. - International Business Machine (IBM) of United States of America signed an agreement with ABN Amro, the famous Dutch Bank on 01st December 2014 to provide computer infrastructure services to ABN Amro.

09 Dec. - On 09th December 2014, Jet Airways signed an agreement with American Express to launch first of its kind airline co-branded corporate card for owners of Small and Medium Enterprises and also for their employees.

14 Dec. On 14th December 2014, Hinduja Group acquired Old War Office Building of Winstonm Churchill in London.

15 Dec. On 15th December 2014, Carnival Cinemas Limited acquired Media Works Limited, the part of Reliance Capital of Reliance Group, for Rs.710 Crore.

21 Dec. On 21st December 2014, News Corp acquired BigDecisions.com.

26 Dec. Reliance Capital signed an agreement with Sumitomo Mitsui Trust Bank of Japan.

New Schemes

04 Dec. Two private sector banks namely ICICI Bank and HDFC Bank decided to lower Fixed Deposit Rates by 25 basis points and 50 basis points respectively on 04th December 2014.

12 Dec. India's first transparent credit card launched by ICICI Bank Ltd. with American Express on 12th December 2014.

16 Dec. HDFC Bank launched mobile banking facility namely 'Bank Aap Ki Muththi Mein' on 16th December 2014.

28 Dec. Etihad Airways became first airline company who launched three room suite service on its planes during December 2014. Etihad Airways is airline company United Arab Emirates.

Reports

10 Dec. World Wide Web Foundation's Web Index 2014 released on 10th December 2014. Denmark ranked at No.1 position while India is at 48th position. The Index has released to measure the contribution of Internet in social, economic and political progress.

15 Dec. Global Illicit Financial Flows Report 2014 released by Global Financial Integrity on 15th December 2014. China ranked at No.1 position while India is at 4th position.

16 Dec. According to data released by Fortune Magazine, Indian Oil Corporation ranked at 1st position while Reliance Industries Ltd. is at 2nd position.

16 Dec. Google ranked at 1st position in '2015 50 Best Places to Work' the data released by Glassdoor, the Website of United States of America.

Politics

National Events

01 Dec. - The State Government of Manipur extended the Disturbed Area Status for one year under the Armed Forces Special Powers Act (AFSPA) on 01st December 2014.

02 Dec. - Regional Rural Banks (Amendment) Bill, 2013 approved by the Union Cabinet of India on 02nd December 2014.

03 Dec. - School of Planning and Architecture Bill 2014 passed in Lok Sabha under Voice Vote on 03rd

December 2014 to declare SPAs as institutions of national importance.

08 Dec. - Textile Undertakings (Nationalisation) Laws (Amendment and Validation) Bill, 2014 passed in Rajya Sabha on 08th December 2014 to receive sick textile mill.

08 Dec. - Marumalarchi Dravida Munnetra Kazhagam (MDMK) party of Tamil Nadu quit National Democratic Alliance (NDA) on 08th December 2014.

08 Dec. - Uber Taxi Service banned on 08th December 2014 in Delhi after the girl raped by a driver of alleged taxi service.

09 Dec. - Payments and Settlement Systems (Amendment) Bill passed in Lok Sabha on 09th December 2014 to bring the banking payment system of India in sync with international practices.

10 Dec. - Section 309 of Indian Penal Code removed by the Home Ministry of India on 10th December 2014 to decriminalize the attempt to suicide.

11 Dec. - The birthday of former Prime Minister of India Shri Atal Bihar Vajpayee i.e. on 25th December will be observed National Good Governance Day.

12 Dec. - Dilwale Dulhania Le Jayenge, the famous Bollywood Film completed its 1000 weeks at cinema hall in Mumbai namely 'Maratha Mandir'. Earlier, the film released on 20th October 1995.

12 Dec. - Jansena Party founded by the Telugu Actor namely Pawan Kalyan.

12 Dec. On 12th December 2014, the State Government of Maharashtra declared Dahi Handi as adventurous sport. The game is a traditional sport in Maharashtra.

12 Dec. Pawan Chamling, the Chief Minister of Sikkim became longest serving Chief Minister of India on 12th December 2014 by completed 20 years of his tenure. He led to Sikkim Democratic Front (SDF) Party.

15 Dec. Public Premises (Eviction of Unauthorized Occupants) Amendment Bill 2014 passed in Lok Sabha on 15th December 2014.

16 Dec. National Capital Territory of Delhi Laws (Special Provisions) Amendment Bill, 2014 passed in Lok Sabha on 16th December 2014.

17 Dec. Companies (Amendment) Bill 2014 passed in Lok Sabha on 17th December 2014 through the voice vote.

18 Dec. Motor Vehicles (Amendment) Bill, 2014 passed in Lok Sabha on 18th December 2014 to legalize e-rickshaws.

19 Dec. Union Finance Ministry approved 8.75% interest rate of PF Deposits for the year 2014-15 on 19th December 2014.

19 Dec. To function as Commissioners of Court, the Bombay High Court appointed a 17 member team on 19th December 2014.

22 Dec. The Government of India released Calendar for the year 2015 under the theme of 'Green India Clean India'.

22 Dec. Losar, the New Year festival of Ladakh began on 22nd December 2014.

23 Dec. Jammu & Kashmir People's Democratic Party (JKPDP) became the single largest party in the Assembly Elections with 28 seats out of 87, but not get the majority to form the government.

23 Dec. Bharatiya Janta Party got the majority in the Assembly Elections of Jharkhand with 42 seats out of 81. BJP won 37 seats while its parnter 'All Jharkhand Students Union' won 5 seats.

23 Dec. The Government of India constituted a committee to reinvestigate 1984 Anti-Sikh riot cases. The committee headed by Justice G.P. Mathur (ret'd.).

24 Dec. The Former Prime Minister of India, Shri Atal Bihari Vajpayee and Pandit Madan Mohan Malviya, former President of Indian National Congress will receive Bharat Ratna Awards announced on 24th December by the Government of India. Till now 45 personalities have been received this award.

25 Dec. Good Governance Day observed in all over India on 25th December 2014 on the Birthday of former Prime Minister Shri Atal Bihari Vajpayee.

25 Dec. 'Mission Indradhanush' launched by Government of India on 25th December 2014 to achieve full immunisation cover for all children by the year 2020.

28 Dec. The State of Gujarat will host 17th Pravasi Bhartiya Divas during the period from 7 January 2015 to 9 January 2015. The event will mark the 100th year of Mahatma Gandhi's return to India from South Africa.

29 Dec. On 29th Decembe 2014, Department of Disability Affairs renamed as Department of Empowerment of Persons with Disabilities by the Government of India.

31 Dec. Aziz Qureshi appointed as Governor of Mizoram, Dr.Krishan Kant Paul appointed as Governor of Uttarakhand and Keshari Nath Tripathi, the Governor of West Bengal, will take additional charge as the Governor of Mehalaya.

International Events

30 Nov. - Tabare Vazquez became the President of Uruguay in the elections held on 30th November 2014.

30 Nov. Due to declined in international price of Brent Crude Oil, the prices of petrol in India slashed by 91 paise per litre and price of diesel slashed by 84 paise per litre.

01 Dec. - United Nations Climate Change Conference organized on 01st December 2014 at Lima, Peru.

03 Dec. - Preet Didbal, the Sikh woman elected as Council Member of Yuba, California on 03rd December 2014. Yuba city in California has one of the largest concentration of Sikhs in United States of America.

03 Dec. - World's first 2D Camera developed by the researchers of Washington University on 03rd December 2014.

05 Dec. - Narendra Modi, Prime Minister of India named as the Asian of the year 2014 by The Straits Times on 05th December 2014 for being a development focused leader. The award was started in the year 2012 and first award was received by the President of Myanmar Thein Sein.

07 Dec. - Typhoon Hagupit struck through the Central Philipines on 07th December 2014 and affected about 1 Million people fleeing their homes.

08 Dec. - Bhutan became 181st member of Multilateral Investment Guarantee Agency (MIGA), the agency of World Bank Group.

09 Dec. - First Arabic Translation Constitution of India launched in Cairo, Egypt on 09th December 2014 by the International Institute for Democracy and Electoral Assistance.

09 Dec. - The train namely 'Yixinou' completed the World's longest journey on 09th December 2014 by reached at Madrid, Spain. The journey was about 13052 km. long and started from Yiwu, China.

09 Dec. According to Country Threat Index released on 09th December 2014, Iraq became most dangerous country in all over the World while Pakistan became 8th most dangerous country.

14 Dec. Anerood Jugnauth became the Prime Minister of Mauritius on 14th December 2014 while the President of Mauritius is Kailash Purryag.

14 Dec. On 14th December 2014, Shinzo Abe, the Prime Minister of Japan re-elected as Prime Minister of Japan for another four year term.

18 Dec. Zaki-ur-Rehman Lakhvi, the main accused of 26/11 Mumbai terror attack granted bail by Pakistan on 18th December 2014. He is Chief Operation Commander of Lashkar-e-Taiba.

19 Dec. On 19th December 2014, The United States Senate passed resolution recognising Kailash Satyarthi and Malala Yousafzai as symbol of peace.

19 Dec. Pakistan became associate member of CERN, the European Organization for Nuclear Research.

22 Dec. Beji Caid Essebsi became President of Tunisia, results declared on 22nd December 2014. He led Nidaa Tounes Party in Tunisia and received 44.32% votes.

24 Dec. Arms Trade Treaty came into force on 24th December 2014 with the aim to regulate the international trade in conventional weapons. Earlier, the treaty adopted by United Nations on 02nd April 2013.

28 Dec. The storm namely 'Jangmi' struck in North Eastern Mindanao Island in Phillipines on 28th December 2014. The storm known in the Phillipines as 'Seniang'.

Festivals and Days Held

01 Dec. - 49th Raising Day celebrated by Border Security Force on 01st December 2014. The Force was established on 01st December 1965.

01 Dec. World Aids Day observed in all over the World on 01st December 2014 to raise the awareness to Aids pandemic caused by the spread of HIV infection.

02 Dec. - The International Day for the Abolition of Slavery was observed on 02nd December 2014 by the United Nations to focus on the eliminations of human trafficking and child labour.

03 Dec. - International Day of Persons with Disabilities was observed in all over the World on 03rd December 2014 under the theme Sustainable Development the Promise of Technology.

04 Dec. - Navy Day celebrated on 04th December 2014 to commemorate the attack on Karachi, Pakistan harbour during the Indo-Pakistan War in the year 1971.

05 Dec. - On 05th December 2014, First World Soil Day observed in all over the World by United Nations Food and Agriculture Organization.

06 Dec. - Mahaparinirwan Diwas observed in all over India on 06th December 2014 to pay tribute to Dr. B.R. Ambedkar on his death anniversary.

09 Dec. - On 09th December 2014, International Anti-Corruption Day observed by United Nations under the theme of 'Break the Corruption Chain'.

10 Dec. - On 10th December 2014, Human Rights Day observed under the theme of 'Human Rights 365'.

14 Dec. On 14th December 2014, National Energy Conservation Day observed and celebrated by Bureau of Energy Efficiency.

16 Dec. On 16th December 2014, Vijay Diwas observed in all over the country while on the same day observed as Victory Day in Bangladesh.

18 Dec. Minorities Rights Day observed in all over the World on 18th December 2014.

22 Dec. India observed National Mathematics Day on 22nd December i.e. the birth anniversary of the Great Mathematician of India Srinivasa Ramanujan.

24 Dec. National Consumer Rights Day observed in all over India on 24th December 2014. This day provides

an opportunity to give the importance of Consumer Movement.

25 Dec. The birthday of former Prime Minister of India Shri Atal Bihar Vajpayee i.e. on 25th December will be observed National Good Governance Day.

Reports

03 Dec. - According to the data released by Transparency International India, India ranked at 85th position in the list of corrupt countries.

06 Dec. - Peking University, China ranked at No.1 position in Times Higher Education BRICS & Emerging Economies Ranking 2015.

08 Dec. - According to the Bloomberg Billionaires Index, Bill Gates became World's Richest Person while Warren Buffet became second richest person.

08 Dec. - Travel and Tourism Competitiveness Index 2013 released by World Economic Forum on 08th December 2014. Switzerland ranked at No.1 position in the Index while India ranked at 65th position.

09 Dec. - According to Country Threat Index released on 09th December 2014, Iraq became most dangerous country in all over the World while Pakistan became 8th most dangerous country.

10 Dec. - World Wide Web Foundation's Web Index 2014 released on 10th December 2014. Denmark ranked at No.1 position while India is at 48th position. The Index has released to measure the contribution of Internet in social, economic and political progress.

17 Dec. According to the report released by Organization for Economic Cooperation and Development on 17th December 2014, Denmark has the best work-life balance in all over the World.

Agreements

02 Dec. - India signed an agreement with China and became the partner of a project to build the Thirty Meter Telescope (TMT) in Hawaii. India will spend on the project of about Rs.1299.8 Crore.

04 Dec. - India and Japan signed an agreement to cooperate in Cyber Security and Green ICT on 04th December 2014. Total five projects signed i.e.

- CIT Application for Social and Economic Challenges

- Cyber Security Cooperation
- Green ICT
- ICT for Disaster Management
- Project for detecting symptoms and quick response to cyber attacks

23 Dec. On 23rd December 2014, China signed an agreement with Nepal to expand the use of currencies for border trade.

23 Dec. On 23rd December 2014, Afghanistan signed an agreement with Pakistan to coordinate military operations across the border. The agreement signed in the present of NATO US General John Campbell.

28 Dec. Sushma Swaraj, External Affairs Minister of India, visited South Korea on 28th December 2014 to attend 8th India-Republic of Korea joint commission meeting.

30 Dec. On 30th December 2014, the Government of India signed an agreement with Asian Development Bank for Jammu and Kashmir Urban Sector Development Investment Program.

Awards and Books

30 Nov. - Leviathan, the film of Russia won Golden Peacock Award for Best Film at International Film Festival of India on 30th November 2014.

30 Nov. - Wong Kar-Wai of Hongkong won Lifetime Achievement Award in International Film Festival of India.

01 Dec. - Duncan Campbell of Ireland won Turner Prize for the year 2014 for the video call 'It For Others', the video reflects on African art.

04 Dec. - The Book namely 'Prince of Gujarat: The Extraordinary Story of Prince Gopaldas Desai' written by Rajmohan Gandhi, released. Gopaldas Ambaidas Desai also called as Darbar Gopaldas Desai.

03 Dec. - Azim Premji, Chairman of Wipro awarded with Swiss Ambassador's Award on 03rd December 2014.

09 Dec. - Fidel Alejandro Castro Ruz, former Prime Minister of Cuba awarded with Confucius Peace Prize for the year 2014 on 09th December 2014 for eliminating nuclear war. Fidel Alejandro Castro Ruz

was remained the Prime Minister of Cuba during the period 1959 to 1976.

10 Dec. On 10th December 2014, Ruhi Singh of India won Miss Universal Peace and Humanity for the year 2014 and became 1st Indian to win the pageant.

10 Dec. On 10th December 2014, Asha Bhosle won Dubai International Film Festival (DIFF) Lifetime Achievement Award for the year 2014. She is a playback singer and awarded with Dadasaheb Phalke Award in the year 2000 and also awarded with Padma Vibhushan in the year 2008.

12 Dec. - Kailash Satyarthi of India and Malala Yousafzai of Pakistan received Noble Peace Prize for the year 2014, ceremony held in Oslo, Norway. Malala Yousafzai became the youngest ever to receive the Noble Prize. She is just 17 years old.

12 Dec. - The book namely 'Born Again on the Mountain' released on 12th December 2014 by the Prime Minister of India Shri Narendra Modi. The book wrote about Arunima Sinha, the first Indian Woman to climb Mount Everest.

14 Dec. Rolene Strauss crowned Miss World 2014 on 14th December 2014 ceremony held at London, United Kingdom.

16 Dec. Xu Youyu of China won Olof Palme Human Rights Prize for the year 2014 on 16th December 2014.

17 Dec. On 17th December 2014, Imtiaz Dharker awarded with Queen's Gold Medal, the award started in the year 1933 for Poetry for the year 2014.

30 Dec. Amitabh Bachchan awarded with Yash Chopra Memorial Award by the Governor of Maharashtra C. Vidyasagar Rao.

Deaths

02 Dec. - Deven Verma, the bollywood actor and comedian, died on 02nd December 2014. His famous bollywood movies were Khatta Meetha, Angoor, Andaz Apna Apna etc. He had won 3 Filmfare Awards.

02 Dec. - Abdul Rahman Antulay, former Chief Minister of Maharashtra, died on 02nd December 2014.

He was first and the only Muslim Chief Minister of Maharashtra.

04 Dec. - Vaidyanathapura Rama Krishna Iyer, former Judge of Supreme Court of India, died on 04th December 2014. He was awarded with Padma Vibhushan.

05 Dec. - Queen Fabiola, the former Queen of Belgium, died on 05th December 2014. She was 5th Queen of Belgium and remained Queen of Belgium for 33 years i.e. from the year 1960 to 1993.

08 Dec. - Nedanuri Krishnamurthy, the famous Carnatic Vocalist, died on 08th December 2014. He was awarded with National Artiste Award in the year 2004, National Eminence Award in the year 2006 and many more awards during various years.

07 Dec. - Grihanandan Singh, former Hockey Olympian, died on 07th December 2014. He won two time Olympic Gold Medals in Hockey.

08 Dec. - Piratla Venkateswarlu, famous Journalist, died on 08th December 2014. He began his carrier with Rashtriya Swayamsevak Sangh (RSS) worker. He was also the National Secretary of Akhil Bharatiya Vidyarthi Parishad.

15 Dec. Booth Colman, the famous Film Television and Stage Actor of United States of America, died on 15th December 2014. His famous films were World Without End, Mary Jane etc.

17 Dec. Meddineni Babu Rao, the sports journalist of Tamil Nadu, died on 17th December 2014. He was 1st Telegu Sports Journalist.

19 Dec. Chunibhai Vaidya, the freedom fighter, died on 19th December 2014. He was written the book namely Assassination of Gandhi: Facts and Falsehood.

19 Dec. S. Balasubramanian, the chief of Vikatan Group, died on 19th December 2014.

22 Dec. G. Venkataswamy, the former Union Minister, died on 22nd December 2014. He was popularly known as Kaka and he remained Pradesh Congressh Chairman for Andhra Pradesh.

23 Dec. K. Balachander, the famous Director and Filmmaker, died on 23rd December 2014. He received Dadasaheb Phalke Award in the year 2010.

25 Dec. Narayanan Lakshmi Balakrishnan, Malayalam Film Actor, died on 25th December 2014. He was also published a book namely 'Black and White' in the year 2011.

26 Dec. Nand Chaturvedi, famous Hindi poet and litterateur, died on 26th December 2014. He was awarded with Mira Puraskar, the highest literary honour of the State of Rajasthan.

29 Dec. Madhu Kaithapram, the famous Malayalam Film Director, died on 29th December 2014.

30 Dec. Luise Rainer, first back to back Oscar Award Winner, died on 30th December 2014. Luise Rainer was the first to win consecutive Oscar Awards.

31 Dec. Boobli George Verghese, the famous Journalist of India, died on 31st December 2014. He was received Ramon Magasaysay Award in the year 1975.

Maharatna, Navratna and Miniratna PSUs in India

Public sector enterprises or public sector undertakings have been back bone of Indian economy since the time of independence. These public sector undertakings contribution in Indian economy indescribable. These industries are related to power sector ,steel manufacturing ,iron ore and petroleum. Government is also able to earn considerable revenue from these PSUs, to honor their contribution and vest some special power that help and provide greater autonomy to these public sector enterprises in decision making ,government confer to some to these industrial organization.

The PSUs in India have been divided in three categories on the basis of autonomy (and thus status) they enjoy. The three categories are...

- Maharatna
- Navratna
- Miniratna I & II categories

The policy aims to support them by providing greater autonomy to compete in the global market.

In India Vedic verses 'Ratna' is denominated as precious gems and precious stones. Symbolically, the terms Maharatnas, Navratnas and Miniratnas are

supposed to stand for such contribution of gems and precious stones in the hierarchical order.

1) MAHARATNA SCHEME

Maharatna Scheme was introduced for Central Public Sector Enterprises (CPSEs), with effect from 19th May, 2010, in order to empower mega CPSEs to expand their operations and emerge as global giants. The objective of the scheme is to delegate enhanced powers to the Boards of identified large-sized Navratna CPSEs so as to facilitate expansion of their operations, both in domestic as well as global markets.

ELIGIBILITY CRITERIA FOR GRANT OF MAHARATNA STATUS

CPSEs fulfilling the following criteria are eligible to be considered for grant of Maharatna status:

1. Having Navratna status
2. Listed on the Indian stock exchange, with a minimum prescribed public shareholding under SEBI regulation
3. An average annual turnover of more than Rs.20,000 crore during the last three years.
4. An average annual net worth of more than Rs.10,000 crore during the last three years.
5. An average annual net profit of more than Rs.2500 crore during the last 3 years.
6. Significant global presence or international operations.

List of Maharatna Companies (as per available information as on 26 October, 2014)

There are seven public sector companies which were granted Maharatna status.

MAHARATNA CPSES

1. Bharat Heavy Electricals Limited
2. Coal India Limited
3. GAIL (India) Limited
4. Indian Oil Corporation Limited
5. NTPC Limited
6. Oil & Natural Gas Corporation Limited
7. Steel Authority of India Limited

Maharatna status helps in enhanced powers:

As compared to other CPSEs, the Boards of Maharatna CPSEs have been delegated enhanced powers in the areas of:-

1. A Maharatna company can invest 15% of its networth in a single project for establishing a new venture or undertaking an acquisition activity with a cap of Rs 5,000 crore without any permission from GOI.
2. Make equity investment to establish financial joint ventures and wholly owned subsidiaries in India or abroad

Major Impact

The main objective of the Maharatna Scheme is to empower mega CPSEs to expand their operations and emerge as global giants.

2) NAVRATNA SCHEME

The Central Public Sector Enterprises (CPSEs) fulfilling the following criteria are eligible to be considered for grant of Navratna status:

A score of 60 (out of 100), based on six parameters which include

1. Net Profit to Net Worth
2. Manpower cost to cost of production or services
3. Gross margin as capital employed
4. Gross profit as Turnover
5. Earnings per Share
6. Inter-Sectoral comparison based on Net profit to net worth.

The number of PSUs with Navratna status in the country now stands at 16. National Buildings Construction Corporation Limited' (NBCC) and 'Engineers India Limited' (EIL) are the most recent addition to this coveted status granted by the Department of Public Enterprises.

THERE ARE SEVENTEEN CPSEs GRANTED NAVRATNA

STATUS LIST INCLUDE:

1. Bharat Electronics Limited
2. Bharat Petroleum Corporation Limited
3. Engineers India Limited*
4. Hindustan Aeronautics Limited
5. Hindustan Petroleum Corporation Limited

6. Mahanagar Telephone Nigam Limited
7. National Aluminium Company Limited
8. National Buildings Construction Corporation Limited
9. NMDC Limited
10. Neyveli Lignite Corporation Limited
11. Oil India Limited*
12. Power Finance Corporation Limited
13. Power Grid Corporation of India Limited
14. Rashtriya Ispat Nigam Limited
15. Rural Electrification Corporation Limited
16. Shipping Corporation of India Limited
17. Container Corporation of India Limited

Enhancement of delegated powers of Navratna PSUs

1. The ceiling on investment to establish financial joint ventures and wholly owned subsidiaries in India or abroad shall be 15% of the networth of the PSU in one project limited to Rs. 1000 crore..
2. The Board of Directors of these PSUs shall have the powers for mergers and acquisitions, subject to the conditions.

3) MINIRATNA SCHEME

In October 1997, the Government had also decided to grant enhanced autonomy and delegation of financial powers to some other profit making companies subject to certain eligibility conditions and guidelines to make them efficient and competitive. These companies called Miniratna', are in two Category-I,II.

THE ELIGIBILITY CONDITIONS AND CRITERIA ARE:

1. **Category –I** CPSEs should have made profit in the last three years continuously, the pre-tax profit should have been Rs. 30 crore or more in at least one of the three years and should have a positive net worth.
2. **Category-II** CPSEs should have made profit for the last three years continuously and should have a positive net worth.
3. These CPSEs shall be eligible for the enhanced delegated powers provided they have not defaulted in the repayment of loans/interest payment on any loans due to the Government.

Presently, there are 68 'Miniratna' CPSEs (54 Category –I and 18 Category-II).

MINIRATNA CATEGORY - I CPSEs

1. Airports Authority of India
2. Antrix Corporation Limited
3. Balmer Lawrie & Co. Limited
4. Bharat Coking Coal Limited
5. Bharat Dynamics Limited
6. BEML Limited
7. Bharat Sanchar Nigam Limited
8. Bridge & Roof Company (India) Limited
9. Central Warehousing Corporation
10. Central Coalfields Limited
11. Chennai Petroleum Corporation Limited
12. Cochin Shipyard Limited
13. Dredging Corporation of India Limited
14. Kamarajar Port Limited
15. Garden Reach Shipbuilders & Engineers Limited
16. Goa Shipyard Limited
17. Hindustan Copper Limited
18. HLL Life care Limited
19. Hindustan Newsprint Limited
20. Hindustan Paper Corporation Limited
21. Housing & Urban Development Corporation Limited
22. India Tourism Development Corporation Limited
23. Indian Rare Earths Limited
24. Indian Railway Catering & Tourism Corporation Limited
25. IRCON International Limited
26. KIOCL Limited
27. Mazagaon Dock Limited
28. Mahanadi Coalfields Limited
29. Manganese Ore (India) Limited
30. Mangalore Refinery & Petrochemical Limited
31. Mishra Dhatu Nigam Limited
32. MMTC Limited
33. MSTC Limited
34. National Fertilizers Limited
35. National Seeds Corporation Limited
36. NHPC Limited
37. Northern Coalfields Limited
38. North Eastern Electric Power Corporation Limited
39. Numaligarh Refinery Limited
40. ONGC Videsh Limited
41. Pawan Hans Helicopters Limited
42. Projects & Development India Limited
43. Railtel Corporation of India Limited
44. Rail Vikas Nigam Limited
45. Rashtriya Chemicals & Fertilizers Limited
46. RITES Limited
47. SJVN Limited

48. Security Printing and Minting Corporation of India Limited
49. South Eastern Coalfields Limited
50. State Trading Corporation of India Limited
51. Telecommunications Consultants India Limited
52. THDC India Limited
53. Western Coalfields Limited
54. WAPCOS Limited

MINIRATNA CATEGORY-II CPSEs

55. Bharat Pumps & Compressors Limited
56. Broadcast Engineering Consultants (I) Limited
57. Central Mine Planning & Design Institute Limited
58. Central Railside Warehouse Company Limited
59. EdCIL (India) Limited
60. Engineering Projects (India) Limited
61. FCI Aravali Gypsum & Minerals India Limited
62. Ferro Scrap Nigam Limited
63. HMT (International) Limited
64. HSCC (India) Limited
65. India Trade Promotion Organization
66. Indian Medicines & Pharmaceuticals Corporation Limited
67. M E C O N Limited
68. Mineral Exploration Corporation Limited
69. National Film Development Corporation Limited
70. National Small Industries Corporation Limited
71. P E C Limited
72. Rajasthan Electronics & Instruments Limited

ENHANCEMENT OF DELEGATED POWERS OF MINIRATNA PSUs.

Miniratna-I: up to Rs. 500 crore or equal to their net worth, whichever is lower.

Miniratna-II: up to Rs. 300 crore or up to 50% of their net worth, whichever is lower.

Options Basics - You Should Learn

Today I am going to discuss basics of Options that you must know. This topic is really important for Bank interview

WHAT IS AN OPTION

An Option give right to Option Holder to buy or sell a commodity during a certain period of time or on a specific date.

For example - I own a Garment mill. I need 100 tonnes of cotton in the last quarter of every year. In June this year, price per bale of cotton is Rs 2000. Prices may rise or fall. I don't want to take this risk, as this is not my business. So I will find a person whose business is to take risks. In exchange of contract money I will buy the right to buy 100 tonnes of cotton at Rs 2000. I may or may not use this option.

CALL OPTION

An option which gives right to the Option Holder to **buy** a certain stock at specified time and specified date

PUT OPTION

An option which gives right to the Option Holder to **sell** a certain stock at specified time and specified date

SETTLEMENT PRICE

Value of an option is calculated daily. That price is known as settlement price

PLAIN VANILLA CALL

Basic type of option with a fixed maturity and purchase price

Types of trade

1) Purchase a call

Optionholder gets right (no obligation) to purchase specified securities at a specified time.

2) Purchase a put

Optionholder gets right (no obligation) to sell specified securities at a specified time.

3) Sell a call

Seller of option has obligation to sell specified securities at a specified time.

4) Sell a put

Seller of option has obligation to purchase specified securities at a specified time.

What is Bank Audit and its Process in India

'Audit' or 'Auditing' is an activity which is undertaken by any business organization on its own or by the requirement under any law – to go through its accounts, transactions, and documents – to ensure correctness, legality of it.

It is an examination of the accounts and can be conducted by internal or external agencies – known as the auditors.

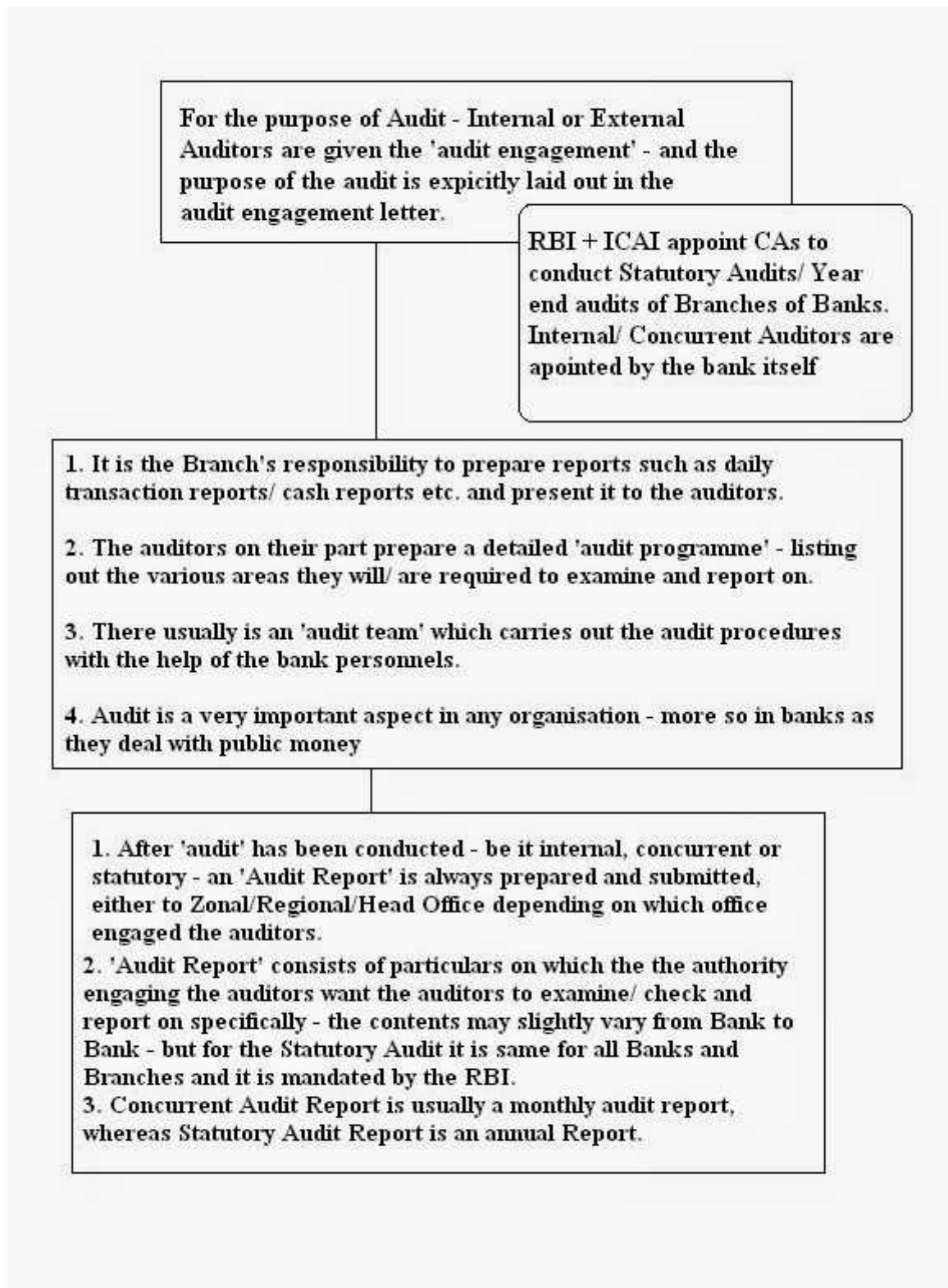
BANK AUDIT CAN BE CLASSIFIED INTO 3 BROAD CATEGORIES :-

1. Concurrent Audit
2. Internal Audit/ Information Systems Audit
3. Statutory Audit

CONCURRENT AUDIT

- Concurrent Audit means – the audit or examination of transactions happening as and when a transaction actually happens.
- It is a continuous audit, which goes on all the year around, usually conducted by external auditors (Chartered Accountants) on monthly basis.
- In concurrent audits daily basis transactions are examined and checked – this ensures any irregularities are nipped at the bud.

- Banks have a huge number of daily transactions – they also have many documentations and other formalities that they have to conform too – through concurrent audit any irregularities or nonconformities are easily found out as and when it happens and rectified immediately; this avoids piling up of irregularities which may become a huge problem for any branch when the year end audit comes around!
- Concurrent Auditors check for daily maximum cash balance adherence compliance, KYC norm compliance, proper documentation of new loan disbursement, checking if new loans have been made as per rules and regulations, income leakage etc. among other things like putting any new RBI instruction to work!; these are reported on in the ‘concurrent audit report’.
- Concurrent Audit is a measure to help a Branch to work smoothly and rectify any mistakes to avoid cascading effect of the irregularities.



INTERNAL AUDIT/ INFORMATION SYSTEMS AUDIT

- Many banks instead of having concurrent audit or even in addition to having concurrent audits may use 'internal auditing'.
- Internal Auditing is when any organization, including a bank, constitutes an audit team within its own organization to cater to its auditing requirements.
- These internal auditors will visit branches one by one where and when required and carry out auditing.

- Internal Audit may focus on any specified area or cover every aspect of the branch, depending on its audit programme and requirement; main thing is it is conducted by the bank itself.
- However one important thing in internal audit is – information systems audit; information systems audit is a new area gaining prominence in the last few years.
- With rapid computerization in banking sector – core banking, ATMs, mobile banking, internet banking, completely computerized banking functions – it becomes necessary to have a periodical review of how these systems are working.
- Internal Control audit looks at the information flow, the channels, the security (of information) etc.
- It also checks for the workability of new banking softwares and how it rates on security and access.
-

STATUTORY AUDIT

- ‘Statutory Audit’ is conducted by a ‘Statutory Auditor’ – the word ‘statute’ means – mandated or compulsorily required by any law or Act; in Bank’s case it is the RBI’s mandate.
- Every year around the very last days of March (end of financial year) and the beginning of April (first two weeks of April) – in every branch of every bank a very rigorous activity is held – known as the year end audit or the statutory audit!
- This audit is the most important event for a bank as this decides among other things – the NPA!
- Which by now, I think most of you would know and appreciate how important it is for any bank – NPA and its provisioning affect the profits of a bank and hence the Balance Sheet and Profit and Loss Account and finally the shareholder’s dividends.
- Thus Statutory Audit is very important.
- Statutory Auditors are appointed by RBI in association with the ICAI, to empanel Chartered Accountants for the job.
- Statutory Audit does not look at the nitty-gritties of the banking transactions (these are looked at by concurrent and internal audits); instead they rely on the concurrent audit reports and test checking to form their opinion.
- Statutory Audit mainly looks at the loans and advances, compliance with PSL requirements, CRR, SLR etc. and other statutory norms compliance as per the latest RBI circulars.

Thus Bank Audit is an important activity undertaken by internal and external auditors, to ensure no fraud is being committed – the overall aim to ensure fair and just banking practice.

Forex - Everything you need to Know

Forex stands for ‘Foreign Exchange’. ‘Foreign Exchange’, ‘Forex’ or simply ‘Fx’ refers to the whole nine yards in respect of ‘foreign currency’.

When you say forex, you could mean forex trading or the forex reserves or the forex rates. All the above deal with foreign currencies but has different meaning and implications.

Let start with the trading aspect of ‘forex’.

FOREX TRADING

- Forex Trading takes place in ‘**Forex Market**’.
- Forex market operates for 24 hours a day and 5 days a week! Why 24 hours? Simply because of the time differences in different parts of the world!
- Forex market is also known as currency market, as currencies from all over the world are traded; it is the largest market in the world only because of the sheer volume of transactions!
- Forex market is not a physical market – it is a term used to denote the worldwide ‘market’ where currencies from all over the world are traded – it is not limited by geographical constraints.
- Any person from any country can trade in the forex market; participants can be international banks, companies and individuals engaging in hedging or speculative transactions.
- Forex markets operate on ‘Over the Counter’ (OTC) form – just like a medical store – over the counter – ask for the currency which you want and pay according to the existing rate of the currency.
- Then when you want to sell them – take ‘em back and sell ‘em over the counter!
- The currency rates or forex rates differ every day and sometimes also during a day and

exchange rates for different currencies are different and depend on various factors.

- Investors, traders, hedgers, speculators trading the forex market actually want to take advantage of the fluctuations of the exchange rates or simply put the currency's rate.
- Exchange rates depend on various factors such as level of economic activity of a country, its GDP, its share market activities, political stability or instability etc., speculators look at all of these factors and make their own predictions and put their money on particular currency.

Simple example – current dollar rates (forex rate of dollar!) is $1\$ = \text{Rs. } 63.79$; say you have Rs. 1000 with you and you want to try your luck in the currency market – you go and buy dollars using Rs. 1000.

How many dollars will you get (remember its all OTC!)? – $1000/63.79 = \$ 15.67$.

So, with Rs. 1000 you are able to buy 15.67 dollars! Dollars is no use to you – its your commodity – you trade a commodity.

But when will you trade or in this case sell your dollar – you'll sell only when you see you can earn a profit obviously! So you wait for the rate to improve ...and then when the rate become $1\$ = \text{Rs. } 65.85$ (it's increased from Rs. 63.79) you sell your 15.67 dollars and get your rupees back!

$15.67 \times 65.85 = \text{Rs. } 1032$! Okay yeah ... profit of only Rs. 32 ... but we took an example with easy figure – in real world the figures are huge!

- So this is basically how trading objectives are – and when the prices fall, the traders are dealt with huge losses.
- Forex market is highly exciting, highly risky and to be dabbled in when you've become an expert in the free online trading games!

Okay here's a scenario for consideration – if you are an importer, i.e, you buy goods from foreign country to be sold in India – you've got to pay to the foreign country seller in say, dollars – today the dollar rate is $1\$ = \text{Rs. } 63.79$, so for every dollar you need 63.79 rupees. Ok.

Suppose when at the time of payment the rate is Rs. 68.85 for every dollar – you've got a loss! Now you will end up paying Rs. 5.06 more for every dollar!

On the flip side – if you are an exporter – you are selling goods to a trader in a foreign country and you will receive payments in dollars – when the rate becomes Rs. 68.85 from Rs. 63.79 – you end up earning a profit due to exchange rate fluctuation of Rs. 5.06! As when you are paid by in dollars you will get Rs. 68.85 for every dollar!

So you can see what a dynamic world forex is! Ever changing and somewhat unpredictable!

This brings us to:

FOREX RESERVES

- The term 'forex reserves' is used to denote the foreign currency reserve of a central banks or governments of countries.
- So what goes into forex reserves? – Well, you could have foreign currency notes, deposits from foreign countries, foreign treasury bills other government securities etc.
- So basically forex reserves in a countries 'reserve' of money held in foreign currency or currency equivalent.
- Where does all the foreign currency come from? – from Exports, Foreign Loans, Grants, foreign investments in India – when tourists come to India!
- And the reserves are used to pay for imports, repay international loans and dues, or give international grants – when you go abroad!
- A country and its central bank has many international monetary obligations – forex reserves are used for that – when this reserve runs low the IMF or World Bank comes to rescue.
- Also a country's strong forex position can impact its exchange rate and international trade relations!
- For India – most of the forex is used to pay for oil imports as you all probably know – so having a strong forex reserve is extremely important.
- Forex reserves are managed by the RBI in India.

Latest though, **India is 9th on the list of countries with good forex position**; list headed by China.

And even latest news on the forex reserves front is that, India's forex reserves rose by \$3.16 billion last week, so the current figure resides at \$319.99 billion!

Which is like -\$ 3,199,900,000! And the pundits are of the opinion that it is a comfortable position to be in. Well, who are we to argue!

Types of Bank Accounts

This topic is important for bank exams, as generally many questions are asked in bank exams and interview on bank accounts like what are different types of accounts in bank, what is difference between current account and saving account. So understanding this topic is very important.

VARIOUS TYPES OF BANK ACCOUNTS

1. Saving Account
2. Current Account
3. Recurring deposit Account
4. Fixed deposit Account
5. FCNR Deposit Account
6. NRO Account
7. NRE Account

SAVING ACCOUNT :

Saving accounts are opened by individuals in banks to save some share of their earnings. Main aim of saving account is to promote saving habit among individuals. These saving accounts are opened on the name of individuals only.

On saving account an individual earns some rate of interest, these rate of interest varies from bank to bank, earlier this rate of interest in fixed by RBI but now RBI has given power to banks to decide their own rate of interest on saving account. This rate of interest is usually 4% but some private banks offering 6% rate of interest too.

When a person open a saving account he is provided with a passbook, ATM card, cheque book.

In saving accounts there is restriction a person can deposit or withdrawal money within month. Minimum deposit a individual has to maintain in account (In PSU banks) is Rs1000 or less as some bank offering zero balance accounts.

CURRENT ACCOUNT :

Current account are opened for business transactions, on the name of firm or company. Banks offered no rate of interest on money held in current account but provide extra features as compared to current account like there is not limit on deposit or withdrawal in current account but no passbook is issued for current

account holder. Minimum deposit needed to open current account is Rs5000 or depends on respective bank. Many facilities are provided to current account holder like overdraft facility, statement of account.

RECURRING DEPOSIT ACCOUNT OR R.D.

In recurring deposit account is a saving feature that bank offers to their customers, who can save only small amount of money per month. In recurring deposit account a person deposit a fixed sum of money for fixed period like a person deposit Rs 500 per month for one year bank pays interest on the deposit money every month after the completion of fixed period bank pay the deposit money along with interest to his customer.

Recurring deposit account are generally meant for salary earning people who can save a fixed sum of money every month.

FIXED DEPOSIT ACCOUNT OR TERM DEPOSIT ACCOUNT

In fixed deposit account, a person deposit a fixed sum of money one time only for the fixed period bank pays the rate of interest on the fixed deposit account depends on tenure of deposit account, after the completion of period bank pay the amount along with rate of interest incurred on the amount. Banks also charge penalty if premature withdrawal is done if person need money before the completion of fixed period.

For NRI to invest in India and earn interest on their hard earn money, as rate of interest offered by Indian banks is higher than western counterparts so it is attraction option to deposit money in Indian banks and earn good rate of interest. RBI allow three type of account to NRI by which they can deposit their money in India

FCNR DEPOSIT ACCOUNT

FCNR stand for Foreign Currency Non - Resident account

This account is opened by NRIs. In this account a person invest a fixed sum of money for a period not less than one year and max five years in any foreign currency in fcnr account. After the completion of fixed period principal and interest is paid in foreign

currency in which he had deposited. In this way NRI are save from foreign exchange rate risk

NRO DEPOSIT ACCOUNT

NRO stand for Non Resident Ordinary saving account

The Non Resident Ordinary Account (NRO Account) is a Savings / Current. Recurring Deposit / Fixed Deposit bank account held in India, in Indian Rupees. **NRO account is opened by any person resident outside India** only who want to earn attractive rate of interest in India and also have some earnings in India (such as rent income, dividend, pension, etc). This account is best suited for NRI or PIO who have some earnings in India as these earnings are deposit in NRO account. NRO account is only operated in Indian currency only. Average monthly balance in NRO saving account is Rs1,50,000. NRIs can remit up to 1 million per calendar year. Banks are free to determine their interest rates on savings deposits under Ordinary Non-Resident (NRO) Accounts. However, interest rates offered by banks on

NRO deposits cannot be higher than those offered by them on comparable domestic rupee deposits

NRE ACCOUNT

NRE stands for Non Resident External Account

The Non Resident External Account (NRE Account) is a Savings / Current. Recurring Deposit / Fixed Deposit bank account held in India, in Indian Rupees. Such accounts can be opened only by the NRI. Balances held in NRE account are fully repatriable. With effect from March 1, 2014, interest rates offered by banks on NRE deposits cannot be higher than those offered by them on comparable domestic rupee deposits

Guidelines for Payment and Small Finance Banks

Payment banks can receive deposits and remittances, but cannot lend, focusing on migrant labour and low income households.

Small banks will lend to “unserved and under-served sections”, including small business units, small and marginal farmers, and micro and small industries.

Payment Banks	Small Finance Banks
Objective	
Provide small savings accounts and payments /remittance services to migrant labour workforce and low-income households	Financial inclusion and supply of credit to small business units and farmers through high-technology and low-cost operations
Eligible Promoters	
Individuals or professionals with necessary experience and eligibility, existing NBFCs, corporate banking correspondents, mobile companies, supermarket chains, real estate co-ops and corporate entities	Resident individuals or professionals with 10 years of experience in banking and finance, companies and societies owned and controlled by residents, existing NBFCs, microfinance institutions and local area banks owned and controlled by residents
Scope of Activities	

Accept deposits but customer balance should not exceed Rs.1 Lakh	Basic services of accepting deposits and lending
Cannot give loans, can issue ATM/Debit card but no credit cards	No restriction on the area of operations
Can distribute non-risk simple financial products such as mutual funds and insurance products	At least 50% of its loan portfolio should constitute loans and advances of upto Rs.25 Lakh
NRIs will not be allowed to open accounts	
Capital Requirement and Promoter's contribution	
Minimum paid-up equity capital of Rs.100 Crore/initially 40%, to be gradually brought down to 26% within 12 years from date of commencement	

Cheque Truncation System (CTS) - Explained

I'm sure you must have come across the acronym CTS many a times during your banking studies; today we aim to go further from the acronym and actually understand what CTS is all about!

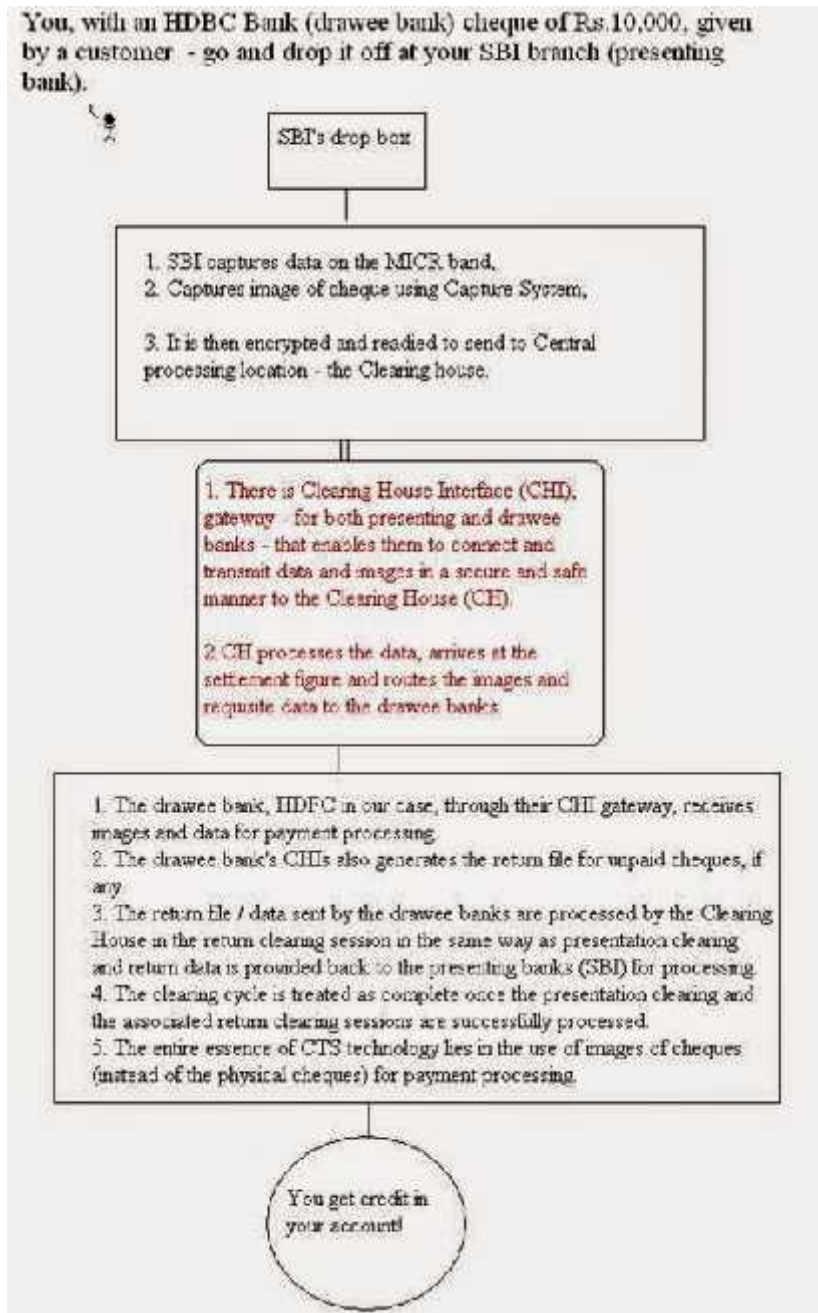
1. WHAT IS CHEQUE TRUNCATION OR TRUNCATION OF CHEQUES?

Truncation literally means stopping or cutting short. Thus, truncation of cheque means stopping the flow of the physical cheque by the presenting bank (bank where the cheque is presented/dropped off!) en-route to the drawee bank's (bank on which the cheque is drawn on) branch.

Instead of the physical cheque, an *electronic image of the cheque* is transmitted to the drawee branch, along with relevant information like data on the MICR band, date of presentation, presenting bank, etc. Cheque truncation, thus, removes the need to move the actual physical cheque from branch to branch.

2. PROCESS OF CTS:

Basically there are three levels, namely, at the Presenting Bank, the Clearing House and the Drawee Bank. The following should help with understanding the process!



3. BENEFITS OF CTS:

- (i) CTS speeds up the process of collection of cheques,
- (ii) Reduces the scope for clearing-related frauds or loss of instruments in transit,
- (iii) Lowers the cost of collection of cheques,
- (iv) Removes reconciliation-related and logistics-related problems,
- (v) Reduces the time of clearing cycle – that is faster processing of cheques and payment in favour of the customer,
- (vi) Reduces scope for frauds inherent in paper instruments,

Thus, as you can see CTS increases efficiency of the entire system.

4. WHAT IS CTS -2010?

CTS-2010 is a standard benchmark recommended by RBI for the standardisation of:

- (i) cheque forms (leaves) in terms of size,
- (ii) MICR band,
- (iii) quality of paper, having protection against alteration, should be sensitive to acid/alkali/bleach etc. and should not glow under UV light – CTS -2010 paper is UV-dull!
- (iv) watermark, all cheques to carry a standardized

watermark, 'CTS INDIA' – should be oval and 2.6 to 3 cms in diameter,

(v) mandating colour schemes in pastels to ensure clarity of image etc.,

Thus, CTS-2010, standardizes the cheque to conform to certain features for identification and security purposes.

All banks providing cheque facility to their customers have been advised to issue only 'CTS-2010' standard cheques.

Cheques not complying with CTS-2010 standards will be cleared at less frequent intervals i.e. twice a week up to October 31, 2014 and weekly once from November 1, 2014 onwards.

Credit Rating – Scale, Scores and Agencies

'Credit Rating' is a very important topic from Bank interview's point. Of course it is quite possible that questions may be asked in the written examination – but when it is interview, knowledge about this particular area is a must in your arsenal!

1. CREDIT RATING

'Credit rating' the assessment of the credit worthiness of a borrower or a loan taker; credit worthiness refers to the ability of a borrower to 'service the loan', i.e., pay back the loan along with the interest.

2. HOW IS IT DONE?

Assessment of credit worthiness and subsequently the rating of a borrower can be made in general terms on his business as a whole to project a favourable image to the industry at large.

Or it can be undertaken on the request of the borrower specifically with respect to a particular debt or financial obligation, or for the purpose of applying for a fresh loan.

The entity which wants the credit rating done – it can be the Bank too, which before it approves a loan wants to know the credit worthiness of the prospective borrower, or the borrower itself – pays to the rating agencies for their services.

3. HOW ARE THE RATINGS DONE?

- The rating agencies conduct their procedures to gauge the credit

worthiness of the entity with due diligence based on latest industry standards, requirement, economic and financial climate and the entity's own past and present performances and expected/viable future plans, etc.

- The borrower/entity will always want to have the highest possible credit rating; the lender/bank will expect an average rating!

It is the job of the credit rating agency to strictly adhere to objectivity in attaching a particular rating to an entity.

4. IMPLICATIONS OF 'RATING'.

1. Ratings have impact on the interest rates charged by the lenders/Banks.
2. Higher credit rating means – the borrower is highly credit worthy – that he/it is in a comfortable position with regards to his/its business operations and will generate enough turnover/adequate cash flow/income/profit from the regular business, in the foreseeable future to be able to service the loan/debt without any default. -Since a higher credit rating means lower chances of 'default', banks charge lower rate of interest on such accounts.
3. The opposite is true as well. Where the credit rating is lower – the risk of the borrower defaulting is higher – which is why the banks charge higher rate of interest!
4. Thus from a borrower's point of view higher rating and lower interest is preferable! Whereas banks go for a break even on risk and return!
5. Thus if you are asked in an interview – how is credit rating and interest rate related – your answer should be – they are 'inversely related'! (Like a boss! And you can also explain it in brief – higher credit rating = lower interest rate!)

5. WHICH ARE THE CREDIT RATING AGENCIES?

In India the most popular credit rating agencies are:

- i. **CRISIL** – Credit Rating Information Services of India Ltd.
HQ in Mumbai/ Subsidiary of Standard and Poor's
- ii. **CARE** – Credit Analysis and Research Limited
HQ in Mumbai
- iii. **ICRA Ltd.** – Indian Credit Rating Agency Ltd.

HQ in Gurgaon/ An Associate of Moody's

iv. **India Ratings** – India Ratings and Research Pvt. Ltd.

HQ in Mumbai.

v. **Brickwork Ratings India Pvt. Ltd.**

HQ in Bengaluru.

vi. **SMERA – SME Ratings Ltd.** – set up for Micro, Small and Medium Enterprises.

HQ in Mumbai.

RBI allows the usage of ratings by these rating agencies for assigning Risk Weights in calculating 'Risk Weighted Assets'.

Important to also know – that in India the Credit rating agencies (CRA) are regulated by SEBI.

Internationally there are:

- Standard and Poor's (New York, USA)
- Moody's (New York, USA)
- Fitch Group (dual HQ – London and New York)

6. WHAT ARE THE RATINGS? HOW ARE THEY DENOTED?

Credit rating agencies typically assign letter grades to indicate ratings.

For Long term loans the rating symbols are as follows:

- AAA – highest degree of safety – lowest credit risk
- AA – high degree of safety – low credit risk
- A – adequate degree of safety – low credit risk
- BBB – moderate degree of safety – moderate credit risk (the above four are 'Loan Worthy Ratings')
- BB – Moderate risk
- B – High risk
- C – Very High risk
- D – Default – they are already defaulting!

For short term loans the rating symbols are as follows:

- A1 – strong degree of safety – lowest credit risk
- A2 – strong degree of safety – low credit risk

- A3 – moderate degree of safety – credit risk higher than A1 and A2
- A4 – minimal degree of safety – high credit risk
- D – Defaulting already and expected to default

Various Payment Systems in Banks in India

In a series of providing useful material for **Banking Awareness** section of various banking exams. Today I am explaining various payment systems available in banks in a very simple language.

1. RTGS: REAL TIME GROSS SETTLEMENT

- It is a centralized payment system through which inter bank payment instructions are processed and settled, on GROSS basis, in REAL TIME.
- Which simply means, that the transactions are settled as they happen.
- Minimum amount is Rs. 2 lacs and there is no limit to maximum amount.
- A 'service charge' is charged by the banks for outwards transactions (making an RTGS) and nil for inwards transactions (receiving an RTGS).
- RTGS is used by banks to settle their inter-bank account transactions as well as customer's high value transactions.
- It uses INFINET (Indian Financial Network) platform to operate.

2. NEFT: NATIONAL ELECTRONIC FUNDS TRANSFER

- It is a nation-wide funds transfer system which facilitates fund transfer from any bank's branch to any other bank's branch.
- The difference between NEFT and RTGS is that NEFT settlements happen in batches, and on net settlement basis. Where as RTGS is real time and gross settlement.
- Net Settlement means, that transaction pertaining to a particular bank branches are kept on hold and accumulated and then processed together in a batch with the 'net' amount, which would either be incoming or outgoing transfer.
- There is no limit to minimum/maximum transaction value.
- NEFT cannot be used for foreign remittances.

3. AEPS: AADHAR ENABLED PAYMENT SYSTEM

- It is a payment system which uses Aadhar card number and an individuals online UIDAI authentication, which are linked to a customers Bank account.
- A customer will have to register his/her Aadhar number to their existing bank account, provided their bank is AEPS enabled.
- Through AEPS, customer can withdraw or deposit cash, make balance enquiry, and transfer funds.
- The maximum amount of transaction per account per day is Rs.50,000.
- These transactions are normally conducted by Business Correspondents (BCs) service centres.

4. MTSS: MONEY TRANSFER SERVICE SCHEME

- It is a system of money transfer for transferring personal remittances from abroad to beneficiaries in India.
- Through this only inward remittances into India are permissible. No outward remittance allowed.
- A maximum of Rs.50,000 can be remitted inwards as per the money value. And a maximum of 30 transactions per calendar year.

5. NEPAL REMITTANCE SCHEME:

- It is a cross-border one-way remittance facility scheme for remittance from India to Nepal.
- Maximum amount remittance is INR 50,000 and beneficiaries will receive in Nepalese Rupees.

Types of ATM and their features

List of various types of ATMs and their features.

WHITE LABEL ATM

White Label ATMs are those ATMs which set up, owned and operated by non-bank entities, which have been incorporated under Companies Act 1956, and after obtaining RBI's approval.

BROWN LABEL ATMS

These ATMs are owned and maintained by service provider whereas bank whose brand is used on ATM takes care of cash management and network connectivity.

ONLINE ATM

Online ATMs: These ATMs are connected to the bank's database at all times and provide real time transactions online. The withdrawal limits and account balances are constantly monitored by the bank. Online ATMs are always watching out for you!

OFFLINE ATM

Offline ATMs: These ATMs are not connected to bank's database- hence they have a predefined withdrawal limit fixed and you can withdraw that amount irrespective of the balance in your account.

So if you did not have balance in your account, and you went to a 'offline ATM' and withdrew money more than the balance – you'll still get the cash at that time, and later on will run afoul with your bank balance! Where banks may charge some penalty for exceeding your balance!

STAND ALONE ATM

Stand Alone ATMs are not connected with any ATM network- hence their transactions are restricted to the ATM's branch and link branches only.

The opposite of Stand alone ATMs are Networked ATMs, which are connected on the ATM Network.

ONSITE ATM

Onsite ATMs: are the ATMs you find next to your Bank's branch. They go side-by-side! Or in proper terms, they are the ATMs installed within a branch's premises.

OFF-SITE ATM

Off-site ATMs are the ones which are installed anywhere, but within the branch premises. That is these are not installed next to branch.

Mutual Fund - Concept and Structure

Mutual Fund is an investment plan wherein MF pools investors money to invest in pre-determined goals for capital appreciation.

Benefits of Mutual Funds

- It's safe
- No need to stay updated with market movements
- Experts manages the investments
- Tax saving under section 80(c)
- Investors can invest in any investment option (For example it's not possible to invest 1 lac in a real estate project, mutual funds makes it possible)

STRUCTURE OF A MUTUAL FUND

- Sponsor (Promoter)
- Trustees
- Asset Management Company
- Custodian
- R & T Agent
- Distributors

SPONSOR

Sponsor is the promoter of mutual fund and get MF registered with SEBI. Sponsor forms a trust and appoints board of trustees.

Pre-requisites of a sponsor

- Minimum 40% shareholding in AMC (Asset Management Company)
- Must have positive net worth in last 5 years
- Should be in financial services sector during past years from the date of registration

TRUST

Trust is the owner of mutual fund. It protects the investors money. Trust acts as a watchdog and keeps an eye on investors money. There should be at least 4 trustees and 2/3 of the trustees should be independent.

Trust signs trust deed with Sponsor

ASSET MANAGEMENT COMPANY

ASM pools and invests investor money in pre-stated objective for capital appreciation.

- In India AMC should be a private limited company
- Net worth should be at least 10 cr at all times
- At least 50% directors should be independent

CUSTODIAN

- Custodian is appointed by Trust and it has the custody of assets of Mutual Fund.
- Sponsor and custodian can never be same
- Custodian should be registered with SEBI

REGISTRAR AND TRANSFER AGENTS (RTA)

Maintains investors records and handles investors documents. It's not compulsory to appoint an RTA.

Financial Ratio Analysis with Explanation

Today list all the Financial ratios with explanation. These ratios are important for general awareness section as well as for interviews

1. Profitability Ratios,
2. Leverage Ratios,
3. Turnover Ratios and
4. Liquidity Ratios

PROFITABILITY RATIOS

There are 5 basic Profitability Ratios/ Margins:

GROSS PROFIT RATIO/ MARGIN:

- *The formula is = (Gross Profit/ Net Sales) x 100*
- Gross profit means the Sales – Expenses directly related to the business.
- Net Sales is Total Sales – any sales returns.
- It is a very basic ratio to show how a business is performing – it is the most basic profit showing ratio.

NET PROFIT RATIO/ MARGIN:

- *The formula is = (Net income/ Net Sales) x 100*
- Net Income means – pure business income leaving out 'other income' like income from savings bank/ FDs/ Investment etc. This is the income from carrying out the business.

RETURN ON ASSET :

- *The formula is = Net income/ Average Assets*
- It shows how effectively a company is utilizing its assets to earn profits.

RETURN ON INVESTMENT:

- *The formula is = Net income/ Long Term Capital*
- Long term capital includes long term liabilities – like Debentures/ Loan and Capital,
- It shows how much the firm is able to earn in respect of its long term liabilities. Liabilities

are obligations of a company.

- *The formula is = Net Sales/ Cash*
- Shows how effectively cash is being utilized.

RETURN ON EQUITY:

- *The formula is = Net income/ Equity*
- Equity is Shareholder's Funds = Equity Share Capital and Reserves and Surplus. It is the company's owner's funds.

LEVERAGE RATIOS

There are 4 basic Leverage Ratios:

TOTAL ASSETS TO DEBT RATIO:

- *The formula is = Total Liabilities/Total Assets*
- Shows that is times become hard and liabilities need to paid off – then the company has enough assets to cover the liabilities.

DEBT TO EQUITY RATIO:

- *The formula is = Total Liabilities/Equity*
- It shows the coverage of liabilities of a company with regards to company's equity.

INTEREST COVERAGE RATIO:

- *The formula is = EBIT/Interest Obligations*
- EBIT = Earnings before Interest and Taxes.
- Interest Obligations are the interest you need to pay on loans/ debentures etc.
- It measures a firm's ability to pay its interest obligations.

LONG TERM DEBT TO NET WORKING

CAPITAL RATIO:

- *The formula is = Total long term debt/Net WC*
- Net WC = Net Working Capital = Current Assets – Current Liabilities.
- It measure the capacity of firm to meet long term debt obligations after meeting current liability obligations from the current assets.

TUNROVER RATIOS

There are 6 basic Turnover Ratios:

CASH TURNOVER RATIO:

FIXED ASSETS TURNOVER RATIO:

- *The formula is = Net sales/ Net fixed assets*
- Shows the utilization of fixed assets to generate sales.

ASSETS TURNOVER RATIO:

- *The formula is = Net Sales/Average Total Assets*
- This is another asset ratio which measures net sales against the total assets.

RECEIVABLES TURNOVER RATIO:

- *The formula is = Net Sales/Average Receivables*
- Receivables are the Accounts Receivables, which include debtors/bills receivables etc.
- This shows how much of sales is made in credit and hence the liquidity position of the firm as funds are held up in the form of 'receivables'.

PAYABLES TURNOVER RATIO:

- *The formula is = Net Purchases/Average Payables*
- Average payables are the accounts payables or the firm's current liabilities to creditors.
- It shows how much of purchases is made on credit and the ratio payment liquidity.

INVENTORY TURNOVER RATIO:

- *The formula is = Cost of the Goods Sold/ Average Inventory*
- Average Inventory is the Stock-in-Trade.
- This ratio shows the liquidity of inventory.

LIQUIDITY RATIOS

CURRENT RATIO

- *The formula is = Current Assets/ Current Liabilities*

ACID TEST RATIOS

- *Formula is = Quick Assets/ Current Liabilities*

WORKING CAPITAL RATIO:

- Working capital = Current Assets – Current Liabilities
- Working Capital Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

CASH RATIO:

- Formula = $\frac{\text{Cash} + \text{Marketable Securities}}{\text{Current Liabilities}}$

Financial Ratios with Explanation - Part 1

Today we're starting a series of articles on 'Financial Ratios'; very important from interview point of view!

'Financial Ratios' refers to a group of different 'ratios' which act as a tool to bring out useful information from the elements of a Balance Sheet.

These ratios are nothing but the normal ratios we learnt – except they represent certain items of Balance Sheet/ Profit & Loss Account of a company to present the 'financial condition' and other information, which will help stakeholders to make informed decisions.

Financial Ratios in addition to showing a company's performance/ financial position also helps in comparing two or more companies in financial terms – thus as an investor you'll know which company to put your funds in! But of course that is not the only use of Financial Ratios.

Financial Ratios are typically classified into four categories:

1. **Liquidity Ratios** – show a firm's ability to meet its short term liabilities, i.e., current obligations.
2. **Profitability Ratios** – measures profitability of a firm; measures expenses and income.
3. **Leverage Ratios** – essentially measures a firm's capital structure and its various elements.
4. **Turnover Ratios** – income and expense related; sales and expenditure related.

We will discuss every one of the above ratios in 'brief – detailed' manner so that we know the basics and something more for our interviews!

Must get Banking awareness ebook for systematic preparation

LIQUIDITY RATIOS

There are 4 Liquidity Ratios:

CURRENT RATIO:

also simply known as 'liquidity ratio' is the ratio between 'Current Assets' and 'Current Liabilities'.

- *The formula is = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$*
- Current Assets include all those assets which are held for a short time in the course of business and which can be easily converted into cash.
- Examples of Current Assets are: Cash, Bank Balance, Short Term investments, Stock in Trade, Finished Goods, Raw Materials, Prepaid Expenses, Debtors, Bills Receivables etc. As you can see – these items are Cash and Cash Equivalents, i.e., easily convertible into cash.
- Current Liabilities are obligations of a company which need to met in a short period of time – bills payables, creditors, bank overdraft account etc.
- Thus Current Ratio – shows the ability of a company to meet its short term or current payment obligations.
- An ideal current ratio for banks is 1.33:1. Current Assets to be 1.33 times of current liabilities to be in comfortable position and not have excessive current asset sitting idle!

ACID TEST RATIO: ALSO KNOWN AS QUICK RATIO

- It is also a measure of Current Assets and Current Liabilities – but in this case, the Current Assets include strictly only cash and cash equivalents.
- Thus Current Assets in Acid Test Ratio includes all current assets except Stock in Trade and Prepaid Expenses – it is also known as Quick Assets – as they can be quickly converted to cash.
- Stock takes some time to be converted to cash and pre-paid expenses can not be converted into cash – it can only result in receipt of some kind of service in future, hence they are excluded in 'Quick Assets'

- **Formula is = Quick Assets/ Current Liabilities.**
- Ideal Quick Ratio is 1:1.

WORKING CAPITAL RATIO:

- For any business firm to operate its day to day activities, it need to have cash/funds in hand at all times to carry on its activities without any stoppage or problem – this cash in hand is what in commerce jargon is known as ‘working capital’.
- Working Capital – ensures smooth operations in terms of availability of funds. Imagine you have to place an order for raw materials and you don’t have money!
- Thus for any commercial establishment – working capital management is a very important aspect, even for banks; it ensures operational efficiency.
- **Working capital = Current Assets – Current Liabilities.**
- **Working Capital Ratio = Current Assets/Current Liabilities.**

- Working capital ratio should always be above 1. If not it means negative working capital, which would mean the payment obligations exceed the funds receipt – which poses problem for a business...obviously!

CASH RATIO:

- Is what the name says – the very strict and narrow definition of cash – which includes only cash and cash equivalents, leaving out stock, inventories, debtors, other accounts receivables too.
- Thus it includes, cash, marketable securities, bank balances only!
- Thus formula = Cash + Marketable Securities/ Current Liabilities.

Definitions of Micro, Small & Medium Enterprises

In accordance with the provision of **Micro, Small & Medium Enterprises Development (MSMED) Act, 2006** the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

1 Manufacturing Enterprises

The enterprises engaged in the manufacture or production of goods pertaining to any industry or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise are **defined in terms of investment in Plant & Machinery**

2. Service Enterprises

The enterprises engaged in providing or rendering of services and are **defined in terms of investment in equipment**.

MANUFACTURING SECTOR

Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees

SERVICE SECTOR

Enterprises	Investment in equipments
Micro Enterprises	Does not exceed twenty Ten lakh rupees
Small Enterprises	More than twenty Ten lakh rupees but does not exceed 2 crore rupees
Medium Enterprises	More than Two crore rupees but does not exceed Five crore rupees

List of Cabinet Minister as on 30.11.2014

Person Name	Position
Narendra Modi, Head of the Government	Prime Minister, Personnel, Public Grievances and Pensions, Department of Atomic Energy, Department of Space, All important policy issues and all other portfolios not allocated to any Minister
Rajnath Singh	Home Affairs
Sushma Swaraj	External Affairs, Overseas Indian Affairs
Arun Jaitley	Finance, Corporate Affairs, Information & Broadcasting
Manohar Parrikar	Defence
Radha Mohan Singh	Agriculture
J.P. Nadda	Health and Family Welfare
M. Venkaiah Naidu	Urban Development, Housing and Urban Poverty Alleviation, Parliamentary Affairs
Nitin Jairam Gadkari	Road Transport and Highways, Shipping
Suresh Prabhu	Railways
Uma Bharati	Water Resources, River Development and Ganga Rejuvenation
Dr.Najma A. Heptulla	Minority Affairs
Chaudhary Birender Singh	Rural Development, Panchayati Raj, Drinking Water and Sanitation
Ramvilas Paswan	Consumer Affairs, Food and Public Distribution
Kalraj Mishra	Micro, Small and Medium Enterprises
Maneka Sanjay Gandhi	Women and Child Development
Ananth Kumar	Chemicals and Fertilizers
Ravi Shankar Prasad	Communications and Information Technology

A.G. Raju Pusapati	Civil Aviation
Anant Geete	Heavy Industries and Public Enterprises
Harsimrat Kaur Badal	Food Processing Industries
Narendra Singh Tomar	Mines, Steel, Labour and Employment
Jual Oram	Tribal Affairs
Sadananda Gowda	Law and Justice
Thaawar Chand Gehlot	Social Justice and Empowerment
Smriti Zubin Irani	Human Resource Development
Dr.Harsh Vardhan	Science & Technology/Earth Science
Other Appointments	
Deepak Gupta	Chairman of Union Public Service Commission (UPSC)
Justice C.K. Prasad	Chairman of the Press Council of India
Hasmukh Adhia	Union Financial Services Secretary
G.S. Sandhu	Chairman of National Chemical Weapon Convention
Laxmikant Parsekar	Chief Minister, Goa
Anita Kapur	Chairperson of the Central Board of Direct Taxes

What is Sensex and How it is Calculated

What is Sensex ?

This is a frequently asked questions in Bank interviews. Everybody know that these are stock indexes. But interviewers expect you to speak little more about this.

WHAT IS SENSEX AND NIFTY ?

Sensex is an index of top 30 stocks in Bombay stock exchange (BSE) and Nifty is an index of top 50 stocks in National stock exchange (NSE)

HOW VALUE OF SENSEX IS CALCULATED

Value of Sensex is calculated using "Free Float Market Capitalization" method.

Sensex is calculated on the basis of Free Float Market Capitalization of top 30 companies included in the index.

Free float ratio is number of outstanding shares available for general public to trade

Sensex was started on 1 April 1979. At that time the base value was 100.

For example on 01-04-1979, the free float market capitalization of top 30 shares was 1000 crores. On 2 April 1979, free float market capitalization increased to 1050 crores. So the value increased by 5%. Value of Sensex will also be increased by 5% and value will become 105.

FORMULA TO CALCULATE SENSEX

It's nothing but summation of free float market capitalization top 30 stocks.

$$X = \sum_{i=1}^{30} m(i)$$

International Sports Events held in 2014 and 2015

List of international sports events to be held in the world in 2014 and 2015. These events are important for the banking exams point of view.

INTERNATIONAL SPORTS EVENTS 2015

Event	Location
Pan American Games 2015	Toronto, Canada
Special Olympics World Summer Games	Los Angeles, USA
AFC Asian Cup 2015	Australia
ICC Cricket World Cup 2015	Australia, New Zealand
International Golf Championship 2015	Perth, Australia

GK Digest December 2014

Junior Figure Skating World Championship	Tallinn, Estonia
FIFA Women's World Cup 2015	Canada
Australian Open (Tennis)	Melbourne, Australia
Skiing World Championship	United States of America
French Open (Tennis)	Paris, France
South-East Asian Games	Singapore
European Games	Baku, Azerbaijan
US Open (Golf)	Washington, USA
Wimbledon (Tennis)	London, England
World Swimming Championship	Kazan, Russia
World Championship (Gymnastics)	Glasgow, UK
IWF World Championship (Weightlifting)	Houston, USA
European Judo Championship 2015	Glasgow
IBSA World Games 2015	Seoul, South Korea

INTERNATIONAL SPORTS EVENTS 2014

Event	Location
FINA World Swimming Championship	Doha, Qatar
FIH Champions Trophy for Men (Hockey)	India
Asian Games	Incheon, South Korea
Commonwealth Games	Glasgow, Scotland
Winter Olympics	Sochi, Russia
FIBA World Championship (Basketball)	Spain

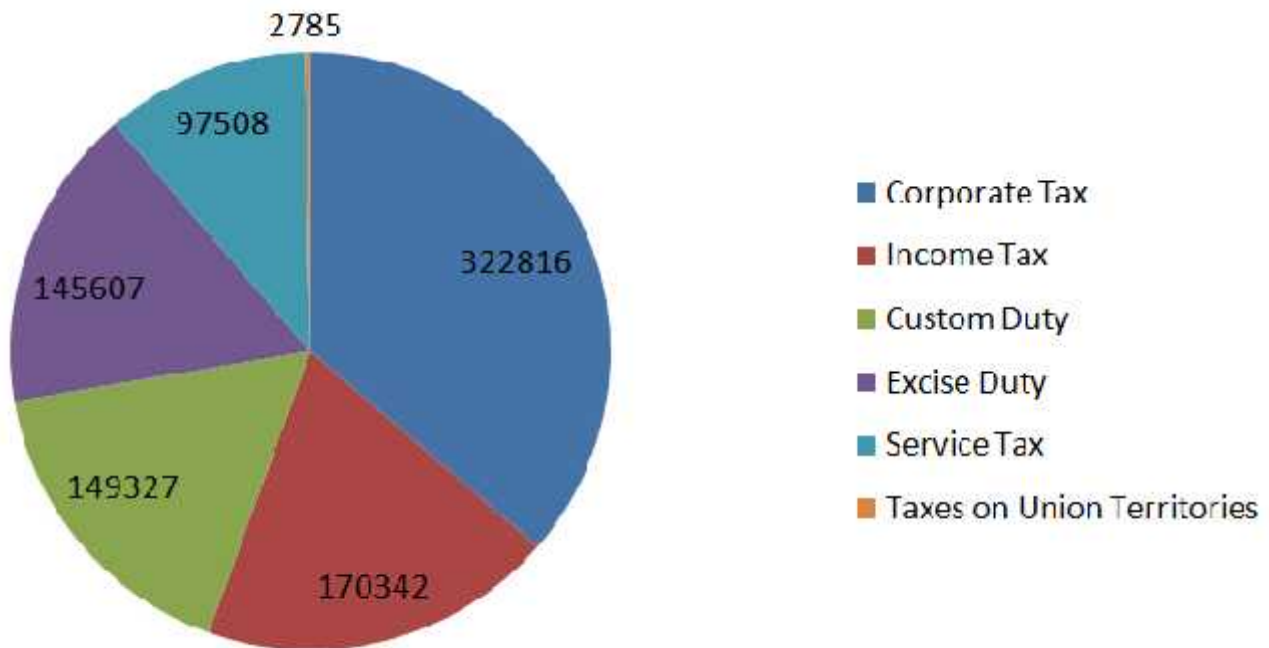
FIFA World Cup 2014	Brazil
World Junior Ice Hockey Championship	Sweden

Collection from various Taxes in India

One of the most common question asked in bank interviews is - Which is the major source of revenue to Indian Government ?

Type of Tax	Collection in 2013-14 (Rs Crores)
Corporate Tax	322816
Income Tax	170342
Custom Duty	149327
Excise Duty	145607
Service Tax	97508
Taxes on Union Territories	2785

Tax Revenues in India (Rs Crores)



Corporation tax levied on companies under section Companies Act 1961

Income tax is levied on individual, firms other than companies under Income Tax Act 1961

Wealth tax is levied on assets of certain individuals and companies under Wealth Tax act, 1957

Service tax is levied on services provided by professionals and companies. Services under "Negative Lists" are exempted from service tax.

Excise duty is levied on production of goods.

Popular Books and their Authors

Some important books, India and Worldwide, and their Authors – important because most of them are by politicians, some famous autobiographies and some for basic G.K.!

Book (year of launch)	Author
2014 – The Election That Changed India (2014)	Rajdeep Sardesai
A Bad Character (2014)	Deepti Kapoor
A Stamp is Born (2014)	C. R. Pakrashi

GK Digest December 2014

An Uncertain Glory: India and its Contradictions(2013)	Amartya Sen & Jean Dreze
And Then One Day (2014) (Autobiography)	Naseeruddin Shah
Blood Feud: The Clintons vs. The Obamas (2014)	Edward Klein
Capital: A portrait of Twenty first Century Delhi(2014)	Rana Dasgupta
Courage and Conviction	Gen. V. K. Singh
Crusader or Conspirator? – Coalgate and other truths (2014)	P. C. Parakh (ex- Coal Secretary)
Gandhi's Outstanding Leadership (2014)	P. A. Nazarath
Gas Wars: Crony Capitalism and the Ambanis (2014)– controversial book on gas prices.	Pranajoy Guha Thakurta, Subir Ghosh, Jyotirmoy Choudhuri
Half Girlfriend (2014)	Chetan Bhagat
Hard Choices (2014) (Autobiography)	Hillary Clinton
I am Malala (2013) (Autobiography)	Malala Yousufzai
India at Risk (2013)	Jaswant Singh
Lowland – 2013 Booker Prize Nominee (2013)	Jhumpa Lahiri
Munger through the Ages (2014)	Devendra Prasad Yadav
My Years with Rajiv and Sonia (2014)	R. D. Pradhan
Narendra Modi: A Political Biography (2014)	Andy Marino
Not Just an Accountant (2014)	Vinod Rai, ex- CAG
One Life is not Enough (2014)	Natwar Singh
Playing it My Way (2014) (Autobiography)	Sachin Tendulkar
Prem Naam Hai Mera - (Biography of Prem Chopra) (2014)	Rakita Nanda
Reflections on Contemporary India	Shekhar Dutt
Strictly Personal, Manmohan and Gursharan (2014)	Daman Singh, daughter of ex-PM Manmohan Singh
The Accidental Prime Minister – The Making and Unmaking of Manmohan Singh (2014)	Sanjaya Baru

GK Digest December 2014

The Candidate (2014)	Anirudh Bhattacharya
The Lives of Others (2014) –short-listed for Booker 2014	Neel Mukherjee
The Making of the Great Indian Election (2014)	S. Y. Quirashi, ex-Election Commissioner
The Narrow Road to the Deep North (2014) – Winner of Man Booker Prize 2014	Richard Flanagan
The Political Economy of Energy and Growth (2014)	Najeeb Jung
The Substance and the Shadow (2014) (Biography of Dilip Kumar)	Uday Tara Nayar
The Test of My Life: From Cricket to Cancer and Back (2013) (Autobiography)	Yuvraj Singh
The Vijay Mallya Story (2014)	K. Giriprakash
To Dad with Love (2014)	Sunaina Roshan
Unbreakable (2014) (Autobiography)	M. C. Mary Kom
Walking with Lions: Tales from Diplomatic Past(2013)	Jaswant Singh

List of important Days

April Fools Day	April 1
Australia Day	January 26
Bangladesh Independence Day	March 26
Black Day	April 14
Boxing Day	December 26
Central Excise Day	February 24
Christmas Day	December 25
Coal Miners Day	May 4
Coconut Day	September 2
Commonwealth Day	2 nd Monday of March
Darwin Day	February 12
Day of Dialogue	April 15
Day of Silence	April 15
Desh Prem Divas	January 23
Doctor's Day	July 1
Earth Day	April 22
Foursquare Day	April 16
Global Handwashing Day	October 15
Hiroshima Day	August 6
Hug Day	February 13
Human Rights Day	December 10
Indian Air Force Day	October 8
Indian Army Day	January 15
Indian Navy Day	December 4
Indian Republic Day	January 26
International Day against Drug Abuse and Illicit Trafficking	June 26
International Day for Biological Diversity	May 22
International Day for the Elimination of Racial Discrimination	March 21
International Day of Families	May 15
International Day of Non-Violence	October 2
International Day of Zero Tolerance to Female Genital Mutilation	February 6
International Men's Day	November 19
International Mother Language Day	February 21

International Nurses Day	May 12
International Tiger Day	July 29
International Women's Day	March 8
International Worker's Day	May 1
International Youth Day	August 12
Kisan Divas	December 23
Legal Services Day	November 9
May Day	May 1
Mother' Day	2 nd Sunday of May
Myanmar Independence Day	January 4
National Children's Day	November 14
National Engineer's Day	September 15
National Hug Day	January 21
National Post Day	October 10
National Science Day	February 28
National Sports Day	August 29
National Teacher's Day	September 5
National Technology Day	May 11
National Voter's Day	January 25
National Youth Day	January 12
Non-resident Indian Day	January 9
Patriot Day	September 11
Photography Day	August 19
Purple Day	March 26
Quit India Day, Nagasaki Day	August 9
Rare Disease Day	February 28
Sri Lanka Independence Day	February 4
Street Children's Day	January 31
Thinking Day	February 22
Towel Day	May 25
United Nations International Day of Persons with Disabilities	December 3
Valentine's Day	February 14
White Day	March 14
World AIDS Day	December 1
World Animal Day	October 4
World Autism Awareness Day	April 2
World Blood Donor Day	June 14
World Book Day	April 23
World Cancer Day	February 4
World Diabetes Day	November 14

World Disabled Day	March 15
World Down Syndrome Day	March 21
World Environment Day	June 5
World Food Day	October 16
World Habitat Day	October 3
World Health Day	April 7
World Hemophilia Day	April 17
World Heritage Day	April 18
World Information Society Day	May 17
World Intellectual Property Day	April 26
World Laughter Day	First Sunday of May
World Literacy Day	September 8
World Malaria Day	April 25
World Marriage Day	2 nd Sunday of February
World Mental Health Day	October 10
World Meteorological Day	March 23
World Music Day	June 21
World No Tobacco Day	May 31
World Oceans Day	June 8
World Ozone Day	September 16
World Poetry Day	March 21
World Population Day	July 11
World Post Office Day	October 9
World Press Freedom Day, World Asthma Day	May 3
World Red Cross Day	May 8
World Refugee Day	June 20
World Senior Citizen's Day	August 8
World Sight Day	2 nd Thursday of October
World Sparrow Day	March 20
World Telecommunication Day	May 17
World Toilet Day	November 19
World Tourism Day	September 27
World Tuberculosis Day	March 24
World Vegetarian Day	October 1
World Water Day	March 22

Full Forms of Financial Terms

Important financial terms for banking exams :-

Term	Full form
EFFC A/c	Exchange Earner Foreign Currency Account
LRS	Liberalised Remittance Scheme
NIM	Net Interest Margin
LIBOR	London Inter Bank Offered Rate
MIBOR	Mumbai Inter Bank offered Rate
IBRD	International Bank for Reconstruction & Development
MLAT	Mutual Legal Assistance Treaty (SAARC)
NACP	National Aids Control Programme
CDM	Clean Development Mechanism
CRAR	Capital to Risk Weighted Assets Ratio
GPRS	General Packet Radio Service
CDMA	Code Division Multiple Access
GSM	Global Services for Mobile
BIMSTEC	Bay of Bengal Initiative for Multi Sectoral Technical & Economic Cooperation
CTT	Commodity Transaction Tax
NAPCC	National Action Plan for Climate Change
UNFCCC	U N Framework Convention on Climate Change
NEFT	National Electronic Fund Transfer
FIH	International Hockey Federation
FIFA	International Federation of Association Football/ Federation Internationale de Football Association (French acronym)
FSLRC	Financial Sector Legislative Reform Commission
NDM-1	New Delhi Metallo Beta Lactamase-1
CER	Certified Emission Reductions
NPCI	National Payment Corporation of India
IFSC	Indian Financial Services Code
MICR	Magnetic Ink Character Recognition
CBD	Convention on Biological Diversity
COP	Conference of Parties
ABS	Access, Benefit & Sharing
NFS	National Financial Switch
CSE	Centre for Science & Environment
MFI	Micro Finance Institution
QFI	Qualified Foreign Individuals
NAMICA	Nag Missile Carrier
NCHER	National Commission for Higher Education & Research
CCEA	Cabinet Committee on Economic Affairs
PTC	Pass Through Certificate
CAMELS	Capital Assets Management Earnings Liquidity Systems
SECC	Socio Economic & Caste Census
FCEB	Foreign Currency Exchangeable Bonds
NELP	New Exploration Licencing policy
FIPB	Foreign Investment Promotion Board

ITER	International Thermonuclear Experiment Reactor
INDU	Indian National Defence University (Gurgaon, Haryana)
MCX	Multi Commodity Exchange
BAFTA	British Academy Film & Television Awards
NIA	National Investigation Agency
CENVAT	Central Value Added Tax
IIP	Index of Industrial Production
SPV	Special Purpose Vehicle
IMPS	Interbank Mobile Payment Service
OMO	Open Market Operation
GAAR	General Anti Avoidance Rule
FCNR(B)	Foreign Currency Non Resident Bank
MNP	Mobile Number Portability
WIMAX	Worldwide Interoperability of Microwave Access
NCTC	National Counter Terrorism Centre
XBRL	Extensible Business Reporting Language
SACOSAN	South Asian Conference on Sanitation
IMEI	International Mobile Equipment Identity
UNICEF	UN International Children Emergency Fund
OIC	Organisation of Islamic Conference
GCC	Gulf Cooperation Council
SIM	Subscriber Identity Modules
NADA	National Anti Doping Agency
CASA	Current Account, Saving Account
CERN	European Centre for Nuclear Research
CBDR	Common but differentiated responsibility

BASIC FINANCIAL TERMS A-Z

A

AGM - Annual General Meeting, it is the year meeting held by every registered company. Agenda is to explain the performance during the year, presentation of annual financial statements, voting on important financial decisions. Any shareholder can participate in AGM.

Asset turnover ratio - This ratio can be explained as $\text{Net assets} / \text{Total turnover or sales}$. This ratio measures the operational efficiency of business assets. In simple terms this measures how many times total assets turned in a year and how efficiently the assets are used in a business.

Acid test ratio - This is one of the important ratio to measure business liquidity. Business liquidity is defined as ability of a business to pay its short term debts. $\text{Acid test ratio} = \text{Highly liquid assets} / \text{current liabilities}$

American Depository Receipts - This is the way non-US companies raise money from US investors. These shares can be traded in US stock exchanges and denominated in US \$.

Amortization - It is an accounting technique by which intangible assets are written off over a period of time. For example provision for doubtful debts or preliminary expenses are written off over a certain period of time.

Annuity - It is an investment scheme under which investor makes recurring investments and lump sum payment is made to him at the end. Common example is Recurring deposit account at a post office where people make small monthly deposits and get their money back at the end of period. Benefit of Annuity is investor gets compound interest over a period of time.

Asset Management Company - AMC is a company that pools and invests investor money in pre-determined goals. Pool of funds is known as Mutual fund.

Audit - Financial statement and physical stock is checked annually by professional auditor (Chartered Accountant affiliated by ICAI in India)

B

Book-keeping - Recording of financial transactions in books of account.

Bear market - A market situation in which most of the investors think that markets will fall.

Balance of Payment - BOP is the difference between a country's exports and imports.

C

Capital - Wealth invested by an entrepreneur on his business. $\text{Capital} = \text{Assets} - \text{Liabilities}$

Capital gain - Gain by selling a capital asset in which a person is not doing business. Income by selling a house by a bank employee is a capital gain whereas when a builder does the same thing it is Income from business and professional.

Current asset - An asset that can be converted into cash within 12 months. For example - debtors, stock etc.

Credit rating - A ranking applied to an individual, business or a nation based upon its credit history and current financial position. There are various credit rating companies in India such as Crisil.

CPI - Consumer price index is a measure to find price of a bundle of commodities. CPI is used to measure the inflation in a country.

D

Debt consolidation - Debt consolidation is a process by which various loans are converted into a single loan to reduce interest rate and instalment value.

Depreciation - Depreciation is reduction in value of an asset due to wear and tear over a period of time. For example a company purchased a machine in 2005 and planned to charge 20% depreciation. In 2010 the machine will be written off from the books of account.

Dividend - Dividend is the amount per share paid by a company to its shareholders. Dividend value is based upon company's profitability.

Dividend payout ratio - It is the ratio of dividend paid per share and EPS (Earning per share)

Double entry bookkeeping - It is a method of bookkeeping in which every transaction is recorded in two accounts. Once in debit side and once in credit side.

E

Earning per share - Earnings made by a company in a financial year divided by number of issued shares.

Equity - Value of a business. $\text{Equity} = \text{Total assets} - \text{Total liabilities}$

Ex-dividend - Ex-dividend means without dividend. When a seller makes an ex-dividend sales contract then he is entitled to get dividend or interest payment.

EBIT - Earning before interest and taxes

EBT - Earning before tax

EAT - Earning after tax

F

Face value - The amount mentioned on face of a bond certificate.

Fixed assets - Assets which can be seen such as machinery

Financial year - A period of 12 months from 1st April to 31st March

Fundamental analysis - Analysis of a company based upon financial and operational performance.

Fiscal policy - Income and expenses management by Government.

Flat rate - Rate of interest in a contract which remains same irrespective of market rate in future.

Floating rate - Rate of interest which changes with change in market rate.

Fund manager - A person who manages a mutual fund and tries to maximize fund's returns while sticking to fund's objectives.

G

Gearing - It is the ratio of debt to equity

Goodwill - Intangible assets that defines firm's reputation in monetary terms.

Gross profit = Net sales - Net purchases - Direct expenses

GDP - Gross domestic product is the aggregate value of goods and services produced by every person of a nation.

GST - Goods and services tax is the same tax system for everything. It is proposed that GST will replace the multi tax system in India by 2015.

H

Hedging - Hedging is a technique used by investors to protect themselves from adverse price movements. Derivatives are used for hedging in which hedgers take the risk of price fluctuations.

Hedge funds - Mutual funds which invest in derivatives

I

Index - It is a statistical measure used to find price variations in market. In stock markets most dominating stocks are grouped to make an index. For example - Sensex.

Income statement

A statement that represents both income and expenditure of a business during a specific period of time.

IPO - Initial public offer is issue of stocks for the first time in the market.

Intangible assets - Assets which can't be seen but have value for business. For example - Goodwill.

Indemnity - A legal contract under which one party promises to pay another for any losses incurred to them by their acts.

Interest rate risk - Risk that value of financial assets will deteriorate because of fall in interest rate. For example value of bonds decreases with decrease in interest rate.

Irredeemable stocks - Stocks which can't be exchanged for cash in future.

Indirect Costs - Indirect cost is a cost incurred on product that is not directly related to its production.

J

Junk fund – A fund which invests investor's money in junk investments means high risk investments which high returns.

K

KYC – Know Your Customer policy is mandatory in India and every investor irrespective of his investment volume needs to furnish his identity and residence details.

L

Libor – London

Liquidity – Ability of a business to pay off its short term debts with current assets. Currently NISL is facing liquidity crunch.

Liquid assets – Assets which can be readily converted into cash

Liquid ratio – Liquid assets/Current liabilities

Limited liability – Liability of an individual or a business up to the value of investment made in a business

M

Monopoly - A situation in market where there are many buyers but a single seller exist.

Money market - Market dealing in short term lending and borrowing of funds. Also know as Cash market.

Monetary policy - Set of actions by Central bank of a country (RBI in case of India) to control the supply of money. These actions included increase in interest rate, open market purchases, changing commercial bank's reserve funds ratio (SLR) etc.

Marginal cost - Additional cost to produce an extra unit of product.

Margin - Amount of profit added to cost price of each unit of a product

Margin call - Margin call term is used in two situations. **First** - Whenever a lender gives a secured loan and loan value is a fixed percentage of loan then

whenever the value of security decrease below the decided ratio then lender given a margin call to borrower to bring loan to security ratio to decided level. **Secondly** in stock exchanges traders trades in various securities by paying 20-30% of the value of securities. Whenever the value of security goes below that margin, broker gives margin call to trader to bring the margin to desired level.

Mark-to-market - As explained above while defining margin call, value of assets in case of securities is measured on daily basis. If the trader's asset value increased, increased value is transferred to his account. In case the value of assets decreased margin call is made to adjust the margin.

N

NPV - Net Present Value is aggregate of future cash flows from a project minus total costs. NPV is a capital budgeting technique used to check feasibility of projects.

Net profit - Net profit is Gross profit minus indirect cost. See indirect costs

Net worth - Net assets - Total liabilities

Nationalization - When Government takes control of a business, this is known as nationalization.

NAV - Net Assets Value is mutual fund's per unit exchange traded price

O

Opportunity cost - Additional cost in production of an addition unit of product.

Options - Option is right to buy at pre-determined price at a future date. Option is used for hedging. Options safeguards option-holder from future price fluctuations.

Overdraft - Facility given by a bank which allows its customers to withdraw more money than account balance. Overdraft generally have high rate of interest as borrower can demand and return the loan anytime.

P

Preference shares - A type of shares having no voting rights and have higher rate of dividend.

Ponzi schemes - It is a kind of fraud scheme which use Network marketing as a tool. Investors are paid out of new investments. These schemes end when new investments stop coming and large number of investors wants to withdraw their money. Latest Ponzi scheme in India was "Speak Asia".

PLR - Prime lending rate is the minimum rate of interest that is to be charged by a bank. Each bank decides its own PLR.

R

ROI - Rate on investment is return divided by value of investment

Redemption - Maturity date of a security or a bond

Recession - An economic situation of negative growth

Repo rate - Rate at which Central bank (RBI in case of India) lends money to commercial banks

Reverse repo rate - Rate at which commercial banks lends to central bank

Right issue - Issue of shares in which existing shareholders gets right to buy shares in proportion of their existing holding

Risk free return - Rate of return, normally it is 90 days bills issued by a national government

S

Stagnation - An economic situation of slow economic growth, high rate unemployment and inflation.

Shorting - Selling securities which an investors don't have in expectation of price drop

U

Underwriters - In case of an IPO, new companies makes contracts with underwriter where underwriters promises to purchase unsubscribe shares.

W

Working capital - Money required by a business to run its day to day business. Working capital = Current assets / Current liabilities

Warrants - A document which gives right to holder to get shares at stated price

Y

Yield - Yield is the return on investment which may in form dividend or interest

In case you found some mistake or you want to add something then please comment below. I will update the list asap.