

# Banking Awareness Questions Bank : v3

---

**1. What is/are the RBI Guideline(s) for the development of Internet Rate Swaps?**

- (a) Banks can use IRS for hedging and trading both
- (b) MIFOR is a benchmark for IRS
- (c) Under ISDA agreement Banks can opt for dual Jurisdiction i.e., Indian as well as common law
- (d) All of the above

**2. Which of the following agencies is associated with the business of Insurance sector as a regulator?**

- (a) NPCI
- (b) IRDA
- (c) SEBI
- (d) AMFI

**3. The hundred rupee currency note in India bears the signature of**

- (a) Finance Minister of India
- (b) Prime Minister of India
- (c) President of India
- (d) Governor of the RBI

**4. Which of the following terms is not used in banking and Finance?**

- (a) Capital gain
- (b) Plan Finance
- (c) Market risk
- (d) Apartheid

**5. Which of the following Rates/Ratios is not covered under the Monetary and credit Policy of the RBI?**

- (a) Bank Rate
- (b) Repo Rate
- (c) Cash Reserve Ratio
- (d) Exchange Rate of Foreign Currencies

**6. The largest Bank in the world in the matter of number of branch offices is**

- (a) Banks of America NT & SA
- (b) State Bank of India
- (c) Barclays Bank
- (d) Citi Bank

**7. "Hot Money" means**

- (a) Money earned through illegal transactions
- (b) money earned through speculative transaction
- (c) money used to hoard scarce commodities
- (d) Short-term capital movements from one country to another seeking safety or, less often, higher rate of interest

**8. "Free zone" or "free trade zone" denotes**

- (a) an area where there are no restrictions of any kind on trading activities
- (b) an area where there is free from any kind of taxes
- (c) an area near a seaport or airport in which goods can be imported duty-free, if they are to be re-exported or used in the manufacture of goods for export
- (d) an area where no license is required for import of goods.

**9. Every bank wishing to commence banking business in India is required to obtain a license from**

## Banking Awareness Questions Bank : v3

---

- (a) Government of India, Ministry of Finance
- (b) Government of India, Company Law Board
- (c) Reserve Bank of India
- (d) Registrar of Companies

### 10. Financial literacy is a serious issue for RBI because

- (a) It would enable better understanding of banking business
- (b) With better understanding more and more people would utilise the banking services
- (c) It would mean banks can do more business
- (d) It would mean the maximum number of people

### 11. Certificates of Deposit may be issued by

- (a) Select all-India Financial Institutions that have been permitted by RBI to raise short-term resource
- (b) Local Area Banks (LABs)
- (c) Scheduled commercial banks excluding Regional Rural Banks
- (d) All of the above

### 12. The material difference between debentures and bonds is/are

- (a) Debentures are governed by relevant provisions of company law
- (b) Debentures are transferrable on registration
- (c) Bonds are negotiable instrument governed by law of Contract
- (d) All of the above

### 13. "Bridge Loan" Denotes

- (a) Interim finance by a bank pending disbursement of term loan by financial institutions
- (b) Loan granted to Public Works Department for construction of bridge over big rivers
- (c) a product aimed at financing construction companies for construction of bridge
- (d) Loan granted for building of bridges which has been World Bank

### 14. Expand BIFR

- (a) Board for Industrial and Financial Reconstruction
- (b) Bureau for Industrial and Financial Reconstruction
- (c) Board for Investment and Financial Reconstruction
- (d) Bureau for Investment and Financial Reconstruction

### 15. In case of Life Insurance policies for whole -life, the insured amount is payable

- (a) After a specified period
- (b) On the death of the policyholder
- (c) On demand by the policy- holder
- (d) Upon maturity of the policy or death of the policyholder whichever happens earlier

### 16. SEBI guidelines have prescribed that giving Permanent Account Number ( PAN) is must for

- (a) All current A/c
- (b) All Housing Loan A/c
- (c) All saving Bank A/c
- (d) All Demit A/c

### 17. While taking book debts as a security against banker's advances, an appropriate form of charge is

- (a) Mortgage
- (b) Pledge
- (c) Hypothecation

## Banking Awareness Questions Bank : v3

---

(d) Assignment

**18. An account should be treated as 'out of Order' if**

- (a) The outstanding balance remains continuously in excess of the sanctioned limit/drawing power
- (b) There are no credits continuously for 90 days as on the date of Balance sheet even though the outstanding balance in the account is less than the sanctioned limit/drawing power
- (c) Credit are not enough to cover the interest debited during the same period
- (d) All of the above

**19. As per the directives issued by RBI, a cash credit or overdraft account will be treated as Non-performing Asset if**

- (a) The account remains 'out of order'
- (b) There are no credits in the account in the month in which interest is applied
- (c) The debit balance in the account has exceeded the sanctioned limit during the reporting month
- (d) Any of the above

**20. Which of the following is correct regarding Capital Adequacy ratio?**

- (a) The objective of Capital adequacy is to strengthen the financial stability of banks.
- (b) Capital is divided into two tiers, tier-I and tier-II.
- (c) Assets are assigned risk weight from 0-100 based on intensity of risk .
- (d) All of the above

**21. Rural Infrastructure Development fund (RIDF) is financed by**

- (a) Selected group of public Sector Banks
- (b) Ministry of Rural Development
- (c) Reserve Bank of India
- (d) NABARD

**22. "Ways and Means" advances are provided by Reserve Bank of India only to**

- (a) Central Government
- (b) State Government
- (c) Both A and B
- (d) None of these

**23. The bank conducts Government business as an agent of**

- (a) Union and state Government
- (b) Reserve Bank of India
- (c) State Bank of India
- (d) Both A and B

**24. Many times we see in newspapers that some projects are launched by the government authorities on 'PPP' basis. What is the full form of PPP?**

- (a) Preferential Payment Plan
- (b) Public-Private Partnership
- (c) Partial Payment Project
- (d) Popular Private Project

**25. The government of India recently decided to allow Currency Futures in India. In addition to Ministry of Finance, which is/are the other organisation(s) whose permission/approval is needed for such operations in India?**

1. International Monetary Fund (IMF)
2. Reserve Bank of India (RBI)

## Banking Awareness Questions Bank : v3

3. Securities and Exchange Board of India (SEBI)

- A. Only 1
- B. Only 2
- C. Only 3
- D. Only 2 and 3

**26. The Reserve Bank of India has decided to help banks, as a temporary measure, by providing additional liquidity support under LAF. What is the full form of LAF?**

- (a) Loan Adjustment Fund
- (b) Liquidity Adjustment Facility
- (c) Long Awaited Funds
- (d) Loan against Funds

**27. Which of the following is/are different categories of Inflation?**

- 1. Open and suppressed
  - 2. Cost push
  - 3. Demand pull
- A. Only 1
  - B. Both 1 and 2
  - C. Both 2 and 3
  - D. All of these

**28. The process of the total valuation of the financial capital assets of a country is technically known as**

- (a) Market Capitalization
- (b) Gross Domestic product
- (c) Net wealth of the country
- (d) Gross Domestic Resources

**29. Very often we read about Special Economic Zones (SEZs) in newspapers. What was the purpose of promoting SEZs in India?**

- 1. To promote exports.
  - 2. To attract investment from foreign countries
  - 3. To help poorest of the poor's in India as the activities of these zones are reserved only for poor's and those living below poverty line
- A. Only 1
  - B. Only 2
  - C. Only 3
  - D. Both A and B only

**30. Which of the following is the full form of the term SLR as used in the banking sector?**

- (a) Social Lending Ratio
- (b) Statutory Liquidity Ratio
- (c) Scheduled Liquidity Rate
- (d) None of these

**31. When the common people of a nation start getting very high salary or wages , the consumption of the goods like eatables and white goods, also start increasing .This situation brings which of the following types of inflation in the economy?**

- 1. Cost-push inflation
- 2. Demand pulls inflation
- 3. Low inflation

## Banking Awareness Questions Bank : v3

---

- A. Only 1 & 3
- B. Only 2
- C. Only 3
- D. All of these

**32. Which of the following decisions taken by the RBI will promote the concept of financial inclusion in the country ?**

- (a) To appoint some additional entities as business correspondents
- (b) To collect reasonable service charges from the customer in a transparent manner for providing the services
- (c) To ask the banks to open at least 50 new accounts daily in non-serviced areas
- (d) Only A & B'

**33. Bank Rate means the rate of interest**

- (a) Charged by commercial banks from borrowers
- (b) At which commercial banks discounted bills of their borrowers
- (c) Allowed by commercial banks on their deposits
- (d) At which RBI purchases or rediscounts bills of exchange of commercial banks

**34. Agricultural Term Loan is repaid out of**

- (a) cash accrual
- (b) sale proceeds of crop
- (c) net incremental income
- (d) annual savings of the farmer
- (e) None of these

**35. Which of the following is/are true about the "sub-Prime crisis"?**

- 1. It is a Mortgage Crisis referring to credit default by the borrowers.
  - 2. Sub-Prime Borrowers were those borrowers who were rated low and were high-risk borrowers.
  - 3. This crisis originated of negligence in credit rating of the borrowers
- a. Only 1
  - b. Only 2
  - c. Only 3
  - d. All of these

**36. What is Future Trading?**

- 1. It is nothing but a trade between any two stock exchanges wherein it is decided to purchase the stocks of each other at a fixed price throughout the year.
  - 2. It is an agreement between two parties to buy and sell an underlying asset in the future at a predetermined price.
  - 3. It is an agreement between a stock exchange that they will not trade the stocks of each other under any circumstances in future or for a given period of time.
- a. only 1
  - b. Only 2
  - c. Only 3
  - d. All of these

**37. Which of the following correctly describes the concept of 'Nuclear Bank' floated by International Atomic Energy Agency?**

- 1. It is nuclear fuel bank to be shared by the entire nation jointly.
  - 2. It is a facility to help nations in enrichment of uranium
  - 3. It is an agency which will keep a close vigil on the nuclear programmer of all the nations
- a. Only 1

## Banking Awareness Questions Bank : v3

---

- b. Only 2
- c. Both 1 and 3 only
- d. Only 3

**38. One of the major emphasis of Basel II is that banks should have**

- (a) Adequate Capital adequacy Ratio
- (b) Only a few branches in urban centres
- (c) More and more branches in rural areas
- (d) Core banking mode of operations

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

- (a) Reserve Bank of India
- (b) Imperial Bank of India
- (c) Bank of India
- (d) Union Bank of
- (e) None of these

**40. The period of twelfth 'Five-year plan' of India is**

- (a) 2009- 2014
- (b) 2008- 2013
- (c) 2007 - 2012
- (d) 2012 - 2017
- (e) 2010 - 2015

**41. Interest rate risk is a type of**

- (a) Credit risk
- (b) Market risk
- (c) Operational risk
- (d) All of the above'
- (e) None of these

**42. Which bank was earlier called the 'Imperial Bank of India ?**

- (a) RBI
- (b) SBI
- (c) UBI
- (d) PNB
- (e) BOI

**43. India's largest commercial bank is**

- (a) Central Bank of India
- (b) State Bank of India
- (c) Indian overseas bank
- (d) Bank of India
- (e) PNB

**44. The Monetary Policy of India is announced by**

- (a) Prime Minister
- (b) Governor of the RBI
- (c) Union Finance Minister
- (d) Union Commerce Minister
- (e) None of these

**45. Which of the following rates is NOT decided by the Reserve Bank of India?**

- (a) Bank rate
- (b) Repo rate
- (c) Reverse Repo rate
- (d) Income Tax rate
- (e) None of these

**46. Bank rate of RBI is also known as**

- (a) Interest Rate
- (b) Discount rate
- (c) Fed Rate
- (d) Bid rate
- (e) None of the above

**47. The limitation of CRR of RBI is**

- (a) 3 -10%
- (b) 3 -15%
- (c) 15-38%
- (d) 10 -25 %
- (e) None of the above

**48. The apex organisation of Indian money market is**

- (a) SBI
- (b) SEBI
- (c) RBI
- (d) IRDA
- (e) None of the above

**49. If the cash reserve is lowered by RBI, what will be its effect on credit creation?**

- (a) Decrease
- (b) Decreased 10%
- (c) Increase
- (d) No Change
- (e) None of These

**50. Which of the following banks merged with Punjab National Banks in 1993?**

- (a) New Bank of India
- (b) Central Bank of India
- (c) Imperial Bank of India
- (d) Common Bank of India
- (e) None of these

**51. How many language are used on a Ten Rupee note ?**

- (a) 2
- (b) 7
- (c) 10
- (d) 15
- (e) 16

**52. The place where bankers meet and settle their mutual claims and accounts is known as**

## Banking Awareness Questions Bank : v3

---

- (a) Treasury
- (b) Clearing House
- (c) Dumping house
- (d) Collection center
- (e) None of these

**53. The largest public sector bank in India is**

- (a) SBI
- (b) PNB
- (c) RBI
- (d) ICICI
- (e) None of the above

**54. The Unit Trust of India came into being in**

- a. 1960
- b. 1961
- c. 1962
- d. 1963
- e. 1964

**55. Which of the following is/are an example (s) of financial assets?**

- a. National Savings Patra
- b. Krishi Vikas Patra
- c. Indira Vikas Patra
- d. Infrastructure Bonds
- e. All of the above

**56. The capital market is a market which deals in**

- a. Short - term funds
- b. Long- term funds
- c. Gilt - edged securities
- d. All of the above
- e. None of the above

**57. Regional Rural Banks (RRBs) fall within the regulatory purview of**

- a. Reserve Bank of India (RBI)
- b. State Bank of India (SBI)
- c. Securities and Exchange Board of India (SEBI)
- d. Insurance Regulatory and Development Authority (IRDA)
- e. None of the above

**58. Insurance Regulatory and Development Authority (IRDA) with its headquarters at \_\_\_\_\_ is the regulatory authority for all insurance companies in India including the Life Insurance Corporation of India.**

- a. Hyderabad
- b. Bengaluru
- c. Mumbai
- d. Delhi
- e. Lucknow

**59. Mutual Funds fall within the supervisory purview of**

- a. Reserve Bank of India (RBI)



## Banking Awareness Questions Bank : v3

---

- b. State Bank of India (SBI)
- c. Insurance Regulatory and Development Authority (IRDA)
- d. Securities and Exchange Board of India (SEBI)
- e. None of these

**60. Which of the following does not come under the category of Development Banks?**

- a. Industrial Development Bank of India
- b. Export – Import (Exim) Bank
- c. Industrial Investment Bank of India
- d. State Finance Corporation
- e. Small Industries Development Bank of India

**61. Main financial instruments of corporate sector are**

- (i) Shares
- (ii) Debentures
- (iii) Public Deposits
- (iv) Loan from Institutions

Select the correct answer by using of the following codes

- a. i and ii
- b. ii and iii
- c. iii and iv
- d. i,ii and iv
- e. All i, ii ,iii and iv

**62. Financial institutions**

- a. mobilize savings
- b. promote savings
- c. allocate savings among different users
- d. All of the above
- e. None of the above

**63. Which of the following is not an example of primary securities?**

- a. Bills
- b. Bonds
- c. New currency
- d. Book debts
- e. Shares

**64. Indian Financial System comprises of**

- a. Scheduled Commercial Banks
- b. Non- Banking Financial Institutions
- c. Urban Cooperative Banks
- d. Unorganised sectors
- e. All of the above

**65. The Bombay Stock Exchange came into being in**

- a. 1887
- b. 1901
- c. 1885
- d. 1875
- e. 1849

**66. The Unit Trust of India come into existence in**

- a. 1964
- b. 1965
- c. 1975
- d. 1985
- e. 1952

**67. How many commercial banks were nationalised on 19 July 1969?**

- a. 13
- b. 14
- c. 15
- d. 18
- e. 22

**68. How many nationalised banks working in India as on 2013?**

- a. 19
- b. 24
- c. 26
- d. 28
- e. 32

**69. New Private Banks are being given licenses since**

- a. 1991
- b. 1992
- c. 1993
- d. 1995
- e. 2001

**70. The gilt - edged market refers to the market for**

- (i) Government securities**
- (ii) Semi - government securities**
- (iii) Corporate securities**

Select the correct answer

- a. only i
- b. i and ii
- c. ii and iii
- d. i,ii and iii
- e. only iii

**71. First share market in India was established in**

- a. Delhi
- b. Kolkata
- c. Mumbai
- d. Hyderabad
- e. Bengaluru

**72. Consider the following statements:**

- (i) Securities that have an original maturity that is greater than one year traded in capital markets.**
- (ii) The best-known capital market securities are stocks and bonds**

Select the correct answer

## Banking Awareness Questions Bank : v3

---

- a. (i) is true and (ii) is false
- b. (i) is false and (ii) is true
- c. Both are true
- d. Both are false
- e. None of the above

**73. Consider the following statements:**

- (i). Securities that have an original maturity that is greater than one year are traded in money markets.**
- (ii). the best-known money market securities are stocks and bonds**

- a. (i) is true and (ii) is false
- b. (i) is false and (ii) is true
- c. Both are true
- d. Both are false
- e. None of the above

**74. Which of the following services is introduced recently by the Reserve Bank of India and SEBI in India for the first time ?**

- (a) Trading of Currency futures.
  - (b) The opening of NRI Accounts in Indian Currencies
  - (c) Foreign Direct Investment through participatory Notes(PNs) by the Foreign Institutional Investors.
- A. Only 1  
B. Only 2  
C. Only 3  
D. All of these

**75. Which of the following is NOT the part of the organised sector of Indian Money Market?**

- (a) Mutual Funds
- (b) Non-Banking Financial Companies
- (c) Unit Trust of India
- (d) Chit Funds

**76. Which of the following banks has taken over the Centurion Bank of Punjab >**

- (a) ICICI Bank
- (b) IDBI Bank
- (c) HDFC Bank
- (d) AXIS Bank

**77. The rate of interest on Savings Bank Account is stipulated by :**

- (a) The concerned bank
- (b) RBI
- (c) Indian Banks Association
- (d) Government of India

**78. Many times we read a term CBS used in banking operation. What is the full form of the letter 'C' in the term 'CBS' ?**

- (a) Core
- (b) Credit
- (c) Continuous
- (d) Complete

## Banking Awareness Questions Bank : v3

---

**79. The securities & Exchange Board of India (SEBI) has asked all Falls to divulge the structure of their offshore entities .What purpose will it serve ?**

- (a) To identify if there is any flow of funds from some questionable sources
  - (b) To know how much money Falls are planning to invest in India in 2010-11.
  - (c) To forecast the possibility of any financial crisis in near future.
- a. Only 1
  - b. Only 2
  - c. Only 3
  - d. All of these

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

- (a) Ten percent of one-hundredth point
- (b) One hundredth of 1%
- (c) One hundredth of 10%
- (d) Ten per cent of 1000

**81. Which one of the following is/are implications (s) of the large inflow of foreign exchange into the country ?**

- (a) It makes monetary management difficult for RBI
  - (b) It creates money supply, asset bubbles and inflation.
  - (c) It weakens the competitiveness of Indian exports.
- A. Only 1.
  - B. Only 2.
  - C. Only 3.
  - D. All of these

**82. Nowadays we frequently read news items about "Derivatives" as used in the world of Finance and money market, which of the following statements correctly describe(s) a derivative and how it affects money/ finance market?**

- (a) Derivatives enable individuals and companies to insure themselves against financial risk.
  - (b) Derivatives are like fixed deposits in a bank and are the safest way to invest one's idle money lying in a bank.
  - (c) Derivatives are the financial instruments which were used in India even during the British Raj.
- A. Only 3
  - B. Only 2
  - C. Only 1
  - D. All of these

**83. IMF and the World Bank were conceived as institutions to**

- (a) Strengthening international economic co-operation and to help create a more stable and prosperous global economy
- (b) IMF promotes international monetary cooperation
- (c) The World Bank promotes long-term economic development and poverty reduction
- (d) All of these

**84. What is the deadline to connect digitally all post offices in rural areas in the country?**

- a) January 2018
- b) February 2017
- c) March 2017
- d) April 2018
- e) June 2019

**85. The National Housing Bank is a subsidiary of**

## Banking Awareness Questions Bank : v3

---

- a) RBI
- b) NABARD
- c) IDBI
- d) SEBI
- e) None of these

**86. What is the full form of “NDTL” ?**

- a) Net Demand and Term Liability
- b) Net Demand and Time Liability
- c) New Demand and Term Liability
- d) Net Demand and Term Liquidity
- e) None of these

**87. Treasurybills or T-bills, which are money market instruments, are short-term debt instruments issued by**

- a) Reserve Bank of India
- b) Individual Banks
- c) Government of India
- d) IRDA
- e) Corporate & Financial Institutions

**88. What is the correct expansion of the term MUDRA ?**

- a) Micro Undertakings Development and Refinance Authority
- b) Micro Units Development and Refinance Agency
- c) Micro Undertakings Development and Restructuring Agency
- d) Mini Units Development and Restructuring Authority
- e) None of these

**89. MICR code is used for**

- a) Electronic Clearance of Cheques
- b) Electronic Funds Transfer
- c) Code Banking Solution
- d) Cheque Truncation Services
- e) None of these

**90. In which city of India will The Islamic Development Bank (IDB) open its first branch?**

- a) Ahmedabad
- b) Lucknow
- c) Ajmer
- d) Raipur
- e) None of these

**91. With reference to the insurance and banking sector, which of the following is the most appropriate explanation of ‘PIN’?**

- a) Postal Index Number
- b) Personal Index Number
- c) Personal Identification Number
- d) Personal Information Number
- e) Permanent Identification Number

**92. The **rate** at which the central bank of a country lends money to commercial banks in the event of any shortfall of funds is called**

## Banking Awareness Questions Bank : v3

---

- a) Call Rate
- b) CRR
- c) Bank Rate
- d) Repo Rate
- e) SLR

**93. In a bid to curtail domestic black money flow, the finance ministry has announced that it will be mandatory to furnish permanent account number (PAN) for all transactions above Rs. \_\_\_\_\_ through all payment modes with effect from January 1, 2016.**

- a) Rs. 1 lakh
- b) Rs. 2 lakh
- c) Rs. 3 lakh
- d) Rs. 4 lakh
- e) None of these

**94. "Once a bearer is always a bearer " means that**

- (a) Where a cheque is originally expressed to be the bearer to the bearer, the banker is discharged by payment in due course to the bearer.
- (b) Banker can pay the cheque to the bearer irrespective of any endorsement whether in full or in blank appearing thereon, notwithstanding that any such endorsement purports to restrict or exclude further negotiation
- (c) Both A and B
- (d) None of the above

**95. Banking Ombudsman entertains complaints involving**

- (a) Delay in collection of cheques
- (b) Deficiency in cash transactions
- (c) Non-issue of demand drafts
- (d) all of the above

**96. Banks stipulate interest rate on loss and advances based on**

- (a) Borrower's experience
- (b) Track record
- (c) Credit rating
- (d) None of these

**97. Expand 'VIRUS' in computer parlance.**

- (a) Variable Integrated Risks under Surveillance
- (b) vital Information Resource Under Siege
- (c) Very Independent Resource Under Seizure
- (d) None of the above

**98. Expand "SHIPI ".**

- (a) State Bank Heritage Private Institute
- (b) SBI Handicapped Standards Board
- (c) Self Help Promotion Institution
- (d) None of the above

**99. Expand IASB.**

- (a) International Accounting standards Board
- (b) Indian Accounting Standards Boards
- (c) Internal Accounting Standards bureau

## Banking Awareness Questions Bank : v3

---

(d) Indian accounts Standards Board

**100. INFINET Stands for**

- (a) Internal Financial Networking
- (b) International Financial Networking
- (c) Indian Financial Network
- (d) Inland Financial Network

**101. The full form of RBS is**

- (a) Risk Based Supervision
- (b) Rating by System
- (c) Role Based supervision
- (d) Rating Bank security

**102. State Bank of India has..... circles.**

- (a) 9
- (b) 12
- (c) 14
- (d) 16

**103. Under hire -purchase system, the buyer becomes the owner of goods immediately after the**

- (a) delivery of goods
- (b) down Payment
- (c) signing of the of the agreement
- (d) payment of the last instalment

**104. Under hire -purchase system, the asset can be got ensured by**

- (a) Buyer
- (b) Seller
- (c) Both A and B
- (d) None of these

**105. National Income of India's estimated by**

- (a) Central Estimates Survey Committee
- (b) National sample Survey Committee
- (c) Central Statistical Organization
- (d) Finance Ministry

**106. The definition of "Customer" is available under**

- (a) Negotiable Instruments Act, 1881
- (b) Consumer Protection Act, 1986
- (c) Banking Regulation Act, 1949
- (d) KYC Guidelines

**107. The Law relating to appropriation of payments is contained in**

- (a) The Negotiable Instruments Act, 1881
- (b) The Banking Regulation Act 1949
- (c) The Contract Act, 1872
- (d) The Companies Act, 1956

**108. Teller System has been introduced in almost all the banks. Its purpose is**

## Banking Awareness Questions Bank : v3

---

- (a) to create more jobs
- (b) to improve public relations
- (c) to slash down the waiting time for encasing cheques
- (d) to eliminate duplication of work

**109. Which of the following types of companies /organisation issue 'ULIP'?**

- (a) Insurance Companies
- (b) Banks
- (c) NABARD
- (d) RBI

**110. Which of the following is not a term related to banking/finance operations?**

- (a) Provision Coverage Ratio
- (b) Securitization
- (c) Consolidation
- (d) Commodification

**111. "Primary Deficit" refers to**

- (a) Fiscal Deficit minus Interest Payments
- (b) Budget Deficit minus Interest Payments
- (c) Monetary Deficit minus Interest Payments
- (d) Deficit Financing by 91 -day ad hoc treasury bills

**112. Banker may reduce lending risk by**

- (a) Ensuring that there will be no default on account of lack of willingness to pay on the part of the borrower
- (b) Ensuring that there will be no problem of liquidity with the borrower
- (c) Obtaining adequate security
- (d) all of the above

**113. Bankers have to maintain secrecy of customers accounts as per the provisions of**

- (a) Banking Companies Act, 1970
- (b) Negotiable Instruments Act, 1881
- (c) Banking Regulation Act, 1949
- (d) None of the above

**114. Banking Code & Standards Board of India (BSSBI) has been set up for providing details of banking and to create awareness of banking. BCSBI has been set up by**

- (a) SBI
- (b) RBI
- (c) Ministry of finance
- (d) None of these

**115. A mortgage involves**

- (a) transfer of ownership
- (b) transfer of possession
- (c) transfer of interest
- (d) All of the above
- (e) None of these

**116. In NRE account, rate of interest is linked to**



## Banking Awareness Questions Bank : v3

---

- (a) LIBOR
- (b) Bank
- (c) PLR
- (d) RBI

**117. In the money market operations , the item widely accepted is**

- (a) Inter Bank Participation Certificate
- (b) Certificate of Deposits
- (c) Treasury Bills
- (d) None of the above

**118. To meet a significant increase in demand for bank credit, a bank may**

- (a) Make use of excess reserves
- (b) Borrow from other banks
- (c) Borrow from the Reserve Bank of India
- (d) All of the above

**119. "White Card" is a**

- (a) Co-branded credit Card without logo of the issuer
- (b) Credit Card with logo of both issuer and sponsor
- (c) Litchi Card issued in Uttaranchal
- (d) Card used in football by the referee.

**120. Under the Credit Guarantee Trust for Medium & Small Enterprises (CGTMSE), loans and advances to Educational Institution are**

- (a) Covered
- (b) Not covered
- (c) CGTMSE is silent about covering the loans to Educational Institutions
- (d) None of the above

**121. When a Bank Guarantee is invoked by the beneficiary either in writing or by telex or telegram, the Bank issuing the Guarantee will**

- (a) have to effect payment without delay or demur
- (b) have to pay within three working days
- (c) pay after being satisfied that the beneficiary suffered loss
- (d) None of the above

**122. "Claused Bill of Lading" is the one which indicates**

- (a) No defects in packaging or condition of goods
- (b) defective condition of package and goods
- (c) No documents attached to it
- (d) None of the above

**123. "Cost Overrun" Means**

- (a) Remaining constant in Project Cost
- (b) Escalation in Project Cost
- (c) Decrease in Project Cost
- (d) None of the above'

**124. "Dark Block" is an area where**

- (a) literacy rate is below 15 percent

## Banking Awareness Questions Bank : v3

---

- (b) people below the poverty line are more than 90 per cent
- (c) underground source of water is not available
- (d) more than 85 per cent exploitation has taken place on the available underground water

### 125. "Hedging" denotes

- (a) Protecting against fluctuations/ uncertainty risk in forex markets
- (b) Credit risk assessment in respect of advances
- (c) Speculative buying/selling of foreign currency
- (d) None of the above

### 126. "Working Capital Gap " means

- (a) Excess of current assets over current liabilities other than bank borrowings
- (b) Excess of current assets over current liabilities including WCTL
- (c) Excess of current assets over current Liabilities
- (d) None of the above

### 127. By "Repository" we mean

- (a) Balance held in non-currency chest branch
- (b) Same as currency chest
- (c) a part of Currency Chest
- (d) None of the above

### 128. Code of Bank's Commitment deals with our commitments in the area of

- (a) Sanction of advances
- (b) Steps taken against Frauds
- (c) Standard Banking practices in customer services
- (d) None of the above

### 129. Currency Chest is the property of

- (a) State Bank of India
- (b) Government of India
- (c) Reserve Bank of India
- (d) None of these

### 130. Which of the following rates decided by the RBI is called "Policy Rate "?

- (a) Lending Rate
- (b) Cash Reserve Ratio
- (c) Bank Rate
- (d) Deposit Rate

### 131. Loan given by the banks to farmers/small shop owners etc. is known as

- (a) Corporate loan
- (b) Business loan
- (c) Priority sector loan
- (d) Commercial Loan

### 132. The Head office of which of the following banks is in Mumbai ?

- (a) Punjab National Bank
- (b) Bank of Maharashtra
- (c) UCO Bank
- (d) Union Bank of India

**133. Which of the following is NOT a type of cheque issued by an individual?**

- (a) Bearer cheque
- (b) Order cheque
- (c) Crossed cheque
- (d) Savings cheque

**134. What is Financial Inclusion ?**

- (a) To provide a permanent employment to the unemployment
- (b) To provide a 100 days job to all those who are in need of a job
- (c) To provide banking services to all living in remote areas
- (d) To ensure that all financial transaction amounting Rs. 5,000/- and above are done through banks.

**135. Which of the following places in India does not have a stock Exchange?**

- (a) Kolkata
- (b) Ahmedabad
- (c) Mumbai
- (d) Udaipur

**136. Which of the following is the name of private sector Bank in India?**

- (a) IDBI Bank
- (b) Axis Bank
- (c) Corporation Bank
- (d) UCO Bank

**137. In order to avoid crowding of customers wanting to withdraw cash in the branches, banks have provided many delivery channels. Which of the following is one of the most popular Channels of getting instant hard cash?**

- (a) Core Banking Solution
- (b) Pay orders
- (c) Demand Drafts
- (d) Automated Teller Machines.

**138. Current accounts can be freely opened by**

- (a) All NRIs
- (b) All businessmen
- (c) Government department
- (d) HUFs

**139. SIPs are an investment option also operated in the mode of**

- (a) Mutual Funds
- (b) Small Savings Schemes in Post Officers
- (c) National Pension Fund
- (d) National Saving Certificates

**140. Who amongst the following has suggested to the banks in India to give details of fund transfer to customers via SMS/ E-mails?**

- (a) Reserve Bank of India (RBI)
- (b) India Bank's Association
- (c) Indian Institute of Banking & Finance
- (d) Securities & Exchange Board of India.

## Banking Awareness Questions Bank : v3

---

**141. Which of the following products launched by most of the banks help farmers in getting instant credit for various agricultural purpose ?**

- (a) Kisaan Credit Card
- (b) Personal Loan
- (c) Business Loan
- (d) None of these

**142. Which of the following policies of the financial sectors is basically designed to transfer local financial assets into foreign financial asset freely at market determined exchange rates?**

- (a) Capital Accounts Convertibility
- (b) Financial Deficit Management
- (c) Minimum Support Price
- (d) None of these

**143. Which of the following products of a bank is specifically designed to provide financial help to children in their higher studies in India or in a foreign nation?**

- (a) Personal Loan
- (b) Corporate Loan
- (c) Educational Loan
- (d) Mortgage Loan

**144. Term Deposits Receipt is**

- (a) transferable by endorsement and delivery
- (b) transferable by assignment
- (c) cannot be transferred
- (d) not negotiable
- (e) None of these

**145. The re-endorsement of unpaid bills of exchange in favour of the remitting bank or the accommodate to whom they are returned must be followed by the words**

- (a) In case of need please refer to
- (b) Without resource to us
- (c) Payable at the State Bank of India
- (d) None of the above

**146. The purpose of providing depreciation on the bank's property is**

- (a) To reduce the profit of the bank
- (b) to make usual allowances for annual wear and tear
- (c) to enable the bank to recover this amount from the Reserve Bank of India
- (d) to Strengthen the financial position of the bank

**147. Bank Rate is**

- (A) a rate of interest charged by the commercial banks from the borrowers for advances against Government Securities
- (b) the lowest rate of interest charged by the commercial banks from the borrowers
- (c) the rate at which the Reserve Bank of India would rediscount bills of exchange or other eligible commercial papers, or advance against eligible securities to the scheduled banks
- (d) the rate at which commercial banks discount bill of exchange for their customers.

**148. In case of a Hindu Undivided Family, when Karta dies leaving overdraft account**

- (a) old account is closed and a new account opened

## Banking Awareness Questions Bank : v3

---

- (b) Fresh HUF letter is obtained
- (c) all the co-partners will operate on the account
- (d) None of the above

**149. In the Balance Sheet of a bank, contingent liabilities are shown**

- (a) on the liabilities side of the Balance Sheet
- (b) by way of a deduction from the assets
- (c) by way of a footnote
- (d) in the Schedule on the assets side of Balance Sheet

**150. When a cheque with forged drawer's signature is paid by the bank , the paying banker is**

- (a) protected if the cheque is paid in good faith and without negligence
- (b) protected if the forgery could not have been detected with the exercise of reasonable care and prudence
- (c) not entitled to debit the drawer's account with the amount of the cheque
- (d) liable to the drawer only if there has been no contributory negligence on the part of the drawer

**151. In the matter of handling bills of exchange for collection, the relationship between customer and the bank is :**

- (a) trustee and the beneficiary
- (b) Principal and agent
- (c) bailor and bailee
- (d) None of the above

**152. A Scheduled bank is the one which**

- (a) conforms to the requirement of schedule III of the Banking Regulation Act, 1949
- (b) has been declared as a scheduled bank by the Government of India
- (c) has deposits exceeding Rs . 10 Crore
- (d) has its name added to the second scheduled of the Reserve Bank of India Act, 1934

**153. When a cheque duly signed by the drawer, with particulars written in a hand –writing different from that of the drawer id presented for payment**

- (a) the bank will refuse payment of the cheque as there is a distinct possibility of the cheque signed in blank having been stolen from the drawer and hence, the branch is put on enquiry.
- (b) the bank will make the payment provided the cheque is otherwise in order
- (c) the bank will make payment only to the authorised representative of the drawer
- (d) None of the above

**154. The concept of "Narrow Banking" was recommended by**

- (a) Khan Committee
- (b) Nayak Committee
- (c) Sodhani Committee
- (d) Tarapore & Narasimham Committee
- (e) None of these

**155. The level of activity at which total revenue cost equals total sale value or when there is a "no profit" or "no loss" situation, it is known as**

- (a) Break Even Point
- (b) Operating Profit
- (c) Gross Profit
- (d) Net Profit
- (e) None of these

**157. Examination of the document before making payments is the prime responsibilities of**

## Banking Awareness Questions Bank : v3

---

- (a) seller bank in the seller's country
- (b) buyers bank in the seller's country
- (c) negotiating bank
- (d) None of the above

**158. Standby Letter of Credit is a substitute of**

- (a) Letter of Credit
- (b) Guarantee
- (c) Advise note
- (d) None of these

**159. " e-stamping " denotes**

- (a) replacement of the traditional system of affixing postal stamps in postal services
- (b) doing away with the need of banks to brand stamps on negotiable instruments manually
- (c) sending message through e-mail, where no stamping is necessary
- (d) replacing stamp duty required for payment of registration of properties and documents

**160. "Disguised unemployment" denotes**

- (a) a situation where workers are disguised
- (b) a situation where too many workers are doing a limited amount of work.
- (c) a situation where workers are doing a limited amount of work
- (d) None of the above

**161. Expand "FINO".**

- (a) Fiscal Information Network Organization
- (b) Financial Initiative for Network Operations
- (c) Financial Information Network operation ltd
- (d)None of the above

**162. Expand " LIBOR".**

- (a) London Inter-bank Offered Rate
- (b) Legal Indian Borrowal Rate
- (c) FEDAI Approved rates
- (d) ID rate for PCFC

**163. Expand " NEFT".**

- (a) National Emergency Fund for Traders
- (b) National Electronic fund Transfer
- (c) National Emergency Fund Transfer
- (d) National Electronic Financial Trust

**164. Expand P.I.O" in relation to Right to Information, 2005.**

- (a) Public Information Officer
- (b) Principal Information Officer
- (c) Press Information Officer
- (d) None of these

**165. Foreign Trade Policy is framed by**

- (a) RBI
- (b) EXIM Bank
- (c) DGFT

## Banking Awareness Questions Bank : v3

---

(d) Ministry of Commerce

**166. The “bank rate “ is**

- (a) free to fluctuate according to the forces of demand and supply
- (b) set by the Reserve Bank of India
- (c) set by the Reserve Bank of India as directed as directed by the Union Ministry of Finance
- (d) Set by the Reserve Bank of India as directed as directed by the Indian Banks’ Association

**167. The term “exchange arbitrage “ is the**

- (a) arbitration of exchange disputes
- (b) simultaneous buying selling of foreign exchange to make a profit because interest rates vary in different countries
- (c) simultaneous purchase of a currency in one market and its sale in another market wit a view to 23ealize profit
- (d) buying of foreign currency to 23ealize a future profit when it appreciates

**168. The law regarding negotiable instruments is contained in**

- (a) The Bill of Exchange Act, 1881
- (b) The Banking Regulation Act, 1949
- (c) The Cheques Act, 1881
- (d) The Negotiable Instruments Act, 1881

**169. “Black Revolution “ is associated with**

- (a) Tea plantation
- (b) Coffee Plantation
- (c) Rubber Plantation
- (d) Printing Ink

**170. “Channel Financing” means:**

- (a) Financing of supply-delivery chain, i.e. dealer of identified large corporate entities financed by banks
- (b) Laying of agriculture canals
- (c) Financing through NBFCs
- (d) None of the above

**171. “form 61’ is associated with**

- (a) persons not in receipt to taxable income
- (b) persons with agricultural income
- (c) Both A and B
- (d) None of the above

**172. Which one of the following is not correctly matched?**

- (a) Rural Credit : NABARD
- (b) Industrial : SIDBI
- (c) Rural Poverty : SJSRY
- (d) Disguised : Subsistence unemployment agriculture

**173. “Red Clause “ Letter of Credit is**

- (a) when opening bank advises the advising bank to give advance to the exporter
- (b) when advising bank informs the opening bank about credit given to exporter
- (c) all the clauses are printed in red
- (d) None of the above

**174. A bank normally does not have to deal with an issue related to**

## Banking Awareness Questions Bank : v3

---

- (a) Payments and settlement system
- (b) contractual rights of creditors
- (c) intellectual property right
- (d) cases of insolvency

**175. Treasury bills are sold in India by**

- a. Reserve Bank of India
- b. State Governments
- c. Commercial Banks
- d. SEBI

**176. Yuan is the currency of**

- a. Japan
- b. China
- c. Korea
- d. Indonesia

**177. Which institution acts as reinsurer?**

- a. New India Insurance
- b. Life Insurance Company
- c. General Insurance Company
- d. United India Insurance

**178. "Blue Card" denotes**

- a. a credit card
- b. a bebit card
- c. a proposition by EU to attract highly qualified professionals from other countries
- d. None of the above

**179. The Headquarter of Asian Development Bank (ADB) is at**

- a. Singapore
- b. Manila
- c. Hong Kong
- d. Tokyo

**180. Liquid assets means**

- a. Cash only
- b. Cash and debtors
- c. Cash and Debtors (except bad debts)
- d. Cash and Debtors (except bad debts) and Marketable Securities

**181. For the developing countries of Asia, the international agency which provides soft loans is**

- a. International Monetary Fund
- b. Asian Development Bank
- c. International Development Association
- d. World Bank

**182. No license from RBI is required for**

- a. opening a new bank branch in India
- b. opening a new bank branch outside India



## Banking Awareness Questions Bank : v3

---

- c. shifting an existing branch outside the city, village or town
- d. shifting an existing branch within the same city, village or town

**183. Commercial banks are unique among financial institutions because they**

- a. advance loans to business
- b. provide insurance to depositors
- c. create demand deposits
- d. hold saving deposits

**184. Financial Year in banks is a period from**

- a. January to December
- b. May to June
- c. April to March
- d. January to April

**185. “Pure Banking Nothing Else” is a slogan raised by**

- a. ICICI Bank
- b. HDFC Bank
- c. SBI
- d. UTI Bank

**186. What are the main objectives of Consumer Protection Act, 1986?**

- (a) To provide better protection of the interest of consumers
- (b) Settlement of consumer disputes
- (c) To deal with other connected matters
- (d) All of the above
- (e) None of these

**187. Pledge means:**

- a. advance against goods
- b. open working capital limits
- c. bailment to goods as security for payment of a debt or performance of a promise
- d. None of the above

**188. SAARC was established on**

- a. December 8, 1983
- b. January 1, 1984
- c. December 8, 1985
- d. January 1, 1985

**189. NABARD was established on the recommendation of the:**

- a. Public Accounts Committee
- b. Shivaraman Committee
- c. Narsimhan Committee
- d. All of the above

**190. The Infrastructure Development Bank of India has its Headquarter in**

- a. New Delhi
- b. Mumbai

## Banking Awareness Questions Bank : v3

---

- c. Bangalore (Bengaluru)
- d. Kolkata

**191. The guarantor of a customer's account has the right to**

- a. inspect of a customer's account has the right
- b. be provided with the statement of the account
- c. be informed only about the extent of his liability
- d. be provided with all the information about the way the account is conducted

**192. The term "Balance of Trade" means**

- a. A point where the values of imports and exports are equal
- b. The term is used with reference to bilateral trade agreements with the countries of CIS Block
- c. the difference between the cost of the imports and exports of a country
- d. the difference between the total of transactions with foreign countries in trade, services and capital

**193. The term "bank money" is used to denote**

- a. loans and advances granted by the commercial banks
- b. demand deposits used as money, i.e., deposits withdrawable by cheques
- c. loans granted by the Reserve Bank of India to the commercial banks
- d. money provided by the Reserve Bank of India to the Government

**194. "Multi - Currency basket" means**

- a. a number of international currencies to which the value of SDRs is linked
- b. selected international currencies to which the value of Asian Monetary Unit is linked
- c. number of major international currencies to which the external value of the Indian rupee is linked
- d. the name given to a group of West European currencies

**195. The term "hyper - inflation" is used to denote**

- a. a situation with a moderate rise in price level
- b. an inflationary situation where the external forces are the primary contributing factors
- c. a "runway" or "galloping" inflationary situation where the monetary unit becomes almost worthless
- d. a situation where the cost of living index is rising alarmingly

**196. "Funded debt" means**

- a. all Government securities which are marketable on the stock exchange market
- b. all Government debt which is not marketable on the stock exchange market
- c. Government borrowings guaranteed by the Government
- d. Institutional borrowings guaranteed by the Government

**197. "Free port" denotes**

- a. a port where there are no restrictions on incoming and outgoing vessels
- b. a port where no licence is required for import of goods
- c. a port which allows entry to goods without payment of import duty
- d. a port which allows free entry to goods which are to be re-exported

**198. "Free trade area" denotes**

- a. a group of countries which have decided to impose no duties of any kind on their imports
- b. a group of countries which have decided to impose no duties of any kind on imports from other members of the group
- c. an area where there are no restrictions of any kind on the trading activities
- d. an area where trade is free from kind of taxes

**199. "Floating debt" denotes**

- a. Government securities with no definite rate of redemption, but which may be redeemed any time at the discretion of the Government
- b. that part of the public debt which consists of short- term borrowings by the Government
- c. Government securities which continue changing hands
- d. Government securities whose date of maturity falls within next five years

**200. "Treasury bills" means**

- a. salary bills drawn by Government officials on the treasury
- b. bills drawn by the Government contractors and other suppliers on the treasury for the dues owed to them by the Government
- c. obligations of the Government of India issued by the Reserve Bank of India and payable normally ninety-one days after issue
- d. a note of drawings by the Treasury Officer on the Reserve Bank of India

**201. "Token money" means**

- a. coins where the value of metal in them is equal to the value attached to them by law
- b. coins where the value of metal in them is less then the value attached to them by law
- c. coins where the value of metal in them is more than the value of metal attached to them by law
- d. money represented by the tokens of specified values issued by the Reserve Bank of India

**202. "Bulls and Bears" term is used in**

- a. bullion markets
- b. vegetable markets
- c. stock exchange
- d. commodity markets

**203. The definition of the priority sector was first formalised in 1972 by**

- a. Planning Commission
- b. National Development Council
- c. Reserve Bank of India
- d. Ministry of Finance, Government of India

**204. Liquidity ratio is fixed by the Reserve Bank of India under the powers conferred on it by**

- a. Reserve Bank of India Act, 1934
- b. Companies Act, 1956
- c. Banking Regulation Act, 1949
- d. Special Powers given by the Union Ministry of Finance

**205. Dalal Street is in**

- a. Kolkata - famous for jute market
- b. Mumbai - famous for stock exchange market
- c. Delhi -famous for Kabari (Waste goods) market
- d. Bangalore - famous for race course

**206. When was the Imperial Bank of India nationalized?**

- a. 1948
- b. 1950
- c. 1955
- d. 1969

## Banking Awareness Questions Bank : v3

---

**207. Most banks are offering teaser rates on home loans. What does it mean?**

- a. The rates keep fluctuating during the period of loan with high uncertainty
- b. The initial rate is offered at a rate lower than the prevailing market rate for a few months and then gradually keeps increasing
- c. The initial rate is higher than the current market rate with offer of lower rates at a later date
- d. Home loan borrowers of shorter duration are given preferential rate

**208. There are many security features which are regularly being explained and stressed to check against forged currency notes. One of them is Intaglio printing. What is it?**

- a. It is specialized printing of Rs.1,000 and Rs. 500 denomination currency notes.
- b. It is raised printing on the currency notes of RBI seal, Ashoka Pillar emblem etc.
- c. It is printing on special printing press of RBI
- d. It is printing through special inks of the security features on currency etc.

**209. What is 'NIKKEI'?**

- a. Share Price Index of Tokyo share market
- b. Name of Japanese Central Bank
- c. Japanese name of the country's Planning Commission
- d. Foreign Exchange market of Japan

**210. NABARD was established on the recommendation of**

- a. Public Accounts Committee
- b. Shivaraman Committee
- c. Narasimham Committee
- d. Khandelwal Committee

**211. What do we mean by Green Shoe Option?**

- a. It is the shoe which is green in colour
- b. It is type of carbon credit rights that the nation has to purchase to get the right to emit carbon
- c. It gives the underwriter the right to sell investors more shares than originally planned
- d. The global warming of the earth

**212. "Micro Credits" are loans**

- a. granted to distressed persons (other than farmers) to pre-pay their debt to non- institutional lenders against appropriate collateral provided by banks
- b. not exceeding Rs.50,000 per borrower provided by banks
- c. both A and B
- d. none of the above

**213. Who was the Finance Minister when 14 Banks were nationalised on 19th July, 1969?**

- a. Mrs. Indira Gandhi
- b. Morarji Desai
- c. C. Subramaniam
- d. Pranab Mukherjee

**214. Counter guarantee means a guarantee obtained by**

- a. banks from customers on whose behalf the banks have to issue guarantees in favour of third parties, such as Government department, Public bodies, Corporations etc,
- b. banks from ECGC covering export risk
- c. banks from the beneficiary of the guarantee in whose favour the guarantee is to be issued

d. All of the above

**215. By "Technical NPA", it means**

- a. a loan account becoming NPA for non-renewal
- b. a loan account becoming NPA for not obtaining stock statements
- c. non-recording the due after re-phasing/restructuring of a loan account
- d. All of the above

**216. Cash Reserve Ratio (CRR) is maintained in the form of**

- a. Investment in Money Market
- b. Government Securities
- c. Balance with RBI
- d. All of the above

**217. Computer system failure is classified in the risk category of**

- a. Credit Risk
- b. Operational Risk
- c. Technology Risk
- d. Security Risk

**218. Credit facility sanctioned for purchasing, processing and packing of goods meant for export is known as**

- a. packing credit
- b. bridge finance
- c. forfaiting
- d. None of these

**219. How is Base Rate calculated?**

- a. a host of factors, like cost of deposits, administrative costs, profitability of a bank in the previous financial year are taken into account
- b. certain parameters with stipulated weights are considered while calculating a lender's Base Rate
- c. cost of deposit has the highest weight in calculating Base Rate
- d. All of the above

**220. A commercial bank is prohibited from issuing a bank draft payable to bearer by the provisions contained in**

- a. The Negotiable Instruments Act, 1881
- b. The Reserve Bank of India Act, 1934
- c. The Companies Act, 1956
- d. The Banking Regulation Act, 1979

**221. Which of the following organisations/ agencies controls the monetary policy of our country?**

- a. SEBI
- b. Planning Commission
- c. RBI
- d. Union Ministry of Finance

**222. Negative lien is**

- a. a right of the bank to take possession of all the assets hypothecated to the bank in the case of default by the borrower
- b. a special type of lien on the shares of public limited companies
- c. a declaration of the borrower to the effect that his assets are free from encumbrance and that he shall not encumber or dispose them of without bank's permission
- d. None of the above

**223. What is securitisation?**

- a. A process which converts conventional credit into tradable Treasury Assets
- b. Credit receivable of the Bank can be converted into Bonds, i.e. pass through certificates
- c. These certificate can be traded in the market
- d. All of the above

**224. Busy Season Credit Policy refers to the period**

- a. February - August
- b. June - December
- c. March - September
- d. October -March

**225. Consumer Protection Act, 1986 does not cover**

- a. failure to open accounts
- b. failure to issue drafts
- c. sanction of loans
- d. ATMs

**226. Currency Chest Slip is serially numbered at the beginning of each year from**

- a. January to December
- b. March to April
- c. April to march
- d. July to June

**227. Difference between buying and selling rates of a currency is known as**

- a. Forward Rate
- b. Bid-ask Rate
- c. Spot Rate
- d. None of these

**228. EEFC account can be opened in the form of**

- a. Current Account, SB Account and TDR
- b. Current Account and SB Account
- c. Current Account only
- d. None of the above

**229. Government securities are issued for a maximum period of**

- a. 10 years
- b. 15 years
- c. 25 years
- d. 30 years

**230. The Securities and Exchange Board of India (SEBI), a statutory autonomous body, aims to:**

- a. promote a fair and healthy securities market
- b. protect investor's rights
- c. prevent malpractices in a mobilisation of resources through capital
- d. all of the above

**231. The creation of over the counter exchange of India (OTC) would help the introduction of a multi-tiered market for**

## Banking Awareness Questions Bank : v3

---

- a. Exports
- b. Securities
- c. Small Scale Industries
- d. Housing

### 232. Truncation of cheque means

- a. The cheque in the paper form will be retained by the collecting banker and he will submit only a computerised statement to the Clearing House
- b. Entire clearing operations would be done only through computers
- c. Cheque will be scanned and the electronic image, instead of physical cheque, will be transmitted in the clearing cycle
- d. Debiting the drawer's account through internet banking

### 233. What is a convertible Bond?

- a. It is a mix of Debt and Equity
- b. Bond holder has an option to convert debt into equity on a fixed date
- c. The conversion price is predetermined
- d. All of the above

### 234. What are External commercial Borrowings?

- a. Indian companies can borrow on global market through Bank loan or issue of debt paper
- b. The debt can be repaid by reconversion of rupee funds into foreign currency
- c. A and B both
- d. None of the above

### 235. What is Gilts?

- a. Securities issued by government or Treasuries
- b. They do not have any credit Risk
- c. A and B both
- d. None of the above

### 236. SGL Account is

- a. Subsidiary General Ledger
- b. It is maintained by public Debt Office of RBI
- c. Banks maintain exclusively GOVERNMENT Securities Accounts
- d. All of the above

### 237. Know Your Customer (KYC) guidelines are as per the provisions of

- a. Section 35 of Negotiable Instruments Act, 1881
- b. Section 35A of Banking Regulation Act, 1949
- c. Section 35A of RBI Act, 1934
- d. IBA guidelines

### 238. Maximum period for which a commercial paper can be issued is

- a. 3 months
- b. 6 months
- c. 1 year
- d. 2 years

### 239. Out of the "non-customer facing activities" given below, which of the following has been moved out of the branch to the maximum extent?

- a. Issue of demand drafts

## Banking Awareness Questions Bank : v3

---

- b. Processing of loans
- c. Clearing of cheques
- d. Opening of Savings Accordingly, the three

**240. What does "Round Tripping" in Foreign Direct Investment (FDI) relate to?**

- a. Using FDI funds inside the country
- b. Using FDI funds outside the country
- c. Domestic funds used outside the country
- d. None of the above

**241. What does Collateral Security mean?**

- a. Securities in the form of goods pledged for Cash Credits
- b. Securities given to banks for loans against approved securities
- c. Securities in the form of shares blue chip companies
- d. Security given to banks over and above the primary security

**242. When trading takes place among members of a stock Exchange as create false volumes and rigging the prices of shares, it is known as**

- a. Spot Trading
- b. Future Trading
- c. Circular Trading
- d. Insider Trading

**243. When two parties make an arrangement to exchange future cash flows, it is called**

- a. Options
- b. Arbitrage
- c. Swap
- d. Futures

**244. Exporters in India get insurance cover and risk cover from which of the following organizations?**

- (a) SIDBI
- (b) NABARD
- (c) ECGC
- (d) RBI

**245. The govt. of India does not provide and direct financial assistance to which of the following schemes?**

- (a) Mahatma Gandhi National Rural Employment Guarantee scheme.
- (b) Rural Health mission
- (c) India Aawas Yojana
- (d) Jeevan sathi Yojana

**246. Which of the following terms is used in banking and finance?**

- (a) Abiotic
- (b) Demand Deposit
- (c) Fat scales
- (d) A diabetic

**247. Names of which of the following rates/ratios cannot be seen in financial newspapers?**

- (a) Bank rate
- (b) Repo Rate
- (c) Cash Reserve Ratio



## Banking Awareness Questions Bank : v3

---

(d) Pulse Ratio

**248. Who amongst the following can take benefit of the Social Security Fund established by the Govt. of India for unorganized workers?**

- (a) Primary school teacher
- (b) Employee of Sugar Factory
- (c) Textile Mazdoor
- (d) Rickshaw Puller

**249. Who amongst the following was never a Governor of the RBI ?**

- (a) Bimal Jalan
- (b) Y.V. Reddy
- (c) Arup Roy Choudhary
- (d) D. Subbarao

**250. Which of the following is NOT the name of a bank having branches in India?**

- (a) State Bank of India
- (b) Naively Lignite Corporation
- (c) Barclays
- (d) HSBC

**251. Which of the following services are not provided by a Bank?**

- (a) Issuing Bank Drafts
- (b) Depositing Money
- (c) Sale of post cards and postal stamps
- (d) Lockers for valueable items/ documents

**252. The loan given by a bank to a person to purchase house is called**

- (a) Project
- (b) Business Loan
- (c) Credit Loan
- (d) Top up Loan

**253. Which of the following is an example of cashless purchase?**

- (a) ATM withdrawal
  - (b) Credit Card
  - (c) Debit Card
1. Only 1
  2. Only 2
  3. Only 1 and 2
  4. All of these

**254. Which of the following programmes has the Govt. of India launched to develop comprehensive rural infrastructure in the country?**

- (a) Bharat Nirman
- (b) Indira Aawas Yojana
- (c) Watershed Development Programme
- (d) None of these

**255. The name of which of the following great leaders is now associated with National Rural Employment Guarantee Scheme?**

## Banking Awareness Questions Bank : v3

---

- (a) Indira Gandhi
- (b) Mahatma Gandhi
- (c) Jawaharlal Nehru
- (d) None of these

**256. Which of the following is NOT the name of a multinational bank?**

- (a) BNP Paribas
- (b) British Bank of Middle East
- (c) Standard Chartered Bank
- (d) Cathay Pacific

**257. Which of the following terms is NOT associated with banking operations?**

- (a) Repo Rate
- (b) Prime Lending rate
- (c) Equator
- (d) Corporate Finance

**258. Which of the following schemes was launched to promote exports of agricultural produce and their value added products in India?**

- (a) Vishesh Krishi and Gram Udyog Yojana
- (b) Financial Inclusion Scheme
- (c) Rastriya Krishi Vikash Yojana
- (d) None of these

**259. As per the instructions given by the RBI, now all banks are required to provide which of the following in all its branches mandatorily?**

- (a) Note Sorting Machines
- (b) Special Counters for senior Citizens
- (c) Service sector
- (d) All of these

**260. Which of the following terms is NOT used in the field of Banking & Finance?**

- (a) Overdraft
- (b) Base Line
- (c) RTGS
- (d) GBC

**261. Which of the following apex body and regulators has asked banks to swap customer related information so that the frauds and defaults may be prevented in future?**

- (a) Bombay Stock Exchange (BSE)
- (b) Indian Bank's Association (IBA)
- (c) Securities & Exchange Board of India (SEBI)
- (d) Reserve Bank of India (RBI)

**262. Who amongst the following is the author of the book (released recently) "India and Global Financial Crisis : Managing Money and Finance"?**

- (a) Dr. Bimal Jalan
- (b) Dr. C. Rangarajan
- (c) Dr. Manmohan Singh
- (d) Dr. Y.V. Reddy

**263. The Reserve Bank of India does not print currency notes of the denomination of**

- (a) 20/-
- (b) 50/-
- (c) 3,000/-
- (d) 1,000/-

**264. Which of the following is considered as the financial capital of India?**

- (a) New Delhi
- (b) Kolkata
- (c) Ahmedabad
- (d) None of these

**265. "Micro Credit" means**

- (a) Loans of small amounts to people in unorganized sector
  - (b) Loans to self Help Groups
  - (c) Loan amounting rs. 50 lakhs to rs 5 crores to Medium and Small Industries Units
1. Only (1)
  2. Only (2)
  3. Only (1) and (2)
  4. None of these

**266. The RBI has given its permission for cash withdrawal at "POS terminals." What is the full form of "POS"?**

- (a) Permitted on Sale
- (b) Potential of Service
- (c) Point of Sale
- (d) Permission of Sale

**267. "The Doing Business Report" is prepared by which of the following organization every year?**

- (a) Asian Development Bank
- (b) World Bank
- (c) International Monetary Fund
- (d) World Trade Organisation

**268. "Yen" is the currency of**

- (a) China
- (b) South Korea
- (c) North Korea
- (d) None of these

**269. A new Foreign Bank Sarasin & Co. has launched its operations in India recently.**

**This is a bank based in:**

- (a) USA
- (b) Switzerland
- (c) France
- (d) None of these

**270. The Head of the Reserve Bank of India is designated as the**

- (a) Chief Executive Officer
- (b) Managing Director
- (c) Chief Banking Officer

## Banking Awareness Questions Bank : v3

---

(d) None of these

**271. Whenever RBI does not open Market operation Transaction, actually it wishes to regulate which of the following?**

- (a) Inflation only
- (b) Liquidity in economy
- (c) Borrowing powers of the banks
- (d) Flow of Foreign Direct Investment

**272. In economics, it is generally believed that the main objective of a Public Sector Financial Company like Bank is to**

- (a) Employ more and more people
- (b) Maximize total profits
- (c) Maximize total productions
- (d) Provide financial service to the people of the nation of its origin across the country

**273. In a Company, the use of price sensitive corporate information by the Company people to make gains or cover losses is known as**

- (a) insider trading
- (b) future trading
- (c) foreign trading
- (d) stock trading

**274. Which of the following cannot be called as a debt Instrument as referred in financial transactions?**

- (a) Certificate of Deposits
- (b) Bonds
- (c) stocks
- (d) Commercial Papers

**275. Which of the following Committees has given its recommendations on "Financial Inclusion"?**

- (a) Rakesh Mohan Committee
- (b) Rangarajan Committee
- (c) sinha Committee
- (d) None of these

**276. In Bullion Market**

- (a) Gold is purchased and sold
- (b) Books are purchased and sold
- (c) Animals are purchased and sold
- (d) All of the above
- (e) None of these

**277. Non-Banking assets include**

- (a) Property seized by the bank
- (b) Auction sale of the customer's property
- (c) Bank Building
- (d) Both A and B
- (e) None of these

**278. Micro credit started from**

## Banking Awareness Questions Bank : v3

---

- (a) USA
- (b) India
- (c) Bangladesh
- (d) Japan
- (e) None of these

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

- (a) Imperial Bank of India
- (b) Reserve Bank of India
- (c) Bank of India
- (d) Union Bank of India
- (e) None of these

**280. Production and consumption takes place at about the same time. This is a characteristic of**

- (a) Manufacturing sector
- (b) Agriculture sector
- (c) Service sector
- (d) All of the above
- (e) None of these

**281. The tertiary sector of economy is called**

- (a) Manufacturing Industry
- (b) Service Industry
- (c) Agro and Fishing Industry
- (d) All of the above
- (e) None of these

**282. FDR is**

- (a) Fix Date Rate
- (b) Fixed Deposit Receipt
- (c) Full Date Rate
- (d) All of the above
- (e) None of these

**283. NBA stands for**

- (a) Net Banking Assets
- (b) Net Book Act
- (c) National Banking Act
- (d) National Banking Association
- (e) None of these

**284. Which among the following are called final accounts of a Bank?**

- (a) Trading Accounts, Profit and Loss Account and Balance Sheet
- (b) Profit and Loss Account and Balance Sheet
- (c) Balance Sheet Only
- (d) All of the above
- (e) None of these

**285. What is the full form of ECB?**

- (a) Extra Commercial Banking
- (b) Extra Commercial Borrowings

## Banking Awareness Questions Bank : v3

---

- (c) External Commercial Borrowings
- (d) All of the above
- (e) None of these

**286. Which of the following offerings is not a service?**

- (a) Fixed Deposit Receipt
- (b) Postage Stamp
- (c) Gift coupon of a chain share
- (d) Insurance policy
- (e) None of these

**287. Home loans are granted to**

- (a) Individuals
- (b) Institutions
- (c) Builders
- (d) Above all
- (e) None of these

**288. A call means**

- (a) Calling on friends
- (b) Calling on bank employees
- (c) Calling on prospective customers
- (d) To make telephone calls
- (e) None of these

**289. Financial Inclusion means**

- (a) Opening accounts of finance companies
- (b) Financial analysis of balance sheet figures
- (c) Opening accounts of HNIs
- (d) Opening accounts of underprivileged persons
- (e) None of these

**290. 'Benchmark' means**

- (a) Products lined upon a bench
- (b) Salesmen sitting on a bench
- (c) Set standards
- (d) All of the above
- (e) None of these

**291. CRM means**

- (a) Customer Relationship Management
- (b) Customer Retention Manager
- (c) Customer's Relatives Meet
- (d) Channel Route Market
- (e) None of these

**292. Bancassurance means**

- (a) Assurance give by banks of Loanees
- (b) Assurance to bank with one bank
- (c) Assurance to repay loans
- (d) Selling insurance products through banks

(e) None of these

**293. "HNI" means**

- (a) Highly Non-interested Individuals
- (b) Highly Needy Individuals
- (c) High Networth Individuals
- (d) All of the above
- (e) None of these

**294. Expand "EPZ".**

- (a) Economical Plus Zone
- (b) Entertainment Plus Zone
- (c) Export Promotion Zone
- (d) Electronic Promotion Zone
- (e) None of these

**295. E.P.S. in share market stands for**

- (a) Earnings per share
- (b) Electronic Payment System
- (c) Employee Pension Scroll
- (d) Equated Payment System
- (e) None of these

**296. The currency, Euro, has been introduced w.e.f.**

- (a) 01.01.1999
- (b) 01.01.2000
- (c) 01.08.2001
- (d) 01.03.2002
- (e) None of these

**297. RBI absorbs liquidity in the system through**

- (a) Repo
- (b) Reverse Repo
- (c) Both A and B
- (d) All of the above
- (e) None of these

**298. Regional Rural Banks (RRBs) are regulated by**

- (a) NABARD
- (b) Reserve Bank of India
- (c) Sponsoring Bank
- (d) Board of respective RRBs
- (e) None of these

**299. The services under the Consumer Protection include**

- (a) Banking, Financing and Insurance
- (b) Transport and Processing
- (c) Supply of electrical and other energy
- (d) All of the above
- (e) None of these

**300. Under provisions of which one of the following Acts, the RBI issues directives to the Banks in India?**

- (a) RBI Act
- (b) Banking Regulation Act
- (c) Essential Commodities Act
- (d) Both A and B above
- (e) None of these

**301. The main function(s) of IMF is/are to**

- (a) Finance investment loans to developing countries
- (b) Act as a private sector lending arm of the World Bank
- (c) Help to solve balance of payment problems of member countries
- (d) All of the above
- (e) None of the above

**302. The Headquarters of NABARD is situated in**

- (a) Delhi
- (b) Mumbai
- (c) Lucknow
- (d) Kolkata
- (e) None of these

**303. What is the full form of ASBA?**

- (a) Allotment supported by Blocked Amount
- (b) Application supported by Blocked Amount
- (c) Application supported by Bank Amount
- (d) Allotment supported by Bank Account
- (e) None of these

**304. National Savings Certificate matures at the end of**

- (a) Six years
- (b) Six and half years
- (c) Seven years
- (d) Eight years
- (e) None of these

**305. A cheque drawn on a Treasury is treated as a**

- (a) Cheque
- (b) Negotiable instrument
- (c) Bill
- (d) Government cheque
- (e) None of these

**306. A marginal farmer is the one who owns**

- (a) up to 2.5 acres of dry land
- (b) up to 1.25 acres wet land
- (c) either A or B
- (d) All of the above
- (e) None of these

**307. Bank branches need to report suspicious transaction to**



## Banking Awareness Questions Bank : v3

---

- (a) Controllers concerned
- (b) RBI
- (c) CVC
- (d) FIU-IND, New Delhi
- (e) None of these

**308. Bank for International Settlement (BIS) is headquartered at**

- (a) Manila
- (b) Chicago
- (c) Basle, Switzerland
- (d) All of the above
- (e) None of these

**309. Banks can receive deposits from customers up to a maximum period of**

- (a) 10 years
- (b) 15 years
- (c) 20 years
- (d) 25 years
- (e) None of these

**310. Credit Card related grievances can also be referred to**

- (a) Consumer Forum
- (b) Ombudsman
- (c) Lok Adalat
- (d) All of these
- (e) None of these

**311. Expand BIS.**

- (a) Bank for International Settlements
- (b) Bank for Industrial Settlements
- (c) Bank for Industrial Sectors
- (d) Bank for International Services
- (e) None of these

**312. For a foreigner, temporarily residing in India, type of account to be opened is**

- (a) Resident Account
- (b) NRO Account
- (c) NRE Account
- (d) All of the above
- (e) None of these

**313. For which of the following categories of banks is "protected Disclosure Scheme" applicable?**

- (a) Co-operative Banks
- (b) Private Banks and Foreign Banks
- (c) Public Sector Banks
- (d) All of the above
- (e) None of these

**314. The punch line "Feel the Difference" is associated with**

- (a) DCB Bank
- (b) Deutsche Bank

## Banking Awareness Questions Bank : v3

---

- (c) Yes Bank
- (d) Citibank
- (e) None of these

**315. VDMS in Government transactions means**

- (a) Verified Date-wise Monthly Statement
- (b) Valuable Data Management System
- (c) Variable Data Matching System
- (d) All of the above
- (e) None of these

**316. The term packing credit means**

- (a) advances against goods in packages
- (b) advance for import of goods
- (c) advance for export of goods
- (d) advance for financing the purchase, processing, manufacturing or packing of goods for export against a letter of credit or a confirmed order
- (e) None of these

**317. The DICGC operates the Credit Guarantee Scheme for small scale industries on behalf of the**

- (a) LIC
- (b) IBA
- (c) Union Government
- (d) All of the above
- (e) None of these

**318. "Window dressing" means**

- (a) the modern way of decorating a branch office
- (b) a decorative way of presenting the Balance Sheet and Profit and Loss Account of a bank at its annual general meeting
- (c) manipulation of accounts with a view not to give the share holders a true and fair view
- (d) a practice of presenting final accounts of a bank with a view to exhibit a favourable position
- (e) None of these

**319. The term "dormant accounts" means**

- (a) accounts showing an average balance of less than Rs. 100 during a half year
- (b) accounts which remains inoperative for an extended period of time
- (c) accounts which have been blocked under the exchange control regulations
- (d) loan/cash credit/overdraft accounts which are considered irrecoverable
- (e) None of these

**320. World Investment Report is annually published by**

- (a) IBRD
- (b) WTO
- (c) IMF
- (d) UNCTAD
- (e) None of these

**321. As we know the RBI is the apex Bank of India, similarly the apex Bank of USA is called**

- (a) Federal Reserve
- (b) The Central Bank of USA

- (c) Bank of America
- (d) All of the above
- (e) None of these

**322. The regulator of Micro Finance in India is**

- (a) Finance Ministry
- (b) Reserve Bank of India
- (c) State Bank of India
- (d) All of these
- (e) None of these

**323. Banker's right of set off can be immediately exercised in case of**

- (a) Insolvency of the borrower
- (b) Lunacy of the borrower
- (c) Death of the borrower
- (d) All of the above
- (e) None of these

**324. Banks do not purchase/discount**

- (a) Accommodation Bills
- (b) Documentary Bills
- (c) Usance Bills
- (d) Clean Bills
- (e) None of these

**325. The biggest international financial center in the world is**

- (a) Frankfurt
- (b) Geneva
- (c) London
- (d) New York
- (e) None of these

**326. Which of the following institutions extends maximum term loan to States?**

- (a) NABARD
- (b) LIC
- (c) IDBI
- (d) IFCI
- (e) None of these

**327. For which of the following purpose can banks grant Working Capital Term Loan?**

- (a) Meeting margin for term loan
- (b) Meeting margin for working capital loan
- (c) Meeting contingent expenses
- (d) Meeting credit needs for peak season in an industry
- (e) None of these

**328. Loan System of Advances has been recommended by**

- (a) Rashid Jilani Committee
- (b) Narasimham Committee
- (c) Goiporia Committee
- (d) Tandon Committee

## Banking Awareness Questions Bank : v3

---

(e) None of these

**329. Which of the following is not an indicator of productivity for a bank branch?**

- (a) Business Per Employee
- (b) Accounts (both deposits and advances) Per Employee
- (c) Net Profit Per Employee
- (d) Neat and clean ambience
- (e) None of these

**330. "Service Area Approach" was recommended by**

- (a) Dr. P. D. Ojha Committee
- (b) A. D. Gorawala
- (c) R. V. Gupta
- (d) Dr. Kalia
- (e) None of these

**331. Records, as per Banking Regulation Act, 1949 means**

- (a) Vouchers
- (b) Account Opening Forms
- (c) Ledgers / Registers
- (d) All of these
- (e) None of these

**332. The Indicative Time Norm for issuing of demand draft has been stipulated at**

- (a) 5 minutes
- (b) 10 mintues
- (c) 15 mintues
- (d) 20 mintues
- (e) None of these

**333. In which year, the Tiwari Committee recomanded for establishment of Special Tribunals for Banks dues recovery?**

- (a) 1981
- (b) 1987
- (c) 1991
- (d) 1995
- (e) None of these

**334. As per the guidelines issued by the SEBI, the permanent Account Number (PAN) is a must for which of the following?**

- (a) Demat Accounts
- (b) All Savings Bank Accounts
- (c) All Housing Loan Accounts
- (d) All Current Accounts
- (e) None of these

**335. The first Indian RRB that is sponsored by the Union Bank that has achieved core banking solution is**

- (a) Kheladi Grameen Bank
- (b) Riddhi Siddhi Grameen Bank
- (c) Rewa Siddhi Grameen Bank
- (d) The Rewa-Dahej Bank

## Banking Awareness Questions Bank : v3

---

(e) None of these

**336. Bad loans in banking terminology are generally known as**

- (a) Prime Loans
- (b) Prime Asset
- (c) BPOs
- (d) NPAs
- (e) None of these

**337. Currency notes issued by RBI are fully covered by**

- (a) Approved assets
- (b) Gold
- (c) Foreign exchange
- (d) All of these
- (e) None of these

**338. Authority to prescribe retention period of records of banks vests with**

- (a) IBA
- (b) RBI
- (c) GOI
- (d) SEBI
- (e) None of these

**339. Ceiling for settlement through Lok Adalats is:**

- (a) Rs. 10 lakh
- (b) Rs. 15 lakh
- (c) Rs. 20 lakh
- (d) Rs. 25 lakh
- (e) None of these

**340. If a bank wants to introduce a new deposit scheme, the same is now approved by**

- (a) RBI
- (b) IBA
- (c) respective Bank's Board
- (d) Both A and B
- (e) None of these

**341. The main watchdog of international trade is**

- (a) IMF
- (b) World Bank
- (c) GATT
- (d) IFC
- (e) None of these

**342. Which one of the following has largest network, accounts and annual deposits?**

- (a) IDBI
- (b) ICICI
- (c) Post office saving bank
- (d) IOB
- (e) None of these

**343. The Interest Rate Policy is a component of**

- (a) Fiscal Policy
- (b) Monetary Policy
- (c) Trade Policy
- (d) Direct Control
- (e) None of these

**344. Credit Guarantee Fund Trust for Small Industries has been set up on the recommendations of**

- (a) Narasimham Committee
- (b) Ghosh Committee
- (c) Chore Committee
- (d) Kapoor Committee
- (e) None of these

**345. In respect of composite term, loans granted to village industries, refinance are obtained from**

- (a) NABARD
- (b) SIDBI
- (c) IDBI
- (d) RBI
- (e) None of these

**346. Economic Order Quantity is a method of**

- (a) managing raw materials
- (b) managing finished goods
- (c) managing debtors
- (d) managing creditors
- (e) None of these

**347. Which Act confers on banks their Right of set off?**

- (a) Banking Regulation Act, 1949
- (b) Reserve Bank of India Act, 1934
- (c) Negotiable Instruments Act, 1881
- (d) Indian Contract Act, 1872
- (e) None of these

**348. Which Committee was formed to review the system of lending under Consortium Arrangement?**

- (a) Kapoor Committee
- (b) Khan Committee
- (c) J.V. Shetty Committee
- (d) Share Committee
- (e) None of these

**349. Which of the following cannot issue a commercial Paper?**

- (a) Companies
- (b) Primary Dealers
- (c) Commercial Banks
- (d) All India Financial Institutions
- (e) None of these

**350. The Bond can be**

- (a) Zero Coupon Bond

## Banking Awareness Questions Bank : v3

---

- (b) Deep Discount Bond
- (c) Floating Rate Bond
- (d) Any of these
- (e) None of these

**351. "Refund Banker Scheme" has been launched by**

- (a) IBA
- (b) RBI
- (c) SEBI
- (d) Income Tax Department
- (e) None of these

**352. Bank can issue a duplicate of a lost demand draft at the request of the**

- (a) Payee
- (b) holder
- (c) Purchaser
- (d) Either A or C
- (e) None of these

**353. A cheque can be paid in cash even after business hours when it is presented by**

- (a) a person known to bank officials
- (b) any person
- (c) the drawer
- (d) the payee
- (e) None of these

**354. The amount of advance which may be granted against the security of a life insurance policy depends on**

- (a) the amount of the insurance policy
- (b) the surrender value of the policy
- (c) the paid-up value of the policy
- (d) the total amount of premiums paid
- (e) None of these

**355. Consent of RBI is necessary before transferring funds from one chest to another because**

- (a) RBI is the owner of the Chest
- (b) RBI arranges transit insurance
- (c) Police protection is arranged
- (d) Details to be kept a secret
- (e) None of these

**356. Due date for repayment of a crop loan is crop growing period, plus**

- (a) 4 months for marketing
- (b) 3 months for marketing
- (c) 2 months for marketing
- (d) 1 months for marketing
- (e) None of these

**357. Pillars of BASEL-II are**

- (a) Minimum capital ratio
- (b) Supervisory review
- (c) Market discipline
- (d) All of these

## Banking Awareness Questions Bank : v3

---

(e) None of these

**358. When the date of the cheque is later than the date on which it is presented for payment, the cheque is known as**

- (a) stale cheque
- (b) invalid cheque
- (c) ante-dated cheque
- (d) postdated cheque
- (e) None of these

### Answer:

1. (d) All of the above
2. (c) SEBI
3. (d) Governor of the RBI
4. (d) Apartheid
5. (d) Exchange Rate of Foreign Currencies
6. (b) State Bank of India
7. (d) Short-term capital movements from one country to another seeking safety or, less often, higher rate of interest
8. (c) an area near a sea-port or airport in which goods can be imported duty free, if they are to be re-exported or used in the manufacture of goods for export
9. (c) Reserve Bank of India
10. (b) With better understanding more and more people would utilize the banking services
11. (d) All of the above
12. (d) All of the above
13. (a) Interim finance by a bank pending disbursement of term loan by financial institutions
14. (a) Board for Industrial and Financial Reconstruction
15. (d) Upon maturity of the policy or death of the policy-holder whichever happens earlier
16. (d) All Demit A/c
17. (d) Assignment
18. (d) All of the above
19. (a) The account remains 'out of order'
20. (d) All of the above
21. (d) NABARD
22. (c) Both A and B
23. (b) Reserve Bank of India
24. (b) Public-Private Partnership
25. D. Only 2 and 3
26. (b) Liquidity Adjustment Facility
27. C. Both 2 and 3
28. (a) Market Capitalization
29. D. Both A and B only
30. (b) Statutory Liquidity Ratio
31. B. Only 2
32. (d) Only A & B'
33. (d) Rate at which RBI purchases or rediscounts bills of exchange of commercial banks
34. (c) net incremental income
35. D. All of these



## Banking Awareness Questions Bank : v3

---

36. B. Only 2
37. B. Only 2
38. (a) Adequate Capital adequacy Ratio
39. (b) Imperial Bank of India
40. (d) 2012 - 2017
41. (b) Market risk
42. (b) SBI
43. (b) State Bank of India
44. (b) Governor of the RBI
45. (d) Income Tax rate
46. (b) Discount rate
47. (b) 3 -15%
48. (c) RBI
49. (c) Increase
50. (a) New bank of India
51. (d) 15
52. (b) Clearing House
53. (a) SBI
54. e. 1964
55. e. All of the above
56. b. Long- term funds
57. a. Reserve Bank of India (RBI)
58. a. Hyderabad
59. d. Securities and Exchange Board of India (SEBI)
60. b. Export - import (Exim) Bank
61. e. All i, ii ,iii and iv
62. d. All of the above
63. c. New currency
64. e. All of the above
65. c. 1885
66. a. 1964
67. b. 14
68. c. 26
69. c. 1993
70. b. i and ii
71. c. Mumbai
72. c. Both are true
73. d. Both are false
74. A. Only 1
75. (d) Chit Funds
76. (a) ICICI Bank
77. (b) RBI
78. (a) Core
79. D. All of these
80. (b) One hundredth of 1%
81. D. All of these
82. C. Only 1
83. (d) All of these
84. c) March 2017
85. a) RBI
86. b) Net Demand and Time Liability

## Banking Awareness Questions Bank : v3

87. c) Government of India
88. b) Micro Units Development and Refinance Agency
89. a) For Electronic Clearance of Cheques
90. a) Ahmedabad
91. c) Personal Identification Number
92. d) Repo Rate
93. b) Rs. 2 lakh
94. (c) Both A and B
95. (d) all of the above
96. (c) Credit rating
97. (b) vital Information Resource Under Siege
98. (c) Self Help Promotion Institution
99. (a) International Accounting standards Board
100. (c) Indian Financial Network
101. (a) Risk Based Supervision
102. (c) 14
103. (d) Immediately after the payment of the last instalment
104. (b) Seller
105. (c) Central Statistical Organization
106. (d) KYC Guidelines
107. (c) The Contract Act, 1872
108. (c) to slash down the waiting time for encasing cheques
109. (a) Insurance Companies
110. (c) Consolidation
111. (a) Fiscal Deficit minus Interest Payments
112. (b) Ensuring that there will be no problem of liquidity with the borrower
113. (a) Banking Companies Act, 1970
114. (b) RBI
115. (c) transfer of interest
116. (a) LIBOR
117. (c) Treasury Bills
118. (d) All of the above
119. (a) Co-branded credit Card without logo of the issuer
120. (c) CGTMSE is silent about covering the loans to Educational Institutions
121. (a) Will have to effect payment without delay or demur
122. (b) defective condition of package and goods
123. (b) Escalation in Project Cost
124. (d) Where more than 85 per cent exploitation has taken place on the available underground water
125. (a) Protecting against fluctuations/ uncertainty risk in forex markets
126. (a) Excess of current assets over current liabilities other than bank borrowings
127. (c) a part of Currency Chest
128. (c) Standard Banking practices in customer services
129. (c) Reserve Bank of India
130. (b) Cash Reserve Ratio
131. (c) Priority sector loan
132. (d) Union Bank of India
133. (d) Savings cheque
134. (c) To provide banking services to all living in remote areas
135. (d) Udaipur
136. (b) Axis Bank
137. (d) Automated Teller Machines.

## Banking Awareness Questions Bank : v3

---

138. (d) HUFs
139. (a) Mutual Funds
140. (a) Reserve Bank of India (RBI)
141. (a) Kissan Credit Card
142. (a) Capital Accounts Convertibility
143. (c) Educational Loan
144. (d) post dated cheque
145. (b) Without resource to us
146. (b) to make usual allowances for annual wear and tear
147. (c) the rate at which the Reserve Bank of India would rediscount bills of exchange or other eligible commercial papers, or advance against eligible securities to the scheduled banks
148. (b) Fresh HUF letter is obtained
149. (c) by way of a footnote
150. (c) is not entitled to debit the drawer's account with the amount of the cheque
151. (b) Principal and agent
152. (d) Which has its name added to the second scheduled of the Reserve Bank of India Act, 1934
153. (b) the bank will make the payment provided the cheque is otherwise in order
154. (d) Tarapore & Narasimham Committee
- 155.
156. (a) Break Even Poi
157. (c) immediately infrom the issuing bank
158. (c) negotiating bank
159. (b) Guarantee
160. (d) replacing stamp duty required for payment of registration of properties and documents
161. (b) a situation where too many workers are doing a limited amount of work.
162. (c) Financial Information Network operation ltd
163. (a) London Inter-bank Offered Rate
164. (b) National Electronic fund Transfer
165. (a) Public Information Officer
166. (d) Ministry of Commerce, Government of India.
167. (b) Set by the Reserve Bank of India
168. (c) Simultaneous purchase of a currency in one market and its sale in another market wit a view to realise profit
169. (d) The Negotiable Instruments Act, 1881
170. (c) Rubber Plantation
171. (a) Financing of supply-delivery chain, i.e., dealer of identified large corporate entities financed by banks
172. (b) persons with agricultural income
173. (c) Rural Poverty : SJSRY
174. (a) when opening bank advises the advising bank to give advance to the exporter
175. (c) intellectual property right
176. a. Reserve Bank of India
177. b. China
178. c. General Insurance Company
179. c. a proposition by EU to attract highly qualified professionals from other countries
180. b. Manila
181. c. Cash and Debtors (except bad debts)
182. b. Asian Development Bank
183. d. shifting an existing branch within the same city, village or town
184. a. advance loans to business
185. c. April to March

## Banking Awareness Questions Bank : v3

186. c. SBI
187. (d) All of the above
188. c. bailment to goods as security for payment of a debt or performance of a promise
189. c. On December 8,1985
190. b. Shivaraman Committee
191. b. Mumbai
192. c. to be informed only about the extent of his liability
193. c. the difference between the cost of the imports and exports of a country
194. b. demand deposits used as money, i.e., deposits withdrawable by cheques
195. c. number of major international currencies to which the external value of the Indian rupee is linked
196. c. a "runway" or "galloping" inflationary situation where the monetary unit becomes almost worthless
197. a. all Government securities which are marketable on the stock exchange market
198. d. a port which allows free entry to goods which are to be re-exported
199. b. a group of countries which have decided to impose no duties of any kind on imports from other members of the group
200. b. that part of the public debt which consists of short term borrowings by the Government
201. c. obligations of the Government of India issued by the Reserve Bank of India and payable normally ninety-one days after issue
202. b. coins where the value of metal in them is less then the value attached to them by law
203. c. stock exchange
204. c. Reserve Bank of India
205. c. Banking Regulation Act, 1949
206. b. in Mumbai - famous for stock exchange market
207. c. 1955
208. b. The initial rate is offered at a rate lower than the prevailing market rate for a few months and then gradually keeps increasing
209. b. It is raised printing on the currency notes of RBI seal, Ashoka Pillar emblem etc.
210. a. Share Price Index of Tokyo share market
211. b. Shivaraman Committee
212. c. It gives the underwriter the right to sell investors more shares than originally planned
213. c. both A and B
214. b. Morarji Desai
215. a. by banks from customers on whose behalf the banks have to issue guarantees in favour of third parties, such as Government department, Public bodies, Corporations etc,
216. d. All of the above
217. c. Balance with RBI
218. b. Operational Risk
219. a. packing credit
220. d. all of the above
221. b. The Reserve Bank of India Act, 1934
222. c. RBI
223. c. a declaration of the borrower to the effect that his assets are free from encumbrance and that he shall not encumber or dispose them of without bank's permission
224. d. All of the above
225. d. October to March
226. c. sanction of loans
227. c. April to march
228. b. Bid-ask Rate
229. c. Current Account only
230. d. 30 years
231. d. all of the above

## Banking Awareness Questions Bank : v3

232. b. Securities
233. c. Cheque will be scanned and the electronic image, instead of physical cheque, will be transmitted in the clearing cycle
234. b. Bond holder has an option to convert debt into equity on a fixed date
235. c. A and B both
236. c. A and B both
237. d. All of the above
238. b. Section 35A of Banking Regulation Act, 1949
239. c. 1 year
240. c. Clearing of cheques
241. b. Using FDI funds outside the country
242. b. Securities given to banks for loans against approved securities
243. c. Circular Trading
244. c. Swap
245. (c) ECGC
246. (d) Jeevan sathi Yojana
247. (b) Demand Deposit
248. (d) Pulse Ratio
249. (d) Rickshaw Puller
250. (c) Arup Roy Choudhary
251. (b) Naively Lignite Corporation
252. (c) Sale of post cards and postal stamps
253. (d) Top up Loan
254. 4. All of these
255. (a) Bharat Nirman
256. (b) Mahatma Gandhi
257. (d) Cathay Pacific
258. (c) Equator
259. (a) Vishesh Krishi and Gram Udyog Yojana
260. (a) Note Sorting Machines
261. (b) Base Line
262. (c) Securities & Exchange Board of India (SEBI)
263. (d) Dr. Y.V. Reddy
264. (c) 3,000/-
265. (d) None of these
266. 4. None of these
267. (c) point of sale
268. (b) World Bank'
269. (d) None of these
270. (b) Switzerland
271. (d) None of these
272. (b) Liquidity in economy
273. (d) Provide financial service to the people of the nation of its origin across the country
274. (a) insider trading
275. (c) stocks
276. (b) Rangarajan Committee
277. (a) Golds are purchased and sold
278. (d) Both A and B
279. (c) Bangladesh
280. (a) Imperial Bank of India
281. (c) Service sector

## Banking Awareness Questions Bank : v3

282. (b) Service Industry
283. (b) Fixed Deposit Receipt
284. (a) Net Banking Assets
285. (b) Profit and Loss Account and Balance Sheet
286. (b) Extra Commercial Borrowings
287. (c) Gift coupon of a chain share
288. (a) Individuals
289. (c) Calling on prospective customers
290. (d) Opening accounts of underprivileged persons
291. (c) Set standards
292. (a) Customer Relationship Management
293. (d) Selling insurance products through banks
294. (c) High Networth Individuals
295. (c) Export Promotion Zone
296. (a) Earnings per share
297. (a) 01.01.1999
298. (b) Reverse Repo
299. (a) NABARD
300. (d) All of the above
301. (d) Both A and B above
302. (c) Help to solve balance of payment problems of member countries
303. (b) Mumbai
304. (b) Application supported by Blocked Amount
305. (a) Six years
306. (c) Bill
307. (c) either A or B
308. (d) FIU-IND, New Delhi
309. (c) Basle, Switzerland
310. (a) 10 years
311. (b) Ombudsman
312. (a) Bank for International Settlements
313. (b) NRO Account
314. (b) Private Banks and Foreign Banks
315. (a) DCB Bank
316. (a) Verified Date-wise Monthly Statement
317. (d) advance for financing the purchase, processing, manufacturing or packing of goods for export against a letter of credit or a confirmed order
318. (e) None of these
319. (d) a practice of presenting final accounts of a bank with a view to exhibit a favourable position
320. (b) accounts which remains inoperative for an extended period of time
321. (d) UNCTAD
322. (a) Federal Reserve
323. (e) None of these
324. (d) All of the above
325. (a) Accommodation Bills
326. (c) London
327. (b) LIC
328. (b) Meeting margin for working capital loan
329. (a) Rashid Jilani Committee
330. (d) Neat and clean ambience
331. (a) Dr. P. D. Ojha Committee

## Banking Awareness Questions Bank : v3

---

- 332. (d) All of these
- 333. (b) 10 mintues
- 334. (a) 1981
- 335. (a) Demat Accounts
- 336. (c) Rewa Siddhi Grameen Bank
- 337. (d) NPAs
- 338. (d) All of these
- 339. (b) RBI
- 340. (c) Rs. 20 lakh
- 341. (c) respective Bank's Board
- 342. (a) IMF
- 343. (c) Post office saving bank
- 344. (b) Monetary Policy
- 345. (d) Kapoor Committee
- 346. (a) NABARD
- 347. (a) managing raw materials
- 348. (d) Indian Contract Act, 1872
- 349. (c) J.V. Shetty Committee
- 350. (c) Commercial Banks
- 351. (d) Any of these
- 352. (d) Income Tax Department
- 353. (d) Either A or C
- 354. (c) the drawer
- 355. (b) the surrender value of the policy
- 356. (a) RBI is the owner of the Chest
- 357. (c) 2 months for marketing
- 358. (d) All of these