

# BA ECONOMICS III SEMESTER CORE COURSE – 4

## MODERN BANKING

### QUESTION BANK

1. Indian banks were nationalised in the year  
a. 1949 b. 1969 c. 1959 d. 1979
2. Bankers are not only purveyors of money but also an important sense they are  
a. Consumers  
b. Manufacturers  
c. Lenders  
d. Borrowers
3. Primary functions of a commercial banks are ..... and lending  
a. Honouring cheques  
b. Accepting deposits  
c. Issuing cheques  
d. Issuing DD
4. The total number of public sector banks in India is  
a. 14 b. 12 c. 28 d. 22
5. Indian Institute of Bankers is registered as.....  
a. Trustee  
b. Association  
c. Joint Stock Company  
d. Co-op society
6. The head quarters of National Housing Bank is  
a. New Delhi  
b. Mumbai  
c. Agra  
d. Hyderabad
7. The Head quarters of Allahabad Bank is  
a. Allahabad b. Mumbai c. Calcutta d. Delhi
8. The 'Teller System' has been introduced by banks to.....  
a. Canvas more customers  
b. Make quick payment of cheque  
c. Clarify enquiries  
d. Advice customers
9. Money at call and short notice of a bank is .....  
a. Secured advance  
b. Bankers second line of advance  
c. Widely distributed loans  
d. All the above
10. The terms drawer, drawee and payee are associated with;  
a. Cheques  
b. Promissory notes

c. Delivery order

d. Hundies

11. Where the RBI has no branch the bank which can act as its agent is;

a. Any commercial bank

b. Any nationalised bank

c. SBI

d. Indian bank

12. Unless otherwise specified DD or cheques is valid for a period of;

a. 6 months

b. 1 year

c. 3 months

d. One month

13. RBI was nationalised in the year

a. 1941 b. 1949 c. 1943 d. 1935

14. The drawee of a cheque is always.....

a. Customer b. Minor c. Company d. Bank

15. Commercial banks in India was organised as.....

a. Sole proprietorship

b. Joint stock company

c. Partnership

d. Joint sector

16. In India ..... banks are nationalised in the year 1969

a. 16 b. 19 c. 14 d. 22

17. Second nationalisation of commercial banks (6 banks) was in the year

A. 1979 B. 1980 C. 1984 D. 1976

18. Cooperative banks are registered under.....

a. RBI Act

b. Banking Regulation Act

c. Co-operative societies act

d. Any of the above

e.

19. The first Regional Rural Bank came into existence on

a. 1972 b. 1964 c. 1975 d. 1977

20. The largest public sector bank in India is

a. RBI

b. SBI

c. Canara Bank

d. Indian Overseas Bank

21. RRB Act was enacted in the year

a. 1974 b. 1979 c. 1975 d. 1976

22. .... is the apex institution for rural development and rural credit

a. RBI b. IDBI c. NABARD d. IRBI

23. RBI was established in the year

a. 1949 b. 1935 c. 1964 d. 1947

24. Medium term loans are meant for a period

a. 3-5 years

b. 5-10 years

c. Over 10 years

d. 1-3 years

25. Possession of a security practically with the banker is in the case of

a. Mortgage

- b. Pledge
  - c. Hypothecation
  - d. Hire purchase
26. Maximum number of withdrawals permitted per half year weather by cheque or otherwise in saving bank account
- a. 100 b. 200 c. 50 d. No limit
27. The banker's obligation to pay his customers cheque is a duty towards.....
- a. The drawee
  - b. The drawer
  - c. The holder
  - d. The payee
28. Collateral security means
- a. Advance against supply bills
  - b. Share and debentures
  - c. Goods pledged to the bank
  - d. Additional security
29. RBI issues currency notes on the basis of.....
- a. Minimum reserve
  - b. General reserve
  - c. Proportional reserve
  - d. Gold reserve
30. The term "Reserve" in Reserve bank of India indicates
- a. Reserved for govt. Business alone
  - b. It keeps reserves of all commercial banks
  - c. No special significance
  - d. It keeps foreign currency
31. SBI was established in the year
- a. 1954 b. 1956 c. 1955 d. 1964
32. For opening new branch of a bank should obtain the sanction of.....
- a. Central government
  - b. State government
  - c. RBI
  - d. All the above
33. Negotiable Instrument Act was passed in the year
- a. 1856 b. 1875 c. 1881 d. 1882
34. NABARD is administered by
- a. RBI
  - b. SBI
  - c. Board of Directors
  - d. Central govt.
35. A depositor can withdraw money from the bank any number of time in.....
- a. Fixed deposit
  - b. Savings bank
  - c. Current a/c
  - d. Recurring deposit
36. A cheque is deemed stale after
- a. One month
  - b. 3 months
  - c. 6 months
  - d. One year

37. Bank rate policy is aimed at
- Development of banks
  - Helping loan takers
  - Stabilising internal price level
  - None of these.
38. Bank of England was established in the year
- 1586
  - 1612
  - 1694
  - 1656
39. Garnishee order is to restrain a banker from
- Receiving deposit
  - Making payment
  - Accepting bills
  - Crossing of cheques
40. A banker need not bother too much to open an account in the name of a person when receiving.....
- Term deposit
  - Demand deposit
  - Saving deposit
  - Call deposit
41. Primary relationship between banker and customer is that of
- Dealer and customer
  - Principal and agent
  - Debtor and creditor
  - Vender and buyer
42. Bankers lien is a general lien and is
- A special type of mortgage
  - An implied pledge
  - A pledged transaction
  - Hypothecation transaction
43. Which country is popular for branch banking
- Britain
  - China
  - India
  - Japan
44. Whose signature is affixed on currency notes
- President
  - Prime Minister
  - RBI governor
  - Finance minister
45. A post dated cheque is one which bears;
- A date which is not more than 6 months
  - Future date
  - An impossible date
  - Back date
46. A banker has the right to disclose the account position of a customer to.....
- Intimate friend
  - Customers wife
  - Trade reference
  - Customers relatives
47. An account usually maintained by businessmen in a bank is
- Current account
  - Saving bank account
  - Recurring deposit account
  - None of these
48. The system of banking attracting deposits and lending for short period is called

- a. Mixed banking
  - b. Deposit banking
  - c. Credit system
  - d. Lending system
49. When a loan is advanced on the basis of immovable property, it is called
- a. Pledge
  - b. Hypothecation
  - c. Mortgage
  - d. Lien
50. When a loan is advanced on the basis of movable property, it is called
- a. Pledge
  - b. Hypothecation
  - c. Mortgage
  - d. Lien
51. Which of the following are not methods of credit control
- a. Bank rate
  - b. Rationing credit
  - c. Issue of notes
  - d. Direct action
52. The banker will refuse payment against
- a. Post dated cheque
  - b. Mutilated cheque
  - c. Insufficient fund in a/c
  - d. All of these
53. The following is not a demand deposit
- a. Fixed deposit
  - b. Annuity deposit
  - c. Fixed deposit due
  - d. All of these
54. A cheque bearing a back date from the date of issue is
- a. Stale cheque
  - b. Post dated cheque
  - c. Marked cheque
  - d. Ante dated cheque
55. Banker lien shall not exercise upon
- a. Cheques for collection
  - b. Bills for collection
  - c. Call deposit
  - d. Safe custody deposits
56. Key loans are usually allowed on
- a. Buildings
  - b. Goods under safe custody
  - c. Goods in transit
  - d. Goods for sale
57. The country popular for unit banking is
- a. Russia b. India c. America d. Britain
58. Overdraft facility is allowed to reputed customers on
- a. SB account
  - b. Current account
  - c. Fixed deposit
  - d. Call deposit

59. The authority controlling the clearing house scheme is  
a. RBI b. SBI c. SEBI d. Govt.
60. Crossing of a cheque can be done by  
a. Drawer only  
b. Payee only  
c. Any holder  
d. None of these
61. Cash Reserve Ratio of banks is insisted in RBI Act of 1934 under section  
a. 15 b. 42 c. 32 d. 18
62. In order to determine a cheque valid or not one has to examine.....  
a. Actual date of issue  
b. Date of receipt by payee  
c. Date of endorsement  
d. Date that cheque bears
63. RBI is an example of  
a. Chartered company  
b. Statutory company  
c. Registered company  
d. Unlimited company
64. A bank draft is drawn by  
a. Customer  
b. Bank  
c. Trader  
d. Any of the above
65. Pledge means.....  
a. Advance against goods  
b. To draw over and above deposit  
c. Bailment of goods as security  
d. Mortgage of building
66. One Rupee notes is issued by  
a. RBI  
b. SBI  
c. Ministry of Finance  
d. Both RBI and Govt.
67. A place where representatives of banks meet to settle cheques for collection  
a. Bankers club  
b. Acceptance bank  
c. Clearing house  
d. Discount house
68. Which of the following is subsidiary function of a bank  
a. Accepting deposit  
b. Granting credit  
c. Safe custodial service  
d. Banking services
69. Ownership of IDBI is vested with  
a. RBI  
b. Govt. Of India  
c. SBI  
d. SIDBI
70. Credit card system was firstly developed in.....  
a. Bank of England

- b. Bank of America**
  - c. RBI**
  - d. Bank of Tokyo**
- 71. Call deposit is modified form of.....**
- a. Fixed deposit**
  - b. Demand draft**
  - c. Term deposit**
  - d. SB deposit**
- 72. The EXIM bank established in the year**
- a. 1982 b. 1992 c. 1998 d. 1975**
- 73. NABARD was established in the year**
- a. 1986 b. 1982 c. 1990 d. 1964**
- 74. Lead Bank scheme was introduced by RBI in the year**
- a. 1986 b. 1969 c. 1975 d. 1980**
- 75. Rule of Claytons Case is related with**
- a. Fixed deposit**
  - b. Appropriation of debt**
  - c. Cash credit**
  - d. Term loans**
- 76. Garnishee order is issued by**
- a. State govt.**
  - b. Central govt.**
  - c. RBI**
  - d. Court of law**
- 77. Scheduled bank is one.....**
- a. Which is included in II schedule of RBI**
  - b. Which is included in II schedule of Banking Regulation act**
  - c. Institution dealing in money**
  - d. Which gives loan to SC/ST**
- 78. SBI was set up by nationalising**
- a. Bank of Calcutta**
  - b. Imperial bank**
  - c. National Provincial bank**
  - d. Bharath bank**
- 79. A bankers lien is**
- a. General**
  - b. Particular**
  - c. Proportional**
  - d. Specific**
- 80. Number of subsidiary banks of SBI is**
- a. 5 b. 10 c. 14 d. 7**
- 81. Signature of one rupee note is of.....**
- a. RBI Governor**
  - b. Finance secretary**
  - c. President of India**
  - d. Finance Minister**
- 82. Origin of banking is said to be closely connected with**
- a. Arabs b. Romans c. Indians d. Jews**
- 83. The best example of pure commercial banking is**
- a. British banking**
  - b. German banking**

c. Indian banking

d. Japanese banking

84. Which country's banking is regarded as best example of mixed banking

a. Germany

b. USA

c. Britain

d. India

85. Money at call is otherwise known as.....

a. Overdraft

b. Overnight money

c. Credit card

d. Cash credit

86. .... bank is one which specialise in financing foreign trade of a country

a. Unit

b. Branch

c. Overseas

d. Exchange

87. "A central bank is an institution charged with responsibility of regulating supply and cost of money in the interest of general public". This definition was made by;

a. H L Hart

b. Keynes

c. John Paget

d. Dudley Johnson

88. Commercial bank can be either unit banking type or ----- banking type.

a. Central

b. Branch

c. Specialised

d. Rural

89. Discounting of bills of exchange is..... function of commercial banks

a. Lending

b. Borrowing

c. Investment

d. Agency

90. Industrial banks are also called ..... as they subscribing the securities issued by the industrial concerns.

a. Share banks

b. Loan banks

c. Development banks

d. Investment bank

91. IDBI and IFCI are examples of.....

a. Commercial bank

b. Co-operative bank

c. Industrial bank

d. Unit bank

92. International Bank for Reconstruction and Development is popularly known as

a. International bank

b. Overseas bank

c. World bank

d. IMF

93. Payment of premium by a commercial bank is a part of their..... System.

a. Deposit

- b. Agency
  - c. Exchange
  - d. Utility
94. Unit banks are linked with bigger banks by a system called.....
- a. Mixed banking
  - b. Group banking
  - c. Correspondent banking
  - d. Network banking
95. Bank is a “factory” of.....
- a. Cash b. Coins c. Credit d. Deposit
96. NPA stands for.....
- a. Normal Profit Achievement
  - b. Nonperforming Assets
  - c. Non profit Advances
  - d. Non performing Agents
97. Commercial banks act as income tax consultant. This is a..... function.
- a. Lending
  - b. Utility
  - c. Agency
  - d. Demand.
98. .... Ratio refers to that portion of total deposits of commercial bank which it has to keep with central bank in the form of cash reserve.
- a. SLR b. CRR c. PLR d. REPO
99. Non Banking Financial Corporation’s (NBFCs) are otherwise known as.....
- a. Narrow banks
  - b. Para banks
  - c. Virtual banks
  - d. Link banks
100. Maximum period for which deposits can be obtained by a NBFC is
- a. 5 years
  - b. 15 years
  - c. 10 years
  - d. 2 years
101. In banking sector, KYC stands for
- a. Kid and young customers
  - b. Know youth creditors
  - c. Know your customers
  - d. Know your cash requirements.
102. The process of replacing physical cheque with electronic cheque is.....
- a. Demat
  - b. Remat
  - c. Truncation
  - d. Securitisation
103. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFASIA) came into effect on.....
- a. Jan 2002
  - b. June 2002
  - c. May 2000
  - d. April 2001
104. Commission recommended for the formation of RBI is
- a. Narasimham commission

- b. Tandem commission
  - c. Hil Ton Young commission
  - d. None of these.
105. Dues made by debtors are.....
- a. NPA b. NPS c. CRR d. PLR
106. ----- represents the rate at which the central bank absorbs liquidity from the banks
- a. Repo
  - b. CRR
  - c. PLR
  - d. Reverse Repo
107. The first foreign bank which introduced merchant bank in India is
- a. Grindlays bank
  - b. HSBC
  - c. City bank
  - d. Ceylon bank
108. The first Indian public sector bank which introduced its own merchant bank division in India
- a. Canara bank
  - b. PNB
  - c. SBI
  - d. Syndicate bank
109. Which of the following is quantitative measure of credit control of RBI
- a. Direct action
  - b. Moral suasion
  - c. Open market operation
  - d. Margin requirement
110. Banking Regulation Act passed in the year
- a. 1969 b. 1934 c. 1949 d. 1956
111. The first development bank in India is
- a. IDBI b. IFCI c. ICICI d. SIDBI
112. ICICI was established in the year
- a. 1980 b. 1948 c. 1955 d. 1964
113. SIDBI was established as a wholly owned subsidiary of.....
- a. IFCI b. SFC c. IDBI d. RBI
114. The apex development bank in India is
- a. IFCI b. IDBI c. SIDBI d. RBI
115. The apex financial institution in India is
- a. IFCI b. IDBI c. NABARD d. RBI
116. ATM stands for.....
- a. Any Time Money
  - b. Automatic Teller machine
  - c. Automated Teller Machine
  - d. Automatic Transfer Money
117. Central Land Mortgage Bank was started in Madras in
- a. 1920 b. 1921 c. 1922 d. 1929
118. Central Co-operative banks are organised at..... level
- a. Taluk
  - b. District
  - c. State
  - d. National

**119. Head quarters of RBI is**

- a. New Delhi**
- b. Mumbai**
- c. Calcutta**
- d. Nasik**

**120. Head quarters of NABARD is**

- a. New Delhi**
- b. Mumbai**
- c. Calcutta**
- d. Nasik**

**121. Area of operation of RRB comprises of**

- a. One or more district**
- b. A state**
- c. Two or more states**
- d. Taluk**

**122. Chairman of NABARD is appointed by**

- a. UPSC**
- b. SSC**
- c. RBI**
- d. Central Govt.**

**123. LAB stands for.....**

- a. Lead Area Bank**
- b. Local Area Bank**
- c. Lending and Borrowing**
- d. Leading and Banking**

**124. Largest bank in the world (asset wise) is.....**

- a. BNP Paribus**
- b. SBI**
- c. German Bank**
- d. British Bank of Middle East**

**125. Largest bank in the world in branches is.....**

- a. BNP Paribus**
- b. SBI**
- c. German Bank**
- d. HSBC**

**126. The present Governor of RBI is**

- a. Bimal Jalan**
- b. Subba Rao**
- c. Raghuram Rajan**
- d. Rangarajan**

**127. Industrial Reconstruction Bank of India(IRBI) was established in the year**

- a. 1961**
- b. 1960**
- c. 1985**
- d. 1975**

**128. .... is "Pay later product"**

- a. Debit card**
- b. ATM card**
- c. Credit card**
- d. Both a&b**

**129. .... is "Pay now product"**

- a. Debit card**
- b. ATM card**

- c. Credit card
  - d. Charge card
130. Banking Ombudsman was established in.....
- a. 1993 b. 1997 c. 1995 d. 1987
131. Another name of credit card is.....
- a. Debit card
  - b. Money card
  - c. Plastic money
  - d. Card money
132. Credit card was first time launched in the world by.....
- a. British bank
  - b. Bank of America
  - c. HSBC
  - d. SBI
133. "Either of Survivor" account in a bank is.....account
- a. Minors Account
  - b. Joint account
  - c. Saving account
  - d. Double account
134. In banking, EFT stands for.....
- a. Economic Fund Transfer
  - b. Electronic Fund Transfer
  - c. Economic and Financial Transaction
  - d. Entries of Fund Transfer
135. RTGS stands for.....
- a. Rural Transactions of Government services
  - b. Real Time Gross Settlement
  - c. Recurring and Term Gross Savings
  - d. Real Time Government Service
136. A Head quarter of SIDBI is.....
- a. New Delhi
  - b. Mumbai
  - c. Calcutta
  - d. Lucknow
137. The first new generation bank starts its operation in India
- a. ICICI
  - b. HDFC
  - c. AXIS bank
  - d. Centurion
138. The first new private sector bank is.....
- a. HDFC bank
  - b. ICICI bank
  - c. Centurion bank
  - d. UTI bank
139. Money lenders in Kerala come under purview of.....
- a. Banking Regulation Act
  - b. Indian Companies Act
  - c. Kerala Banking Regulation Act
  - d. Kerala Money lenders Act
140. Imperial bank of India was established by amalgamation of ..... presidency

**banks**

**a. 3 b. 5 c. 7 d. 10**

**141. Custodian of National Rural Credit Stabilisation Fund**

**a. RBI b. SBI c. NABARD d. ARBI**

**142. Number of public sector Banks in India**

**a. 14 b. 20 c. 21 d. 28**

**143. A mutilated cheque will be -----**

**a. Crossed**

**b. Endorsed**

**c. Marked**

**d. Torn**

**144.FDR stands for.....**

**a. Fiduciary Deposit Reserve**

**b. Fixed Deposit Receipt**

**c. Fixed Depreciation Rate**

**d. Fixed Deposit Rate**

**145. The chairman of 13th Finance commission is**

**a. A M Khushro**

**b. C Rangarajan**

**c. Vijay Kelkar**

**d. Bimal Jalan**

**146. The first bank in the world**

**a. Bank of America**

**b. Federal Reserve bank**

**c. Bank of Venice**

**d. Bank of Hindustan**

**147. The first bank in India**

**a. Allahabad bank**

**b. Punjab National Bank**

**c. Nedungadi Bank**

**d. Bank of Hindustan**

**148. First purely Indian bank is**

**a. Allahabad bank**

**b. Punjab National Bank**

**c. Nedungadi Bank**

**d. Bank of Hindustan**

**149. The first bank in Kerala**

**a. Federal Bank**

**b. South Malabar Gramin Bank**

**c. North Malabar Gramin bank**

**d. Nedungadi bank**

**150. The first international credit card was introduced in India by**

**a. SBI**

**b. Canara bank**

**c. Andhra Bank**

**d. Bank of Baroda**

**151. Demand deposit also known as \_\_\_\_\_.**

**a) Current account b) Fixed deposit**

**c) Capital account d) Recurring deposit**

**ANS:A**

**152. Bank places certain restriction on withdrawal for \_\_\_\_\_ deposit.**

- a) Savings deposit b) Demand deposit  
c) Current account d) Fixed deposit

ANS:A

153. Mixed banking is now referred to as \_\_\_\_\_ .

- a) Commercial banking b) Universal banking  
b) Merchant banking d) Development banking

ANS:B

154. \_\_\_\_\_ is the contribution made by the shareholders of the bank.

- a) Loans & advances b) cash in hand  
c) Bills discounted d) Share capital

ANS:D

155. \_\_\_\_\_ was originally the home of commercial banking.

- a) U.S.A b) England  
c) Britain d) Germany

ANS:D

156. \_\_\_\_\_ was initially the home of industrial or investment banking.

- a) Italy b) England  
c) Geneva d) Germany

ANS:D

157. The trend in India is towards \_\_\_\_\_.

- a) Mixed banking b) Development banking  
c) Commercial banking d) Industrial banking

ANS:A

158. \_\_\_\_\_ to \_\_\_\_\_ percent of total deposit is kept as cash reserve.

- a) 5 to 10 b) 11 to 15  
c) 8 to 11 d) 9 To 11

ANS:D

159. Commercial banks to expand deposit through expanding their loans and advances is known as \_\_\_\_\_.

- a) Credit creation b) Trade discount  
c) Deposit d) Bank advances

ANS:A

160. Rediscounting and giving advance the central bank changes interest at a rate which is known as \_\_\_\_\_

- a) CRR b) SLR  
c) Bank Rate d) Credit

ANS:C

161. The nationalization of 14 commercial banks was on?

- a) 19 July, 1969 b) 15 Aug, 1972  
c) 15 April, 1980 d) 19 Jan, 1959

ANS:A

162. The State Bank of India was established under the State Bank of India Act on?

- a) 1935 b) 1948  
c) 1955 d) 1952

ANS:C

163. RBI introduced 14-day intermediate Treasury Bills and 14-day Treasury bills on?

- a) 1994 b) 1997  
c) 1984 d) 1972

ANS:B

164 RBI introduced a bill Rediscounting Scheme in?

- a) 1997 b) 1956  
c) 1970 d) 1984

ANS:C

165. RBI introduced the system of repurchase of dated Government securities through addition at fixed cutoff rate of interest is?

- a) Reverse Repos b) CRR  
c) LAF d) SLR

ANS:A

166. DIC stands for?

- a) Deposit Investment Corporation  
b) Deposit Insurance Corporation  
c) Deposit Industrial Corporation  
d) Development Corporation of India

ANS:C

167. \_\_\_\_\_ Commission recommended the formation of a Central bank in 1926.

- a) Narasimham committee  
b) Bretton Wood Committee  
c) Hilton-Young Committee  
d) Banking Enquiry Committee

ANS:C

168. System of banking is guided by the Islamic Law called?

- a) Islamic Guide b) Islamic Banking  
c) Banking Regulation Act d) Shariat

ANS:D

169. Overdraft is a credit facility granted by Commercial banks to \_\_\_\_\_ holders.

- a) Current Account c) Cash Account  
b) Capital Amount d) Reserve Fund

ANS:A

170. Money at call and short notice is also known as?

- a) Capital Market b) Inter bank call money market  
c) Financial system d) Financial Call money

ANS:B

171. Creation of derivative deposit out of the money from primary deposit is called?

- a) Cash Credit b) Lending Money  
c) Credit Creation c) Loan and advances

ANS:C

172. The process of credit creation by the banking system as a whole is termed as ?

- a) Multiple credit creation  
b) Primary deposit  
c) Credit creation  
d) Single bank credit system

ANS:A

173. The regulator of Indian Money market is?

- a) SBI b) Commercial bank  
c) RBI d) SEBI

ANS:C

174. The regulator of Indian Capital Market is?

- a) SEBI b) SBI  
c) RBI d) Commercial Bank

ANS:A

**175. Bridge Loan is also known as?**

- a) Swing Loan b) Term Loan
- c) Demand loan d) Farm Loan

**ANS:A**

**176. 182-day Treasury bill was introduced in Indian Money Market in?**

- a) 1992 b) 1972
- c) 1987 d) 1952

**ANS:C**

**177. \_\_\_\_\_ is a loan available to senior citizen.**

- a) Reverse mortgage b) Bridge loan
- c) Personal d) Farm loan

**ANS:A**

**178. CIBIL stands for?**

- a) Credit Information Bureau Ltd
- b) Credit Information Banking India Ltd
- c) Credit Investment Bureau India Ltd
- d) Credit Information Bureau India Ltd

**ANS:D**

**179. The value of money received today will be more than a rupee tomorrow is?**

- a) Time Value of money b) Present value of money
- c) Future value of money d) Compound value of money

**ANS:A**

**180. The interest computed on the principal for the entire period of borrowings?**

- a) Compound Interest b) Simple Interest
- c) Flat Rate Interest d) Floating Rate Interest

**ANS:B**

**181. The periodical interval at which interest is added is called?**

- a) Floating period b) Compounding Period
- c) Fixed period d) Periodic payment

**ANS:B**

**182. Rate of interest fluctuates according to market lending rate in?**

- a) Simple interest b) Flat rate interest
- b) Compound interest d) Floating rate

**ANS:D**

**183. \_\_\_\_\_ Act offer incentive to attract people to invest in housing property.**

- a) Sales tax b) Income Tax Act 1961
- c) Banking regulations Act d) Co-operative Societies Act

**ANS:B**

**184. Loan designed for people who wish to sell the existing home and purchase another?**

- a) Bridge loan b) Housing loan
- c) Demand Loan d) Personal loan

**ANS:A**

**185. The first joint Stock Bank in India?**

- a) IDBI b) ICICI
- c) Imperial Bank d) Allahabad Bank

**ANS:C**

**186. The loan facility where neither ownership nor possession of asset is transferred as security to the bank is called?**

- a) Pledge b) Mortgage

c)Hypothecation d)Property security

ANS:C

187. Repayment of an educational loan is deductible u/s \_\_\_\_\_ of the Income tax Act

a)70 b)80

c)60 d)90

ANS:B

188. BPLR means?

a)Bench Mark Prime lending Rate

b)Bench Mark Primary money lending rate

c)Bench Mark Primary Loan Repayment

d)Bank Primary Lending Rate

ANS:A

189. Compound interest is calculated by applying?

a) $CI=P(I+R)^n-P$  b) $CI=P(I+R)n$

c) $CI=PNR$  d) $CI=P(I+R)(I+R)n$

ANS:A

190. If interest is changed on full amount of loan(principal) throughout the entire tenure of the loan is?

a)Float rate b)Fixed rate

c)Flat rate d)Diminishing rate

ANS:C

191. The borrower repays his loan by way of fixed monthly installments to the bank is called?

a)Equal month installment

b)Equally managed

c)Equated monthly installment

d)Equated money installment

ANS:D

192. RBI introduced \_\_\_\_\_ scheme in 1969?

a)SAA b)village adaptation

c)Lead bank d)DIR

ANS:C

193. \_\_\_\_\_ act as a Consortium leader of the banking institutions in the district?

a)Lead Bank b)Social banking

c)Core banking d)District co-operative bank

ANS:A

194. The service area approach was introduced in?

a)June 1989 b)January 1989

c)April 1989 d)August 1989

ANS:C

195. In SAA, all Rural and Semi-Urban branches of all scheduled banks including RRBs were allocated

specific villages called?

a)Service approach b)development villages

c)Village area d)Service area

ANS:D

196. \_\_\_\_\_ will give financial assistance at concessional rate of interest to income groups for productive purposes

a)DIR b)Priority sector

c)Village adoption scheme d)SAA

ANS:A

197. Who introduced micro credit system in social banking segment?

- a)Geoffery Growther of Prof.D.R Gadgil b) Nobel laureate & Mohammed Yunus  
c)N.D Thiwari d)Banking Regulation Act 1949

ANS:B

198. \_\_\_\_\_ is a registered or unregistered group of micro entrepreneur having homogenous social and economic backgrounds.

- a)Village adoption b)Microfinance  
c)Priority sector d)Self help group

ANS:D

199. “Buy now and Pay later” is the motto of a \_\_\_\_\_.

- a)ATM b)Debit card  
c) credit card d)MICR

ANS:C

200. Credit card allow one to buy goods now and pay later called?

- a)Buying on credit b)Buying on debit  
c)Cash credit d)Cash Payment

ANS:B

201 .TPIN Stands for

- (a) Timing of the preparation of interest rate  
(b) Techniques of personal index number  
(c) Technological personal Index number  
(d) Telephone personal identification number

ANS:D

202 .E- Purse is a prepaid card and is known as \_\_\_\_\_

- (a) Stored value card (b) Electronic Card  
(c) e-Cash (d) Electronic Credit Card

ANS:A

203. Card issuers, consumers, merchants and payment sever/Service producer are four parties in

- (a) Cheque truncation (b) e -purse  
(c) Debit Card (d) EFT

ANS:B

204 . \_\_\_\_\_ means the transfer of money from one bank account to another electronically.

- (a) EFT (b) SWIFT  
(c) NEFT (d) E-Purse

ANS:A

205. Bank all over the world are enter - linked through satellite provided by \_\_\_\_\_

- (a) PSAM (b) SWIFT  
(c) EFT (d) NEFT

ANS:B

206. EFT is also known as

- (a) Easy Fund Transfer (b) Maintenance Fund Transfer  
(c) Exchange Fund Transfer (d) Paperless Banking

ANS:D

207. FIRPS stands for

- (a) Foreign inward Remittance Payment Scheme  
(b) Foreign Investment Remittance Payment Scheme  
(c) Foreign inward Remittance Payment system  
(d) Foreign Investment Remittance Payment System

ANS:B

208. \_\_\_\_\_ is a system that facilitates individuals, firms and corporate to electronically transfer funds from any bank branch to any individual having an account with any other bank branch in the country.

- (a) NEFT (b) EFT  
(c) SAA (d) RTGS

ANS:A

209. In case of non-credit or delay in credit to the beneficiary account, the NEFT of the respective bank can be contacted to \_\_\_\_\_

- (a) ECS (b) KYC  
(c) CFC (d) IFSC

ANS:C

210. \_\_\_\_\_ is an alpha-numeric code that uniquely identifies a bank branch participating NEFT System.

- (a) IFS (b) IFSC  
(c) FSC (d) RTGS

ANS:B

211 IFSC is an \_\_\_\_\_ digit code

- (a) 8 (b) 14  
(c) 12 (d) 11

ANS:D

212. IFTP means \_\_\_\_\_

- (a) Inter-bank finance settlement process (b) Inter-bank fund transfer process  
(c) Inter-bank fund transfer programme (d) Inter-bank fund transfer payment

ANS:B

213. In RTGS Minimum amount to be remitted is \_\_\_\_\_

- (a) Rs.1,00,000 (b) Rs.2,00,000  
(c) Rs.1,50,000 (d) Rs.50,000

ANS:B

214. In India, RTGS has been implemented on \_\_\_\_\_

- (a) 26 March 2004 (b) 26 March 1998  
(c) 26 March 1994 (d) 26 March 2002

ANS:A

215. \_\_\_\_\_ is a funds transfer mechanism where transfer of money takes place from one bank account to another bank account in real time.

- (a) NEFT (b) EFT  
(c) ECS (d) RTGS

ANS:D

216. BACS means \_\_\_\_\_

- (a) Bankers Automated clearing services (b) Bankers Automatic clearing system  
(c) Bankers Automatic collection service (d) Bankers Automatic clearance scheme

ANS:A

217. \_\_\_\_\_ Credit is used for fund transfer to large number of beneficiaries by a single debit to an account of bank.

- (a) EFT (b) IFSC  
(c) ECS (d) Now of the above

ANS:C

218. ECS payment \_\_\_\_\_ code is essential

- (a) MICR (b) RTGS  
(c) IFSC (d) CTS

ANS:A

219. MICR is a numeric code that uniquely identifies a bank-branch participating in the \_\_\_\_\_ scheme.

- (a) IFSC Credit Scheme (b) EFT Credit Scheme  
(c) RTGS Credit Scheme (d) ECS Credit Scheme

ANS:D

220. MICR is a \_\_\_\_\_ digit code.

- (a) 9 (b) 11  
(c) 7 (d) 13

ANS:A

221. CTS was introduced RBI in \_\_\_\_\_

- (a) February 1995 (b) January 2006  
(c) July 2004 (d) February 2008

ANS:D

222. \_\_\_\_\_ conversion of physical cheque into electronic form for transmission to the paying bank.

- (a) CTS (b) ECS  
(c) RTGS (d) None of the above

ANS:A

223. CORE stands for \_\_\_\_\_

- (a) Central operations of exchange (b) Centralized Online Real time exchange  
(c) Challenge of Real time exchange (d) Centralized Online Real time Efficiency

ANS:B

224. Banking services that increasingly rest on technology and communication systems is popularly known as

- \_\_\_\_\_  
(a) Hi-tech banking (b) Internet Banking  
(c) Mobile banking (d) All the above

ANS:A

225. \_\_\_\_\_ is also called virtual banking or anywhere banking.

- (a) Hi-tech banking (b) Off shore banking  
(c) Internet banking (d) None of the above

ANS:C

226. \_\_\_\_\_ banking implies co-operation among group of banks for various large scale banking operations and to enjoy the economics of scale.

- (a) Multiple banking (b) Consortium banking  
(c) Mixed banking (d) Social banking

ANS:B

227. In \_\_\_\_\_ banking, different banks provide different banking services to a single borrower without having a common arrangement or understanding between the lenders.

- (a) Mixed banking (b) Group banking  
(c) Multiple banking (d) Off-shore banking

ANS:C

228. \_\_\_\_\_ banking refers to the establishment of banking units which deal only with foreign currency denominated assets & liabilities.

- (a) Unit banking (b) Off-shore banking

**(c) Foreign bank (d) Internet banking**  
**ANS:B**

### ANSWER KEY

Q.NO ANs Q.NO ANs Q.NO ANs Q.NO ANs Q.NO ANs

1 b 46 c 91 c 136 d 181 b 226 b  
2 b 47 a 92 c 137 a 182 d 227 c  
3 b 48 b 93 b 138 d 183 b 228 b  
4 c 49 c 94 c 139 d 184 a  
5 c 50 b 95 c 140 a 185 c  
6 b 51 c 96 b 141 c 186 c  
7 c 52 d 97 b 142 d 187 b  
8 b 53 a 98 b 143 d 188 a  
9 b 54 d 99 b 144 b 189 a  
10 a 55 d 100 c 145 c 190 c  
11 c 56 d 101 c 146 c 191 d  
12 c 57 c 102 c 147 d 192 c  
13 b 58 b 103 b 148 b 193 a  
14 d 59 a 104 c 149 d 194 c  
15 b 60 c 105 a 150 c 195 d  
16 c 61 b 106 d 151 a 196 a  
17 b 62 d 107 a 152 a 197 b  
18 c 63 b 108 c 153 b 198 d  
19 c 64 b 109 c 154 d 199 c  
20 b 65 c 110 c 155 d 200 b  
21 c 66 c 111 b 156 d 201 d  
22 d 67 c 112 c 157 a 202 a  
23 b 68 d 113 c 158 d 203 b  
24 a 69 b 114 b 159 a 204 a  
25 b 70 b 115 d 160 c 205 b  
26 c 71 d 116 c 161 a 206 d  
27 b 72 a 117 d 162 c 207 b  
28 d 73 b 118 b 163 b 208 a  
29 a 74 b 119 b 164 c 209 c  
30 b 75 b 120 b 165 a 210 b

31 c 76 d 121 a 166 c 211 d  
32 c 77 a 122 d 167 c 212 b  
33 c 78 b 123 b 168 d 213 b  
34 c 79 a 124 a 169 a 214 a  
35 c 80 d 125 b 170 b 215 d  
36 b 81 b 126 c 171 c 216 a  
37 c 82 d 127 c 172 a 217 c  
38 c 83 a 128 c 173 C 218 a  
39 b 84 a 129 a 174 a 219 d  
40 a 85 b 130 c 175 A 220 a  
41 c 86 d 131 c 176 c 221 d  
42 b 87 d 132 b 177 a 222 a

43 a 88 b 133 b 178 d 223 b  
44 c 89 a 134 b 179 a 224 a  
45 b 90 d 135 b 180 b 225 c