

Quiz Date: 4th June 2020

Q1. Banking Regulation Act 1949, does not at all apply to-

- (a) Nationalized banks
- (b) Foreign banks having branches in India
- (c) Both (a) and (b)
- (d) Co-operative Banks
- (e) None of the given options is true

Q2. A _____ is a loan in which property or real estate is used as collateral.

- (a) Mortgage
- (b) Assets
- (c) Balance Sheet
- (d) Ledger
- (e) None of the given options is true

Q3. Banknotes can be issued in any denominations but coins can be issued up to what denomination?

- (a) Rs. 5000
- (b) Rs. 1000
- (c) Rs. 500
- (d) Rs. 100
- (e) Rs. 2000

Q4. Where is the Headquarter of Indian Bank located?

- (a) Mumbai
- (b) Delhi
- (c) Manglore
- (d) Chennai
- (e) Kolkata

Q5. RBI issued its first banknote in January 1938 bearing the portrait of George IV. What was its denomination?

- (a) Rs. 5
- (b) Rs. 10
- (c) Rs. 1
- (d) Rs. 2
- (e) Rs. 20

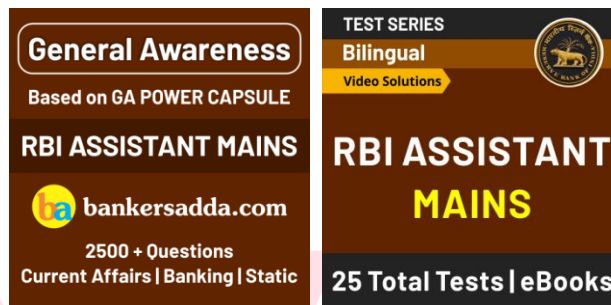
Q6. Bank holidays under Section 25 of the Negotiable Instruments Act, 1881 are declared by-?

- (a) State Government for the respective State
- (b) Banking Operations Department
- (c) Central Government

- (d) RBI
- (e) None of the given options is true

Q7. The tax payer's data flows directly from banks to Tax Information Network (TIN). Who maintains TIN?

- (a) RBI
- (b) National Securities Depository Ltd
- (c) National Securities Defense Ltd
- (d) Enforcement Directorate
- (e) CBDT



Q8. Which of the following is not included in CAMELS-?

- (a) Capital Adequacy and Asset Quality
- (b) Management and Earning Performance
- (c) Employees Performance
- (d) Liquidity and Systems
- (e) None of the given options is true

Q9. When were banknotes in the Mahatma Gandhi Series introduced?

- (a) 1991
- (b) 1995
- (c) 1996
- (d) 2000
- (e) 1997

Q10. 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 the given options is true
- (e) Foreign Government

Q11. Consider these statements:-

Statement I – RBI decides volume and value of banknotes to be printed.

Statement II – RBI decides volume and value of coins to be minted.

- (a) Both are true.
- (b) Both are false.
- (c) Statement I is true, but statement II is false
- (d) Statement I is false, whereas II is true.
- (e) None of the given options is true

Q12. The individual who is named in the cheque for getting the payment is known as?

- (a) Payee
- (b) Drawee
- (c) Drawer
- (d) Endorsee
- (e) Demand Draft

Q13. Which type of accounts is very popular among companies, firms, public enterprises, businessmen who generally have higher number of regular transactions with the bank?

- (a) Term Deposit Account
- (b) Saving Account
- (c) Current Account
- (d) All of the above
- (e) None of the given options is true

Q14. Capital adequacy is worked out based on?

- (a) Total demand and time liabilities
- (b) Net demand and time assets
- (c) Risk weighted assets
- (d) Risk weighted liabilities
- (e) None of the given options is true

Q15. In which of the following types of banking, there is a direct execution of transaction between a bank and its consumers?

- (a) Retail Banking
- (b) Universal Banking
- (c) Virtual Banking
- (d) Unit Banking
- (e) None of the given options is true

Solutions

S1. Ans.(d)

Sol. Banking Regulation Act do not apply to Co-operative Banks.

S2. Ans.(a)

Sol. A mortgage is a loan in which property or real estate is used as collateral. The borrower enters into an agreement with the lender (usually a bank) wherein the borrower receives cash upfront then makes payments over a set time span until he pays back the lender in full.

S3. Ans.(b)

Sol. Coins can be issued up to the denomination of Rs. 1000 as per the Coinage Act, 1906.

S4. Ans.(d)

Sol. Indian Bank is an Indian state-owned financial services company established in 1907 and headquartered in Chennai, India.

S5. Ans.(a)

Sol. Section 22 of the RBI Act, 1934, empowered it to continue issuing Government of India notes till its own notes were ready for issue. The Central Board of the Bank recommended that the Bank notes retain the general size, appearance and design of the existing notes, albeit with modifications. Notes with the portrait of Edward VIII were scheduled for release in the summer of '37. But Edward's heart had its reasons and his abdication, at levels mundane, delayed the Bank's issues to January 1938 when the first Five Rupee note was issued bearing the portrait of George VI.

S6. Ans.(d)

Sol. Bank holidays under Section 25 of the Negotiable Instruments Act, 1881 are declared by Reserve Bank of India.

S7. Ans.(b)

Sol. OLTAS is a system for collection, accounting and reporting of the receipts and payments of Direct Taxes from all kinds of taxpayers, online through a network of bank branches. The taxpayers' data flows from banks directly to Tax Information Network (TIN). TIN is set up and maintained by the National Securities Depository Limited to manage all the data and information about challans between the tax department and the banks.

S8. Ans.(c)

Sol. CAMELS rating system is an internationally recognized supervisory tool which was developed in the US to measure the bank's or other financial institution's level of risk with the help of its financial statements. The parameters used for judgement comprises of capital adequacy, asset quality, management, earnings, liquidity and sensitivity. The CAMELS rating system is adopted as a tool for determining the strengths and weaknesses of the various financial institutions and rating their performance in the economy by the supervisory authorities of a country. CAMELS Rating System is given below.

1. Components and Factors
2. Capital Adequacy
3. Asset Quality
4. Management
5. Earnings
6. Liquidity
7. Sensitivity
8. Composite Ratings
9. Numerical Ratings
10. Purpose

S9. Ans.(c)

Sol. With the advancement of reprographic techniques, traditional security features were deemed inadequate. It was necessary to introduce new features and a new 'Mahatma Gandhi Series' was introduced in 1996. A changed watermark, windowed security thread, latent image and intaglio features for the visually handicapped were amongst the new features.

S10. Ans.(c)

Sol. The Reserve Bank of India gives temporary loan facilities to the centre and state governments as a banker to government. This temporary loan facility is called Ways and Means Advances (WMA).

S11. Ans.(c)

Sol. The Reserve Bank of India decides upon the volume and value of bank notes to be printed every year.

S12. Ans.(a)

Sol. The individual who is named in the cheque for getting the payment is known as the "Payee". Interestingly, the drawer and the payee can be the same individual in a particular case.

S13. Ans.(c)

Sol. Current bank accounts are very popular among companies, firms, public enterprises, businessmen who generally have higher number of regular transactions with the bank. The current account includes deposits, withdrawals, and contra transactions. Such accounts are also called the Demand Deposit Account.

S14. Ans.(c)

Sol. The capital adequacy ratio is calculated by dividing a bank's capital by its risk-weighted assets.

S15. Ans.(a)

Sol. Retail banking, also known as consumer banking, is the typical mass-market banking in which individual customers use local branches of larger commercial banks. Services offered

include savings and checking accounts, mortgages, personal loans, debit/credit cards and certificates of deposit (CDs).

