

Quiz Date: 25th June 2020

Q1. Banking Ombudsman Scheme is applicable to the business of_____.

- (a) All scheduled commercial banks excluding RRBs
- (b) All scheduled commercial banks including RRBs
- (c) Only Public Sector Banks
- (d) Only Private Sector Banks
- (e) All scheduled banks except private banks

Q2. Which of the following functions are not being performed by the Reserve Bank of India?

- (a) Regulation of Banks in India
- (b) Union Budget
- (c) Foreign Currency Management in India
- (d) Currency Management in India
- (e) Control and Supervision of Money Supply

Q3. A bank is called as Scheduled Bank, when_____.

- (a) Its business has crossed Rs. 1000 crore mark
- (b) Its branch network is over 100
- (c) It is included in the second Schedule of the RBI Act
- (d) When it complies with all the three above
- (e) None of the given options is true

Q4. National Bank for Agriculture and Rural Development is an apex development financial institution in India. It is an institution fully owned by-?

- (a) Micro Finance Institutions
- (b) SEBI
- (c) Reserve Bank of India
- (d) Government of India
- (e) None of the given options is true

Q5. What is the upper limit prescribed for RTGS transaction?

- (a) Rs. 5 lacs
- (b) Rs. 1 lacs
- (c) Rs. 25 lacs
- (d) Rs. 50 lacs
- (e) No upper limits is prescribe

Q6. Distribution of insurance products and insurance policies by banks as corporate agents is known as_____.

- (a) General Insurance
- (b) Non-life Insurance
- (c) Bancassurance

- (d) Insurance Banking
- (e) Deposit Insurance

Q7. Which of the following committees/Task Forces was set up to suggest reforms in Banking Sector?

- (a) Swaminathan Committee
- (b) Narasimham Committee
- (c) Rajinder Sachar Committee
- (d) Task Force on Infrastructure
- (e) None of the given options is true



Q8. FINO stands for_____.

- (a) Financial Investment Network and Operations
- (b) Farmers Investment in National Organization
- (c) Farmers Inclusion News and Operations
- (d) Financial Inclusion Network and Operations
- (e) None of the given options is true

Q9. When the rate of inflation increases_____.

- (a) Value of money increases
- (b) Increase in demand for goods relative to supply
- (c) Purchase power of money increases
- (d) Purchasing power of money remains unaffected
- (e) Amount of money in circulation decreases

Q10. Which of the following is the main advantage of ASBA, with the applicants for share allotment?

- (a) ASBA applicant has got certain preference in allotment of shares as compared to general applicants
- (b) ASBA applicants need not remit the fund for allotment of shares, he/she will do after shares are allotment to him/her
- (c) ASBA applicant has got secured allotment of shares
- (d) ASBA applicants deposit/OD account is not debited, only the funds are blocked for the same and he/she continues to avail interest till the shares are allotted to him/her

(e) None of the given options is true

Q11. Interest on saving bank account is now calculated by banks on_____.

- (a) Minimum balance during the month
- (b) Minimum balance from 7th to last day of the month
- (c) Minimum balance from 10th to last day of the month
- (d) Maximum balance during the month
- (e) Daily basis

Q12. A centralized database with online connectivity to branches, internet as well as ATM-network which has been adopted by almost all major banks of our country is known as _____.

- (a) Investment banking
- (b) Core banking
- (c) Mobile banking
- (d) National banking
- (e) Specialized banking

Q13. Which of the following is not considered a money market instrument?

- (a) Treasury bills
- (b) Repurchase Agreement
- (c) Commercial Paper
- (d) Certificate of deposit
- (e) Shares and bonds

Q14. Which of the following is not a part of the scheduled banking structure in India?

- (a) State Co-operative Banks
- (b) Public Sector Banks
- (c) Private Sector Banks
- (d) Regional Rural Banks
- (e) Money Lenders

Q15. Which of the following is known as Plastic money?

- (i) Demand Draft
 - (ii) Credit Card
 - (iii) Debit Card
- (a) Only (i)
 - (b) Only (ii)
 - (c) Only (iii)
 - (d) Both (ii) and (iii)
 - (e) All (i), (ii) and (iii)

Solutions

S1. Ans.(b)

Sol. The Banking Ombudsman Scheme is an expeditious and inexpensive forum for bank customers for resolution of complaints relating to certain services rendered by banks. The Banking Ombudsman Scheme is introduced under Section 35 A of the Banking Regulation Act, 1949 by RBI with effect from 1995. All Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks are covered under the Scheme.

S2. Ans.(b)

Sol. The Union Budget of India, also referred to as the Annual Financial Statement in the Article 112 of the Constitution of India, is the annual budget of the Republic of India. The Government presents it on the first day of February so that it could be materialised before the beginning of new financial year in April.

S3. Ans.(c)

Sol. A scheduled bank, in India, refers to a bank which is listed in the 2nd Schedule of the Reserve Bank of India Act, 1934. Banks not under this Schedule are called non-scheduled banks. Scheduled banks are usually private, foreign and nationalised banks operating in India.

S4. Ans.(d)

Sol. National Bank for Agriculture and Rural Development is an apex development financial institution in India. It is an institution fully owned by Government of India, headquartered at Mumbai with regional offices all over India.

S5. Ans.(e)

Sol. The RTGS system is primarily meant for large value transactions. The minimum amount to be remitted through RTGS is ₹2,00,000/- with no upper or maximum ceiling.

S6. Ans.(c)

Sol. Bancassurance is a relationship between a bank and an insurance company that is aimed at offering insurance products or insurance benefits to the bank's customers. In this partnership, bank staff and tellers become the point of sale and point of contact for the customer.

S7. Ans.(b)

Sol. From the 1991 India economic crisis to its status of third largest economy in the world by 2011, India has grown significantly in terms of economic development. So has its banking

sector. During this period, recognising the evolving needs of the sector, the Finance Ministry of Government of India (GOI) set up various committees with the task of analysing India's banking sector and recommending legislation and regulations to make it more effective, competitive and efficient. Two such expert Committees were set up under the chairmanship of M. Narasimham.

S8. Ans.(d)

Sol. FINO stands for Financial Inclusion Network & Operations Ltd.

S9. Ans.(b)

Sol. In most cases, and in most countries at most times, two primary drivers of a high rate of inflation appear in a nation's economy. First, high inflation can be caused by an increase in demand for goods relative to supply. When more people fight over fewer goods, the price increases.

S10. Ans.(d)

Sol. ASBA applicants deposit/OD account is not debited, only the funds are blocked for the same and he/she continues to avail interest till the shares are allotted to him/her

S11. Ans.(e)

Sol. Savings account is one of the most essential investments. There are numerous banks in the country which provide attractive interest rates on savings accounts. The interest is calculated on a daily basis and is credited in a periodic manner.

S12. Ans.(b)

Sol. Core (centralized online real-time exchange) banking is a banking service provided by a group of networked bank branches where customers may access their bank account and perform basic transactions from any of the member branch offices.

S13. Ans.(e)

Sol. Shares and bonds is not considered a money market instrument.

S14. Ans.(e)

Sol. A moneylender is an individual or group that usually lends relatively small amounts of money at very high rates of interest. They say they charge more than established banks do because their lending tends to be riskier.

S15. Ans.(d)

Sol. Plastic money/Currency: It is a term increasingly being used to refer to all forms of credit cards, debit cards, retailer cards, diner cards and other types of plastic cards which we use daily instead of actual currency notes.

