

Quiz Date: 9th July 2020

Q1. In India Mutual Funds are regulated by-?

- (a) Securities and Exchange Board of India
- (b) Reserve Bank of India
- (c) State Bank of India
- (d) Small Industrial Development Bank of India
- (e) None of the given options is true

Q2. KYC Compliance is done to-

- (a) Identify a person
- (b) To know the address of a person
- (c) To ensure the genuineness the person's identity as mentioned in the application and to verify the correctness of address
- (d) Concern state government
- (e) None of the given options is true

Q3. What is the full form of MICR?

- (a) Magnetic Ink Character Recognition
- (b) Maximum Individual Cancer Risk
- (c) Michigan Incident Crime Reporting
- (d) Magnetic Ink Check Reader
- (e) None of the given options is true

Q4. Open Money Market is a place for selling and buying of financial instrument by _____.

- (a) All financial institutions
- (b) Only by Commercial Banks
- (c) Only by Common Banks
- (d) Indian Government
- (e) None of the given options is true

Q5. Which of the following is the first commercial bank to launch mutual fund?

- (a) State Bank of India
- (b) Canara Bank
- (c) Punjab National Bank
- (d) Bank of India
- (e) Bank of Baroda

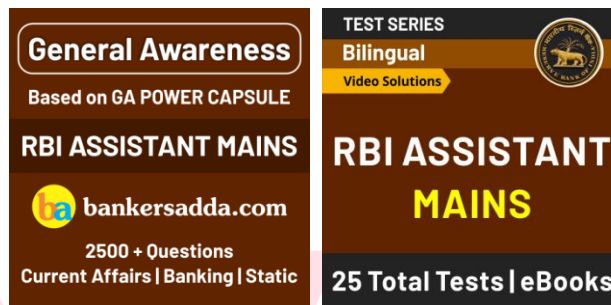
Q6. Who can invest in a commercial paper?

- (a) Individuals
- (b) Banking Companies
- (c) Corporate bodies registered or incorporated in India and unincorporated bodies, Non-Resident Indians (NRIs) and Foreign Institutional Investors (FIIs)

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

Q7. The committee on Banking Regulations and Supervisory Practices which released the agreed frame work on international convergence of capital measures and capital standards in July 1988 is popularly known as _____.

- (a) Vaz Committee
- (b) Cooks Committee
- (c) Basel Committee
- (d) Rao Committee
- (e) None of the given options is true



Q8. Kotak Mahindra Bank (Kotak) stated that it will charge customers for UPI transactions starting 1st of May 2019. Where is the headquarters of Kotak Mahindra Bank?

- (a) Bengaluru
- (b) Hyderabad
- (c) Chennai
- (d) Mumbai
- (e) Kochin

Q9. Which is the first Indian Private Sector Bank set up a Branch in China?

- (a) ICICI Bank
- (b) Syndicate Bank
- (c) Axis Bank
- (d) HDFC Bank
- (e) State Bank of India

Q10. Which of the following rates is not decided by the RBI?

- (a) Bank Rate
- (b) Repo Rate
- (c) Reverse Repo Rate
- (d) Prime Lending Rate
- (e) None of the given options is true

Q11. Which of following is NOT a function of the Reserve Bank of India?

- (a) Fiscal Policy Functions
- (b) Exchange Control Functions
- (c) Issuance, Exchange and destruction of currency notes
- (d) Monetary Authority Functions
- (e) Supervisory and Control Functions

Q12. With a view to facilitate payment of balance in the deposit account to the person named by the depositor without any hassles in the event of death of the account holder, the following facility was introduced for bank accounts in our country-

- (a) Will
- (b) Registration
- (c) Nomination
- (d) Indemnity
- (e) Guarantee

Q13. Banks in our country normally publicize that additional interest rate is allowed on retail domestic term deposits of_____.

- (a) Minors
- (b) Married women
- (c) Senior citizens
- (d) Govt. employees
- (e) Rural residents

Q14. On which one of the following issues IMF has supported monetary policy of India?

- (a) Introduction of GST.
- (b) Stimulus for agriculture sector
- (c) Concessions for foreign investment
- (d) Tightening of monetary policy
- (e) None of the given options is true

Q15. In the term STRIPS, the first "S" denotes-?

- (a) Single
- (b) Small
- (c) Special
- (d) Savings
- (e) Separate

Solutions

S1. Ans.(a)

Sol. Mutual funds in India are regulated by the Securities and Exchange Board of India (SEBI).Jun 25, 2019

S2. Ans.(c)

Sol. The objective of KYC guidelines is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering activities. Related procedures also enable banks to better understand their customers and their financial dealings.

S3. Ans.(a)

Sol. Magnetic ink character recognition (MICR) is the information that appears at the bottom of a check. This includes the bank's routing number, the customer's account number, and the check number.

S4. Ans.(a)

Sol. Money market basically refers to a section of the financial market where financial instruments with high liquidity and short-term maturities are traded. Money market has become a component of the financial market for buying and selling of securities of short-term maturities, of one year or less, such as treasury bills and commercial papers. Over-the-counter trading is done in the money market and it is a wholesale process. It is used by the participants as a way of borrowing and lending for the short term.

S5. Ans.(a)

Sol. State Bank of India was the first to launch mutual fund.

S6. Ans.(d)

Sol. All residents, and non-residents permitted to invest in CPs under Foreign Exchange Management Act (FEMA), 1999 are eligible to invest in CPs; however, no person can invest in CPs issued by related parties either in the primary or secondary market. Investment by regulated financial sector entities will be subject to such conditions as the concerned regulator may impose.

S7. Ans.(c)

Sol. The document has been incorporated in the comprehensive version of International Convergence of Capital Measurement and Capital Standards: A Revised Framework, including the elements of the 1988 Accord that were not revised during the Basel II process, the 1996 Amendment to the Capital Accord to Incorporate Market Risks, and the 2005 paper on The Application of Basel II to Trading Activities and the Treatment of Double Default Effects.

S15. Ans.(d)

Sol. Kotak Mahindra Bank (Kotak) stated that it will charge customers for UPI transactions starting 1st of May 2019. For each Kotak Bank account, the first 30 UPI fund transfers will be

free, after which a charge will be levied on all fund transfers from the bank account. Its Headquarters is located in Mumbai, Maharashtra.

S9. Ans.(c)

Sol. Axis Bank, the First Indian Private Sector Bank to Set up a Branch in China.

S10. Ans.(d)

Sol. Historically, prime lending rate is the interest rate at which banks lend to its most credit worthy customers. But, over the course of history, banks have come to lend to customers at interest rates below and above the prime lending rate. Prime lending rate of banks do not vary widely.

S11. Ans.(a)

Sol. Fiscal policy is the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy. It is the sister strategy to monetary policy through which a central bank influences a nation's money supply.

S12. Ans.(c)

Sol. Banks ask their account holders to make nominations which mean that they should nominate persons to whom the money lying in their accounts should go in the event of their death. Nomination can be made in account opening form itself or on a separate form indicating the name and address of the nominee.

S13. Ans.(c)

Sol. Banks in our country normally publicize that additional interest rate is allowed on retail domestic term deposits of senior citizens.

S14. Ans.(d)

Sol. The International Monetary Fund (IMF) has stated the tightening of monetary policy by India is an 'appropriate' step, as the country is faced with high inflation and needs to consolidate the fiscal measures initiated during the slowdown.

S15. Ans.(e)

Sol. STRIPS (Separate Trading of Registered Interest and Principal of Securities) are debt securities that are created through the process of coupon stripping. They are essentially traditional Treasury bonds, except that the bond's principal (its corpus) has been separated--stripped--from its interest (its coupon).

