

Quiz Date: 6<sup>th</sup> August 2020

Q1. Securities Appellate Tribunal is a/an \_\_\_\_\_ established under the provisions of Section 15K of the Securities and Exchange Board of India Act, 1992.

- (a) Constitutional body
- (b) Advisory body
- (c) non-statutory body
- (d) Statutory body
- (e) None of the given options is true

Q2. Which of the following is a function of SEBI?

- (a) To approve by-laws of stock exchanges.
- (b) Inspect the books of accounts of financial intermediaries.
- (c) To require the stock exchange to amend their by-laws.
- (d) Compel certain companies to list their shares in one or more stock exchanges.
- (e) All of the Above

Q3. Which of the following services is NOT provided by the post offices in India?

- (a) Savings Bank Scheme
- (b) Retailing of Mutual Funds
- (c) Sale of stamp Papers (Judicial)
- (d) Life Insurance cover
- (e) Issuance of Demand Drafts

Q4. What is the use of Credit rating?

- (a) Is used to rate the borrowers while giving advances
- (b) Is used to work out performance of the employees
- (c) Is used to calculate the number of excellent audit rated branches
- (d) Is not used in any bank
- (e) Is necessary before giving promotion to employees

Q5. Currency swap is an instrument to manage \_\_\_\_\_.

- (a) Interest Rate Risk
- (b) Currency Risk
- (c) Cash flows in different countries
- (d) All of the Above
- (e) None of the given options is true

Q6. The Aadhaar-Enabled Payment Systems (AEPS) is a bank led model that facilitates banking facilities by allowing transactions at Point of Sale through the Business Correspondent using the Aadhaar authentication number. Aadhaar enabled basic types of banking do not include?

- (a) Balance Enquiry
- (b) Cash Withdrawal

- (c) Online Payment
- (d) Cash Deposit
- (e) Aadhaar to Aadhaar funds transfer

Q7. Loans against the security of shares, debentures and bonds should not exceed the limit of Rupees \_\_\_\_\_ per individual if the securities are held in dematerialised form.

- (a) Ten lakhs
- (b) Five lakhs
- (c) Thirty lakhs
- (d) Fifty lakhs
- (e) Twenty lakhs



Q8. The process by which the central bank of a country controls the supply of money in the economy by exercising its control over interest rates in order to maintain price stability and achieve high economic growth is known as \_\_\_\_\_.

- (a) Economic Policy
- (b) Monetary Policy
- (c) Fiscal Policy
- (d) Credit Policy
- (e) Budgetary Policy

Q9. Who amongst the following is the regulator in the financial system of the country?

- (a) CERC
- (b) SEBI
- (c) CRISIL
- (d) TRAN
- (e) None of the given options is true

Q10. Bank Holidays are covered by which of the following?

- (a) As per the order of the GOI
- (b) As per the order of the IBA
- (c) Negotiable Instruments Act
- (d) RBI Act
- (e) Banking Regulation Act 1949

Q11. Who among the following regulates the Indian Corporate Debt Market?

- (a) RBI
- (b) NABARD
- (c) SIDBI
- (d) SEBI
- (e) PFRDA

Q12. \_\_\_\_\_ is an integrated bill payment system which will offer inter operable bill payment service to customers online as well as through a network of agents on the ground.

- (a) BBPS
- (b) IMPS
- (c) AEPS
- (d) APBS
- (e) None of the given options is true

Q13. To become Bharat Bill Payment Operating Units, Banks and non-bank entities are mandatorily required to apply for approval/authorisation to Reserve Bank of India under \_\_\_\_\_.

- (a) Payment and Settlement Systems (PSS) Act 2007
- (b) Foreign Exchange Management Act, 1999
- (c) Banking Regulation Act, 1949
- (d) SARFAESI Act, 2002
- (e) None of the given options is true

Q14. Which of the following will function as the Bharat Bill Payment Central Unit (BBPCU), single authorized entity operating the BBPS?

- (a) RBI
- (b) NPCI
- (c) GOI
- (d) SEBI
- (e) NABARD

Q15. As per the Reserve Bank of India, BBPS will initially accept utility bill payments such as\_\_\_\_\_.

- (a) Telephone Bill
- (b) Electricity Bill
- (c) DTH services
- (d) All of the Above
- (e) None of the given options is true

Solutions

S1. Ans.(d)

Sol. Securities Appellate Tribunal is a statutory body established under the provisions of Section 15K of the Securities and Exchange Board of India Act, 1992 to hear and dispose of appeals against orders passed by the Securities and Exchange Board of India or by an adjudicating officer under the Act and to exercise jurisdiction, powers and authority conferred on the Tribunal by or under this Act or any other law for the time being in force.

S2. Ans.(e)

Sol. Function of SEBI:

1. To approve by-laws of stock exchanges.
2. Inspect the books of accounts of financial intermediaries.
3. To require the stock exchange to amend their by-laws.
4. Compel certain companies to list their shares in one or more stock exchanges.

S3. Ans.(e)

Sol. Issuance of Demand Drafts is NOT provided by the post offices in India.

S4. Ans.(a)

Sol. Credit rating is an analysis of the credit risks associated with a financial instrument or a financial entity. An assessment of the creditworthiness of a borrower with respect to a particular debt or financial obligation.

S5. Ans.(c)

Sol. A currency swap (or a cross currency swap) is a foreign exchange derivative between two institutions to exchange the principal and/or interest payments of a loan in one currency for equivalent amounts, in net present value terms, in another currency.

S6. Ans.(c)

Sol. Services Offered by AEPS-

1. Balance Enquiry
2. Cash Withdrawal
3. Cash Deposit
4. Aadhaar to Aadhaar Fund Transfer
5. Gateway Authentication Services

S7. Ans.(e)

Sol. Loans against the security of shares, debentures and bonds should not exceed the limit of Rupees ten lakhs per individual if the securities are held in physical form and Rupees twenty lakhs per individual if the securities are held in dematerialised form. Such loans are meant for genuine individual investors, and banks should not support collusive action by a large group of individuals belonging to the same corporate or their inter-connected entities to take multiple loans in order to support particular scrip or stock-broking activities of the connected firms. Such finance should be reckoned as an exposure to capital market.

S8. Ans.(b)

Sol. Monetary Policy is the process by which monetary authority of a country, generally a central bank controls the supply of money in the economy by exercising its control over interest rates in order to maintain price stability and achieve high economic growth. In India, the central monetary authority is the Reserve Bank of India (RBI) is so designed as to maintain the price stability in the economy.

S9. Ans.(b)

Sol. The financial system in India is regulated by independent regulators in the field of banking, insurance, capital market, commodities market, and pension funds. Example of Financial Regulators: RBI, IRDAI, SEBI, PFRDA.

S10. Ans.(c)

Sol. Bank Holidays are declared by Central/State Governments/ Union Territory under the Negotiable Instruments (NI) Act, 1881.

S11. Ans.(d)

Sol. Regulator for the Indian Corporate Debt Market is the Securities and Exchange Board of India (SEBI). SEBI controls bond market and corporate debt market in cases where entities raise money from public through public issues.

S12. Ans.(a)

Sol. The Bharat Bill Payment System (BBPS) is a RBI mandated system which will offer integrated and interoperable bill payment services to customers across geographies with certainty, reliability and safety of transactions.

S13. Ans.(a)

Sol. To become BBPOUs, Banks and non-bank entities are mandatorily required to apply for approval / authorisation to Reserve Bank of India under Payment and Settlement Systems (PSS) Act 2007. Bharat Bill Payment Operating Units (BBPOUs) will be the authorised operational units.

S14. Ans.(b)

Sol. National Payments Corporation of India (NPCI) will function as the authorized Bharat Bill Payment Central Unit (BBPCU), which will be responsible for setting business standards, rules and procedures for technical and business requirements for all the participants. NPCI, as the BBPCU, will also undertake clearing and settlement activities related to transactions routed through BBPS.

S15. Ans.(d)

Sol. As per the Reserve Bank of India, BBPS will initially accept utility bill payments such as electricity, water, gas, telephone and direct-to-home services and will later include other repetitive payments including school and university fees and municipal taxes.

