

Quiz Date: 24<sup>th</sup> September 2020

Q1. The opening of branches by banks is governed by the provisions of Section \_\_\_\_\_ of the Banking Regulation Act, 1949.

- (a) Section 44
- (b) Section 18
- (c) Section 27
- (d) Section 32
- (e) Section 23

Q2. What is the term for a bank without any branch network that offers its services remotely?

- (a) Internet only Banks
- (b) Direct Bank
- (c) Lending Institution
- (d) Indirect Bank
- (e) Online Bank

Q3. BSBDA is a simple, basic account for routine banking transactions without the need of minimum balance requirement. BSBDA stands for-?

- (a) Basic Savings Branch Deposit Account
- (b) Balance Savings Bank Deposit Account
- (c) Basic Savings Bank Demand Account
- (d) Basic Savings Bank Deposit Account
- (e) None of the given options is true

Q4. Which rate has replaced the erstwhile Benchmark Prime Lending Rate system with effect from July 1, 2010?

- (a) Marginal Rate system
- (b) Bank Rate system
- (c) Repo Rate system
- (d) Open Rate system
- (e) Base Rate system

Q5. Banks cannot accept interest free deposits other than in-

- (a) Saving Account
- (b) Recurring Deposit Account
- (c) Fixed Deposit Account
- (d) Nostro Account
- (e) Current Account

Q6. The Doing Business Report” is prepared by which of the following organizations every year?

- (a) Asian Development Bank (ADB)

- (b) World Bank (WB)
- (c) New Development Bank (NDB)
- (d) World Trade Organization (WTO)
- (e) None of the given options is true

Q7. Which of the following cannot be called as a debt instrument as referred in financial transactions?

- (a) Certificate of Deposits
- (b) Bonds
- (c) Stock
- (d) Commercial Paper
- (e) None of the given options is true



Q8. Which of the following is not a type of cheque issued by an individual?

- (a) Bearer Cheque
- (b) Crossed Cheque
- (c) Order Cheque
- (d) Savings Cheque
- (e) None of the given options is true

Q9. “World Investment Report” is annually published by-

- (a) IBRD
- (b) WTO
- (c) IMF
- (d) UNCTAD
- (e) ADB

Q10. Treasury bills are issued in India by \_\_\_\_\_

- (a) RBI
- (b) State Government
- (c) Government of India
- (d) SEBI
- (e) NABARD

Q11. The Legal Entity Identifier (LEI) is a global reference number that uniquely identifies every legal entity or structure that is party to a financial transaction, in any jurisdiction. It is a unique \_\_\_\_\_ digit alphanumeric code that is assigned to a legal entity.

- (a) 7 digit
- (b) 12 digit
- (c) 20 digit
- (d) 9 digit
- (e) 8-11 digit

Q12. In the field of banking, IMPS stands for-

- (a) Immediate Payment Sending
- (b) Immediate Payment Sale
- (c) Immediate Payment Solution
- (d) Immediate Payment Service
- (e) Immediate Payment System

Q13. In the field of banking, what does ADF stand for?

- (a) Additional Dearness Allowance
- (b) Automated Data Flow
- (c) Additional Deposit Allowance
- (d) Automated Deposit Allowance
- (e) None of the given options is true

Q14. Which of the following is governed by the provisions of Section 42 (1) of the Reserve Bank of India Act, 1934?

- (a) Bank rate
- (b) Reverse Repo Rate
- (c) SLR
- (d) CRR
- (e) MSF

Q15. National Sample Survey Organisation (NSSO) is an organization under the-

- (a) Ministry of Finance
- (b) Ministry of Rural Development
- (c) Ministry of Commerce and Industry
- (d) Ministry of Electronics and Information Technology
- (e) Ministry of Statistics and Programme Implementation

### Solutions

S1. Ans.(e)

Sol. The opening of branches by banks is governed by the provisions of Section 23 of the Banking Regulation Act, 1949. In terms of these provisions, banks cannot open a new place of business in India or abroad or change otherwise than within the same city, town or village, the location of the existing place of business without the prior approval of the Reserve Bank of India (RBI). Thus, it is mandatory for RRBs to seek prior approval/licence from Rural Planning and Credit Department (RPCD) of RBI before opening of new branches/offices.

S2. Ans.(b)

Sol. A direct bank is a bank without any branch network that offers its services remotely via online banking and telephone banking and may also provide access via ATMs (often through interbank network alliances), mail and mobile. By eliminating the costs associated with bank branches, direct banks can make significant savings which they may pass on to clients via higher interest rates or lower service charges.

S3. Ans.(d)

Sol. Basic Savings Bank Deposit Account (BSBDA) a simple, basic account for routine banking transactions without the need of minimum balance requirement.

S4. Ans.(e)

Sol. The Base Rate system has replaced the erstwhile Benchmark Prime Lending Rate system with effect from July 1, 2010. Base Rate shall include all those elements of the lending rates that are common across all categories of borrowers.

S5. Ans.(e)

Sol. Banks cannot accept interest free deposits other than in current account.

S6. Ans.(b)

Sol. The Doing Business Report (DB) is a study elaborated by the World Bank Group every year that is aimed to measure the costs to firms of business regulations. The study has become one of the flagship knowledge products of the World Bank Group in the field of private sector development, and is claimed to have motivated the design of several regulatory reforms in developing countries.

S7. Ans.(c)

Sol. Debt instruments are assets that require a fixed payment to the holder, usually with interest. Examples of debt instruments include bonds (government or corporate), mortgages, Commercial Paper and Certificate of Deposits.

S8. Ans.(d)

Sol. An order cheque can be a bearer cheque if the words or bearer are not cancelled out. A crossed cheque is a cheque that has been marked to specify an instruction about the way it is to be redeemed.

S9. Ans.(d)

Sol. The World Investment Report has been published annually since 1991 by The United Nations Conference on Trade and Development (UNCTAD). Each year's Report covers the latest trends in foreign direct investment around the World and analyses in depth one selected topic related to foreign direct investment and development.

S10. Ans.(c)

Sol. Treasury bills (T-bills) offer short-term investment opportunities, generally up to one year. They are thus useful in managing short-term liquidity. At present, the Government of India issues three types of treasury bills through auctions, namely, 91-day, 182-day and 364-day. There are no treasury bills issued by State Governments.

S11. Ans.(c)

Sol. The LEI is a global reference number that uniquely identifies every legal entity or structure that is party to a financial transaction, in any jurisdiction. It is a unique 20 digit alphanumeric code that is assigned to a legal entity.

S12. Ans.(c)

Sol. IMPS stands for Immediate Payment Service.

S13. Ans.(b)

Sol. The Automated Data Flow (ADF) is a unique initiative by RBI aimed at the purpose of meeting the needs for accurate and consistent flow of data. Automated Data Flow ensures that the data submitted from the banks to Reserve Bank of India is correct and consistent without any kind of manual intervention.

S14. Ans.(d)

Sol. CRR is governed by the provisions of Section 42 (1) of the Reserve Bank of India Act, 1934.

S15. Ans.(e)

Sol. The National Sample Survey Organisation (NSSO), now known as National Sample Survey Office, is an organization under the Ministry of Statistics and Programme Implementation of the Government of India. It is the largest organisation in India conducting regular socio-economic surveys.

