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One Liners - Banking Awareness For IBPS PO Mains 2016 Exam

The One Liners Banking Awareness is a compilation of important & expected Banking Awareness news and questions which was occurred in last **5 months**.

This One Liners Banking Awareness is relevant for all upcoming Banking exams like –**IBPS PO 2016, IBPS Clerk 2016, IBPS RRB 2016 Exam**.

- 1. **RBI Keeps interest rate unchanged** - On 4th October 2016, Reserve Bank of India (RBI) in its third bi-monthly monetary policy review, kept key policy rates unchanged.

Current Policy & Reserve Rates:

1.Repo Rate	6.25%	(changed)
2.Reverse Repo	5.75%	(changed)
3. CRR (Cash Reserve ratio)	4.00%	(unchanged)
4.SLR (Statutory Liquidity Ratio)	20.75%	(as per rbi website)
5.MSF (Marginal Standing Facility)	6.75%	(changed)
6.Bank Rate	6.75%	(changed)

Banking/Financial/Economy News

- 1. **Interest rates on small savings schemes have been reduced marginally by 0.1 per cent for the October-December quarter of 2016-17**, leading to lower returns on Public Provident Fund, Kisan Vikas Patra, Sukanya Samriddhi Account, among others.

I. Kisan Vikas Patra – Saving scheme relaunched by government of India.

Key points –

- Interest rate on **Kisan Vikas Patra has been brought down to 7.7 per cent from 7.8 per cent.**
- As a result the KVP will now **mature in 112 months** instead of 110 months.
- KVP will be available in denominations of **Rs.1,000, Rs. 5,000, Rs. 10,000, and Rs. 50,000.**
- There will be **no upper ceiling** on investment.
- Minimum **lock-in period is 2 years and 6 months.**
- KVP can be encashed in eight equal monthly installments after the lock-in period.
- No KYC norms would be applicable at the time of purchase of KVP, PAN details will not be required.

II. Public Provident Fund (PPF) – Saving scheme

Key points –

- **Public Provident Fund will fetch interest rate of 8 per cent** in the third quarter of the current

fiscal as against **8.1 per cent** in the previous three-months period.

- An individual can open account with **Rs. 100/-** but has to deposit **minimum of Rs. 500/-** in a financial year and **maximum Rs.1.5 lakh.**
- Maturity period is **15 years** but the same can be extended within one year of maturity for further 5 years and so on.
- Account can be opened by cash/cheque and In case of cheque, the date of realization of cheque in Govt. account shall be date of opening of account.

III. Senior Citizens Savings Scheme -

- The rate of interest for the third quarter for **5-Year Senior Citizens Savings Scheme is reduced to 8.5%.**

IV. National Savings Certificate

- **The rate of interest for the third quarter for 5-Year National Savings Certificate has been reduced to 8 per cent.**

V. The Sukanya Samriddhi Account Scheme, for girl child, will now fetch 8.5 per cent interest rate. It was 8.6 per cent in July-September quarter. Interest rate on 1, 2, 3, 4 and 5 year **time deposits too have been reduced by 0.1 per cent.**

- **Note:** Depositors will get an interest rate of 7.3 on five-year recurring deposit during the quarter beginning October 1 as against 7.4 per cent they were getting in the second quarter.

- The interest rate on savings deposit has, **however, been kept unchanged at 4 per cent.**
2. **Axis Bank** launched India's first internationally-listed certified green bond to finance climate change solutions around the world at London Stock Exchange (LSE).
- Note:**
- It will play important role in reinforcing India's commitment to produce **175,000 MW** of renewable power by **2022**.
 - This is the first green bond of Axis Bank issued within its 5 billion dollars **Medium Term Note (MTN) programme**, which has also has been listed entirely on LSE.
 - **What are Green Bonds?**
Bonds basically are debt instruments which help issuer to get capital while the investors receive fixed income in the form of interest. In case of Green Bonds, the issuer gets capital from the investors only if the investment (capital) is being raised to fund green projects relating to renewable energy or emission reductions etc.
1. **3 applicants withdraws payments bank license**
Three applicants decided to withdraw payments bank application and announced that they would not be setting up the bank. The applicants are -
- (i) Cholamandalam Investment and Finance Co
 - (ii) Sun Pharma promoter Dilip Shanghvi and
 - (iii) Tech Mahindra Ltd.
- Note:**
- **Airtel M Commerce Services become** first entity to receive approval from the Reserve Bank of India (RBI) to start a payments bank. It is a subsidiary of Bharti Airtel.
 - **Aditya Birla Nuvo** Ltd forms joint venture with **Idea Cellular** for payments bank.
 - **FINO PayTech** partner with **ICICI Bank** for payments bank.
 - **Reliance Industries** Ltd. (RIL) had a tie-up with **State Bank of India (SBI)** for the payments bank.
 - **Paytm** ties up with **Wipro** for payments bank.
 - **Other 3 applicants are** which do not have partnered with any organization till now- **Department of Posts, National Securities Depository Limited, Vodafone m-pesa Limited**
 - The Reserve Bank of India granted "in-principle" approval to the **11 applicants** to set up payments banks under the Guidelines for Licensing of Payments Banks issued on November 27, 2014 (Guidelines).

2. **Islamic Development Bank** is all set to open its first branch in India at **Ahmedabad, Gujarat**.
- Note:**
- Islamic Development Bank, founded in 1975
 - Headquarters: **Jeddah, Saudi Arabia**.
 - The bank has 56 Islamic countries as its members.
3. **International Finance Corporation (IFC)** launched its first Uridashi Masala Bonds (Japanese bonds) to mobilise Rs 30 crore from Japanese retail investors.
- Key points -**
- IFC is the investment group of **World Bank**
 - The bonds will be settled in yen and each bond is denominated at Rs 1,00,000.
 - It is a **three year bond** which was issued on March 30, 2016 and will mature on March 29, 2019 with an annual payout of 5.36 per cent.
 - **Note:** Masala Bonds are rupee-denominated instruments sold only to **offshore investors**, while **Uridashi bonds** are sold to **Japanese household investors**.
4. **RBI cuts maturity of masala bonds to three years to raise their appeal** - To make masala bonds more attractive, the Reserve Bank of India (RBI) has reduced the minimum tenure of such bonds that an Indian company can issue offshore **to three years from the previously stated five years**.
5. **DCB Bank launches first Aadhaar enabled ATM in Bengaluru**.
- Note:**
- The "cardless and PIN less" ATM was launched by former Chairman of the Unique Identification Authority of India, Nandan Nilekani.
 - The headquarter of DCB bank located in **Mumbai, Maharashtra**.
6. **RBL Bank has become the first in India to open dedicated branch for startups**. The branch was inaugurated at **Koramangala, Bengaluru**, by Nandan Nilekani, noted entrepreneur and former chairman of Unique Identification Authority of India (UIDAI).
7. **Service Tax rate increased to 15%** - Before 1st June 2016 – only Service Tax was 14% and Swachh Bharat Cess @ 0.5% would be applicable but from 1st June 2016 – a news cess added i.e. **Krishi Kalyan Cess** would also be applicable and then the effective rate of tax would **become 15%**.
8. Ratings agency **Crisil** has downgraded its ratings on debt instruments of **8 public sector** banks (PSBs). The eight downgraded banks are - Bank of India , Central Bank of India , Corporation Bank , Dena Bank

, IDBI Bank , Indian Overseas Bank , Syndicate Bank and UCO Bank .

9. India becomes third largest oil consumer -

According to recently released BP Statistical Review of World Energy **India** has surpassed **Japan** to become the world's third-largest oil consumer.

Note:

- With demand of 4.1 million barrels a day (bpd), India is the third-largest consumer behind the **United States** (19.39 million bpd) and **China** (11.96 million bpd).
- Japan slipped to the fourth spot after its oil usage contracted 3.9% to 4.15 million bpd in 2015

10. Capital Local Area Bank Ltd bank become India's first Small Finance Bank (SFB)

Note: The Jalandhar-based Capital Local Area Bank Ltd (CLABL) becomes the India's first small area finance bank (SFB) by flagging-off its operations on **April 13, 2016**.

11. Independent investor Sunil Sabharwal has become the first Indian-American to take charge as an Alternate Executive Director at International Monetary Fund (IMF).

12. All rural post offices to connect digitally by March 2017. The Indian government is digitally connecting all 1,29,323 gram dak sewa post offices in rural areas across the country by March 2017.

13. Dr. R Seetharaman, Group CEO of Doha Bank, has been honoured with the 2016 Green Economy Visionary Award.

Note: He has been awarded with this award for his contribution in environment-friendly activities and thereby promoting green economy for nearly two decades.

14. HDFC Bank launches SmartUp for startups - HDFC Bank has launched SmartUp, a dedicated solution for startups to fulfil all their banking needs. It was launched in association with a Mumbai-based start-up accelerator Zone Startups India (ZSI)

15. ICICI Bank launches country's 1st contactless credit card for SMEs - The bank has partnered with Jet Airways for small and mid-sized enterprises (SMEs). The card is powered by 'VISA payWave' contactless technology.

16. RBI to issue Rs 1000 banknotes with inset letter 'R' in both the number panels.

17. HDFC bank ranked among the world's ten biggest and most powerful companies in the consumer financial services sector on a Forbes list which is topped by global major American Express.

Note:

- **Ranked 7th**, HDFC is the only Indian company in top-ten in this category, which has got global giants like Capital One, Visa and MasterCard.
- In the overall list of the world's 2,000 largest and most powerful public companies compiled by Forbes, HDFC is **ranked 404th** while it is at tenth position among Indian firms.
- **State Bank of India** was ranked among the top 20 globally in the regional banks category. With a market capitalisation of USD 23.3 billion, **SBI was ranked 149th in the global list**.

18. Indian Overseas Bank became first bank to commence the sale of Indian Gold Coin (IGC) in the domestic market.

Note: The bank has tied up with Metals and **Minerals Trading Corporation (MMTC)** for the sale of IGC of 24 carat purity.

19. Union Cabinet approves setting up of India Post Payments Bank - The payment banks will be established at an expense of **800 crore rupees** and rolled out in the entire country in a phased manner. The IPPB will obtain banking licence from RBI by **March 2017 and by September 2017**.

20. SEBI tightens P-Notes norms to check money laundering - Market regulator Securities and Exchange Board of India (SEBI) on 20 May 2016 tightened the norms for investing in **Participatory Notes (P-Notes)**. The norms have been tightened with a view to check money laundering.

Note: P-Notes are typically instruments issued by registered **foreign institutional investors** to overseas investors, who wish to invest in Indian markets without registering themselves directly in India to save on time. But, they still need to go through a proper due diligence process.

21. IT department launches e-nivaran platform to fast track taxpayer grievances - The Income Tax (IT) department launched an electronic grievance redressal system **e-nivaran** to fast track taxpayer grievances and ensure early resolution of their complaints.

Note:

- The **e-nivaran system, also named as Unified Grievance Management System**, seeks to integrate all online and physical complaints gathered by the department.
- In this regard, a separate and dedicated window for grievance redressal also launched in the **Income Tax Business Application (ITBA)**.

22. RBI cancelled Certificate of Registration of four Non-Banking Financial Companies (NBFCs) - RBI cancelled their certificates in exercise of the powers conferred on it under **Section 45-IA (6)** of the Reserve Bank of India Act, 1934.

The NBFCs whose certificate of registration were cancelled include

- M/s Neelanjali Engineering Private Limited
- M/s Novoflex Tradecom Private Limited
- M/s Guide Investments and Trading Co. Pvt. Ltd
- M/s Enol Ventures Private Limited

23. 100% FDI through Automatic Route permitted in Asset Reconstruction Companies - The Department of Industrial Policy & Promotion (DIPP) under Union Ministry of Commerce & Industry permitted 100% foreign direct investment (FDI) into asset reconstruction companies (ARCs) through automatic route.

24. India ranks 9th in Crony-Capitalism Index - India is ranked at ninth position in crony-capitalism index released by the **Economist** in the first week of May 2016.

Note:

- **Russia topped** the list and followed by Malaysia, the Philippines and Singapore.
- India has a crony sector wealth accounting for 3.4 percent of the gross domestic product (GDP).
- As per the latest crony-capitalism index the non-crony sector wealth in India amounts to 8.3 per cent of the GDP

25. International Monetary Fund (IMF) retained India's growth rate at **7.5 percent for the year 2016**.

26. According to 2014-15 economic survey, which state of India holds the top position in terms of investment in manufacturing sector - **Odisha**

Note: Odisha tops the list in the country by bagging the lion's share at 17% of the total investments in manufacturing sector.

27. 2015 IBNS Bank Note of the Year Award - New Zealand's \$5 polymer note **Note:**

- New Zealand's \$5 polymer note has won the 'IBNS Bank Note of the Year Award' for 2015.

28. National Bank for Agriculture and Rural Development (NABARD) has entered into a collaboration with **Germany** for the programme 'Soil Protection and Rehabilitation for Food Security - **Germany**

29. National Payments Corporation of India (NPCI) launched **Unified Payments Interface** for next-generation mobile banking.

Note: The National Payments Corporation of India (NPCI) has launched "Unified Payments Interface (UPI)", which will leverage trends such as increasing smart phone adoption and deeper penetration of mobile data.

30. India became the largest remittances receiving country at USD 72 billion this year followed by China at USD 64 billion, as per the World Bank Report.

31. RBI imposes Rs 1 crore fines on State Bank of Travancore - Reserve Bank has imposed a penalty of Rs. 1 crore on an SBI associate bank, State Bank of Travancore, for violation of some of its instructions.

32. Deepak Singhal appointed Executive Director of Reserve Bank of India.

33. RBI declared Priority Sector Lending norms for Regional Rural Banks

Key points of the norms:

(i) Priority Sector Lending (PSL) target was increased to **75 percent of total outstanding** from the existing 60 percent.

(ii) The revised target will be effective from 1 January 2016.

(iii) Medium enterprises, social infrastructure and renewable energy were included under PSL category.

(iv) Agri-Loans: Loans to individual farmers, for the purpose of PSL, was increased to 50 lakh rupees from the present 10 lakh rupees against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months.

(v) Aggregate limit loan was doubled to **2 crore rupees** per borrower in the case of loans, among others, to corporate farmers, farmers' producers organisations/ companies of individual farmers, farmers partnership firms/ co-operatives engaged in agriculture and allied activities.

(vi) Housing Loans: The RBI has lowered the quantum of loans that will qualify as PSL. Against the **earlier limit of 25 lakh rupees**, **loans to individuals up to 20 lakh rupees** only are considered as PSL as per revised guidelines.

Note: As on March 2015, there were 56 RRBs operating in the country with a network of 20059 branches. They cover 644 notified districts in 26 states and the Union Territory of Puducherry.

34. Marginal cost of funds-based lending rates (MCLR) - The Reserve Bank of India (RBI) had proposed a new methodology to calculate Base Rate (Base Rate). It is based on marginal cost of funds methodology. The new methodology is aimed at

bringing uniformity among BRs of banks so that they will be more sensitive to any changes in policy rates of the RBI like Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), etc.

Key points -

- It was effective on 1 April 2016.
- MCLR is the new benchmark lending rate and replaces **the base rate for new borrowers**
- The MCLR rates are **revised every months**.

- It is calculated on the marginal cost of borrowing and return on net worth for banks.

Base Rate

- It is defined as the minimum interest rate of a bank below which it is not viable to lend.
- It was introduced on 1 July 2010 by the RBI.
- It replaced the benchmark prime lending rate (BPLR), the interest rate which commercial banks charged their most credit worthy customer.

SBI Bank in News –

1. SBI Bank leads mobile banking chart in India.

SBI leads in digital banking in the country in both volume and value terms, handling over 38 per cent mobile banking transactions a month.

According to RBI – SBI accounted for 38.44 per cent of total mobile banking transactions in terms of volume and 35.97 per cent market share in terms of value in December 2015.

2. SBI and Spain's CaixaBank have inked pact to provide loans to Indo-Spanish joint ventures and local enterprises.

3. State Bank of India (SBI)'s point of sales terminal (PoS) network is now the largest in the country after it overtook its private sector rivals in February. It plans to add another 1 lakh PoS terminals in the current fiscal year ending March 2017.

4. SBI has tied up with taxi-aggregator Uber to provide instant vehicle finance to 'driver-partners' on the latter's platform.

5. SBI among 4 new foreign banks allowed to operate in Myanmar - The State Bank of India is among four new foreign banks given preliminary approval to open 100 per cent-owned branches in Myanmar, the latest move by the Southeast Asian nation to woo investment to the country long ruled by the military and hit by Western sanctions.

The four new banks that have been given initial approval by the Central Bank of Myanmar are **Vietnam's Bank for Investment and Development**, Taiwan's **E.SUN Commercial Bank**, South Korea's **Shinhan Bank** and the **State Bank of India**.

6. SBI launches FlexiPay Home Loan Scheme for Professionals - State Bank of India introduced a new home loan scheme 'SBI FlexiPay Home Loan' for young working professionals/executives.

- **Under the scheme**, borrowers will get higher loan amount compared to their loan eligibility under normal home loan schemes and they will also have the option of step-up monthly repayments.

7. SBI opens first branch in South Korea - India's largest lender State Bank of India (SBI) today said it has opened its first branch in **Seoul, South Korea**. **SBI is second Indian bank after Indian Overseas Bank** to have branch in South Korea. SBI already had a representative office in Seoul.

8. SBI Launches First Dedicated Branch For Startups InCube - The State Bank of India, has launched first exclusive startup bank branch – SBI InCube in **Bangalore**. It is a specialised branch to understand and address banking needs of startups.

9. SBI Card launches **SimplyCLICK** credit card for online shopping - in association with seven partners including Amazon India, BookMyShow and Cleartrip.

ICICI Bank in News –

1. ICICI Bank signs MoU with BRICS's New Development Bank - ICICI Bank has inked a MoU with the BRICS Grouping-promoted New Development Bank (NDB) for a partnership in bond issuances, co-financing, treasury management and human resources. **Note:** With this ICICI Bank becomes first financial institution in the country to tie up with the BRICS Grouping-promoted NDB

2. India's first contact-less mobile payment solution "iTap" has been launched by which bank – **ICICI Bank**

3. ICICI bank launched **iWork@home programme** for its women employees.

4. ICICI Bank opens its first branch in South Africa - ICICI Bank inaugurated its first full service branch at Sandton in Johannesburg becoming the first Indian private sector bank to open a branch in the African continent.

5. ICICI Bank has launched 'Smart Vault' first of its kind fully automated digital locker facility in India.

6. ICICI Bank has launched 'ICICI Bank Saral-Rural Housing Loan' Scheme for weaker sections of society. Housing loan will be provided at the ICICI Bank Base Rate (known as I-Base) which is currently at 9.70%.

7. ICICI Bank launched its first branch in China: India's largest private sector bank, ICICI bank has launched its first branch in Shanghai, China, which was inaugurated by Prime Minister Narendra Modi.

Important & Expected Questions

1. Which Central Bank has imposed negative interest rate in its monetary policy statement of January 2016? - **The Bank of Japan**
2. Cabinet allows 100 per cent FDI under automatic route for ___operations, a move that is aimed at promoting financial inclusion - **White labeled ATMs**
3. Chairman of Bank Board Bureau (BBB) - **Vinod Rai**
4. RBI proposed marginal cost of funds methodology to calculate - **Base rate.**
5. India gets more voting rights in IMF reforms. The voting rights increased from 2.3% to - **2.6%**
6. The Government of India re-appointed ___as the Deputy Governorof the Reserve Bank of India, for a further period of three years - **Dr. Urjit R. Patel**
7. As per the Reserve Bank circular issued on March 3, 2016, banks have to pay interest on savings banks account on - **quarterly basis or shorter duration.**
8. A **Non Banking Financial Company (NBFC)** is a company registered under the - **Companies Act, 1956**
9. First Indian to be elected as Vice – Chairman in the Bank for International Settlements (BIS) - **RBI Governor Dr Raghuram Rajan**
10. RBI proposed marginal **cost of funds methodology** to calculate - **Base Rate**
11. RBI extends deadline to exchange pre-2005 notes to - **June 30, 2016**
12. Reserve Bank of India has extended the timeline for full implementation of the **Basel III capital** regulations by - **March 31, 2019.**
13. BCBS stands for - **Basel committee on Banking supervision**
14. New Chairman of Public Accounts Committee (PAC) – **KV Thomas**
15. Which country topped Global Consumer Confidence Index 2016 - **India**
16. The World Bank has approved a ___loan to support the central government’s programme to generate electricity from rooftop solar power plants in India - **\$625 million loan**
17. Full form of BBPS - **Bharat Bill Payment System (BBPS)**
18. MUDRA Bank is a wholly-owned subsidiary of – **SIDBI**
19. As per budget 2015-16, MUDRA Bank is to be set up with refinance **corpus of - Rs 20,000 Crore**
20. Maximum Loan Mudra Bank can grant is – **Rs 10 lakh**
21. The headquarter of Asian Infrastructure Investment Bank (AIIB is located in - **Beijing, China**
22. First President of AIIB - **Jin Lique**
23. India elected to new AIIB Bank’s First Board - **Dinesh Sharma**
24. Which bank launches FlexiPay Home Loan Scheme for Professionals - **SBI**
25. SBI opens first branch in - **South Korea**
26. SBI Launches First Dedicated Branch For Startups- **InCube**
27. ICICI Bank opens its first branch in - **South Africa**
28. India gets more voting rights in IMF reforms - India’s voting rights increased by - **0.3% from the current 2.3% to 2.6%.**
29. Which bank to sell loans to non-customers through ATMs - **HDFC Bank**
30. Which bank commits **\$5 bn** for climate action in India – **Yes Bank**
31. Which among the following bank has launched the “Smart Vault” first of its kind fully automated digital locker facility in India? - **ICICI**
32. “Buddy” is a mobile app which aims at providing convenient and secure digital payment system to its customers, launched by which among the following banks?
Ans - India’s largest banking **entity State Bank of India (SBI)** launched a Mobile wallet application dubbed as ‘SBI Buddy’.
33. First Multi- Currency Contactless Card service launched by – **Axis Bank**
Note: Axis Bank has launched the first Contactless Debit, Credit and Multi-Currency Forex Card in association with VISA payWave in the country.
34. Union Government has launched a seven pronged plan called Indradhanush Mission to revamp functioning of - **Public Sector Banks (PSBs)**
Note: Union Government has launched a seven pronged plan called Indradhanush Mission to revamp functioning of public sector banks (PSBs). It was launched by Union Finance Minister Arun Jaitley in New Delhi.

35. What is the minimum denomination of Treasury bills to issue in India - **Rs.25,000**

Note:

(i) Treasury bills are available for a minimum amount of **Rs.25,000** and in multiples of **Rs. 25,000**.

(ii) 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.

36. In CRAR, A stands for: Assets

Note: Capital to Risk Weighted Assets Ratio

CRAR is the acronym for capital to risk weighted assets ratio, a standard metric to measure balance sheet strength of banks.

37. _____ is the rate at which banks borrow funds overnight from the Reserve Bank of India (RBI) against approved government securities.

Marginal Standing Facility (MSF)

Note: MSF is a new scheme announced by the Reserve Bank of India (RBI) in its Monetary Policy (2011-12) and refers to the penal rate at which banks can borrow money from the central bank over and above what is available to them through the LAF window.

38. The availability of cash and other cash-like marketable instruments that are useful in purchases and investments are commonly known as: **Liquidity**

Note: The availability of cash and other cash-like marketable instruments that are useful in purchases and investments are commonly known as **Liquidity**.

39. RBI grants "in-principle" approval to Reliance Industries Limited to set up Payments Banks in the country. To which among the following RIL has partnered with for Payment Bank Licence?

Ans - Reliance partnered with **SBI** (State Bank of India) for Payment Bank Licence. **RIL** will be the **promoter** and **SBI** will be the **joint venture partner** with equity investment of up to 30%.

40. National Electronic Funds Transfer (NEFT) is a nationwide payment system facilitating one-to-one funds transfer. What is the limit on the amount that could be transferred using NEFT?

Ans - There is no limit - either minimum or maximum - on the amount of funds that could be transferred using NEFT.

However, maximum amount per transaction is limited to **Rs.50,000/-** for cash-based remittances within India and also for remittances to **Nepal under the Indo-Nepal Remittance Facility Scheme**.

41. What is the maximum value to be stored in a prepaid card?

Ans - As per extant instructions, the **maximum value** that can be stored in any **prepaid card** (issued by banks and authorised non-bank entities) at any point of time is **Rs 50,000/-**

42. Reserve Bank of India (RBI) has constituted a committee to prepare a 5 year action plan to spread the reach of financial services across country to unbanked population. The committee will be headed by ____.

Ans - The committee will be headed by **RBI** executive director **Deepak Mohanty**. It will review the existing policy of **financial inclusion**, including customer protection framework and **supportive payment system**.

43. Money lent for one day is called:

Ans - 'Call Money' is the borrowing or lending of **funds for 1day**.

Note: Where money is **borrowed** or lend for period between **2 days and 14 days** it is known as '**Notice Money**'. And '**Term Money**' refers to borrowing/lending of funds for **period exceeding 14 days**.

44. Treasury bills or T-bills, which are money market instruments, are short term debt instruments issued by ____.

Ans - Treasury bills or T-bills, which are **money market instruments**, issued by the **Government of India** and are presently issued in three tenors, namely, **91 day, 182 day and 364 day**. Treasury bills are **zero coupon securities** and pay **no interest**.

45. India's first International Financial Services Centre opened at - **Gujarat**

Note: India's first International Financial Services Centre set up in **Gujarat** International Finance Tec-City (GIFT).

46. A Reserve Bank of India (RBI) committee has recommended conversion of Urban Cooperative Banks (UCBs) with business size of 20,000 crore rupees or more into regular banks. This recommendation was given by the High Powered Committee on UCBs headed by - **RBI Deputy Governor R Gandhi**.

47. The Public Provident Fund is savings-cum-tax-saving instrument in India, introduced by the National Savings Institute of the Ministry of Finance in 1968. What is the minimum amount to be invested in PPF account?

Ans - The minimum investment of **Rs. 500** and the maximum amount is **Rs. 1.5 lakh** per annum. **RATE OF INTEREST - 8.70%**

48. RBI has increased the limit for foreign exchange (FOREX) remittances under Liberalised Remittance

Scheme (LRS) from \$125,000 to ___ per person per year.

Ans - \$250,000 (Rs. 1.5 crore) per person per year.

49. According to the guidelines released by RBI, a Payments banks can open small savings accounts and accept deposits of up to __. **Rs.1 lakh per individual customer.**

50. What is the minimum capital requirement for New Banks in the Private Sector - **Rs. 500 crore**

51. Many times we read a term 'ECB' in financial newspapers. What is the full form of ECB?

Ans - External Commercial Borrowing

Note: An external commercial borrowing (**ECB**) is an instrument used in India to facilitate the access to foreign money by Indian corporations and PSUs (public sector undertakings).

52. Which among the following banks had launched 'Dhanchayat', an educational film to raise awareness on the dangers of borrowing money from unorganised sources?

Ans - HDFC Bank Ltd.

53. Which among the following has launched a Smart Humsafar Plan, a unique plan which offers multiple benefits of savings and insurance cover for husband and wife under a single policy?

Ans - Private insurer SBI Life Insurance

54. What is the maximum monthly pension for the subscribers under Atal Pension Yojana?

Ans - Rs 5000

Note: The Atal Pension Yojana (APY) is open to all Indians between the **age of 18 and 40**. Under the scheme, the minimum monthly pension for the subscribers ranging between **Rs 1000 and Rs 5000 per month**.

55. What is the minimum amount to be invested under Sukanya Samriddhi Scheme?

Ans - Rs. 1000

Note: **Rs. 1000 is the minimum** and Rs. 1.5 lakh is the maximum amount to be invested under Sukanya Samriddhi Scheme.

56. Under Pradhan Mantri Jan-Dhan Yojana (PMJDY), the accidental insurance cover of ___ will be provided to all the beneficiaries.

Ans - Rs.1.00 lac

Note: **Under Pradhan Mantri Jan-Dhan Yojana (PMJDY)**, the accidental insurance cover **of Rs. 1 lakh** will be provided to all the beneficiaries. **Life insurance cover of Rs.30,000.**

57. The Reserve Bank of India advised banks to make the Know Your Customer (KYC) procedures mandatory

while opening and operating the accounts. RBI has issued the KYC guidelines under Section 35 (A) of the

___. **Banking Regulation Act, 1949**

58. At which rate the RBI lends money to a public sector bank on a long term basis?

Ans - Bank Rate

Note: **Bank rate** is the rate of interest implemented by **RBI** when it lends money to a public sector bank on a **long term basis**, i.e. from a period ranging from **90 days to 1 year**

Note: **Repo Rate** is the rate at which RBI lends money to **commercial banks** in the event of **any shortfall of funds**. It is the rate of interest which RBI implements on the **short term loans**, i.e., from a period ranging between 2 days to 3 months (90 Days).

59. India's gross domestic product (GDP) grew at what percent in 2014-15. The growth is based on new methodology with a ___ as base year - **2011-12**

60. What is the full form of PPP?

Ans - Purchasing power parity

Note: **Purchasing power parity (PPP)** is a component of some economic theories and is a technique used to determine the relative value of different currencies.

61. Which of the following is the first North East state to achieve 100 percent success in implementing the Pradhan Mantri Jan Dhan Yojana?

Ans: Meghalaya

Note: **Meghalaya became** the first state in India to **achieve 100 percent** success in implementing the **Pradhan Mantri Jan Dhan Yojana**.

62. What is the name given to Union Finance Ministry's flagship project which aims at widening the tax base by catching tax evaders using technology?

Ans - Project Insight

Note: **Project Insight** is an ambitious project of the **Union Finance Ministry** to bring into net **black money hoarders and tax evaders** by using optimum technology. It will primarily track the Permanent Account Numbers (PAN) being quoted on financial transactions and tally them with income tax filings

63. What is the Minimum amount of transfer required for RTGS is ___. **Ans - Rs. 2 lakh**

Note: **Minimum amount** of transfer required for **RTGS (Real Time Gross Settlement)** is **Rs. 2 lakh**. There is **no upper limit**, though. The beneficiary bank has to credit the beneficiary's account within two hours of receiving the funds transfer message.

64. Who is the sole authority to issue and manage currency in India - **RBI**

Note: In terms of **Section 22 of RBI** is the sole authority for **issue of currency** in India.

65. Which bank has opened its branch in Shanghai, China – **ICICI**

Note: To help Indian and Chinese corporates in cross-border businesses, top private sector lender **ICICI Bank** opened its first branch in **Shanghai, China**, which was inaugurated by **Prime Minister Narendra Modi**.

66. MICR code is used for - **For Electronic Clearance of Cheques**

Note: Magnetic Ink Character Recognition Code (MICR Code) is a character-recognition technology used mainly by the banking industry to ease the processing and clearance of cheques and other documents.

67. The Statutory Liquidity Ratio (SLR), the amount of liquid assets such as cash, precious metals and other short-term securities are kept with: **Individual banks**

Note: Statutory liquidity ratio (SLR) is the Indian government term for reserve requirement that the **commercial banks** in India require to maintain in the **form of cash, gold**, government approved securities before providing credit to the customers.

68. Which country launched world first Facial recognition ATM – **China**

Note: China has unveiled the **world's first facial recognition ATM**. The new cash machine was developed by Tsinghua University, a research university in Beijing.

69. A cheque is considered a valid cheque if the date entered on the cheque is within ____ of the actual date on which it is presented. **3 months**

Note: A cheque is considered a valid cheque if the date entered on the cheque **is within 3 months** of the actual date on which it is presented. For example, a cheque with the date of 10th Jan 2015 will be valid if it is presented to the bank on or before 10th April 2015.

70. As per the Banking Ombudsman Scheme, any person can file a complaint before the Banking Ombudsman, if the satisfied reply is not received from the bank within a period of - **one month**

Note: One can file a complaint before the **Banking Ombudsman** if the reply is not received from the bank within a **period of one month after the bank** concerned has received one's representation, or the bank rejects the complaint, or if the complainant is not satisfied with the reply given by the bank.

71. The headquarter of BRICS Bank "The New Development Bank (NDB)" located in - **Shanghai, China**

Note: The New Development Bank (NDB) headquarter located in **Shanghai, China**.

72. Money lent for more than one day but less than 15 days in the money market is known as: **Notice Money**

Note: The period of lending may be for a period of 1 day which is known as call **money** and between 2 days and 14 days which is known as **notice money**. Term **money** refers to borrowing/lending of **funds** for a period exceeding 14 days.

73. National Electronic Funds Transfer (NEFT) is a nationwide payment system facilitating one-to-one funds transfer. What is the limit on the amount that could be transferred using NEFT?

No limit

Note: There is **no limit – either minimum or maximum** – on the amount of funds that could be transferred using **NEFT**. However, maximum amount per transaction is limited to **Rs.50,000/-** for cash-based remittances within India and also for remittances to **Nepal under the Indo-Nepal Remittance Facility Scheme**.

74. Smart Money' is a term used for – Credit Card

Note: SMART Money term used for Credit Card, is an electronic wallet, that allows you to Shop, pay bills, etc.

75. The Indian Financial System Code (IFS Code) is an alphanumeric code that uniquely identifies a bank-branch participating in the two main Electronic Funds Settlement Systems in India. IFSC code consists of how many alphanumeric codes?

Ans - 11

Note: IFSC is an 11- alphanumeric code with the **first four** alphabetic characters representing the **bank name**, and the **last six characters** (usually numeric, but can be alphabetic) representing the branch. The fifth character is 0 (zero) and reserved for future use. Bank IFSC Code is used by the NEFT & RTGS systems to route the messages to the destination banks/branches.

76. Which among the following committee constituted on Payment Banks license?

Ans - Dr. Nachiket Mor

Note: Payment Banks applicant applications are analyzed and evaluated by an External Advisory Committee (EAC). The EAC Committee for Payment Banks is chaired by **Dr. Nachiket Mor**, Director, Central Board of the Reserve Bank of India.

77. The Reserve Bank has revised priority sector lending norms to ensure a phased increase in loans to small farmers. As per the new guidelines, credit to small and marginal farmers should be at least how much per cent of a bank's total credit by March 2017? **8 percent**

Note: The Reserve Bank has revised priority sector lending norms to ensure a phased increase in loans to small farmers, and also made it clear that smaller foreign banks will have to meet the **40 percent target over the next five years. As per the new guidelines**, credit to small and marginal farmers should be at **least 8 percent of a bank's** total credit by **March 2017**.

78. The initial total committed resources of the Contingent Reserve Arrangement (CRA) shall be \$100 billion in BRICS Development Bank. What is the total contribution of South Africa?

Ans - \$5 billion

Note: In BRICS Development Bank, the initial total committed resources of the Contingent Reserve Arrangement (CRA) is **\$100 billion**, with the following individual commitments: **China - \$ 41 billion; Brazil - \$18 billion; Russia - \$18 billion; India - \$18 billion and South Africa - \$5 billion.**

79. SARFAESI Act 2002 is related -

Ans - Recovery of bad loans

Note: The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (**SARFAESI**) empowers Banks / Financial Institutions to recover their **non-performing assets (bad loans)** without the intervention of the Court.

80. Who among the following is the head of the committee constituted on the controversial issue of payment of Minimum Alternate Tax (MAT) by foreign institutional investors?

Ans - AP Shah

Note: The Justice **AP Shah committee** looking into the issue of levying **minimum alternate tax (MAT)** on foreign portfolio investors (FPI).

81. The govt scheme, which gives accidental death-cum-disability cover of Rs two lakh to all the savings bank account holders in the age group of 18 to 70 years for a premium of Rs 12 per annum, is

Ans - Pradhan Mantri Suraksha Bima Yojana (PMSBY)

Note: Pradhan Mantri Suraksha Bima Yojana (PMSBY)

- Account holders between 18 years (completed) and 70 years (age nearer birthday) who give their consent to join / enable auto-debit, as per the modality, will be enrolled into the scheme. **Premium:** Rs. 12 per annum.

Risk Coverage: Total coverage (sum-insured) under the scheme is Rs. 2 Lakh.

82. What is the full form of the term NDTL, as used in banking environment?

Ans - Net Demand and Time Liability

Note: It is a sum of demand and time liabilities (deposits) of banks with public and other banks wherein assets with other banks is subtracted to get

net liability of other banks. Deposits of banks are its liability and consist of demand and time deposits of public and other banks.

83. Magnetic Ink Character Recognition (MICR) is a 9 digits code is used mainly by the banking industry to ease the processing and clearance of cheques and other documents. The first three digits represent the - **City**

Note: Magnetic Ink Character Recognition Code (MICR Code) is a character-recognition technology used mainly by the banking industry to ease the processing and clearance of cheques and other documents.

Note: MICR code consists of **9 digits**. First 3 digits **represent the city**, next 3 digits **represent the bank** and the last 3 digits **represent the branch**.

84. The implementation of Goods and Services Tax (GST) is expected by: **April 2016**

Note: Implementation of Goods and Services Tax is expected by **April 2016**.

85. Union Cabinet approved how much per cent FDI in white label ATMs through automatic route? **100 percent**

Note: The Union Cabinet on 9 September 2015 approved **100 percent Foreign Direct Investment (FDI)** in **white label Automated Teller Machines (WLAs)**.

86. What is the name of the platform launched by State Bank of India (SBI) that enables customers to book their foreign exchange transactions online? **SBI eforex**

Note: State Bank of India launched "SBI eforex", an internet-based platform that enables customers to book their foreign exchange transactions online.

87. India has become the second largest player in the China-led Asian infrastructure and Investment Bank (AIIB). What is India's stake in the bank's shares in AIIB **Ans - 8.52%**

Note: Bank share - China has received a **30.34 percent** stake in the bank's shares; India and Russia have **8.52** and **7.5 percent** respectively. **Voting share** - India has become the second largest player in the China-led Asian infrastructure and Investment Bank (AIIB), with a **7.5 percent** voting share, while China and Russia gained **20.06 percent** and **5.2% respectively**.

88. A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over a period of ___ years.

Ans - Two

Note: Dormant means inactive and inoperative means which is not being operated i.e. no transactions have been undertaken recently. In terms of RBI

guidelines "A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over **a period of two years**".

89. According to the World Bank Report, which among the following states has topped in ease of doing business in India? **Gujarat**

Note: Gujarat has been placed to **top** position in **World Bank's first ever ranking** of States on the **ease of doing business in India**. All States were assessed over a six-month period from January to June 2015 on the basis of percentage scores in a 98-point reforms agenda. **Top 5 States:** Gujarat (71.14%), Andhra Pradesh (70.12%), Jharkhand (63.09%), Chhattisgarh (62.45%) and Madhya Pradesh (62.00%).

90. In CDR, "R" stands for - **Restructuring**

Note: Corporate Debt Restructuring ("CDR") mechanism is a voluntary non statutory mechanism under which financial institutions and banks come together to restructure the debt of companies facing financial difficulties due to internal or external factors, in order to provide timely support to such companies.

91. A measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports is known as - **Current Account Deficit**

Note: It is a measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports.

92. The Bank for International Settlements (BIS) is the world's oldest international financial organization established on 17 May 1930. The mission of the BIS is to serve central banks in their pursuit of monetary and financial stability, to foster international cooperation in those areas and to act as a bank for central banks. The head office of BIS is located in ____.

Ans - Switzerland

93. What is the minimum amount required to open a Fixed Deposit (FD)?

Ans - Rs. 1000

Note: A **fixed deposit (FD)** is also known as Term Deposit a financial instrument provided by banks which provides investors with a higher rate of interest than a regular savings account, until the given maturity date. The minimum deposit amount required for the FD account is **Rs 1,000**. There is no fixed **multiple or upper limit**. FD can be opened for a **minimum period of 7 days** up to **maximum period of 10 years**.

94. What is the maximum deposit amount insured by the Deposit Insurance and Credit Guarantee Corporation (DICGC)?

Ans - Rs. 1 lakh

Note: Deposit Insurance and Credit Guarantee Corporation (DICGC) is a subsidiary of Reserve Bank of India. DICGC insures all bank deposits, such as saving, fixed, current, recurring deposits for up to the limit of **Rs. 100,000** of each deposits in a bank

95. If one is not satisfied with the decision passed by the Banking Ombudsman, one can approach the appellate authority to ____.

Ans - Deputy Governor of the RBI

Note: If one is not satisfied with the decision passed by the Banking Ombudsman, one can approach the appellate authority who is the **Deputy Governor of the RBI**.

96. The revised Financial Sector Legislative Reforms Commission (FSLRC) report which was released by the Finance Ministry proposes to subsume a number of existing sector specific financial regulators (SEBI, IRDA, PFRDA, FMC) into a Unified Financial Authority (UFA). FSLRC is headed by ____.

Ans - BN Srikrishna

Note: Financial Sector Legislative Reforms Commission (FSLRC) was set up by the Indian Government in pursuance of the announcement made in Union Budget 2010-11, to help rewriting and harmonizing the financial sector legislation, rules and regulations so as to address the contemporaneous requirements of the sector. The Commission is chaired by **Supreme Court Justice (Retired) B. N. Srikrishna**, and had ten members with expertise in the fields of finance, economics, law and other relevant fields

97. National Investment and Infrastructure Fund (NIIF) is a fund created by the Government of India for enhancing infrastructure financing in the country. To be operational by the year end, the headquarter of NIIF located in ____.

Ans - Mumbai

Note: NIIF, proposed to be set up as a Trust, would raise debt to invest in the equity of infrastructure finance companies such as Indian **Rail Finance Corporation (IRFC) and National Housing Bank (NHB)**. The idea is that these infrastructure finance companies can then leverage this extra equity, manifold. In that sense, NIIF is a banker of the banker of the banker.

98. The committee on Urban Cooperative Bank (UCB) which is headed by R. Gandhi (Deputy Governor of RBI)

has recommended that UCBs with business size more than ____ be allowed to convert into universal commercial banks.

Ans - Rs. 20,000 cr

Note: To overhaul and strengthen the **urban cooperative bank** (UCB) structure, an internal committee of the Reserve Bank of India (RBI) chaired by **deputy governor R Gandhi** has recommended that UCBs with business size more than **Rs 20,000 crore** be allowed to convert into **universal commercial banks** while those with a lower size be converted to **small finance banks**.

99. The Global Investor Meet 2015 held in - **Chennai**

Note: The Global Investors Meet (GIM 2015) was on 10 September 2015 held in **Tamil Nadu** to woo investors to invest in the state. The GIM 2015 was officially inaugurated by Tamil Nadu Chief Minister **J Jayalithaa** at the **Chennai** Trade Centre.

100. Special drawing rights (SDRs) are international foreign exchange reserve assets issued by- **IMF**

Note: The Special Drawing Right (SDR) is an international reserve asset, created by the International Monetary Fund (IMF) in 1969 to supplement the existing official reserves of member countries.

101. In Deposits Account "KYC" (Know Your Customer) has been implemented in 2002 as per directive of: **RBI**

Note: It is a process by which banks obtain information about the identity and address of the customers. KYC has been implemented in 2002 as per directive of **Reserve Bank of India**.

102. Which of the following indexes used as the key measure of inflation in India?

Ans - Consumer Price Index

Note: The Central Bank of India (RBI) had adopted the new **Consumer Price Index (CPI)** as the key measure of inflation. Earlier, RBI had given more weightage to **Wholesale Price Index (WPI)** than CPI as the key measure of inflation for all policy purposes.

103. A major Public Sector Bank has decreased the interest rates on loans by 25 basis points – was news in some major financial newspaper recently. This means bank has decreased interest rate by 25 basis points of ____ **Base Lending Rate**

Note: **RBI** has reduced the policy rate by 75 basis points since the beginning of this calendar year while most banks have reduced **base lending rates** by just 25 basis points.

104. Who among the following names as the first President of New Development Bank of BRICS nations?

Answer - K. V. Kamath appointed as the first head of the **new development bank the BRICS** group.

105. The SARFAESI Act 2002 empowers Banks / Financial Institutions to recover their non-performing assets (bad loans) without the intervention of the Court. In "SARFAESI" second "S" stands for ____.

Answer - In "SARFAESI" second "S" stands for - Security. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (**SARFAESI**) empowers Banks / Financial Institutions to recover their **non-performing assets (bad loans)** without the intervention of the Court.

106. The Reserve Bank of India (RBI) doubled the limit for cash withdrawal at points of sale (PoS) in tier III to VI cities to ____ Rs. 2000

Answer - The Reserve Bank of India (RBI) doubled the limit for cash withdrawal at points of sale (PoS) in tier **III to VI cities from Rs 1,000 to Rs 2,000 per day**. The facility will be available for debit cards and open system pre-paid cards issued by banks. The limit remains **unchanged at Rs1,000 per day for tier I and II cities**.

107. The mobile banking app "LIME" has been launched by which of the following banks?

Answer - Axis Bank.

108. Many a times we read in the newspapers that RBI has changed or revised a particular ratio/rate by a few basis points. What is basis point?

Ans - Basis points - One hundredth of one percentage point (used chiefly in expressing differences of interest rates).

109. Reserve Bank of India (RBI) declared State Bank of India (SBI) and ICICI Bank as D – SIBs. What is the expand form as D – SIBs?

Domestic Systemically Important Banks

Answer - The Reserve Bank of India (RBI) declared State Bank of India (SBI) and ICICI Bank as Domestic Systemically Important Banks (D- SIBs).

110. Union Government has decided to set up a Bank Board Bureau (BBB) to monitor key performance indicators of two dozen public sector banks (PSBs). BBB will start functioning from ____.

Ans - 1st April 2016.

111. India and United States have signed Inter Governmental Agreement to implement the FATCA. This agreement will promote transparency on tax matters. Expand the term FATCA.

Foreign Account Tax Compliance Act

Note: India and United States have signed Inter Governmental Agreement to implement the Foreign

Account Tax Compliance Act (FATCA). This agreement will promote transparency on tax matters.

112. Which among the following statements are correct/s in the context with Payment Banks?

- A. The minimum paid-up capital requirement for payments banks is Rs. 100 crore
- B. Payment banks will offer both deposits as well as loan products.
- C. Payments banks will have to invest in government securities with a maturity of up to 1 year
- D. Payments banks can open small savings accounts and accept deposits of up to Rs.1 lakh per individual customer.

Ans (1) A, C, D The main objective of payment banks is to increase financial inclusion in the country via a primary focus on domestic payments services by providing small savings accounts.

Note: Payments banks will be used only for transaction and deposits purposes. Unlike Small banks, payments banks cannot offer loan products to the customers.

113. Union Government has launched Indradhanush Mission to revamp functioning of public sector banks (PSBs). How many pronged plan has been classified in Indradhanush Mission – 7

Note: Union Government has launched a seven pronged plan called **Indradhanush Mission** to revamp functioning of public sector banks (PSBs). It was launched by Union Finance Minister **Arun Jaitley** in New Delhi.

The seven shades of Indradhanush mission include (i) appointments, (ii) Bank Board Bureau (BBB), (iii) capitalisation (iv) de-stressing PSBs, (v) empowerment, (vi) framework of accountability and (vii) governance reforms.

114. The Employees Provident Fund Organisation (EPFO) increased the life insurance cover of its subscribers from 3.6 lakh to – 6 lakh

Note: The Employees Provident Fund Organisation (EPFO) on 16 September 2015 increased the life insurance cover of its subscribers from 3.6 lakh to 6 lakh rupees. About 40 million contributing members of the EPFO will be benefitted from the decision taken at the 208th CBT meeting in Hyderabad.

115. What is the full form of CVV - Card Verification Value

Answer (D) Full form of CVV is - "Card Verification Value" on your credit card or debit card is a 3 digit number on VISA, MasterCard etc.

116. The selling of life assurance and other insurance products and services by banking institution is known as: **Bancassurance**

117. In what denominations Commercial Paper (CP) can be issued – Rs. 5 lakh

Note: Commercial Paper (CP) can be issued in denominations of **Rs.5 lakh or multiples thereof**. Commercial Paper (CP) is an unsecured money market instrument issued in the form of a promissory note.

118. What is the loan limit for education under priority sector for studies abroad – 20 lakh

Note: Loans to individuals for educational purposes including vocational courses up to **Rs.10 lakh for studies in India and Rs. 20 lakh for studies abroad** are included under priority sector.

119. What is the time limit for an asset or loan to be declared as Non-Performing Asset- **90 days**

Note: A Non-performing asset (NPA) is defined as a credit facility in respect of which the interest and/or installment of Bond finance principal has remained 'past due' for a specified period of time. Once the borrower has failed to make interest or principle payments for **90 days the loan** is considered to be a **non-performing asset**

120. Reserve Bank will issue ___bank notes with 3 additional features to aid the visually impaired in identification.

Answer - Reserve Bank will issue **Rs 500 and Rs 1,000** bank notes with 3 additional features to aid the visually impaired in identification.

121. Foreign exchange Reserves in India are kept in the custody of: **Reserve Bank of India**

122. Who is heading the committee to evaluate applications received for the proposed small finance banks that was constituted by the RBI in 2014?

Ans: Usha Thorat is the head of the committee to evaluate applications received for the proposed small finance banks in India.

123. Simply click a card launched by SBI special for - **Online Shopping.**

124. A receipt listed in India and traded in rupees declaring ownership of shares of a foreign company is known as - **Indian Depository Receipt (IDR)**

125. RBI declared which of the following as Domestic Systemically Important Banks (D- SIBs)?

Ans - The Reserve Bank of India (RBI) recently, designated **State Bank of India (SBI) and ICICI Bank Ltd**, the country's two largest lenders, as **Domestic Systemically Important Banks (D-SIBs)**.

Important Banking Awareness Questions **From Previous year Bank Exams**

1. MICR code consists of how many digits?
Ans: 9 digits.
(First three digits denotes city, next three digits representing the bank and the last three digits representing the bank branch)
2. What is the minimum limit in RTGS system?
Ans: 2 lakhs (there is no upper limit in RTGS)
3. What is full form of CTS?
Ans: Cheque Truncation System
4. Under which service, customers may access their bank account and perform basic transactions from any of the member branch offices.
Ans: Core Banking Solution (CBS)
5. Exchange of cash flow in different currency is known as: **Ans: Currency Swap**
6. Assets or loans which stop performing after 90 days is known as: **Ans: Non Performing Asset (NPA)**
7. Who controls the Monetary Policy in India?
Ans: RBI (Reserve Bank of India)
8. Which card is issued by NPCI (National Payments Corporation of India)?
Ans: RuPay Card
9. Definition of Current Account deficit:
Ans: A measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports.
10. Full form IFSC – **Ans: Indian Financial System Code**
11. Commercial paper can be issued for a maximum period of: **Ans: 365 days or 1 year.**
12. The Mutual funds in India follow accounting standards laid by:
Ans: SEBI (Securities and Exchange Board of India)
13. Minimum amount for Certificate of Deposit has been fixed at: **Ans: Rs. 1 Lakh**
14. AML is a term mainly used in the financial and legal industries. Expand the term AML:
Ans: Anti Money Laundering
15. PIN is a number allocated to an individual and used to validate electronic transactions. Expand PIN:
Ans: Personal Identification Number
16. What is Repo rate?
Ans: It is the rate at which RBI lends money to the commercial banks.
17. What is Stale Cheque?
Ans: A cheque which is presented to a bank after 3 months from date of issue is considered as stale cheque and will often not be honored for cash or deposit at a bank.
18. What is Bancassurance?
Ans: The selling of life assurance and other insurance products and services by banking institutions.
19. The objective of KYC guidelines is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. What is the full form of KYC?
Ans: Know Your Customer (KYC)
20. Know Your Customer (KYC) guidelines are issued under: **Ans: Section 35A of the Banking Regulation Act, 1949**
21. In BSBDA (Basic Savings Bank Deposit Account) the credits in a financial year does not exceed rupees:
Ans: Rs. 1 lakh
22. In BSBDA (Basic Savings Bank Deposit Account) the balance at any point of time does not exceed rupees:
Ans: Rs. 50,000
23. In BSBDA (Basic Savings Bank Deposit Account) the withdrawals and transfers in a month does not exceed rupees: **Ans: Rs. 10,000**
24. At which rate RBI give loans to commercial banks?
Ans: Repo rate
25. Full form of CASA:
Ans: Current Account Saving Account
26. In what denominations Commercial Paper (CP) can be issued? **Ans: Rs. 5 lakh**
27. What is the minimum denomination of Treasury bills to issue in India? **Ans: Rs. 25,000**
28. Who cannot issue Certificate of Deposit (CD)?
Ans: Regional Rural Banks (RRBs) and Local Area Banks (LABs)
29. Expand ASBA:
Ans: Application Supported by Blocked Amount
30. Depositor Education and Awareness Fund (DEAF) is maintained with: **Ans: RBI**
31. Cash Reserve Ratio (CRR) is the amount of funds that the banks have to keep with: **Ans: Central Bank (RBI)**
32. What is the maximum amount per transaction NEFT limit for cash-based remittances to Nepal?
Ans: Rs. 50,000
33. What does CAR stands for?
Ans: Capital Adequacy Ratio
34. IFSC code consists of ____ alpha numeric code.
Ans: 11 digits

- (The IFSC is an 11 digit alpha numeric code, with the first four digits identifying the bank, fifth is numeric (kept 0) and the last six digits represent the bank branch.)
35. When money is lent or borrowed for one day or on overnight basis it is known as: **Ans: Call Money**
36. When money is lent or borrowed for between 2 days and 14 days it is known as: **Ans: Notice money**
37. When money is lent or borrowed for a period of more than 14 days, it is known as: **Ans: Term money**
38. Treasury Bills and Certificate of Deposit are considered as the ___instruments.
Ans: negotiable money market
39. Commercial Paper (CP) is an unsecured money market instrument issued in the form of a ____.
Ans: Promissory note.
40. What is the upper limit in Public Provident Fund (PPF)?
Ans: Rs. 1.5 lakhs
41. As per RBI guidelines, with effect from April 1, 2012, the validity period of Cheques, Demand Drafts, Pay Orders and Banker's Cheques is ____.
Ans: 3 months
42. What is the time limit for an asset or loan to be declared as Non-Performing Asset? **Ans: 90 days**
43. Deposit Insurance and Credit Guarantee Corporation (DICGC) does not cover:
Ans: Primary co-operative societies
44. RBI measure to liquidate the market: **Ans: Repo rate.**
45. Full form of EFT: **Ans: Electronic Fund Transfer**
46. Fastest mode of transaction: **Ans: RTGS**
47. Alphanumeric code on cheque is known as:
Ans: Indian Financial System Code (IFSC)
48. Bank pays interest on savings account?
Ans: Daily Basis
49. What is the loan limit for education under priority sector for studies abroad? **Ans: Rs. 20 lakh**
(Loans to individuals for educational purposes including vocational courses upto Rs.10 lakh for studies in India and Rs. 20 lakh for studies abroad are included under priority sector.)
50. RuPay Card is an Indian version of credit/debit card is launched by which organization:
Ans: NPCI (National Payments Corporation of India)
51. Fixed Deposit (FD)Account may be opened for a minimum period of: **Ans: 7 days**
52. What is the minimum amount required to open a Fixed Deposit (FD)? **Ans: Rs.1000**
53. The Banks has converted all 'no - frills' accounts' into:
Ans: Basic Savings Bank Deposit Accounts
54. 'Pradhan Mantri Jan Dhan Yojana' is a Scheme for:
Ans: Financial inclusion
55. How much overdraft facility to be provided in 'Pradhan Mantri Jan Dhan Yojana' scheme?
Ans: Rs. 5,000
56. In CBS, C stands for: **Ans: Core**
57. In CRAR, A stands for:
Ans: Assets (Capital to Risk Weighted Assets Ratio)
58. IMPS - Immediate Payment Service is an interbank electronic instant mobile money transfer service through mobile phones in India, the facility is provided by:
Ans: NPCI (National Payment Corporation of India)
59. The Central Bank of India has adopted new measure of inflation:
Ans: Consumer Price Index (CPI)
60. When a cheque is torn into two or more pieces and presented for payment, such a cheque is called:
Ans: mutilated cheque
61. How much fee charged to file a complaint under Banking Ombudsman?
Ans: Banking Ombudsman does not charge any fee
62. Who is the appellate authority in Banking Ombudsman?
Ans Deputy Governor of RBI
63. If any customer is not satisfied by the decision of Banking Ombudsman, customer can appeal against the award before the appellate authority within how many days from the date of receipt?
Ans 30 days
64. ATMs or Cash Dispensing machine which are owned and operated by Non-Banking Financial Companies are called: **Ans: White Label ATMs.**
65. RBI gave in-principle for Banking license to:
Ans: IDFC and Bandhan
66. Minimum capital requirement for new banks in private sector is: **Ans: Rs. 500 crore**
67. A Non-Banking Financial Company (NBFC) is a company registered under the:
Ans: Companies Act, 1956
68. Minimum capital requirement for Non-Banking Financial Company (NBFC) is: **Ans: Rs. 500 crore**
69. The NBFCs are allowed to accept/renew public deposits for a minimum period of:
Ans: 12 months (and maximum period of 60 months)
70. A NBFCs cannot offer interest rates higher than the ceiling rate prescribed by RBI? What is the present ceiling?
Ans: 12.5 per cent per annum
71. Minimum capital requirement for Foreign banks that want to set up operations in India is:
Ans: Rs. 500 crore

72. What is the minimum paid-up capital requirement of both small banks and payments banks in India?
Ans: Rs. 100 crore
73. RBI extended the timeline for full implementation of Basel III norms till: **Ans: 31 March 2019**
74. SLR ((Statutory Liquidity Ratio) is the amount a commercial bank needs to maintain in the form of _____ before providing credit to its customers.
Ans: cash, or gold, or govt. approved securities (Bonds)
75. _____ is the rate at which banks borrow funds overnight from the Reserve Bank of India (RBI) against approved government securities.
Ans: Marginal Standing Facility (MSF)
76. Who issues Treasury bills (T-bills) in India?
Ans: Government of India
77. Treasury bills are available for a minimum amount of:
Ans: Rs. 25,000
78. Minimum & Maximum Limit of NEFT: **Ans: no limit**
79. Full form of CASA -
Ans: Current Account Saving Account
80. Govt. to implement GST (Goods & Services Tax) new indirect tax regime from: **Ans: 1st April 2016**
81. RBI extends deadline for exchanging pre-2005 currency from December 31, 2015 to - **30 June 2016**
82. How much amount RBI allows in 'Tap and pay' transactions without PIN?
Ans: Rs. 2000
83. RBI lifted a ban on carrying Indian bank notes of Rs 1,000 and Rs. 500 denominations to and from:
Ans: Nepal and Bhutan
84. C stands for in "KYC": **Ans: Customer**
85. Pension scheme for unorganized sector:
Ans: Swavalamban
86. Full form of REIT:
Ans: Real State Investment Trust
87. Forward Market Commission merge with: **Ans: SEBI**
88. Purpose of starting Minor account for 10 years children: **Ans: Financial inclusion**
89. Full form of CVV: **Ans: Card Verification Value**
90. Bank of International Settlement headquarter:
Ans: Switzerland
91. Who appoints Banking Ombudsman officer? **Ans: RBI**
92. IFRS full form:
Ans: International Financial Reporting Standards
93. Corporate Social Responsibility committee headed is by
Ans: Anil Bajjal
94. Which is the Regulatory body for RRBs?
Ans: NABARD
95. RBI policy related to money laundering?
Ans: Know Your Customer
96. Mutual funds regulated by:
Ans: SEBI (Securities and Exchange Board of India)
97. What is the full form of MTSS?
Ans: Money Transfer Service scheme
98. How much amount of money can RBI lend to a bank?
Ans: 2% of NDTL
99. What RBI does to Increase its Monetary Base?
Ans: OMO Open Market Operations
100. Which rate does RBI Reduces to Increase liquidity in market? **Ans: Repo Rate**
101. After completion of 15 years, Public Provident Fund (PPF) can be extended up to how many years?
Ans: 5 years
102. Short term Money lending process is known as:
Ans: Call Money
103. Treasury bill tenure:
Ans: 91 days, 182 days, 364 days
104. Minimum limit for medium scale enterprises is Rs. 5 Cr. what is maximum limit? **Ans: 10 Cr.**
105. Prime Lending Rate is replaced by: **Ans: Base rate**
106. Banks cannot grant Loan below which rate:
Ans: Base Rate
107. If RBI reduces CRR, what happens:
Ans: Credit Supply increases, loans get cheaper.
108. Name the scheme to include every people under banking system: **Ans: Financial Inclusion**
109. Special Drawing Right (SDR) is a monetary unit of:
Ans: IMF
110. Cheque which is not crossed is called:
Ans: Open cheque
111. Teaser rates are related to which type of loans:
Ans: Home loans
112. What is Teaser loan?
Ans: If a bank offers a slightly lower rate in the initial years and higher rate in later years, it is called a teaser loan.
113. The RBI policy rate which is purely an indicative rate used by RBI to signal long - term outlook on interest rates is: **Ans: Bank rate**
114. The term 'pre - shipment' finance relates to:
Ans: export credit
115. A receipt listed in India and traded in rupees declaring ownership of shares of a foreign company:
Ans: Indian Depository Receipt (IDR)
116. With effect from July 2012, for calculating of lending rates, the RBI has advised banks to switch over to the:
Ans: Base Rate systems

117. Mobile banking fund transfer limit in a day:
Ans: Rs. 50,000
118. The seed capital of Bhartiya Mahila Bank is:
Ans: Rs.1000 crore
119. "Lender of the Last Resort" by Banks is known as:
Ans: RBI
120. "Fixed deposit" is also referred to as: **Ans: Term Deposit**
121. The holidays for the banks are declared as per:
Ans: Negotiable Instruments Act
122. In banking business, when the borrowers avail a term Loan, initially they are given a repayment holiday and this is referred as: **Ans: Moratorium**
123. Regulator of Micro, Small and Medium enterprises in India:
Ans: SIDBI (Small Industries Development Bank of India)
124. A worldwide financial messaging network which exchanges between banks and financial institutions is known as:
Ans: Structured Financial Messaging System (SFMS)
125. The term "Smart Money" refers to:
Ans: Credits Card
126. The maximum deposit amount insured by DICGC?
Ans: Rs. 1 lakh per depositors across all banks
127. With reference to a cheque which is the 'drawee bank'?
Ans: The bank upon which the cheque is drawn
128. In which of the following fund transfer mechanisms, can funds be moved from one bank to another and where the transaction is settled instantly without being bunched with any other transaction?
Ans: RTGS
129. Bad advances of a Bank are called:
Ans: Non – performing Asset
130. By increasing repo rate, the economy may observe the following effects:
Ans: rate of interest on loans and advances will be costlier
131. Increased interest rates, as is existing in the economy at present will:
Ans: mean higher cost of raw materials
132. The sole authority to issue and manage currency in India: **Ans: RBI**
133. In India, one- rupee coins are issued by:
Ans: Govt. of India
134. Fixed deposits and recurring deposits are:
Ans: repayable after an agreed period
135. When a bank returns a cheque unpaid, it is called:
Ans: dishonour of the cheque
136. What is 'Demat Accounts'?
Ans: Accounts in which shares of various companies are traded in electronic form
137. When the rate of inflation increases:
Ans: purchasing power of money decreases
138. Banks in India are regulated under:
Ans: Banking Regulation Act, 1949
139. Banking sector falls under which of the following sectors? **Ans: Service Sector**
140. ASBA scheme is related to the purchase of:
Ans: IPO
141. In a bank, which of the following are the usual types of accounts?
Ans: Current accounts, Savings bank accounts and Term deposit accounts
142. The most powerful tool used by the Reserve Bank of India to control inflation is to:
Ans: raise interest rates
143. NEFT and RTGS in banking terminology speak of:
Ans: electronic fund transfer from bank to bank
144. The ownership of public sector banks rests:
Ans: jointly with the Government of India and the shareholders from the public
145. If a cheque is postdated, the bank on which it is drawn:
Ans: will not honour the cheque before the date of the cheque
146. Regulator of Capital Market in India:
Ans: SEBI
147. First Indian Bank to introduce credit card:
Ans: Central Bank of India
148. RBI nationalized in: **Ans: January 1, 1949**
149. Loans of very small amounts given to low income groups is called: **Ans: Micro Credit**
150. RBI established in: **Ans: April1, 1935**



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