

Quiz Date: 4<sup>th</sup> May 2020

Q1. What is meant by 'Underwriting' the term frequently used in financial sector?

- (a) Under valuation of the assets
- (b) The Act of taking on a risk
- (c) Giving a Guarantee that a loan will not become a bad loan
- (d) All of the above
- (e) None of the above

Q2. Which of the following is not a banking/finance related term?

- (a) Credit warp
- (b) EMI
- (c) Held to Maturity
- (d) Diffusion
- (e) None of the above

Q3. The single largest component of external debt is:

- (a) Commercial borrowings
- (b) Multilateral debt
- (c) Short term debt
- (d) NRI deposits
- (e) None of the above

Q4. Which one of the following rates is not decided by RBI?

- (a) Repo rate
- (b) Prime Lending rate
- (c) Bank rate
- (d) Marginal Standing Facility (MSF) rate
- (e) None of the above

Q5. Which of the following bank is generally not considered as Commercial bank?

- (a) Public Sector Bank
- (b) Private Sector Bank
- (c) Development Bank
- (d) Foreign Bank
- (e) None of the above

Q6. Which of the following is a Money Market Instrument?

- (a) Call Money
- (b) Treasury Bill
- (c) Collateralized Borrowing and Lending Obligations (CBLO)
- (d) All are Money Market Instruments
- (e) None of the above

Q7. In India National income is estimated by?

- (a) Finance Commission
- (b) Central Statistical Organisation
- (c) Planning Commission
- (d) Finance Ministry
- (e) None of the above



Q8. Which of the following rates is decided by the market conditions and not by RBI?

- (a) Bank rate
- (b) SLR
- (c) CRR
- (d) Inflation rate
- (e) None of the above

Q9. An average citizen of India cannot open a Savings account in which of the following?

- (a) Commercial bank
- (b) Post office
- (c) Co-operative bank
- (d) RBI
- (e) None of the above

Q10. Proposals for setting up of new banks are under active consideration. Which organisation gives the permission?

- (a) RBI
- (b) Indian Banks Association
- (c) Finance Ministry
- (d) Cabinet Committee on Economic Affairs
- (e) None of the above

Q11. Who was the first Indian Governor of the Reserve Bank of India?

- (a) C.D. Deshmukh
- (b) Schindra Ray
- (c) S. Mukherjee

- (d) I.G. Patel
- (e) None of the above

Q12. Transfer of any instrument to another person by signing on its back or face or on a slip of paper attached to it is known as \_\_\_\_\_.

- (a) Promissory note
- (b) Bill of lading
- (c) Bill of exchange
- (d) Endorsement
- (e) None of the above

Q13. What is meant by a scheduled bank?

- (a) The bank functioning under provisions of Banking Reg. Act 1949
- (b) A bank included in 2nd schedule of RBI Act, 1934
- (c) The bank incorporated under Banking Companies Act 1956
- (d) A bank authorised for banking functions
- (e) bank issued a license by RBI mentioning therein that it is a scheduled bank

Q14. What is the full form of ATM?

- (a) Autocash Teller Machine
- (b) Automobile Teller Machine
- (c) Automatic Teller Machine
- (d) Automated Teller Machine
- (e) None of the above

Q15. Financial year in banks is a period from \_\_\_\_\_.

- (a) January to December
- (b) May to April
- (c) April to March
- (d) february to January
- (e) July to June



### Solutions

S1. Ans.(b)

Sol. Undertaking refers to the act of taking on a risk for a fee. It is mainly provided by some large financial institutions. For example: Undertaking services are provided by banks, insurance companies, etc.

S2. Ans.(d)

Sol. Diffusion is not a banking/finance related term.

S3. Ans.(a)

Sol. Commercial borrowings were the largest component of external debt.

S4. Ans.(b)

Sol. Prime Lending rate is one of the following rates is not decided by RBI.

S5. Ans.(c)

Sol. Development Bank is generally not considered as Commercial bank.

S6. Ans.(b)

Sol. Treasury bills, or T-bills, are the most marketable money market securities. Governments issue them to borrow money for a short period.

S7. Ans.(b)

Sol. In India the estimates of national income are prepared by central statistical organization (C.S.O). Every year it issues a white paper on national income estimates.

S8. Ans.(d)

Sol. Inflation rate is decided by the market conditions and not by RBI.

S9. Ans.(d)

Sol. An average citizen in India cannot open a Savings account in Reserve Bank of India.

S10. Ans.(a)

Sol. RBI gives permission for setting up of new banks are under active consideration.

S11. Ans.(a)

Sol. The first Governor of the Reserve Bank of India was British banker Osborn Smith, while C.D. Deshmukh was the first Indian Governor of Reserve Bank of India.

S12. Ans.(d)

Sol. Transfer of any instrument to another person by signing on its back or face or on a slip of paper attached to it is known as Endorsement.

S13. Ans.(b)

Sol. Scheduled Banks as the name suggest are the banks, which are accounted in the Second Schedule of the Reserve Bank of India (RBI) Act, 1934.

S14. Ans.(d)

Sol. The full form of ATM is Automated Teller Machine. ATM is an electro-mechanical machine that is used for making financial transactions from a bank account. These machines are used to withdraw money from personal bank accounts.

S15. Ans.(c)

Sol. The 12-month period from April 1 to March 31 is widely accepted as the accounting/fiscal/financial year in our country.



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