Quiz Date: 18th June 2020

Q1. _____ is the rate at which the Reserve Bank is ready to buy or rediscount bills of exchange or other commercial papers.
(a) Bank Rate
(b) CRR
(c) Repo Rate
(d) PLR
(e) Reverse Repo Rate

Q2. PPP is a theory that measures prices at different locations using a common basket of goods. What is the full form of PPP?
(a) Personal Private Power
(b) Primary Power Parity
(c) Personal Private Parity
(d) Purchasing Power Parity
(e) Permanent Public Private

Q3. What is the Minimum amount of transfer required for RTGS is _____.
(a) Rs. 1 lakh
(b) Rs. 2 lakh
(c) Rs. 5 lakh
(d) Rs. 50,000
(e) No Limits

Q4. Who is the sole authority to issue and manage currency in India?
(a) State Bank of India
(b) Government of India
(c) Reserve Bank of India
(d) Finance Ministry
(e) None of the given options is true

Q5. In CRR, C stands for_____.
(a) Cash
(b) Company
(c) Core
(d) Currency
(e) Common

Q6. MICR code is used for _____.
(a) For Code Banking Solution
(b) For Electronic Funds Transfer
(c) For Electronic Clearance of Cheques

(d) For Cheque Truncation Services
(e) None of the given options is true

Q7. The Statutory Liquidity Ratio (SLR), the amount of liquid assets such as cash, precious metals and other short-term securities are kept with_____.
(a) RBI
(b) Individual banks
(c) SBI
(d) Finance Ministry
(e) None of the given options is true

Q8. 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 _____.
(a) 6 months
(b) 3 months
(c) 2 months
(d) 1 month
(e) 1 year

Q9. Money lent for more than one day but less than 15 days in the money market is known as _____.
(a) Notice Money
(b) Call Money
(c) Term Money
(d) Week Money
(e) None of the given options is true

Q10. Smart Money' is a term used for _____.
(a) Internet Banking
(b) Credit Card
(c) Mobile Apps
(d) Demand Drafts of Banks
(e) None of the given options is true

Q11. 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?
(a) 10
(b) 11
(c) 9
(d) 12
(e) 8

Q12. Which among the following committee constituted on Payment Banks license?
(a) Dr. Nachiket Mor
(b) Deepak Mohanty
(c) AC Shan
(d) BD Thakur
(e) None of the given options is true

Q13. SARFAESI Act 2002 related to _____.
(a) Acquisition of small banks
(b) Fixation of interest rates
(c) Recovery of bad loans
(d) Regulation of foreign exchange
(e) None of the given options is true

Q14. What is the full form of NDTL?
(a) Net Demand and Term Liability
(b) Net Demand and Time Liquidity
(c) Net Demand and Trade Liquidity
(d) Net Demand and Time Liability
(e) None of the given options is true

Q15. 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 _____.
(a) Bank
(b) City
(c) State
(d) Branch
(e) None of the given options is true

Solutions

S1. Ans.(a)
Sol. Bank Rate is the rate at which the Reserve Bank is ready to buy or rediscount bills of exchange or other commercial papers. The Bank Rate is published under Section 49 of the Reserve Bank of India Act, 1934. This rate has been aligned to the MSF rate and, therefore, changes automatically as and when the MSF rate changes alongside policy repo rate changes.

S2. Ans.(d)
Sol. Purchasing Power Parity (PPP) is a theory that measures prices at different locations using a common basket of goods. While PPP can be used to measure between two places using the same currency, its most common usage is between two locations that use different currencies.

S3. Ans.(b)
Sol. Minimum amount of transfer required for RTGS 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. RTGS transaction timings for Monday – Friday is 9 A.M to 4.30 P.M and for Saturday it is 9 A.M to 2 P.M.

S4. Ans.(c)
Sol. The Reserve Bank has the sole right to issue currency notes, except one rupee notes which are issued by the Ministry of Finance. ADVERTISEMENTS: The RBI follows a minimum reserve system in the note issue.

S5. Ans.(a)
Sol. Cash Reserve Ratio (CRR) is the share of a bank's total deposit that is mandated by the Reserve Bank of India (RBI) to be maintained with the latter in the form of liquid cash.

S6. Ans.(c)
Sol. MICR code is a code printed on cheques using MICR (Magnetic Ink Character Recognition technology). This enables identification of the cheques and which in turns means faster processing. An MICR code is a 9-digit code that uniquely identifies the bank and branch participating in an Electronic Clearing System (ECS).

S7. Ans.(b)
Sol. SLR is the ratio of deposit that the bank needs to maintain with them. CRR maintain in form of cash. SLR is maintained in form of gold, cash and other securities approved by RBI.

S8. Ans.(d)
Sol. 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 complaint, or the bank rejects the complaint, or if the complainant is not satisfied with the reply given by the bank.

S9. Ans.(a)
Sol. The money that is lent for one day in this market is known as "Call Money", and if it exceeds one day (but less than 15 days) it is referred to as "Notice Money". Term Money refers to Money lent for 15 days or more in the Inter Bank Market.

S10. Ans.(b)
Sol. Smart Money' is a term used for credit card, debit card etc.

S11. Ans.(b)
Sol. IFSC, expanded as Indian Financial System Code, is a unique 11-digit alphanumeric code that is used for online fund transfer transactions done via NEFT, RTGS and IMPS. Bank IFSC code can be usually found on the cheque leaf issued by the bank.

S12. Ans.(a)
Sol. Usha Thorat, former deputy governor of the Reserve Bank of India chaired the External Advisory Committee (EAC) to evaluate applications received for small finance banks, while Dr. Nachiket Mor, Director, Central Board of the Reserve Bank chaired the EAC for payment banks. More than 100 entities have applied for small finance and payment banks.

S13. Ans.(c)
Sol. The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (also known as the SARFAESI Act) is an Indian law. It allows banks and other financial institution to auction residential or commercial properties (of Defaulter) to recover loans.

S14. Ans.(d)
Sol. NDTL is 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.

S15. Ans.(b)
Sol. The Full form of MICR is Magnetic Ink Character Recognition. Magnetic Ink Character Recognition Code (MICR Code) is a character-recognition technology that is used mainly by the banking industry to recognise the originality of the document and to ease the processing and clearance of cheques and other documents. It is a technology used with the help of special ink and characters. MICR is printed on the bottom of cheques of the banks consisting of nine digits. First three digit denotes the city code, next three represent the bank code and last three tells about the branch code. This is called MICR code.