

Quiz Date: 22<sup>nd</sup> June 2020

Q1. Which of the following terms is used in the field of finance and banking?

- (a) Gauge Pressure
- (b) Quantum number
- (c) Adjustment Credit
- (d) Absolute Zero
- (e) Single bond

Q2. GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on-

- (a) 1st July 2016
- (b) 1st December 2016
- (c) 1st January 2017
- (d) 1st July 2017
- (e) 1st July 2018

Q3. Normally Banks accept Fixed Deposits for a maximum period of\_\_\_\_\_.

- (a) 5 years
- (b) 3 years
- (c) 7 years
- (d) 20 years
- (e) 10 years

Q4. What is the full form of IFRS-?

- (a) International Financial Reporting Standards
- (b) Indian Financial Rating Standards
- (c) International Financial Rating Standards
- (d) Indian Functional Reporting Standards
- (e) None of the given options is true

Q5. KYC guidelines followed by the Banks have been framed on the recommendations of the\_\_\_\_\_.

- (a) Ministry of Home Affairs
- (b) Ministry of Rural Development
- (c) Indian Banks Association
- (d) Financial Intelligence Unit
- (e) Reserve Bank of India

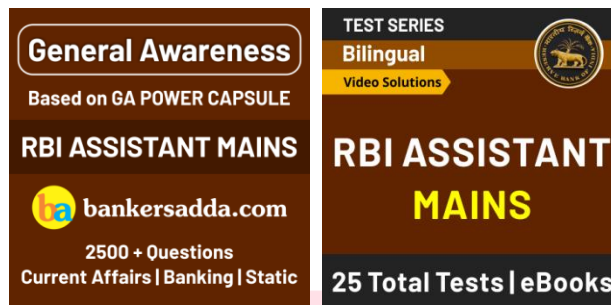
Q6. Short-term assets, representing amounts due to a vendor or suppliers of goods or services that were sold on credit terms is known as \_\_\_\_\_.

- (a) Account Receivable
- (b) Fixed Asset

- (c) Deposit Asset
- (d) Current Liabilities
- (e) None of the given options is true

Q7. What is the rate at which commercial banks charge on their surplus funds with RBI?

- (a) SLR
- (b) Reverse Repo Rate
- (c) Repo Rate
- (d) Cash Reverse Ratio
- (e) Bank Rate



Q8. \_\_\_\_\_ is the rate at which commercial bank needs to maintain in the form of cash, or gold or government approved securities (Bonds) before providing credit to its customers.

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

Q9. Who appoints the governor of Reserve Bank of India?

- (a) Financial Secretary
- (b) Financial Ministry
- (c) Government of India
- (d) President of India
- (e) None of the given options is true

Q10. FII Stands for \_\_\_\_\_.

- (a) Foreign Institutional Investor
- (b) Foreign International Investor
- (c) Forward Institutional Investor
- (d) Formal Institutional Investor
- (e) Formal International Investor

Q11. Which among the following is a qualitative tool of monetary policy?

- (a) Credit Ceiling
- (b) Credit Rationing
- (c) Cash Reserve Ratio
- (d) Bank Rate
- (e) None of the given options is true

Q12. In India, the Chit funds are governed regulated by \_\_\_\_\_.

- (a) Local Bodies
- (b) RBI
- (c) Central Government
- (d) State Government
- (e) None of the given options is true

Q13. CAG of India is an authority, established by Article 148 of the Constitution of India. CAG Stands for \_\_\_\_\_.

- (a) Comptroller and Auditor General of India
- (b) Constant and Author General of India
- (c) Constant Auditor General of India
- (d) Central Auditor General of India
- (e) None of the given options is true

Q14. What is the full form of CPI?

- (a) Cost Price Index
- (b) Current Price Index
- (c) Consumer Price Index
- (d) Cash Price Index
- (e) None of the given options is true

Q15. SEBI is a \_\_\_\_\_.

- (a) Non-Advisory body
- (b) Statutory body
- (c) Advisory body
- (d) Constitutional body
- (e) Non- Statutory body

### Solutions

S1. Ans.(c)

Sol. A banking credit adjustment is distinct from an accounting credit adjustment, but both constructs often interrelate. When a bank credits a customer account, it's simultaneously

increasing the client's cash balance and increasing its own debt account.

S2. Ans.(d)

Sol. GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017; Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition.

S3. Ans.(e)

Sol. A Term (Fixed) Deposit Accounts can be opened for a minimum period of 7 days up to maximum period of 10 years. The minimum/maximum periods are subject to change.

S4. Ans.(a)

Sol. International Financial Reporting Standards, usually called IFRS, are standards issued by the IFRS Foundation and the International Accounting Standards Board to provide a common global language for business affairs so that company accounts are understandable and comparable across international boundaries.

S5. Ans.(e)

Sol. KYC guidelines followed by the Banks have been framed on the recommendations of the RBI.

S6. Ans.(a)

Sol. Accounts receivable is the balance of money due to a firm for goods or services delivered or used but not yet paid for by customers. Said another way, account receivable are amounts of money owed by customers to another entity for goods or services delivered or used on credit but not yet paid for by clients.

S7. Ans.(b)

Sol. Reverse repo as the name suggests is an opposite contract to the Repo Rate. Reverse Repo rate is the rate at which the Reserve Bank of India borrows funds from the commercial banks in the country. In other words, it is the rate at which commercial banks in India park their excess money with Reserve Bank of India usually for a short-term. Current Reverse Repo Rate as of August 2019 is 5.15%.

S8. Ans.(d)

Sol. Section 24 and Section 56 of the Banking Regulation Act 1949 mandates all commercial banks in India to maintain SLR. It becomes pertinent to know in detail about the components of the SLR. These are assets one can easily convert into cash – like gold, treasury bills, govt-approved securities, government bonds and cash reserves.

S9. Ans.(c)

Sol. The Government of India has appoints the governor of RBI.

S10. Ans.(a)

Sol. A foreign institutional investor (FII) is an investor or investment fund registered in a country outside of the one in which it is investing.

S11. Ans.(b)

Sol. The quantitative instruments are Open Market Operations, Liquidity Adjustment Facility (Repo and Reverse Repo), Marginal Standing Facility, SLR, CRR, Bank Rate, Credit Ceiling etc. On the other hand, qualitative instruments are: credit rationing, moral suasion and direct action (by RBI on banks).

S12. Ans.(d)

Sol. Chit funds in India are governed by the Chit Funds Act, 1982. Under this Act, the chit fund businesses can be registered and regulated only by the respective State Governments. Regulator of chit funds is the Registrar of Chits appointed by respective state governments under Section 61 of Chit Funds Act.

S13. Ans.(a)

Sol. The Comptroller and Auditor General (CAG) of India is an authority, established by Article 148 of the Constitution of India, which audits all receipts and expenditure of the Government of India and the state governments, including those of bodies and authorities substantially financed by the government.

S14. Ans.(c)

Sol. A Consumer Price Index (CPI) measures changes in the price level of market basket of consumer goods and services purchased by households. The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically.

S15. Ans.(b)

Sol. Securities and Exchange Board of India (SEBI) is a statutory regulatory body entrusted with the responsibility to regulate the Indian capital markets. It monitors and regulates the securities market and protects the interests of the investors by enforcing certain rules and regulations



