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MCQs on Banking and Insurance

MCQs



1. Indian Commercial Banks are categorized into:

- a) Public sector Banks
- b) Foreign Banks
- c) Private Sector Banks
- d) All of the above
- e) None

2. Regional Rural Banks have been set up with the basic objectives of:

- a) Providing credit to semi - urban & urban population
- b) Providing deposits facilities to farmers
- c) Providing credit & deposit facilities to rural areas
- d) providing credit, deposit and other banking facilities to people in rural areas
- e) None

3. ____ is raised in capital markets

- a) Funds through long term securities
- b) Long term loans through Govt. securities
- c) medium term loans

- d) Short - term instruments
- e) None

4. Interest on Government securities on fixed basis is known as:

- a) Bank rate
- b) Coupon
- c) Prime Lending Rate
- d) Bench mark PLR
- e) None

5. ___ was not nationalized in 1969:

- a) Punjab National Bank
- b) Oriental Bank of commerce
- c) Bank of Baroda
- d) Union Bank of India
- e) None

6. In the first round 14 major banks with a liability base of ___ were nationalized:

- a) 10 crore or more
- b) 20 crore or more
- c) 50 crore or more
- d) 100 crore or more
- e) None

7. ___ do not attract TDS:

- a) Fixed deposits
- b) Reinvestment deposits
- c) NRO SB
- d) NRO FDR
- e) Recurring deposits

8. SLR is maintained as a percentage of:

- a) Time liabilities
- b) Demand liabilities

- c) Time and Demand liabilities
- d) Gross time and demand liabilities
- e) Net demand and time Liabilities

9. The maximum Statutory Liquidity Ratio to be maintained by banks is____:

- a) 25%
- b) 30%
- c) 35%
- d) 40%
- e) None

10. CRR funds are kept by the Banks in ____:

- a) Cash in hand at branches
- b) Balance with other banks
- c) Balance in a special Account with RBI
- d) Funds in the currency chest
- e) None

11. An increase in CRR by RBI leads to:

- a) Decrease in deposit
- b) increase in deposit
- c) Increase in lendable resources
- d) Decrease in lendable resources
- e) None

12. When RBI reduce the CRR it results into:

- a) Decrease in deposit
- b) increase in deposit
- c) Increase in lendable resources
- d) Decrease in lendable resources
- e) None

13. What is meant by development Oriented banking?

- a) Infrastructure financing
- b) Extending loans to States, which are undeveloped
- c) Taking up the task of development of the economy by providing support to under privileged sections of the society
- d) All the above
- e) None

14. Principal functions of SIDBI:

- a) Promotion of SSI
- b) Finance of SSI
- c) Development of SSI
- d) All the above
- e) None

15. ____ heads and conducts the affairs of RBI:

- a) Central Board
- b) local board
- c) Regional board
- d) All of the above
- e) None

16. RBI Provides ____ for meeting day - to - day receipt and expenditure mismatch to both Central and State Governments.

- a) treasury bills
- b) Ways and Means advance
- c) date and securities
- d) All the above
- e) None

17. RBI known as lender of last resort because:

- a) It has to meet the credit need of citizens to whom no one else is willing to lend
- b) Banks lend to go to RBI as a last resort
- c) It comes to help banks in times of crisis

- d) All of the above
- e) None

18. These days RBI uses Selective credit control measures rather infrequently because of:

- a) Deregulation of functions
- b) Autonomy given to banks
- c) Comfortable liquidity
- d) Reasonable inflation level
- e) All the above

19. Which is incorrect with regard to powers of RBI:

- a) Holds cash reserve banks
- b) Controls banking system through licensing
- c) Supervises Banking system through inspection
- d) None of the above
- e) All

20. Intervenes in markets to maintain the external value of the Indian rupee:

- a) Exporters
- b) Importers
- c) RBI
- d) IMF
- e) None

21. In India, forex rates are determined by:

- a) Importers b) Exporters
- c) RBI d) Ministry of commerce
- e) Demand and supply forces

22. Regional Rural Banks were set up on the recommendations of:

- a) Nariman committee
- b) Narasimham committee
- c) Gadgil committee

- d) Puri committee
- e) None

23. committee, launched the process of reforms of financial system in India:

- a) Gadgil committee
- b) Nariman committee
- c) Narasimham committee
- d) khanna Committee
- e) None

24. Which of the following can be categories as a Merchant Banking service?

- a) Consultancy on finance to a company
- b) Advance in capital structure
- c) Managing mergers
- d) Helping in finalizing take over
- e) All the above

25. The instrument which provides proprietary interest in company and which entitles a person to dividend on profits, is called?

- a) Bond
- b) Share
- c) Debenture
- d) Warrant
- e) Any of the above

26. Which of the following provides proper definition of a Mutual Funds?

- a) It is an association of members of public
- b) These members want to invest in financial instrument
- c) They want to invest in financial instrument assts of business sector
- d) All the above
- e) None

27. Which of the following organisations/agencies works solely to monitor and arrange flow of

agriculture credit in India?

- a) NABARD
- b) SIDBI
- c) RBI
- d) SEBI
- e) None of these

28. The currency notes of which of the following denominations are not printed in India ?

- a) Rs. 5
- b) Rs. 10
- c) Rs. 50
- d) Rs. 2500
- e) Rs. 1000

29. Which of the following is not the name of a bank functioning in India?

- a) Central Bank of India
- b) UCO Bank
- c) Aegon Religare
- d) Dena Bank
- e) ICICI Bank

30. When banks accept a fixed sum of money from an individual for a definite term and pay on maturity with interest, the deposit is known as :

- a) Term Deposit
- b) Demand Deposit
- c) Bond
- d) Mortgage
- e) Advance.

31. Which of the following terms NOT used in banking/finance related matters ?

- a) Discount Rate
- b) Letter of credit
- c) Policy Rate

- d) Exchange rate
- e) Base rate

32. Who amongst the following is the chief of SEBI?

- a) Milind Bhawe
- b) UK Sinha
- c) Shashikath Verma
- d) Shyamala Gopinath
- e) None of these

33. Which of the following is a leading electronic-payment technology firm?

- a) Visa
- b) Max
- c) BSE
- d) Sensex
- e) SWAP

34. Global Market means market of :

- a) USA
- b) China
- c) OPEC members
- d) European union countries
- e) All major countries and their alliances

Answers:

- 1) d
- 2) d
- 3) a
- 4) b
- 5) b
- 6) c
- 7) e
- 8) e

- 9) d
- 10) c
- 11) d
- 12) c
- 13) c
- 14) d
- 15) a
- 16) b
- 17) c
- 18) e
- 19) d
- 20) c
- 21) e
- 22) b
- 23) c
- 24) e
- 25) b
- 26) d
- 27) a
- 28) d
- 29) c
- 30) a
- 31) e
- 32) b
- 33) a
- 34) e