

Financial Inclusion

Question 1 : Sishu, Kishor, and Tarun are the schemes of

- a) Regional rural banks
- b) Micro Units Development and Refinance Agency Ltd (MUDRA)
- c) Small Industries Development Banks of India
- d) Industrial Development Bank of India

Answer : b

Question 2 : Which one among the following promoted the concept of self-help groups (SHGs) for financing the poor?

- a) RBI
- b) NABARD
- c) Union Ministry of Rural Development
- d) Union Ministry of Labour

Answer : b

Question 3 : The difference between a bank and a non-banking financial institution (NBFI) is that

- a) A bank interacts directly with customers, while an NBFI interacts with banks and governments
- b) A bank indulges in a number of activities relating to finance with a range of customers, while an NBFI is mainly concerned with the finances of foreign companies
- c) A bank deals with both internal and international customers, while an NBFI is mainly concerned with the finances of foreign companies
- d) A bank's main interest is to help in business transactions and savings/investment activities, while an NBFI's main interest is the stabilization of currency

Answer : b

Question 4 : Which of the following statements is incorrect regarding digital and virtual currencies?

- a) Digital currency is recognized by the Reserve Bank of India, but virtual currency is not recognized by it.
- b) Digital currency can be used as such across the world, but virtual currencies can be used within particular geographies.
- c) Digital currencies are issued by central banks, whereas virtual currencies are issued electronically.
- d) None of the above.

Answer : b

Question 5 : Consider the following statements regarding payments banks :

1. Payments banks can accept deposits up to Rs. 5 lakhs under savings and current accounts.
2. Payments banks can issue both credit and debit cards.

Which of the statements given above is/are correct ?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer : d

Question 6 : How is Sharia banking different from regular banking ?

1. Sharia banking prohibits charging of interest on loans.
2. Sharia banking share the profits of borrower's business.

Which of the statements given above is/are correct ?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer : c

Question 7 : Consider the following statements regarding prepaid payment instruments :

1. Prepaid payment instruments are methods that facilitate purchase of goods and services against the value stored in such instruments.
2. The value stored in such instruments represents the value paid by the holder either by cash or by credit to a bank account or by credit card.
3. The prepaid instruments can be issued as smart cards, magnetic stripe cards, Internet accounts, online wallets, paper vouchers, and any such instruments used to access the prepaid account.
4. Interest paid on the prepaid instruments is similar to that paid on a savings bank account.

Which of the statements given above is/are correct ?

- a) 1 and 2 only
- b) 2 and 3 only
- c) 1, 2, and 3 only
- d) 1, 2, 3, and 4

Answer : c

Question 8 : With reference to non-banking financial companies (NBFCs) in India, consider the following statements:

1. They can offer any rate of interest subject to their financial capacity.
2. They can not accept deposits repayable on demand.

Which of the statements given above is/are correct ?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer : b

Question 9 : Consider the following statements regarding nidhi companies :

1. Nidhi companies can borrow and lend to the members only.
2. They are registered under the Companies Act and are regulated by the Ministry of Cooperate Affairs.
3. They are included under NBFCs and are also regulated by the RBI.

Which of the statements given above is/are correct ?

- a) 1 and 2 only
- b) 1 and 3 only
- c) 3 only
- d) 1, 2, and 3

Answer : d

Question 10 : How does shadow banking differ from commercial banking?

1. While commercial banks are tightly regulated, shadow banking is not well regulated.
2. While commercial banks, being depository institutions, can create money, shadow banking can not create money.
3. While liabilities of commercial banks are insured, shadow banking liabilities are not insured.
4. While commercial banks access to central bank liquidity in the times of distress, shadow banking does not have such resource.

Select the correct answer using the codes given below :

- a) 1 only
- b) 1 and 2 only
- c) 2, 3 and 4 only
- d) 1, 2, 3, and 4

Answer : d

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