

Banking Act 1949 and History of Banking

1) The liberalization of Indian Banking and Regulation was done based on recommendation of _____?

- Published on 17 Feb 17

- a. R Gandhi Committee
- b. Narasimham Committee
- c. Basel Committee
- d. Khusro Committee

ANSWER: Narasimham Committee

2) In April 1980, ____ banks were nationalized in India?

- Published on 17 Feb 17

- a. 3
- b. 5
- c. 6
- d. 7

ANSWER: 6

3) How many banks were nationalized in India in the year 1969?

- Published on 17 Feb 17

- a. 12
- b. 29
- c. 14
- d. 6

ANSWER: 14

4) In which year were the Subsidiaries of SBI nationalized?

- Published on 17 Feb 17

- a. 1955
- b. 1949
- c. 1959
- d. 1969

ANSWER: 1959

5) Imperial Bank of India was nationalized in which year?

- Published on 16 Feb 17

- a. 1945
- b. 1955
- c. 1949
- d. 1965

ANSWER: 1955

6) What was the State Bank of India called before it was created through SBI Act?

- Published on 16 Feb 17

- a. Bank of Hindustan
- b. Bank of Madras
- c. Imperial Bank of India
- d. Imperial Bank of Calcutta

ANSWER: Imperial Bank of India

7) Which of the following was the first Indian bank to open a branch on foreign soil?

- Published on 16 Feb 17

- a. Bank of Baroda
- b. Bank of India
- c. Punjab National Bank
- d. Bank of Allahabad

ANSWER: Bank of India

8) In which year was The Banking Regulation Act passed in India?

- Published on 16 Feb 17

- a. 1947
- b. 1935
- c. 1949
- d. 1965

ANSWER: 1949

9) Original headquarters of RBI were located at which of the following place?

- Published on 15 Feb 17

- a. Calcutta
- b. Bombay
- c. Delhi
- d. Chennai

ANSWER: Calcutta

10) On which date was the Reserve Bank of India established?

- Published on 15 Feb 17

- a. April 1, 1935
- b. July 12, 1982
- c. January 1, 1949
- d. August 15, 1947

ANSWER: April 1, 1935

11) In which year did the Hilton Young Commission submit its report?

- Published on 13 Feb 17

- a. 1926
- b. 1921
- c. 1935
- d. 1947

ANSWER: 1926

12) Oudh Commercial Bank was founded in the year _____?

- Published on 13 Feb 17

- a. 1913
- b. 1917
- c. 1894
- d. 1881

ANSWER: 1881

13) Which of the following is the Oldest Joint Stock Bank of India which is still working?

- Published on 08 Feb 17

- a. Allahabad Bank
- b. Bank of Upper India
- c. Patiala Bank
- d. State Bank of India

Answer Explanation

ANSWER: Allahabad Bank

14) Which was the first bank to introduce savings account in India?

- Published on 08 Feb 17

- a. Bank of Hindustan
- b. General Bank of India
- c. Presidency Banks
- d. Bengal Bank

ANSWER: Presidency Banks

15) Which was the first bank to introduce cheque system in India?

- Published on 07 Feb 17

- a. Bengal Bank
- b. Bank of Hindustan
- c. General Bank of India
- d. Presidency Bank

ANSWER: Bengal Bank

Government and Private Bank List

1) When did The RBI Act 1934, come into force?

- A) 01 April 1935
- B) 01 March 1934
- C) 01 May 1934
- D) 23 April 1935

Answer –A) 01 April 1935

2) Which section of The RBI Act 1934 deals with the Local Boards, their constitution, and functions?

- A. Section 12 of The RBI Act 1934
- B. Section 9 of The RBI Act 1934
- C. Section 14 of The RBI Act 1934
- D. Section 20 of The RBI Act 1934

Answer B. Section 9 of The RBI Act 1934

3.Which section of The RBI Act 1934 deals with Business which the Bank may transact?

- A. Section 16 of The RBI Act 1934
- B. Section 14 of The RBI Act 1934
- C. Section 17 of The RBI Act 1934
- D. Section 18 of The RBI Act 1934

Answer – C. Section 17 of The RBI Act 1934

4.Section 25 of The RBI Act 1934deals with_____?

- A. Re-issue notes
- B. Form of banknotes

- C. Assets of the Issue Department
- D. Obligation to supply different forms of currency

Ans- B. Form of banknotes

5. Bank to have the right to transact Government business in India is provided in section___ of The RBI Act 1934

- A. Section 24 of The RBI Act 1934
- B. Section 22 of The RBI Act 1934
- C. Section 21 of The RBI Act 1934
- D. Section 23 of The RBI Act 1934

Ans- C. Section 21 of The RBI Act 1934

6. Current account deposits are

- a) Non repayable
- b) Non repayable on demand
- c) Repayable on demand
- d) None of these

Answer: C

7.. What is Repo Rate?

- a) Rate at which RBI allows temporary loan facilities to commercial banks against government securities only on the condition that the bank will repurchase the securities within a short period.
- b) Rate offered by banks to their prime customers.
- c) When any bank has excess cash, securities are bought from RBI against cash with the condition that they will resell the securities to RBI on a pre fixed day and price.
- d) When a bank is in need of cash it can discount bills of exchange and avail loan facilities from Reserve Bank of India.

Answer: A

8.. Which is the first commercial bank incorporated by the Indians in 1881?

- a) Imperial Bank Of India
- b) Awadh Commercial Bank
- c) Reserve Bank Of India
- d) State Bank Of India

Answer: B

9..By performing open market operation transactions, RBI regulates which of these factors

- a) Borrowing power of the commercial banks
- b) Inflation
- c) Money supply in the economy
- d) Both B & C

Answer: D

10.When RBI increases the cash reserve ratio (CRR), it will

- a) Decrease money supply in the economy
- b) Increase money supply in the economy
- c) Increase supply initially but decrease automatically later on.
- d) No impact on money supply in the economy

Answer: A

11.Co-operative movement originated first in

A Germany

B England

C France

D Spain

Answer: England

12 'One man one vote' principle was recommended by ----- Committee

A Gorwala

B Mac Lagan

C Minto Morley

D Montague Chelmsford

Answer: Mac Lagan

13 The members of a Co-operative Society have ----- liability

A Limited

B Unlimited

C Joint

D Joint and Several

Answer: Limited

14 Which of the following organizational structure is followed by Co-operatives in India?

A Unitary Structure

B Federal Structure

C Centralized Structure

D Decentralized Structure

Answer: Federal Structure

15. A novel form of cooperative organization known as Producer Company was introduced by amending the

A Companies Act, 1956

B Companies Act, 1913

C Cooperative societies Act of 1904

D Cooperative societies Act of 1912

Answer: Companies Act, 1956

Nationalisation of Banking in India and HQ

1 All of the following are subsidiaries of the State Bank of India, except:

- (a) State Bank of Bikaner and Jaipur
- (b) Central Bank of India
- (c) State Bank of Hyderabad
- (d) State Bank of Patiala

Ans: (b)

2. Consider the following events:

- 1. Conversion of Imperial Bank of India into S.B.I.
- 2. Establishment of NABARD
- 3. Setting up of RRBs
- 4. Nationalisation of R.B.I.

The correct chronological sequence of these events is : [CDS 1999]

- (a) 4, 1, 2, 3
- (b) 4, 1, 3, 2
- (c) 1, 4, 3, 2
- (d) 1, 4, 2, 3

Ans: (b)

3. Word Bull and Big are associated with which branch of commercial activity? [UP PCS 2002]

- (a) Foreign Trade
- (b) Banking
- (c) Share Market
- (d) Manufacturing

Ans: (c)

4. How do we define the terms bull and bear with regard to stock markets?

- (a) A bull is an optimistic operator who first buys and then sells shares in expectation of the price going up; a bear is a pessimistic market operator who sells the shares in expectation of buying them back at a lower price
- (b) There is nothing significantly different as both operate in the capital market
- (c) Bull is one who first sells a share and then buys it at a lower price; bear means one who

first buys and then sells it in expectation of prices going up

(d) A bull is ready to buy any share; a bear only deals in government securities

Ans: (a)

5. The first Bank established in India was

(a) Punjab National Bank

(b) Traders Bank

(c) State Bank of India

(d) Bank of Hindustan

Ans: (d)

6. In India, the first bank of limited liability managed by Indians and founded in 1881 was:

(a) Hindustan Commercial Bank

(b) Oudh Commercial Bank

(c) Punjab National Bank

(d) Punjab and Sind Bank

Ans: (b)

7. Which amongst the following rural banks has been named after a river? [NDA 2002]

(a) Prathama Bank

(b) Varada Grameen Bank

(c) Thar Anchalik Grameen Bank

(d) Aravali Kshetriya Grameen Bank

Ans: (b)

8. A Scheduled Bank is one which is included in the: [CPO SI 2002]

(a) II Schedule of Banking Regulation Act

(b) II Schedule of Constitution

(c) II Schedule of Reserve Bank of India Act

(d) None of the above

Ans: (a)

9. What is the animal on the insignia of the RBI ? [CPO SI 2002]

(a) Lion

(b) Tiger

- (c) Panther
- (d) Elephant

Ans: (c)

10. For regulation of the Insurance Trade in the country the Government has formed: [UP PCS 2002]

- (a) SEBI
- (b) Reserve Bank of India
- (c) Insurance Regulatory and Development Authority
- (d) General Insurance Corporation

Ans: (c)