

Priority Sector Lending

1. What is Priority Sector Lending?
 - a. A specially marked territory or enclave within the national borders of a country that has more liberal economic laws than the rest of the country
 - b. A financial inclusion program of the Government of India open to Indian citizens
 - c. A financial product commonly sold by banks, thrift institutions, and credit unions
 - d. It means those sectors which the Government of India and Reserve Bank of India consider as important for the development of the basic needs of the country and are to be given priority over other sectors
2. Priority Sector includes which of the following categories?
 - a. Agriculture
 - b. Micro, Small and Medium Enterprises (MSME)
 - c. Export Credit
 - d. All of the above
3. What are Priority Sector Lending Certificates (PSLCs)?
 - a. A certificate issued by a bank to a person depositing money for a specified length of time at a specified rate of interest
 - b. A mechanism to enable banks to achieve the priority sector lending target and sub-targets by purchase of these instruments in the event of shortfall
 - c. An unsecured promissory note with a fixed maturity of rarely more than 270 days
 - d. A negotiable instrument is a document guaranteeing the payment of a specific amount of money, either on demand, or at a set time, whose payer is usually named on the document
4. Which Organisation has assigned priority sector lending (PSL) status to India's startup sector?
 - a. SBI
 - b. Ministry of Finance
 - c. RBI
 - d. NITI Ayog
5. What is/are the guidelines for PSL for scheduled commercial banks?
 - a. 10% of the priority sector advances or 10% of the total net bank credit, whichever is higher should go to weaker section
 - b. 40% of the total net bank credit should go to a priority sector advances
 - c. 18% of the total net bank credit should go to agricultural advances.
 - d. All of the above
6. Which of the following is Not a category under 'Agriculture'?
 - a. Farm credit
 - b. Agriculture infrastructure
 - c. Land Lease

- d. Ancillary activities
7. The applicable limit and purpose for loans for renewable energy under priority sector is set up at what amount for individual households?
- a. ₹ 1 million
 - b. ₹ 2 million
 - c. ₹ 3 million
 - d. ₹ 4 million
8. The loan limit for education under priority sector is-
- a. ₹ 1 million
 - b. ₹ 2 million
 - c. ₹ 3 million
 - d. ₹ 4 million
9. Which of the following borrowers is/are included under Weaker Sections under priority sector?
- a. Small and Marginal Farmers
 - b. Scheduled Castes and Scheduled Tribes
 - c. Distressed farmers indebted to non-institutional lenders
 - d. All of the above
10. What is the limit for housing loans to individuals in metropolitan centres (with population of ten lakh and above under priority sector)?
- a. ₹1.5 million
 - b. ₹2.5 million
 - c. ₹3.5 million
 - d. ₹4.5 million

Answers

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|--------|---------|--------|--------|--------|--------|--------|--------|
| 1. (d) | 2. (d) | 3. (b) | 4. (c) | 5. (d) | 6. (c) | 7. (a) | 8. (a) |
| 9. (d) | 10. (c) | | | | | | |