

RESERVE BANK OF INDIA (RBI)

1. The section 19 of the Reserve Bank of India Act, 1934 states that the Reserve Bank of India has been prohibited from?
 - a. making loans or advances.
 - b. drawing or accepting bills payable otherwise than on demand.
 - c. allowing interest on deposits or current accounts.
 - d. all of the above.
2. In the Reserve Bank of India Act, 1934, it prohibits of making or issuing of a expressed to be payable to bearer thereof?
 - a. cheque
 - b. bill of exchange
 - c. promissory note
 - d. demand draft
3. Drawing accepting, making or issuing of any promissory note, hundi or bill of exchange expressed to be payable to bearer on demand by a person other than the Reserve Bank of India or the Central Government is prohibited under?
 - a. Banking Regulation Act, 1949
 - b. Section 31 (1) of the Reserve Bank of India Act, 1934
 - c. Indian Contract Act, 1872
 - d. None of the above
4. Rupee coins are the legal tender in India under the provisions of?
 - a. The Reserve Bank of India Act, 1934
 - b. Negotiable Instrument Act, 1881
 - c. Banking Regulation Act, 1949
 - d. Indian Coinage Act, 1906
5. In India, the system of decimal coinage was introduced on?
 - a. 15th August, 1947
 - b. 26th January, 1950
 - c. 1st April, 1957
 - d. All of the above
6. In terms of Section 24 of the Reserve Bank of India Act, 1934, the Reserve Bank of India may issue bank notes for the maximum denomination of?
 - a. 500 rupees
 - b. 5000 rupees
 - c. 10000 rupees
 - d. 1000 rupees

7. The Reserve Bank of India has directed all the banks to ensure that the names of their customers, individuals or corporate, do not appear in any list published by the Security Council Committee. This act/ directive of the R B I is to ensure which of the following?
- To ensure that the bank loans/ advances taken by the individuals/ organisations are used only in those activities for which they are taken.
 - To ensure that money deposited in the bank has not come from unknown and unauthorised sources.
 - To ensure that no one visits a foreign nation for any illegal activity by purchasing foreign currency from a bank.
 - To ensure that Indians don't go to a nation where they are being targetted for racial discrimination.
8. As per newspaper reports, inflation in India and China was at a very high level. In such a situation the Central Banks of these countries are required to follow?
- a more liberal credit policy.
 - a very tight credit policy.
 - create an atmosphere of easy liquidity in the market.
 - raise the limits of personal and corporate income taxes.
9. As we all know, banks in India are required to maintain a portion of their demand and time liabilities with the Reserve Bank of India. This portion is called?
- statutory liquidity ratio.
 - cash reserve ratio
 - bank deposit
 - reserve repo
10. Reserve Bank of India is the lender of the last resort to scheduled commercial banks because?
- the parties can approach R B I when their limits are exhausted.
 - they are not able to get loans from other banks.
 - R B I meets directly or indirectly all their reasonable demands for financial accommodation subject to certain terms and conditions which constitute its discount rate policy.
 - All of the above.
11. Banks without the prior approval of the Reserve Bank of India (R B I), can't:
- open a new place of business in India or abroad.
 - shift otherwise that within the same centres (city/ town/ village) of the existing place of business.
 - shift their sole rural branch outside the centre/ village is not permitted, as such shifting would render the centre unabated.
 - All of the above.
12. The interest rate at which the RBI lends to commercial banks in the short term to maintain liquidity is known as:
- interest rate
 - repo rate
 - reverse repo rate

d. bank rate

13. Who was the first governor of Reserve Bank of India from Indian origin?

- a. Osborne Smith
- b. C. Rajagopalachari
- c. L. K. Jha
- d. C.D. Deshmukh

14. What is CRR?

- a. Cash Reserve Ratio
- b. Current Ratio Rate
- c. Review Report
- d. Credit Rating Record

15. Where is the Head Quarter of Reserve Bank of India?

- a. Mumbai
- b. Delhi
- c. Kolkotta
- d. Ahmedabad

Answers

- | | | | | | | | |
|--------|---------|---------|---------|---------|---------|---------|--------|
| 1. (d) | 2. (c) | 3. (b) | 4. (d) | 5. (c) | 6. (c) | 7. (c) | 8. (b) |
| 9. (b) | 10. (c) | 11. (d) | 12. (b) | 13. (d) | 14. (a) | 15. (a) | |