

General Banking Awareness Questions

1. RBI's open market operation transactions are carried out with a view to regulate—

- (A) Liquidity in the economy
- (B) Prices of essential commodities
- (C) Inflation
- (D) Borrowing power of the banks
- (E) All the above

2. When more than one banks are allowing credit facilities to one party in coordination with each other under a formal arrangement, the arrangement is generally known as—

- (A) Participation
- (B) Consortium
- (C) Syndication
- (D) Multiple banking
- (E) None of these

3. Open market operations, one of the measures taken by RBI in order to control credit expansion in the economy means —

- (A) Sale or purchase of Govt. securities
- (B) Issuance of different types of bonds
- (C) Auction of gold
- (D) To make available direct finance to borrowers
- (E) None of these

4. The bank rate means—

- (A) Rate of interest charged by commercial banks from borrowers

- (B) Rate of interest at which commercial banks discounted bills of their borrowers
- (C) Rate of interest allowed by commercial banks on their deposits
- (D) Rate at which RBI purchases or rediscounts bills of exchange of commercial banks
- (E) None of these

5. What is an Indian Depository Receipt ?

- (A) A deposit account with a Public Sector Bank
- (B) A depository account with any of Depositories in India
- (C) An instrument in the form of depository receipt created by an Indian depository against underlying equity shares of the issuing company
- (D) An instrument in the form of deposit receipt issued by Indian depositories
- (E) None of these

6. An instrument that derives its value from a specified underlying (currency, gold, stocks etc.) is known as—

- (A) Derivative
- (B) Securitisation Receipts
- (C) Hedge Fund
- (D) Factoring
- (E) Venture Capital Funding

7. Fiscal deficit is—

- (A) total income less Govt. borrowing
- (B) total payments less total receipts
- (C) total payments less capital receipts
- (D) total expenditure less total receipts excluding borrowing
- (E) None of these

8. In the Capital Market, the term arbitrage is used with reference to—

- (A) purchase of securities to cover the sale
- (B) sale of securities to reduce the loss on purchase
- (C) simultaneous purchase and sale of securities to make profits from price
- (D) variation in different markets
- (E) Any of the above

9. Reverse repo means—

- (A) Injecting liquidity by the Central Bank of a country through purchase of Govt. securities
- (B) Absorption of liquidity from the market by sale of Govt. securities
- (C) Balancing liquidity with a view to enhancing economic growth rate
- (D) Improving the position of availability of the securities in the market
- (E) Any of the above

10. The stance of RBI monetary policy is—

- (A) inflation control with adequate liquidity for growth
- (B) improving credit quality of the Banks
- (C) strengthening credit delivery mechanism
- (D) supporting investment demand in the economy
- (E) Any of the above

11. Currency Swap is an instrument to manage—

- (A) Currency risk
- (B) interest rate risk
- (C) currency and interest rate risk
- (D) cash flows in different currencies

(E) All of the above

12. 'Sub-prime' refers to—

(A) lending done by banks at rates below PLR

(B) funds raised by the banks at sub-Libor rates

(C) Group of banks which are not rated as prime banks as per Banker's Almanac

(D) lending done by financing institutions including banks to customers not meeting with normally required credit appraisal standards

(E) All of the above

13. Euro Bond is an instrument—

(A) issued in the European market

(B) issued in Euro Currency

(C) issued in a country other than the country of the currency of the Bond

(D) All of the above

(E) None of these

14. Money Laundering normally involves—

(A) placement of funds

(B) layering of funds

(C) integration of funds

(D) All of (A), (B) and (C)

(E) None of (A), (B) and (C)

15. The IMF and the World Bank were conceived as institutions to—

(A) strengthen international economic co-operation and to help create a more stable and prosperous global economy

(B) IMF promotes international monetary cooperation

(C) The World Bank promotes long term economic development and poverty reduction

(D) All of (A), (B) and (C)

(E) None of (A), (B) and (C)

16. Capital Market Regulator is—

(A) RBI

(B) IRDA

(C) NSE

(D) BSE

(E) SEBI

17. In the term BRIC, R stands for—

(A) Romania

(B) Rajithan

(C) Russia

(D) Regulation

(E) None of these

18. FDI refers to—

(A) Fixed Deposit Interest

(B) Fixed Deposit Investment

(C) Foreign Direct Investment

(D) Future Derivative Investment

(E) None of these

19. What is Call Money ?

(A) Money borrowed or lent for a day or over night

- (B) Money borrowed for more than one day but upto 3 days
- (C) Money borrowed for more than one day but upto 7 days
- (D) Money borrowed for more than one day but upto 14 days
- (E) None of these

20. Which is the first Indian company to be listed in NASDAQ ?

- (A) Reliance
- (B) TCS
- (C) HCL
- (D) Infosys
- (E) None of these

21. Which of the following is the Regulator of the credit rating agencies in India ?

- (A) RBI
- (B) SBI
- (C) SIDBI
- (D) SEBI
- (E) None of these

22. Who is Brand Endorsing Personality of Bank of Baroda ?

- (A) Juhi Chawla
- (B) Kiran Bedi
- (C) Amitabh Bachchan
- (D) Kapil Dev
- (E) None of these

23. The branding line of Bank of Baroda is—

- (A) International Bank of India
- (B) India's International Bank
- (C) India's Multinational Bank
- (D) World's local Bank
- (E) None of these

24. The logo of Bank of Baroda is known as—

- (A) Sun of Bank of Baroda
- (B) Baroda Sun
- (C) Bank of Baroda's Rays
- (D) Sunlight of Bank of Baroda
- (E) None of these

25. Which of the following statements(s) is/are True about the exports of China which is a close competitor of India ?

(i) China's economic success is basically on the fact that it exports cheaper goods to rich nations like the USA, etc.

(ii) In the year 2007 China's exports became almost 40% of its GDP.

(iii) When compared to India China's share in the World Exports is more than 30% whereas India's share is mere 6% of the global exports.

- (A) Only (i)
- (B) Only (ii)
- (C) Both (i) and (ii)
- (D) All (i), (ii) and (iii)
- (E) None of these

26. One of the major challenges banking industry is facing these days is money laundering. Which of the following acts/norms are launched by the banks to prevent money laundering in general ?

- (A) Know Your Customer Norms
- (B) Banking Regulation Act
- (C) Negotiable Instrument Act
- (D) Narcotics and Psychotropic Substance Act
- (E) None of these

27. Lot of Banks in India these days are offering M-Banking Facility to their customers. What is the full form of 'M' in 'M-Banking' ?

- (A) Money
- (B) Marginal
- (C) Message
- (D) Mutual Fund
- (E) Mobile Phone

28. Which of the following is/are true about the 'Sub-Prime Crisis' ? (The term was very much in news recently.)

- (i) It is a mortgage crisis referring to credit default by the borrowers.
- (ii) Sub-Prime borrowers were those borrowers who were rated low and were high risk borrowers.
- (iii) This crisis originated because of negligence in credit rating of the borrowers.

- (A) Only (i)
- (B) Only (ii)
- (C) Only (iii)
- (D) All (i), (ii) and (iii)
- (E) None of these

29. Which of the following is not the part of the structure of the Financial System in India ?

- (A) Industrial Finance
- (B) Agricultural Finance
- (C) Government Finance
- (D) Development Finance
- (E) Personal Finance

30. Which of the following is not the part of the scheduled banking structure in India ?

- (A) Money Lenders
- (B) Public Sector Banks
- (C) Private Sector Banks
- (D) Regional Rural Banks
- (E) State Co-operative Banks

31. As we all know Govt. of India collects tax revenue on various activities in the country. Which of the following is a part of the tax revenue of the Govt. ?

- (i) Tax on Income
 - (ii) Tax on Expenditure
 - (iii) Tax on Property or Capital Asset
 - (iv) Tax on Goods and Services
- (A) Both (i) and (iii) only
 - (B) Both (ii) and (iv) only
 - (C) All (i), (ii), (iii) and (iv)
 - (D) Only (ii), (iii) and (iv)
 - (E) None of these

32. We very frequently read about Special Economic Zones (SEZs) in newspapers. These SEZs were established with which of the following objectives ?

- (i) To attract foreign investment directly.
- (ii) To protect domestic market from direct competition from multinationals.
- (iii) To provide more capital to agricultural and allied activities.

- (A) Only (i)
- (B) Only (ii)
- (C) Only (iii)
- (D) All (i), (ii) and (iii)
- (E) None of these

33. Which of the following groups of countries has almost 50% share in global emission of carbon every year ?

- (A) US, China, India, South Africa
- (B) India, China, Russia, Britain
- (C) South Africa, Nepal, Myanmar
- (D) US, Russia, China & India
- (E) None of these

34. Which of the following correctly describes the concept of 'Nuclear Bank' floated by International Atomic Energy Agency ?

- (i) It is a nuclear fuel bank to be shared by all the nations jointly.
- (ii) It is a facility to help nations in enrichment of uranium.
- (iii) It is an agency which will keep a close vigil on the nuclear programme of all the nations.

- (A) Only (i)
- (B) Only (ii)

(C) Both (i) and (iii) only

(D) Only (iii)

(E) Both (i) and (ii) only

35. Many times we read about Future Trading in newspapers. What is 'Future Trading' ?

(i) It is nothing but a trade between any two stock exchanges wherein it is decided to

purchase the stocks of each other on a fixed price throughout the year.

(ii) It is an agreement between two parties to buy or sell an underlying asset in the future

at a predetermined price.

(iii) It is an agreement between stock exchanges that they will not trade the stocks of each

other under any circumstances in future or for a given period of time.

(A) Only (i)

(B) Only (ii)

(C) Only (iii)

(D) All (i), (ii) and (iii)

(E) None of these

36. Inflation in India is measured on which of the following indexes/indicators ?

(A) Cost of Living Index (COLI)

(B) Consumer Price Index (CPI)

(C) Gross Domestic Product

(D) Wholesale Price Index (WPI)

(E) None of these

37. As per the reports published in the newspapers a section of society staged a demonstration at the venue of the G-8 Summit recently. What was/were the issues towards which these demonstrators were trying to draw the

attention of G-8 leaders ?

(i) Food shortage which has taken 50 million people in its grip.

(ii) Inflation which has gone up substantially across the Globe.

(iii) USA's consistent presence in Iraq.

(A) Only (i)

(B) Only (ii)

(C) Only (iii)

(D) Both (i) and (ii) only

(E) None of these

38. Hillary Clinton formally suspended her campaign to ensure election of who amongst the following for the next President of USA ?

(A) George Bush

(B) Barack Obama

(C) John McCain

(D) Bill Clinton

(E) None of these

39. Hugo Chavez whose name was recently in news is the—

(A) President of Congo

(B) Prime Minister of Uganda

(C) President of Venezuela

(D) Prime Minister of Brazil

(E) None of these

40. The Govt. of India has raised the amount of the Loan Waiver to the farmers by 20%. Now the amount is nearly —

- (A) Rs. 60,000 crore
- (B) Rs. 65,000 crore
- (C) Rs. 72,000 crore
- (D) Rs. 76,000 crore
- (E) Rs. 80,000 crore

41. Delimitation Commission has made a recommendation that next Census should be Panchayat-wise. When is the next Census due ?

- (A) 2010
- (B) 2011
- (C) 2012
- (D) 2013
- (E) 2015

42. The World Health Organisation has urged that advertisements of which of the following should be banned to protect youth from bad effects of the same ?

- (A) Tobacco
- (B) Alcoholic drinks
- (C) Junk Food
- (D) Soft drinks with chemical preservatives
- (E) None of these

43. Which of the following countries has allocated a huge amount of US \$ 10 billion to provide relief to its earthquake victims ?

- (A) Japan
- (B) South Korea
- (C) China

(D) South Africa

(E) None of these

44. India and Nepal have many agreements on sharing of the water of various rivers. Which of the following rivers is not covered under these agreements ?

(A) Kosi

(B) Gandak

(C) Ganga

(D) Mahakali

(E) All these rivers are covered

45. Which of the following names is not closely associated with space programme of India or any other country ?

(A) CARTOSAT

(B) NLS – 5

(C) RUBIN – 8

(D) GSLV

(E) SCOPE

46. Vijay Hazare Trophy is associated with the game of—

(A) Hockey

(B) Cricket

(C) Badminton

(D) Football

(E) Golf

47. Which of the following was the theme of the Olympic Torch ?

(A) Journey of Harmony

(B) Green World Clean World

(C) Journey of Peace

(D) Journey for Hunger-free World

(E) None of these

48. Which of the following schemes is not a social development Scheme ?

(A) Indira Awas Yojana

(B) Mid Day Meal

(C) Bharat Nirman Yojana

(D) Sarva Shiksha Abhiyan

(E) All are social schemes

49. Which of the following is not a member of the ASEAN ?

(A) Malaysia

(B) Indonesia

(C) Vietnam

(D) Britain

(E) Singapore

50. Which of the following Awards are given for excellence in the field of Sports ?

(A) Kalinga Prize

(B) Shanti Swarup Bhatnagar Award

(C) Arjun Award

(D) Pulitzer Prize

(E) None of these

Answers :

1.(E) 2. (B) 3. (A) 4. (D) 5. (C) 6. (C) 7. (D) 8. (C) 9. (A) 10. (E)

2.(D) 12. (D) 13. (C) 14. (D) 15. (D) 16. (E) 17. (C) 18. (C) 19. (A) 20. (D)

3.(D) 22. (E) 23. (B) 24. (B) 25. (C) 26. (E) 27. (E) 28. (D) 29. (E) 30. (A)

4.(C) 32. (A) 33. (D) 34. (B) 35. (B) 36. (D) 37. (B) 38. (B) 39. (C) 40. (A)

5.(B) 42. (A) 43. (C) 44. (C) 45. (E) 46. (B) 47. (A) 48. (C) 49. (D) 50. (C)