

MARUTHI SCHOOL OF BANKING (MSB)
GENERAL AND FINANCIAL AWARENESS (VIII of X)

1. What is the base color of Rs 2,000 note?

1. Pink **2. Magenta** 3. Violet

4. Fuchsia

The base colour of the note is magenta.

2. Rs 2,000 bank note has a motif of _____ .

1. Red Fort 2. Taj Mahal **3. Mangalyaan**

4. India Gate

The new denomination has Motif of Mangalyaan on the reverse, depicting the country's first venture into the interplanetary space.

3. How many angular bleed lines are present on Rs 2,000 bank note?

1.5 2.6 **3.7** 4.8

Seven angular bleed lines on left and right side in raised print. (For visually impaired)

4. How many languages are used for writing the denomination of Rs 2,000 bank note?

1.17 2.14 3.15 4.16

17 languages in Rs 500 new bank note also On the obverse, the denomination is written in English and Hindi. On the reverse is a language panel which displays the denomination of the note in 15 of the 22 official languages of India.

5. What is the dimension of Rs 2,000 bank note?

1.66mm x 150mm 2.63mm x 150mm

3.66 mm x 166 mm 4.63mm x 166 mm

6. The Windowed security thread of Rs 2,000 banknote changes color from _____ to _____ when the note is tilted.

1. green to pink

2. blue to pink

3. green to blue

4. blue to green

7. What is the size of Rs 500 bank note issued after demonetization?

1.66mm x 150mm 2.63mm x 150mm

3.66 mm x 166 mm 4.63mm x 166 mm

8. What is the base colour of Rs 500 bank note issued after demonetization?

1. Argent 2. Cool Grey **3. Stone Grey**

4. Black

The colour is stone grey

9. Rs 500 bank note has a motif of _____ . (Issued after demonitization)

1. Red Fort 2. Taj Mahal 3. Mangalyaan

4. India Gate

Red Fort-an image of Indian heritage site with Indian flag on the reverse

10. How many angular bleed lines are present on Rs 500 bank note?

1.5 2.6 3.7 4.8

11. Payment of coupons on PDI from the revenue reserves is subject to the issuing bank meeting minimum regulatory requirements for CETA What does P stands for in PDI?

1. Portfolio 2. Paid up **3. Perpetual**

4. Participatory

PDI- Perpetual Debt Instruments

12. What does R stands for in CFR with respect to Fraud Management?

1. Reporting **2. Registry** 3. Relevance

4. Response

Central Fraud Registry

13. Restructuring of loan accounts with exposure of above Rs.25 crore will continue to be governed by the extant guidelines on CDR / JLF mechanism. What does C stands for in CDR?

1. Capital 2. Cash **3. Corporate**

4. Central

Corporate Debt Restructuring (CDR) / Joint Lenders' Forum (JLF)

14. In the case of MLTGD, the redemption of principal at maturity shall, at the of the depositor, be either in Indian Rupee equivalent of the value of deposited gold at the time of redemption, or in gold. What does M stands for in MLTGD?

1. Monetary 2. Monetization **3. Medium**

4. Managed

Medium and Long Term Government Deposit (MLTGD)

15. The information regarding UFCE of individual borrowers shall be reported on a quarterly basis to all the four CICs by the lending bank. What does U stands for in UFCE?

1. Undertaking 2. Underlying 3. Unified

4. Unhedged

Unhedged Foreign Currency Exposures (UFCE)

16. The aggregate exposure limit of all banks towards the PCE for a given bond issue has been capped at 20 per cent of the bond issue size. What does P stands for in PCE?

1. **Partial** 2. Primary 3. Progressive
4. Prompt
Partial Credit Enhancement (PCE)

17. Banks must apply LEF at the same level as the risk-based capital requirements are applied. What does L stands for in LEF?

1. **Large** 2. Liquidity 3. Liability
4. Loan

LEF- Large Exposures Framework

18. What does P stands for in OTP in relation to e-KYC?

1. Password 2. **Pin** 3. Present 4. Principle
One Time Pin (OTP)

19. What does U stands for in USSD?

1. Unified 2. **Unstructured**
3. Unsymmetrical 4. Undertaking

Unstructured Supplementary Service Data (USSD)

20. FBIL shall publish rates / prices for the reference rate / asset/derivatives as the case may be for arriving at settlement value in the OTC market. What does B stands for in FBIL?

1. Branch 2. Banking 3. Beneficiary

4. Benchmark

Financial Benchmark India Pvt. Ltd. (FBIL)

21. Reserve bank of India has the sole right to issue bank notes in India is defined in the _____ of The Reserve Bank of India Act, 1934

1. **Section 22(1)** 2. Section 24(1)
3. Section 26(2) 4. Section 32(1)
Section 22(1) of RBI Act 1934

22. Government of India can print Re. 1 note and coins as per which act?

1. RBI Act, 1934
2. **Coinage Act, 2011**
3. Paper Currency Act, 1861
4. FRBM Act, 2003

23. Offense of Money Laundering is defined under _____ of Prevention of Money Laundering Act 2002

1. Section 2 2. **Section 3** 3. Section 5
4. Section 6
Section 3 of PMLA 2002

24. Obligations under Prevention of Money Laundering Act 2002 is defined under which section?

1. Section 6 2. Section 8 3. Section 10
4. **Section 12**

Section 12 of PMLA 2002

25. 'Customer' is defined under which Act?

1. RBI Act, 1934
2. Banking Regulation Act, 1949
3. **PMLA, 2002**
4. Negotiable Instruments Act, 1881

26. The term 'Banking' is defined under _____ of Banking Regulation Act, 1949

1. Section 4(a) 2. **Section 5(b)** 3. Section 6(c)
4. Section 7(a)

As per Section 5(B) of the Banking Regulation Act, 1949, "banking" means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.

27. Which section of Banking Regulation Act defines that no person other than a bank is authorized to accept deposits withdraw able by cheque?

1. Section 19A 2. Section 29A
3. Section 39A 4. **Section 49A**

28. Procedure for amalgamation of banking companies is defined under section _____ of Banking Regulation Act, 1949.

1. **Section 44A** 2. Section 45A
3. Section 46A 4. Section 47A

The Reserve Bank has discretionary powers to approve the voluntary amalgamation of two banking companies under the provisions of Section 44A of the Banking Regulation Act, 1949.

29. Promissory notes is defined under which section of Negotiable Instruments Act 1881?

1. **Section 4** 2. Section 5 3. Section 6
4. Section 7

30. Bill of exchange is defined under which section of Negotiable Instruments Act 1881?

1. Section 4 2. **Section 5** 3. Section 6
4. Section 7

31. Cheque is defined under which section of Negotiable Instruments Act 1881?

1. Section 4 2. Section 5 3. **Section 6**
4. Section 7

32. Which section of Negotiable Instruments Act 1881 deals with the different in amount of state figures and words of a negotiable instrument?

1. Section 13 **2. Section 18** 3. Section 19
4. Section 25

33. Dishonour of a bill of exchange by non-acceptance is defined under which section of Negotiable Instruments Act 1881?

1. Section 81 2. Section 89 **3. Section 91**
4. Section 92

34. Dishonour of a promissory note, bill of exchange or cheque by non-payment is defined under which section of Negotiable Instruments Act 1881?

1. Section 81 2. Section 89 3. Section 91
4. Section 92

35. Dishonour of cheque due to fund insufficiency is defined under which section of Negotiable Instruments Act 1881?

1. Section 93 2. Section 128 **3. Section 138**
4. Section 148

36. What does E stands for in ECCS with respect to cheque clearing?

1. Enabled **2. Express** 3. Established
4. Encrypted
Express Cheque Clearing System (ECCS)

37. RRBs should maintain a LTV ratio of 75% on the outstanding amount of loan including the interest on an ongoing basis, failing which the loan will be treated as a NPA. What does L stands for in LTV.

1. Liquidity 2. Liability **3. Loan**
4. Lien
Loan to Value

38. FRA and IRS are such instruments which can provide effective hedge against interest rate risks. What does F stands for in FRA?

1. Futures **2. Forward** 3. Functionality
4. Free

FRA- Forward Rate Agreement

39. FRA and IRS are such instruments which can provide effective hedge against interest rate risks. What does S stands for in IRS?

1. Settlement 2. Short **3. Swap** 4. Skip
IRS- Interest Rate Swap

40. An IBU can become a PCM of the exchange in the IFSC for clearing and settlements in any derivatives segments. What does P stands for in PCM?

1. Permanent 2. Primary 3. Public
4. Professional

Professional Clearing Member

41. The securities offered for substitution by the market participants shall be of similar market value based on the latest prices published by the FIMMDA. What does D stands for in FIMMDA?

1. Derivatives 2. Dividend 3. Differential
4. Dynamic

Fixed Income Money Market and Derivatives Association of India

42. Name of Annual Information Return (AIR) has now been changed to SFT. What does S stands for in SFT?

1. Savings 2. Systematic **3. Statement**
4. Settled

SFT- Statement of Financial Transaction

43. What does R stands for in QR Code?

1. Review **2. Response** 3. Random
4. Retrieval

Quick Response Code

44. What does P stands for in IAP with respect to UPI?

1. Processing **2. Payment** 3. Progress
4. Primary

In-App Payments (IAP). This term is also used with android apps

45. What does B stands for in APBS?

1. Biometric 2. Basic 3. Bundled
4. Bridge

Aadhaar Payment Bridge (APB) System

46. The composition of central board of Reserve Bank of India is defined under Section ___ of RBI Act, 1934

1.6 2.5 3.7 **4.8**
Section 8

47. The business that RBI can carry out is defined under which section of RBI Act, 1934?

1.14 2.15 3.16 **4.17**
Section 17

48. RBI has the right to transact Central Government business in India as per which section of RBI Act, 1934?

1.20 **2.21** 3.22 4.23

20. Obligation of the Bank to transact Government business.

21. Bank to have the right to transact Government business in India.

21A. Bank to transact Government business of States on agreement.

49. RBI has the right to issue bank note under which section of RBI Act, 1934?

1.21 **2.22** 3.23 4.24

22. Right to issue bank notes.

24. Denominations of notes.

50. RBI can withdraw the legal tender of any bank note under which section of RBI Act, 1934?

1. Section 26 (1) **2. Section 26 (2)**

3. Section 24 (1) 4. Section 24 (2)

26(1)- defines the legal tender

26(2)- talks about withdrawal of legal tender

51. Cash Reserve Ratio is defined under which section of RBI Act, 1934?

1.40 2.41 **3.42** 4.43

Section 42

52. Repo and Reverse Repo are defined under which section of RBI Act, 1934?

1.43 2.44 **3.45** 4.46

Section 45(U)- repo, reverse repo, derivative, money market instruments and securities are defined

53. Small Finance Banks are licensed under which act?

1. Companies Act, 2013

2. Banking Regulation Act, 1949

3. Reserve Bank of India Act, 1934

4. Foreign Exchange Management Act, 1999

licensed under Section 22 of the Banking Regulation Act, 1949

54. Holidays in banks are declared as per which act?

1. Companies Act, 2013

2. Banking Regulation Act, 1949

3. Reserve Bank of India Act, 1934

4. Negotiable Instruments (NI) Act, 1881

55. General Lien of a banker is defined under section ___ of Contract Act, 1872

1.152 2.160 **3.171** 4.176

56. What does G stands for in WGWD with respect to willful defaulters?

1. Gain 2. General **3. Group**

4. Garnishee

57. The Standing Liquidity Facilities provided to banks under ECR and to Primary Dealers (PDs)

from the Reserve Bank would be available at the revised repo rate. What does C stands for in ECR?

1. Cheque **2. Credit** 3. Customs

4. Capital

Export Credit Refinance

58. Eligible residents can enter into FCY-INR swaps to hedge exchange rate and/or interest rate risk exposure arising out of long-term foreign currency borrowing. What does F stands for in FCY?

1. Financial 2. Formal **3. Foreign**

4. Functional

Foreign Currency (FCY) – INR Swaps

59. What does D stands for in NCD?

1. Derivatives **2. Debentures**

3. Declaration 4. Decline

Non-Convertible Debentures

60. What does A stands for in ANBC?

1. Account 2. Active 3. Advance

4. Adjusted

Adjusted Net Bank Credit (ANBC)

61. Banks can regularise payments exceeding the prescribed limit under RDA provided that they are satisfied with the bonafide of the transaction. What does R stands for in RDA?

1. Regulation **2. Rupee** 3. Revenue

4. Response

Rupee Drawing Arrangements

62. What does CVV stands for?

1. Card Value Verified

2. Card verification Valid

3. Card Valid Value

4. Card Verification Value

Card Verification Value

Card Verification Value Code (CVVC); card

security code (CSC); Card Verification Data (CVD)

63. The Reserve Bank of India said it will implement the LEI system for all participants in the over-the-counter markets for rupee interest rate derivatives. What does E stands for in LEI?

1. Entry 2. Enterprise **3. Entity**

4. Easy

Legal Entity Identifier; It is a 20 digit code

64. What does M stands for in PPI-MTS?

1. Money 2. Monetary 3. Managerial

4. Mass

Prepaid Payment Instrument- Mass Transit Systems

65. What does M stand for in EMV Chips?

1. MaestroCard **2. MasterCard**
3. Money 4. Monetary

EMV- Europay, MasterCard, and Visa

66. In 2006 United Western Bank Ltd. was merged with which bank?

1. ICICI Bank **2. IDBI Bank**
3. HDFC Bank 4. Axis Bank

67. In 2002 Benares State Bank was merged with which bank?

- 1. Bank of Baroda** 2. Punjab National Bank
3. State Bank of India 4. Union Bank of India

68. In which year ICICI Ltd. was merged with ICICI Bank Ltd.?

1. 2001 2. 2000 **3. 2002** 4. 2003

69. In 2001 Bank of Madura was merged with which bank?

- 1. ICICI Bank** 2. IDBI Bank 3. HDFC Bank
4. Axis Bank

70. In 2000 Times Bank was merged with which bank?

1. ICICI Bank 2. IDBI Bank
3. HDFC Bank 4. Axis Bank

71. In 1999 Sikkim Bank was merged with which bank?

1. Bank of Baroda 2. Punjab National Bank
3. State Bank of India **4. Union Bank of India**

72. New Bank of India was merged with Punjab National Bank in which year?

1. 1990 2. 1992 **3. 1993** 4. 1995

73. In 2016 ING Vysya Bank was merged with which bank?

1. Axis Bank 2. ICICI Bank
3. Kotak Mahindra Bank 4. HDFC Bank

74. On April 1, 2017 how many banks merged with State Bank of India?

1. 4 2. 5 **3. 6** 4. 7

5 associate banks and one Bhartiya Mahila Bank

75. In 2006 United Western Bank Ltd. was merged with which bank?

1. ICICI Bank **2. IDBI Bank**
3. HDFC Bank 4. Axis Bank

76. The combined Asset base of State Bank of India after merger with associate banks and BMB is?

1. Rs 25 lakh crore 2. Rs 30 lakh crore
3. Rs 37 lakh crore 4. Rs 50 lakh crore

77. Total number of customer with State Bank of India after merger after merger with associate banks and BMB is?

1. 20 crore 2. 25 crore 3. 40 crore
4. 50 crore

78. Total number of branches of State Bank of India after merger is?

1. 15,000 2. 20,000 **3. 24,000**
4. 30,000

79. Total number of ATMs of State Bank of India after merger is?

1. 45,700 2. 48,700 **3. 58,700**
4. 62,700

80. What is the minimum balance amount for SBI Account in a Metro City?

1. Rs 1,000 2. Rs 2,000 3. Rs 3,000
4. Rs 5,000

81. What is the minimum balance amount for SBI Account in a Rural Area?

- 1. Rs 1,000** 2. Rs 2,000 3. Rs 3,000
4. Rs 5,000

82. What is the minimum balance amount for SBI Account in an Urban Area?

1. Rs 1,000 2. Rs 2,000 **3. Rs 3,000**
4. Rs 5,000

83. What is the minimum balance amount for SBI Account in a Semi-Urban City?

1. Rs 1,000 **2. Rs 2,000** 3. Rs 3,000
4. Rs 5,000

For metro cities, the minimum balance is Rs 5,000. In urban, semi-urban and rural areas, it will be Rs 3,000, Rs 2,000 and Rs 1,000, respectively.

84. What percent stake does the Central Government holds in State Bank of India?

1. 51% 2. 59% **3. 62.22%** 4. 66%

The central government holds 62.22% stake in the bank as of March 2017.

85. Which of the following is the first State Bank Associate Bank that got merged with State Bank of India?

1. State Bank of Indore
2. State Bank of Hyderabad
3. State Bank of Travancore
4. State Bank of Saurashtra

In 2008- State Bank of Saurashtra

86. Which of the following bank is not regulated by Reserve Bank of India?

1. **State Bank of Sikkim** 2. IDBI Bank

3. State Bank of Indore

4. State Bank of Travancore

State Bank of Sikkim was established in 1968 under the Royal Proclamation of Chogyal, which is an old law of Sikkim protected by Article 371F of the Constitution of India. It is therefore outside the purview of Bank Regulation Act and Reserve Bank of India.

87. In Moscow State Bank of India owns 60% shares in Commercial Bank of India, which bank owns the rest 40%?

1. ICICI Bank 2. HDFC Bank 3. Axis bank

4. **Canara Bank**

88. In which year Government of India acquired the shares of RBI in State Bank of India?

1. 2005 2. 2006 3. **2007**

4. 2008

On 30 June 2007

89. In which year State Bank of India Act was passed?

1. 1934 2. 1945 3. **1955** 4. 1957

90. SBI has launched NETC- SBI FASTag. What does N stands for in NETC?

1. Network 2. **National** 3. Numbered

4. Nominal

National Electronic Toll Collection (NETC)- SBI FASTag

91. When a bank borrower, or counter party, fails to meet its payment obligations regarding the terms agreed with the bank, it is called

1. **Credit Risk** 2. Operational risk

3. Market Risk 4. Liquidity risk

When the customers show their inability to pay the loan amounts taken from bank – is called credit risk

92. When the risk of losses in on- or off-balance sheet positions arise from movement in market prices, it is called

1. Liquidity risk 2. Systemic risk

3. **Market Risk** 4. Liquidity risk

The market is always fluctuating so there are always market risks in the banking systems. So it can go up and down, and when down banks will charge more interest rates from the customers.

93. Which of the following is not a major component of Market Risk?

1. Interest rate risk 2. Equity risk

3. **Credit risk** 4. Foreign exchange risk

The major components of Market risk are::

Interest rate risk

Equity risk

Foreign exchange risk

Commodity risk

94. When there is a risk of loss resulting from inadequate or failed internal processes, people and systems or from external event, it is called

1. Liquidity risk 2. Systemic risk

3. **Operational risk** 4. Moral Hazard

The Basel Committee on Banking Supervision defines operational risk “as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk.”

95. When the bank is not able to have enough cash to carry out its day-to-day operations, it is called

1. **Liquidity risk** 2. Systemic risk

3. Operational risk 4. Liquidity risk

Liquidity means a bank has the ability to meet payment obligations primarily from its depositors and has enough money to give loans. So liquidity risk is the risk of a bank not being able to have enough cash to carry out its day-to-day operations.

96. When bank's image and public standing is in doubt and leads to public's loss of confidence in a bank, it is called

1. **Reputational risk** 2. Moral Hazard

3. Operational risk 4. Market risk

Reputational risk is the risk of damage to a bank's image and public standing that occurs due to some dubious actions taken by the bank.

97. When a bank chooses the wrong strategy or follow a long-term business strategy which might lead to its failure, it is called

1. Credit risk 2. **Business risk**

3. Operational risk 4. Market risk

98. When the actions can lead to the entire financial system coming to a standstill, it is called

1. **Systematic risk** 2. Market risk

3. Equity risk 4. Business risk

It can also be stated as the possibility that default or failure by one financial institution can cause Domino effects among its counter parties and

others, threatening the stability of the financial system as a whole.

99. What is the risk called when one bank makes the decision about how much risk to take, while someone else (like government) bears the costs if things go badly?

1. Systematic risk **2. Moral Hazard**
3. Equity risk 4. Market risk

Example:: Too Big Too Fail Banks can fall into these category. Like last year in India, SBI and ICICI Bank were declared systematically important banks (too big too fail). So if they fail, government and RBI will provide them support.

100. When there is a financial loss to bank arising from legal suits filed against the bank or by a bank for applying a law wrongly, it is called

1. Systematic risk **2. Legal Risk**
3. Equity risk 4. Market risk

101. Where is the headquarters of World Bank situated?

- 1. Washington, D.C., United States**
2. New York, United States 3. London, England
4. Paris, France

The World Bank is an international financial institution that provides loans to countries of the world for capital programs. It comprises two institutions: the International Bank for Reconstruction and Development (IBRD), and the International Development Association (IDA). The World Bank is a component of the World Bank Group.

102. Where is the headquarters of International Monetary Fund situated?

- 1. Washington, D.C., United States**
2. New York, United States 3. London, England
4. Paris, France

The International Monetary Fund (IMF) is an international organization headquartered in Washington, D.C., of “189 countries working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.”

103. Where is the headquarters of Asian Infrastructure Investment Bank situated?

- 1. Beijing, China** 2. Manila, Philippines
3. Naypyidaw, Myanmar 4. Paris, France

The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank that aims to support the building of infrastructure in the Asia-

Pacific region. The bank currently has 56 member states while another 24 are prospective members for a total of 80 approved members and was proposed as an initiative by the government of China.

104. Where is the headquarters of Asian Development Bank (ADB) situated?

1. Shanghai, China **2. Manila, Philippines**
3. Naypyidaw, Myanmar 4. Rome, Italy

The Asian Development Bank (ADB) is a regional development bank established on 19 December 1966, which is headquartered in the Ortigas Center located in Mandaluyong, Metro Manila, Philippines.

105. Where is the headquarters of New Development Bank (NDB) situated?

1. Bern, Switzerland 2. Cape Town, South Africa
3. Shanghai, China 4. Moscow, Russia

The New Development Bank (NDB), formerly referred to as the BRICS Development Bank, is a multilateral development bank established by the BRICS states (Brazil, Russia, India, China and South Africa). The first regional office of the NDB will be opened in Johannesburg, South Africa.

106. Where is the headquarters of Bank for International Settlements (BIS) situated?

1. Bern and Zurich, Switzerland
2. Lisbon, Portugal 3. Shanghai, China
4. Basel, Switzerland

The Bank for International Settlements (BIS) is an international financial institution owned by central banks which “fosters international monetary and financial cooperation and serves as a bank for central banks”. The BIS was established in 1930 by an intergovernmental agreement between Germany, Belgium, France, the United Kingdom, Italy, Japan, the United States and Switzerland. It opened its doors in Basel, Switzerland on 17 May 1930.

107. Where is the headquarters of Swiss National Bank (SNB) situated?

1. Basel, Switzerland 2. Geneva, Switzerland
3. Bern and Zurich, Switzerland
4. Solothurn, Switzerland

The Swiss National Bank (SNB) is the central bank of Switzerland, and is therefore responsible for the monetary policy of the nation of Switzerland

108. Where is the headquarters of Islamic Development Bank situated?

1. Riyadh, Saudi Arabia
2. Mecca, Saudi Arabia
3. Khafji, Saudi Arabia
4. Jeddah, Saudi Arabia

The Islamic Development Bank (IDB) is a multilateral development financing institution located in Jeddah, Saudi Arabia.

109. Where is the headquarters of European Investment Bank situated?

1. Romania
2. Netherlands
3. Slovenia

4. Luxembourg

The European Investment Bank (EIB) is the world's largest international public lending institution. It is the European Union's nonprofit long-term lending institution established in 1958 under the Treaty of Rome.

110. Where is the headquarters of African Development Bank situated?

1. Tunis, Tunisia
2. Rabat, Morocco

3. Abidjan, Ivory Coast

4. Addis Ababa, Ethiopia

African Development Bank (AfDB) or Banque Africaine de Developpment (BAD). Its mission is to fight poverty and improve living conditions on the continent through promoting the investment of public and private capital in projects and programs that are likely to contribute to the economic and social development of the region.

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