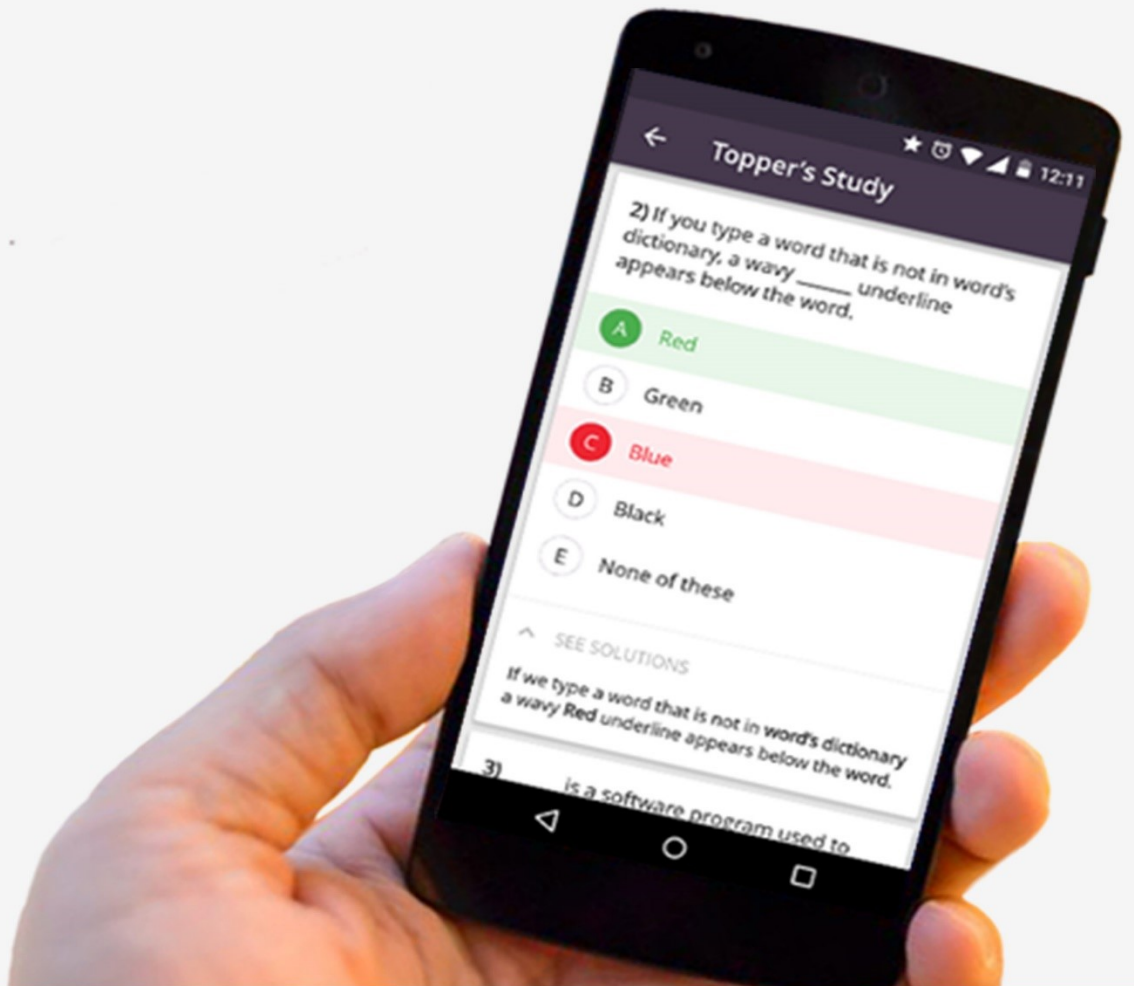




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Banking / Financial Awareness Notes for **IBPS Mains Exam** (PO & RRB)



Banking Awareness

Dear Aspirants,

Here is a Banking Awareness Capsule for you all to prepare for IBPS RRB Mains, IBPS PO Mains and UIIC Assistant Exams 2017.

Questions asked in SBI PO Mains Exam 2017

1. What does 'S' stand for in MSF?
Ans. MSF stands for Marginal Standing Facility. It is the rate at which banks borrow funds overnight from the Reserve Bank of India (RBI) against approved government securities.
2. GDP pegged at what % of the fiscal deficit target?
Ans. 3.2%
3. What does 'C' stand for in PCA?
Ans. PCA stands for 'Prompt Corrective Action'. It is a system of RBI under which it can initiate a corrective action in case of a bank which is found to be having low capital adequacy or high Non- Performing Assets.
4. What is the total number of ATMs of SBI after merger?
Ans. 59000
5. What amount will be paid by Finland as monthly income to unemployed citizens?
Ans. 560 Euros
6. What does 'P' stand for in APBS?
Ans. Aadhaar Payment Bridge System.
7. What does increase in Repo rate signify?
Ans. Repo rate is the rate at which the central bank of a country (Reserve Bank of India in case of India) lends money to commercial banks in the event of any shortfall of funds. Repo rate is used by monetary authorities to control inflation.
8. For small banks, the stake of promoters for the first 5 years should not be less than _____, as per RBI guidelines.
Ans. 40%
9. What was the amount of India's military expenditure in 2016 as per SIPRI report?
Ans. 8.5%
10. What is the Cheque, written by drawer and dated at some point in past called
Ans. Ante Dated Cheque
11. What is the target of digital transactions under UPI, USSD, Aadhar Pay and IMPS for 2017-18?
Ans. 2500 crores digital transactions
12. An offense of tax evasion would be considered a non-bailable act, if the amount exceeds _____, as per GST guidelines.
Ans. ₹ 5 crores
13. Who is the head of IBBI committee?
Ans. Mr. R. B. Barman. IBBI stands for Insolvency and Bankruptcy Board of India.
14. As per IMF, what is India's GDP forecast?
Ans. 6.7%
15. Headquarters of IDRBT is located in?
Ans. Hyderabad. IDRBT stands for Institute for Development & Research in Banking Technology.

16. JLF framework has been formulated by RBI to?
Ans. JLF (Joint Lender's Forum) Framework was introduced for early identification of stressed assets and timely implementation of a corrective action plan (CAP) to preserve the economic value of stressed assets.
17. What is the new base year for WPI?
Ans. 2011-12
18. What is the minimum capital limit for Asset Reconstruction companies?
Ans. ₹ 100 crores.
19. Who is the chairman of committee for reliable employment data?
Ans. Arvind Panagariya
20. How much amount has been allocated for MGNREGA scheme under the union budget 2017-18?
Ans. ₹ 48,000 crore
21. How much fund has been allocated in the Union budget 2017-18 for electronics development?
Ans. ₹ 745 crore
22. Which country has topped the Economic Freedom Index?
Ans. Hong Kong
23. What is the agricultural credit target for 2017-18?
Ans. ₹ 10 lakh crore
24. What is the maximum period for which NBFCs are allowed to accept/renew public deposits?
Ans. 60 months
25. Who regulates National Financial Switch?
Ans. NPCI (National Payments Corporation of India).

Important Banking Awareness Questions from Previous Year Bank Exams

26. MICR code consists of how many digits?
Ans. 9 digits. (First three digits denotes city, next three digits representing the bank and the last three digits representing the bank branch)
27. What is the minimum limit in RTGS system?
Ans. 2 lakhs (there is no upper limit in RTGS)
28. What is full form of CTS?
Ans. Cheque Truncation System
29. Under which service, customers may access their bank account and perform basic transactions from any of the member branch offices.
Ans. Core Banking Solution (CBS)
30. Exchange of cash flow in different currency is known as:
Ans. Currency Swap
31. Assets or loans which stop performing after 90 days is known as?
Ans. Non-Performing Asset (NPA)
32. Who controls the Monetary Policy in India?
Ans. RBI (Reserve Bank of India)
33. Which card is issued by NPCI (National Payments Corporation of India)?
Ans. RuPay Card
34. Definition of Current Account deficit?
Ans. A measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports.

35. Full form IFSC?

Ans. Indian Financial System Code

36. Commercial paper can be issued for a maximum period of:

Ans. 365 days or 1 year.

37. The Mutual funds in India follow accounting standards laid by?

Ans. SEBI (Securities and Exchange Board of India)

38. Minimum amount for Certificate of Deposit has been fixed at:

Ans. ₹ 1 Lakh

39. AML is a term mainly used in the financial and legal industries. Expand the term AML.

Ans. Anti-Money Laundering

40. PIN is a number allocated to an individual and used to validate electronic transactions. Expand PIN.

Ans. Personal Identification Number

41. What is Stale Cheque?

Ans. A cheque which is presented to a bank after 3 months from date of issue is considered as stale cheque and will often not be honoured for cash or deposit at a bank.

42. What is Bancassurance?

Ans. The selling of life assurance and other insurance products and services by banking institutions.

43. The objective of KYC guidelines is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. What is the full form of KYC?

Ans. Know Your Customer (KYC)

44. Know Your Customer (KYC) guidelines are issued under?

Ans. Section 35A of the Banking Regulation Act, 1949

45. In BSBDA (Basic Savings Bank Deposit Account) the credits in a financial year should not exceed?

Ans. ₹ 1 lakh

46. In BSBDA (Basic Savings Bank Deposit Account) the balance at any point of time does not exceed?

Ans. ₹ 50,000

47. In BSBDA (Basic Savings Bank Deposit Account) the withdrawals and transfers in a month should not exceed?

Ans. ₹ 10,000

What is the full form of CASA?

Ans. Current Account Saving Account

48. In what denominations Commercial Paper (CP) can be issued?

Ans. ₹ 5 lakh or multiples thereof.

49. What is the minimum denomination of Treasury bills to issue in India?

Ans. ₹ 25,000

50. Who cannot issue Certificate of Deposit (CD)?

Ans. Regional Rural Banks (RRBs) and Local Area Banks (LABs)

51. Expand ASBA.

Ans. Application Supported by Blocked Amount

52. Depositor Education and Awareness Fund (DEAF) is maintained with?

Ans. RBI

53. Cash Reserve Ratio (CRR) is the amount of funds that the banks have to keep with?

Ans. Central Bank (RBI)

54. What is the maximum amount per transaction NEFT limit for cash-based remittances to Nepal?

Ans. ₹ 50,000

55. What does CAR stand for?

Ans. Capital Adequacy Ratio

56. IFSC code consists of __alpha numeric code.
Ans. 11 digits (The IFSC is an 11-digit alpha numeric code, with the first four digits identifying the bank, fifth is numeric (kept 0) and the last six digits represent the bank branch.)
57. When money is lent, or borrowed for one day or on overnight basis it is known as?
Ans. Call Money
58. When money is lent, or borrowed for between 2 days and 14 days it is known as?
Ans. Notice money
59. When money is lent, or borrowed for a period of more than 14 days, it is known as?
Ans. Term money
60. Treasury Bills and Certificate of Deposit are considered as the _____ instruments?
Ans. Negotiable Money Market Instruments
61. Commercial Paper (CP) is an unsecured money market instrument issued in the form of a _____?
Ans. Promissory note.
62. What is the upper limit in Public Provident Fund (PPF)?
Ans. ₹ 1.5 lakhs
63. As per RBI guidelines, with effect from April 1, 2012, the validity period of Cheque, Demand Drafts, Pay Orders and Banker's Cheques is?
Ans. 3 months
64. What is the time limit for an asset or loan to be declared as Non-Performing Asset?
Ans. 90 days
65. Deposit Insurance and Credit Guarantee Corporation (DICGC) does not cover?
Ans. Primary co-operative societies
66. Full form of EFT?
Ans. Electronic Fund Transfer
67. Fastest mode of transaction?
Ans. RTGS
68. What is the loan limit for education under priority sector for studies abroad?
Ans. ₹ 20 lakh (Loans to individuals for educational purposes including vocational courses up to Rs.10 lakh for studies in India and ₹ 20 lakh for studies abroad are included under priority sector.)
69. Fixed Deposit (FD) Account may be opened for a minimum period of?
Ans. 7 days
70. What is the minimum amount required to open a Fixed Deposit (FD)?
Ans. Rs.1000
71. The Banks have converted all 'no - frills' accounts' into?
Ans. Basic Savings Bank Deposit Accounts
72. 'Pradhan Mantri Jan Dhan Yojana' is a Scheme for?
Ans. Financial inclusion
73. How much overdraft facility to be provided in 'Pradhan Mantri Jan Dhan Yojana' scheme?
Ans. ₹ 5,000
74. In CRAR, A stands for?
Ans. Assets (Capital to Risk Weighted Assets Ratio)
75. Minimum capital requirement for Foreign banks that want to set up operations in India is?
Ans. ₹ 500 crore
76. What is the minimum paid-up capital requirement of both small banks and payments banks in India?
Ans. ₹ 100 crore
77. SLR ((Statutory Liquidity Ratio) is the amount a commercial bank needs to maintain in the form of _____ before providing credit to its customer?
Ans. Cash, or gold, or govt. approved securities (Bonds)

78. Which of the following is a measure of Inflation?

Ans. Consumer Price Index (CPI).

79. When a cheque is torn into two or more pieces and presented for payment, such a cheque is called?

Ans. Mutilated cheque

80. How much fee is charged to file a complaint under Banking Ombudsman?

Ans. Banking Ombudsman does not charge any fee

81. Who is the appellate authority in Banking Ombudsman?

Ans. Deputy Governor of RBI

82. If any customer is not satisfied by the decision of Banking Ombudsman, he/she can appeal against the award before the appellate authority within how many days from the date of receipt?

Ans. 30 days

83. ATMs or Cash Dispensing machine which are owned and operated by Non-Banking Financial Companies are called?

Ans. White Label ATMs.

84. Minimum capital requirement for new banks in private sector is?

Ans. ₹ 500 crore

85. A Non-Banking Financial Company (NBFC) is a company registered under?

Ans. Companies Act, 1956

86. Minimum capital requirement for Non-Banking Financial Company (NBFC) is?

Ans. ₹ 500 crore

87. Who issues Treasury bills (T-bills) in India?

Ans. Government of India

88. What is the minimum and maximum limit of NEFT?

Ans. No limit

89. How much amount RBI allows in 'Tap and pay' transactions without PIN?

Ans. ₹ 2000

90. Pension scheme for unorganized sector?

Ans. Swavalamban

91. What is the full form of REIT?

Ans. Real Estate Investment Trust

92. Forward Market Commission has been merged with?

Ans. SEBI

93. What is the purpose of starting Minor account for 10 years old children?

Ans. Financial inclusion

94. What is the full form of CVV?

Ans. Card Verification Value

95. Bank of International Settlement headquarter is located in?

Ans. Switzerland

96. Who appoints Banking Ombudsman officer?

Ans. RBI

97. IFRS full form is?

Ans. International Financial Reporting Standards

98. Which is the Regulatory body for RRBs?

Ans. NABARD

99. RBI policy related to money laundering?

Ans. Know Your Customer

100. What is the full form of MTSS?

Ans. Money Transfer Service scheme

101. In OMO, what does 'M' stand for? |
Ans. Market (Open Market Operations)
102. Which rate does RBI Reduces to Increase liquidity in market?
Ans. Repo Rate
103. After completion of 15 years, Public Provident Fund (PPF) can be extended up to how many years?
Ans. 5 years
104. What is the tenure of Treasury bills?
Ans. 91 days, 182 days, 364 days
105. For Manufacturing sector, minimum limit for Medium Scale Enterprises is ₹ 5 crores. What is maximum limit?
Ans. 10 Crores.
106. If RBI reduces CRR, what happens?
Ans. Credit Supply increases, loans get cheaper.
107. Special Drawing Right (SDR) is a monetary unit of?
Ans. IMF (International Monetary Fund)
108. Cheque which is not crossed is called?
Ans. Open cheque
109. Teaser rates are related to which type of loans?
Ans. Home loans
110. What is Teaser loan?
Ans. If a bank offers a slightly lower rate in the initial years and higher rate in later years, it is called a teaser loan.
111. The RBI policy rate which is purely an indicative rate used by RBI to signal long – term outlook on interest rates is:
Ans. Bank rate
112. The term 'pre – shipment' finance relates to?
Ans. Export credit
113. A receipt listed in India and traded in rupees declaring ownership of shares of a foreign company is known as?
Ans. Indian Depository Receipt (IDR)
114. Mobile banking fund transfer limit for a day is?
Ans. ₹ 50,000
115. The seed capital of Bhartiya Mahila Bank is?
Ans. Rs.1000 crore
116. Which organization is known as "Lender of the Last Resort" by Banks?
Ans. RBI
117. "Fixed deposit" is also referred to as?
Ans. Term Deposit
118. The holidays for the banks are declared as per?
Ans. Negotiable Instruments Act
119. In banking business, when the borrowers avail a term Loan, initially they are given a repayment holiday and this is referred as?
Ans. Moratorium
120. Regulator of Micro, Small and Medium enterprises in India is?
Ans. SIDBI (Small Industries Development Bank of India)
121. A worldwide financial messaging network which exchanges between banks and financial institutions is known as?
Ans. Structured Financial Messaging System (SFMS)
122. The term "Smart Money" refers to?
Ans. Credits Card

123. The maximum deposit amount insured by DICGC?

Ans. ₹ 1 lakh per depositors across all banks

124. With reference to a cheque which is the 'drawee bank'?

Ans. The bank upon which the cheque is drawn

125. In which of the following fund transfer mechanisms, can funds be moved from one bank to another and where the transaction is settled instantly without being bunched with any other transaction?

Ans. RTGS

126. Bad advances of a Bank are called?

Ans. Non – performing Asset

127. By increasing repo rate, the economy may observe the which effect?

Ans. Rate of interest on loans and advances will be costlier

128. In India, one- rupee coins are issued by?

Ans. Government of India

129. Fixed deposits and recurring deposits are?

Ans. Repayable after an agreed period

130. When a bank returns a cheque unpaid, it is called?

Ans. Dishonour of the cheque

131. What is 'DMAT Account'?

Ans. Accounts in which shares of various companies are traded in electronic form

132. When the rate of inflation increases, ____?

Ans. Purchasing power of money decreases

133. Banks in India are regulated under?

Ans. Banking Regulation Act, 1949

134. Banking sector falls under which of the following sectors?

Ans. Service Sector

135. ASBA scheme is related to the purchase of?

Ans. IPO

136. The ownership of public sector banks rests with?

Ans. Jointly with the Government of India and the shareholders from the public

137. If a cheque is post-dated, then bank on which it is drawn will?

Ans. Will not honour the cheque before the date of the cheque

138. Regulator of Capital Market in India is?

Ans. SEBI

139. First Indian Bank to introduce credit card is?

Ans. Central Bank of India

140. RBI was nationalized in?

Ans. January 1, 1949

141. Loans of very small amounts given to low income groups are called as?

Ans. Micro Credit

142. When was RBI established?

Ans. April 1, 1935

143. MUDRA Bank is a wholly-owned subsidiary of? |

Ans. SIDBI

144. Maximum Loan that a Mudra Bank can grant is?

Ans. Rs 10 lakh

145. The headquarter of Asian Infrastructure Investment Bank (AIIB) is located in?

Ans. Beijing, China

146. What is the maximum monthly pension for the subscribers under Atal Pension Yojana?

Ans. Rs 5000 (The Atal Pension Yojana (APY) is open to all Indians between the age of 18 and 40. Under the scheme, the minimum monthly pension for the subscribers ranging between Rs 1000 and Rs 5000 per month)

147. What is the minimum amount to be invested under Sukanya Samridhi Scheme?

Ans. ₹ 1000 (₹ 1000 is the minimum and ₹ 1.5 lakh is the maximum amount to be invested under Sukanya Samridhi Scheme).

148. The headquarter of BRICS Bank "The New Development Bank (NDB)" located in?

Ans. Shanghai, China.

149. SARFAESI Act 2002 is related to?

Ans. Recovery of bad loans (The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) empowers Banks / Financial Institutions to recover their non-performing assets (bad loans) without the intervention of the Court.

150. A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over a period of?

Ans. Two years (Dormant means inactive and inoperative means which is not being operated i.e. no transactions have been undertaken recently. In terms of RBI guidelines, a savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over a period of two years)

151. What is the full form of the term NDTL, as used in banking environment?

Ans. Net Demand and Time Liability (Note: It is a sum of demand and time liabilities (deposits) of banks with public and other banks wherein assets with other banks is subtracted to get net liability of other banks. Deposits of banks are its liability and consist of demand and time deposits of public and other banks.

152. In CDR, "R" stands for?

Ans. Restructuring (Corporate Debt Restructuring (CDR) mechanism is a voluntary non-statutory mechanism under which financial institutions and banks come together to restructure the debt of companies facing financial difficulties due to internal or external factors, in order to provide timely support to such companies)

153. What does 'FSLRC' stand for?

Ans. Financial Sector Legislative Reforms Commission (FSLRC)

154. National Investment and Infrastructure Fund (NIIF) is a fund created by the Government of India for enhancing infrastructure financing in the country. Headquarter of NIIF located in?

Ans. Mumbai (NIIF, proposed to be set up as a Trust, would raise debt to invest in the equity of infrastructure finance companies such as Indian Rail Finance Corporation (IRFC) and National Housing Bank (NHB). The idea is that these infrastructure finance companies can then leverage this extra equity, manifold.

155. Reserve Bank of India (RBI) declared State Bank of India (SBI) and ICICI Bank as D – SIBs. What is the full form as D – SIBs?

Ans. Domestic Systemically Important Banks.

156. India and United States have signed Inter Governmental Agreement to implement the FATCA. This agreement will promote transparency on tax matter. Expand the term FATCA.

Ans. Foreign Account Tax Compliance Act.

157. What is a 'NOSTRO' account?

Ans. A Nostro account is a bank account held by a Indian bank with a foreign bank, usually in the currency of that country.

158. What does, 'FCNR' stand for?

Ans. 'FCNR' stands for Foreign Currency Non-Repatriable account deposits. This is a Fixed Deposit Foreign Currency account and not a savings account. Deposits in this account can be made in any of the major currencies like US Dollar, UK Pound, Canadian Dollar, Deutsche Mark, Japanese Yen and Euro

159. What do you understand by, 'SWIFT' Code?

Ans. SWIFT stands for Society for Worldwide Interbank Financial Telecommunication (SWIFT). SWIFT code provides a network that enables financial institutions worldwide to send and receive information about financial transactions in a secure, standardized and reliable environment.

160. What do you understand by 'EFTPOS'?

Ans. EFTPOS stands for Electronic Funds Transfer at Point of Sale. It is an electronic payment system involving electronic funds transfers based on the use of payment cards, such as debit or credit cards, at payment terminals located at points of sale. Debit and credit cards are embossed plastic cards complying with ISO/IEC 7810 ID-1 standard.

161. What is the full form of 'USSD'?

Ans. USSD stands for Unstructured Supplementary Service Data. The innovative payment service *99# works on Unstructured Supplementary Service Data (USSD) channel. This service allows mobile banking transactions using basic feature mobile phone, there is no need to have mobile internet data facility for using USSD based mobile banking.

162. What is the current Repo Rate?

Ans. Here are the details of the current policy rates as per the fourth Bi-Monthly Policy released by RBI for 2017-18 on 4th October:

Repo Rate: 6.00%

Reverse Repo Rate: 5.75%

Cash Reserve Ratio (CRR): 4%

Statutory Liquidity Ratio (SLR): 19.50% (from 14th October)

Marginal Standing Facility (MSF): 6.25%

Bank Rate: 6.25%

163. What does 'LIBOR' stand for?

Ans. LIBOR is a measure rate that some of the world's leading banks charge each other for short-term loans.

It stands for Intercontinental Exchange "London Interbank Offered Rate" and serves as the first step to calculating interest rates on various loans throughout the world.

164. What is BCSBI?

Ans. Banking Codes and Standards Board of India

Banking Codes and Standards Board of India (BCSBI) is an autonomous body for promoting adherence to self-imposed codes by banks for committed customer service. BCSBI set up by Reserve Bank of India.

165. What do you understand by 'FCCB'?

Ans. A foreign currency convertible bond (FCCB) is a type of convertible bond issued in a currency different than the issuer's domestic currency. In other words, the money being raised by the issuing company is in the form of a foreign currency.

166. What are Masala Bonds?

Ans. Masala bonds are rupee denominated overseas bonds. Masala bonds will help to internationalize the Indian rupee and deepen the Indian financial system.

167. What do you mean by 'Sub-Prime Lending'?

Ans. Subprime lending means making loans to people who may have difficulty maintaining the repayment schedule, sometimes reflecting setbacks, such as unemployment, divorce, medical emergencies, etc. These loans are characterized by higher interest rates, poor quality collateral, and less favourable terms in order to compensate for higher credit risk.

168. What is the full form of 'MUDRA'?

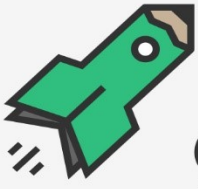
Ans. Micro Units Development and Refinance Agency Bank (**MUDRA Bank**) is a public sector financial institution in India. It provides loans at low rates to microfinance institutions and non-banking financial institutions which then provide credit to MSME's. It was launched by Prime Minister Narendra Modi on 8 April 2015.

169. What do you understand by 'NEER'?

Ans. The nominal effective exchange rate (NEER) is an unadjusted weighted average rate at which one country's currency exchanges for a basket of multiple foreign currencies. In economics, the NEER is an indicator of a country's international competitiveness in terms of the foreign exchange (forex) market. Forex traders sometimes refer to the NEER as the trade-weighted currency index.

170. What is 'Misery Index'?

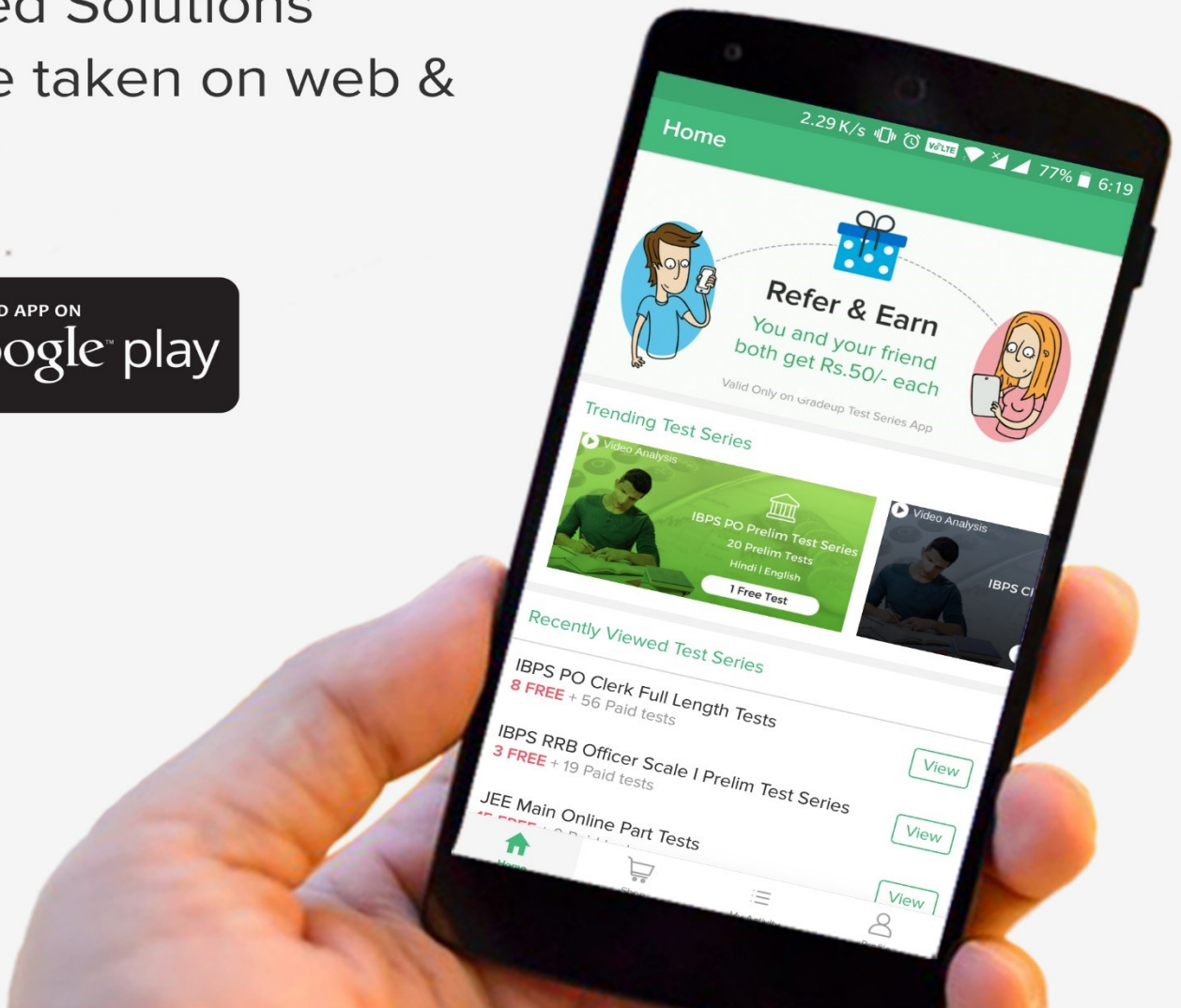
Ans. The **misery index** is an economic indicator, created by economist Arthur Okun. The index helps determine how the average citizen is doing economically and it is calculated by adding the seasonally adjusted unemployment rate to the annual inflation rate. It is assumed that both a higher rate of unemployment and a worsening of inflation create economic and social costs for a country.



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