

Top 30 Banking and Financial Awareness Questions of May 2020



1. Which country emerged as the largest source of FDI in India during the last fiscal, with \$ 14 .67 billion investments?

- A. Mauritius
- B. Singapore
- C. China
- D. Japan
- E. Netherlands

2. Which private sector bank has launched special fixed deposit (FD) scheme for senior citizens to help them get higher interest rate?

- A. HDFC Bank
- B. Axis Bank
- C. ICICI Bank
- D. Kotak Mahindra Bank
- E. Bandhan Bank

3. What is the relationship between HDI and IHDI in case of a country which has acquired complete equality?

- A. $HDI > IHDI$
- B. $HDI = IHDI$
- C. $HDI < IHDI$
- D. $HDI = > IHDI$
- E. $HDI < = IHDI$

4. The Reserve Bank of India (RBI) has imposed ₹5 crore fine on which of the following public sector banks for violating certain provisions on asset classification, divergence, opening of current accounts, and classification and reporting of frauds?

- A. Canara Bank
- B. Bank of India
- C. Punjab National Bank
- D. Union Bank
- E. United Bank of India

5. The Reserve Bank of India (RBI) will raise Rs80,000 crore by selling cash management bills (CMB), CMBs in India are non-standard, discounted instruments issued for maturities less than _____.

- A. 60 days
- B. 91 days
- C. 288 days
- D. 299 days
- E. 365 days

6. Which financial organizations has launched an artificial intelligence (AI) based chatbot, PAI, to create awareness around its products like FASTag, RuPay, UPI, AePS on a real time basis?

- A. Clearing Corporation of India Limited (CCIL)
- B. National Payment Corporation of India (NPCI)
- C. Institute for Development and Research in Banking Technology
- D. National Electronic Clearing Service (NECS)
- E. Reserve Bank of India (RBI)

7. In the first meeting of the 15th Finance Commission's on Fiscal Consolidation Roadmap it estimated India's GDP growth to _____ in the financial year 2020-21.

- A. -6% to 1%
- B. -5% to 1%
- C. -6% to 0.5%
- D. -5% to 0.5%
- E. -3% to 1%

8. The Reserve Bank of India has reduced the Repo Rate to what percent?

- A. 4.25
- B. 4.10
- C. 4.00
- D. 3.80
- E. 3.75

9. After reducing the Repo rate by RBI in a scheduled meeting, the Reverse repo gets automatically adjusted to _____.

- A. 3.55%
- B. 3.60%
- C. 3.65%
- D. 3.45%
- E. 3.35%

10. Franklin Templeton Trustee Services Pvt. Ltd. has appointed which bank as an advisor to work together to assist the Trustees in monetizing portfolios of the 6 schemes that are being wind up?

- A. Axis Bank
- B. ICICI Bank
- C. HDFC Bank
- D. Kotak Mahindra Bank
- E. Yes Bank

11. A full spectrum banking and insurance products company, Intellect Design Arena Limited has ties up with which tech giant to launch 'iTurmeric FinCloud' platform to switch to the latest tools and technologies?

- A. Microsoft
- B. Google
- C. IBM
- D. Intel
- E. Alphabet

12. Which becomes the first bank in India to introduce video-KYC facility for saving account customers?

- A. HDFC Bank
- B. Federal Bank
- C. Yes Bank
- D. Kotak Mahindra Bank
- E. Axis Bank

13. American brokerage Goldman Sachs expects the Indian economy to contract by what per cent in Financial year 2020-21?

- A. 2 per cent
- B. 3 per cent
- C. 4 per cent
- D. 5 per cent
- E. 6 per cent

14. Which of the following banks has launched a special business vertical dedicated for gold loans to meet the financial needs of its customers?

- A. Bank of Baroda
- B. Canara Bank
- C. Bank of India
- D. Punjab National Bank
- E. Punjab and Sindh Bank

15. Which international financial institutions has approved \$1 billion social protection package for India linked to Central government's programmes?

- A. Asian Development Bank (ADB)
- B. Asian Infrastructure Investment Bank (AIIB)
- C. World Bank (WB)
- D. International Monetary Fund (IMF)
- E. European Bank

16. MoneyGram Payment Systems has partnered with which bank to offer a cost-effective direct to bank account credit option for customers in India?

- A. HDFC Bank
- B. ICICI Bank
- C. Bandhan Bank
- D. Federal Bank
- E. Yes Bank

17. What amount has been allocated from Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund Trust to fight against COVID-19 pandemic?

- A. Rs 1900 crores
- B. Rs 2100 crores
- C. Rs 3100 crores
- D. Rs 4300 crores
- E. Rs 5100 crores

18. Which insurance provider has launched the standard health insurance policy named "Aarogya Sanjeevani Health Insurance Policy"?

- A. SBI General Insurance
- B. Aditya Birla General Insurance
- C. Bajaj Allianz General Insurance
- D. Bharti AXA General Insurance
- E. HDFC ERGO General insurance

19. What is the name of the online grievance redressal system of the Income Tax Department?

- A. e-Kuber
- B. e-District
- C. m-Pesa
- D. e-Nivaran
- E. None of the above

20. Which of the following banks has launched a special fixed deposit (FD) scheme for senior citizens to help them get higher interest rate?

- A. Punjab National Bank
- B. Bank of Baroda
- C. State Bank of India
- D. Bank of India
- E. Canara Bank

21. Which of the following entities will launch 'India SME Services Platform' to educate stakeholders in the small and

medium enterprises (SME) ecosystem and have information on coronavirus-related initiatives for the sector?

- A. Reserve Bank of India (RBI)
- B. Security and Exchange Board of India (SEBI)
- C. Small Industries Development Bank of India (SIDBI)
- D. Insurance Regulatory and Development Authority (IRDAI)
- E. National Bank for Agriculture and Rural Development (NABARD)

22. The Reserve Bank of India has cancelled the licence of which co-operative bank?

- A. Punjab and Maharashtra Cooperative Bank
- B. Mapusa Urban Co-operative Bank of Goa Ltd
- C. Abhyudaya Cooperative Bank
- D. Bharat Cooperative Bank
- E. Saraswat Bank

23. Which bank has made an announcement that the bank will waive service charges for all ATM transactions?

- A. HDFC Bank
- B. ICICI Bank
- C. State Bank of India
- D. Yes Bank
- E. Punjab National Bank

24. Which of the following companies has launched video KYC engagement platform for the banking and finance sector?

- A. Google
- B. Intel
- C. IBM
- D. Ameyo
- E. Cisco Systems

25. Which bank has released a song titled #HumHaarNahiMaanenge to keep hopes up amidst the ongoing national lockdown and Covid-19 pandemic?

- A. ICICI Bank
- B. State Bank of India
- C. HDFC Bank
- D. Axis Bank
- E. Yes Bank

26. What amount of multi-year financial support has been approved by the World Bank for India?

- A. USD 100 million
- B. USD 200 million
- C. USD 300 million
- D. USD 400 million
- E. USD 500 million

27. Which of the following Grameen Bank has launched 'Vikas Abhaya' a loan scheme to provide some relief to Micro, Small and Medium Enterprise (MSME) borrowers.

- A. Kaveri Grameena Bank
- B. Maharashtra Gramin Bank
- C. Meghalaya Rural Bank
- D. Karnataka Vikas Grameena Bank
- E. Jammu And Kashmir Grameen Bank

28. The country's largest carmaker Maruti Suzuki India (MSI) joined hands with which of the following banks to offer retail financing schemes to its customers?

- A. ICICI Bank
- B. Axis Bank
- C. Yes Bank
- D. HDFC Bank
- E. Kotak Mahindra Bank

29. Which bank has received approval from SEBI to offer custodial services for silver bullion contracts?

- A. Federal Bank
- B. City Union Bank
- C. Deutsche Bank
- D. CSB Bank Limited
- E. Laxmi Vilas Bank

30. Which payments bank has collaborated with Mastercard to create customised financial products for Indian farmers and Small and Medium Enterprises (SMEs)?

- A. India Post Payments Bank
- B. Fino Payments Bank
- C. Airtel Payments Bank
- D. Paytm Payments Bank
- E. Jio Payments Bank

###ANSWERS###

1. Ans. B.

- Foreign direct investment (FDI) in India grew by 13 per cent to a record of \$ 49.97 billion in the 2019-20 financial year, according to official data. The country had received FDI of \$ 44.36 billion during April-March 2018-19.
- Sectors which attracted maximum foreign inflows during 2019-20 include services (\$7.85 billion), computer software and hardware (\$7.67 billion), telecommunications (\$4.44 billion), trading (\$4.57 billion), automobile (\$2.82 billion), construction (\$2 billion), and chemicals (\$1 billion), the Department for Promotion of Industry and Internal Trade (DPIIT) data showed.
- Singapore emerged as the largest source of FDI in India during the last fiscal, with \$ 14.67 billion investments.
- It was followed by Mauritius (\$8.24 billion), the Netherlands (\$6.5 billion), the US (\$4.22 billion), Caymen Islands (\$3.7 billion), Japan (\$3.22 billion), and France (\$1.89 billion).

2. Ans. C.

- ICICI Bank has introduced a special fixed deposit (FD) scheme for senior citizens called 'ICICI Bank Golden Years FD'.
- 'ICICI Bank Golden Years FD' scheme offers senior citizens an interest rate of 6.55% per annum for deposits up to ₹2 crore with a tenure of more than five years to 10 years.
- The scheme is available from May 20 to September 30, 2020.
- It offers 80 basis points (bps) more than what is applicable to general public for the same deposit amount and tenor.
- Resident senior citizens can avail the benefit of this scheme for new FDs as well as renewal of old FDs.

3. Ans. B.

- Under perfect equality the IHDI is equal to the HDI, but falls below the HDI when inequality rises.
- The difference between the IHDI and HDI is the human development cost of inequality, also termed – the loss to human development due to inequality.

- The IHDI allows a direct link to inequalities in dimensions, it can inform policies towards inequality reduction, and leads to better understanding of inequalities across population and their contribution to the overall human development cost.

4. Ans. B.

- * The Reserve Bank of India (RBI) imposed a penalty of Rs 6.50 crore on Karnataka Bank, Bank of India and Saraswat Co-operative Bank for non-compliance with central bank's Income Recognition and Asset Classification norms.

- * It fined Rs 5 crore on Bank of India, while it charged Rs 1.20 crore and Rs 30 lakh from Karnataka Bank and Saraswat Cooperative Bank, respectively.

- * For Bank of India, the fine was imposed because it violated certain provisions on asset classification, divergence, opening of current accounts, and classification and reporting of frauds.

5. Ans. B.

- The cash management bill (CMB) is the most flexible instrument for a Central Bank because it can be issued when needed, allowing the Central Bank to have lower cash balances and issue fewer long-term notes.

- CMBs tend to pay higher yields than bills with fixed maturities, but their shorter maturities lead to lower overall interest expense.

- The Government of India, in consultation with the RBI, had decided to issue a new short-term instrument, known as Cash Management Bills, to meet the temporary cash flow mismatches of the Government.

- CMBs in India are non-standard, discounted instruments issued for maturities less than 91 days.

6. Ans. B.

- National Payment Corporation of India (NPCI) has launched an artificial intelligence (AI) based chatbot, PAI, to create awareness around its products like FASTag, RuPay, UPI, AePS on a real time basis.

- This is yet another NPCI's initiative to improve digital financial inclusion in India.

- The AI virtual assistant, PAi is available round the clock helping users with access to accurate information on NPCI products. Customers can ask their queries in English and Hindi, via text or voice on the websites of NPCI, RuPay, and UPI Chalega.

- Through PAi, users get verified automated responses to their queries on all NPCI's products. PAi would also be accessible to global RuPay Cardholders as well.

7. Ans. A.

- The first meeting of the 15th Finance Commission's (XVFC) committee on Fiscal Consolidation Roadmap was held through video conferencing (VC).

- The committee headed by Nand Kishore (NK) Singh has recommended the judgement of Reserve Bank of India (RBI) on monetisation of fiscal deficit.

- The committee supported the Centre's decision of allowing states to borrow up to 5% of gross state domestic product (GSDP)

- The Committee also estimated India's GDP growth to -6% to 1% in the financial year 2020-21.

- The nominal GDP will accelerate to 4-5% in FY2021-22.

8. Ans. C.

- * The Reserve Bank of India has cut key repo lending rate by 40 basis points to 4%.

- * This is expected to bring down lending rates and deposit rates as well.

- * RBI's monetary policy committee in an off-cycle meeting voted 5-1 for a 40 bps repo rate cut, while maintaining an accommodative stance.

9. Ans. E.

- * The Reserve Bank of India has cut key repo lending rate by 40 basis points to 4%.

- * RBI's monetary policy committee in an off-cycle meeting voted 5-1 for a 40 bps repo rate cut, while maintaining an accommodative stance.

- * Reverse repo gets automatically gets adjusted to 3.35% from 3.75%.

10. Ans. D.

- * Franklin Templeton Trustee Services Pvt. Ltd. has appointed an independent advisor Kotak Mahindra Bank to work together with Franklin Templeton Asset Management (India) Pvt. Ltd (the AMC), to assist the Trustees in monetizing portfolios of the 6 schemes that are being wound up & make payouts to the affected investors.

- * The 6 schemes are- Franklin India Low Duration Fund, Franklin India Dynamic Accrual Fund, Franklin India Credit Risk Fund, Franklin India Short Term Income Plan, Franklin India Ultra Short Bond Fund and Franklin India Income Opportunities Fund of Franklin Templeton Mutual Fund.

11. Ans. C.

- * International Business Machines (IBM) ties up with the Intellect Design Arena Limited, a full spectrum banking and insurance products company, to launch iTurmeric FinCloud platform through IBM public cloud targeting financial institutions which are looking to switch to the latest tools and technologies.

- * The cloud-ready, API(Application Programming Interface)- first, microservices-based platform will help new digital banks systems to be tested and run in isolation or in parallel with core legacy systems, which can, in turn, continue to run without interruption or compromise.

12. Ans. D.

- In view of the ongoing lockdown in the country due to Coronavirus (COVID-19), Kotak Mahindra Bank has become the 1st bank in India to allow video Know your customer (KYC) facility for its customers opening savings account (SA) on Kotak 811 platform.

- Under the video conferencing KYC system, customers have to provide Aadhaar and PAN (Permanent Account Number) to open 'Kotak 811 savings account' in the Bank.

- After this, a bank official will complete the KYC process by verifying of documents, signature on a video call with the customer & this entire video will be saved.

13. Ans. D.

- American brokerage Goldman Sachs expects the Indian economy to contract by 5% in FY21, which will be the deepest compared to all recessions India has ever experienced since 1979.
- It is against its earlier forecast of 0.4% contraction before revising it down to a level it shares with Japanese brokerage Nomura.

14. Ans. B.

* Canara Bank has started a special business vertical dedicated to gold loans. This business vertical for gold loans to meet the financial needs of its customers due to the COVID-19 pandemic.

* The bank has launched a gold loan campaign till 30th June 2020 with an interest rate as low as 7.85% per annum.

* The credit can be utilised for different purposes, such as expenses for agriculture and allied activities, business needs, health emergencies and personal needs.

15. Ans. C.

• The World Bank has approved \$1 billion social protection package for India linked to Central government's programmes.

• The billion-dollar social protection package was in addition to the previous package of \$1 billion allocated to India for COVID-19 emergency response and health systems.

• This package will be linked to the programmes launched by the Government of India.

• Hence, it will support India's efforts at providing social assistance to the poor and vulnerable households who severely impacted by the COVID-19 pandemic.

16. Ans. D.

• MoneyGram Payment Systems has partnered with the Federal Bank to offer a cost-effective direct to bank account credit option for customers in India.

• Through this partnership, millions will be able to receive deposits directly in their bank accounts without leaving the confines of their homes which is imperative in the current situation.

• This tie-up will help the non-resident Indians with access to modern, low cost,

fast, easy and reliable ways for transferring money to India.

• Federal Bank has a 15% share of the country's remittance market and expects that the tie-up with MoneyGram will give the business a further boost.

17. Ans. C.

• PM CARES (Prime Minister's Citizen Assistance and Relief in Emergency Situations) Fund Trust has allocated Rs 3100 crores to fight against COVID-19 pandemic.

• Out of the total amount around Rs 2000 crores will be allocated for the purchase of ventilators, Rs 1000 crores to care migrant labourers and Rs 100 crores to support vaccine development.

18. Ans. A.

• State Bank of India(SBI) General Insurance has launched the standard health insurance policy named "Aarogya Sanjeevani Health Insurance Policy".

• This policy provides hospitalisation cover anywhere in India with sums insured ranging from Rs. 1 lakh to Rs. 5 lakhs.

• This policy has been designed at the instance of the Insurance Regulatory and Development Authority of India (IRDAI) with standard coverage and affordable premiums.

• Arogya Sanjeevani Policy will cover the hospitalisation treatment cost of COVID-19 and will help in making affordable health care more accessible in times like these.

19. Ans. D.

• e-Nivaran is the online grievance redressal system of the Income Tax Department.

20. Ans. C.

• State Bank of India (SBI) has launched a special fixed deposit (FD) scheme for senior citizens to help them get higher interest rate on their money called "SBI Wecare Deposit"

• Under this scheme, those aged over 60 years will get an additional 30 basis points (0.30 percent) premium on term deposits (also known as fixed deposits) with tenure of 5 years and above.

- SBI will give interest rate ranging from 3.80% to 6.50% to senior citizens on FDs maturing in 7 days to 10 years.

21. Ans. C.

- The Small Industries Development Bank of India (SIDBI) will launch 'India SME Services Platform', a digital platform to educate stakeholders in the small and medium enterprises (SME) ecosystem and have information on coronavirus-related initiatives for the sector.

- The platform will provide Micro, Small and Medium Enterprises (MSMEs) information about starting operations, getting finance, credit enhancement and other support services.

- The platform will bring together all MSMEs, MSME ecosystem stakeholders, financiers, corporates, government, regulators, employees and associations in an interactive platform, where all will be at one place & one place for all kinds of initiatives.

22. Ans. B.

- The Reserve Bank of India (RBI) has cancelled Mapusa Urban Co-operative Bank Ltd's (MUCB) banking licence, paving the way for its liquidation since multiple attempts at the merger route have failed.

- The central bank has issued an order, barring the bank to carry on banking business, with effect from the close of business on April 16, 2020.

- Hence, the Urban Co-operative Bank has been refrained from running the business of 'banking' which comprises of acceptance of deposits as well as repayment of deposits as defined in Section 5 (b) read with Section 56 of the Banking Regulation Act, 1949 with immediate effect.

23. Ans. C.

- State Bank of India will waive service charges for all ATM transactions made on SBI ATMs as well as other bank ATMs

- The decision will also be implemented on the other bank ATMs on account of exceeding the free number of transactions up to 30th June 2020.

- Therefore, any customer having a debit card from a State Bank of India will be allowed to withdraw cash from any other

bank's ATM without incurring any additional charges till 30th June, 2020.

24. Ans. D.

- Ameyo, a customer engagement technology provider, has announced the launch of video-based KYC for businesses to eliminate the need for physical KYC following the latest RBI guidelines issued in Jan 2020.

- The company claims that the platform will enable enterprises to reduce video KYC completion drop-offs by 20% and reduce the cost of operations by up to 90%.

- Ameyo's video KYC is an end-to-end solution with omnichannel capabilities of scheduling and reminding customers to complete the KYC process.

25. Ans. C.

- HDFC Bank has released a song titled #HumHaarNahiMaanenge to keep hopes up amidst the ongoing national lockdown and Covid-19 pandemic.

- The lyrics of the song has been penned by Prasoon Joshi and music has been composed by AR Rahman.

- HDFC Bank has announced that it will contribute Rs 500 each time the song is shared via social media towards the PM-CARES Fund.

26. Ans. D.

- The World Bank's Board of Executive Directors has approved a USD 400 million multi-year financial support to help India enhance its coastal & marine resources, protect marine resources & coastal populations from pollution, erosion, sea-level rise, and improve livelihood opportunities for coastal communities over the next decade.

- It will help protect coastal resources by focusing on the rehabilitation of coastal beaches and mangroves

- The 1st phase covers 8 coastal States and 3 coastal Union Territories, with USD 180 million in funding, for Enhancing Coastal and Ocean Resource Efficiency (ENCORE).

- The loan from the international bank for Reconstruction and Development (IBRD) has a final maturity of 14.5 years including a grace period of 5 years.

27. Ans. D.

* Karnataka Vikas Grameena Bank (KVGB) has launched 'Vikas Abhaya' a loan scheme to provide some relief to Micro, Small and Medium Enterprise (MSME) borrowers.

* This scheme is for those borrowers whose business activities are disrupted on account of the COVID-19 pandemic in Dharwad, Karnataka.

* The loan will be for the existing MSME customers who have been regular as on February 29, a maximum loan of up to Rs 1 lakh will be provided and no collateral security is emphasized & is repayable within 36 months.

* It is an additional credit facility to the eligible existing MSME borrowers & helps them to assist over the current crisis and ensures the continuation of viable business activity.

28. Ans. A.

• The country's largest carmaker Maruti Suzuki India (MSI) has joined hands with ICICI Bank to offer retail financing schemes to its customers.

• As part of the tie up, ICICI Bank is offering flexi EMI scheme which enables customers to pay low EMI initially, in order to help them overcome the liquidity stress due to the COVID-19 pandemic.

• The EMI amount starts from Rs 899 on a loan of Rs 1 lakh for first three months. The bank is also offering similar other EMI plans for MSI customers.

29. Ans. C.

• Deutsche Bank has received approval to offer custodial services for silver bullion contracts.

• The bank had received licence for custodial services in gold, oil and natural gas and index futures in October.

• For institutional participation in commodity derivatives, appointment of a custodian is mandatory for these asset managers for safekeeping of any physical assets.

• Even as Securities and Exchange Board of India (Sebi) had permitted institutional investors to trade in commodity derivatives segment for the first time in September 2018, the participation could not take off immediately as there were no licensed custodians for commodities.

30. Ans. C.

• Airtel Payments Bank has collaborated with Mastercard to create customised financial products for Indian farmers and Small and Medium Enterprises (SMEs).

• These financial products particularly for those territories where there is less access to bank administrations.

• The coordinated effort will unite Mastercard's worldwide and nearby involvement with developing advanced financial solutions and Airtel Payments Bank's circulation system to arrive at the last mile and its large customer base.

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