

**FINAL ANSWER KEY**

Paper: 074 - Elements of Banking - Kerala co-operative  
Date of Test 02-05-2023

Question1:-In India Banks are governed by:

- A:-Companies Act 1956
  - B:-Reserve Bank of India Act 1934
  - C:-Banking Regulation Act 1949
  - D:-Special Powers Conferred by RBI
- Correct Answer:- Option-C

Question2:-Reserve Bank of India (RBI) started functioning from:

- A:-1st of April 1934
  - B:-15th of August 1947
  - C:-1st of January 1950
  - D:-1st of April 1935
- Correct Answer:- Option-D

Question3:-Who among the following Finance Ministers of India was also a Governor of RBI?

- A:-Dr. Manmohan Singh
  - B:-P. Chidambaram
  - C:-Pranab Mukharge
  - D:-Yeswanth Sinha
- Correct Answer:- Option-A

Question4:-Bank Rate means:

- A:-The rate of interest charged by Commercial Bank
  - B:-The standard rate at which the RBI buy or re-discount bills
  - C:-The rate of interest allowed by Commercial bank as deposits
  - D:-None of the above
- Correct Answer:- Option-B

Question5:-CRR stands for

- A:-Liquidity Ratio
  - B:-Net demand on Time liability
  - C:-Rate of cash reserves required to be maintained by Banks with RBI
  - D:-None of the above
- Correct Answer:- Option-C

Question6:-Which one of the following is considered as the main Role of RBI?

- A:-Bankers Bank
  - B:-Regulator of Stock Market
  - C:-Regulator of General Insurance
  - D:-Regulator of Mutual Funds
- Correct Answer:- Option-A

Question7:-Why is RBI called as Lender of Last Resort?

- A:-Banks can approach RBI when their limits are exhausted
  - B:-Banks are not eligible to avail loan from other Banks
  - C:-RBI meets directly or indirectly all their reasons also demand for financial aids
  - D:-All the above
- Correct Answer:- Option-C

Question8:-Ways and Means refers to:

- A:-Advance allowed by Commercial Banks under DRS Scheme
  - B:-Temporary Advance made by RBI to Government as Bridge Loan
  - C:-Advance allowed by Commercial Banks under special programme
  - D:-None of the above
- Correct Answer:- Option-B

Question9:-Circumstances under which the RBI, restrict credit expansion, it

- A:-raises the Bank Rate
  - B:-reduce the Bank Rate
  - C:-freezes the Bank Rate
  - D:-all of the above
- Correct Answer:- Option-A

Question10:-SLR is maintained by Banks on the basis of

- A:-Demand Liabilities
  - B:-Time Liabilities
  - C:-Gross time and demand liability
  - D:-Net time and demand liability
- Correct Answer:- Option-D

Question11:-Imperial Banks are amalgamated and named as:

- A:-Reserve Bank of India
  - B:-State Bank of India
  - C:-Union Bank of India
  - D:-Corporation Bank
- Correct Answer:- Option-B

Question12:-Head Quarters of IDBI is located in:

- A:-Mumbai
  - B:-Chennai
  - C:-New Delhi
  - D:-Hyderabad
- Correct Answer:- Option-A

Question13:-Name of the Cooperative Banks at the village level

- A:-Central Coop. Banks
  - B:-Primary Agricultural Coop. Societies
  - C:-Village Cooperatives
  - D:-None of the above
- Correct Answer:- Option-B

Question14:-Paid up Share Capital of Regional Rural Bank (RRB) is contributed by:

- A:-Central Government

B:-State Government  
C:-Central, State and Sponsered Commercial Bank  
D:-State Coop. Bank

Correct Answer:- Option-C

Question15:-'DEAF' Account is maintained by

A:-RBI  
B:-SBI  
C:-State Government  
D:-Central Government

Correct Answer:- Option-A

Question16:-In DEAF A/c the letter 'E' stands for

A:-Empowerment  
B:-Enforcement  
C:-Enhancement  
D:-Educational

Correct Answer:- Option-D

Question17:-'SARFAES' Act of 2002 provides

A:-Securatisation of Surety  
B:-Asset Reconstruction  
C:-Enforcement of Security Interest  
D:-All of the above

Correct Answer:- Option-D

Question18:-Enforcement of SARFAESI Act is the duty of:

A:-SBI  
B:-RBI  
C:-Central Government  
D:-State Government

Correct Answer:- Option-B

Question19:-Banking Ombudsman is appointed by:

A:-Central Government  
B:-State Government  
C:-RBI  
D:-Indian Bank

Correct Answer:- Option-C

Question20:-Function of OMBUDS Man relate to:

A:-Solving Complaints from the Public  
B:-Issue of License to Bank  
C:-Sanctioning New Branches  
D:-Solving Complaints from the Customers

Correct Answer:- Option-D

Question21:-An SB A/c opened in a Bank with Zero balance is known as

A:-Ordinary SB A/c  
B:-Current A/c  
C:-No frill A/c  
D:-Call Deposit A/c

Correct Answer:- Option-C

Question22:-A Bank Cheque remains valid for:

A:-3 months  
B:-6 months  
C:-9 month  
D:-One year

Correct Answer:- Option-A

Question23:-The Signature of Drawee of a cheque is not genuine the Bank is called as:

A:-Stale cheque  
B:-Forged cheque  
C:-Post dated cheque  
D:-Anti dated cheque

Correct Answer:- Option-B

Question24:-The alpha numeric code is a cheque is known as

A:-RTGs  
B:-NEFT  
C:-CC  
D:-IFSC

Correct Answer:- Option-D

Question25:-If a crossed cheque is presented for payment

A:-Cash can be paid across the counter to the present  
B:-Cash can be paid across the counter to the A/c holder only  
C:-It can be paid only through a Banker  
D:-It cannot be paid at all

Correct Answer:- Option-B

Question26:-Crossing of Cheque make them

A:-Invalid document  
B:-Eligible for payment without sufficient balance in A/c  
C:-Ineligible for payment across the counter  
D:-Ineligible for endorsement to a person other than the Payee

Correct Answer:- Option-D

Question27:-Crossing applies only to:

A:-Cheque  
B:-Bills  
C:-Pro note  
D:-FD receipts

Correct Answer:- Option-A

Question28:-A Debit Card is:

A:-a card which carries prepaid balance

B:-a card which can be used for withdrawing cash if there is balance in the A/c  
C:-a card which can be used even if no balance in A/c  
D:-None of the above

Correct Answer:- Option-B

Question29:-Expand CVV in banking transaction

A:-Card Validity Value  
B:-Card Verification Value  
C:-Card Value Validity  
D:-Consumer Verification Vision

Correct Answer:- Option-B

Question30:-OTP memory in Banking Sector means:

A:-One Time Programmable memory  
B:-One Take Program Memory  
C:-Original Time Memory  
D:-None of the above

Correct Answer:- Option-A

Question31:-The first ATM was setup by:

A:-RBI  
B:-ICICI Bank  
C:-SBI  
D:-HSBC Bank

Correct Answer:- Option-D

Question32:-ATMs are connected through:

A:-LAN  
B:-WAN  
C:-NFS  
D:-ALM

Correct Answer:- Option-C

Question33:-SWIFT when expanded is:

A:-Society for Withstanding Internal Frauds on Time liability  
B:-Society for Women Inclusive Financial Technology  
C:-System Wise Inter bank Financial Theory  
D:-Society for Worldwide Inter bank Financial Telecommunication

Correct Answer:- Option-D

Question34:-The letter 'G' in RTGs stands for:

A:-Gross  
B:-General  
C:-Gentle  
D:-Great

Correct Answer:- Option-A

Question35:-What is NEFT?

A:-National Employment Federation on Texture  
B:-National Electronic Fund Transfer  
C:-National Employment Facility for Technic  
D:-National Eligibility for Fund Transfer

Correct Answer:- Option-B

Question36:-NEFT was introduced in:

A:-2000  
B:-2005  
C:-2011  
D:-2015

Correct Answer:- Option-B

Question37:-NPCI is:

A:-National Payment Commission in India  
B:-Nominal Payment Cooperatives in India  
C:-National Payment Corporation of India  
D:-None of the above

Correct Answer:- Option-C

Question38:-NPCI is promoted by:

A:-SEBI  
B:-RBI  
C:-SBI  
D:-CBI

Correct Answer:- Option-B

Question39:-What is the maximum amount that can be remitted through RTGs?

A:-Rupees 10 crores  
B:-Rupees 5 Crores  
C:-Rupees 25 Crores  
D:-No Ceiling

Correct Answer:- Option-D

Question40:-Working hours of NEFT is restricted to

A:-No restriction  
B:-Bank working Hours  
C:-Only Day time  
D:-10 Hours of day

Correct Answer:- Option-A

Question41:-Which of the following Committee recommended formation of NABARD?

A:-Narasimhan Committee  
B:-Santhanam Committee  
C:-Gorwala Committee  
D:-B. Sivaraman Committee

Correct Answer:- Option-D

Question42:-Which type of Institution is NABARD?

A:-Corporate

B:-Bureau  
C:-Bank  
D:-Board

Correct Answer:- Option-C

Question43:-Head Quarters of NABARD is located at

A:-Mumbai  
B:-New Delhi  
C:-Chennai  
D:-Calcutta

Correct Answer:- Option-A

Question44:-NABARD provides financing facilities for

A:-Promotion of Agriculture  
B:-Small Scale Industries  
C:-Cottage Industries  
D:-All of the above

Correct Answer:- Option-D

Question45:-Of the following which is not a subsidiary of RBI?

A:-DICGC  
B:-NHB  
C:-SBI  
D:-None of the above

Correct Answer:- Option-B

Question46:-Of the following which one is providing financial assistance to Exporters?

A:-SIDBI  
B:-NHB  
C:-NABARD  
D:-EXIM Bank

Correct Answer:- Option-C

Question47:-Choose the entity among the following established IBRD American Mission

A:-RRB  
B:-SBI  
C:-RBI  
D:-ICICI

Correct Answer:- Option-D

Question48:-Head Quarters of NHB is at

A:-Mumbai  
B:-New Delhi  
C:-Calcutta  
D:-Chennai

Correct Answer:- Option-B

Question49:-According to RBI priority sector includes

A:-Agriculture  
B:-Retail trade  
C:-Housing  
D:-All the above

Correct Answer:- Option-D

Question50:-The Regulatory Body of RRB is:

A:-NABARD  
B:-SBI  
C:-Govt. of India  
D:-State Government

Correct Answer:- Option-A

Question51:-Which of the following institution is providing financial aids to Industries?

A:-LIC  
B:-UTI  
C:-RBI  
D:-IDBI

Correct Answer:- Option-D

Question52:-Who is the authority to Sign Currency note of Rs.500 denomination:

A:-Indian Prime Minister  
B:-Governor of RBI  
C:-Dy. Governor of RBI  
D:-None of the above

Correct Answer:- Option-B

Question53:-The highest denomination note issued by RBI is:

A:-Rs. 2000  
B:-Rs. 5000  
C:-Rs. 10,000  
D:-Rs. 25,000

Correct Answer:- Option-C

Question54:-The authority issuing Treasury Bills is:

A:-Commercial Banks  
B:-RBI  
C:-SBI  
D:-None of the above

Correct Answer:- Option-B

Question55:-From among the following choose one which is not a money market instrument

A:-Treasury Bills  
B:-Commercial paper  
C:-Equity shares  
D:-Deposit certificate

Correct Answer:- Option-C

Question56:-The demonetisation declared on 9.11.2016 relates to:

A:-Rs. 100 notes

B:-Rs. 1000  
C:-Rs. 2000  
D:-Rs. 500

Correct Answer:- Option-B

Question57:-The RBI prints currency notes on the basis of :

A:-Minimum Reserve System  
B:-Gold Deposit  
C:-Simple Deposit System  
D:-None of the above

Correct Answer:- Option-A

Question58:-Who is the authority signing on One Rupee Note?

A:-Governor of RBI  
B:-Minister for Finance (GOI)  
C:-Prime Minister of India  
D:-Finance Secretary (GOI)

Correct Answer:- Option-D

Question59:-SIDBI is regulated by:

A:-RBI  
B:-SBI  
C:-NABARD  
D:-NHB

Correct Answer:- Option-A

Question60:-What is 'N' in NHB?

A:-New  
B:-Nodel  
C:-National  
D:-Number

Correct Answer:- Option-C

Question61:-Banking Ombudsman was introduced in

A:-1995  
B:-1998  
C:-2006  
D:-2001

Correct Answer:- Option-A

Question62:-Banking Ombudsman is empowered to deal with business of which of the following?

A:-Business related to RBI  
B:-Business related all Banking Companies  
C:-Business related to SBI  
D:-Business related to all public enterprises

Correct Answer:- Option-B

Question63:-Debt Recovery Tribunals is located in:

A:-Mumbai  
B:-New Delhi  
C:-Calcutta  
D:-All of the above

Correct Answer:- Option-D

Question64:-State Bank of India Act was passed in the year

A:-1995  
B:-1956  
C:-1959  
D:-1960

Correct Answer:- Option-C

Question65:-Regional Rural Bank (RRB) is established in

A:-1976  
B:-1958  
C:-2001  
D:-2008

Correct Answer:- Option-A

Question66:-Expand MUDRA

A:-Medium Urban Debt Recovery Agency  
B:-Micro Unit Development and Refinancing Authority  
C:-Minor Urban Debt Recovery Agency  
D:-None of the above

Correct Answer:- Option-B

Question67:-MUDRA Bank was established in:

A:-2004  
B:-2001  
C:-2015  
D:-2014

Correct Answer:- Option-C

Question68:-Local Area Banking Scheme was introduced in:

A:-1947  
B:-1996  
C:-1950  
D:-1954

Correct Answer:- Option-B

Question69:-RBI allowed merger or amalgamation of Banks in which of the following areas?

A:-Rural areas  
B:-Semi Rural areas  
C:-Urban areas  
D:-All of the above

Correct Answer:- Option-C

Question70:-Local Area Banks (LABs) are registered as:

A:-NBFAs

- B:-Public Limited Companies
- C:-Public Sector Units
- D:-Semi Commercial Banks

Correct Answer:- Option-B

Question71:-Expand SIDBI

- A:-Small Industries Development Bank of India
- B:-Single Individual Deposit Bureau of India
- C:-Small Investigative Decision Bureau of India
- D:-None of the above

Correct Answer:- Option-A

Question72:-SIDBI was established in:

- A:-1998
- B:-1997
- C:-1990
- D:-2000

Correct Answer:- Option-C

Question73:-Share Market is also known as

- A:-Capital Market
- B:-Money Market
- C:-Equity Market
- D:-All of these

Correct Answer:- Option-A

Question74:-Debenture is otherwise known as

- A:-Securities
- B:-Debts
- C:-Beares
- D:-None of the above

Correct Answer:- Option-D

Question75:-Which of the following is a Negotiable Instrument?

- A:-Share Certificate issued by a PSU
- B:-Demand Draft issued by a Bank
- C:-FD certificate of a Bank
- D:-Debenture of a Company

Correct Answer:- Option-D

Question76:-Stock exchange of India is regulated by:

- A:-RBI
- B:-GOI (Government of India)
- C:-SEBI
- D:-NABARD

Correct Answer:- Option-C

Question77:-Largest Stock Exchange of the world:

- A:-London Stock Exchange
- B:-Newyork Stock Exchange
- C:-National Stock Exchange of India
- D:-None of the above

Correct Answer:- Option-B

Question78:-CRISIL is the body to decide:

- A:-Banking Transaction Volume
- B:-Banking Payment Program
- C:-Investment module of Banks
- D:-Credit Rating of a Banking institutions in India

Correct Answer:- Option-D

Question79:-Who is the major share holder of SIDBI?

- A:-Government of India (GOI)
- B:-State Bank of India (SBI)
- C:-LIC
- D:-PNB

Correct Answer:- Option-A

Question80:-Export Import Bank was established on:

- A:-June 1969
- B:-April 1970
- C:-January 1982
- D:-April 1982

Correct Answer:- Option-C

Question81:-IMF when expanded:

- A:-Imperial Money Firm
- B:-International Monetary Fund
- C:-International Money Federation
- D:-Investment of Monetary Fund

Correct Answer:- Option-B

Question82:-The Head Quarters of IMF is:

- A:-New York
- B:-Tokyo
- C:-England
- D:-Washington DC

Correct Answer:- Option-D

Question83:-Choose the main functions of IMF

- A:-Solving balance of payment problems of Member countries
- B:-Financing Investment for Member countries
- C:-Act as lending agency of developing countries
- D:-Arrange International Fund transfer among Member countries

Correct Answer:- Option-A

Question84:-What is the Voting pattern in IMF?

- A:-One Member One Vote

- B:-Volume of Income of Member Countries
- C:-In proportion to quota allotted to countries from time to time
- D:-According GDF of each member countries

Correct Answer:- Option-C

Question85:-WTO, when expanded:

- A:-World Trade Organisation
- B:-World Training Operator
- C:-World Treaty Objective
- D:-World Trading Organisior

Correct Answer:- Option-A

Question86:-In which of the following year WTO was established?

- A:-1947
- B:-1958
- C:-1995
- D:-1996

Correct Answer:- Option-C

Question87:-The Functional Agencies of World Bank includes

- A:-International Bank for Reconstruction and Development
- B:-International Development Association
- C:-Multilateral Investment Guarantee Agency
- D:-All of the above

Correct Answer:- Option-D

Question88:-Origin of World Bank dates back to:

- A:-1945
- B:-1947
- C:-1950
- D:-1954

Correct Answer:- Option-A

Question89:-International birds is closely monitored by:

- A:-World Bank
- B:-IMF
- C:-WTO
- D:-ILO

Correct Answer:- Option-C

Question90:-Head Office of WTO is located at:

- A:-New York
- B:-Geneva
- C:-Washington DC
- D:-New Delhi

Correct Answer:- Option-B

Question91:-Of the following which are the important parameters accepted by RBI to decide the rating of a Commercial Bank

- (i) NPA
- (ii) CRAR
- (iii) Earnings
- (iv) Management

- A:-(i) and (iv)
- B:-(i) and (iii)
- C:-(ii) and (iv)
- D:-(i) and (ii)

Correct Answer:- Option-D

Question92:-Head Office of Asian Development Bank (ADB) in:

- A:-Tokyo, Japan
- B:-Moscow, Russia
- C:-Manila, Philippine
- D:-New York, USA

Correct Answer:- Option-C

Question93:-Expand OPEC

- A:-Official Presence of Emerging Countries
- B:-Organisation of Petroleum Efficiency Countries
- C:-Organisation of Petroleum Exporting Countries
- D:-None of the above

Correct Answer:- Option-C

Question94:-Which of the following is not a member of OPEC?

- A:-Brazil
- B:-Algeria
- C:-Nigeria
- D:-Dubai

Correct Answer:- Option-A

Question95:-In which year RTGs was introduced by RBI?

- A:-2004
- B:-2002
- C:-2001
- D:-2000

Correct Answer:- Option-A

Question96:-Name the technology which prevents scope for cheque fraud?

- A:-RTGs
- B:-CTs
- C:-NEFT
- D:-NCPI

Correct Answer:- Option-B

Question97:-ALM in Banking stands for

- A:-Asset Liability Monitoring
- B:-Asset Liability Mentioning
- C:-Asset Liability Management
- D:-None of the above

Correct Answer:- Option-C

Question98:-CRR and SLR are terms closely connected with:

- A:-Capital Market
- B:-Banking Sector
- C:-Commercial Sector
- D:-Mutual Fund

Correct Answer:- Option-B

Question99:-Which is the first Bank introduced ATM in India?

- A:-SBI
- B:-ICICI Bank
- C:-Union Bank of India
- D:-Dena Bank

Correct Answer:- Option-C

Question100:-Name the umbrella organisation for retail payment in India

- A:-RBI
- B:-SBI
- C:-IOB
- D:-NPCI

Correct Answer:- Option-D