



# GENERAL AWARENESS

LIC AAO 2019



**1) A bank without any branch network that offers its services remotely through online banking, telephone/mobile banking and interbank ATM network alliances is known as?**

- a) Universal Banking
- b) Indirect Bank
- c) Door Step Bank
- d) A Direct Bank
- e) UM Banking

**2) RBI takes “Prompt Corrective Action” when a bank is faces which of the following risks?**

- a) Market Risk
- b) Credit Risk
- c) Liquidity Risk
- d) Low Capital Adequacy
- e) None of these

**3) Under which of the following act was the ‘Banking Codes and Standards Board of India’ registered as a society?**

- a) Banking Regulation Act, 1949
- b) Reserve Bank of India Act, 1934
- c) Banker’s Books Evidence Act, 1891
- d) Societies Registration Act, 1860
- e) Negotiable Instrument Act, 1881

**4) What does ‘BBB’ stands for in context of banking?**

- a) Bank Broadcast Bureau
- b) Bank Beneficial Bureau
- c) Bank Blogger Bureau
- d) Bank Board Bureau
- e) None of these

**5) Which of the following is correct regarding the Statutory Liquidity ratio (SLR)?**

- a) It restricts commercial bank's leverage in pumping more money into the economy
- b) It is maintained only in form of cash
- c) It controls liquidity in banking system
- d) It does not ensure the solvency of commercial banks
- e) None of these

**6) What is the Capital & Currency of Denmark?**

- a) Capital-Copenhagen & Currency-Danish krone
- b) Capital-Bridgetown & Currency-Danish dollar
- c) Capital-Minsk & Currency-Danish ruble
- d) Capital-Sarajevo & Currency-Danish Marka
- e) None of these

**7) Where is Chandoli National Park located?**

- a) Karnataka
- b) Maharashtra
- c) Andhra Pradesh
- d) Telangana
- e) None of these

**8) Where is the headquarter of World Economic Forum (WEF) is located?**

- a) Washington DC, USA
- b) Vienna, Austria
- c) Cologny, Switzerland
- d) Paris, France
- e) None of these

**9) Who is the present Prime Minister of Sri Lanka?**

- a) Sirimavo Bandaranaike
- b) Ratnasiri Wickremanayake
- c) Mahinda Rajapaksa
- d) Ranil Wickremesinghe
- e) None of these

**10) The Brahmaputra river in Arunachal Pradesh is called as?**

- a) Mahi
- b) Narmada
- c) Padma
- d) Dihang
- e) Kosi

**Answers :**

**1) Answer: d)**

A direct bank is a bank without any branch network that offers its services remotely via online banking and telephone banking and may also provide access via ATMs (often through interbank network alliances), mail and mobile.

**2) Answer: d)**

Prompt Corrective Action 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.

**3) Answer: d)**

The Banking Codes and Standards Board of India was registered as a society under the Societies Registration Act, 1860, in February 2006. The board functions as an independent and autonomous body. Membership of BCSBI is voluntary and open to scheduled banks.

**4) Answer: d)**

The Union Government has decided to set up Bank Board Bureau (BBB) for Public Sector Banks (PSBs), where each bank would be monitored on the basis of key performance indicators. The Bank Board Bureau will recommend appointment of directors in PSBs and advice on ways for raising funds and mergers and acquisitions to the lenders.

**5) Answer: a)**

SLR restricts the bank's leverage in pumping more money into the economy. On the other hand, CRR, or cash reserve ratio, is the portion of deposits that the banks have to maintain with the Central Bank to reduce liquidity in banking system. Thus CRR controls liquidity in banking system while SLR regulates credit growth in the country. By changing the level of SLR the Reserve Bank of India can increase or decrease bank credit expansion. SLR ensures the solvency of commercial banks and compels them to invest in government securities like government bonds.

**6) Answer: a)**

Capital-Copenhagen & Currency-Danish krone

**7) Answer: b)**

Chandoli National Park is located in Maharashtra

**8) Answer: c)**

The headquarters of World Economic Forum (WEF) is located in Cologny, Switzerland.

**9) Answer: d)**

Ranil Wickremesinghe is the Prime Minister of Sri Lanka.

**10) Answer: d)**

The Brahmaputra river in Arunachal Pradesh is called as Dihang

