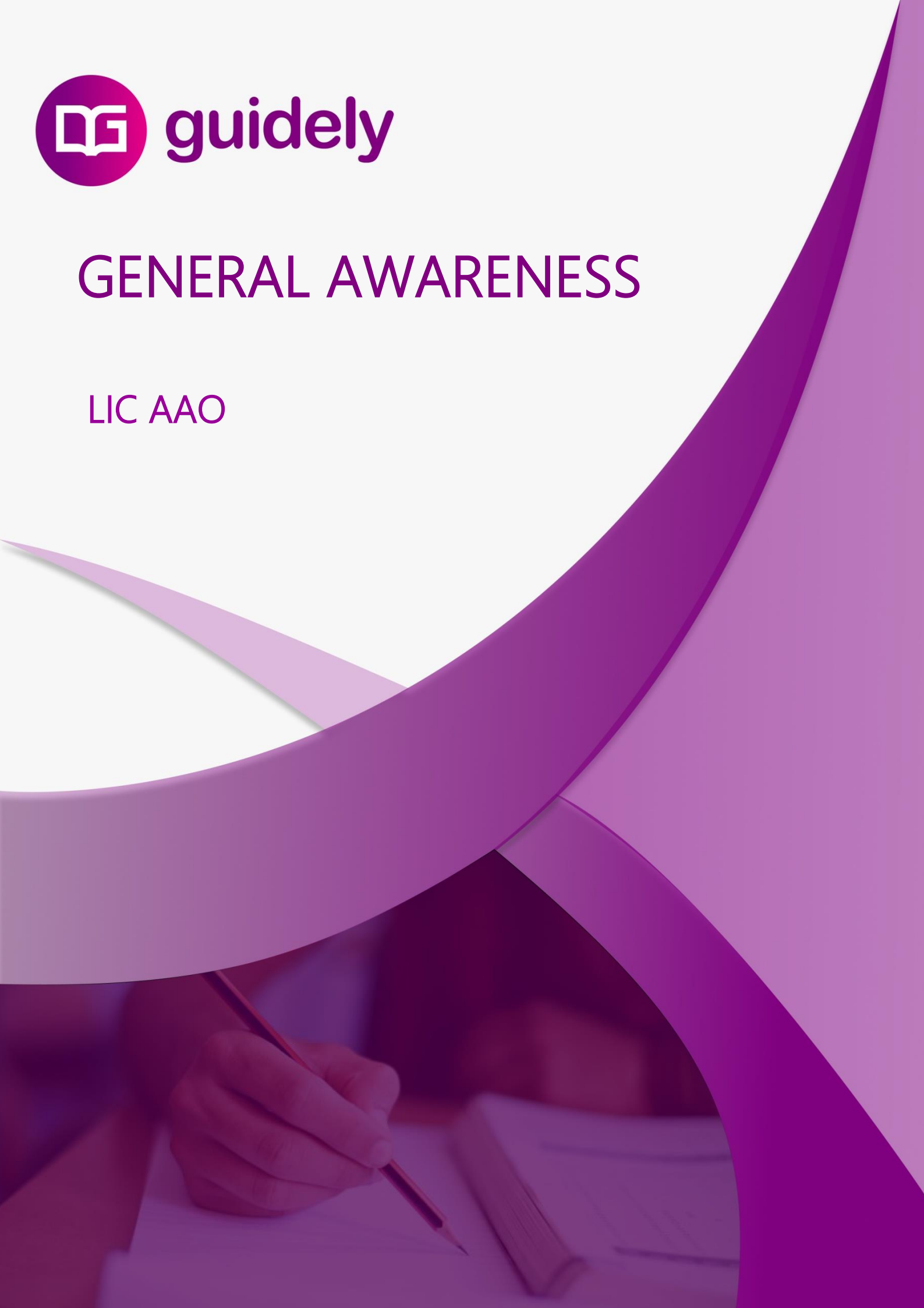




GENERAL AWARENESS

LIC AAO



1) Which of the following component of external sector comes under Current Account in India?

- a) FDI
- b) Interest payments received by government
- c) External Commercial Borrowings
- d) FII
- e) NRI bank account

2) What would a clerk do if he finds that the amount written on a cheque, in words, and in digits is different?

- a) Consider it as a stale cheque
- b) Clear the cheque by taking in account value written in words
- c) Clear the cheque by taking in account value written in digits
- d) Reject cheque and impose fine double the value of cheque
- e) None of the above

3) RBI is the lender of last resort which means _____.

- a) RBI advances money to Government whenever there is any emergency
- b) Commercial banks has to keep their funds with the RBI
- d) It comes to help banks in times of crisis
- d) All of the above

e) None of the above

4) What is the effect of crossing a cheque in India?

a) The payee can obtain payment only through a bank account

b) The payee is compelled to open an account

c) The payee will have to endorse the cheque to a bank

d) All of the above

e) None of these

5) In Economics, the term Twin Deficit refers to_____

a) Inflation + Fiscal Deficit

b) Current Account Deficit + Fiscal Deficit

c) Capital Account Deficit + Fiscal Deficit

d) Primary Deficit + Capital Account Deficit

e) Revenue Deficit + Fiscal Deficit

6) Recently, the Reserve Bank of India has allowed a one-time restructuring of existing debt up to _____ for the companies.

a) 50 Crore

b) 10 Crore

c) 100 Crore

d) 25 Crore

e) 5 Crore

7) As per the report from Commerce ministry, Defence Industries received ₹ 1.21 Crore FDI. Foreign Direct Investment beyond _____ percentage has allowed through approval route in defence sector.

a) 26%

b) 74%

c) 42%

d) 49%

e) 69%

8) Recently, the central government has decided to offer _____ interest subsidy to merchant exporters to boosting outbound shipment.

a) 2%

b) 4%

c) 6%

d) 5%

e) 3%

9) The centre has infused more than Rs. 51000 Crore in PSBs till December 2018 out of the budgetary allocation of _____ Crore for 2018-19.

a) 60000 Crore

- b) 105000 Crore
- c) 85000 Crore
- d) 65000 Crore
- e) 90000 Crore

10) ICICI Bank and Small Business FinCredit have joined hand to provide a loan worth up to Rs. 1 Crore for a tenure of _____ years per MSME customers.

- a) 10
- b) 12
- c) 15
- d) 20
- e) 25



Answers:

1) Answer: b)

The Balance of payments for a country is calculated by the difference of Capital Account and Current account. Both the accounts have different components included in it.

Current Account: Components – Net Import-Export (Import minus Export); Incomes (Profits, Interests, Dividend); Transfers (Donations, Gifts. etc.)

Capital Account: Components – Investment (FDI, FII); Loan (Government Borrowings, External commercial borrowings); Bank account transfers by NRIs, etc.

2) Answer: b)

As per section 18 of Negotiable Instrument Act, 1881 where an amount is stated differently in figures and words in the cheque the banker will clear the cheque by taking in account, the amount stated in words to be the amount undertaken or ordered value to be paid to the customer.

3) Answer: c)

A lender of last resort is an institution, usually a country's central bank that offers loans to banks or other eligible institutions against eligible securities that are experiencing financial difficulty or are considered highly risky or near collapse.

4) Answer: a)

When a cheque is crossed, it means that it is an instruction by the client to not pay the cheque directly over the counter but to a banker only for crediting the payees account with the bank.

5) Answer: b)

$\text{Twin Deficit} = \text{Current Account Deficit} + \text{Fiscal Deficit}.$

In economics, a twin deficit occurs when a nation has both a current account deficit and a fiscal deficit. You can also call twin deficits a double deficit.

6) Answer: d)

RBI has allowed a one-time restructuring of debt up to Rs. 25 Cr for the companies which have defaulted on payment, but the loans have classified as standard assets. It will help MSMEs which are facing a cash crunch due to demonetization & GST implementation. The restructuring has to be implemented by 31st of March 2020.

7) Answer: d)

In defence sector, FDI beyond 49% has allowed via approval route. FDI equity inflow of Rs 1.21 Cr has been reported in the sector namely 'Defence Industries' during the period 2014-2018. In 2013-14, 2014-15 and 2015-16, defence industries had received \$0.82 million, \$0.08 million, and \$0.10 million foreign inflows, respectively.

8) Answer: e)

Government decided to offer 3% interest subsidy to merchant exporters, entailing an expenditure of Rs. 600 Cr to enhance liquidity with a view to boosting outbound shipment. Agriculture, textiles, leather, handicraft & machinery would be benefitted in this scheme.

9) Answer: d)

Centre has infused more than Rs 51,000 crore in public sector banks till December 2018 out of the budgetary allocation of Rs 65,000 crore for 2018-19. Non-Performing Assets in the banking sector were close to Rs 10 lakh crore at the beginning of FY19.

10) Answer: c)

ICICI Bank & Small Business FinCredit signed a MoU to provide credit to small & medium enterprises. The loans of up to Rs.1 Cr is for a tenure of 15 years per customer. ICICI Bank will co-originate loan against property with SBFC at a mutually agreed ratio.