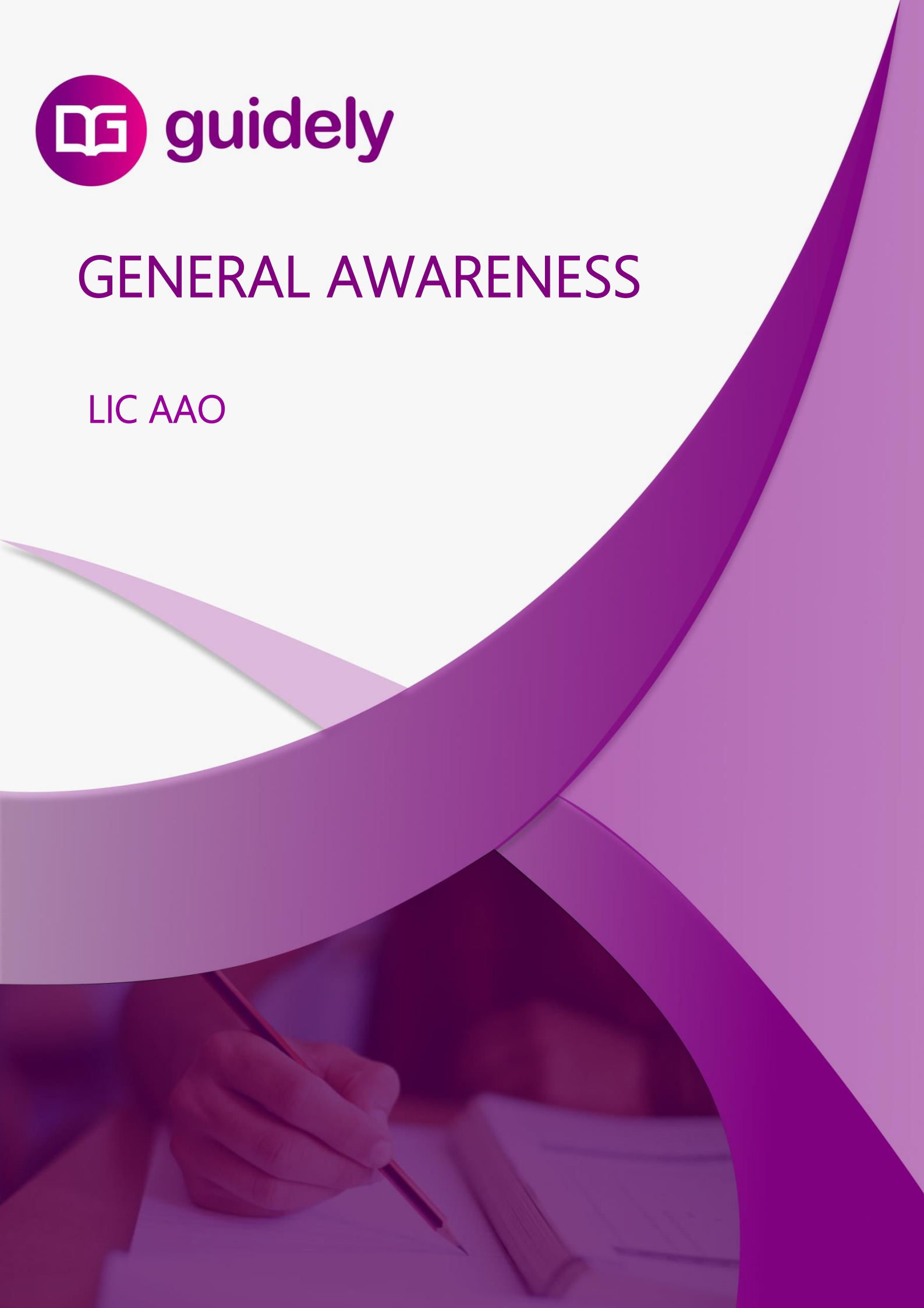




# GENERAL AWARENESS

LIC AAO



1) What do you understand by, 'Asset Reconstruction Companies look for business from banks'?

- a) These companies buy the bad debts from banks at discount
- b) They help banks in identifying the potential clients for loans
- c) They help banks identify potential clients for infrastructure lending by these companies
- d) Both B and C
- e) None of these

2) In the Union Budget, what does the term 'primary deficit' mean?

- a) Revenue Deficit — Interest Payment
- b) Fiscal Deficit — Interest Payment
- c) Revenue Expenditure — Revenue Receipts
- d) Total Expenditure — Total Borrowing
- e) Budget deficit— Interest payment

3) Maximum Loan amount under MUDRA Bank's Shishu Scheme is?

- a) Rs. 25000
- b) Rs. 50000
- c) Rs. 75000
- d) Rs. 100000

e) Rs. 200000

4) Under which of the following sections of the Banking Regulation Act,1949 does RBI issue guidelines on the maintenance of Statutory Liquidity Ratio (SLR)?

a) Section 24

b) Section 42

c) Section 26

d) Section 56

e) Both option a) and d)

5) Narrow Money, a term in monetary aggregates, is denoted by \_\_\_\_\_. A

a) M2 and M1

b) M4 and M3

c) M1 and M3

d) M3 and M1

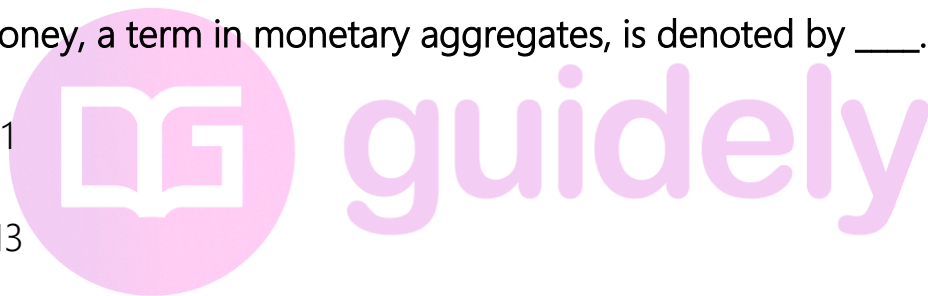
e) M0 and M1

6) As per the National Sample Survey Office's report, What is the unemployment rate for the year 2017-18?

a) 6.3%

b) 5.9%

c) 5.8%



d) 6.1%

e) 6.5%

7) How much will be allotted under the PradhanmantriKisanSammanNidhiYojna as per the union Budget 2019?

a) Rs. 55000 crore

b) Rs. 75000 crore

c) Rs. 30000 crore

d) Rs. 85000 crore

e) Rs.50000 crore

8) Which Country is to lend a loan of \$1 billion to Beijing to fund a major highway project?

a) Bangladesh

b) India

c) South Korea

d) China

e) Russia

9) Saudi Crown Prince, Mohammed bin Salman increased the quota for Indian Haj pilgrims from 1.75 lakh to \_\_\_\_\_ lakh after PM NarendraModi's request?

a) 3 Lakh

- b) 2.5 Lakh
- c) 2.75 Lakh
- d) 2 Lakh
- e) None of these

10) Which of the following banks are removed from the PCA (Prompt Corrective Action) framework recently?

- a) Corporation Bank, Allahabad Bank and Dhanlaxmi Bank
- b) Corporation Bank, Dhanlaxmi Bank and Yes Bank
- c) Allahabad Bank, Yes Bank and ICICI Bank
- d) HDFC Bank, Union Bank of India and Indian Bank.
- e) None of these

**Answers :**

1) Answer: a)

Asset Reconstruction Companies (ARC), purchases the bad loans or non-performing assets (NPA) issued by commercial and other banks at discounted rates.

2) Answer: b)

Primary deficit: It is the fiscal deficit less interest payments made by the government on its earlier borrowings.

3) Answer: b)

Under MUDRA Bank's Shishu Scheme, maximum loan amount that can be granted is Rs. 50000. The maximum loan amount is Rs. 5 lakh under Kishor Scheme and Rs. 10 lakh under Tarun Scheme.

**4) Answer: e)**

RBI regularly issues guidelines on maintenance of Statutory Liquidity Ratio (SLR) under Section 24 and Section 56 of the Banking Regulation Act, 1949 to all banks in India.

**5) Answer: e)**

M0 and M1, also called narrow money, normally include coins and notes in circulation and other money equivalents that are easily convertible into cash.

M2 includes M1 plus short-term time deposits in banks and 24-hour money market funds.

M3 includes M2 plus longer-term time deposits and money market funds with more than 24-hour maturity. The exact definitions of the three measures depend on the country. M4 includes M3 plus other deposits. The term broad money is used to describe M2, M3 or M4, depending on the local practice.

**6) Answer: d)**

As per the National Sample Survey Office's (NSSO's) periodic labor force survey (PLFS) India's unemployment rate hit a 45 year high of 6.1% in 2017-18. It is the first comprehensive survey on employment conducted by a government agency after demonetization. Unemployment is higher in urban areas which is 7.8% as compared to 5.3% in rural areas of the country. The unemployment rate is at its highest level as in 1972-73. The rate of jobless rural males rose to 17.4% from 5% and among rural jobless females, the rate became 13.6% from 4.8%.

**7) Answer: b)**

The Union Minister Piyush Goyal announced various schemes in the Interim Union Budget 2019-20 on February 1, 2019. Government announced fixed yearly income for small and marginal farmers under Pradhanmantri Kisan Samman Nidhi Yojna. This scheme will benefit about 12 crore farmers who have 2 Hectare land. Rupee 6000 per year direct cash transfer in their account. Cash transfer will be given in three equal installments of Rs 2000 each. The benefit under this yojna will be given retrospectively from December 2018. Rs. 75000 crore allotted for this scheme. It is expected to double the farmers income.

**8) Answer: d)**

China is to sign a \$1 billion concessional loan agreement with Beijing. The agreement is to fund a major highway project linking Colombo to Kandy. The construction of the first phase of the road has been delayed for more than two years due to a lack of funding. Last year Sri Lanka has handed over a strategic port to a Chinese firm for a 99-year lease.

**9) Answer: d)**

Saudi Crown Prince, Mohammed bin Salman also announced the increase in quota for Indian Haj pilgrims from 1.75 lakh to 2 lakh at the request of PM Modi. 2,340 Muslim women will go to Hajj this year, without mehram (companion) and without the lottery system. This will be the third such increase in the last 5 years.

**10) Answer: a)**

On 26th February 2019, the Board for Financial Supervision (BFS) of the Reserve Bank of India has removed 2 public sector banks- Corporation Bank and Allahabad Bank and 1 private sector bank – Dhanlaxmi Bank from PCA (Prompt Corrective Action)

framework. According to BFS, Allahabad Bank and Corporation Bank had received Rs 6,896 crore and Rs 9,086 crore respectively which led to increase in their capital funds and also increased their loan loss provision. According to RBI, Dhanlaxmi bank was found to be not breaching any of the risk threshold of the PCA Framework, hence was removed out of the PCA Framework.

