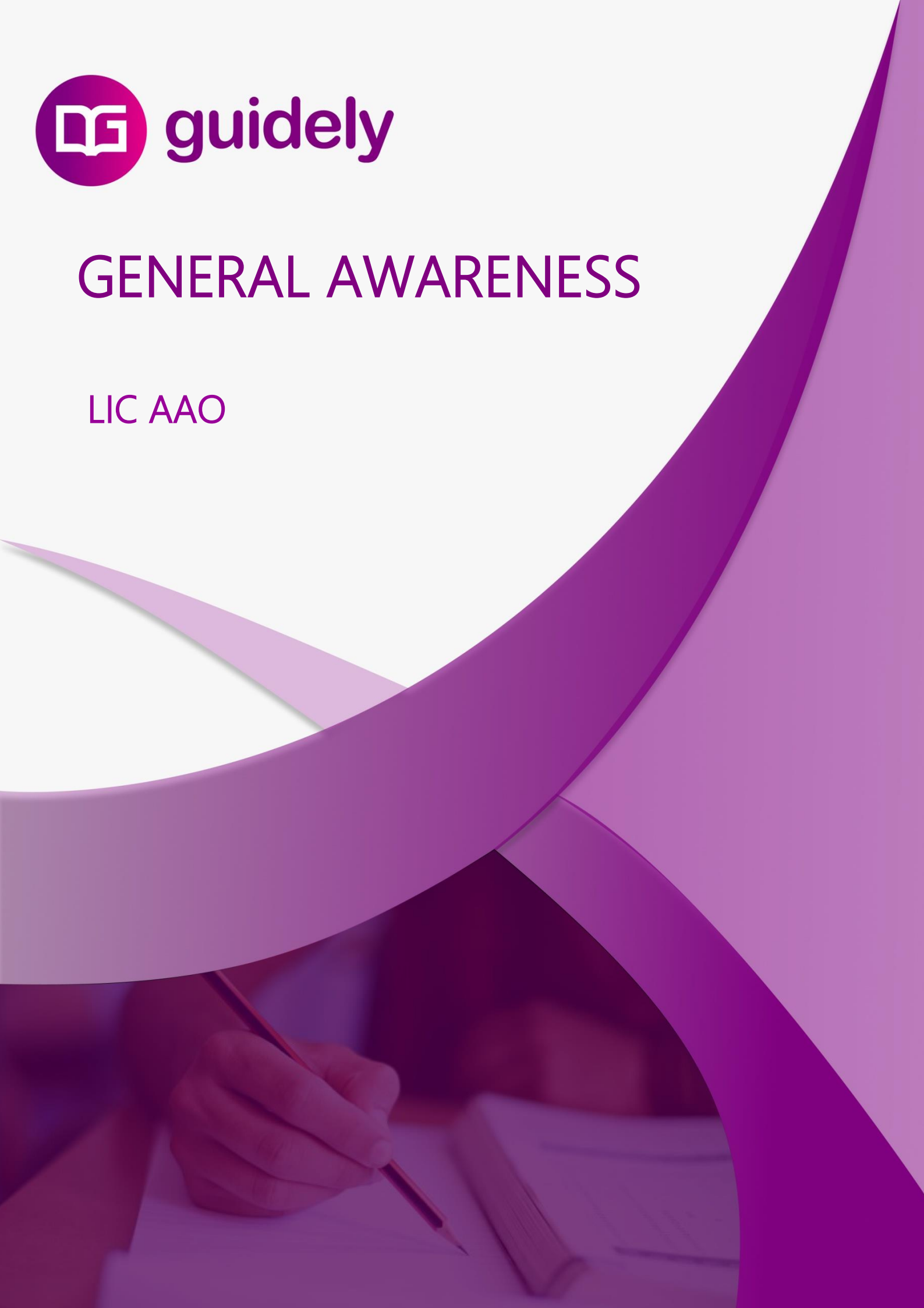




GENERAL AWARENESS

LIC AAO



1) Certificate of Deposit (CD) is a _____ instrument.

- a) Short term
- b) Long term
- c) Negotiable money market instrument
- d) Unsecured money market
- e) None of these

2) The objective of the Capital market operations is _____

- a) To raise funds from the public with the aim to put the investor's wealth to productive long-term use
- b) To raise the value of a country's currency
- c) To search for the best price of capital goods
- d) All the above
- e) None of the above

3) A segment of the financial market in which financial instruments with high liquidity and very short maturities are traded is known as _____

- a) Money market
- b) Stock Market
- c) Derivative market
- d) Equity market
- e) None of these

4) Which of the following is not a function of the Securities and Exchange Board of India (SEBI)?

- a) Supervising the working of the stock Exchanges
- b) Underwriting new Capital Issues
- c) Regulating the working of depositories, custodians of securities

- d) Promoting the development of a healthy Capital market
- e) To protect the interests of investors in securities market

5) The amount to be paid to the holder of a financial obligation at the obligation's maturity is known as _____.

- a) Paid-up value
- b) Surrender Value
- c) Maturity value
- d) Sum Assured
- e) None of these

6) How much percent of life insurer's premium income was grown for the year 2019, as per Insurance Regulatory and Development Authority of India (IRDAI)?

- a) 15%
- b) 14%
- c) 13%
- d) 11%
- e) None of these



7) Which among the following infrastructure major has bagged orders worth nearly Rs. 2,360 Crore for rural development projects?

- a) Larsen and Toubro (L&T)
- b) Delhi Land & Finance Limited (DLF)
- c) Tata Group
- d) Jaiprakash Associates Ltd.
- e) Unitech Limited

8) As per the report by the World Bank, India's power sector has an efficiency gap that costs the Indian economy about _____ of GDP per year.

- a) 3.2%
- b) 4%
- c) 2.8%
- d) 5%
- e) 6.6%

9) In February 2019, the Reserve Bank of India has doubled the limit for 'Bulk Deposits' to _____.

- a) ₹ 1 Crore
- b) ₹ 50 Lakh
- c) ₹ 2 Crore
- d) ₹ 3 Crore
- e) ₹ 5 Crore

10) The Reserve Bank of India will infuse Rs _____ crore into the banking system through Open Market Operations in 2019.

- a) 10,000
- b) 15,000
- c) 20,000
- d) 25,000
- e) 30,000

Answers:

1) Answer: c)

Certificate of Deposit (CD) is a negotiable money market instrument and issued in dematerialised form or as a Usance Promissory Note against funds deposited at a bank or other eligible financial institution for a specified time period.

2) Answer: a)

The Capital market in India mainly operates through its two apex stock exchanges: Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Its objective is to raise funds from public and put the investor's wealth to productive long-term use. It is used for long-term credit. In Capital market borrowing and lending of money takes place for more than 1 years.

Composition of Capital Market- It is mainly divided into three categories-

- a) Securities Market
- b) Development Financial Institutions
- c) Financial Intermediaries

3) Answer: a)

A segment of the financial market in which financial instrument with high liquidity and very short maturities are traded. Some of the money market instruments are treasury bill etc.

4) Answer: b)

Underwriting new Capital Issues is not a function of the Securities and Exchange Board of India (SEBI). As the name suggests, the main focus of this function of SEBI is to protect the interest of investor and security of their investment. The various functions of SEBI are: To protect the interests of investors in securities market. To promote the development of securities market. To regulate the business in stock exchanges and any other securities markets.

5) Answer: c)

Maturity value is the amount payable to an investor at the end of a debt instrument's holding period (maturity date). For most bonds, the maturity value is the face amount of the bond. For some certificates of deposit (CD) and other investments, all of the interest is paid at maturity.

6) Answer: d)

11 percent of life insurer's premium income was grown for the year 2019, as per Insurance Regulatory and Development Authority of India (IRDAI)

7) Answer: a)

The construction arm of infrastructure major Larsen and Toubro (L&T) has bagged orders worth nearly Rs. 2,360 Crore for rural development projects. L&T's Water and Effluent

Treatment and Transportation Infrastructure Business have secured order worth Rs. 1,281 Crore from the Andhra Pradesh Capital Region Development Authority (AP CRDA). Another turnkey order worth Rs. 1,076 Crore has been secured by Water and Effluent Treatment Business from the Madhya Pradesh Jal Nigam Maryadit (MPJNM) for the execution of multi village rural water supply schemes in Jabalpur, Narsinghpur, Seoni and Damoh districts of Madhya Pradesh

8) Answer: b)

According to the report titled 'In the Dark: How Much Do Power Sector Distortions Cost South Asia' by the World Bank, India's power sector has an efficiency gap that costs the Indian economy about 4% of GDP a year which is equivalent to \$86 billion in the fiscal year 2016. The report analyzed the overall societal costs – instead of just the fiscal costs – of subsidies, blackouts and other distortions in the power sector.

9) Answer: c)

Reserve Bank of India has doubled the limit for bulk deposits from ₹ 1 Crore to ₹ 2 Crore. This would enhance the operational freedom of banks. Commercial banks offer a lower rate of interest on bulk deposits. Banks would maintain their bulk deposit interest rate cards in the core banking system for supervisory review.

10) Answer: d)

The Reserve Bank of India (RBI) will infuse Rs 25,000 crore into the banking system through Open Market Operations (OMO). The RBI will conduct purchase of government securities through multi-security auction using the multiple price method. The decision on OMO is based on review of the evolving liquidity conditions in the banking system.