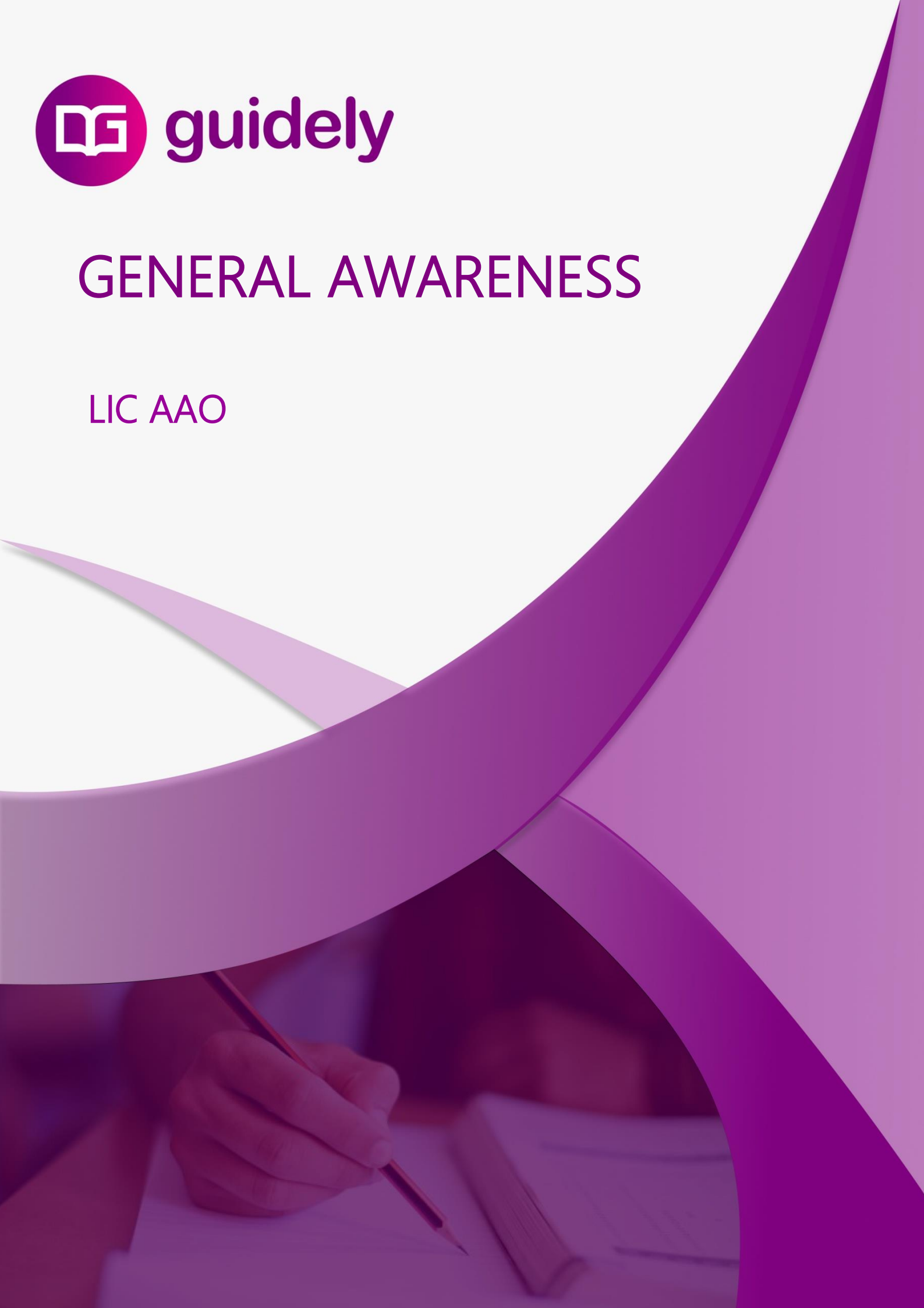




GENERAL AWARENESS

LIC AAO



1) The Reserve Bank of India (RBI) has fined Rs 2 Crore, recently (March 2019), on which of the following bank for violating the regulatory directions regarding SWIFT operations?

- a) Canara Bank
- b) Indian Overseas Bank
- c) HDFC bank
- d) Union Bank of India (UBI)
- e) Punjab National Bank (PNB)

2) What is the minimum size of issue and denominations of Certificates of Deposits (CD)?

- a) Rs. 25000
- b) Rs. 50000
- c) Rs. 1 lakh
- d) Rs. 5 lakhs
- e) Rs. 10 lakhs



3) The injection of money into a business or organization that is about to collapse is called ____.

- a) Balloon Loan
- b) Bailout
- c) Banque d'affaires

d) Banker Trojan

e) Bank Levy

4) SBI has recently linked interest rate applicable on savings account and short-term loans directly with which of the following rate?

a) CRR

b) Repo rate

c) SLR

d) Reverse repo rate

e) MSF

5) What does 'B' stands for in FRBMA?

a) Banking

b) Budget

c) Balance

d) Bankrupt

e) Bill

6) "Amber Box" is an important term used in international economy associated with which organization?

a) World Bank

b) International Monetary Fund

- c) Asian Development Bank
- d) New Development Bank
- e) World Trade Organisation

7) 'IFSC' is an 11-digit alpha-numeric code assigned by RBI to identify every bank branch participating in the payment system uniquely. What is the full form of IFSC?

- a) Indian Fiscal System Code
- b) Intra-Bank Financial System Code
- c) Indian Fiscal Source Code
- d) International Financial Source Code
- e) Indian Financial System Code

8) What do you understand by term 'Venture Capital'?

- a) A short-term capital provided to industries
- b) Funds provided for replacement and renovation of industries
- c) Funds provided to industries at times of incurring losses
- d) A long-term start-up capital provided to new entrepreneurs
- e) None of these

9) _____ is short term international capital movements, motivated by interest rate differential or revaluation hopes/devaluation fears.

- a) Cheap Money

- b) Dear Money
- c) Hot Money
- d) Broad Money
- e) Narrow Money

10) _____ is a temporary finance facility provided to Government of India by RBI to accommodate mismatch in the government's receipts and payments.

- a) LAF
- b) WMA
- c) SLR
- d) WACR
- e) CRR



Answers :

1) Answer: e)

RBI has slapped Rs 2 Crore on Punjab National Bank (PNB) for non-compliance of regulatory directions with regard to SWIFT operations.

SWIFT stands for the "Society for Worldwide Interbank Financial Telecommunications". It is a messaging network that financial institutions use to securely transmit information and instructions through a standardized system of codes.

2) Answer: c)

Minimum amount of a Certificates of Deposits should be Rs.1 lakh, i.e., the minimum deposit that could be accepted from a single subscriber should not be less than Rs.1 lakh and in multiples of Rs. 1 lakh thereafter.

3) Answer: b)

A bailout is the act of a business, an individual or a government providing money and resources to a failing company. These actions help to prevent the consequences of that business's potential downfall which may include bankruptcy and default on its financial obligations. Bailouts can be in the form of loans, bonds, stocks or cash.

4) Answer: B)

SBI has linked interest rate applicable on savings account deposits over Rs. 1 lakh and short-term loans directly with Reserve Bank of India (RBI) repo rate from 1 May, 2019 with an aim to ensure faster monetary transmission. Interest rate will now change automatically every time the regulator (RBI) hikes or lowers its repo rate.

5) Answer: b)

The Fiscal Responsibility and Budget Management Act, 2003 (FRBMA) is an Act of the Parliament of India to institutionalize financial discipline, reduce India's fiscal deficit, improve macroeconomic management and the overall management of the public funds by moving towards a balanced budget and strengthen fiscal prudence.

6) Answer: e)

In World Trade Organisation terminology, subsidies in agriculture and agricultural produce are identified by "Boxes". The three boxes are; Amber, Blue and Green boxes. Amber box contains aid to be avoided and reduced by countries.

7) Answer: e)

The Indian Financial System Code (or IFSC) is an 11-digit alpha-numeric code assigned by the Reserve Bank of India to identify every bank branch participating in the payment system uniquely.

8) Answer: d)

Venture capital is financing that investors provide to start up companies and small businesses that are believed to have long-term growth potential.

9) Answer: c)

Hot Money is short term international capital movements, motivated by interest rate differential or revaluation hopes/devaluation fears.

10) Answer: b)

The Reserve Bank of India gives temporary loan facilities to the centre and state governments as a banker to government. This temporary loan facility is called Ways and Means Advances (WMA).

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