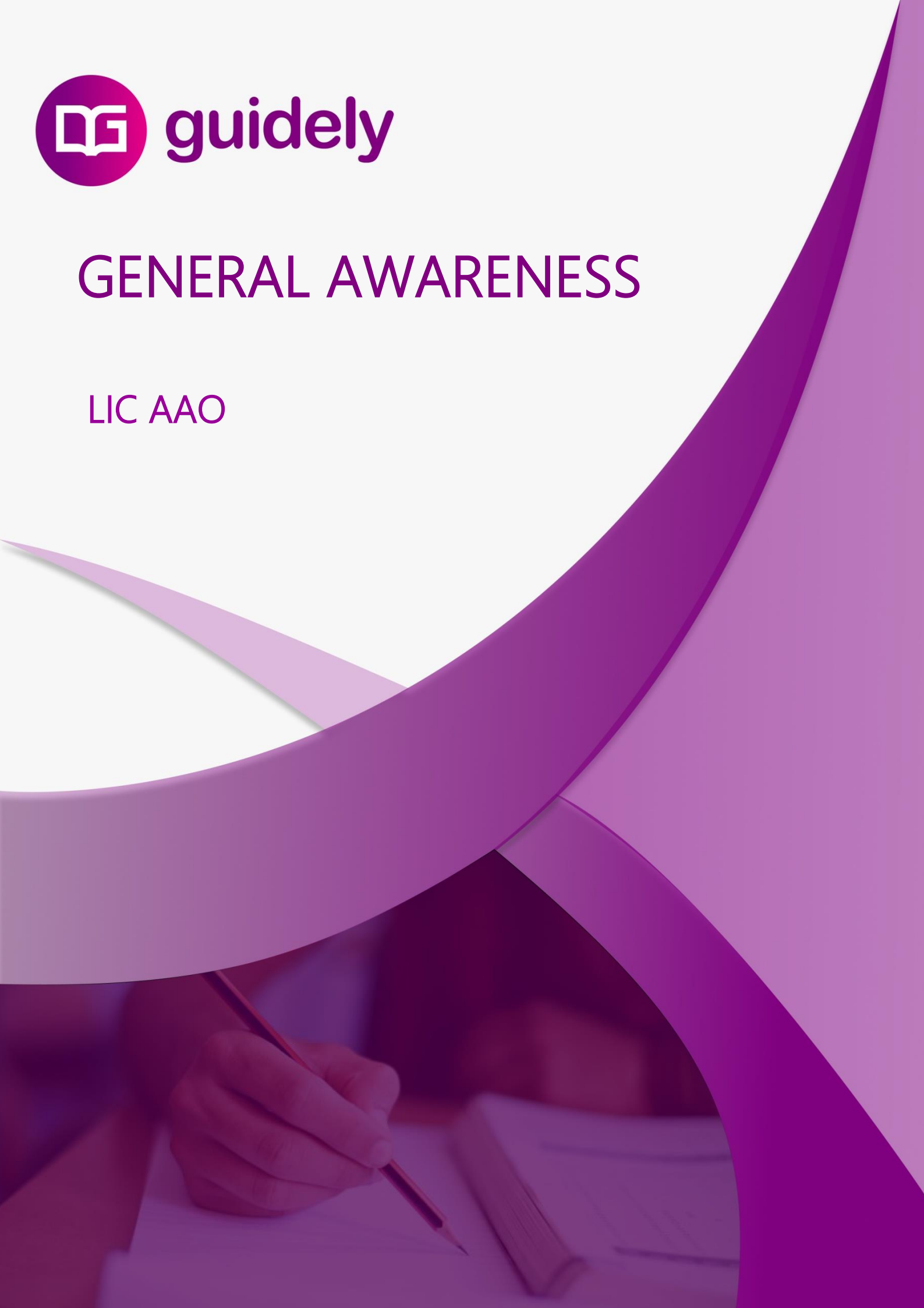




GENERAL AWARENESS

LIC AAO



1) Recently, RBI has increased the investment limit for FY 20 for foreign portfolio investors to 6% in _____.

- a) Govt Securities
- b) State Development Loans
- c) Corporate bonds
- d) Hybrid bonds
- e) Commercial Paper

2) Recently, Reinsurance brokers have been permitted to open non-interest bearing _____ accounts by the Reserve Bank of India.

- a) RFC FD account
- b) NRO FD account
- c) Resident Foreign Currency account
- d) Foreign Currency Account
- e) FCNR FD account

3) For Merchants with annual turnover exceeds _____, the Merchant Discount Rate has capped been at 0.8% for QR based sales subject to a maximum of ₹ 1000 per transaction.

- a) ₹ 5 Lakh
- b) ₹ 25 Lakh
- c) ₹ 10 Lakh
- d) ₹ 20 Lakh
- e) ₹ 15 Lakh

4) Which among the following is incorrect about the National Financial Reporting Authority?

- (i) NFRA is headquartered in Mumbai.
- (ii) Section 210 of the Companies Act, 2013 provides for the constitution of NFRA.
- (iii) It has a maximum of 12 members which comprises a representative from the Ministry of Corporate Affairs.

(iv) It can debar the individual/firm from engaging from practice for a maximum period of 10 years on account of proved misconduct.

- a) Only (i)
- b) (iii)& (iv)
- c) (i) ,(iii) and (iv)
- d) (ii),(iii) and (iv)
- e) (i), (ii) and (iii)

5) Interest Rates are the rates that banks offer to their depositors. Which among the following is NOT a factor for determining the interest rates?

- a) Government borrowings
- b) Supply of Money
- c) Current Account Deficit
- d) Demand for Money
- e) Inflation Rate

6) Consider the following about Priority Sector Lending.

- (i) Service charges are not levied on priority sector loans up to ₹ 1 Lakh.
- (ii) In 2011, YH Malegam committee re-examined the classification of Priority Sector Lending.
- (iii) Loans are provided to farmers for only harvesting purposes (Both Pre and Post-harvesting).
- (iv) The maximum loans given for repairing to the dwelling units in rural areas is ₹ 2.5 Lakh.

Which among the following is incorrect about Priority Sector Lending?

- a) (iii) only
- b) (i) only
- c) (i) and (iii) only
- d) (ii) only
- e) None of the above

7) Enforce Directorate comes under which department of Ministry of Finance?

- a) Department of Revenue
- b) Department of Expenditure
- c) Department of Financial Services
- d) Department of Investment and Public Asset Management
- e) Department of Economic Affairs

8) As per the year-end review of Deendayal Antodaya Yojana – National Rural Livelihoods Mission, Self Help Groups have been extended capitalization support of approximately _____ Crore.

- a) ₹ 743 Crore
- b) ₹ 658 Crore
- c) ₹ 819 Crore
- d) ₹ 595 Crore
- e) ₹ 694 Crore

9) Under the baseline scenario of the financial stability report, the system level CRAR is projected to come down to _____ in March 2019.

- a) 15.2%
- b) 8.3%
- c) 11.6%
- d) 12.9%
- e) 9.4%

10) Which among the following is true about recently released Payment and Settlement Systems in India: Vision – 2019-2021?

- (i) The Vision envisages four goals of Confidence, Cost, Competition, Convenience.
- (ii) The volume of cheque-based payments is expected to be less than 5% of the retail electronic transactions by 2021.
- (iii) Usage of debit cards at Point of Sale transactions is expected to be at least 44% of total debit card transactions.
- (iv) Payment transaction turnover (including CCIL transactions and paper) is expected to be 22.30 times the GDP by March 2021.

- a) Only (i) and (iv)
- b) Only (i), (ii) and (iii)
- c) Only (i) and (iii)
- d) Only (i), (ii) and (iv)
- e) Only (i)

Answers:

1) Answer: a)

The Reserve Bank of India increased the investment limit for FY2019-20 for foreign portfolio investors (FPI) in Central government securities to 6% of the outstanding stock of securities from 5.5% in FY2018-19.

The limit for FPI investment in State development loans (SDLs) and corporate bonds has been left unchanged at 2 % and 9% of outstanding stocks.

2) Answer: d)

The Reserve Bank of India permitted reinsurance brokers to open non-interest-bearing foreign currency accounts with banks for undertaking transactions.

Foreign currency account refers to a bank account held or maintained in currency other than the currency of India or Nepal or Bhutan.

3) Answer: d)

For merchants whose annual turnover exceeds Rs 20 Lakh, the MDR has been capped at 0.9% for swipe machine-based transactions and 0.8% for QR code-based sales, subject to a maximum of Rs 1000 per transaction.

For merchants with a turnover of up to Rs 20 lakh, the MDR has been capped at 0.4% for swipe machine-based transactions and 0.3% for QR code-based transactions subject to the value of the transaction cannot exceed Rs 200 per transaction.

MDR is the cost paid by a merchant to a bank for accepting payment from their customers via credit or debit cards every time a card is used for payments in their stores.

4) Answer: e)

The National Advisory Committee on Accounting Standards (NACAS) had been constituted under Section 210A of the Companies Act, 1956 by the Government to advise it on the formulation and laying down of accounting standards and auditing policies.

As per the new Companies Act, 2013 NACAS would be replaced by the National Financial Reporting Authority.

The NFRA is a quasi-judicial body which regulates aspects related to accounting and auditing. Section 132 of the Companies Act, 2013 provides for the constitution of NFRA to provide for matters relating to accounting and auditing.

It has a maximum of 15 members which comprises the representatives from the Ministry of Corporate Affairs, SEBI and RBI, retire Chief Justice of HC, President of ICAI.

NFRA may debar any member/firm from engaging himself or itself from practice for a minimum period of six months to maximum of ten years on account of proved misconduct.

NFRA would be headquartered in New Delhi.

5) Answer: c)

Current Account Deficit is NOT a factor for determining the interest rates.

Interest Rates – The rates that banks offer to their depositors, the rate that they lend to their borrowers, the rate at which the Government borrows in the bond/G-Sec market, rates offered to small investors in small savings schemes etc.

Some of the factors which govern the interest rates are:

Demand for money

Government borrowings

Supply of money

Inflation rate

6) Answer: e)

The priority sector lending programme is introduced to ensure that adequate institutional credit flows into some of the vulnerable sectors of the economy. It was defined by the Dr. KS Krishnaswamy Committee.

In August 2011, Reserve Bank of India set up a Committee chaired by MV Nair to re-examine the existing classification and suggest revised guidelines for Priority Sector lending classification and related issues.

Loans can be given for raising crops, pre and post-harvesting activities, purchasing of land for agricultural activities etc.

Under the Housing sector, Loans are given for repairs to the damaged dwelling units of families up to ₹ 2 Lakh in rural and semi-urban areas and up to ₹ 5 lakh in urban and metropolitan areas.

No loan related service charges/inspection charges should be levied on priority sector loans up to ₹ 25000.

7) Answer: a)

Enforce Directorate is the part of the Department of Revenue of the Ministry of Finance.

The Directorate of Enforcement is a law enforcement agency and economic intelligence agency responsible for enforcing economic laws and fighting economic crime in India

It is formed in 1956 and headquartered in New Delhi.

8) Answer: a)

As per the year-end review of Deendayal Antodaya Yojana – National Rural Livelihoods Mission, Self Help Groups have been extended capitalization support of ₹ 743.29 crore.

DAY-NRLM is a flagship programme of the Ministry of Rural Development that seeks to alleviate rural poverty through building sustainable community institutions of the poor.

The centrally sponsored programme is implemented in partnership with the State governments. It was launched in 2011.

9) Answer: d)

Under the assumed baseline macro scenario, system level CRAR is projected to come down to 12.9% in March 2019.

According to the RBI, Credit growth of scheduled commercial banks has improved between March 2018 and September 2018, driven largely by private sector banks (PVBs).

The asset quality of banks showed an improvement with the gross non-performing assets (GNPA) ratio of SCBs declining from 11.5% in March 2018 to 10.8% in September 2018.

Under the baseline scenario, the GNPA ratio may decline from 10.8 % in September 2018 to 10.3% in March 2019.

10) Answer: c)

Reserve Bank of India's 2018 vision document envisaged building best-in-class payment and settlement systems for a 'less-cash' India.

The Vision envisages four goals (4 Cs) – Competition, Cost, Convenience and Confidence.

The digital payment transaction turnover vis-à-vis GDP is expected to increase to 10.37 in 2019, 12.29 in 2020 and 14.80 in 2021.

Payment transaction turnover, including CCIL transactions and paper, is expected to be 22.30 times the GDP (at market prices-current price) by December 2021.

Usage of debit cards at Point of Sale transactions is expected to be at least 44% of total debit card transactions.

The volume of cheque-based payments is expected to be less than 2% of the retail electronic transactions by 2021.

