



# GENERAL AWARENESS

IBPS RRB PO CLERK SCALE 1



**1) What do you understand by term 'Venture Capital'?**

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

**2) \_\_\_\_\_ 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

**3) SCSS offers regular income, highest safety and tax saving, making it a popular product for those over \_\_\_\_\_ years of age.**

- a) 64 years
- b) 62 years
- c) 60 years
- d) 65 years
- e) 80 years

**4) Which of the following is defined as the difference between current assets and current liabilities?**

- a) Venture Capital
- b) Working Capital
- c) Equitable Mortgage

- d) Loss Assets
- e) Profit and Loss Account

**5) Which among the following is a condition of slow economic growth and relatively high unemployment?**

- a) Deflation
- b) Bottleneck Inflation
- c) Stagflation
- d) Reflation
- e) Creeping Inflation

**6) Which of the following is also known as “Reserve Money”?**

- a) M1
- b) M0
- c) M2
- d) M3
- e) M4



**7) 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

**8) 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 A & D

**9) The most appropriate measure of a country's economic growth is**

- a) GDP
- b) NDP
- c) Per capita real income
- d) GNP
- e) None of these

**10) Which among the following determines the ability of any organization to meet the financial losses?**

- a) Liquidity Ratio
- b) Investment Ratio
- c) Leverage Ratio
- d) Transfer Ratio
- e) None of the above

**Answers :**

**1) Answer: b)**

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

**2) Answer: c)**

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

**3) Answer: c)**

The Senior Citizens Savings Scheme (SCSS) offers regular income, highest safety and tax saving, making it a popular product for those over 60 years of age.

**4) Answer: b)**

The capital of a business (working capital) which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities.

**5) Answer: c)**

Stagflation is a condition in which the inflation rate is high, economic growth rate slows, and unemployment remains steadily high.

It can also be defined as inflation and a decline in gross domestic product. It occurs when an economy faces a sudden increase or decrease in the supply of a commodity or service.

Reflation – It is a monetary or fiscal policy by the government and central bank respectively to boost demand and thus increase the level of economic activity and combat deflation.

Creeping Inflation – A circumstance where the inflation of a nation increases gradually, but continually over time is called Creeping Inflation.

**6) Answer: b)**

Reserve money (M0) = Currency in Circulation + Bankers' Deposits with RBI + 'Other' Deposits with RBI. It is also called as high powered money, base money and central bank money. All these names suggest that reserve money represents the base level for money supply or it is the high-powered component of money supply.

**7) Answer: a)**

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

**8) 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.

**9) Answer: c)**

Per capita income is the average income of the country. Per capita real income takes inflation into consideration.

**10) Answer: c)**

Leverage Ratio is defined as the financial ratio that is used to determine the ability of an organization to meet its financial losses. It is a measure of risk used extensively in the banking and financial industry. This is mainly a measure of the debt load of any organization with respect to its asset base.

