GENERAL AWARENESS

IBPS PO CLERK

1) DICGC (Deposit Insurance and Credit Guarantee Corporation) is one of the wholly owned subsidiaries of the Reserve bank of India (RBI). What is the maximum deposit amount insured by the DICGC?

a) Four Lakhs

b) One Lakh

c) Two Lakhs

d) Six Lakhs

e) Three Lakhs

2) More than 10 banks from different countries have formed a group to fund for a risky Power plant development project. This type of banking is called as?

a) Credit Syndication

b) Credit Monitoring Arrangement

c) Consortium finance

d) Group cash delivery

e) Group financing

3) What is the net owned fund requirements for HFC in order to get registered with NHB?

a) Rs. 2 crore

b) Rs. 5 crore

c) Rs. 10 crore

d) Rs. 25 crore

e) Rs. 50 crore

4) CVV code provides an additional layer of security when a card is used to make a purchase online or over the phone. What is the full form of CVV?

a) Customer Verification Value

b) Card Valuable Value

c) Card Validity Variable

d) Customer Verification Variable

e) Card Verification Value

5) If RBI raises CRR (Cash Reserve Ratio) what impact will it have on economy?

A. Banks will have to increase interest rates on Loans.
B. Leads to the increase in cash flow in the economy.
C. Banks will have to give more funds to priority sector lending.

a) Only B

b) Only A

c) Both A & C

d) Both B & C

e) All A, B & C

6) A SWIFT code is an international bank code that identifies particular banks worldwide. In Swift Code, 5 th & 6 th digits denote-

a) Country Code

b) Bank Code

c) Location Code

d) Branch Code

e) City code

7) UPR is the total annual premium less than the amount earned. What is the full form of UPR?

a) Uniform Premium Research

b) Uninsured Premium Reserve

c) Unearned Premium Reserve

d) Unearned Premium Requirement

e) Uninsured Premium Requirement

8) _______ is a negotiable financial instrument issued by a bank to represent a foreign company's publicly traded securities.

a) Promissory notes

b) Depositary Receipt

c) Bills of Exchange

d) Participatory Notes

e) Certificates of Deposit

9) The Bankruptcy Code (Amendment) Bill, 2019 has set ___________ day deadline for rescuing companies in distress to fast track cleaning up of bad assets.

a) 330

b) 270

c) 364

d) 180

e) 129

10) Which among the following is called as State Development Loans?

a) Promissory notes

b) Dated Securities

c) Treasury Bills

d) Bill of Exchange

e) Commercial Papers

Answers :

1) Answer: B

Each depositor in a bank is insured up to a maximum of Rs.1,00,000 (Rupees One Lakh) for both principal and interest amount held by him. If the customer has accounts in different banks, they all account are insured to a maximum of Rs 1,00,000. However, if there are more accounts in same bank, they all are treated as a single account. The insurance premium is paid by the insured banks itself. This means that the benefit of deposit insurance protection is made available to the depositors or customers of banks free of cost.

2) Answer: C

A banking syndicate formed by multiple banks, often from different countries, for the singular purpose of financing a specific project that is too large for any individual bank to finance on its own. Upon completion of the project the consortium bank is disbanded. Consortium financing occurs for transactions that might not take place with a single lender. Consortiums are not built to handle international transactions such as a syndication loan; instead, a consortium may arise because the size of the project at hand is simply too large or too risky for any single lender to assume.

3) Answer: C

For commencing the housing finance business, an HFC is required to have the following in addition to the requirements under the Companies Act, 1956: Certificate of registration from NHB. Minimum net owned fund of Rs. 10 Crores.

4) Answer: E

Card verification value (CVV) is a combination of features used in credit, debit and automated teller machine (ATM) cards for the purpose of establishing the owner’s identity and minimizing the risk of fraud. The CVV is also known as the card verification code (CVC) or card security code (CSC).

5) Answer: B

Cash Reserve Ratio (CRR) is the share of a bank’s total deposit to be maintained with the Reserve Bank in the form of liquid cash. When RBI increases the CRR, less funds are available with banks as they have to keep larger portions of their cash in hand with RBI. Since commercial banks don’t earn any interest on CRR deposits, the banks have to increase the interest rates. Increase in CRR reduces money supply in economy. When money supply decreases, the inflation comes down. There is no relation between CRR and PSL (priority sector lending) of banks.

6) Answer: A

A SWIFT code is an international bank code that identifies particular banks worldwide. It's also known as a Bank Identifier Code (BIC). CommBank uses SWIFT codes to send money to overseas banks. A SWIFT code consists of 8 or 11 characters. First 4 digits – Bank code 5 th & 6 th digit – Country code 7 th & 8 th digit – Location code Last 3 digits – Branch code (optional)

7) Answer: C

Unearned Premium Reserve (UPR or UEPR) is the amount of unexpired premiums on policies or contracts as of a certain date (the total annual premium less the amount earned).

8) Answer: B

A depositary receipt is a negotiable financial instrument issued by a bank to represent a foreign company's publicly traded securities. With a depositary receipt, a custodian bank in the foreign country holds the actual shares.

9) Answer: A

The Bankruptcy Code (Amendment) Bill, 2019 sets a 330-day deadline for rescuing companies in distress to fast track cleaning up of bad assets in India's banking system. The Bill also restores higher rights that secured lenders have over operational creditors on the proceeds of sale or liquidation of the defaulting company.

10) Answer: B

State Development Loans (SDLs) are dated securities issued by states for meeting their market borrowings requirements. In effect, the SDL are like the dated securities issued by the central government. Purpose of issuing State Development Loans is to meet the budgetary needs of state governments. Each state can borrow up to a set limit through State Development Loans.