guidely

GENERAL AWARENESS

IBPS PO CLERK

1) Which organization has directed National Stock Exchange to pay more than Rs 625 crore in the case of misuse of its co-location facility?

a) IRDIA

b) RBI

c) SEBI

d) GoI

e) None of these

2) On which rate, RBI has deregulated the rates of interest to be provided by various banks to their depositors/customers with on their accounts.

a) Time deposit

b) Saving bank

c) Loan

d) Fixed deposit

e) Current

3) Reverse Repo is a tool used by RBI to-

a) Inject liquidity

b) Absorb liquidity

c) Increase the liquidity with the banking system

d) To keep the liquidity at one level

e) None of the given options is true

4) The rate of interest banks charges it main/major and prime customers is popularly called as-

a) Risk Premium

b) Prime Lending Rate

c) Repo Rate

d) Reverse Repo Rate

e) Cost of Fund

5) The term ‘BSR’ refers to-

a) Bank’s Selling Rate

b) Basic Statistical Returns

c) Annual returns submitted by banks to RBI in respect of priority sector advances

d) Quarterly statement of advances to agriculture

e) None of the given options is true

6) The note-issue system in India is based on-

a) Gold Deposit system

b) Minimum Reserve System

c) Proportional Reserve System

d) Simple Deposit System

e) None of the given options is true

7) Under Section 19 of the Reserve Bank of India Act, 1934, the RBI has been prohibited from-

a) Making loans or advances

b) Drawing or accepting bills payable otherwise than on demand

c) Allowing interest on deposits or current accounts

d) All of the above

e) None of the given options is true

8) In terms of Section 24 of the Reserve Bank of India Act, 1934, the Reserve Bank of India may issue bank notes for the maximum denomination of-

a) Rs. 500

b) Rs. 5000

c) Rs. 10000

d) Rs. 1000

e) Rs. 2000

9) Bank rate policy, open market operations, variable reserve requirements and statutory liquidity requirements employed by Reserve Bank as measures of credit control are classified as-

a) Quantitative methods

b) Qualitative methods

c) RBI methods

d) All of the above

e) None of the given options is true

10) Which of the following schemes available in the financial markets is not meant for investment purposes?

a) National savings certificates

b) Infrastructure bonds

c) Mutual funds

d) Letter of credit

e) None of the given options is true

Answers:

1) Answer: C

Markets regulator SEBI directed National Stock Exchange to pay more than ₹625 crore in the case of misuse of its co-location facility.

2) Answer: B

On Saving bank rate, RBI has deregulated the rates of interest to be provided by various banks to their depositors/customers with on their accounts.

3) Answer: A

Repo operations therefore inject liquidity into the system. Reverse repo operation is when RBI borrows money from banks by lending securities. The interest rate paid by RBI is in this case is called the reverse repo rate. Reverse repo operation therefore absorbs the liquidity in the system.

4) Answer: B

The interest rate charged by banks to their largest, most secure, and most creditworthy customers on short-term loans. This rate is used as a guide for computing interest rates for other borrowers.

5) Answer: B

Basic Statistical Return (BSR) System. The BSR system was introduced in December 1972 following the recommendation of the Committee on Banking Statistics adapting from the erstwhile data reporting system called Uniform Balance Book (UBB).

6) Answer: B

Initially, the proportional reserve system was adopted in India. Later on, India adopted the minimum reserve system and is still continuing with this system of note issue. The entire issue of currency notes is subjected to the regulations framed in the RBI Act, 1935.

7) Answer: D

(I). Make loans or advances;

(II) Draw or accept bills payable otherwise than on demand;

(III). Allow interest on deposits or current accounts.

8) Answer: C

In terms of Section 24 of the Reserve Bank of India Act, 1934, the Reserve Bank of India may issue bank notes for the maximum denomination of Rs. 10,000.

Answer: A

Quantitative Measures or methods- Bank Rate Policy. Open Market Operations. Cash Reserve Ratio. Statutory Liquidity Ratio.

10) Answer: D

A letter of credit is a letter from a bank guaranteeing that a buyer’s payment to a seller will be received on time and for the correct amount. In the event that the buyer is unable to make payment on the purchase, the bank will be required to cover the full or remaining amount of the purchase.