



GENERAL AWARENESS

IBPS PO CLERK



1) Identify the false statement regarding NBFC (Non-banking financial company) from the following options?

- a) Have banking licence
- b) Offer banking services such as loans and credit facilities
- c) Insurance companies and mortgage lenders can become NBFCs
- d) NBFCs can take part in currency exchange
- e) Not allowed to take demand deposits

2) Method of lending very small sums to an individual to start or expand his small business is called as?

- a) Micro credit
- b) Cash credit
- c) Liquidity credit
- d) Pay day credit
- e) Bad credit



3) Any capital asset, except shares listed/unlisted in a recognized stock exchange-held by a person for a period of more than _____ months immediately preceding the date of its transfer will be treated as long-term capital asset.

- a) 42 months
- b) 28 months
- c) 36 months
- d) 72 months
- e) 64 months

4) Which is the trade import duty imposed under World Trade Organization (WTO) rules, to neutralize the negative effects of subsidies?

- a) Safeguard duty

- b) Countervailing duty
- c) Protective duty
- d) Anti-Dumping duty
- e) Basic Customs duty

5) A monetary measure referring either to a reduction in government spending/a reduction in the rate of monetary expansion by a central bank is called as?

- a) Trade policy
- b) Supply side policy
- c) Contractionary policy
- d) Expansionary policy
- e) Industrial policy

6) What is called for the theory speculating that poorer economies will grow more rapidly than wealthier economies, leading to a convergence in terms of per capita income?

- a) Keynesian economics
- b) Monetarism
- c) Game theory
- d) Dynamic consistency
- e) Catch-up effect

7) Preauthorized payment under which an account holder authorizes a bank to pay a fixed amount or variable amounts directly to a third party at regular intervals is called as?

- a) E-wallets payment
- b) Prepaid payment
- c) Credit card payment

- d) Direct debit payment
- e) Post-paid payment

8) What is called for the act of injecting money into a business/organization that would otherwise face imminent collapse?

- a) Bailout
- b) Catchup
- c) Signalling
- d) Liquidity trap
- e) Paradox of thrift

9) What is financial contagion in economics aspects?

- a) Spread of an economic crisis from one market/region to another.
- b) Price of a good/service at which quantity supplied is equal to demanded.
- c) An investment fund traded on stock exchanges.
- d) Rate at which banks borrow unsecured funds from one another.
- e) Situation when the price charged is more/less than the equilibrium price determined by the market forces.

10) ASBA is a mechanism which helps investors to subscribe IPOs (Initial Public offerings). What does “B” represent in the abbreviation of ASBA?

- a) Blockchain
- b) Banking
- c) Blocked
- d) Bancassurance
- e) Beneficiary

Answers :

1) Answer: A

Non-banking financial companies (NBFCs) are financial institutions that offer various banking services but do not have a banking license. Generally, these institutions are not allowed to take traditional demand deposits. NBFCs can offer banking services such as loans and credit facilities, currency exchange, retirement planning, money markets, underwriting, and merger activities. Investment banks, mortgage lenders, money market funds, insurance companies, hedge funds, private equity funds, and P2P lenders are all examples of institutions that can become NBFCs.

2) Answer: A

Microcredit is a common form of microfinance that involves an extremely small loan given to an individual to help them become self-employed or grow a small business. These borrowers tend to be low-income individuals, especially from less developed countries (LDCs). Microcredit is also known as “microlending” or “microloan.”

3) Answer: C

Capital assets are significant pieces of property such as homes, cars, investment properties, stocks, bonds, and even collectibles or art. Any capital asset held by a person for a period of more than 36 months immediately preceding the date of its transfer will be treated as long-term capital asset.

However, in respect of certain assets like shares (equity or preference) which are listed in a recognised stock exchange in India, units of equity oriented mutual funds, listed securities like debentures and Government securities, Units of UTI and Zero Coupon Bonds, the period of holding to be considered is 12 months instead of 36 months.

In case of unlisted shares in a company, the period of holding to be considered is 24 months instead of 36 months.

4) Answer: B

Countervailing duty (CVD) is an additional import duty imposed on imported products (by the importing country) when such products enjoy benefits like export subsidies and tax concessions in the country of their origin (i.e., where it is produced and exported). CVD is also known as anti-subsidy duties and are imposed under World Trade Organization (WTO) rules.

5) Answer: C

Contractionary policy is a monetary measure referring either to a reduction in government spending—particularly deficit spending—or a reduction in the rate of monetary expansion by a central bank. It is a type of macroeconomic tool designed to combat rising inflation or other economic distortions created by central banks or government interventions.

6) Answer: E

The catch-up effect is a theory speculating that poorer economies tend to grow more rapidly than wealthier economies, and so all economies will eventually converge in terms of per capita income. In other words, the poorer economies will literally “catch-up” to the more robust economies. The catch-up effect is also referred to as the theory of convergence.

7) Answer: D

Type of preauthorized payment under which an account holder authorizes a bank to pay a fixed amount (such as mortgage payment or rent) or variable amounts (such as those called for in bills or invoices) directly to a landlord, bank, supplier or utility company at regular (usually monthly) intervals. Before the payer’s banker will allow the transaction to take place, the payer must have advised the bank that he or she has authorized the payee to directly draw the funds. It is also called pre-authorized debit (PAD) or pre-authorized payment (PAP). After the authorities are set up, the direct debit transactions are usually processed electronically.

8) Answer: A

A bailout is the act of a business, an individual, or government providing money and resources (also known as a capital injection) 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.

9) Answer: A

A contagion is the spread of an economic crisis from one market or region to another and can occur at both domestic and international level. Financial contagion can also be referred as the spread of market disturbances – mostly on the downside – from one country to the other, a process observed through co-movements in exchange rates, stock prices, sovereign spreads, and capital flows.

10) Answer: C

ASBA means “Application Supported by Blocked Amount (ASBA)”. It refers to an application mechanism which helps investors to subscribe IPOs (Initial Public offerings). ASBA ensures that the applicant’s money remains in his bank account till the shares are allotted, it was introduced by SEBI for retail investors in 2008. If an investor is applying through ASBA, his application money shall be debited from the bank account only if the application is selected for allotment after the basis of allotment is finalised, or the issue is withdrawn / failed.

