



GENERAL AWARENESS

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1) The Reserve Bank of India (RBI) has announced to launch a new 'Greenish Yellow' coloured bank note for which of the following denominations?

- a) Rs 100
- b) Rs 500
- c) Rs 50
- d) Rs. 20
- e) Rs 10

2) Who has reduced the minimum required level for clearing corporations operating in International financial services centre (IFSC)?

- a) Atomic Energy Regulatory Board (AERB)
- b) Telecom Regulatory Authority of India (TRAI)
- c) Securities and Exchange Board of India (SEBI)
- d) Insurance Regulatory and Development Authority (IRDA)
- e) Food Safety and Standards Authority of India (FSSAI)

3) What does 'I' stands for in the acronym LTIF in accordance with NABARD?

- a) Investment
- b) Income
- c) Irrigation
- d) Inorganic
- e) Interest

4) SBI recently has linked interest rate applicable on savings account and short-term loans directly with which of the following rate?

- a) CRR
- b) Repo rate

- c) SLR
- d) Reverse repo rate
- e) MSF

5) Banks cannot accept interest-free deposits other than in _____.

- a) Saving Accounts
- b) Fixed Deposits
- c) Current Account
- d) Recurring Deposit
- e) None of these

6) The Reserve Bank of India (RBI) has eased investment norms for FPI's in debt. What is the full form of FPI?

- a) Frequent Portfolio Investors
- b) Funding Post Investment
- c) Focused Payment Intervention
- d) Final Payment Initiation
- e) Foreign Portfolio Investment

7) What do you mean by term "Fiscal Deficit" used extensively in economy?

- a) The difference between total expenditure and total receipts
- b) The difference between revenue expenditure and revenue receipt
- c) Excess of government expenditure over receipts except borrowing
- d) Difference of Revenue deficit and grants for creation of capital assets
- e) None of these

8) What is the maximum amount stipulation for RTGS transactions?

- a) Rs. 1 lakh

- b) Rs. 2 lakhs
- c) Rs. 5 lakhs
- d) Rs. 10 lakhs
- e) No upper limit

9) Select the correct statements with regard to Measures of Money Supply according to RBI:

- a) M3 and M4 are known as Narrow Money.
- b) M4 is the most liquid.
- c) M1 and M2 are known as Broad Money.
- d) M1 is the least liquid.
- e) M3 is the most commonly used measure of money supply, also known as Aggregate Monetary Resources.

10) Consider the following statements about Rupee Denominated Bonds.

- I)** The peculiarity of rupee denominated bond is that buying of bonds, interest payments and repayment all are expressed in rupees.
- II)** The rupee denominated bond is known as masala bonds after the IMF issued rupee denominated bond under the name masala bond.
- III)** A rupee denominated bond is a bond issued by an Indian/recognized entity in foreign markets.

Which of the above statements are correct?

- a) Both I and II
- b) Only I
- c) Only II
- d) Both I and III
- e) Both II and III

Answers :**1) Answer: D**

The base colour of the new Rs 20 denomination banknotes in the Mahatma Gandhi (New) Series will greenish yellow and bear the signature of Shaktikanta Das (RBI Governor).

The new denomination Rs 20 (dimension: 63 mm x 129 mm) has the motif of the Ellora Caves on the reverse.

All the banknotes in the denomination of Rs 20 issued by the RBI in the earlier series will continue to be legal tender.

2) Answer: C

SEBI (Securities and Exchange Board of India) has reduced the minimum required level for clearing corporations operating in international financial services centre (IFSC).

They should have at least Rs 100 crore net worth from three years of commencing operations.

This net worth requirement in the form of liquid assets has been brought down from the earlier Rs 300 crore.

3) Answer: C

LTIF stands for 'Long Term Irrigation Fund'.

LTIF is a fund under the National Bank for Agriculture and Rural Development (NABARD) for implementation of major and medium irrigation projects in India.

4) Answer: B

SBI has linked interest rate applicable on savings account deposits over Rs. 1 lakh and short-term loans directly with Reserve Bank of India (RBI) repo rate from 1 May, 2019 with an aim to ensure faster monetary transmission.

5) Answer: C

Banks cannot accept interest-free deposits other than in current account.

6) Answer: E

FPI stands for Foreign Portfolio Investment.

The Reserve Bank has eased investment norms for ‘foreign portfolio investors’ (FPIs) in debt, especially into individual large corporate.

7) Answer: C

A fiscal deficit occurs when a government’s total expenditures exceed the revenue that it generates, excluding money from borrowings.

Various types of deficit in the budget are:

Budget Deficit = Total Expenditure – Total Receipts

Revenue Deficit = Revenue Expenditure – Revenue receipts

Fiscal Deficit = Total Expenditure – Total receipts except borrowings

8) Answer: E

The RTGS system is primarily meant for large value transactions. The minimum amount to be remitted through RTGS is Rs. 2 lakhs with no upper or maximum ceiling.

9) Answer: E

M1 and M2 are known as Narrow Money.

M3 and M4 are known as Broad Money.

M1 is the most liquid.

M4 is the least liquid.

M3 is the most commonly used measure of money supply, also known as Aggregate Monetary Resources.

RBI calculates the four concepts of money supply in India. They are called as Money aggregates or Money stock measures.

M1 (Narrow Money)

At any point of time, money held with the public has two most liquid components:

— Currency component- consists of all the notes and coins in circulation.

— Demand deposit component- money of the general public with the banks, which can be withdrawn using cheques, ATM’s, withdrawals.

M1= Currency held with the public + Demand deposits of public in the bank+ Other deposits of RBI.

Broad Money

Narrow Money is the most liquid part of the money supply because the demand deposits can be withdrawn any time. Time deposits on the other hand have a fixed maturity period and cannot be withdrawn before the expiry of this period.

M3= Narrow Money (M1) + Time deposits of public with banks.

M2=Narrow Money (M1) + Post office savings.

M4= M3 + Post Office savings.

10) Answer: D

A rupee denominated bond is a bond issued by an Indian/recognized entity in foreign markets and the interest payments and principal reimbursements are denominated (expressed) in rupees.

The rupee denominated bond is known as masala bonds after the International Financial Corporation (IFC) issued rupee denominated bond under the name masala bond.

The peculiarity of rupee denominated bond is that buying of bonds, interest payments and repayment all are expressed in rupees. All payments are converted into corresponding dollar values at the time of payment.

The term ‘masala bond’ is also used to describe rupee denominated ever since the first issuer of rupee denominated bonds used the name masala bonds in its first issue. RBI in its August 2016 regulations also used this name.