

## Important 100 Banking Awareness Questions

- » Money laundering means - the process of conversion of money obtained illegally to appear to have originated from legitimate sources
- » Money laundering refers to conversion of money which is legally obtained
- » Money lent for 15 days or more in Inter-bank market is called-term money
- » Money lent for one day is called-call money
- » Money market is the center of dealings mainly of short term character in monetary assets
- » Mortgage is a-security on immovable property for a loan given by a bank
- » Mutual funds fall within the supervisory purview of SEBI
- » NABARD was established in 1982
- » National Income Estimates in India are prepared by Central Statistics Commission
  
- » National savings certificates, infrastructure bonds, Indira Vikas Patras, Krishi Vikas Patra etc. are examples of financial assets
- » Normally Economic Growth is coupled with ? ~-> Inflation.
- » NRI and FII deposits are called as hot money
- » On which Rate at which commercial banks borrow short term funds with RBI ~-Repo Rate
- » Public sector bank, foreign bank, private sector bank and regional rural bank are classified as commercial banks
- » RBI declared that it has withdrawn the instruction of compensation to banks at how much percent of the national value of counterfeit notes detected?25 Percent

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- » Regional Rural Banks fall within supervisory purview of-RBI,Note: RBI is supervisor and NABARD is regulator.
- » Regional Rural Banks were set up in 1975
- » Reserve Bank of India issues all the currency notes except one rupee note
- » Reserve Bank of India undertakes the following rates: CRR; SLR and repo rates
- » Revelling credit is made available by the issuer in the case of ~-Credit Card
- » Savings bank accounts are opened by individuals for savings purposes
- »

Scheduled commercial banks are banks which have been included in the second schedule of RBI act, 1934; registered under companies act and got licence as per Banking Regulations act 1949

- » SEBI means Securities and Exchange Board of India.
- » Securities and Exchange Board of India was established in 1988
- » Six banks were nationalized during the second stage on 15.4.1980

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- » Small finance Banks must disburse how much percent of their total adjusted net bank credit to priority sector? 75%
- » State Bank of India was formulated as per SBI act 1955
- » State Bank of Indore was merged with state Bank of India in which year? ~ ~ > 2010
- » T-bills are financial instruments initially sold by \_\_\_\_\_ to raise funds.-the government
- » The account in which trading of shares in their electronic form is called as DEMAT Account
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- » The bank branches which can undertake foreign exchange business directly are known as approved dealers in foreign exchange
- » The banking ombudsman resolves the complaints of the customers in regard to services provided by the banks
- » The capital market deals in long term funds, both debt and equity
- » The conversion of money which is illegally obtained is called as - money laundering
- » The credit risk to the bank is high from which of these cards - Credit cards
- » The crossing on a cheque can be cancelled by the drawer of the cheque under his full signature
- » The Economy in which there is a mixture of Public and Private Sector both is called ? ~ ~ > Mixed Economy.
- » The excess of the total expenditures over total receipts is known as ? ~ ~ > Budget Deficit.
- » The financial literacy includes the following namely; how to invest the funds; how to use the limited funds carefully; how to minimize the risks and how to reinvest the money earned
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- » The first bank in India was set up on modern lines in 1770 by an agency house
- » The first bank note issued by Independent India was the One Rupee note issued in which year? ~ ~ > 1949
- » The first Indian bank to open a branch outside India in London in 1946 is Bank of India
- » The first public sector bank to issue capital to public is – Oriental Bank of Commerce
- » The fixed deposits, reinvestment deposits and recurring deposits are repayable after an agreed period.
- » The following are the functions of a commercial bank namely; providing project finance; settlement of payments on behalf of the customers; issuing credit and debit cards to the customers and providing services such as locker facilities and remittances
- » The following are the functions of banks - accepting deposits; granting loans; collecting cheques; issuing drafts; selling gold/silver coins

- » The following are the sources of finance for any commercial bank - capital, borrowings from RBI, deposits and cash reserves with RBI
- » The following constitutes the largest percentage of retail loans in the country - Home loans
- » The following is a measure taken by RBI in order to control inflation in the country - raising of Repo and Reverse Repo rates.
- » The following is not a primary function of a bank - Facilitating import of goods
- » The following represent the correct meaning of Repo rate - Rate for borrowing rupees by banks from RBI
- » The fourteen banks which were nationalized on 19.7.1969 were-Central Bank of India; Bank of Maharashtra; Dena Bank; Punjab National Bank; Syndicate Bank; Canara Bank; Indian Bank; Indian Overseas Bank; Bank of Baroda; Union Bank; Allahabad Bank; United Bank of India; United Commercial Bank and Bank of India
- » The headquarters of International Monetary Fund is located at which place ? ~~~> Washington DC.

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- » The letter "L" available in the term LAF commonly used in financial/economic news is called as- Liquidity
- » The loans of very small amounts given to low income group is called as - Micro credit
- » The non performing assets of any bank are called as - sub standard assets, doubtful assets and loss assets
- » The performing assets of any bank are called as - standard assets
- » The primary issuers of capital market securities include- the Central and Local Governments and corporations
- » The rate at which the domestic currency can be converted into foreign currency and vice versa is known as the - exchange rate
- » The reserves which can act as a liquidity buffer for commercial banks during crisis times are CRR and SLR
- » The subsidiaries of State Bank of India are; State Bank of Patiala; State Bank of Hyderabad; State Bank of Travancore; State Bank of Bikaner and Jaipur and State Bank of Mysore.

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- » The usual deposit accounts of banks are-current accounts, savings bank accounts and term deposit accounts
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- » To which country does Mohammad Yunus, who developed the concept of Micro Credit and Micro Finance belong ? ~~~> Bangladesh.

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- » Universal banking is the roof under which various banking products are available
  - » Up to what extent, FDI in Insurance sector is allowed by the government of India ?49%
  - » Upper limit prescribed for RTGS transaction is-No upper limit is prescribed
  - » Urban cooperative bank is not a commercial bank
  - » What do you understand by the term called as mortgage ?- Making the security of immovable property available as a cover for a home loan availed by the borrower
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- » What is the best option to park money for a long period of time to earn a high rate of interest ~~Fixed Deposit A/c
  - » What is the Cap on loan amount given out by a Non-Banking financial company – Micro Finance Institution ?Rs 50000
  - » What is the minimum tenure of deposits to be taken by NBFCs (Non Banking Financial Companies) ?12 Months
  - » What is the name of Australian Central Bank ~~Reserve Bank Australia
  - » What reason told by RBI governor recently for not issuing the high denomination currency above Rs 1000 bank note presently?Fear of Counterfeiting
  - » When a banker talks about CDR, CDR is meant - Corporate Debt Restructuring.
  - » When the ATM machine installed in the bank is out of order, it is called as operational risk
  - » When the banks are not able to pay the amount to the depositors, it is called as liquidity risk
  - » When the banks entertain in dealing with insurance business, it is called as bankassurance
  - » When the banks products fail to survive in the market, it is called market risk
  - » When the computers are not functioning, it is called as operational risk
  - » When the loans are not repaid in time, it is called as credit risk
  - » When the rate of inflation increases-purchasing power of money decreases
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- » When the repayment period is between 37 to 84 months, such loans are called as medium term loans
  - » When the repayment period is more than 84 months, they are called as long term loans
  - » When the repayment period of any loan is upto 36 months, the loan is called as term loan
  - » Where is the Federal Reserve system (The USA Central bank) headquartered ~~New York
  - » Where is the headquarter of Asian Development Bank ~~Manilla (Philippines)

- » Where is the headquarter of World Bank Located? ~> Washington D.C.
- » Where is the headquarters of Allahabad Bank located ? ~> Kolkata.
- » Where is the headquarters of Badhan Bank's Located ~>(Kolkata, Chairman ~>Ashok Lahiri)

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- » Where is the headquarters of Central Bank of India located ~>Mumbai
- » Which action will be taken by RBI to reduce the excess liquidity in the market ~>Increase CRR (Cash Reserve Ratio)
- » Which bank accredited by the green climate fund as an implementing entity for climate change related projects in India ?NABARD
- » Which card product launched by the banks is working on the principle of 'Buy Now Pay Later' ~>Credit Card
- » Which private sector bank has the maximum number of ATMs Machine in India ? ~> ICICI Bank.