



**General Awareness, Marketing and Computers**

**(Exam Held on 7-8-2011)**

1. A major Public Sector Bank raised interest rates on loans by 25 basis points—was news in some major financial newspapers recently. This means bank has raised interest by 25 basis points of—

- (A) Savings Bank Interest Rate
- (B) Base Lending Rate
- (C) Repo Rates
- (D) Present Rates on Deposits
- (E) Discounted Rates of Interest

Ans : (B)

2. The Finance Minister of India in one of his press conferences said that inflationary pressure is likely to continue following recent increase in rates of some commodities in international markets.

Which of the following commodities was he referring to as it gets frequent increase at international levels and disturbs our Home Economy substantially ?

- (A) Gold and Silver
- (B) Petroleum products
- (C) Tea and Coffee
- (D) Sugar
- (E) Jute and Jute products

Ans : (B)

3. Immediately prior to change in the measure of Food Inflation, which of the following indexes was being used for measuring it?

- (A) Wholesale Price Index
- (B) Consumer Price Index
- (C) Interest Rates offered by banks on deposits
- (D) Sensex and Nifty
- (E) None of these

Ans : (B)

4. What is the full form of 'FINO' a term we see frequently in financial newspapers ?

- (A) Financial Investment Network and Operations
- (B) Farmer's Investment in National Organisation
- (C) Farmers Inclusion News and Operations
- (D) Financial Inclusion Network and Operations
- (E) None of these

Ans : (E)

5. Which of the following is / are commodity/ies on which subsidy is given to farmers / poor in India ?

- 1. Fertilizer
  - 2. Kerosene
  - 3. LPG
- (A) Only 1
  - (B) Only 2
  - (C) Only 3
  - (D) Only 1 and 3

(E) All 1, 2 and 3

Ans : (E)

6. 'Bhagyam Oilfields' which were recently in news are located in which of the following states in India ?

(A) Rajasthan

(B) Gujarat

(C) Assam

(D) Maharashtra

(E) Karnataka

Ans : (A)

7. The Finance Minister of India recently decided to review the position of 'Bad Debts' in priority sector. Which of the following is/are the reason(s) owing to which PM took this decision ?

1. Bad Debt in agriculture is still rising substantially every year despite special treatment to it.

2. Bad Debt in other areas of priority sector is almost nil now,

3. Govt. is planning to disburse another installment of Rs. 1,60,000 crore which will bring 'Bad Debts' almost at 'Nil level' and no special treatment will be needed in next fiscal year.

(A) Only 1

(B) Only 2

(C) Only 3

(D) Both 1 and 2

(E) All 1, 2 and 3

Ans : (E)

8. Which amongst the following countries is not a member of the

TAPI pipe line project, which was in news recently ?

- (A) India
- (B) Afghanistan
- (C) Portugal
- (D) Pakistan
- (E) Turkmenistan

Ans : (C)

9. An agreement on Arms Reduction popularly known as 'START' is one of the major issues in the way of smooth relations between which of the following two countries ?

- (A) India–Pakistan
- (B) India–China
- (C) China–Japan
- (D) USA–Russia
- (E) Russia–Iran

Ans : (D)

10. The International WWW Conference-2011 was organized in which of the following places in March 2011 ?

- (A) London
- (B) Paris
- (C) Vienna
- (D) Manila
- (E) Hyderabad

Ans : (E)

11. Which of the following international agencies/ organizations had initiated an "International Convention for the Protection of All

Persons from Enforced Disappearance', which came into effect recently ?

- (A) World Health Organisation (WHO)
- (B) International Court of Justice
- (C) International Maritime Organisation
- (D) International Atomic Energy Agency
- (E) United Nations organization

Ans : (E)

12. 'BRIC' which was the Organisation of 4 nations namely Brazil, Russia, India and China has now become 'BRICS'. Which is the fifth nation included in it ?

- (A) South Korea
- (B) Sp Lanka
- (C) Singapore
- (D) Spain
- (E) South Africa

Ans : (E)

13. The process of acquisition of agricultural land and its compensation to farmers recently came up as a major issue in which of the following states ? (It also created law and order problem in the State)

- (A) Haryana
- (B) Gujarat
- (C) Uttar Pradesh
- (D) Rajasthan
- (E) Punjab

Ans : (C)

14. What does the letter 'L' denote in term 'LAF' as referred every now and then in relation to monetary policy of the RBI ?

- (A) Liquidity
- (B) Liability
- (C) Leveraged
- (D) Longitudinal
- (E) Linear

Ans : (A)

15. BP Pic which was in news recently is a major international company in field of—

- (A) Heavy Machinery
- (B) Oil exploration and processing
- (C) Atomic Energy
- (D) Information Technology
- (E) None of these

Ans : (B)

16. Who amongst the following has been appointed as the new coach of the Indian Cricket team for a period of two years ?

- (A) Stuart Law
- (B) Allan Border
- (C) Gary Kirsten
- (D) Duncan Fletcher
- (E) Allan Donald

Ans : (D)

17. Why was Kanishtha Dhankhars name in news recently ?

- (A) She was crowned Femina Miss India-2011
- (B) She was adjudged Best Actress-2010 by Film Fare
- (C) She is the new Captain of India's woman cricket team
- (D) She is the new Dy. Minister Textile in place of Dayanidhi Maran
- (E) None of these

Ans : (A)

18. K. Balachander, who was awarded prestigious Dada Saheb Phalke Award-2010, is basically a/an—

- (A) Actor
- (B) Director
- (C) Photographer
- (D) Music Director
- (E) Choreographer

Ans : (D)

19. Banks and other financial institutions in India are required to maintain a certain amount of liquid assets like cash, precious metals and other short term securities as a reserve all the time. In Banking World this is known as—

- (A) CRR
- (B) Fixed Asset
- (C) SLR
- (D) PLR
- (E) None of these

Ans : (A)

20. Which of the following Space agencies recently launched three satellites and placed them into Polar Sun Synchronous Orbit

successfully?

- (A) NASA
- (B) ROSCOSMOS
- (C) cnsa
- (D) ISRO
- (E) JAXA

Ans : (D)

21. As per the decision taken by the Govt. of India recently, "Bamboo is a liberated item now". What does it really mean ?

1. Bamboo, henceforth will be treated as a minor forest produce only.
2. Now villagers are free to sell bamboo in their community forest areas.
3. Gramsabha is given right to issue transport passes to legally transport the produce.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) All 1, 2 and 3
- (E) None of these

Ans : (D)

22. Union Cabinet recently passed a Rs. 7000 crore project to clean-up which of the following rivers in India?

- (A) Narmada
- (B) Ravi
- (C) Ganga
- (D) Chambal



(E) Krishna

Ans : (C)

23. As per estimates of the Planning Commission of India the target growth rate of 12th Five Year Plan is set to—

(A) 7 to 8%

(B) 8.0% to 8.5%

(C) 9% to 9.5%

(D) 10 to 10.5%

(E) 11%

Ans : (E)

24. Goodluck Jonathan was recently reelected the President of—

(A) South Africa

(B) Nigeria

(C) Kosovo

(D) Haiti

(E) None of these

Ans : (B)

25. Which of the following schemes is **not** launched by the Ministry of Rural Development, Govt. of India ?

(A) National Old Age Pension Scheme

(B) National Maternity Benefit Scheme

(C) National Family Benefit Scheme

(D) Mid-Day Meal Scheme

(E) All are launched by Ministry of Rural Development

Ans : (D)

26. Where you are likely to find an embedded operating system ?

- (A) on a desktop operating system
- (B) on a networked PC
- (C) on a network server
- (D) on a PDA
- (E) on a mainframe

Ans : (D)

27. An online discussion group that allows direct 'live' communication is known as–

- (A) Webcrawler
- (B) chat group
- (C) regional service provider
- (D) hyperlink
- (E) e-mail

Ans : (B)

28. Which of the following is a program that uses a variety of different approaches to identify and eliminate spam ?

- (A) Directory search
- (B) Anti-spam program
- (C) Web server
- (D) Web storefront creation package
- (E) Virus

Ans : (B)

29. Connection or link to other documents or Web Pages that contain related information is called–

- (A) dial-up

- (B) electronic commerce
- (C) hyperlink
- (D) e-cash
- (E) domain name

Ans : (C)

30. Which of the following is a programming language for creating special programs like applets ?

- (A) Java
- (B) cable
- (C) domain name
- (D) Net
- (E) COBOL

Ans : (A)

31. The system unit–

- (A) coordinates input and output devices
- (B) is the container that houses electronic components
- (C) is a combination of hardware and software
- (D) controls and manipulates data
- (E) does the arithmetic operations

Ans : (C)

32. System software–

- (A) allows the user to diagnose and troubleshoot the device
- (B) is a programming language
- (C) is part of a productivity suit
- (D) is an optional form of software

(E) helps the computer manage internal resources

Ans : (E)

33. Computer and communication technologies, such as communication links to the Internet that provide help and understanding to the end user is known as—

- (A) presentation file
- (B) information technology
- (C) program
- (D) worksheet file
- (E) FTP

Ans : (B)

34. Which of the following is contained on chips connected to the system board and is a holding area for data instructions and information ? (processed data waiting to be output to secondary storage)

- (A) program
- (B) mouse
- (C) Internet
- (D) memory
- (E) modem

Ans : (D)

35. Microsoft's Messenger allows users to—

- (A) to bypass a browser to surf the Web
- (B) create a blog
- (C) communicate via direct live communication
- (D) identify and eliminate spam

(E) make graphic presentations

Ans : (C)

36. Portable computer, also known as laptop computer, weighing between 4 and 10 pounds is called—

(A) general-purpose application

(B) Internet

(C) scanner

(D) printer

(E) notebook computer

Ans : (E)

37. The main circuit-board of the system unit is the—

(A) computer program

(B) control unit

(C) motherboard

(D) RAM

(E) None of these

Ans : (C)

38. Which of the following is billionth of a second ?

(A) Gigabyte

(B) Terabyte

(C) Nanosecond

(D) Microsecond

(E) Terasecond

Ans : (C)

39. Online Marketing is the function of which of the following ?

- (A) Purchase Section
  - (B) Production Department
  - (C) I.T. Department
  - (D) Designs Section
  - (E) A collective function of all staff
- Ans : (E)

40. Customisation is useful for–
- (A) Designing customer specific products
  - (B) Call centers
  - (C) Publicity
  - (D) Motivating the staff
  - (E) Cold calls
- Ans : (A)

41. The key challenge to market driven strategy is–
- (A) Selling maximum products
  - (B) Employing maximum DSAs
  - (C) Delivering superior value to customers
  - (D) Being rigid to changes
  - (E) Adopting short term vision
- Ans : (C)

42. Effective Selling skills depends on–
- (A) Size of the sales teams
  - (B) Age of the sales teams
  - (C) Peer strength
  - (D) Knowledge level of the sales team
  - (E) Educational level of the sales team

Ans : (C)

43. Generation of sales leads can be improved by–

- (A) Being very talkative
- (B) Increasing personal and professional contacts
- (C) Being passive
- (D) Engaging Recovery Agents
- (E) Product designs

Ans : (B)

44. A Market Plan is–

- (A) Performance Appraisal of marketing staff
- (B) Company Prospectus
- (C) Documented marketing strategies
- (D) Business targets
- (E) Call centre

Ans : (C)

45. Marketing channels mean–

- (A) Delivery objects
- (B) Sales targets
- (C) Delivery outlets
- (D) Delivery boys
- (E) Sales teams

Ans : (C)

46. Social Marketing means–

- (A) Share market prices
- (B) Marketing by the entire society

- (C) Internet Marketing
- (D) Marketing for a social cause
- (E) Society bye-laws

Ans : (D)

47. Service Marketing is the same as—

- (A) Internet Marketing
- (B) Telemarketing
- (C) Internal Marketing
- (D) Relationship Marketing
- (E) Transaction Marketing

Ans : (D)

48. Market driven strategies include—

- (A) Identifying problems
- (B) Planning marketing tactics of peers
- (C) Positioning the Organisation and its brands in the market place
- (D) Internal marketing
- (E) Selling old products

Ans : (C)

49. Innovation in marketing is same as—

- (A) Motivation
- (B) Perspiration
- (C) Aspiration
- (D) Creativity
- (E) Teamwork

Ans : (D)



50. Personal Loans can be canvassed among–

- (A) Salaried persons
- (B) Pensioners
- (C) Foreign Nationals
- (D) NRI customers
- (E) Non-customers

Ans : (A)

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## GENERAL AWARENESS MODEL QUESTIONS

1. As per the existing norms and policies of the RBI, Banks are required to advance how much of their total advances to priority sectors ?

- A. 30%
- B. 35%
- C. 40%
- D. 25%

**Answer: (C)**

2. The rate of interest, banks charge to its main/major and prime customers is popularly called as.....

- A. risk premium
- B. prime lending rate
- C. repo rate
- D. reverse repo rate

**Answer: (B)**

3. Which of the following was the mutual fund listed on the newly launched mutual fund platform on National Stock Exchange ?

- A. UTI Mutual Fund
- B. SBI Mutual Fund
- C. LIC Mutual Fund
- D. Bank of Baroda Mutual Fund

**Answer: (A)**

4. Which of the following cannot be called as debt instrument as

referred in financial transaction ?

- A. certificate of deposit
- B. bonds
- C. stocks
- D. loans

**Answer: (D)**

5. Which of the following organizations/agencies has recently released "Asian Development Outlook 2011" ?

- A. world bank
- B. Asian Development Bank
- C. UNCTAD
- D. UNESCO

**Answer: (B)**

6. When was the "Self Help Group" bank linkage programme started ?

- A. 1992
- B. 1995
- C. 1998
- D. 2001

**Answer: (A)**

7. While returning cheques, the uniform regulations and rules for bankers clearing houses expect the banks that the returning memo sent by banks to the collecting banks :

- A. should be signed
- B. should be signed or initialed
- C. if it is computerized no signatures or initials are required

D.all of the above

**Answer: (B)**

8. The RBI on July 5,2011 extended the ..... percent ceiling of bank investment in liquid schemes of mutual funds to include short-term debt funds.

A.5

B.8

C.10

D.12

**Answer: (C)**

9. RBI has introduced a new series of 'star' bank note, which will be issued in denominations of ?

A. Rs. 10 , Rs. 20 , Rs. 50

B. Rs. 10 , Rs. 50 , Rs. 100

C. Rs. 20 , Rs. 50 , Rs.100

D.Rs. 20 , Rs. 100 , Rs. 500

**Answer: (A)**

10. Recently which bank has successfully completed 100 years?

A. Punjab National bank

B. Central Bank of India

C. Bank of India

D.State Bank of India

**Answer: (B)**

11. If you see a big hoarding at a prominent public place, the punch line of which says 'We All Were Born Free'; 'We All Have Equal

Rights', in all probability, the hoarding is put up by—

- A. Union Public Service Commission
- B. Ministry of Foreign Affairs
- C. National Human Rights Commission
- D. National Commission for Farmers

**Answer: (C)**

12. Who amongst the following was India's official candidate for the post of UNO's Secretary General ?

- A. Mr. Shyam Saran
- B. Mr. Vijay Nambiar
- C. Mr. Shashi Tharoor
- D. Dr. C. Rangarajan

**Answer: (C)**

13. Prof. Muhammad Yunus the recipient of the Nobel Peace Prize 2006 is the exponent of which of the following concepts in the field of banking ?

- A. Core Banking
- B. Micro Credit
- C. Retail Banking
- D. Internet Banking

**Answer: (B)**

14. Many a time we read in the newspapers that RBI has changed or revised a particular ratio/rate by a few basis points. What is basis point ?

- A. Ten per cent of one hundredth point
- B. One hundredth of 1%

C. One hundredth of 10%

D. Ten per cent of 1000

**Answer: (B)**

15. Expand the term NREGA—

A. National Rural Employment Guarantee Act

B. New Rural Employment Guarantee Agency

C. National Rural Employment Guarantee Act

D. National Rural Employment Guarantee Agency

**Answer: (A)**

16. Which of the following awards is not given for excellence in the field of literature ?

A. Arjun Award

B. Bharatiya Gnanpith Award

C. Nobel Prize

D. Booker Prize

**Answer: (A)**

17. Who is the author of the book 'Future Shock' ?

A. Kenneth Blanchard

B. Napoleon Hill

C. Tom Peters

D. Alvin Toffler

**Answer: (D)**

18. The market in which long term securities such as stocks and bonds are bought and sold is commonly known as—

A. Capital Market

- B .Bull Market
- C.Commodities Exchange
- D.Bullion Market

**Answer: (D)**

19. The Tarapore committee report is concerned with which of the following ::

- A.SBI
- B.RBI
- C.SEZ
- D.Capital A/c convertibility

**Answer: (D)**

20. The per-capita income in India is estimated by ?

- A.Central statistical organization
- B. RBI
- C. Central bank
- D. Census commission

**Answer: (A)**

21. Which of the following is not a bank or finance company?

- A.Barclays
- B. BNP Paribas
- C.Lufthansa
- D. HSBC

**Answer: (C)**

22. Approximately what per cent of the Indian population lives on \$ 1 or even less a day?

- A. 35
- B. 30
- C. 25
- D. 20

**Answer: (A)**

23. The J.L. Nehru Centre for Advanced Scientific Research was recently in the news because of:

- A. ultra modern scientific courses in India
- B. Ist nano-technology lab in India
- C. success in DNA coding
- D. international meeting of scientists

**Answer: (B)**

24. Karvar, Sasan, Akaltara, Mudra and Ratnagiri are the sites proposed for:

- A. archaeological survey
- B. test sites for Indian missiles
- C. hydroelectric power projects
- D. ultra-mega power plants

**Answer: (D)**

25. Which of the following is NOT one of the recommendations of the committee setup on Financial Sector Reforms under the Chairmanship of Raghuram G.Rajan ?

- (1) Give more freedoms to banks to setup branches and ATMS anywhere
- (2) Setup an office of financial ombudsmen
- (3) All deposits taking institutions should be free from the



supervision of the RBI

- A. Only 1
- B. Only 2
- C. Only 3
- D. All

**Answer: (A)**

26. Federal Reserves is the Central Bank of—

- A. China
- B. Canada
- C. U.S.A.
- D. Japan

**Answer: (C)**

27. Which of the following companies of Indian origin has been placed amongst the World's seven Best Firms in Financial Sector ?

- A. ICICI Bank
- B. HDFC Bank
- C. Bajaj Capitals
- D. IDBI Bank

**Answer: (B)**

28. Which of the following is one of the two sub-schemes under the Rashtriya Krishi Vikas Yojana (RKVY) launched in union budget 2011-2012 ?

- A. saffron mission
- B. accelerated fodder development program
- C. bringing green revolution to eastern India
- D. national mission for protein supplements

**Answer: (A)**

29. Who among the following leaders did not attend the IBSA summit in October 2011 ?

- A. Dmitri Medvedev
- B. Manmohan Singh
- C. Jacob Zuma
- D. Dilma Rousseff

**Answer: (B)**

30. Financial market department was setup in RBI in ?

- A. July 2006
- B. July 2005
- C. August 2006
- D. August 2005

**Answer: (B)**

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## Women use their debit cards less frequently, reveals RBI survey

This piece of information may give you some insight into how women deal with money. The Reserve Bank of India, in a survey, has found that they use their debit cards less frequently.

What one could deduce from this finding is that women prefer to use credit cards for shopping to avail themselves of the 45-day credit period. But when it comes to hard cash for daily needs, it is the hubby who swipes the debit card at an ATM.

“Women may be smarter when it comes to money matters. The 45-day free credit period that comes with shopping with a credit card is an irresistible attraction,” said Mr Sanjay Sharma, Managing Director IDBI Intech, a banking and financial service technology provider.

The number of debit and credit cards outstanding as at September-end 2011 was 25 crore and 1.76 crore respectively. Some of the other findings of the RBI's survey to assess customer satisfaction in the usage of ATMs across the country are: the use of cards for shopping was more among the youth; the use of debit cards for shopping was the highest in Maharashtra and Andhra Pradesh.

Further, debit cards were mainly used for withdrawing cash or shopping purposes and the use of these cards for bills payment/ticket purchase was still low. The survey covered 600 ATMs distributed proportionately over metro, urban, semi-urban and rural regions, constituting one per cent of the total number of 60,000 ATMs in the country.

## Customer service slips in public sector banks

While a good number of people generally state that they prefer to have their accounts in state-run banks, citing safety as the most important criteria, the banking regulator's findings reveal that customer service complaints against public sector banks have risen in 2010-11 as compared to those against private sector and foreign banks.

'Customer satisfaction is an integral element in inculcating trust among the common people on the banking sector,' states the Report on Trend and Progress of Banking in India 2010-11.

Understanding the importance of customer service in banking, the RBI set up a separate customer service department in 2006 as also Banking Ombudsman (BO) offices in 15 major banking centres.

The BO has since proved to be a forum for redressing complaints received from customers.

According to the latest Trend and Progress report, the number of complaints received by the banking ombudsman has dipped in 2010-11 to 71,274 from 79,266 in 2009-10.

The decline in complaints has been more visible in the BO offices in Chennai, where it fell from 12,727 in 2009-10 to 7,668 in 2010-11, in New Delhi from 12,045 to 10,508 and in Mumbai from 10,058 to 7,566.

In the midst of this declining trend, Bhopal, Patna, Ahmedabad, Chandigarh and Guwahati reported an increase in the number of complaints.

The report further points out that the number of complaints per branch was high for foreign banks at 22.34, with almost a-fourth of the total received against credit/debit/ ATM cards.

The second largest number of complaints was with regard to pension followed by loans and advances.

More than 90 per cent of the total complaints relating to Direct Selling Agents (DSA) were received against foreign banks and new private banks in 2010-11 and 50 per cent (of the total complaints) related to hidden charges. Such complaints were found to be relatively less in public sector banks.

Pension-related complaints were instead quite high, accounting for almost 95 per cent of the total complaints, in public sector banks.

The RBI had constituted a Committee under the Chairmanship of the former Chairman of SEBI, Mr M. Damodaran, to examine banking services rendered to retail and small customers, including pensioners in 2010.

The Committee was also mandated to look into the grievance redressal mechanism prevalent in banks, suggest measures for

expeditious resolution of complaints.

The committee interacted with various stakeholders on all aspects of customer service, including attitude of bank staff towards small and rural customers, service charges, transparency in operations, grievance redressal, customer rights and expectations, among others.

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## **Regional rural banks see healthy growth in saving bank deposits**

November 15, 2011

It looks like people in rural areas put more money in savings bank (SB) deposits than in term deposits. This was visible in 82 regional rural banks (RRBs), which saw SB deposits rise by nearly Rs 15,000 crore and term deposits by around Rs 4,800 crore in 2010-11. Also, current account deposits were up by around Rs 1,100 crore.

These figures were released by the RBI in its Report on Trend and Progress of Banking in India 2010-11 on Monday.

The CASA (current account savings account) deposits constituted almost 60 per cent of the total deposits. The vast rural presence and small-ticket deposits helped boost CASA.

While agriculture credit constituted nearly 55 per cent of the total credit. The crop loan alone was around 40 per cent of the total credit. In all, priority sector lending was 82.4 per cent to the total credit.

The credit-deposit ratio, which was 57.1 per cent in 2009-10, increased to 59.69 per cent during 2010-11.

### **PROFIT GROWTH**

The RRBs in the country recorded a net profit of Rs 1,988 crore (Rs 1,884 crore), a growth of 5.5 per cent. The growth in net profit was mainly because of a nearly 30 per cent decline in provisions and contingencies during the period. The provisions and contingencies decreased to Rs 705 crore (Rs 1,029 crore) during the period.



On the income side, the interest income stood at Rs 15,225 crore (Rs 12,945 crore), recording a growth of 17.6 per cent.

On the expenditure side, the wage bill saw a jump of 42.9 per cent — from Rs 2,676 crore in 2009-10 to Rs 3,825 crore in 2010-11.

The migration of banking operations to core banking solution (CBS) gained pace, and 65 of the 82 RRBs implemented them by the end of September 30.

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## **SBI, ICICI Bank lead peers in global branch network**

State Bank of India and ICICI Bank appropriated to themselves the credit of running the most extensive global networks from among the country's public and private sector banks.

State Bank of India (SBI) owns the largest network of foreign offices (64) as at August-end, says the Report on Trend and Progress of Banking in India 2010-11.

Bank of Baroda followed with 60. Together, these two accounted for 51 per cent of total foreign offices of banks. SBI also undertook the largest expansion of foreign operations by opening five new offices abroad during the year under reference.

ICICI Bank (19) led the private sector banks in terms of largest foreign presence.

### **FOREIGN BANKS**

The number of foreign banks operating here is 38 (34 a year ago). The number of branches too rose to 321 (315). Another 47 (45) banks had representative offices.

Standard Chartered had the largest network, followed by HSBC, Citibank and the Royal Bank of Scotland.

Permission was granted to National Australia Bank, Industrial and Commercial Bank of China, Rabobank International and Woori Bank to open one branch each.

Besides, Sumitomo Mitsui Banking Corporation was allowed to open a representative office.

Foreign operations of Indian banks expanded to a network of 244 offices as compared with 233 offices in the previous year.

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## GENERAL AWARENESS MCQs FOR BANK EXAMS

1. Which of the following countries is not a member of G-8?

- 1) Canada
- 2) Russia
- 3) Spain
- 4) France
- 5) Italy

2. Which of the following is a Public sector bank?

- 1) Dena
- 2) Karnataka
- 3) South Indian
- 4) Karur Vysya
- 5) IndusInd

3. Which of the following committees is associated with the microfinance institutions (MFIs)?

- 1) B.N. Srikrishna
- 2) Kirit Parikh
- 3) Rangarajan
- 4) Y.H. Malegam
- 5) Bimal Jalan

4. U.K.Sinha is the Chairman of which of the following regulators?

- 1) SEBI
- 2) IRDA
- 3) FMC

- 4) TRAI
- 5) AERA

5. Who became the first Indian author to win the Man Booker Prize in 1981?

- 1) Salman Rushdie
- 2) Arundhati Roy
- 3) Kiran Desai
- 4) Aravind Adiga
- 5) None

6. Which of the following cups is associated with Lawn Tennis?

- 1) Yonex Cup
- 2) Hopman Cup
- 3) Thomas Cup
- 4) Uber Cup
- 5) Tunku Abdul Rahman Cup

7. Which of the following international groups/organizations consists of only developing countries?

- 1) UNO
- 2) G8
- 3) G15
- 4) G20
- 5) OECD

8. The banking Ombudsman scheme was formulated by the Reserve bank of India to provide an expeditious redressal

grievance mechanism to bank customers. When did this scheme become operational?

- 1) 1990
- 2) 1992
- 3) 1995
- 4) 1998
- 5) 1996

9. Which of the following is the punchline of the Bank of Baroda?

- 1) With you all the way
- 2) Pure banking Nothing else
- 3) The Banker to every Indian
- 4) Nation banks on us
- 5) India's International Bank

10. Taufik Hidayat, Joachim Person, Lin Dan and Chetan Anand are the famous players associated with which of the following sports?

- 1) Tennis
- 2) Table Tennis
- 3) Badminton
- 4) Chess
- 5) Golf

11. The Lok Sabha passed a Bill recently to change the name of which of the following states?

- 1) Assam
- 2) Orissa
- 3) Uttarakhand
- 4) Karnataka

5) Andhra Pradesh

12. Ollanta Humala, who previously served as an army officer, became the President of which of the following countries in July 2011?

- 1) Uganda
- 2) Peru
- 3) Mexico
- 4) South Africa
- 5) None of these

13. Ms. Pauline Nyiramasuhuko became the first-ever woman to be found guilty of genocide by an international tribunal. She was a former minister for women's empowerment of which of the following countries?

- 1) Sudan
- 2) Algeria
- 3) Ethiopia
- 4) Rwanda
- 5) Uganda

14. Who was appointed the Central Vigilance Commissioner (CVC) in July 2011?

- 1) P.J. Thomas
- 2) Pradeep Kumar
- 3) Ajit Seth
- 4) Ajit Singh
- 5) None of these

15. What is the annual funding under the Member of Parliament Local Area Development Scheme (MPLADS) for the current fiscal (2011-12)?

- 1) Rs. 2 Crore
- 2) Rs. 3 Crore
- 3) Rs. 5 Crore
- 4) Rs. 4 Crore
- 5) None of these

16. Which country recently opened the world's longest sea bridge (36.48km) to traffic?

- 1) India
- 2) USA
- 3) China
- 4) Japan
- 5) Russia

17. Which Indian shuttler won the title at the Maldives International badminton challenge held in Male, Maldives in June 2011?

- 1) Saina Nehwal
- 2) P.C. Tulasi
- 3) P.V. Sindhu
- 4) Gutta Jwala
- 5) Ashwini Ponappa

18. Mayookha Johny of India won a gold medal at the 19th Asian athletics championships in Kobe, Japan in July 2011. In which sporting event did she win the gold medal?

- 1) High Jump



- 2) Pole Vault
- 3) Shot Put
- 4) Discus throw
- 5) Long Jump

19. The Karpoor Chandra Kulish International Award is given for excellence in which of the following fields?

- 1) Classical music
- 2) Print Journalism
- 3) Movies
- 4) Sports
- 5) None of these

20. Which Indian-origin student won the 2011 Scripps National Spelling Bee competition held in Maryland, USA?

- 1) Sameer Mishra
- 2) Kavya Shivshankar
- 3) Anamika Veeramani
- 4) Sukanya Roy
- 5) None of these

21. Naresh Goyal has been re-elected to the prestigious Board of Governors of the International Air Transport Association (IA-TA) from 2011 to 2013. He is the chairman of which of the following airlines?

- 1) SpiceJet
- 2) Kingfisher Airlines
- 3) IndiGo
- 4) Jet Airways

5) None of these

22. Broken Republic is a book about the Maoist guerrilla movement in the forests of central India. Who is the author?

- 1) Siddhartha Deb
- 2) Kiran Desai
- 3) Anita Desai
- 4) Arundhati Roy
- 5) None

23. Who was honoured with the Jawaharlal Nehru Award for International Understanding for 2009 in May 2011?

- 1) Nelson Mandela
- 2) Aung San Suu Kyi
- 3) Angela Merkel
- 4) Luiz Inacio Lula da Silva
- 5) None of these

24. Yingluck Shinawatra is the first woman Prime Minister of which of the following countries?

- 1) Myanmar
- 2) Thailand
- 3) Cambodia
- 4) Malaysia
- 5) Indonesia

25. Indian Overseas Bank (IOB) has launched its 'e-Kiosk', an automated cheque depositing system, recently. Where is the headquarters of the IOB?

- 1) Mumbai
- 2) Chennai
- 3) New Delhi
- 4) Kolkata
- 5) Pune

26. Which country has decided to phase out nuclear power by 2034 after the Japan disaster shook public confidence in the industry?

- 1) France
- 2) USA
- 3) India
- 4) Switzerland
- 5) Pakistan

27. The Reserve Bank of India has directed banks to reimburse customers for amounts wrongfully debited from their accounts in failed ATM transactions within how many days of an account holder's complaint?

( With effect from July 1,2011)

- 1) 7
- 2) 10
- 3) 12
- 4) 15
- 5) 30

28. Who won the U.S. open golf championship in June 2011?

- 1) Tiger Woods
- 2) Graeme McDowell
- 3) Lucas Glover

- 4) Rory McIlroy
- 5) None

29. Who became the Ambassador of India to the United States of America in August 2011?

- 1) Shiv Shankar Menon
- 2) Meera Shankar
- 3) Ranjan Mathai
- 4) Nirupama Rao
- 5) None

30. Sepp Blatter was re-elected as the President of which of the following sports governing bodies in May 2011?

- 1) ICC
- 2) FIFA
- 3) IAAF
- 4) FIH
- 5) None of these

31. The concessional rate of interest which is lower than the normal bank rate of interest is called?

- 1) Repo rate
- 2) Reverse repo rate.
- 3) Cash Reserve ratio
- 4) bank rate
- 5) base rate

32. Which scheme seeks to improve the conditions of the urban slum dwellers living below the poverty line that do not possess

adequate shelter?

- 1) JNNURM
- 2) NREGP
- 3) VAMBAY
- 4) Bharat Nirman
- 5) None of these

33. Who is the author of the book 'My Country, My Life'?

- 1) Khushwant Singh
- 2) Jaswant Singh
- 3) Jawaharlal Nehru
- 4) L.K. Advani
- 5) None of these

34. Oscar awards are given annually in which of the following fields?

- 1) Literature
- 2) Science
- 3) Peace
- 4) Economics
- 5) Films

35. Which of the following institutions regulate the Unit Linked Insurance Plans (ULIPs)?

- 1) SEBI
- 2) LIC
- 3) RBI
- 4) IRDA
- 5) FMC

36. Which of the following banks' mascot is the DOLLe (dolphin)?

- 1) IndusInd
- 2) Syndicate
- 3) Andhra
- 4) Bank of India
- 5) State Bank of India

37. In which field is Pritzker Prize given?

- 1) Mathematics
- 2) Architecture
- 3) Medicine
- 4) Peace
- 5) None

38. Which of the following authors was given the Lost Man Booker Prize in 2010 for his book 'Troubles'? (He is also the author of the book 'The Siege of Krishnapur, that won the 1973 Booker Prize'.)

- 1) P.H. Newby
- 2) J. G. Farrell
- 3) V. S. Naipaul
- 4) William Golding
- 5) Ruth Praver Jhabvala

**ANSWERS:**

1. (3) 2. (1) 3. (4) 4. (1) 5. (1) 6. (2) 7. (3) 8. (3) 9. (5) 10. (3)  
11. (2) 12. (2) 13. (4) 14. (2) 15. (3) 16. (3) 17. (3) 18. (5) 19. (2) 20.  
(4)  
21. (4) 22. (4) 23. (3) 24. (2) 25. (2) 26. (4) 27. (1) 28. (4) 29. (4) 30. (2)

31. (5) 32. (3) 33. (4) 34. (5) 35. (4) 36. (3) 37. (2) 38. (2)

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## IBPS GENERAL AWARENESS MCQs

- 1) This agency issued guidelines on distance marketing of products on 6 April 2011 to protect the interest of people who buy policies over phone or Internet. Identify the agency.
- SEBI
  - IRDA
  - TRAI
  - DoT
- 2) In India's first sale of rupee perpetual bonds by a non-finance company Rs 1500 crore (\$332 million) was raised. Name the non-finance company.
- Tata Steel
  - Pantallons Retail
  - RIL
  - Maruti Suzuki
- 3) Which of the following Indian cricket players took the highest number of wickets in the recently concluded ICC World Cup 2011 along with Pakistan's Shahid Afridi?
- Yuvraj Singh
  - Zaheer Khan
  - Munaf Patel
  - Harbhajan Singh
- 4) Union Sports Ministry on 6 April 2011 formed a committee to fine-tune the draft National Sports Development Bill. Who is heading the committee?



- a. Justice Mukul Mudgal
- b. Justice Tej Pratap Singh Mann
- c. Justice Gurdev Singh
- d. Justice Jaswant Singh Phogat

5) Name the cricketer who beat Michael Clarke by a comfortable 15-vote margin to bag the Allan Border Medal besides being named Australia's ODI Player of the Year in Feb 2010?

- a. Shane Watson
- b. Simon Katich
- c. Mitchell Johnson
- d. Sachin Tendulkar

6) Record food grain production helped to reduce food inflation to a four month low for the week ending 26 March 2011. What was the inflation percentage for the week?

- a. 9.18%
- b. 9.25%
- c. 9.21%
- d. 9.36%

7) Praveen Kumar Tripathi took over as the Chief Secretary of which of the following governments on 4 April 2011?

- a. Delhi Government
- b. Haryana Government
- c. Uttar Pradesh Government
- d. Uttarakhand Government

8) The Union Government gifted a Kendriya Vidyalaya to a nondescript village Indrapura to which of the following Indian states?

- a. Bihar
- b. Odisha
- c. Rajasthan
- d. Madhya Pradesh

9) The Supreme Court on 5 April 2011 passed an order to lift iron export ban imposed by which of the following Indian states on 26 July 2010 and also ordered it to implement the new rules for regulating iron ore mining and transportation?

- a. Tamil Nadu
- b. Andhra Pradesh
- c. Karnataka
- d. Odisha

10) To enhance credit worthiness of economically weaker sections and LIG households, a Mortgage Risk Guarantee Fund was announced to be created under which of the following scheme or Yojana?

- a. Rajiv Awas Yojana
- b. Rajiv Gandhi Grameen Vidyutikaran Yojana
- c. Indira Awas Yojana
- d. Mahatama Gandhi NREGA

11) Which agency issued guidelines on distance marketing of products on 6 April 2011 to protect the interest of people who buy policies over phone or Internet?

- a. SEBI
- b. IRDA
- c. TRAI
- d. DoT

12) Buyer's Credit was launched by the Commerce and Industry Minister, Anand Sharma, on 6 April 2011 to boost project exports from India. Under which of the following was Buyer's Credit launched?

- a. National Export Insurance Account
- b. Export-Import Bank of India
- c. Export Credit Guarantee Corporation of India
- d. Reserve Bank of India

13) Read the two statements mentioned with regard to the budgetary allocations for addressing environmental concerns.

- 1. The budget proposed that the solar lantern used in far-flung villages will attract no duty from 10 per cent charged earlier.
- 2. To provide green and clean transportation for the masses, National Mission for Hybrid and Electric Vehicles will be launched in the year 2011 in collaboration with all stakeholders. Which of them is true?

- a. Only 1
- b. Only 2
- c. Both 1 & 2
- d. None of the above

14) 21 year old Marjan Kalhor is the first Iranian woman to have entered an Olympic event. She is a participant in the 2010 Winter Olympics that began in Vancouver on 12 Feb 2010. Which sport is she associated with?

- a. Ski
- b. Shot put
- c. Cycling

d. Bobsleigh

15) With his victory in the men's large hill ski jump on 20 Feb 2010 at the Vancouver Olympics, he became the first person to win four individual gold ski jumping medals. Name this sports person.

a. Simon Ammann (Switzerland)

b. Ahonen Janne (Finland)

c. Alexander Nicholas (USA)

d. Bardal Anders (Norway)

16) The Indian Government in April 2011 issued a notice to which of the following companies to terminate licences for Kerala, West Bengal and Assam for delay in roll-out of services in these three circles?

a. Sistema Shyam Teleservices

b. Tata Teleservices

c. Reliance

d. BSNL

17) Which Italian luxury sports car makers on 6 April 2011 announced its entry into the Indian market where it will sell its high-performance cars priced between Rs1.20 crore and Rs1.43 crore?

a. Maserati

b. Bentley

c. Aston Martin

d. Maybach

18) Who did HDFC Bank, the country's second-largest private sector lender appoint in March 2011 to head its investment banking division?

- a. Rakesh Singh
- b. Charul Madan
- c. Gaurav Khungar
- d. Atul Singh

19) Gangaur, a festival which marks the union of Lord Shiva and his consort, Goddess Parvati is celebrated for 18 days from the day after Holi in which of the following Indian states?

- a. Rajasthan
- b. Karnataka
- c. Tamil Nadu
- d. Uttaranchal

20) Read the following statements with regard to the allocation in the Educational sector as proposed by Union Budget 2011-12.

1. For Sarva Siksha Abhiyan the allocation was increased by 40 percent to 21000 crore rupees.
2. All institutions of higher learning will be connected through optical fibers by March 2012.
3. 500 crore rupees was proposed to be provided for national skill development fund.
4. For the needy scheduled castes and scheduled tribe candidates studying in class-IX and Xth pre-matric scholarship scheme was proposed to be introduced. Which of the above mentioned statements is not true?

- a. 1
- b. 2
- c. 3 & 4
- d. 4

21) Scientists recently developed a computer that could be controlled by the power of thought.

It would help people unable to speak or move. What is the name of the technology which they used to develop this kind of computer?

- a. electrocortigraphy
- b. symbian C++
- c. java
- d. flash lite

22) Which of the following companies bought the Pringles brand from Procter & Gamble Co for \$1.5 billion?

- a. Diamond Foods Inc
- b. PepsiCo's Frito-Lay
- c. Emerald Nuts
- d. Kettle Potato Chips

23) Online marketplace eBay India, in association with leading apparel brand Reebok auctioned a bat autographed by Indian cricketer Mahendra Singh Dhoni. The proceeds of the auction will go to which of the following NGOs?

- a. Oxfem
- b. CRY
- c. All Bengal Women's Union
- d. UNEM

24) Which Indian hockey player was in April 2011 named captain of the Indian Hockey team

the upcoming Sultan Azlan Shah Cup scheduled to be played in Malaysia from 5-15 May 2011?

- a. Arjun Halappa
- b. Rajpal Singh
- c. Bharat Kumar Chetri
- d. Mohd. Amir Khan

25) Under the Godfrey Phillips Zonal Bravery Awards given away by the former ruler of

Jodhpur, Gaj Singh in Jaipur on 5 April 2011, which of the following NGOs was honoured with the Amodhini Award of Rs.1 lakh?

- a. Udyogini
- b. Charities Aid Foundation
- c. CRY
- d. Akhil Bharatiya Vanavasi Kalyan Ashram

26) The Basic Customs Duty exemption was proposed to be extended to which of the following sectors?

- a. art and antiquities for exhibition or display in private art galleries
- b. Cinematographic film, factory-built ambulances
- c. syringes and needles
- d. agricultural machinery

27) A massive Tsunami caused by a devastating earthquake of the 8.9 magnitude hit about 400

km north-east of Tokyo, capital of Japan. Where is the Pacific Tsunami Warning System headquartered?

- a. Hawai
- b. Tokyo
- c. Manila
- d. Jakarta

28) Which of the following companies announced on 6 April 2011 that it won contract to

provide broadband internet connectivity to Indian Railways through state-run RailTel Corp of India Ltd?

- a. DEL
- b. IBM
- c. Infosys
- d. HCL Infosystems

29) Which super luxury carmaker on 7 April 2011 unveiled Continental GT sedan in India?

- a. Ferrati
- b. Bentley
- c. Maybach
- d. Maserati

30) What amount of money was allocated for Bharat Nirman?

- a. 1000 crore
- b. 58000 crore
- c. 55438 crore
- d. 14362 crore

31) Who defeated Tamarine Tanasugarn on 15 Feb 2010 to retain the Pattaya Open title?

- a. Vera Zvonareva of Russia



- b. Sabine Lisicki of Germany,
- c. Ayumi Morita of Japan
- d. Kimiko Date Krumm of Japan

32) A massive Tsunami caused by a devastating earthquake of the 8.9 magnitude hit about 400

km north-east of Tokyo, capital of Japan. What are the possible factors which can cause

Tsunami?

- i) An Earthquake
- ii) A landslide
- iii) A volcanic eruption or explosion
- iv) Impact by a meteorite

Please choose the right option

- a. i, ii, iii and iv
- b. i and ii only
- c. ii and iii only
- d. i and iv only

33) Which of the following Indian cricket is the most heavily insured player for the

forthcoming Indian Premier League (IPL) 4 T-20 tournament which begins on 8 April 2011?

- a. Sachin Tendulkar
- b. Yuvraj Singh
- c. M S Dhoni
- d. Virender Schwag

34) The Union Budget for 2011-12 proposed lowering of qualifying age for tax relief for senior

citizens from 65 years to \_?

- a. 55
- b. 58
- c. 60
- d. 62

35) Finance Minister Pranab Mukherjee proposed to increase the Income Tax Exemption

Limit for individual tax payers from 1 lakh 60 to \_?

- a. 1 lakh 80 thousand
- b. 1 lakh 90 thousand
- c. 2 lakh
- d. 2 lakh 20 thousand

36) Noted Social worker Anna Hazare on 5 April 2011 started his hunger strike at Jantar

Mantar in New Delhi to protest against the reported delay in bringing in which of the following

bills to effectively deal with corruption?

- a. Lokpal Bill
- b. The Competition (Amendment) Bill
- c. The Airports Economic Regulatory Authority of India Bill
- d. The Appropriation (No.3) Bill

37) Who became the world number one badminton player?

- a. Saina Nehwal
- b. Wang Xin
- c. Sania Mirza
- d. Wang Shixian

38) When is the National Youth Day observed?

- a. January 14
- b. February 14
- c. August 31
- d. January 12

39) What is Tejas?

- a. Spacecraft
- b. Missile
- c. Submarine
- d. Light combat aircraft

40) Who is the Chairperson of the Central Board Film Certification?

- a. Sharmila Tagore
- b. Karan Johar
- c. Nafisa Ali
- d. Om Puri
- e. None of these

41) Ali Akbar Salehi is the foreign minister of

- a. Israel
- b. Iran
- c. Afghanistan
- d. Indonesia

42) Who is the new chief of Research and Analysis Wing (RAW)?

- a. AP Singh
- b. Arun Shourie
- c. Sanjeev Tripathi
- d. BK Gupta

43) According to an extensive genetic study on modern humans, two conclusions were drawn out.

- i) There is an enormous amount of diversity in the African hunter-gatherer populations.
- ii) The genetic diversity among 27 present-day African populations originated in southern Africa and progressed to northern Africa.

Which of the above statements is/are correct?

- a. Both i and ii
- b. Neither I and ii
- c. Only i
- d. Only ii

44) Which one of the following Indian states recently released a Braille version of the RTI

(Right to Information) Act and its rules for the benefit of visually challenged?

- a. Gujarat
- b. Bihar
- c. Haryana
- d. Madhya Pradesh

45) Roger Federer won his fourth Australian Open Tennis Championship and 16th Grand

Slam on 31 Jan 2010. Who did he defeat in the final of the Australian Open 2010?

- a. Rafael Nadal
- b. Andy Murray
- c. Fred Perry

d. Rod Laver

46) Which of the following Bollywood Actress won the Best Actress trophy at the 13th London

Asian Film Festival for her performance in Onir's I AM?

a. Nandita Das

b. Juhi Chawla

c. Tabu

d. Konkona Sen Sharma

47) In tiger census 2010,

i) Pugmarks were used as the only indicator of tiger numbers.

ii) An advanced Scientific process was adopted which included video trapping and use of satellite data. Which of the above statements is/are incorrect?

Choose the right option:

a. Only i is incorrect

b. Only ii is incorrect

c. Both i and ii are incorrect

d. Both i and ii are not incorrect

48) India defeated Pakistan by 29 runs in the semi finals of the ICC World Cup 2011 played at Mohali. Who was declared man of the match of the high powered game?

a. Saeed Ajmal

b. Sachin Tendulkar

c. Munaf Patel

d. Wahab Riaz

49) Which of the following bodies put off indefinitely the new rules governing unwanted telemarketing calls which were supposed to be

implemented from 21 March 2011?

- a. Department of Telecommunication (DoT)
- b. Telecom Regulatory Authority of India (TRAI)
- c. Indian Ministry of communication & Technology
- d. HRD Ministry

50) The Indian government in March 2011 conferred the Miniratna status on which of the following PSUs?

- a. National Small Industries Corporation (NSIC)
- b. Air India Charters Ltd
- c. Cement Corporation of India
- d. HMT Machine Tools Ltd

Answers:

- 1) B 2) A 3) B 4) A 5) A 6) A 7) A 8) C 9) C 10) A  
11) B 12) A 13) B 14) A 15) A 16) A 17) C 18) A  
19) A 20) B 21) A 22) A 23) B 24) A 25) A 26) A  
27) A 28) D 29) B 30) B 31) A 32) A 33) C 34) C  
35) A 36) A 37) B 38) D 39) D 40) A 41) B 42) C  
43) A 44) A 45) B 46) B 47) A 48) B 49) B 50) A

## IBPS GENERAL AWARENESS PRACTICE MODEL QUESTIONS

1. Michael D. Higgins replaced Mary McAleese as the President of which of the following countries?

- 1) Colombia
- 2) Ireland
- 3) Switzerland
- 4) Zimbabwe
- 5) Sweden

**Answer: (2)**

2. Who is the author of the book 'I was There-Memoirs of a Cricket Administrator'?

- 1) Ajit Wadekar
- 2) Chandu Borde
- 3) Jaywant Lele
- 4) Kirti Azad
- 5) Sharad Pawar

**Answer: (3)**

3. Devinder Pal Singh became the Chairman and Managing Director of which of the following banks in November 2011?

- 1) BOB
- 2) IOB
- 3) OBC
- 4) Punjab & Sind Bank

5) Punjab National Bank

**Answer: (4)**

4. Irom Sharmila Chanu's fast entered 12th year in November 2011. She is demanding the repeal of the Armed Forces (Special Powers) Act, 1958 in which of the following states?

- 1) Manipur
- 2) Nagaland
- 3) Tripura
- 4) West Bengal
- 5) Jammu & Kashmir

**Answer: (1)**

5. Bhupen Hazarika, Dada Saheb Phalke award winner, passed away recently. He was a music legend from which of the following states?

- 1) Orissa
- 2) Assam
- 3) Bihar
- 4) Jharkhand
- 5) West Bengal

**Answer: (2)**

6. Which city hosted the G20 Summit in November 2011?

- 1) Beijing
- 2) Toronto
- 3) Cannes
- 4) London
- 5) Seoul



**Answer: (3)**

7. India signed an agreement to promote oil exploration in South China Sea with which of the following countries during its President Truong Tan Sang's visit to New Delhi in October 2011?

- 1) Myanmar
- 2) China
- 3) Cambodia
- 4) Vietnam
- 5) Thailand

**Answer: (4)**

8. India's Polar Satellite Launch Vehicle (PSLV-C18) put VesselSat in orbit recently. Which country has built this satellite that will help in locating ships?

- 1) France
- 2) Luxembourg
- 3) USA
- 4) Germany
- 5) Russia

**Answer: (2)**

9. Which of the following statements about the HDI is/are correct?

- 1) The Human Development Report (HDR) 2011, released by the United Nations Development Programme (UNDP), has ranked India at 134th among 187 countries in the Human Development Index (HDI).
- 2) Norway topped the list for the second consecutive year. Democratic Republic of the Congo is ranked the last.

- 3)The HDI is a comparative measure of life expectancy, literacy and standards of living for countries worldwide.
- 4)The index was developed in 1990 by economists Mahbub ul Haq (Pakistan) and Amartya Sen (India).
- 5) All the above statements are correct.

**Answer: (5)**

10.The Special Protection Group (SPG) is responsible for the protection of the Prime Minister of India. Who was appointed the new Director of the SPG in November 2011?

- 1) B.V.Wanchoo
- 2) K.Durga Prasad
- 3) S.Subramaniam
- 4) K.Aravind Rao
- 5) None of these

**Answer: (2)**

11.The President of Myanmar visited India recently. His name?

- 1) U Thein Sein
- 2) U Aye Myint
- 3) Than Shwe
- 4) U Thant
- 5) None of these

**Answer: (1)**

12.Which country will host the World Steel Conference in October 2012?

- 1) China
- 2) India

- 3) Japan
- 4) USA
- 5) Australia

**Answer: (2)**

13. The American computer scientist who created the C programming language passed away recently. His name?

- 1) Steve Jobs
- 2) Dennis Ritchie
- 3) Ken Thompson
- 4) Patrick Fischer
- 5) None of these

**Answer: (2)**

14. Two former Presidents were awarded the 2011 World Food Prize for their success in tackling chronic hunger in their countries. One is Luiz Inacio Lula da Silva (Brazil) and the other is John Ag-ye Kum Kufuor. John Kufuor is the former President of which of the following African countries?

- 1) Sudan
- 2) Angola
- 3) Nigeria
- 4) Ghana
- 5) Ethiopia

**Answer: (4)**

15. Which team won the Durand Cup football tournament in October 2011? (It is the oldest football tournament in India)

- 1) Churchill Brothers

- 2) Prayag United
- 3) Mohun Bagan
- 4) Chirag United Kerala
- 5) None of these

**Answer: (1)**

16. Indian-American Bobby Jindal has been re-elected to a second term as the Governor of which of the following states in the USA?

- 1) Texas
- 2) Louisiana
- 3) Alaska
- 4) California
- 5) South Carolina

**Answer: (2)**

17. World Diabetes Day is observed every year on which of the following days?

- 1) October 31
- 2) November 19
- 3) November 21
- 4) November 14
- 5) November 9

**Answer: (4)**

18. Queen Elizabeth is the constitutional monarch of how many sovereign nations in the world?

- 1) 9
- 2) 16
- 3) 25

4) 8

5) 11

**Answer: (2)**

19. Which country has test-fired nuclear capable Hatf-7 or Babur cruise missile with a range of 700 km?

1) Afghanistan

2) Pakistan

3) Iran

4) Syria

5) Iraq

**Answer: (2)**

20. In the October 2011 Tunisian Constituent Assembly election, the first elections since the Tunisian Revolution, which party won 91 of the 217 assembly seats, far more than any other party?

1) Ennahda

2) PDP

3) Ettakatol

4) Al Aridha

5) Congress for the Republic

**Answer: (1)**

21. November 11 is celebrated as the National Education Day. It commemorates the birthday of which of the following eminent personalities?

1) S. Radhakrishnan

2) C. V. Raman

3) B. C. Roy

- 4) A.P.J Abdul Kalam
- 5) Maulana Abul Kalam Azad

**Answer: (5)**

22. Which country has unveiled the world's biggest and heaviest gold coin, weighing 1,012 kilograms?

- 1) USA
- 2) UK
- 3) Qatar
- 4) Australia
- 5) Saudi Arabia

**Answer: (4)**

23. Which country has the world's largest uranium reserves (24% of the planet's known reserves)?

- 1) Australia
- 2) Russia
- 3) Namibia
- 4) Ukraine
- 5) Mongolia

**Answer: (1)**

24. According to the latest Forbes India 100 richest persons list who is the world's richest Indian with a net worth of \$ 22.60 billion?

- 1) Mukesh Ambani
- 2) Lakshmi Mittal
- 3) Azim Premji
- 4) Shashi Ruia & Ravi Ruia
- 5) Savitri Jindal

**Answer: (1)**

25. Whose autobiography is titled "A Shot at History"?

- 1) Gagan Narang
- 2) Abhinav Bindra
- 3) Rahul Dravid
- 4) Manavjit Singh Sandhu
- 5) None of these

**Answer: (2)**

26. Megha Tropiques, the satellite that studies the patterns and dynamics of the monsoon was launched from Sriharikota in October 2011. It is a joint venture between India and which of the following countries?

- 1) Spain
- 2) Greece
- 3) France
- 4) Portugal
- 5) USA

**Answer: (3)**

27. Who was crowned the Miss World 2011 at the 61st edition of the Miss World pageant that was held in London in November 2011?

- 1) Ivian Sarcos (Venezuela)
- 2) Gwendoline Ruais (Philippines)
- 3) Amanda Perez (Puerto Rico)
- 4) Kanishtha Dhankhar (India)
- 5) None of these

**Answer: (1)**

28. Fed Cup is the premier team competition in women's tennis.

Which country won the Fed Cup in November 2011?

- 1) Czech Republic
- 2) Russia
- 3) USA
- 4) Spain
- 5) Italy

**Answer: (1)**

29. Which of the following statements is not true with regard to Census 2011?

- 1) Census 2011 is the 15th National Census since 1872 and the 7th after independence.
- 2) The population of India is 121.01 crores compared to the 2001 population of 102.87 crores. (An increase by 181 million)
- 3) Uttar Pradesh is the most populous state with 19.95 crores while Sikkim is the least populated state (6.07 lakhs)
- 4) India is now home to 17.5 percent of the world's population—compared to China which hosts 19.4 percent.
- 5) The literacy rate has increased from 64.83 percent in 2001 to 70.04 percent in 2011.

**Answer: (5)**

30. The Order of St. Andrew, Russia's top medal was conferred on which of the following given personality recently?

- 1) Vladimir Putin
- 2) Dmitry Medvedev
- 3) Mikhail Gorbachev
- 4) Boris Yeltsin

**Answer: (3)**



## **Moody's cuts outlook on Indian banking system to negative**

Moody's Investors Service has downgraded its outlook for India's banking system to negative from stable due to concerns that an increasingly challenging operating environment will adversely affect asset quality, capitalisation, and profitability.

"India's economic momentum is slowing because of high inflation, monetary tightening, and rapidly rising interest rates.

"At the same time, concerns have emerged over the sustainability of the recovery in the US and Europe, and the rise in the borrowing programme of the Indian Government, which could drain funds away from the private credit market," said Mr Vineet Gupta, Vice-President and Senior Analyst, Moody's.

The credit rating agency's latest outlook for the Indian banking system is valid for the next 12-18 months.

Given the tightening environment, Moody's is anticipating that the asset quality will deteriorate over the next 12-18 months, thereby causing an increase in provisioning needs for the banks in FY2012 and FY2013.

### **Loan growth, a stress on banks' capital**

The rating agency expects loan growth to be a strain on the banks' capital over the horizon of this outlook. As monetary conditions tighten and economic activities slow, it sees bank loan growth to fall to 16-18 per cent in FY2012 and FY2013, from 21 per cent in FY2011

### **Profitability to come under pressure**

When it comes to profitability, Moody's expects it to come under pressure due to lower interest margins as deposit rates re-price and get a further push from the latest liberalisation on savings deposit rates.

Bank ratings may come under downward pressure, although currently, the negative outlook on the banking system contrasts with the stable outlook assigned to the bank financial strength ratings of 14 of the 15 rated banks, said the agency in a statement.

For those banks with weaker capital ratios on average and higher asset quality pressures, their standalone ratings are likely to come under pressure as underscored by Moody's downgrade of the State Bank of India's banking financial strength rating to 'D+/Stable/Baa3' from 'C-/Stable/Baa2' on October 4.

But, on the positive side, Moody's has recognised Indian banks' stable customer deposit base and high level of Government securities holdings, which provide them with a resilient funding and liquidity profile that buffer them against destabilising shocks.

Moody's also expects the Government to remain committed towards providing support to both public and 'private' banks. Such potential support translates to an average one-notch uplift to the banks' debt and deposit ratings to 'Baa2', compared with their standalone base line credit assessment of Baa3.

Moody's rates 15 commercial banks in India, which together account for about 66 per cent of the banking system's total assets as at March 2011.

The banking system is dominated by public-sector banks, which account for around 75 per cent of the market in asset terms. The weighted average stand-alone banking financial strength rating is 'D+', and mapping to a Baseline Credit Assessment of 'Baa3'. The average long-term deposit rating is 'Baa2/Prime-2'.

## **Taxation system in India**

India has a well-developed tax structure with clearly demarcated authority between Central and State Governments and local bodies. Central Government levies taxes on income (except tax on agricultural income, which the State Governments can levy), customs duties, central excise and service tax.

Value Added Tax (VAT), (Sales tax in States where VAT is not yet in force), stamp duty, State Excise, land revenue and tax on professions are levied by the State Governments. Local bodies are empowered to levy tax on properties, octroi and for utilities like water supply, drainage etc.

In last 10-15 years, Indian taxation system has undergone tremendous reforms. The tax rates have been rationalized and tax laws have been simplified resulting in better compliance, ease of tax payment and better enforcement. The process of rationalization of tax administration is ongoing in India.

Since April 01, 2005, most of the State Governments in India have replaced sales tax with VAT.

### **Taxes Levied by Central Government**

Direct Taxes

Tax on Corporate Income

Capital Gains Tax  
Personal Income Tax  
Tax Incentives  
Double Taxation Avoidance Treaty

Indirect Taxes  
Excise Duty  
Customs Duty  
Service Tax  
Securities Transaction Tax

Taxes Levied by State Governments and Local Bodies  
Sales Tax/VAT  
Other Taxes

## Direct Taxes

### Taxes on Corporate Income

Companies residents in India are taxed on their worldwide income arising from all sources in accordance with the provisions of the Income Tax Act. Non-resident corporations are essentially taxed on the income earned from a business connection in India or from other Indian sources. A corporation is deemed to be resident in India if it is incorporated in India or if its control and management is situated entirely in India.

Domestic corporations are subject to tax at a basic rate of 35% and a 2.5% surcharge. Foreign corporations have a basic tax rate of

40% and a 2.5% surcharge. In addition, an education cess at the rate of 2% on the tax payable is also charged. Corporates are subject to wealth tax at the rate of 1%, if the net wealth exceeds Rs.1.5 mn ( approx. \$ 33333).

Domestic corporations have to pay dividend distribution tax at the rate of 12.5%, however, such dividends received are exempt in the hands of recipients.

Corporations also have to pay for Minimum Alternative Tax at 7.5% (plus surcharge and education cess) of book profit as tax, if the tax payable as per regular tax provisions is less than 7.5% of its book profits.

### **Following measures were taken in the union budget 2007-08**

Surcharge on income tax on all firms and companies with a taxable income of Rs.1 crore or less to be removed.

A five year income tax holiday for two, three or four star hotels and for convention centres with a seating capacity of not less than 3,000; they should be completed and begin operations in National Capital Territory of Delhi or in the adjacent districts of Faridabad, Gurgaon, Ghaziabad or Gautam Budh Nagar during April 1, 2007 to March 31, 2010.

Concession under section 35(2AB) to be extended for five more years until March 31, 2012.

Tax holiday to undertakings in Jammu & Kashmir to be extended for another five years up to March 31, 2012.

Minimum Alternate Tax (MAT) to be extended to income in respect of which deduction is claimed under sections 10A and 10B; deduction under section 36(1) (viii) to be restricted to 20% of profits each year.

Rate of dividend distribution tax to be raised from 12.5% to 15% on dividends distributed by companies; and to 25% on dividends paid by money market mutual funds and liquid mutual funds to all investors.

Expenditure on free samples and on displays to be excluded from the scope of Fringe Benefit Tax (FBT); ESOPs to be brought under FBT.

An additional cess of 1% on all taxes to be levied to fund secondary education and higher education and the expansion of capacity by 54% for reservation for socially and educationally backward classes.

Tax is payable on capital gains on sale of assets.

Long-term Capital Gains Tax is charged if

- Capital assets are held for more than three years and
- In case of shares, securities listed on a recognized stock exchange in India, units of specified mutual funds, the period for holding is one year.

Long-term capital gains are taxed at a basic rate of 20%. However, long-term capital gain from sale of equity shares or units of mutual funds are exempt from tax.

Short-term capital gains are taxed at the normal corporate income tax rates. Short-term capital gains arising on the transfer of equity shares or units of mutual funds are taxed at a rate of 10%.

Long-term and short-term capital losses are allowed to be carried forward for eight consecutive years. Long-term capital losses may be offset against taxable long-term capital gains and short-term capital losses may be offset against both long term and short-term taxable capital gains.

### **Personal Income tax**

Personal income tax is levied by Central Government and is administered by Central Board of Direct taxes under Ministry of Finance in accordance with the provisions of the Income Tax Act. The rates for personal income tax are as follows:-

Income range (Rupee) Tax Rate (%)

0-100,000 Nil

1,00,000-1,50,000 10

1,50,000-2,50,000 20

2,50,000 and above 30

Surcharges of 10% on total tax is levied if income exceeds Rs. 8,50,000

**Recent budget initiatives in this regard are as follows:**

Threshold limit of exemption in the case of all assessees to be increased by Rs.10,000 thus giving every assessee a relief of Rs.1,000; in the case of a woman assessee, threshold limit to be increased from Rs.135,000 to Rs.145,000 and in case of a senior citizen from Rs.185,000 to Rs.195,000 giving him or her a relief of Rs.2,000; deduction in respect of medical insurance premium under section 80D to be increased to a maximum of Rs.15,000 and, in case of a senior citizen, a maximum of Rs.20,000.

**Rates of Withholding Tax**

Current rates for withholding tax for payment to non-residents are:-

- (i) Interest 20%
- (ii) Dividends Dividends paid by domestic companies: Nil
- (iii) Royalties 10%
- (iv) Technical Services 10%
- (v) Any other services Individuals: 30% of the income  
Companies: 40% of the net income

The above rates are general and are applicable in respect of countries with which India does not have a Double Taxation Avoidance Agreement (DTAA).



## Tax Incentives

Government of India provides tax incentives for:-

- Corporate profit
- Accelerated depreciation allowance
- Deductibility of certain expenses subject to certain conditions.

These tax incentives are, subject to specified conditions, available

for new investment in

- Infrastructure,
- Power distribution,
- Certain telecom services,
- Undertakings developing or operating industrial parks or special economic zones,
- Production or refining of mineral oil,
  - Companies carrying on R&D,
  - Developing housing projects,
- Undertakings in certain hill states,
  - Handling of food grains,
    - Food processing,
  - Rural hospitals etc.

## Overview of Indian Financial System

Financial System of any country consists of financial markets, financial intermediation and financial instruments or financial products. This paper discusses the meaning of finance and Indian Financial System and focus on the financial markets, financial intermediaries and financial instruments. The brief review on various money market instruments are also covered in this study.

The term "finance" in our simple understanding it is perceived as equivalent to 'Money'. We read about Money and banking in Economics, about Monetary Theory and Practice and about "Public Finance". But finance exactly is not money, it is the source of providing funds for a particular activity. Thus public finance does not mean the money with the Government, but it refers to sources of raising revenue for the activities and functions of a Government. Here some of the definitions of the word 'finance', both as a source and as an activity i.e. as a noun and a verb.

The American Heritage® Dictionary of the English Language, Fourth Edition defines the term as under-

- 1: "The science of the management of money and other assets.";
- 2: "The management of money, banking, investments, and credit. ";
- 3: "finances Monetary resources; funds, especially those of a government or corporate body"
- 4: "The supplying of funds or capital."

Finance as a function (i.e. verb) is defined by the same dictionary as under-

- 1: "To provide or raise the funds or capital for": financed a new car
- 2: "To supply funds to": financing a daughter through law school.

3: "To furnish credit to".

Another English Dictionary, "WordNet ® 1.6, © 1997 Princeton University " defines the term as under-

1: "the commercial activity of providing funds and capital"

2: "the branch of economics that studies the management of money and other assets"

3: "the management of money and credit and banking and investments"

The same dictionary also defines the term as a function in similar words as under-

1: "obtain or provide money for;" " Can we finance the addition to our home?"

2: "sell or provide on credit "

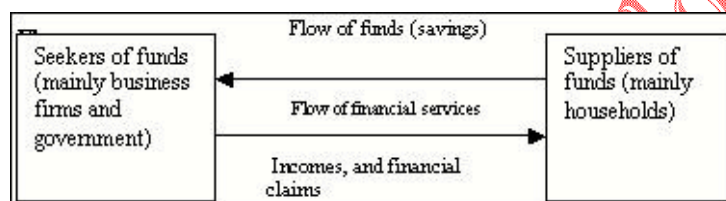
All definitions listed above refer to finance as a source of funding an activity. In this respect providing or securing finance by itself is a distinct activity or function, which results in Financial Management, Financial Services and Financial Institutions. Finance therefore represents the resources by way funds needed for a particular activity. We thus speak of 'finance' only in relation to a proposed activity. Finance goes with commerce, business, banking etc. Finance is also referred to as "Funds" or "Capital", when referring to the financial needs of a corporate body. When we study finance as a subject for generalising its profile and attributes, we distinguish between 'personal finance' and "corporate finance" i.e. resources needed personally by an individual for his family and individual needs and resources needed by a business organization to carry on its functions intended for the achievement of its corporate goals.

## **INDIAN FINANCIAL SYSTEM**

The economic development of a nation is reflected by the progress of the various economic units, broadly classified into corporate sector, government and household sector. While performing their activities these units will be placed in a surplus/deficit/balanced budgetary situations.

There are areas or people with surplus funds and there are those with a deficit. A financial system or financial sector functions as an intermediary and facilitates the flow of funds from the areas of surplus to the areas of deficit. A Financial System is a composition of various institutions, markets, regulations and laws, practices, money manager, analysts, transactions and claims and liabilities.

### Financial System;



The word "system", in the term "financial system", implies a set of complex and closely connected or interlined institutions, agents, practices, markets, transactions, claims, and liabilities in the economy. The financial system is concerned about money, credit and finance-the three terms are intimately related yet are somewhat different from each other. Indian financial system consists of financial market, financial instruments and financial intermediation.

These are briefly discussed below;

### FINANCIAL MARKETS

A Financial Market can be defined as the market in which financial assets are created or transferred. As against a real transaction that

involves exchange of money for real goods or services, a financial transaction involves creation or transfer of a financial asset.

Financial Assets or Financial Instruments represents a claim to the payment of a sum of money sometime in the future and /or periodic payment in the form of interest or dividend.

**Money Market** - The money market is a wholesale debt market for low-risk, highly-liquid, short-term instrument. Funds are available in this market for periods ranging from a single day up to a year. This market is dominated mostly by government, banks and financial institutions.

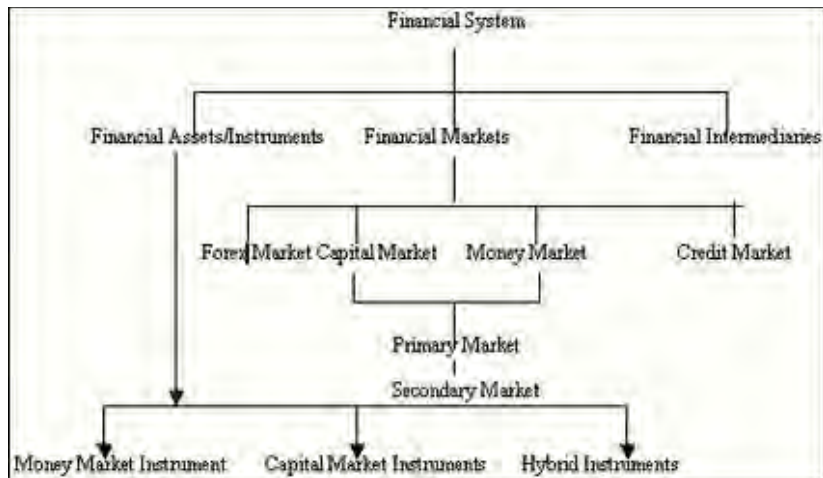
**Capital Market** - The capital market is designed to finance the long-term investments. The transactions taking place in this market will be for periods over a year.

**Forex Market** - The Forex market deals with the multicurrency requirements, which are met by the exchange of currencies.

Depending on the exchange rate that is applicable, the transfer of funds takes place in this market. This is one of the most developed and integrated market across the globe.

**Credit Market** - Credit market is a place where banks, FIs and NBFCs purvey short, medium and long-term loans to corporate and individuals.

### **Constituents of a Financial System**



## FINANCIAL INTERMEDIATION

Having designed the instrument, the issuer should then ensure that these financial assets reach the ultimate investor in order to garner the requisite amount. When the borrower of funds approaches the financial market to raise funds, mere issue of securities will not suffice. Adequate information of the issue, issuer and the security should be passed on to take place. There should be a proper channel within the financial system to ensure such transfer. To serve this purpose, **Financial intermediaries** came into existence. Financial intermediation in the organized sector is conducted by a widerange of institutions functioning under the overall surveillance of the Reserve Bank of India. In the initial stages, the role of the intermediary was mostly related to ensure transfer of funds from the lender to the borrower. This service was offered by banks, FIs, brokers, and dealers. However, as the financial system widened along with the developments taking place in the financial markets, the scope of its operations also widened. Some of the important intermediaries operating ink the financial markets include; investment bankers, underwriters, stock exchanges, registrars, depositories, custodians, portfolio managers, mutual funds, financial

advertisers financial consultants, primary dealers, satellite dealers, self regulatory organizations, etc. Though the markets are different, there may be a few intermediaries offering their services in more than one market e.g. underwriter. However, the services offered by them vary from one market to another.

### **Intermediary Market Role**

Stock Exchange	Capital Market	Secondary Market	to securities
Investment Bankers	Capital Market, Credit Market		Corporate advisory services, Issue of securities
Underwriters	Capital Market, Money Market		Subscribe to unsubscribed portion of securities
Registrars, Depositories, Custodians	Capital Market		Issue securities to the investors on behalf of the company and handle share transfer activity
Primary Dealers			
Satellite Dealers	Money Market	Market making in	government securities
Forex Dealers	Forex Market	Ensure exchange in	currencies

## **FINANCIAL INSTRUMENTS**

### **Money Market Instruments**

The money market can be defined as a market for short-term money and financial assets that are near substitutes for money. The

term short-term means generally a period upto one year and near substitutes to money is used to denote any financial asset which can be quickly converted into money with minimum transaction cost.

Some of the important money market instruments are briefly discussed below;

1. Call/Notice Money
2. Treasury Bills
3. Term Money
4. Certificate of Deposit
5. Commercial Papers

### **1. Call /Notice-Money Market**

Call/Notice money is the money borrowed or lent on demand for a very short period. When money is borrowed or lent for a day, it is known as Call (Overnight) Money. Intervening holidays and/or Sunday are excluded for this purpose. Thus money, borrowed on a day and repaid on the next working day, (irrespective of the number of intervening holidays) is "Call Money". When money is borrowed or lent for more than a day and up to 14 days, it is "Notice Money". No collateral security is required to cover these transactions.

### **2. Inter-Bank Term Money**

Inter-bank market for deposits of maturity beyond 14 days is referred to as the term money market. The entry restrictions are the same as those for Call/Notice Money except that, as per existing regulations, the specified entities are not allowed to lend beyond 14 days.

### **3. Treasury Bills.**



Treasury Bills are short term (up to one year) borrowing instruments of the union government. It is an IOU of the Government. It is a promise by the Government to pay a stated sum after expiry of the stated period from the date of issue (14/91/182/364 days i.e. less than one year). They are issued at a discount to the face value, and on maturity the face value is paid to the holder. The rate of discount and the corresponding issue price are determined at each auction.

#### **4. Certificate of Deposits**

Certificates of Deposit (CDs) is a negotiable money market instrument issued in dematerialised form or as a Usance Promissory Note, for funds deposited at a bank or other eligible financial institution for a specified time period. Guidelines for issue of CDs are presently governed by various directives issued by the Reserve Bank of India, as amended from time to time. CDs can be issued by (i) scheduled commercial banks excluding Regional Rural Banks (RRBs) and Local Area Banks (LABs); and (ii) select all-India Financial Institutions that have been permitted by RBI to raise short-term resources within the umbrella limit fixed by RBI. Banks have the freedom to issue CDs depending on their requirements. An FI may issue CDs within the overall umbrella limit fixed by RBI, i.e., issue of CD together with other instruments viz., term money, term deposits, commercial papers and intercorporate deposits should not exceed 100 per cent of its net owned funds, as per the latest audited balance sheet.

#### **5. Commercial Paper**

CP is a note in evidence of the debt obligation of the issuer. On issuing commercial paper the debt obligation is transformed into an instrument. CP is thus an unsecured promissory note privately placed with investors at a discount rate to face value determined by

market forces. CP is freely negotiable by endorsement and delivery. A company shall be eligible to issue CP provided - (a) the tangible net worth of the company, as per the latest audited balance sheet, is not less than Rs. 4 crore; (b) the working capital (fund-based) limit of the company from the banking system is not less than Rs.4 crore and (c) the borrowal account of the company is classified as a Standard Asset by the financing bank/s. The minimum maturity period of CP is 7 days. The minimum credit rating shall be P-2 of CRISIL or such equivalent rating by other agencies.

### **Capital Market Instruments**

The capital market generally consists of the following long term period i.e., more than one year period, financial instruments; In the equity segment Equity shares, preference shares, convertible preference shares, non-convertible preference shares etc and in the debt segment debentures, zero coupon bonds, deep discount bonds etc.

### **Hybrid Instruments**

Hybrid instruments have both the features of equity and debenture. This kind of instruments is called as hybrid instruments. Examples are convertible debentures, warrants etc.

## Financial System in India

India has a financial system that is regulated by independent regulators in the sectors of banking, insurance, capital markets, competition and various services sectors. In a number of sectors Government plays the role of regulator.

Ministry of Finance, Government of India looks after financial sector in India. Finance Ministry every year presents annual budget on February 28 in the Parliament. The annual budget proposes changes in taxes, changes in government policy in almost all the sectors and budgetary and other allocations for all the Ministries of Government of India. The annual budget is passed by the Parliament after debate and takes the shape of law.

Reserve bank of India (RBI) established in 1935 is the Central bank. RBI is regulator for financial and banking system, formulates monetary policy and prescribes exchange control norms. The Banking Regulation Act, 1949 and the Reserve Bank of India Act, 1934 authorize the RBI to regulate the banking sector in India.

India has commercial banks, co-operative banks and regional rural banks. The commercial banking sector comprises of public sector banks, private banks and foreign banks. The public sector banks comprise the 'State Bank of India' and its seven associate banks and nineteen other banks owned by the government and account for almost three fourth of the banking sector. The Government of India has majority shares in these public sector banks.

India has a two-tier structure of financial institutions with thirteen all India financial institutions and forty-six institutions at the state level. All India financial institutions comprise term-lending institutions, specialized institutions and investment institutions, including in insurance. State level institutions comprise of State Financial Institutions and State Industrial Development Corporations providing project finance, equipment leasing, corporate loans, short-term loans and bill discounting facilities to corporate. Government holds majority shares in these financial institutions.

Non-banking Financial Institutions provide loans and hire-purchase finance, mostly for retail assets and are regulated by RBI.

Insurance sector in India has been traditionally dominated by state owned Life Insurance Corporation and General Insurance Corporation and its four subsidiaries. Government of India has now allowed FDI in insurance sector up to 26%. Since then, a number of new joint venture private companies have entered into life and general insurance sectors and their share in the insurance market is rising. Insurance Development and Regulatory Authority (IRDA) is the regulatory authority in the insurance sector under the Insurance Development and Regulatory Authority Act, 1999.

RBI also regulates foreign exchange under the Foreign Exchange Management Act (FERA). India has liberalized its foreign exchange controls. Rupee is freely convertible on current account. Rupee is also almost fully convertible on capital account for non-residents. Profits earned, dividends and proceeds out of the sale of

investments are fully repatriable for FDI. There are restrictions on capital account for resident Indians for incomes earned in India.

Securities and Exchange Board of India (SEBI) established under the Securities and Exchange Board of India Act, 1992 is the regulatory authority for capital markets in India. India has 23 recognized stock exchanges that operate under government approved rules, bylaws and regulations. These exchanges constitute an organized market for securities issued by the central and state governments, public sector companies and public limited companies. The Stock Exchange, Mumbai and National Stock Exchange are the premier stock exchanges. Under the process of de-mutualization, these stock exchanges have been converted into companies now, in which brokers only hold minority share holding. In addition to the SEBI Act, the Securities Contracts (Regulation) Act, 1956 and the Companies Act, 1956 regulates the stock markets.

## **STOCK EXCHANGE, COMMODITY EXCHANGE RELATED TERMS**

### **Arbitration :-**

Arbitration is an alternative dispute resolution mechanism provided by a stock exchange for resolving disputes between the trading members and their clients in respect of trades done on the exchange.

### **Barcode Labelling :-**

A Barcode is a printed code that consists of a series of vertical bars, which vary in thickness. Barcodes are capable of being 'read' and decoded by barcode scanners. They are used in various industries as application tools. They are used to identify retail sales items, identification cards, library books and other products. They are also utilised to manage work in progress, to track documents and for many other automated identification applications.

### **Basis Point (bps) :-**

One basis point is one-hundredth of a percentage point.

### **Book Building :-**

A process used to ascertain and record the indicative subscription bids of interested investors to a planned issue of securities. The advantages of this technique of obtaining advance feedback, are that it results in optimal pricing and removes uncertainty regarding mobilisation of funds.

### **Book Value :-**

Book value is the net worth that comprises of equity capital plus reserves and surplus minus accumulated losses divided by the number of shares outstanding as rendered in the latest annual report of a company. The book value of an equity share tends to increase as the ratio of reserves and surplus to the paid-up equity capital increases.

### **Calendar Spread :-**

This is done between futures contracts. The investor buys the near month contract (ex. October gold) when prices rise or sell the positions in the near months and purchase the forward months contracts. This trading is popular in gold, soya, silver, crude, chana, urad, jeera and chilli.

### **CDs :-**

A Certificate of Deposit (CD) is a negotiable promissory note issued by the banks and the Financial Institutions (FIs) with a maturity date of upto a year. It is secure in nature and issued at a discount to the face value (the redemption to investors takes place at the face value).

### **Collateralised Borrowings Lending Obligation (CBLO) :-**

Collateralised Borrowings Lending Obligation (CBLO) is a money market instrument for borrowing against the securities, held in custody by the Clearing Corporation of India Limited (CCIL) for the amount lent.

### **Commodity Exchange :-**

Like stock exchanges in capital markets, a commodity exchange is an association or a company or any other body corporate that is organising futures trading in commodities. The new generation National-level exchanges have been set up in a

corporatised/demutualised environment. There are three nationally recognised commodity exchanges in India and 22 regional exchanges. The National exchanges are Multi Commodities Exchange of India (MCX) in Mumbai, National Commodities and Derivatives Exchange of India (NCDEX) and National Multi Commodities Exchange (NMCE).

### **Commodity:**

A commodity is a product having commercial value that can be produced, bought, sold and consumed. It is normally in a basic raw unprocessed state. But products derived from primary sector and structured products are also traded at these exchanges. In India, the list includes precious metals, ferrous and non-ferrous metals, spices, pulses, plantation crops, sugar and other soft commodities.

### **Trading done in the Commodity Exchanges:**

Like the stock market online trading system, commodity exchanges are also typically on the online trading system. It is an order-driven, transparent trading platform, which is reachable to the various participants through the Internet, VSAT and leased line modes operated by members or sub-brokers spread around country.

### **Demutualisation :-**

It essentially means segregating the trading rights to member brokers from the ownership and management of the exchanges. It aims at curbing the clout of member-brokers in running the exchanges.

### **Due Diligence :-**



An internal audit of a target firm by an acquiring firm. Offers are often made contingent upon resolution of the due diligence process.

### **Exchange Rate :-**

Just as the price of any asset, the exchange rates is the price at which you can buy that currency. If at any given rate, the demand for a currency is greater (lesser) than its supply, its price will rise (fall).

### **What makes currency rates move ?**

The exchange rate reflects the strength of an economy in terms of its growth performance, balance of payments etc. as well as economic expectations that drive the 'market sentiment' and how much the market has reacted or 'discounted' the anticipated information.

### **Are exchange rates entirely market-determined ?**

Under the current managed float regime, most currencies, including India, let their rates fluctuate according to market forces. But if a currency appears to be 'overvalued' or 'undervalued' by the market or if rate movements are significantly adversely affecting an economy's macroeconomic performance, then Central banks intervene to depreciate (or appreciate) their currency. Exchange rates also move on expectations of change in regulations relating to exchange markets and official intervention. In India, the Reserve Bank's basic philosophy is a flexible one, without any particular 'target' for the rupee's rate. With a broad objective to avoid excessive volatility, facilitate growth of Indian exports and generate confidence among overseas investors.

### **Futures contract :-**

Futures contract is an agreement between two parties to buy or sell a specified quantity and defined quality of a commodity at a certain time in future at a price agreed upon at the time of entering into the contract. This is typically traded at regulated commodity exchanges.

### **Futures and options :-**

A futures contract is an agreement between two parties to buy or sell an underlying asset at a certain time in the future at a certain price. It has a standardised date and month of delivery, quantity and price.

An option gives the buyer the right but not the obligation to buy the underlying asset. A futures contract on the other hand is obligatory on both the buyer and the seller is a transaction between the buyer and seller to buy or sell an asset at an agreed price at a future date. This is a common feature of options trading in shares, stocks and commodities.

### **Geographic Information Systems (GIS) :-**

The GIS are computer systems used to store and process geographic data. The GIS scores over other data management systems in its ability to present spatial relationships in a digital map form that is easy to visualise and understand. Data is the central resource of a GIS system. The GIS systems process two kinds of data-spatial and attribute. Spatial data gives the geographic location of a point of interest (e.g. railway station, school, bank branch, the ATM etc). Attribute data contains other characteristics of that point of interest.

### **Hot Money :-**

Money that moves across country borders in response to interest rate differences and that moves away when the interest rate differential disappears.

### **Independent Director :-**

An independent Director is a non-executive Director on the board of a company who has integrity, expertise and independence to balance the interests of the various stakeholders. The idea of having them is to bring objectivity to the board decisions and to protect general interests of the company, including that of the minority and the small shareholders. The independent Directors are expected to improve the corporate governance in a company.

### **Who cannot be an independent Director in a listed company ?**

According to the SEBI, having a 'pecuniary' relationship with the company or its arms, other than receiving the Director's remuneration, is a disqualification. The independent Director must not be related to the promoters or anyone in the senior management position from one level below the board. He should not have been an executive of the company or of its audit, consulting or legal firms in the past three financial years.

### **Which listed entities are outside the scope of the revised Clause 49 ?**

The Clause will apply to the listed entities which are not companies but body corporates such as the private and the PSU banks, the Financial Institutions (FIs) and the insurance companies, only to the extent that it does not violate the laws governing them. Revised Clause 49 does not apply to mutual funds.

### **Inter-exchange arbitrage :-**

This is popular among liquid commodities like gold and silver, where the arbitrage can take place between the Indian exchanges and the foreign exchanges, where contract specifications are similar.

### **Interest Rate Swaps (IRS) :-**

Interest Rate Swaps (IRS) are Over-The-Counter (OTC) products that involve an exchange of cash flows between the two counter parties at pre-determined specifications wherein the fixed rate interest payments are exchanged for floating rate payments.

### **Islamic Banking :-**

It is banking practiced as per the Islamic principles as prescribed in the 'shariah' known as 'Fiqh al-Muamalat' (Islamic rules on transaction). The Islamic law prohibits interest on both the loans and the deposits. Interest is also called 'riba' in Islamic discourse. The argument against interest is that money is not good and profit should be earned on goods and services only and not on control of money itself.

### **What are the different products offered ?**

Investment finance is offered by these banks through 'Musharka', where a bank participates as a Joint Venture (JV) partner in a project and shares the profits and losses. Investment finance is also offered through 'Mudabha', where the banks contribute the finance and the client provides the expertise, management and labour and the profits are shared in a pre-arranged proportion, while the loss is borne by the bank.

### **Where is it practised ?**

Islamic banks have come into being since the early 70s. There are nearly 30 Islamic banks all over the world, from Africa, Europe to Asia and Australia and are regulated even within the conventional banking system.

### **Kaizen :-**

Kaizen comes from two words : Kai, which means 'to change' and zen, which means 'good or for the better'. Together, the words mean continuous change for the better. It is not just a philosophy of the workplace, it also means continuously improving in every facet of life, including business, industry, commerce Government and diplomacy, among others. In full implementation, it becomes the foundation of all activities. Kaizen requires everyone in the organisation to be involved in the improvement process executives, management, supervisors and workers.

### **Letter of Offer :-**

A Letter of Offer is a document addressed to the shareholders of the target company containing disclosures of the acquirer/Persons Acting in Concert (PACs), target company, their financials, justification of the offer price, the offer price, number of shares to be acquired from the public, purpose of acquisition, future plans of acquirer, if any, regarding the target company, change in control over the target company, if any, the procedure to be followed by acquirer in accepting the shares tendered by the shareholders and the period within which all the formalities pertaining to the offer will be completed.

### **Merchant Banker :-**

An intermediary who provides various financial services, other than lending money, such as managing public issues, underwriting

new issues, arranging loan syndications and giving advice on portfolio management, financial restructuring, mergers and acquisitions.

### **Mid-cap stock :-**

The name 'mid-cap' originates from the term medium capitalised. It is based on the market capitalisation of the stock. The National Stock Exchange (NSE) defines the mid-cap as stocks whose average six months' market capitalisation is between Rs.75 crore and Rs.750 crore. In the US, the midcap shares are those stocks that have a market capitalisation ranging from Rs.9,000 crore to Rs.45,000 crore. In India, these shares are classified as large-cap shares.

### **MIFOR :-**

MIFOR is an interest rate derivative, which is calculated by adding dollar London Interbank Offered Rate (LIBOR) rates with the rupee-dollar forward premia. The MIFOR rate is hence, the borrowing cost from overseas. It is utilised to hedge against the movement of global interest rates. LIBOR is the term money benchmark for the Euro-dollar market.

### **Net worth :-**

Net worth is the difference between the total assets and total liabilities.

### **Participatory Notes (PNs) :-**

Participatory Notes (PNs) are a derivative instrument issued by the FIIs to their overseas clients, who are not registered with the Indian regulators.

**Plea Bargaining** :-

Plea Bargaining is the import of principles of contract into criminal law.

### **Penny Stocks :-**

Penny stocks is a term used to define cheaply available stocks of typically loss-making companies. Penny stock is used in the context of general equities. The stocks that typically sell for less than \$1 share, although it may rise to as much as \$10/share after the Initial Public Offering (IPO), usually because of heavy promotion.

### **Podcasting :-**

A term based on the name of Apple's portable media player, allows customers to download audio and now video segments for free, to their computers and portable devices.

### **Profit Booking :-**

Selling shares when their prices have risen above their purchase price.

### **Profit taking :-**

Selling commodities, securities etc. at a profit, either after a market rise or because they show a profit at current levels but will not do so if an expected fall in prices occurs.

### **Settlement :-**

Settlement refers to the import of principles of contract into civil or administrative law.

### **The Cash and Carry Arbitrage :-**

This is the easiest form of arbitrage, where the investor has to buy the commodity in the spot market and sell it in the futures

market. This is largely successful in gold and silver and is also popular among various agricultural commodities.

**The Price Earning ratio (P/E ratio) :-**

The P/E ratio is the ratio between the Market Price of the Share (MPS) and the Earning Per Share (EPS). This ratio tells us how many times the market price of the shares is vis-à-vis its earning per share.

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## IBPS CLERKS EXAM GENERAL STUDIES PRACTICE QUESTIONS

1. We read in the newspapers about the deregulation of the pricing of petroleum products by the Government of India. Consider the following outcomes of the above step:

A This will make petroleum products prices cheaper and the pricing system will become more transparent.

B. This will improve the financial health of the country's Oil Marketing Companies (OMCs) and contribute to fiscal consolidation

C. This will end the subsidy on petroleum products.

Which of the above statements holds correct?

- a. Only A
- b. Only B
- c. Only B and C
- d. Only A and C
- e. None of these

2. Which of the following committees has given its recommendations on "Financial inclusion"?

- a. Vaghul Committee
- b. Raghuram Rajan Committee
- c. Rakesh Mohan Committee
- d. Kelkar Committee
- e. None of these

3. The agricultural census is done at which of the following intervals?

- a. There is no fixed term
- b. Every year
- c. Once in 3 years
- d. Once in 10 years
- e. Once in 5 years

4. Development of watershed and dry land farming is the part of which of the following points of the Twenty point Programme of the Government of India?

- a. Kisan Mitra
- b. Khadya Suraksha
- c. Garibi Hatao
- d. Jan Shakti
- e. None of these

5. The high rate growth of economy certainly reduces

- a. Gender inequalities
- b. Poverty
- c. Population of a country
- d. Flow of foreign investment
- e. None of these

6. In economic, it is generally believed that the main objective of a public sector financial company, like bank is to

- a. Employ more and more people
- b. Maximise total profits

- c. Maximise total production
- d. Provide financial services to the people across the country
- e. Sell goods at subsidized

7. Whenever the RBI does some Open Market Operation transaction, it actually wishes to regulate which of the following?

- a. Inflation only
- b. Liquidity in economy
- c. Borrowing powers of the banks
- d. Flow of foreign direct investment
- e. None of these

8. What is Repo Rate?

- a. It is the rate at which RBI sells government securities to banks.
- b. It is the rate at which banks borrow rupees from RBI.
- c. It is the rate at which RBI allows small loans in the market
- d. It is the rate which is offered by banks to their most valued customers or prime customers
- e. None of these

9. In a company, the use of price-sensitive corporate information by the company people to make gains or cover losses is known as

- a. Insider trading
- b. Future trading
- c. Foreign trading
- d. Stock trading
- e. None of these

10. As per the instructions of the RBI, banks are required to give what percentage of their priority sector lending to weaker sections of the society?

- a. 15%
- b. 25% .
- c. 30%
- d. 35%
- e. 40%

11. The process of the total valuation of the financial assets of a company is technically known as ' :

- a. Market capitalization
- b. Gross Domestic Product
- c. Net wealth of the country
- d. Gross Domestic Resources
- e. None of these

12. Many a time, we read about rural indebtedness in various newspapers and magazines. What are the main causes of the rural indebtedness?

- A Poverty
  - B. Inability to repay loans
  - C. Zamindari System, which prevented farmers from owning the land
- a. Only A
  - b. Only B

- c. Both A and B
- d. Only C
- e. All of these

13. Very often we read about Special Economic Zones (SEZs) in newspapers. What is the purpose of promoting SEZs in India?

A. They are established to promote exports.

B. They are established to attract investments from foreign countries.

C They are established to help the poorest of the poor in India as the activities of these zones are reserved only for the poor and those living below the poverty line.

- a. Only A
- b. Only B
- c. Only C
- d. Only A and B
- e. None of these

14. Which of the following is the percentage up to which FDI in defence sector is allowed?

- a. 26%
- b.41%
- c. 31%
- d.49%
- e. None of these

15. The maximum amount of the total revenue earned by the Government of India comes from

- a. Income Tax
- b. Customs Duty
- c. Excise Duty
- d. Value Added Tax
- e. Corporate Tax

16. Which public sector bank celebrated its Platinum Jubilee in late 2010?

- a. Dena Bank
- b. Bank of Maharashtra
- c. Bank of Baroda
- d. Canara Bank
- e. None of these

17. Which of the following is not among the six infrastructure industries that comprise the "Core Sector"?

- a. Crude oil
- b. Petroleum refinery products
- c. Chemicals and fertilizers
- d. Coal
- e. All the above

18. Who among the following will be the chairperson of the committee set up by the RBI on "Customer Services in Banks"?

- a. YV Reddy

- b. Deepak Prakash
- c. M Damodaran
- d. Subbarao
- e. None of these

19. Which of the following is the full form of 'BRA' as used in banking industry?

- a. Brazilian and Russian Association
- b. Banking Restructuring Act
- c. Borrowing Risk Assessment
- d. Banking Regulation Act
- e. None of these

20. The Securities and Exchange Board of India has decided to allow \_\_\_\_\_ to visit SEBI Bhavan to help them learn about the capital market regulator. .

- a. Students
- b. Foreign investors
- c. Tourists
- d. Press
- e. None of these

21. Which state government has announced to undertake a detailed census of cancer patients in the state?

- a. Delhi
- b. Haryana
- c. Punjab
- d. Orissa

e. None of these

22. The Central Government has revised wages of agricultural labourers under the Mahatma Gandhi National Rural Employment. The basic wage is revised once in

a. 2 Years

b. 3 Years

c. 4 Years

d. 5 Years

e. None of these

23. Which of the following cannot be called a Debt Instrument as referred in financial transactions?

a. Certificate of Deposits

b. Bonds

c. Stocks

d. Commercial Papers

e. Loans

24. Which of the following correctly describes sub-prime lending?

A. Lending to people with less than ideal credit status

B. Lending to people who are valued customers of the banks

C. Lending to those who are not regular customers of a bank

a. Only A

b. Only B

c. Only C

d. Only A and B



e. None of these

25. Which of the following services provided by a bank in India is not liable for taxation for Service Tax as per existing laws?

- a. Safe Deposit Lockers
- b. Merchant Banking Services
- c. Credit cards
- d. Discount earned on certain discounted bills
- e. None of these

26. For the revival of which of the following fertilizer units of the Fertilizer Corporation of India has the Steel Authority of India Limited been the given the go-ahead by the Cabinet Committee on Economic Affairs (CCEA) recently?

- a. Burnpur
- b. Sindri
- c. Rourkela
- d. Bhilai
- e. None of these

27. According to the latest figures released by the Commerce Ministry. What Is the percentage growth of India's exports durina 2010 -11?

- a.46.%
- b.45.7 %
- c. 52 %
- d. 56.9 %

e. None of these

28. Telecom Commission, the apex decision-making body of the Department of Telecom has permitted Imposition of a uniform licence fee of \_\_\_\_\_ on all telecom operators.

a. 6%

b. 6.6%

c. 8.5%

d.10%

e. None of these

29. Securities and Exchange Board of India (SEBI) has proposed to create regulations for alternative investment funds under the title 'SEBI (Alternative Investment Fund) Regulations'. With regard to this proposal, which of the following is/are not true?

a. SEBI made it optional for all types of private pools of capital or investment funds to seek registration with SEBI.

b. For PE funds, investments would be mainly in unlisted companies or companies proposed to be listed.

c. For infrastructure equity funds, minimum half of the investment would, have to be in equity of infrastructure projects/companies.

d. Only 1 and 2

e. None of these

30. Name the sports channel that has acquired the exclusive broadcast rights for Euro 2012 in the Indian subcontinent (India, Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan and Maldives) for

₹ 100 crore.

- a. ESPN
- b. DD Sports
- c. Neo Sports
- d. Ten Sports
- e. None of these

31. NASA scientists have recently announced that they have found the first evidence of flowing water on which of the following planets.

- a. Mars
- b. Jupiter
- c. Mercury
- d. Venus
- e. None of these

32. Italy approved a draft law banning women from wearing veils in public. Besides Italy which of the following nations have banned women from wearing veil in public?

- a. India and Pakistan
- b. China and Afghanistan
- c. Belgium and France
- d. Bangladesh and Bhutan
- e. None of these

33. The Prime Ministers Economic Advisory Council headed by C Rangarajan has submitted its report on economy-"The Economic Outlook and the Review". Who among the following is not a

member of it?

- a. Suman K Bery
- b. Dr Sumitra Chaudhary
- c. M Govinda Rao
- d. BB Bhattacharya
- e. Dr KP Krishnan

34. Which of the following departments of the Government of India has initiated the Public Bicycle Scheme for 10 cities under the Mission for Sustainable Habitat?

- a. Rural Development Ministry
- b. Urban Development Ministry
- c. Environment Ministry
- d. Surface Transport Ministry
- e. None of these

35. After allegations of bio-piracy complaints against US based multinational Monsanto with regard to Bt brinjal, for the hybrid research of which of the folio wing vegetable products is the National Biodiversity Authority of India (NBA) processing Monsanto's application?

- a. Cauliflower
- b. Bittergourd
- c. Cabbage
- d. Potato
- e. Onion

36. Consider the following negative impacts on the Indian economy in the context of the ongoing US debt crisis:

- A. Adverse impact on Indian exports
- B. RBI will be forced to cut down interest rates
- C. FDI flow will slow down.

- a. Only A
- b. Only A and B
- c. Only A and C
- d. All A, B and C
- e. None of the above

37. Name the Indian executive in the global credit rating agency Standard and Poor's under whose leadership the decision of the historic credit downgrade of the United States was taken and later he was forced to step down.

- a. Sanjay Saini
- b. Karan Bhagat
- c. Rajat Gupta
- d. Devesh Sharma
- e. None of these

38. Who has written the book 'The Financial inclusion: Imperative and Sustainable Approaches?'

- a. Deepali Pant Joshi
- b. C Rangarajan
- c. M Damodaran
- d. Amartya Sen.

e. None of these

39. Who is the author of the book Last Man In Tower?

- a. Jhumpa Lahiri
- b. Samit Basu
- c. Aravind Adiga
- d. Amit Chaudhary
- e. None of these

40. Goldman Sachs; citing improvement in macroeconomic situation, has recently upgraded India's rating from 'underweight' to

- a. Overweight
- b. Market weight
- c. In-line
- d. Underperformer
- e. Market outperformer

41. In which of the following states did the Sadar Hills District hood Demand Committee (SHDDC) recently impose an economic blockade in pursuance of their demand for a separate district?

- a. Manipur
- b. Meghalaya
- c. Tripura
- d. Assam
- e. Arunachal Pradesh

42. In which of the following public sector companies has the government recently offloaded its stake to mop up revenue to the

tune of Rs.1,144 crores?

- a. Indian Oil Corporation
- b. Rashtriya Ispat Nigam Limited
- c. Power Finance Corporation
- d. Hindustan Copper
- e. None of these

43. What is the revenue target from disinvestment in Central public sector enterprises set in the Union Budget 2011-12?

- a. Rs. 40,000 crore
- b. Rs. 50,000 crore
- c. Rs. 70,000 crore
- d. Rs. 90,000 crore
- e. None of these

44. In which of the following Western countries did large scale rioting take place in predominantly African and Caribbean neighbourhoods recently?

- a. France
- b. Germany
- c. Italy
- d. England
- e. None of these

45. PC Alexander, who died recently, was a veteran

- a. Bureaucrat
- b. Nuclear scientist

- c. Educationist
- d. Environmentalist
- e. None of these

46. Who is the chairman of the National Commission for Scheduled Castes?

- a. Justice KG Balakrishnan
- b. Wajahat Habibullah
- c. Justice MN Rao
- d. PL Punia
- e. None of these

47. Justice Soumitra Sen, against whom impeachment proceedings have been initiated in the Parliament, is the judge of

- a. Sikkim High Court
- b. Kamataka High Court
- c. Calcutta High Court
- d. Guwahati High Court
- e. None of these

48. Name the chief of the three-member interlocution team on Kashmir which is to submit its report to the government shortly.

- a. NM Ansari
- b. Rdha Kumar
- c. Dileep Padgaonkar
- d. Karan Singh
- e. None of these



49. Who is the author of the book Through the Corridors of Power: Insider Story?

- a. HNHaksar
- b. Brijesh Mishra
- c..CP Bhambhri
- d. Kuldip Nayar
- e. PC Alexander

50 Which of the following states provides the Vishwakarma Contributory Pension Scheme to the labourers of 20 trades of the unorganized sector?

- a. Uttar Pradesh
- b. Punjab
- c. Madhya Pradesh
- d. Bihar
- e..Rajasthan

**ANSWERS:**

1. b    2. b    3. e    4. a    5. b    6. d    7. b    8. b    9. a    10. a

11. a    12. e    13. d    14. a    15. c    16. b    17. c    18. c    19. d    20. a

21. c    22. d    23. c    24. a    25. c    26. b    27. d    28. c    29. c    30. c

31. a 32. c 33. d 34. b 35. e 36. c 37. d 38. a 39. c 40.  
b  
41. a 42. c 43. a 44. d 45. a 46. d 47. c 48. c 49. e 50.  
e

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## Human Development Report 2011

The 2011 Report—Sustainability and Equity: A Better Future for All—released by the United Nations Development Programme (UNDP) on November 2, 2011, notes that Norway, Australia and the Netherlands lead the world in the 2011 Human Development Index (HDI), while the Democratic Republic of the Congo, Niger and Burundi are at the bottom of the Human Development Report's annual rankings of national achievement in health, education and income.

The United States, New Zealand, Canada, Ireland, Liechtenstein, Germany and Sweden round out the top 10 countries in the 2011 HDI, but when the Index is adjusted for internal inequalities in health, education and income, some of the wealthiest nations drop out of the HDI's top 20: the United States falls from #4 to #23, the Republic of Korea from #15 to #32, and Israel from #17 to #25.

Gender Inequality Index ranks India at 129 and Inequality Adjusted HDI rank is 93.

The 2011 HDI covers a record 187 countries and territories, up from 169 in 2010, reflecting in part improved data availability for many small island states of the Caribbean and the Pacific.

The 2011 Report also notes that income distribution has worsened in most of the world, with Latin America remaining the most unequal region in income terms, even though several countries, including

Brazil and Chile, are narrowing internal income gaps. Yet in overall IHDI terms, including life expectancy and schooling, Latin America is more equitable than sub-Saharan Africa or South Asia.

To assess income distribution, as well as varying levels of life expectancy and schooling within national populations, the IHDI uses methodology developed by the renowned British economist Sir Anthony Barnes Atkinson.

Average HDI levels have risen greatly since 1970—41 percent globally and 61 percent in today's low-HDI countries—reflecting major overall gains in health, education and income. The 2011 HDI charts progress over five years to show recent national trends: 72 nations moved up in rank from 2006 to 2011, led by Cuba (+10 to #51), Venezuela and Tanzania (+7 each to #73 and #152, respectively), while another 72 fell in rank, including Kuwait (-8 to #63) and Finland (-7 to #22).

The 10 countries that place last in the 2011 HDI are all in sub-Saharan Africa: Guinea, Central African Republic, Sierra Leone, Burkina Faso, Liberia, Chad, Mozambique, Burundi, Niger, and the Democratic Republic of the Congo.

The Gender Inequality Index (GII) shows that Sweden leads the world in gender equality, as measured by this composite index of reproductive health, years of schooling, parliamentary representation, and participation in the labour market. Sweden is followed in the gender inequality rankings by the Netherlands, Denmark, Switzerland, Finland, Norway, Germany, Singapore,

Iceland and France.

Yemen ranks as the least equitable of the 146 countries in the GII, followed by Chad, Niger, Mali, Democratic Republic of the Congo, Afghanistan, Papua New Guinea, Liberia, Central African Republic and Sierra Leone.

The Multi-dimensional Poverty Index (MPI) examines factors at the family level—such as access to clean water and cooking fuel and health services, as well as basic household goods and home construction standards—that together provide a fuller portrait of poverty than income measurements alone.

Some 1.7 billion people in 109 countries lived in ‘multi-dimensional’ poverty in the decade ending in 2010, by the MPI calculus, or almost a third of the countries’ entire combined population of 5.5 billion. That compares to the 1.3 billion people estimated to live on US\$1.25 a day or less, the measure used in the UN Millennium Development Goals, which seeks to eradicate “extreme” poverty by 2015.

Niger has the highest share of multi-dimensionally poor, at 92 percent of the population, followed by Ethiopia and Mali, with 89 percent and 87 percent, respectively. The 10 poorest nations as measured by the MPI are all in sub-Saharan Africa. But the largest group of multi-dimensionally poor is South Asian: India, Pakistan and Bangladesh have some of the highest absolute numbers of MPI poor.

India has by far the largest number of multi-dimensionally poor, according to the Report—612 million, more than half the country's population, and larger than the total number of people measured according to the same criteria in all sub-Saharan countries.

The MPI also provides insight into environmental problems in the poorest households, including indoor air pollution and disease from contaminated water supplies. The Report notes that in South Asia and sub-Saharan Africa, more than 90 percent of the multi-dimensionally poor cannot afford clean cooking fuel, relying principally on firewood, while some 85 percent lack basic sanitation services.

The 2011 Human Development Report offers important new contributions to the global dialogue on this challenge, showing how sustainability is inextricably linked to basic questions of equity—that is, of fairness and social justice and of greater access to a better quality of life. Sustainability is not exclusively or even primarily an environmental issue, as the Report so persuasively argues. It is fundamentally about how we choose to live our lives, with an awareness that everything we do has consequences for the 7 billion of us here today, as well as for the billions more who will follow, for centuries to come.

Understanding the links between environmental sustainability and equity is critical if we are to expand human freedoms for current and future generations. The remarkable progress in human development over recent decades, which the global Human Development Reports have documented, cannot continue without bold global

steps to reduce both environmental risks and inequality. The Report identifies pathways for people, local communities, countries and the international community to promote environmental sustainability and equity in mutually reinforcing ways.

In the 176 countries and territories where the United Nations Development Programme is working every day, many disadvantaged people carry a double burden of deprivation. They are more vulnerable to the wider effects of environmental degradation, because of more severe stresses and fewer coping tools. They must also deal with threats to their immediate environment from indoor air pollution, dirty water and unimproved sanitation. Forecasts suggest that continuing failure to reduce the grave environmental risks and deepening social inequalities threatens to slow decades of sustained progress by the world's poor majority—and even to reverse the global convergence in human development.

Major disparities in power shape these patterns. New analysis shows how power imbalances and gender inequalities at the national level are linked to reduced access to clean water and improved sanitation, land degradation and deaths due to indoor and outdoor air pollution, amplifying the effects associated with income disparities. Gender inequalities also interact with environmental outcomes and make them worse. At the global level governance arrangements often weaken the voices of developing countries and exclude marginalized groups.

Yet, there are alternatives to inequality and un-sustainability.

Growth driven by fossil fuel consumption is not a prerequisite for a better life in broader human development terms. Investments that improve equity—in access, for example, to renewable energy, water and sanitation, and reproductive healthcare—could advance both sustainability and human development. Stronger accountability and democratic processes, in part through support for an active civil society and media, can also improve outcomes. Successful approaches rely on community management, inclusive institutions that pay particular attention to disadvantaged groups, and cross-cutting approaches that coordinate budgets and mechanisms across government agencies and development partners.

The financing needed for development—including for environmental and social protection— will have to be many times greater than current official development assistance. Today's spending on low-carbon energy sources, for example, is only 1.6 percent of even the lowest estimate of need, while spending on climate change adaptation and mitigation is around 11 percent of estimated need. Hope rests on new climate finance. While market mechanisms and private funding will be vital, they must be supported and leveraged by proactive public investment. Beyond raising new sources of funds to address pressing environmental threats equitably, the Report advocates reforms that promote equity and voice. Financing flows need to be channelled towards the critical challenges of un-sustainability and inequity— and not exacerbate existing disparities.

Human development, which is about expanding people's choices, builds on shared natural resources. Promoting human development



requires addressing sustainability—locally, nationally and globally—and this can and should be done in ways that are equitable and empowering, says the Report.

The environmental disaster scenario leads to a turning point before 2050 in developing countries—their convergence with rich countries in HDI achievements begins to reverse. These projections suggest that in many cases the most disadvantaged people bear and will continue to bear the repercussions of environmental deterioration, even if they contribute little to the problem. For example, low HDI countries have contributed the least to global climate change, but they have experienced the greatest loss in rainfall and the greatest increase in its variability, with implications for agricultural production and livelihoods.

Around the world rising HDI has been associated with environmental degradation. Countries with faster improvements in the HDI have also experienced faster increases in carbon dioxide emissions per capita. These changes over time—rather than the snapshot relationship—highlight what to expect tomorrow as a result of development today.

On the other hand, while incomes and economic growth have an important explanatory role for emissions, the relationship is not deterministic. And complex interactions of broader forces change the risk patterns. For example, international trade allows countries to outsource the production of goods that degrade the environment; large-scale commercial use of natural resources has different impacts than subsistence exploitation; and urban and rural

environmental profiles differ.

Several countries have achieved significant progress both in the HDI and in equity and environmental sustainability. Sweden is notable for its high reforestation rate compared with regional and global averages.

More generally, however, environmental trends over recent decades show deterioration on several fronts, with adverse repercussions for human development, especially for the millions of people who depend directly on natural resources for their livelihoods. Globally, nearly 40 percent of land is degraded due to soil erosion, reduced fertility and overgrazing. Land productivity is declining, with estimated yield loss as high as 50 percent in the most adverse scenarios. Agriculture accounts for 70–85 percent of water use, and an estimated 20 percent of global grain production uses water un-sustainably, imperilling future agricultural growth.

Deforestation is a major challenge. Between 1990 and 2010, Latin America and the Caribbean and Sub-Saharan Africa experienced the greatest forest losses, followed by the Arab States. The other regions have seen minor gains in forest cover. Desertification threatens the dry-lands that are home to about a third of the world's people. Some areas are particularly vulnerable—notably Sub-Saharan Africa, where the dry-lands are highly sensitive and adaptive capacity is low.

Adverse environmental factors are expected to boost world food prices 30–50 percent in real terms in the coming decades and to

increase price volatility, with harsh repercussions for poor households. The largest risks are faced by the 1.3 billion people involved in agriculture, fishing, forestry, hunting and gathering.

To the extent that women in poor countries are disproportionately involved in subsistence farming and water collection, they face greater adverse consequences of environmental degradation. Many indigenous peoples also rely heavily on natural resources and live in ecosystems especially vulnerable to the effects of climate change, such as small, island developing States, arctic regions and high altitudes.

Evidence suggests that traditional practices can protect natural resources, yet such knowledge is often overlooked or downplayed. The effects of climate change on farmers' livelihoods depend on the crop, region and season, underlining the importance of in-depth, local analysis. Impacts will also differ depending on household production and consumption patterns, access to resources, poverty levels and ability to cope. Taken together, however, the net biophysical impacts of climate change on irrigated and rain-fed crops by 2050 will likely be negative—and worst in low HDI countries.

The MPI measures serious deficits in health, education and living standards, looking at both the number of deprived people and the intensity of their deprivations. This year the report explores the pervasiveness of environmental deprivations among the multi-dimensionally poor and their overlaps at the household level, an innovation in the MPI.

The poverty-focused lens allows us to examine environmental deprivations in access to modern cooking fuel, clean water and basic sanitation, the report says. These absolute deprivations, important in themselves, are major violations of human rights. Ending these deprivations could increase higher order capabilities, expanding people's choices and advancing human development.

In developing countries at least 6 people in 10 experience one of these environmental deprivations, and 4 in 10 experience two or more. These deprivations are especially acute among multi-dimensionally poor people, more than 9 in 10 of whom experience at least one. Most suffer overlapping deprivations: 8 in 10 multi-dimensionally poor people have two or more, and nearly 1 in 3 (29 percent) is deprived in all three. These environmental deprivations disproportionately contribute to multi-dimensional poverty, accounting for 20 percent of the MPI—above their 17 percent weight in the index. Across most developing countries deprivations are highest in access to cooking fuel, though lack of water is paramount in several Arab States.

Countries with the lowest share of poor people facing at least one deprivation are mainly in the Arab States and Latin American and the Caribbean (7 of the top 10). Of the countries with the fewest multi-dimensionally poor people with all three environmental deprivations, better performers are concentrated in South Asia—5 of the top 10. Several South Asian countries have reduced some environmental deprivations, notably access to potable water, even as other deprivations have remained severe. And five countries are

in both top 10 lists—not only is their environmental poverty relatively low, it is also less intense.

The disease burden arising from indoor and outdoor air pollution, dirty water and unimproved sanitation is greatest for people in poor countries, especially for deprived groups. Indoor air pollution kills 11 times more people living in low HDI countries than people elsewhere. Disadvantaged groups in low, medium and high HDI countries face greater risk from outdoor air pollution because of both higher exposure and greater vulnerability. In low HDI countries more than 6 people in 10 lack ready access to improved water, while nearly 4 in 10 lack sanitary toilets, contributing to both disease and malnourishment. Climate change threatens to worsen these disparities through the spread of tropical diseases such as malaria and dengue fever and through declining crop yields.

Despite near universal primary school enrolment in many parts of the world, gaps remain. Nearly 3 in 10 children of primary school age in low HDI countries are not even enrolled in primary school, and multiple constraints, some environmental, persist even for enrolled children. Lack of electricity, for example, has both direct and indirect effects. Electricity access can enable better lighting, allowing increased study time, as well as the use of modern stoves, reducing time spent collecting fuel wood and water, activities shown to slow education progress and lower school enrolment.

Girls are more often adversely affected because they are more likely to combine resource collection and schooling. Access to clean water and improved sanitation is also especially important for girls'

education, affording them health gains, time savings and privacy.

Household environmental deprivations can coincide with wider environmental stresses, constricting people's choices in a wide range of contexts and making it harder to earn a living from natural resources: people have to work more to achieve the same returns or may even have to migrate to escape environmental degradation.

Environmental stress has also been linked to an increased likelihood of conflict. The link is not direct, however, and is influenced by the broader political economy and contextual factors that make individuals, communities and society vulnerable to the effects of environmental degradation.

The Gender Inequality Index (GII), updated this year for 145 countries, shows how reproductive health constraints contribute to gender inequality. This is important because in countries where effective control of reproduction is universal, women have fewer children, with attendant gains for maternal and child health and reduced greenhouse gas emissions. For instance, in Cuba, Mauritius, Thailand and Tunisia, where reproductive healthcare and contraceptives are readily available, fertility rates are below two births per woman. But substantial unmet need persists worldwide, and evidence suggests that if all women could exercise reproductive choice, population growth would slow enough to bring greenhouse gas emissions below current levels.

Meeting unmet need for family planning by 2050 would lower the world's carbon emissions an estimated 17 percent below what they

are today.

The GII also focuses on women's participation in political decision-making, highlighting that women lag behind men across the world, especially in Sub-Saharan Africa, South Asia and the Arab States. This has important implications for sustainability and equity. Because women often shoulder the heaviest burden of resource collection and are the most exposed to indoor air pollution, they are often more affected than men by decisions related to natural resources. Recent studies reveal that not only is women's participation important but also how they participate—and how much.

And because women often show more concern for the environment, support pro-environmental policies and vote for pro-environmental leaders, their greater involvement in politics and in non-governmental organizations could result in environmental gains, with multiplier effects across all the Millennium Development Goals.

These arguments are not new, but they reaffirm the value of expanding women's effective freedoms. Thus, women's participation in decision-making has both intrinsic value and instrumental importance in addressing equity and environmental degradation.

Evidence is accumulating that power inequalities, mediated through political institutions, affect environmental outcomes in a range of countries and contexts. This means that poor people and other

disadvantaged groups disproportionately suffer the effects of environmental degradation. New analysis for the Report covering some 100 countries confirms that greater equity in power distribution, broadly defined, is positively associated with better environmental outcomes, including better access to water, less land degradation and fewer deaths due to indoor and outdoor air pollution and dirty water—suggesting an important scope for positive synergies.

The large disparities across people, groups and countries that add to the large and growing environmental threats pose massive policy challenges. But there is cause for optimism. In many respects the conditions today are more conducive to progress than ever—given innovative policies and initiatives in some parts of the world. Taking the debate further entails bold thinking, especially on the eve of the UN Conference on Sustainable Development (Rio+20) and the dawn of the post-2015 era. The Report advances a new vision for promoting human development through the joint lens of sustainability and equity.

A key theme of the Report is the need to fully integrate equity concerns into policies that affect the environment. Traditional methods of assessing environmental policies fall short. They might expose the impacts on the path of future emissions, for example, but they are often silent on distributive issues. Even when the effects on different groups are considered, attention is typically restricted to people's incomes. The importance of equity and inclusion is already explicit in the objectives of green economy policies. The report proposes taking the agenda further.



Embedding environmental rights in national constitutions and legislation can be effective, not least by empowering citizens to protect such rights. At least 120 countries have constitutions that address environmental norms. And many countries without explicit environmental rights interpret general constitutional provisions for individual rights to include a fundamental right to a healthy environment.

Constitutionally recognizing equal rights to a healthy environment promotes equity by no longer limiting access to those who can afford it. And embodying this right in the legal framework can affect government priorities and resource allocations.

Alongside legal recognition of equal rights to a healthy, well functioning environment is the need for enabling institutions, including a fair and independent judiciary, and the right to information from governments and corporations. The international community, too, increasingly recognizes a right to environmental information.

Where governments are responsive to popular concerns, change is more likely. An environment in which civil society thrives also engenders accountability at the local, national and global levels, while freedom of press is vital in raising awareness and facilitating public participation.

The Report proposes an emphasis on four country-level sets of tools to take this agenda forward:

- Low-emission, climate-resilient strategies—to align human development, equity and climate change goals.
- Public-private partnerships—to catalyse capital from businesses and households.
- Climate deal-flow facilities—to bring about equitable access to international public finance.
- Coordinated implementation and monitoring, reporting and verification systems—to bring about long-term, efficient results and accountability to local populations as well as partners.

Finally, it calls for a high-profile, global Universal Energy Access Initiative with advocacy and awareness and dedicated support to developing clean energy at the country level. Such an initiative could kick-start efforts to shift from incremental to transformative change.

The Report casts light on the links between sustainability and equity and shows how human development can become more sustainable and more equitable. It reveals how environmental degradation hurts poor and vulnerable groups more than others.

## GENERAL AWARENESS MCQs FOR BANK EXAMS



1. Equity schemes managed strong NAV gains, which boost their assets' was a news in some financial newspapers. What is the full form of the term NAV as used in above head lines ?

- (A) Nil Accounting Variation
- (B) Net Accounting Venture
- (C) Net Asset Value
- (D) New Asset Venture
- (D) None of these

Ans : (C)

2. As per reports published in various news papers, mutual fund companies showed 94 per cent growth in their total profits during 2009-10. This means the profits earned by these companies were 94 percent—

- (A) Of the total investments they made collectively during the year
- (B) More than their profits during previous year
- (C) Of the total capital of the company

(D) Less than the total expenditure of the companies

(D) None of these

Ans : (B)

3. As per the news published in various news papers Pakistan has imposed 15 per cent regulatory duty on exports of cotton yarn. Why countries are required to impose regulatory duties on exports of some of their commodities while in the eyes of the layman more exports means more foreign exchange and more revenue for the Govt. ?

1. It is done to control the exports of a commodity as it may be needed more in local markets than in foreign countries.

2. It is done to control the general inflation in the country as the inordinate exports of various commodities create imbalance and also cost push inflation.

3. It is a good short time measure to collect more revenue from the exports of the commodity which is in high demand in overseas markets.

(A) Only 1

(B) Only 2

(C) Only 3

(D) All 1, 2 and 3

(E) None of these

Ans : (A)

4. As per the reports published in some major news papers 'ADAG companies' made good profits during the year. ADAG companies are popularly known as—

(A) Companies owned by Tata Group

- (B) Aditya Birla Companies
- (C) Reliance companies
- (D) Companies owned by Apteck
- (E) None of these

Ans : (C)

5. ONGC – Mittal Energy finds hydrocarbons in two blocks OPL-279 & OPL-285 in Nigerian sea was the news in some major news papers. what is the full form of the term OPL as used in the above head line ?

- (A) Oil Prospecting License
- (B) Ownership and Partnership Lease
- (C) Overseas Private Line
- (D) ONGC Petroleum Ltd.
- (E) None of these

Ans : (A)

6. "Mutual Funds reported exceptional performance in 2009-10" was the news in major financial news papers recently. What is a mutual fund ?

1. A type of collective investment scheme that pools money from many investors and invest it in stocks, bonds or other money market instruments.
2. It is a subsidiary of a bank or financial company created specially to raise money to be invested in a particular industry i.e. housing or insurance etc. The money raised thus cannot be invested anywhere else.
3. When several banks and financial companies come together and create a common pool of money to fund

mega infrastructural project like bridges, roads, power plants etc.  
the common pool is known as Mutual Fund.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) All 1, 2 and 3
- (E) None of these

Ans : (B)

7. As we all know the Bank Rate at present is fixed at 6%. What does it mean in context to the banking operations ?

- (A) No bank will be able to give loan to any party on a rate lower than the Bank Rate
- (B) Bank should give loan to their priority sector customers/borrowers at the rate of 6% only. They cannot charge less or more than this from their priority sector clients
- (C) Banks are required to invest 6% of their total capital on financial inclusion and inclusive banking operations
- (D) Banks will be required to give 6% of their total deposits to the Govt. of India for meeting its Balance of Trade requirements
- (E) None of these

Ans : (A)

8. As per the reports in various news papers many private companies are trying to obtain the licences to launch a banking company in India. Which of the following organizations/agencies issue the licence for the same ?

- (A) Securities & Exchange Board of India (SEBI)
- (B) Indian Institute of Banking & Finance (IIBF)

- (C) Indian Bank Association
- (D) Registrar of Companies
- (E) None of these

Ans : (E)

9. We very frequently read about Europe's Sovereign—debt crisis these day. Which of the following statement/s is/are true about the same ?

1. In early 2010 the Euro crisis developed in some countries like Greece, Spain and Portugal.
2. This created a credit default swap between the countries of the European Union.
3. SAARC countries have offered some assistance to some of severely affected countries like Portugal, Spain & Greece.

- (A) Only 1
- (B) Only 2
- (C) Only 1 and 2
- (D) All 1, 2 and 3
- (E) None of these

Ans : (A)

10. As we all know the RBI has raised the Cash Reserve Ratio (CRR) by 25 bps. in April 2010. What action banks will have to take to implement the same ?

1. They will have to deposit some more money with the RBI as a reserved money.
2. Banks will be required to give some more loan to projects of the priority sector.
3. Banks will be required to give loan equivalent to the CRR to the

Govt. of India for its day to day expenditure as and when required.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) Only 1 and 2
- (E) All 1, 2 and 3

Ans : (A)

11. As per estimates given by the RBI the Economic Growth during the year 2010-11 will be at which of the following levels ?

- (A) 6.5%
- (B) 7%
- (C) 7.5%
- (D) 8%
- (E) None of these

Ans : (D)

12. Which of the following is/are correct about the RBI's credit policy announced in April 2010 ?

1. Repo rate raised by 25 bps.
2. A new reporting platform was introduced for secondary market transactions in Certificate of Deposits (CDs) and Commercial Papers (CPs).
3. Core Investment Companies (CICs) having an asset size of Rs. 100 crore are required to register also with the RBI.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) All 1, 2 and 3



(E) None of these

Ans : (A)

13. As per the announcement made by the RBI some Stock Exchanges in India are allowed to introduce Plain Vanilla Currency Options. The term Plain Vanilla Currency Options is associated with which of the following activities / operations ?

(A) Dollar – Rupee Exchange Rate

(B) Floating of Commercial Papers

(C) Launch of new mutual funds

(D) Deciding the opening price of a share on a particular business day

(E) None of these

Ans : (A)

14. Which of the following is not a term related to banking/finance operations ?

(A) Provision Coverage Ratio

(B) Securitization

(C) Consolidation

(D) Commodification

(E) Derivatives

Ans : (C)

15. The process of "Artificial Application of Water to the soil usually for assisting in growing crops", is technically known as—

(A) water harvesting

(B) irrigation

(C) water recharging

- (D) percolation
- (E) None of these

Ans : (B)

16. As per the news published in major news papers/journals henceforth the Credit Card holders will be able to access their credit card information through automated interactive voice response system over the phone instead of speaking to the staff. This decision of the banks/credit card companies will provide—

1. an additional hurdle to the customers as people feel comfortable in talking to the staff instead of talking to a machine.
2. an additional security to the customers as this does not allow any staff to handle any transaction directly.
3. some comfort to the banks as they will be able to reduce their staff strength.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) All 1, 2 and 3
- (E) Only 1 and 3

Ans : (B)

17. The 34th National Game which were postponed several times are scheduled to be held in which of the following states ?

- (A) Gujarat
- (B) Kerala
- (C) Tamil Nadu
- (D) Uttar Pradesh
- (E) Jharkhand

Ans : (E)

18. Waste Water generates which of the following gases which is more powerful and dangerous than CO<sub>2</sub> ?

- (A) Nitrogen
- (B) Sulphur di-oxide
- (C) Hydrogen
- (D) Methane
- (E) None of these

Ans : (D)

19. Which of the following days was observed as World Water Day 2010 ?

- (A) 20th June
- (B) 22nd July
- (C) 22nd March
- (D) 20th May
- (E) None of these

Ans : (C)

20. Late Vinda Karandikar who died a few months back was a famous—

- (A) Author
- (B) Cine-Actor
- (C) Sportsman
- (D) Classical Singer
- (E) Social Worker

Ans : (A)

21. As per the reports published recently the Govt. of India has decided to create a separate agency/body scrutinize all Foreign Direct Investments (FDIs) officially. Up till now the security screening was

being done by the—

- (A) Ministry of Foreign Affairs Govt. of India
- (B) Reserve Bank of India
- (C) Securities & Exchange Board of India
- (D) Ministry of Finance, Govt. of India
- (E) Ministry of Home Affairs Govt. of India

Ans : (E)

22. As per the news reports in various news papers the USA has outlined some major policy goals to prevent the danger of nuclear terrorism. Which of the following is/are included in those policy goals ?

1. Convene a nuclear security summit within a year's time under the leadership of the USA.
2. A new agreement/pact should be introduced in place of present Nuclear Non Proliferation Treaty (NPT).
3. Call for a global effort to secure all nuclear weapons at all vulnerable sites all over the world.

- (A) Only 1
- (B) Only 2
- (C) Only 1 and 3
- (D) Only 2 and 3
- (E) All 1, 2 and 3

Ans : (E)

23. 'Indira Gandhi Canal' which is around 450 km long provide irrigation facility mainly to which of the following states ?

- (A) Punjab
- (B) Haryana
- (C) Madhya Pradesh
- (D) Gujarat
- (E) Rajasthan

Ans : (E)

24. Former captain of the Indian Cricket team, Ajit Wadekar is conferred which of the following awards for the year 2010 ?

- (A) Bharat Ratna
- (B) Khel Shri Award
- (C) Dronacharya Award
- (D) Rajiv Gandhi Khel Ratna Award
- (E) None of these

Ans : (E)

25. Who amongst the following is the director of the popular Hindi film "Oye Lucky ! Lucky Oye" ?

- (A) Mani Ratnam
- (B) David Dhavan
- (C) Dibankar Banerjee
- (D) R. Balakrishnan
- (E) None of these

Ans : (C)

26. India recently signed an agreement to import Liquefied Natural Gas (LNG) from a country which is the largest LNG producer and

supplier of the world. Which is that country ?

- (A) Kuwait
- (B) Qatar
- (C) Iran
- (D) Saudi Arabia
- (E) None of these

Ans : (B)

27. As a measure to help countries hit by global financial meltdown the RBI has purchased notes worth US \$ 10 billion in terms of Special Drawing Rights from a World Organisation/agency. Which is this agency/organization ?

- (A) Federal Reserve of U.S.A.
- (B) Asian Development Bank
- (C) World Bank
- (D) International Monetary Fund
- (E) None of these

Ans : (D)

28. Which of the following is not a public sector undertaking under the Ministry of Defence, Govt. of India ?

- (A) Mazagaon Dock Ltd.
- (B) Garden Reach Shipbuilders and Engineers Ltd.
- (C) Bharat Heavy Electricals Ltd.
- (D) Hindustan Aeronautics Ltd.
- (E) Bharat Earth Movers Ltd.

Ans : (C)

29. Which of the following states won the senior National Women's

Football Tournament 2010 ?

- (A) Manipur
- (B) Assam
- (C) Tamil Nadu
- (D) Kerala
- (E) Delhi

Ans : (A)

30. Which of the following is not a missile developed by the Defence Research and Development Organisation (DRDO) ?

- (A) Shaurya
- (B) Pinaka
- (C) Brahmos
- (D) Agni
- (E) Nag

Ans : (A)

31. Which of the following declarations/treaties was adopted by the BRIC countries recently to promote Global Food Security ?

- (A) Moscow Declaration
- (B) Doha Treaty
- (C) Delhi Declaration
- (D) Kabul Treaty
- (E) None of these

Ans : (A)

32. Which of the following statements represent(s) the main objective(s) of the revised National Health Policy–2002 of the Govt. of India ?

1. Increase Public expenditure from 0.9 per cent to 2 per cent of the GDP.
2. Setting up of Medical Grants Commission for funding new Govt. Medical & Dental colleges.
3. Mandatory two years rural posting before awarding the degree to Medical Graduates.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) Only 1 and 3
- (E) All 1, 2 and 3

Ans : (E)

33. Which of the following metals is used for generation of nuclear Energy by most of the Nuclear Power Plants ?

- (A) Zinc
- (B) Platinum
- (C) Uranium
- (D) Nickel
- (E) None of these

Ans : (C)

34. Indus Water Treaty is a pact on sharing of river water between India and—

- (A) Bangladesh
- (B) Pakistan
- (C) Nepal
- (D) Afghanistan



(E) Myanmar

Ans : (B)

35. The Union Cabinet recently cleared Prohibition of unfair Practices in Technical Medical Educational Institutes and Universities Bill 2010. As per the bill which of the following will now be treated as a cognizable offence ?

(A) Accepting capitation fee from the students

(B) Running a private college

(C) Not allowing students to change their course in between

(D) Running a college without proper facilities

(E) None of these

Ans : (A)

36. Which of the following is/are considered a Renewable Source of Energy ?

1. Wind Energy

2. Solar Energy

3. Nuclear Energy

(A) Only 1

(B) Only 2

(C) Only 3

(D) Only 1 and 2

(E) All 1, 2 and 3

Ans : (D)

37. Which of the following countries is not amongst the top ten in industrial production in the world during 2010 ?

(A) India

- (B) Iran
- (C) China
- (D) France
- (E) U.S.A.

Ans : (B)

38. Commonwealth Games 2010 are being organized in which of the following countries ?

- (A) Australia
- (B) South Africa
- (C) Canada
- (D) New Zealand
- (E) India

Ans : (E)

39. Which of the following is not a banking related term ?

- (A) Radiation
- (B) Outstanding amount
- (C) Benchmark Prime Lending Rate
- (D) Explicit Guarantee
- (E) Creditor

Ans : (A)

40. Insurance service provided by various banks is commonly known as—

- (A) Investment Banking
- (B) Portfolio Management
- (C) Merchant Banking
- (D) Bancassurance

(E) Micro Finance

Ans : (D)

41. Who amongst the following has recently taken over as the Chairman of the 19th Law Commission ?

(A) Mr. A. R. Lakshmanan

(B) Mr. P. V. Reddy

(C) Mr. Yashwant Sinha

(D) Mr. Ranjan Bharti Mittal

(E) None of these

Ans : (B)

42. Moortidevi Award is given for excellence in the field of—

(A) Classical dance

(B) Literature

(C) Classical music

(D) Cinematography

(E) Social service

Ans : (B)

43. Which of the following terms is used in the game of Cricket ?

(A) Love

(B) Tee

(C) Penalty stroke

(D) No Ball

(E) None of these

Ans : (D)

44. Which of the following awards is given by an agency of the

United Nations Organization ?

- (A) Normon Borloug Award
- (B) Kalinga Prize
- (C) Ramon Magsaysay Award
- (D) Pulitzer Prize
- (E) None of these

Ans : (B)

45. Which of the following countries won the Hockey World Cup 2010 ?

- (A) Spain
- (B) England
- (C) India
- (D) Australia
- (E) None of these

Ans : (D)

46. Who amongst the following is the author of the English novel 'solo', which was given Common Wealth Writers' Prize 2010 ?

- (A) Aamer Hussain
- (B) Jonathan Tel
- (C) Rana Dasgupta
- (D) John Torrence Tate
- (E) None of these

Ans : (C)

47. Mr. Surjit Patar who was awarded Saraswati Samman recently is a well known poet of—

- (A) Hindi

- (B) English
- (C) Punjabi
- (D) Urdu
- (E) Bengali

Ans : (C)

48. Which of the following is the book written by Kiran Desai ?

- (A) Higher than Everest
- (B) A Passage to England
- (C) Affluent Society
- (D) All my Yester Years
- (E) The Inheritance of Loss

Ans : (E)

49. Which of the following Trophies/cups is associated with the game of Hockey ?

- (A) Durand Cup
- (B) Santosh Trophy
- (C) Rangaswami Cup
- (D) Ranji Trophy
- (E) K. D. Singh Babu Trophy

Ans : (C)

50. Sandra Bullock who was awarded Oscar recently is a famous—

- (A) Actress
- (B) Director
- (C) Music Composer
- (D) Screen play writer
- (E) None of these

Ans : (A)



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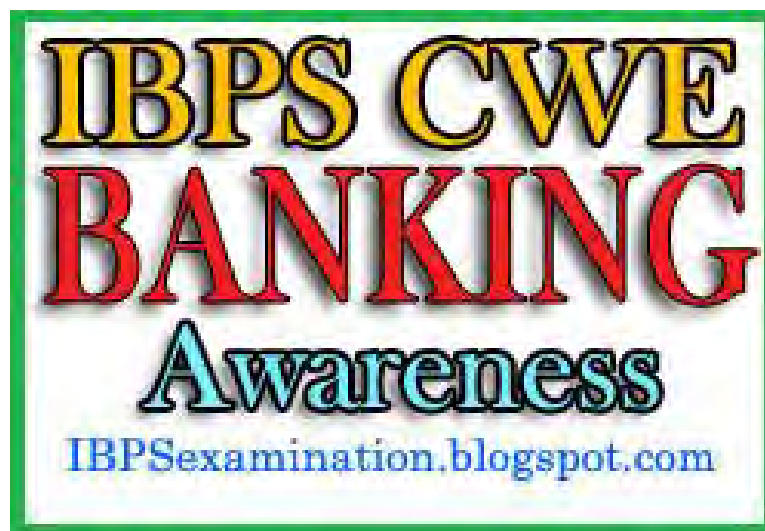
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1. Which of the following statements about CHOGM 2011 is/are true?

- 1) The Commonwealth Heads of Government Meeting 2011, commonly known as CHOGM 2011, was held in Perth, Australia in October 2011.
- 2) The 22nd Meeting of the Heads of Government of the Commonwealth of Nations was chaired by Julia Gillard, the Prime Minister of Australia.
- 3) Hamid Ansari, the Vice President, represented India at the Summit.
- 4) Canadian Prime Minister Stephen Harper had threatened to boycott the 2013 CHOGM, to be held in Sri Lanka, if allegations of human rights abuses against the country's Tamil minority were not investigated.
- 5) All the statements are correct.



2. Muammar Qadhafi was killed in October 2011 in his hometown Sirte. He was the former leader of which of the following countries?

- 1) Tunisia
- 2) Egypt
- 3) Syria
- 4) Libya
- 5) Yemen

3. The Election Commission has disqualified Umlesh Yadav, an MLA from Uttar Pradesh, from contesting again for three years for suppressing expenditure (the amount spent for issuing the advertisements) in her election accounts. She is the first political victim of the paid news phenomenon. She was elected from which of the following political parties?

- 1) Rashtriya Janata Dal
- 2) Samajwadi Party
- 3) Rashtriya Parivartan Dal
- 4) Bharatiya Janata Party
- 5) Bahujan Samaj Party

4. Alain Juppe visited India in October 2011. He is the Minister for Foreign Affairs of which of the following countries?

- 1) Germany
- 2) Italy
- 3) United Kingdom
- 4) France
- 5) Spain

5. M.K.Mani has been honoured with the 40th Dhanvantari Award. In which of the following fields is this prestigious award given annually?

- 1) Print Journalism
- 2) Cinema
- 3) Architecture
- 4) Medical Science
- 5) Literature

6. The South India's first metro rail service was started in which of the following cities in October 2011?

- 1) Chennai
- 2) Bangalore
- 3) Hyderabad
- 4) Cochin
- 5) None of these

7. Who is the Chairman of the Prime Minister's Economic Advisory Council (PMEAC)?

- 1) Bimal Jalan
- 2) Suresh Tendulkar
- 3) C.Rangarajan
- 4) Y.V.Reddy
- 5) Montek Singh Ahluwalia

8. Shakti-2011 is a joint army exercise between India and which of the following countries? (It was conducted in Uttarakhand in October 2011)

- 1) Sri Lanka

- 2) France
- 3) USA
- 4) China
- 5) Philippines

9. Who won the National Chess title in Aurangabad in October 2011?

- 1) Abhijeet Gupta
- 2) Deepan Chakkavarthy
- 3) S.P.Sethuraman
- 4) M.R.Venkatesh
- 5) Vidit Gujarathi

10. Who has been honoured with the Presidential Citizens Medal by U.S. President Barack Obama for her courage in overcoming and speaking out against domestic abuse in the Indian-American community?

- 1) Kavya Lahiri
- 2) Vijaya Emani
- 3) Kalpana Sen
- 4) Anuradha Sen
- 5) None of these

11. Which English cricketer is the author of the book 'The Breaks are off-My Autobiography'?

- 1) Kevin Pietersen
- 2) Graeme Swann
- 3) Alastair Cook
- 4) Ian Bell

5) Andrew Strauss

12. Who made history by winning the inaugural Formula One Indian Grand Prix at the Buddh International Circuit in Greater Noida in October 2011?

- 1) Sebastian Vettel
- 2) Jenson Button
- 3) Fernando Alonso
- 4) Mark Webber
- 5) Michael Schumacher

13. Who was re-appointed the Commonwealth Secretary- General for four more years in October 2011?

- 1) Don McKinnon
- 2) Arnold Smith
- 3) Kamalesh Sharma
- 4) Shridath Ramphal
- 5) None

14. Who received "The Hindu Literary Prize for Best Fiction 2011" for his/her debut novel "The Sly Company of People Who Care" in October 2011?

- 1) N.S.Madhavan
- 2) Rahul Bhattacharya
- 3) Amitav Ghosh
- 4) Anuradha Roy
- 5) None

15. Who is the author of the book "The TCS Story...and Beyond"?

- 1) Ratan Tata
- 2) N.Chandrasekaran
- 3) S.Ramadorai
- 4) N.R.Narayana Murty
- 5) Nandan Nilekani

16. The National Development Council (NDC) meeting was held in New Delhi recently. Who is the Chairman of the NDC?

- 1) Manmohan Singh
- 2) P.Chidambaram
- 3) Pranab Mukherjee
- 4) Sonia Gandhi
- 5) Montek Singh Ahluwalia

17. Jigme Khesar Namgyel Wangchuck visited India recently. He is the king of which of the following countries?

- 1) Nepal
- 2) Mauritius
- 3) Thailand
- 4) Bhutan
- 5) None of these

18. New Zealand won the Rugby World Cup in October 2011 after defeating which of the following countries in the final held in Auckland, New Zealand?

- 1) USA
- 2) UK
- 3) Canada
- 4) Australia

5) France

19. Ellen Johnson Sirleaf is one of the three recipients of the Nobel Peace Prize for 2011. She is the President of which of the following countries?

- 1) Yemen
- 2) Liberia
- 3) Rwanda
- 4) Sudan
- 5) Kenya

20. Who is considered as the father of the white revolution in India?

- 1) M.S.Swaminathan
- 2) H.G. Khorana
- 3) U.R.Rao
- 4) Verghese Kurien
- 5) None

21. Which of the following terms is used in the game of hockey?

- 1) Deuce
- 2) Penalty Corner
- 3) LBW
- 4) No Ball
- 5) Back Hand

22. Which city hosted the 5th IBSA Summit in October 2011?

- 1) Cape Town
- 2) Durban
- 3) Pretoria

- 4) Johannesburg
- 5) Bloemfontein

23. Who among the following leaders did not attend the IBSA Summit in October 2011?

- 1) Dilma Rousseff
- 2) Jacob Zuma
- 3) Manmohan Singh
- 4) Dmitri Medvedev
- 5) None of these

24. Who among as following has been elected the President of Kyrgyzstan? (He is the present Prime Minister)

- 1) Adakhan Madumarov
- 2) Kamchibek Tashiyev
- 3) Almazbek Atambayev
- 4) Nursultan Nazarbayev
- 5) None of these

25. Who was presented the Indira Gandhi Award for National Integration 2010 for his yeoman service in promoting and preserving the spirit of national integration on October 31, 2011, the death anniversary of Indira Gandhi?

- 1) Vijay Darda
- 2) Mohan Dharia
- 3) Jaipal Reddy
- 4) Pranab Mukherjee
- 5) A.K.Antony

26. Who headed the Committee on direct transfer of subsidies on Kerosene, LPG and Fertilizers to the beneficiaries?

- 1) Manmohan Singh
- 2) Pranab Mukherjee
- 3) C.Rangarajan
- 4) Nandan Nilekani
- 5) Montek Singh Ahluwalia

27. Which of the following programmes launched by the Government of India aims at enhancing the Livelihood security of the people in rural areas by guaranteeing hundred days of employment in a financial year to a rural household?

- 1) JNNURM
- 2) ASHA
- 3) Kutir Jyoyhi
- 4) Bharat Nirman
- 5) MGNREGS

28. Which of the following is the period of the first Five Year Plan in India?

- 1) 1950-55
- 2) 1947-52
- 3) 1951-56
- 4) 1948-53
- 5) None of these

29. What is the name of the scheme that was launched by the Government of India for adolescent girls in November 2010?

- 1) ASHA



- 2) Swabhiman
- 3) Swawalamban
- 4) SABALA
- 5) Aadhar

30. PIIGS is an acronym for nations of which of the following continents?

- 1) Asia
- 2) Africa
- 3) Europe
- 4) South America
- 5) North America

31. Who among the following has never worked as RBI Governor?

- 1) C.Rangarajan
- 2) Bimal Jalan
- 3) Manmohan Singh
- 4) L.K.Jha
- 5) Yashwant Sinha

32. Which bank has taken over the Centurion Bank of Punjab?

- 1) ICICI Bank
- 2) HDFC Bank
- 3) IDBI Bank
- 4) AXIS Bank
- 5) OBC

33. Which country is considered as the pioneer of Micro Finance?

- 1) India

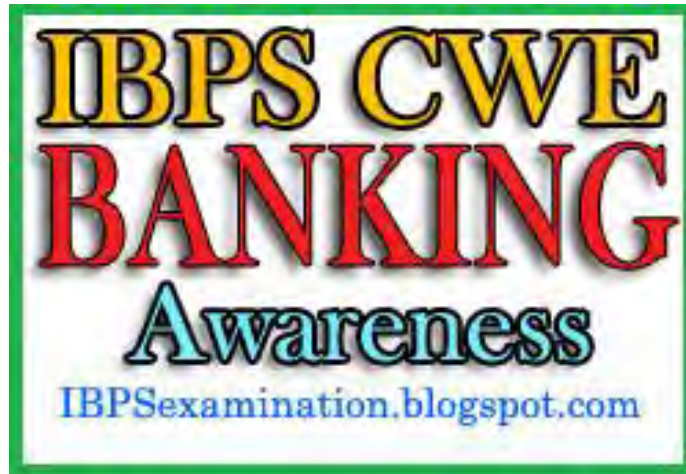
- 2) Pakistan
- 3) Bangladesh
- 4) Sri Lanka
- 5) China

**Answers**

- 1) 5 2) 4 3) 3 4) 4 5) 4 6) 2 7) 3 8) 2 9) 1 10) 2 11) 2 12) 1 13) 3 14) 2  
15) 3 16) 1 17) 4 18) 5 19) 2 20) 4 21) 2 22) 3 23) 4 24) 3 25) 2  
26) 4 27) 5 28) 3 29) 4 30) 3 31) 5 32) 2 33) 3

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## IBPS GENERAL AWARENESS PRACTICE QUESTIONS



1. Which of the following teams won this season's Indian Premier League (IPL) cricket cup?

- a) Royal Challengers Bangalore
- b) Mumbai Indians
- c) Kolkata Knight Riders
- d) Deccan Chargers
- e) Chennai Super Kings

2. In the run-up to the free trade agreement between India and the European Union (EU), which of the following subjects has the EU taken up with the World Trade Organisation (WTO) pressing for its inclusion much to India's discomfort?

- a) Farm goods
- b) Defence articles
- c) Intellectual Property Rights

- d) Visa norms
- e) Industrial goods

3. Which of the following cities has been declared as the costliest city in the world?

- a) Kobe
- b) Paris
- c) Zurich
- d) Oslo
- e) Tokyo

4. What is the Minimum Support Price (MSP) per quintal fixed by the Centre for wheat for the season 2010-11?

- a) Rs. 1,000
- b) Rs.1,100
- c) Rs.1,200
- d) Rs.1,300
- e) Rs.1,250

5. Who is to take over as non-executive chairman of India's second largest IT company, Infosys, when the incumbent chairman NR Narayana Murthy retires in August this year?

- a) KV Kamath
- b) Amit Mitra
- c) Renuka Ramnath
- d) Samidha Sharma
- e) Vinita Bali

6 In which of the following countries has Tata Motors launched its Nano cars, touted to be the cheapest car of the world, for the first time outside India?

A) Sri Lanka

B) Nepal

C) Malaysia

D) Indonesia

a) Only (B)

b) Only (A) Indonesia

c) Only (C)

d) Only (A), (B) and (D)

e) None of these

7. Which of the following business ownership structures has been given green signal by the stock market regulator, SEBI, to get membership of stock exchanges and make brokers?

a) Sole proprietorship companies

b) Limited liability companies

c) Non-profit organizations

d) Cooperative companies

e) None of these

8. Which of the following teams has won the Santosh Trophy football tournament?

a) Manipur

b) Delhi

c) Haryana

d) West Bengal

e) Madhya Pradesh

9. With which of the trading partners do Indian farm goods face market access problems on the grounds of arbitrary SPS (Sanitary and Phyto-Sanitary) standards and CCC (chemical residues)?

- a) US
- b) ASEAN
- c) SAARC
- d) EU
- e) Japan

10. Indian Railways is to construct the longest tunnel (11km long) on its network in the under-construction railway segments of

- a) Indo-Burma rail project
- b) West Coast Railways of India
- c) Katra-Qazigund Pir Panjal Tunnel
- d) Arunachal railway project
- e) Gangtok - Siliguri railway project

11. There has been stalemate in the drafting committee of Lokpal Bill between the civil activists and political leader over the contents of the Bill. Which of the following are the major bones of contention between the two sides?

- I. Inclusion of the office of the Prime Minister under anti-corruption watchdog
- II. Bringing higher judiciary under the purview of Lokpal
- III. Bringing the office of the Chief Ministers under Lokpal.
- IV. In camera monitoring of the activities of MPs in Parliament.

- a) Only I and II
- b) Only IV
- c) Only I, II and IV
- d) All the above
- e) None of these

12. Which of the following teams has recently won the Champions Leagues final at Wembley in London?

- a) Manchester United
- b) Barcelona
- c) Real Madrid
- d) AC Milan
- e) Chelsea FC

13. Which of the following countries has recently decided to phase out all its nuclear power plants by 2022?

- a) Japan
- b) Italy
- c) Ukraine
- d) Germany
- e) Spain

14. Who has been honoured with the prestigious Jawaharlal Nehru Award for International Understanding for 2009?

- a) Angela Merkel
- b) Hillary Clinton
- c) Aung San Suu Kyi

- d) Lula da Silva
- e) Sheikh Hasina

15. G-4 is an alliance of four countries for the purpose of supporting each other's bid for permanent seat in the United Nations Security Council. Apart from India, which are the other three countries in the G4?

- a) Brazil, Germany and Japan
- b) Brazil, South Africa and Japan
- c) Mexico, Brazil and South Africa
- d) Japan, Brazil and Mexico
- e) None of these

16. In which of the following international universities has a chair been instituted in the memory of India's pioneering development economist, Sanjay Lall?

- a) Cambridge University
- b) Stanford University
- c) Oxford University
- d) Moscow University
- e) San Carlos University

17. Name the new non-linked health insurance plan of the Life Insurance Corporation (LIC) of India which offers comprehensive hospitalization benefits for the whole family and parents-in-law of the principal insured?

- a) Rishtey



- b) Jeevan Sathi
- c) Anmol Jeevan
- d) Health Plus
- e) Jeevan Arogya

18. Who has been nominated for the CK Naidu Lifetime Achievement award?

- a) Lala Amarnath
- b) Salim Durrani
- c) Syed Mushtaq Ali
- d) KN Prabhu
- e) Syed Kirmani

19. British - born Sierra Leonean novelist Aminatta Foma won the 2011 Commonwealth Writers' Prize for which of the following novels?

- a) The Devil that Danced on the Water
- b) Ancestor Stones
- c) The Memory of Love
- d) Ancestor Love
- e) All for Love

20. Which of the following rules has/have not been scrapped by the insurance regulator IRDA?

- a) Commission on the sale of ULIP
- b) Profitability clause of three years for floating initial public offer (IPOs)

- c) Traditional insurance plans have to make 50% investment in government bonds
- d) Only a and b
- e) Only a and c

21. Small Industries Development Bank of India (SIDBI) has been operating under SWS. What is the full form of SWS?

- a) Small Welfare Scheme
- b) Single Window Scheme
- c) Small Window Service
- d) Single Window Service
- e) None of these

22. Which of the following is the target fixed by the 11<sup>th</sup> five-year plan pertaining to increase literacy, level by the 2012. The level should be increased to

- a) 50%
- b) 60%
- c) 70%
- d) 85%
- e) 90%

23. 'Blue Revolution' is related to

- a) Space Research
- b) Fisheries
- c) Drinking Water
- d) Poultry

e) Milk

24. Normally two types of factors are responsible for industrial sickness - external and internal. Which of the following is not an internal factor of industrial sickness?

- a) Shortage of power
- b) Mismanagement
- c) Diversion of funds
- d) Excessive overheads
- e) Overestimation of demand

25. Which of the following is an employment - generating scheme?

- a) Ganga Kalyan Yojana
- b) IRDA
- c) Swarnjayanti Shahri Rozgar Yojana
- d) Mid-Day Meal Scheme
- e) All of the above.

26. Ethanol - mixed petrol is being sold in various states wef January 1, 2003. The percentage of ethanol in petrol is

- a) 10%
- b) 7%
- c) 6%
- d) 5.5%
- e) 5%

27. Which of the following is the correct sequence in the decreasing order of contribution of different sectors to the Gross Domestic Product of India?

- a) Services - Industry - Agriculture
- b) Services - Agriculture - Industry
- c) Industry - Services - Agriculture
- d) Industry - Agriculture - Services
- e) None of these

28. Which of the following agencies recently laid down guidelines for foreign companies who wish to raise money from the Indian capital markets?

- a) RBI
- b) IRDA
- c) Registrar of companies
- d) SEBI
- e) None of these

29. Consider the following statements:

A) The repo rate is the rate at which other banks borrow money from the Reserve Bank of India.

B) A value of one for Gini co-efficient in a country implies that there is perfectly equal income for everyone in its population.

C) Higher interest rates can make EMIs costly. Which of the statements given above is/are correct?

- a) Only A
- b) Only A and C

- c) Only B and C
- d) All the above
- e) None of these

30. These days, more and more banks in Indian are setting up their ATMs and discouraging people to visit their branches for transaction. Which of the following is/are the limitations of the ATMs which force people to go to branch for transactions?

- A) Lack of human interface
  - B) Communication gap
  - C) Limited cash - dispensing ability
- a) Only A
  - b) Only B
  - c) Only C
  - d) Both A and B
  - e) A, B, and C All

31. Which of the following countries has the largest stock of foreign exchange reserves in the world?

- a) USA
- b) China
- c) Japan
- d) India
- e) None of these

32. Which of the following taxes is exclusively and totally assigned to the state government by the Constitutions?

- a) Estate duty
- b) Sales Tax
- c) Taxes on Railway fares and freights
- d) Corporation tax
- e) Entertainment

33. The tax on import and export is known as

- a) Income tax
- b) Trade tax
- c) Customs duty
- d) Commercial tax
- e) None of the above

34. Which of the following is not an objective of fiscal policy of Indian government?

- a) Full employment
- b) Price stability
- c) Regulation of inter-state trade
- d) Equitable distribution of wealth and income
- e) None of these

35. In India, national income is estimated by

- a) Planning Commission
- b) Central Statistical Organisation
- c) Indian Statistical Institute
- d) National Sample Survey Organisation

e) None of these

36. Bharat Nirman Scheme of the UPA government does not include

- a) Rural water supply project
- b) Irrigation benefit programme
- c) Rural electrification
- d) Sarva Shiksha Abhiyan
- e) None of these

37. Invisible export means export of

- a) Services
- b) Prohibited goods
- c) Unrecorded goods
- d) Goods through smuggling
- e) Illegal export through a third country

38. A labour-intensive industry is one that

- a) requires hard manual labour
- b) pays adequate wages to the labour
- c) employs more hands
- d) provides facilities to labour
- e) None of these

39. In the law of demand, the statement 'other things remain constant' means.

- a) income of consumer should not change

- b) prices of other goods should not change
- c) taste of consumer should not change
- d) All the above
- e) None of these

40. A firm is in equilibrium when its

- a) Marginal cost equals the marginal revenue
- b) Total cost is minimum
- c) Total revenue is maximum
- d) Average revenue and marginal revenue are equal
- e) None of these

41. Bhagyam oil fields which are being explored by Cairns India, is located in

- a) Assam
- b) Gujarat
- c) Rajasthan
- d) Karnataka
- e) None of the above

42. In which of the following regions of India has the Archaeological Survey of India (ASI) found evidences of hearths built by cutting natural mountains belonging to periods 3,000 to 4,000 years ago, for the first time?

- a) Garo Hills, Meghalaya
- b) Mishmi Hills, Arunachal Pradesh
- c) Western Ghats



- d) Ladakh Valley
- e) Satpura Range, Madhya Pradesh

43. Which of the following famous tabloids of Britain recently ceased its operations after its 168 year - long history of scoops and scandals?

- a) The Sun
- b) Daily Mirror
- c) The Morning Star
- d) News of the World
- e) None of these

44. Which of the following mobile operators has launched its mobile newspaper, Newswrap, for its customers in Hyderabad?

- a) Airtel
- b) Reliance
- c) Idea
- d) Vodafone
- e) Aircel

45. Which of the following countries has taken over the rotational presidency of the European Union (EU) on July 1, 2011?

- a) Denmark
- b) Britain
- c) Germany
- d) Poland
- e) Netherlands

46. Which of the following is the youngest country of the world that has joined the community of nations on July 9, 2011?

- a) South Sudan
- b) Moldova
- c) Estonia
- d) East Timor
- e) None of these

47. Name the Indian woman athlete who has clinched gold medal in high jump in the Asian Athletic Championship in Kobe, Japan.

- a) Shiny Wilson
- b) Mayookha Johny
- c) Soma Biswas
- d) Neelam Jaswant Singh
- e) None of these

48. As on June 30, 2011, which of the following rates stipulated by the Reserve Bank of India (RBI) is the lowest?

- a) Bank Rate
- b) Repo Rate
- c) Savings Bank Rate
- d) Cash Reserve Ratio
- e) Statutory Liquidity Ratio

49. Consider the following statements about the contentious issues in the upcoming India-EU free trade agreement.

- A) Intellectual property should be included in the investment chapter
- B) Government procurement policy in agriculture should be kept out of the purview of the agreement.
- C) Greater mutual market access for products such as automobiles, liquor, textile and liquor.

Which of the above statements is/are true?

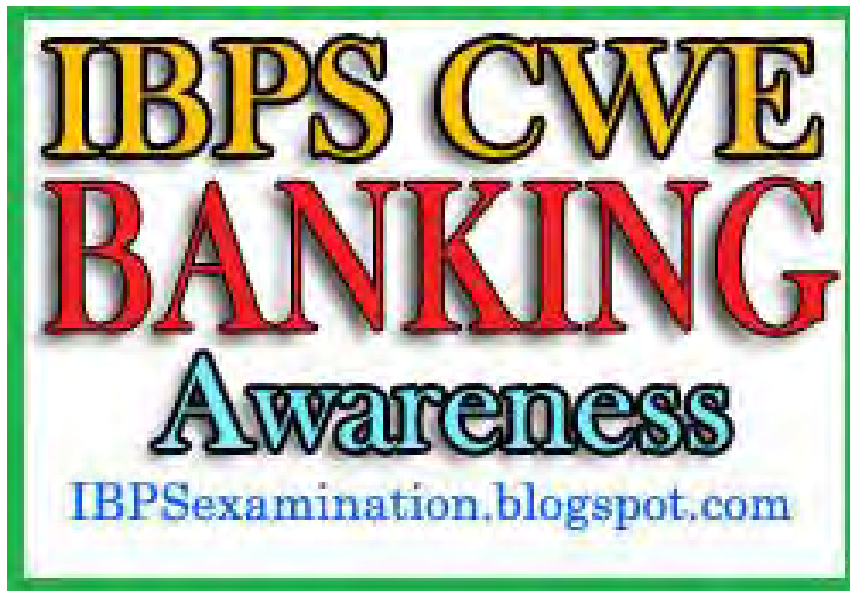
- a) Only A
- b) Only A and B
- c) Only A and C
- d) All the above
- e) None of these

50. Which of the following states has unveiled "Vision 2025" containing clear-cut policies for promoting investments in infrastructure such as power, ports, and ship building?

- a) Andhra Pradesh
- b) Tamil Nadu
- c) Gujarat
- d) Karnataka
- e) None of these

**ANSWERS:**

- 1.e    2.c    3.e    4.b    5.a    6.d    7.b    8.d    9.b    10.c  
11.c   12.b   13.d   14.a   15.a   16.c   17.e   18.d   19.c   20.d  
21.d   22.d   23.b   24.a   25.c   26.e   27.a   28.d   29.d   30.c  
31.b   32.b   33.c   34.c   35.b   36.d   37.a   38.c   39.d   40.a  
41.c   42.d   43.d   44.d   45.d   46.a   47.b   48.c   49.d   50.b



1. Which among the following is not the nationalized bank?

- 1) Andhra Bank
- 2) Syndicate bank
- 3) Axis bank
- 4) Central Bank of India
- 5) Oriental Bank of Commerce

2. Banks cannot accept .....

- 1) Cash
- 2) Postal Stamps
- 3) Drafts
- 4) Bill of exchange
- 5) pay order

3. Cheque facility is not available in .....

- 1) Savings Account
- 2) Current Account

- 3) Recurring Account
- 4) Savings and Current Account
- 5) All of above

4. The Demand Draft can be issued to .....

- 1) Farmer
- 2) Student
- 3) Government employee
- 4) Business man
- 5) All of above

5. Core banking means .....

- 1) Connectivity between all branches and RBI
- 2) Connectivity between all branches and the branches of other bank
- 3) Connectivity of branches, ATM and online systems of all branches
- 4) Connectivity between all RRB's and RBI
- 5) None

6. Which of the following rate usually not declared by RBI?

- 1) SLR
- 2) CRR
- 3) Base rate
- 4) Repo Rate
- 5) Reverse repo Rate

7. In private sector bank, the government may have the stake up to ..... percent?

- 1) 50
- 2) 51
- 3) 100
- 4) 49
- 5) 0

8. In public sector bank, the government stake must be least .....percent?

- 1) 50
- 2) 100
- 3) 90
- 4) 51
- 5) 1

9. NEFT rules are given. Pick the wrong one?

- 1) NEFT means National Electronic Fund Transfer
- 2) Up to 2 lakhs the amount can be transferred
- 3) Both in Savings and Current Account the funds can be transferred
- 4) The minimum charge on this type of transfer is Rs.1000
- 5) Many private and Public Sector banks offer this facility these days

10. RTGS rules are given. Pick the wrong one?

- 1) RTGS means Real Time Gross Settlement
- 2) Above 2 lakhs the funds can be transferred
- 3) RTGS facility not available in current account
- 4) The charges of RTGS to be paid by the customer
- 5) All of above

11 All savings bank accounts carry nominee name. A nominee cannot be .....

- 1) Friend
- 2) Mother
- 3) Father
- 4) Son
- 5) Daughter

12. On 19 October 2011, Pranab Mukarjee said the Union Government inject the funds in to public sector banks to maintain Tier Capital of .....percent?

- 1) 5
- 2) 10
- 3) 6
- 4) 7
- 5) 8

13. The negotiable instrument is .....

- 1) Cheque
- 2) Demand draft
- 3) Bill of Exchange
- 4) Treasury Bills
- 5) All of above

14. Negotiable instruments rules and regulations mentioned by .....

- 1) Negotiable cheque Act 1901
- 2) Negotiable instruments Act 1901

- 3) Negotiable instruments Act 1818
- 4) Negotiable instruments Act 1881
- 5) None

15. Usually there are three parties in the case of Cheque. The drawer is .....

- 1) One who writes cheque
- 2) One who receives cheque
- 3) One who mediates cheque
- 4) 1 & 3
- 5) None

16. In the cheques, the drawee is.....

- 1) One who writes cheque
- 2) One who mediates cheque
- 3) RBI
- 4) Bank
- 5) All of above

17. Drawing two or three lines on the left head of cheque is called .....

- 1) Nullity
- 2) Paid
- 3) Offering
- 4) Crossing
- 5) Nothing

18. Crossing means the bank should .....

- 1) Make the payment stop



- 2) Make the payment late
- 3) Make the payment to payee through account only
- 4) Pay the amount to anybody
- 5) None

19. The cheque bounce due to .....

- 1) If the correct date written
- 2) If the Sunday date written
- 3) If the public holiday date written
- 4) If the date is the 30th of any month
- 5) Post date written

20. Cheque bounce due to .....

- 1) More funds
- 2) Funds not excessive at least Rs.1000
- 3) Lack of funds
- 4) If the amount has paise denomination
- 5) In all above cases

21. Cheque bounce due to .....

- 1) If the cheque is given with signature
- 2) If the cheque issued to government employee
- 3) Alteration made without signature
- 4) If the cheque value is more than 50 lakhs
- 5) In all above cases

22. On 20th October 2011, State Bank of India declared it earned 3.5 NIM in the second quarter. NIM stands for .....

- 1) Net Interest Minimum

- 2) Not Interest Margin
- 3) Net Internal Margin
- 4) Net Interest Module
- 5) Net Interest Margin

23. ETF stands for .....(In these days the people are buying GOLD ETF bonds)

- 1) Extra Trade Forum
- 2) Exchange Trade Finance
- 3) Eternal Trade Fund
- 4) Exchange Trade Forum
- 5) Exchange Traded Fund

24. Chairman of the National Advisory Committee on Accounting Standards is .....?

- 1) D.Subba Rao
- 2) Y.V.Reddy
- 3) Y.H.Malegam
- 4) K.C.Chakravarthy
- 5) Montek Singh Ahluwalia

25. Which financial institute declared October month as Social Security Month?

- 1) SBI
- 2) Religare
- 3) LIC
- 4) India First
- 5) GIC

26. FAO conference on East Africa famine concluded in .....

- 1) Rome
- 2) Vienna
- 3) Newyork
- 4) Washington
- 5) Canberaa

27. UN AIDS ambassador .....participated in International AIDS conference on 7 Oct 2011 at Moscow?

- 1) Preity Zinta
- 2) Sharmila Tagore
- 3) Leela Samson
- 4) Mamatha Sharma
- 5) Shantha Sinha

28. Two public sector enterprises applied for the status of Maharatna recently. They are .....

- 1) CIL,HCL
- 2) ONGC,SBI
- 3) IOC,NTPC
- 4) SAIL,BEL
- 5) BHEL,GAIL

29. H- 1 (2011-2012)tax collection increased by ..... percent leading the collection to Rs.4,25,712 crores?

- 1) 14.5
- 2) 20.6
- 3) 22.1
- 4)18.9

5) 25.6

30. The global economic growth in 2011 will be nearer to ..... percent only, compare to 4 percent in 2010?

- 1) Eight
- 2) Ten
- 3) Six
- 4) Seven
- 5) Three

31. ....has introduced the nation's first petrol pump with self service refuelling facility in New Delhi?

- 1) ONGC
- 2) HP
- 3) IOC
- 4) BP
- 5) None

32. The second highest test Century (35) maker is Dravid. He is the cricketer from .....?

- 1) Andhra Pradesh
- 2) Mumbai
- 3) Delhi
- 4) West Bengal
- 5) Karnataka

33. Baichiung Bhutia retired from international events. He is the former Indian ..... captain?

- 1) Volley ball

- 2) Foot Ball
- 3) Cricket
- 4) Kho Kho
- 5) Kabbaddi

34. The term gully used in .....

- 1) Foot ball
- 2) Volley ball
- 3) Hand ball
- 4) Hockey
- 5) Cricket

35. The FIFA(Federation of International Football Association) world cup venues given. Pick the correct one?

- 1) 2010-South Africa
- 2) 2014-Brazil
- 3) 2018-Russia
- 4) 2022-Qatar
- 5) All of above

36. ....released \$ 1.5 billion aid to Libya on 27 August 2011?

- 1) USA
- 2) Russia
- 3) UNO
- 4) IBRD
- 5) IMF

37. Union government sanctioned Rs.....crores for tracking cyclones in coastal states?

- 1) 1500
- 2) 2500
- 3) 2000
- 4) 1700
- 5) 900

38. Fast attack warship ..... commissioned in Indian Navy on 26 August 2011?

- 1) Kaurava
- 2) Pandava
- 3) Karna
- 4) Salya
- 5) None

39. The Prime Minister announced the free import of 61 items from Bangladesh. The currency of Bangladesh is.....?

- 1) Dollar
- 2) Rupee
- 3) Ngultrum
- 4) Pound
- 5) Taka

40. Among 28 states in India, 17 states have Lokayukta. The first Lokayukta established in 1970 is .....

- 1) Odisha
- 2) Andhra Pradesh
- 3) Assom
- 4) Tamilnadu
- 5) Sikkim

41. The Lokayukta who inducted Yedurappa, the chief minister of Karnataka is .....

- 1) Justice Rey
- 2) Justice Kania
- 3) Justice Panduranga
- 4) Justice Sudha Misra
- 5) Justice Santosh Hegdey

42. The Lokayukta who resigned in Karnataka on the allegations of Land Scam?

- 1) Justice Nanavathi
- 2) Justice Bhagavathi
- 3) Justice Chandra Chud
- 4) Justice Mukarjee
- 5) Justice Sivaraj Patil

43. Recently the inventor of iPad died. He is .....

- 1) Edwin H. Armstrong
- 2) Charles Babbage
- 3) Steve Jobs
- 4) William Seward Burroughs
- 5) George Eastman

44. On 17th August 2011, .....topped as most valuable firm crossing RIL ( Reliance Industries Limited) in market capitalization?

- 1) BHEL
- 2) ISRO
- 3) Bharati Cement

- 4) Coco-Cola
- 5) Coal India Limited

45. Top three destinations of Indian exports as per e-Bay site?

- 1) Europe, USA and UK
- 2) USA, UK and Germany
- 3) USA, Indonesia and China
- 4) USA, UK and Europe
- 5) USA, UK and Australia

46. The export promotion scheme 'Focus: LAC' applies to .....?

- 1) European Union
- 2) North America
- 3) South East Asia
- 4) Africa
- 5) South America

47. 100th International Labour Organization summit held in .....on 13 June 2011?

- 1) Geneva
- 2) Paris
- 3) New York
- 4) Washington
- 5) Rome

48. National convention of Parliamentarians, Legislators, zilla parishad chairpersons and mayors on HIV/ AIDS held in.....on 4, 5 July 2011?

- 1) Mumbai



- 2) Hyderabad
- 3) Chennai
- 4) New Delhi
- 5) Pune

49. World Investors summit will be held in .....

- 1) Hyderabad
- 2) New Delhi
- 3) Bengaluru
- 4) Chennai
- 5) Kolkata

**ANSWERS:**

- 1)3 2)2 3)3 4)5 5)3 6)3 7)4 8)4 9)4 10)3 11)1 12)5 13)5 14)4 15)1  
 16)4 17)4  
 18)3 19)5 20)3 21)3 22)5 23)5 24)3 25)3 26)1 27)1 28)5 29)3 30)5  
 31)3 32)5 33)2  
 34)5 35)5 36)3 37)1 38)1 39)5 40)1 41)5 42)5 43)3 44)5 45)5 46)5  
 47)1 48)4 49)3.

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## BANKING & FINANCIAL TERMS

- **Accrued interest** : Interest due from issue date or from the last coupon payment date to the settlement date. Accrued interest on bonds must be added to their purchase price.
- **Arbitrage** : Buying a financial instrument in one market in order to sell the same instrument at a higher price in another market.
- **Ask Price** : The lowest price at which a dealer is willing to sell a given security.
- **Asset-Backed Securities (ABS)** : A type of security that is backed by a pool of bank loans, leases, and other assets. Most ABS are backed by auto loans and credit cards – these issues are very similar to mortgage-backed securities.
- **At-the-money** : The exercise price of a derivative that is closest to the market price of the underlying instrument.
- **Basis Point** : One hundredth of 1%. A measure normally used in the statement of interest rate e.g., a change from 5.75% to 5.81% is a change of 6 basis points.
- **Bear Markets** : Unfavorable markets associated with falling prices and investor pessimism.
- **Bid-ask Spread** : The difference between a dealer's bid and ask price.

- **Bid Price** : The highest price offered by a dealer to purchase a given security.
- **Blue Chips** : Blue chips are unsurpassed in quality and have a long and stable record of earnings and dividends. They are issued by large and well-established firms that have impeccable financial credentials.
- **Bond** : Publicly traded long-term debt securities, issued by corporations and governments, whereby the issuer agrees to pay a fixed amount of interest over a specified period of time and to repay a fixed amount of principal at maturity.
- **Book Value** : The amount of stockholders' equity in a firm equals the amount of the firm's assets minus the firm's liabilities and preferred stock. /p>
- **Broker** : Individuals licensed by stock exchanges to enable investors to buy and sell securities.
- **Brokerage Fee** : The commission charged by a broker.
- **Bull Markets** : Favorable markets associated with rising prices and investor optimism.
- **Call Option** : The right to buy the underlying securities at a specified exercise price on or before a specified expiration date.
- **Callable Bonds** : Bonds that give the issuer the right to redeem the bonds before their stated maturity.

- **Capital Gain** : The amount by which the proceeds from the sale of a capital asset exceed its original purchase price.
- **Capital Markets** : The market in which long-term securities such as stocks and bonds are bought and sold.
- **Certificate of Deposits (CDs)** : Savings instrument in which funds must remain on deposit for a specified period, and premature withdrawals incur interest penalties.
- **Closed-end (Mutual) Fund** : A fund with a fixed number of shares issued, and all trading is done between investors in the open market. The share prices are determined by market prices instead of their net asset value.
- **Collateral** : A specific asset pledged against possible default on a bond. Mortgage bonds are backed by claims on property. Collateral trusts bonds are backed by claims on other securities. Equipment obligation bonds are backed by claims on equipment.
- **Commercial Paper** : Short-term and unsecured promissory notes issued by corporations with very high credit standings.
- **Common Stock** : Equity investment representing ownership in a corporation; each share represents a fractional ownership interest in the firm.
- **Compound Interest** : Interest paid not only on the initial deposit but also on any interest accumulated from one period to the next.

- **Contract Note** : A note which must accompany every security transaction which contains information such as the dealer's name (whether he is acting as principal or agent) and the date of contract.
- **Controlling Shareholder** : Any person who is, or group of persons who together are, entitled to exercise or control the exercise of a certain amount of shares in a company at a level (which differs by jurisdiction) that triggers a mandatory general offer, or more of the voting power at general meetings of the issuer, or who is or are in a position to control the composition of a majority of the board of directors of the issuer.
- **Convertible Bond** : A bond with an option, allowing the bondholder to exchange the bond for a specified number of shares of common stock in the firm. A conversion price is the specified value of the shares for which the bond may be exchanged. The conversion premium is the excess of the bond's value over the conversion price.
- **Corporate Bond** : Long-term debt issued by private corporations.
- **Coupon** : The feature on a bond that defines the amount of annual interest income.
- **Coupon Frequency** : The number of coupon payments per year.

- **Coupon Rate** : The annual rate of interest on the bond's face value that a bond's issuer promises to pay the bondholder. It is the bond's interest payment per dollar of par value.
- **Covered Warrants** : Derivative call warrants on shares which have been separately deposited by the issuer so that they are available for delivery upon exercise.
- **Credit Rating** : An assessment of the likelihood of an individual or business being able to meet its financial obligations. Credit ratings are provided by credit agencies or rating agencies to verify the financial strength of the issuer for investors.
- **Currency Board** : A monetary system in which the monetary base is fully backed by foreign reserves. Any changes in the size of the monetary base has to be fully matched by corresponding changes in the foreign reserves.
- **Current Yield** : A return measure that indicates the amount of current income a bond provides relative to its market price. It is shown as:  $\text{Coupon Rate} \div \text{Price} \times 100\%$ .
- **Custody of Securities** : Registration of securities in the name of the person to whom a bank is accountable, or in the name of the bank's nominee; plus deposition of securities in a designated account with the bank's bankers or with any other institution providing custodial services.

- **Default Risk** : The possibility that a bond issuer will default ie, fail to repay principal and interest in a timely manner.
- **Derivative Call (Put) Warrants** : Warrants issued by a third party which grant the holder the right to buy (sell) the shares of a listed company at a specified price.
- **Derivative Instrument** : Financial instrument whose value depends on the value of another asset.
- **Discount Bond** : A bond selling below par, as interest in-lieu to the bondholders.
- **Diversification** : The inclusion of a number of different investment vehicles in a portfolio in order to increase returns or be exposed to less risk.
- **Duration** : A measure of bond price volatility, it captures both price and reinvestment risks to indicate how a bond will react to different interest rate environments.
- **Earnings** : The total profits of a company after taxation and interest.
- **Earnings per Share (EPS)** : The amount of annual earnings available to common stockholders as stated on a per share basis.
- **Earnings Yield** : The ratio of earnings to price (E/P). The reciprocal is price earnings ratio (P/E).

- **Equity** : Ownership of the company in the form of shares of common stock.
- **Equity Call Warrants** : Warrants issued by a company which give the holder the right to acquire new shares in that company at a specified price and for a specified period of time.
- **Ex-dividend (XD)** : A security which no longer carries the right to the most recently declared dividend or the period of time between the announcement of the dividend and the payment (usually two days before the record date). For transactions during the ex-dividend period, the seller will receive the dividend, not the buyer. Ex-dividend status is usually indicated in newspapers with an (x) next to the stock's or unit trust's name.
- **Face Value/ Nominal Value** : The value of a financial instrument as stated on the instrument. Interest is calculated on face/nominal value.
- **Fixed-income Securities** : Investment vehicles that offer a fixed periodic return.
- **Fixed Rate Bonds** : Bonds bearing fixed interest payments until maturity date.
- **Floating Rate Bonds** : Bonds bearing interest payments that are tied to current interest rates.
- **Fundamental Analysis** : Research to predict stock value that focuses on such determinants as earnings and dividends



prospects, expectations for future interest rates and risk evaluation of the firm.

- **Future Value** : The amount to which a current deposit will grow over a period of time when it is placed in an account paying compound interest.
- **Future Value of an Annuity** : The amount to which a stream of equal cash flows that occur in equal intervals will grow over a period of time when it is placed in an account paying compound interest.
- **Futures Contract** : A commitment to deliver a certain amount of some specified item at some specified date in the future.
- **Hedge** : A combination of two or more securities into a single investment position for the purpose of reducing or eliminating risk.
- **Income** : The amount of money an individual receives in a particular time period.
- **Index Fund** : A mutual fund that holds shares in proportion to their representation in a market index, such as the S&P 500.
- **Initial Public Offering (IPO)** : An event where a company sells its shares to the public for the first time. The company can be referred to as an IPO for a period of time after the event.

- **Inside Information** : Non-public knowledge about a company possessed by its officers, major owners, or other individuals with privileged access to information.
- **Insider Trading** : The illegal use of non-public information about a company to make profitable securities transactions
- **Intrinsic Value** : The difference of the exercise price over the market price of the underlying asset.
- **Investment** : A vehicle for funds expected to increase its value and/or generate positive returns.
- **Investment Adviser** : A person who carries on a business which provides investment advice with respect to securities and is registered with the relevant regulator as an investment adviser.
- **IPO price** : The price of share set before being traded on the stock exchange. Once the company has gone Initial Public Offering, the stock price is determined by supply and demand.
- **Junk Bond** : High-risk securities that have received low ratings (i.e. Standard & Poor's BBB rating or below; or Moody's BBB rating or below) and as such, produce high yields, so long as they do not go into default.
- **Leverage Ratio** : Financial ratios that measure the amount of debt being used to support operations and the ability of the firm to service its debt.

- **Libor** : The London Interbank Offered Rate (or LIBOR) is a daily reference rate based on the interest rates at which banks offer to lend unsecured funds to other banks in the London wholesale money market (or interbank market). The LIBOR rate is published daily by the British Banker's Association and will be slightly higher than the London Interbank Bid Rate (LIBID), the rate at which banks are prepared to accept deposits.
- **Limit Order** : An order to buy (sell) securities which specifies the highest (lowest) price at which the order is to be transacted.
- **Limited Company** : The passive investors in a partnership, who supply most of the capital and have liability limited to the amount of their capital contributions.
- **Liquidity** : The ability to convert an investment into cash quickly and with little or no loss in value.
- **Listing** : Quotation of the Initial Public Offering company's shares on the stock exchange for public trading.
- **Listing Date** : The date on which Initial Public Offering stocks are first traded on the stock exchange by the public
- **Margin Call** : A notice to a client that it must provide money to satisfy a minimum margin requirement set by an Exchange or by a bank / broking firm.
- **Market Capitalization** : The product of the number of the company's outstanding ordinary shares and the market price of

each share.

- **Market Maker** : A dealer who maintains an inventory in one or more stocks and undertakes to make continuous two-sided quotes.
- **Market Order** : An order to buy or an order to sell securities which is to be executed at the prevailing market price.
- **Money Market** : Market in which short-term securities are bought and sold.
- **Mutual Fund** : A company that invests in and professionally manages a diversified portfolio of securities and sells shares of the portfolio to investors.
- **Net Asset Value** : The underlying value of a share of stock in a particular mutual fund; also used with preferred stock.
- **Offer for Sale** : An offer to the public by, or on behalf of, the holders of securities already in issue.
- **Offer for Subscription** : The offer of new securities to the public by the issuer or by someone on behalf of the issuer.
- **Open-end (Mutual) Fund** : There is no limit to the number of shares the fund can issue. The fund issues new shares of stock and fills the purchase order with those new shares. Investors buy their shares from, and sell them back to, the mutual fund itself. The share prices are determined by their net asset value.

- **Open Offer** : An offer to current holders of securities to subscribe for securities whether or not in proportion to their existing holdings.
- **Option** : A security that gives the holder the right to buy or sell a certain amount of an underlying financial asset at a specified price for a specified period of time.
- **Oversubscribed** : When an Initial Public Offering has more applications than actual shares available. Investors will often apply for more shares than required in anticipation of only receiving a fraction of the requested number. Investors and underwriters will often look to see if an IPO is oversubscribed as an indication of the public's perception of the business potential of the IPO company.
- **Par Bond** : A bond selling at par (i.e. at its face value).
- **Par Value** : The face value of a security.
- **Perpetual Bonds** : Bonds which have no maturity date.
- **Placing** : Obtaining subscriptions for, or the sale of, primary market, where the new securities of issuing companies are initially sold.
- **Portfolio** : A collection of investment vehicles assembled to meet one or more investment goals.

- **Preference Shares** : A corporate security that pays a fixed dividend each period. It is senior to ordinary shares but junior to bonds in its claims on corporate income and assets in case of bankruptcy.
- **Premium (Warrants)** : The difference of the market price of a warrant over its intrinsic value.
- **Premium Bond** : Bond selling above par.
- **Present Value** : The amount to which a future deposit will discount back to present when it is depreciated in an account paying compound interest.
- **Present Value of an Annuity** : The amount to which a stream of equal cash flows that occur in equal intervals will discount back to present when it is depreciated in an account paying compound interest.
- **Price/Earnings Ratio (P/E)** : The measure to determine how the market is pricing the company's common stock. The price/earnings (P/E) ratio relates the company's earnings per share (EPS) to the market price of its stock.
- **Privatization** : The sale of government-owned equity in nationalized industry or other commercial enterprises to private investors.
- **Prospectus** : A detailed report published by the Initial Public Offering company, which includes all terms and conditions,

application procedures, IPO prices etc, for the IPO

- **Put Option** : The right to sell the underlying securities at a specified exercise price on or before a specified expiration date.
- **Rate of Return** : A percentage showing the amount of investment gain or loss against the initial investment.
- **Real Interest Rate** : The net interest rate over the inflation rate. The growth rate of purchasing power derived from an investment.
- **Redemption Value** : The value of a bond when redeemed.
- **Reinvestment Value** : The rate at which an investor assumes interest payments made on a bond which can be reinvested over the life of that security.
- **Relative Strength Index (RSI)** : A stock's price that changes over a period of time relative to that of a market index such as the Standard & Poor's 500, usually measured on a scale from 1 to 100, 1 being the worst and 100 being the best.
- **Repurchase Agreement** : An arrangement in which a security is sold and later bought back at an agreed price and time.
- **Resistance Level** : A price at which sellers consistently outnumber buyers, preventing further price rises.
- **Return** : Amount of investment gain or loss.

- **Rights Issue** : An offer by way of rights to current holders of securities that allows them to subscribe for securities in proportion to their existing holdings.
- **Risk-Averse, Risk-Neutral, Risk-Taking** :  
 Risk-averse describes an investor who requires greater return in exchange for greater risk.  
 Risk-neutral describes an investor who does not require greater return in exchange for greater risk.  
 Risk-taking describes an investor who will accept a lower return in exchange for greater risk.
- **Senior Bond** : A bond that has priority over other bonds in claiming assets and dividends.
- **Short Hedge** : A transaction that protects the value of an asset held by taking a short position in a futures contract.
- **Settlement** : Conclusion of a securities transaction when a customer pays a broker/dealer for securities purchased or delivered, securities sold, and receives from the broker the proceeds of a sale.
- **Short Position** : Investors sell securities in the hope that they will decrease in value and can be bought at a later date for profit.
- **Short Selling** : The sale of borrowed securities, their eventual repurchase by the short seller at a lower price and their return to the lender.



- **Speculation** : The process of buying investment vehicles in which the future value and level of expected earnings are highly uncertain.
- **Stock Splits** : Wholesale changes in the number of shares. For example, a two for one split doubles the number of shares but does not change the share capital.
- **Subordinated Bond** : An issue that ranks after secured debt, debenture, and other bonds, and after some general creditors in its claim on assets and earnings. Owners of this kind of bond stand last in line among creditors, but before equity holders, when an issuer fails financially.
- **Substantial Shareholder** : A person acquires an interest in relevant share capital equal to, or exceeding, 10% of the share capital.
- **Support Level** : A price at which buyers consistently outnumber sellers, preventing further price falls.
- **Technical Analysis** : A method of evaluating securities by relying on the assumption that market data, such as charts of price, volume, and open interest, can help predict future (usually short-term) market trends. Contrasted with fundamental analysis which involves the study of financial accounts and other information about the company. (It is an attempt to predict movements in security prices from their trading volume history.)

- **Time Horizon** : The duration of time an investment is intended for.
- **Trading Rules** : Stipulation of parameters for opening and intra-day quotations, permissible spreads according to the prices of securities available for trading and board lot sizes for each security.
- **Trust Deed** : A formal document that creates a trust. It states the purpose and terms of the name of the trustees and beneficiaries.
- **Underlying Security** : The security subject to being purchased or sold upon exercise of the option contract.
- **Valuation** : Process by which an investor determines the worth of a security using risk and return concept.
- **Warrant** : An option for a longer period of time giving the buyer the right to buy a number of shares of common stock in company at a specified price for a specified period of time.
- **Window Dressing** : Financial adjustments made solely for the purpose of accounting presentation, normally at the time of auditing of company accounts.
- **Yield (Internal rate of Return)** : The compound annual rate of return earned by an investment
- **Yield to Maturity** : The rate of return yield by a bond held to maturity when both compound interest payments and the

investor's capital gain or loss on the security are taken into account.

- **Zero Coupon Bond** : A bond with no coupon that is sold at a deep discount from par value.

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## **BANKING TERMINOLOGY**

October 24, 2011

**Anytime Banking :** With introduction of ATMs, Tele-Banking and internet banking, customers can conduct their business anytime of the day and night. The 'Banking Hours' is not a constraint for transacting banking business.

**Anywhere Banking :** Refers to banking not only by ATMs, Tele-Banking and internet banking, but also to core banking solutions brought in by banks where customer can deposit his money, cheques and also withdraw money from any branch connected with the system. All major banks in India have brought in core banking in their operations to make banking truly anywhere banking.

**ATM :** ATMs are Automatic Teller Machines, which do the job of a teller in a bank through Computer Network. ATMs are located on the branch premises or off branch premises. ATMs are useful to dispense cash, receive cash, accept cheques, give balances in the accounts and also give mini-statements to the customers.

**Bank Ombudsman :** Bank Ombudsman is the authority to look into complaints against Banks in the main areas of collection of cheque / bills, issue of demand drafts, non-adherence to prescribed hours of working, failure to honour guarantee / letter of credit commitments, operations in deposit accounts and also in the areas of loans and advances where banks flout directions / instructions of RBI. This Scheme was announced in 1995 and is functioning with new

guidelines from 2007. This scheme covers all scheduled banks, the RRBs and co-operative banks.

**Bancassurance :** Bancassurance refers to the distribution of insurance products and the insurance policies of insurance companies which may be life policies or non-life policies like home insurance - car insurance, medi-policies and others, by banks as corporate agents through their branches located in different parts of the country by charging a fee.

**Banker's Lien :** Bankers lien is a special right of lien exercised by the bankers, who can retain goods bailed to them as a security for general balance of account. Bankers can have this right in the absence of a contract to the contrary.

**Banking :** Accepting for the purpose of lending or investment of deposits of money from Public, Repayable on demand or otherwise and withdrawable by cheques, drafts, order, etc.

**Basel-II :** The Committee on Banking Regulations and Supervisory Practices, popularity known as Basel Committee, submitted its revised version of norms in June, 2004. Under the revised accord the capital requirement is to be calculated for credit, market and operational risks. The minimum requirement continues to be 8% of capital fund (Tier I & II Capital) Tier II shall continue to be not more than 100% of Tier I Capital.

**Brick & Mortar Banking :** Brick and Mortar Banking refers to traditional system of banking done only in a fixed branch premises

made of brick and mortar. Now there are banking channels like ATM, Internet Banking, tele banking etc.

**Business of Banking :** Accepting deposits, borrowing money, lending money, investing, dealing in bills, dealing in Foreign Exchange, Hiring Lockers, Opening Safe Custody Accounts, Issuing Letters of Credit, Traveller's Cheques, doing Mutual Fund business, Insurance Business, acting as Trustee or doing any other business which Central Government may notify in the official Gazette.

**Bouncing of a cheque :** Where an account does not have sufficient balance to honour the cheque issued by the customer, the cheque is returned by the bank with the reason "funds insufficient" or "Exceeds arrangement". This is known as 'Bouncing of a cheque'.

**Certificate of Deposit :** Certificate of Deposits are negotiable receipts in bearer form which can be freely traded among investors. This is also a money market instrument, issued for a period ranging from 7 days to one year. The minimum deposit amount is Rs. 1 lakh and they are transferable by endorsement and delivery.

**Cheque :** Cheque is a Bill of Exchange drawn on a specified banker ordering the banker to pay a certain sum of money to the drawer of cheque or another person. Money is generally withdrawn by clients by cheques. Cheque is always payable on demand.

**Cheque Truncation :** Cheque truncation, truncates or stops the flow of cheques through the banking system. Generally truncation

takes place at the collecting branch, which sends the electronic image of the cheques to the paying branch through the clearing house and stores the paper cheques with it.

**Collecting Banker :** Also called receiving banker, who collects on instruments like a cheque, draft or bill of exchange, lodged with himself for the credit of his customer's account.

**Consumer Protection Act :** It is implemented from 1987 to enforce consumer rights through a simple legal procedure. Banks also are covered under the Act. A consumer can file complaint for deficiency of service with Consumer District Forum for amounts upto Rs.20 Lacs in District Court, and for amounts above Rs.20 Lacs to Rs.1 Crore in State Commission and for amounts above Rs.1 Crore in National Commission.

**Co-operative Bank :** An association of persons who collectively own and operate a bank for the benefit of consumers / customers, like Saraswat Co-operative Bank or Abhyudaya Co-operative Bank and other such banks.

**Co-operative Society :** When an association of persons collectively own and operate a unit for the benefit of those using its services like Apna Bazar Co-operative Society or Sahakar Bhandar or a Co-operative Housing Society.

**Core Banking Solutions (CBS) :** Core Banking Solutions is a buzz word in Indian banking at present, where branches of the bank are connected to a central host and the customers of connected

branches can do banking at any branch with core banking facility.

**Creditworthiness :** It is the capacity of a borrower to repay the loan / advance in time alongwith interest as per agreed terms.

**Crossing of Cheques :** Crossing refers to drawing two parallel lines across the face of the cheque. A crossed cheque cannot be paid in cash across the counter, and is to be paid through a bank either by transfer, collection or clearing. A general crossing means that cheque can be paid through any bank and a special crossing, where the name of a bank is indicated on the cheque, can be paid only through the named bank.

**Current Account :** Current account with a bank can be opened generally for business purpose. There are no restrictions on withdrawals in this type of account. No interest is paid in this type of account.

**Customer :** A person who maintains any type of account with a bank is a bank customer. Consumer Protection Act has a wider definition for consumer as the one who purchases any service for a fee like purchasing a demand draft or a pay order. The term customer is defined differently by Laws, softwares and countries.

**Debit Card :** A plastic card issued by banks to customers to withdraw money electronically from their accounts. When you purchase things on the basis of Debit Card the amount due is debited immediately to the account . Many banks issue Debit-Cum-ATM Cards.



**Debtor :** A person who takes some money on loan from another person.

**Demand Deposits :** Deposits which are withdrawn on demand by customers. E.g. savings bank and current account deposits.

**Demat Account :** Demat Account concept has revolutionized the capital market of India. When a depository company takes paper shares from an investor and converts them in electronic form through the concerned company, it is called Dematerialization of Shares. These converted Share Certificates in Electronic form are kept in a Demat Account by the Depository Company, like a bank keeps money in a deposit account. Investor can withdraw the shares or purchase more shares through this demat Account.

**Dishonour of Cheque :** Non-payment of a cheque by the paying banker with a return memo giving reasons for the non-payment.

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**Demand Deposits :** Deposits which are withdrawn on demand by

customers. E.g. savings bank and current account deposits.

**Demat Account :** Demat Account concept has revolutionized the capital market of India. When a depository company takes paper shares from an investor and converts them in electronic form through the concerned company, it is called Dematerialization of Shares. These converted Share Certificates in Electronic form are kept in a Demat Account by the Depository Company, like a bank keeps money in a deposit account. Investor can withdraw the shares or purchase more shares through this demat Account.

**Dishonour of Cheque :** Non-payment of a cheque by the paying banker with a return memo giving reasons for the non-payment.

**E-Banking :** E-Banking or electronic banking is a form of banking where funds are transferred through exchange of electronic signals between banks and financial institution and customers ATMs, Credit Cards, Debit Cards, International Cards, Internet Banking and new fund transfer devices like SWIFT, RTGS belong to this category.

**EFT - (Electronic Fund Transfer) :** EFT is a device to facilitate automatic transmission and processing of messages as well as funds from one bank branch to another bank branch and even from one branch of a bank to a branch of another bank. EFT allows transfer of funds electronically with debit and credit to relative accounts.

**Either or Survivor :** Refers to operation of the account opened in two names with a bank. It means that any one of the account

holders have powers to withdraw money from the account, issue cheques, give stop payment instructions etc. In the event of death of one of the account holder, the surviving account holder gets all the powers of operation.

**Electronic Commerce (E-Commerce):** E-Commerce is the paperless commerce where the exchange of business takes place by Electronic means.

**Endorsement :** When a Negotiable Instrument contains, on the back of the instrument an endorsement, signed by the holder or payee of an order instrument, transferring the title to the other person, it is called endorsement.

**Endorsement in Blank :** Where the name of the endorsee or transferee is not mentioned on the instrument.

**Endorsement in Full :** Where the name of the endorsee or transferee appears on the instrument while making endorsement.

**Execution of Documents :** Execution of documents is done by putting signature of the person, or affixing his thumb impression or putting signature with stamp or affixing common seal of the company on the documents with or without signatures of directors as per articles of association of the company.

**Factoring :** Business of buying trade debts at a discount and making a profit when debt is realized and also taking over collection of trade debts at agreed prices.

**Foreign Banks :** Banks incorporated outside India but operating in India and regulated by the Reserve Bank of India (RBI),. e..g., Barclays Bank, HSBC, Citibank, Standard Chartered Bank, etc.

**Forfaiting :** In International Trade when an exporter finds it difficult to realize money from the importer, he sells the right to receive money at a discount to a forfaiter, who undertakes inherent political and commercial risks to finance the exporter, of course with assumption of a profit in the venture.

**Forgery :** when a material alteration is made on a document or a Negotiable Instrument like a cheque, to change the mandate of the drawer, with intention to defraud.

**Garnishee Order :** When a Court directs a bank to attach the funds to the credit of customer's account under provisions of Section 60 of the Code of Civil Procedure, 1908.

**General Lien :** A right of the creditors to retain possession of all goods given in security to him by the debtor for any outstanding debt.

**Guarantee :** A contract between guarantor and beneficiary to ensure performance of a promise or discharge the liability of a third person. If promise is broken or not performed, the guarantor pays contracted amount to the beneficiary.

**Holder :** Holder means any person entitled in his own name to the

possession of the cheque, bill of exchange or promissory note and who is entitled to receive or recover the amount due on it from the parties. For example, if I give a cheque to my friend to withdraw money from my bank, he becomes holder of that cheque. Even if he loses the cheque, he continues to be holder. Finder cannot become the holder.

**Holder in due course :** A person who receives a Negotiable Instrument for value, before it was due and in good faith, without notice of any defect in it, he is called holder in due course as per Negotiable Instrument Act. In the earlier example if my friend lends some money to me on the basis of the cheque, which I have given to him for encashment, he becomes holder-in-due course.

**Hypothecation :** Charge against property for an amount of debt where neither ownership nor possession is passed to the creditor. In pledge, possession of property is passed on to the lender but in hypothecation, the property remains with the borrower in trust for the lender.

**Identification :** When a person provides a document to a bank or is being identified by a person, who is known to the bank, it is called identification. Banks ask for identification before paying an order cheque or a demand draft across the counter.

**Indemnifier :** When a person indemnifies or guarantees to make good any loss caused to the lender from his actions or others' actions.

**Indemnity :** Indemnity is a bond where the indemnifier undertakes to reimburse the beneficiary from any loss arising due to his actions or third party actions.

**Insolvent :** Insolvent is a person who is unable to pay his debts as they mature, as his liabilities are more than the assets . Civil Courts declare such persons insolvent. Banks do not open accounts of insolvent persons as they cannot enter into contract as per law.

**Interest Warrant :** When cheque is given by a company or an organization in payment of interest on deposit , it is called interest warrant. Interest warrant has all the characteristics of a cheque.

**International Banking :** involves more than two nations or countries. If an Indian Bank has branches in different countries like State Bank of India, it is said to do International Banking.

**Introduction :** Banks are careful in opening any account for a customer as the prospective customer has to be introduced by an existing account holder or a staff member or by any other person known to the bank for opening of account. If bank does not take introduction, it will amount to negligence and will not get protection under law.

**JHF Account :** Joint Hindu Family Account is account of a firm whose business is carried out by Karta of the Joint family, acting for all the family members.. The family members have common ancestor and generally maintain a common residence and are subject to common social, economic and religious regulations.

**Joint Account :** When two or more individuals jointly open an account with a bank.

**Karta :** Manager of a Hindu Undivided Family (HUF) who handles the family business. He is usually the eldest male member of the undivided family.

**Kiosk Banking :** Doing banking from a cubicle from which food, newspapers, tickets etc. are also sold.

**KYC Norms :** Know your customer norms are imposed by R.B.I. on banks and other financial institutions to ensure that they know their customers and to ensure that customers deal only in legitimate banking operations and not in money laundering or frauds.

**Law of Limitation :** Limitation Act of 1963 fixes the limitation period of debts and obligations including banks loans and advances. If the period fixed for particular debt or loan expires, one can not file a suit for its recovery, but the fact of the debt or loan is not denied. It is said that law of limitation bars the remedy but does not extinguish the right.

**Lease Financing :** Financing for the business of renting houses or lands for a specified period of time and also hiring out of an asset for the duration of its economic life. Leasing of a car or heavy machinery for a specific period at specific price is an example.

**Letter of Credit :** A document issued by importers bank to its

branch or agent abroad authorizing the payment of a specified sum to a person named in Letter of Credit (usually exporter from abroad). Letters of Credit are covered by rules framed under Uniform Customs and Practices of Documentary Credits framed by International Chamber of Commerce in Paris.

**Limited Companies Accounts :** Accounts of companies incorporated under the Companies Act, 1956 . A company may be private or public. Liability of the shareholders of a company is generally limited to the face value of shares held by them.

**Mandate :** Written authority issued by a customer to another person to act on his behalf, to sign cheques or to operate a bank account.

**Material Alteration :** Alteration in an instrument so as to alter the character of an instrument for example when date, amount, name of the payee are altered or making a cheque payable to bearer from an order one or opening the crossing on a cheque.

**Merchant Banking :** When a bank provides to a customer various types of financial services like accepting bills arising out of trade, arranging and providing underwriting, new issues, providing advice, information or assistance on starting new business, acquisitions, mergers and foreign exchange.

**Micro Finance:** Micro Finance aims at alleviation of poverty and empowerment of weaker sections in India. In micro finance, very small amounts are given as credit to poor in rural, semi-urban and urban areas to enable them to raise their income levels and improve



living standards.

**Minor Accounts :** A minor is a person who has not attained legal age of 18 years. As per Contract Act a minor cannot enter into a contract but as per Negotiable Instrument Act, a minor can draw, negotiate, endorse, receive payment on a Negotiable Instrument so as to bind all the persons, except himself. In order to boost their deposits many banks open minor accounts with some restrictions.

**Mobile Banking :** With the help of M-Banking or mobile banking customer can check his bank balance, order a demand draft, stop payment of a cheque, request for a cheque book and have information about latest interest rates.

**Money Laundering :** When a customer uses banking channels to cover up his suspicious and unlawful financial activities, it is called money laundering.

**Money Market :** Money market is not an organized market like Bombay Stock Exchange but is an informal network of banks, financial institutions who deal in money market instruments of short term like CP, CD and Treasury bills of Government.

**Moratorium :** R.B.I. imposes moratorium on operations of a bank; if the affairs of the bank are not conducted as per banking norms. After moratorium R.B.I. and Government explore the options of safeguarding the interests of depositors by way of change in management, amalgamation or take over or by other means.

**Mortgage :** Transfer of an interest in specific immovable property for the purpose of offering a security for taking a loan or advance from another. It may be existing or future debt or performance of an agreement which may create monetary obligation for the transferor (mortgagor).

**NABARD :** National Bank for Agriculture & Rural Development was setup in 1982 under the Act of 1981. NABARD finances and regulates rural financing and also is responsible for development agriculture and rural industries.

**Negotiation :** In the context of banking, negotiation means an act of transferring or assigning a money instrument from one person to another person in the course of business.

**Non-Fund Based Limits :** Non-Fund Based Limits are those type of limits where banker does not part with the funds but may have to part with funds in case of default by the borrowers, like guarantees, letter of credit and acceptance facility.

**Non-Resident :** A person who is not a resident of India is a non-resident.

**Non-Resident Accounts :** Accounts of non-resident Indian citizens opened and maintained as per R.B.I. Rules.

**Notary Public :** A Lawyer who is authorized by Government to certify copies of documents .

**NPA Account :** If interest and instalments and other bank dues are not paid in any loan account within a specified time limit, it is being treated as non-performing assets of a bank.

**Off Balance Sheet Items :** Those items which affect the financial position of a business concern, but do not appear in the Balance Sheet E,g guarantees, letters of credit . The mention "off Balance Sheet items" is often found in Auditors Reports or Directors Reports.

**Online Banking :** Banking through internet site of the bank which is made interactive.

**Pass Book :** A record of all debit and credit entries in a customer's account. Generally all banks issue pass books to Savings Bank/Current Account Holders.

**Personal Identification Number (PIN) :** Personal Identification Number is a number which an ATM card holder has to key in before he is authorized to do any banking transaction in a ATM .

**Plastic Money :** Credit Cards, Debit Cards, ATM Cards and International Cards are considered plastic money as like money they can enable us to get goods and services.

**Pledge :** A bailment of goods as security for payment of a debt or performance of a promise, e.g pledge of stock by a borrower to a banker for a credit limit. Pledge can be made in movable goods only.

**Post-Dated Cheque :** A Cheque which bears the date which is subsequent to the date when it is drawn. For example, a cheque drawn on 8th of February, 2007 bears the date of 12th February, 2007.

**Power of Attorney :** It is a document executed by one person - Donor or Principal, in favour of another person , Donee or Agent - to act on behalf of the former, strictly as per authority given in the document.

**Premature Withdrawals :** Term deposits like Fixed Deposits, Call Deposits, Short Deposits and Recurring Deposits have to mature on a particular day. When these deposits are sought to be withdrawn before maturity , it is premature withdrawal.

**Prime Lending Rate (PLR) :** The rate at which banks lend to their best (prime) customers.

**Priority Sector Advances :** consist of loans and advances to Agriculture, Small Scale Industry, Small Road and Water Transport Operators, Retail Trade, Small Business with limits on investment in equipments, professional and self employed persons, state sponsored organisations for lending to SC/ST, Educational Loans, Housing Finance up to certain limits, self-help groups and consumption loans.

**Promissory Note :** Promissory Note is a promise / undertaking given by one person in writing to another person, to pay to that

person , a certain sum of money on demand or on a future day.

**Provisioning :** Provisioning is made for the likely loss in the profit and loss account while finalizing accounts of banks. All banks are supposed to make assets classification . and make appropriate provisions for likely losses in their balance sheets.

**Public Sector Bank :** A bank fully or partly owned by the Government.

**Rescheduling of Payment :** Rearranging the repayment of a debt over a longer period than originally agreed upon due to financial difficulties of the borrower.

**Restrictive Endorsement :** Where endorser desires that instrument is to be paid to particular person only, he restricts further negotiation or transfer by such words as "Pay to Ashok only". Now Ashok cannot negotiate the instrument further.

**Right of Appropriation :** As per Section 59 of the Indian Contract Act, 1972 while making the payment, a debtor has the right to direct his creditor to appropriate such amount against discharge of some particular debt. If the debtor does not do so, the banker can appropriate the payment to any debt of his customer.

**Right of Set-Off :** When a banker combines two accounts in the name of the same customer and adjusts the debit balance in one account with the credit balance in other account, it is called right of set-off. For example, debit balance of Rs.50,000/- in overdraft

account can be set off against credit balance of Rs.75,000/- in the Savings Bank Account of the same customer, leaving a balance of Rs.25,000/- credit in the savings account.

**Safe Custody :** When articles of value like jewellery, boxes, shares, debentures, Government bonds, Wills or other documents or articles are given to a bank for safe keeping in its safe vault, it is called safe custody.. Bank charges a fee from its clients for such safe custody.

**Savings Bank Account :** All banks in India are having the facility of opening savings bank account with a nominal balance. This account is used for personal purposes and not for business purpose and there are certain restrictions on withdrawals from this type of account. Account holder gets nominal interest in this account.

**Teller :** Teller is a staff member of a bank who accepts deposits, cashes cheques and performs other banking services for the public.

**Underwriting :** is an agreement by the underwriter to buy on a fixed date and at a fixed rate, the unsubscribed portion of shares or debentures or other issues. Underwriter gets commission for this agreement.

**Universal Banking :** When Banks and Financial Institutions are allowed to undertake all types of activities related to banking like acceptance of deposits, granting of advances, investment, issue of credit cards, project finance, venture capital finance, foreign exchange business, insurance etc. it is called Universal Banking.

**Virtual Banking :** Virtual banking is also called internet banking, through which financial and banking services are accessed via internet's world wide web. It is called virtual banking because an internet bank has no boundaries of brick and mortar and it exists only on the internet.

**Wholesale Banking :** Wholesale banking is different from Retail Banking as its focus is on providing for financial needs of industry and institutional clients.

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## FINANCIAL & BANKING AWARENESS MCQs

1) At present number of public sector banks in India:

- a) 26
- b) 27
- c) 28
- d) 29
- e) None of these

2) At present number of private sector banks in India:

- a) 21
- b) 22
- c) 23
- d) 24
- e) None of these

3) Nationalisation of 14 major banks in.....

- a) 1949
- b) 1955
- c) 1959
- d) 1969
- e) None of these

4) Nationalisation of six banks in.....

- a) ) 1949
- b) 1955
- c) 1959
- d) 1969



e) 1980

5) The largest commercial bank in India:

- a) SBI
- b) ICICI Bank
- c) PNB
- d) HDFC Bank
- e) None of these

6) The Second largest public sector commercial bank in India:

- a) Punjab National Bank
- b) Bank of Baroda
- c) Bank of India
- d) IDBI Bank
- e) Corporation Bank

7) The Largest private sector commercial bank in India:

- a) AXIS Bank
- b) HDFC Bank
- c) ICICI Bank
- d) Federal Bank
- e) None of these

8) The second largest private sector commercial bank in India:

- a) IDBI Bank
- b) AXIS Bank
- c) HDFC Bank
- d) ICICI Bank
- e) None of these

9) The first Indian bank to open a branch outside India in London in 1946:

- a) State Bank of India
- b) Punjab National Bank
- c) Bank of Baroda
- d) Canara Bank
- e) Bank of India

10) Latest Public Sector Bank in India:

- a) SBI
- b) ICICI Bank
- c) HDFC Bank
- d) IDBI Bank
- e) None of these

11) Latest Private Sector Bank in India:

- a) Federal Bank
- b) South Indian Bank
- c) YES Bank
- d) Kotak Mahindra Bank
- e) None of these

12) The Largest foreign bank operating in India:

- a) Citi Bank
- b) HSBC
- c) Barclays Bank
- d) ABN Amro Bank
- e) Standard Chartered Bank

13) Which bank is the largest issuer of credit cards in India?

- a) SBI
- b) ICICI Bank
- c) HDFC Bank
- d) IDBI Bank
- e) None of these

14) Who is the current MD & CEO of ICICI Bank?

- a) Shyamala Gopinath
- b) Shikha Sharma
- c) Chanda Kochhar
- d) Renu Challu
- e) Sushma Nath

15) The Chairman of Indian Banks Association (IBA) (For 2011-12):

- a) M.D.Mallya
- b) Pratip Chaudhuri
- c) D.Subbarao
- d) Subir Gokarn
- e) U.K.Sinha

16) The largest bank in China:

- a) Industrial and Commercial Bank of China Ltd. (ICBC)
- b) Hongkong and Shanghai Banking Corporation (HSBC)
- c) Deutsche Bank AG
- d) BNP Paribas
- e) DBS Bank

17) Bad loans in banking terminology are generally known

as.....

- a) CBS
- b) PLR
- c) NPAs
- d) CRR
- e) None of these

18) In Financial Term NPA, P stands for.....

- a) Potential
- b) Peforming
- c) Prodition
- d) Professional
- e) None of these

19) Which of the following pairings is wrong? (Bank & Country)

- a) Citi Bank : USA
- b) ABN AMRO Bank : TheNetherlands
- c) BNP Paribas :Russia
- d) Hongkong and Shanghai Banking Corporation(HSBC) :United Kingdom
- e) Deutsche Bank AG :Germany

20) Which of the following pairings is wrong? (Bank & Country)

- a) Barclays Bank : United Kingdom
- b) J P Morgan Chase Bank :USA
- c) Societe Generale :France
- d) Standard Chartered Bank :South Africa
- e) Sonali Bank :Bangladesh

21) The New Capital Adequacy Framework prescribed for the banks is commonly known as .....

- a) KYC norms
- b) Credit Policy
- c) Basel Accord
- d) Fiscal Policy
- e) None of these

22) The central bank of the United States:

- a) Citi Group
- b) Bank of America
- c) JP Morgan Chase
- d) Federal Reserve
- e) Bank for International Settlements

23) Which of the following pairings is wrong? (Bank & Tagline)

- a) State Bank of India: With you all the way
- b) Punjab National Bank : The name you can BANK upon!
- c) Bank of Baroda: India's International Bank
- d) Oriental Bank of Commerce : Where every individual committed
- e) Bank of India : The World's local bank

24) Axis Bank previously called as.....

- a) IDBI Bank
- b) HDFC Bank
- c) YES Bank
- d) ICICI Bank
- e) UTI Bank

25) Which of the following is not a commercial bank?

- a) IDBI Bank
- b) HDFC Bank
- c) ICICI Bank
- d) EXIM Bank
- e) AXIS Bank

26) Which of the following pairings is wrong?(Bank/Financial Institution & Establishment Year)

- a) RBI : April 1, 1935
- b) SBI : July 1, 1955
- c) NABARD : July 12, 1982
- d) NHB : July 9, 1988
- e) SIDBI : April 1, 1990

27) The largest bank in Pakistan:

- a) State Bank of Pakistan
- b) Habib Bank Limited
- c) Sonali Bank
- d) DBS Bank
- e) None of these

28) Consider the following sentences:

A. Non Performing Asset (NPA) is an asset, including a leased asset, becomes non performing when it ceases to generate income for the bank.

B. Core banking is a general term used to describe the services provided by a group of networked bank

branches. The platform where communication technology and information technology are merged to suit core needs of banking is known as Core Banking Solutions.

C. Banking Ombudsman is an independent dispute resolution authority provided by RBI to deal with disputes that bank customers have with their respective banks.

D. Base Rate is the minimum rate of interest that a bank is allowed to charge from its customers. Unless mandated by the government, RBI rule stipulates that no bank can offer loans at a rate lower than base Rate to any of its customers.

E. NBFC or Non Banking Financial Companies is a company in India, which is registered under the Companies Act, 1956, and which provides banking services without meeting the legal definition of a bank.

Which of the statements given above is/are correct?

- a) Only A & B
- b) Only B & C
- c) Only C & D
- d) Only D & E
- e) All are correct

29) Which of the following is the Apex level institution for housing?

- a) EXIM Bank
- b) NABARD
- c) NHB
- d) SIDBI
- e) None of these

30) Which of the following is not a nationalized bank?

- a) PNB
- b) Indian Bank
- c) Bank of India
- d) Karnataka Bank
- e) Canara Bank

31) Which of the following banks was merged with ICICI Bank in 2010?

- a) Bank of Rajasthan
- b) Bank of Maharashtra
- c) Karnataka Bank
- d) State Bank of Indore
- e) Global Trust Bank

32) Which of the following banks was merged with SBI in 2010?

- a) State Bank of Travancore
- b) State Bank of Mysore
- c) State Bank of Indore
- d) State Bank of Saurashtra
- e) State Bank of Hyderabad

### ANSWERS

- 1) a    2) b    3) d    4) e    5) a    6) a    7) c  
8) c    9) e    10) d  
11) c    12) e    13) b    14) c    15) a    16) a    17) c  
18) b    19) c    20) d  
21) c    22) d    23) e    24) e    25) d    26) e    27) b  
28) e    29) c    30) d    31) a    32) c



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