

# **BANKING & GENERAL AWARENESS**

**A complete Guide to prepare Banking Awareness**

by  
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## **Indian Banking Industry : Emerging Trends**

Fierce competition, innovative strategies and competitive spirit have satiated banks with palpating activities. Banks are adopting different strategies in an environment of increased competitive pressure. Active strategies with focus on new fields of business and defensive strategy concentrating on cost cutting are embraced together. Flawless service delivery is the target with diffused liabilities and multiple choices available to customers.

Technology has completely changed the nature and pace of delivery of banking services world over. The speed has considerably improved alongwith the quality of the services.

Various delivery channels are available with banks for customers. Broadly, the levels of banking services offered through internet can be categorized in to three types namely—Basic Level Service, Simple Transactional Websites and Fully Transactional Websites.

Indian banking was provided an opportunity by the liberalization in 1990s to extend its working para-meters beyond geographical borders. The banking reform has indeed helped to restore semblance of efficiency and stability. Our banking industry enjoys greater autonomy, operational flexibility and liberalized norms allowing it to be more com-petitive.

### **Technology Driven Indian Banking System**

The growing universalisation and internationalisation of banking operations have altered the face of banks from one of mere inter-mediator to one of provider of quick, efficient and consumer centric ser-vices. There has been massive use of technology across many areas of banking business in India, both from the

asset and the liability side of a bank's balance sheet.

Banks pass through phases namely the inception phase, where the technology behind the application is in its infancy and a substantial amount of investment is required so as to make the application widely available commercially; the growth phase, where the application is increasingly available to the customers and the technology behind the application is widely available; and the maturity phase, wherein the application is in widespread use and institutions not offering such applications are likely to be at a competitive disadvantage.

The introduction of MICR based cheque processing—a first for the region, during the years 1986-88 was one of the earliest steps in Indian banking on the march of technology.

## **1. Technological Changes in Indian Banking System**

**Core Banking Systems** —The introduction of Core Banking Systems (CBS) which was at its nascent stages has become full blown and all banks are at varying stages of implementation of Core Banking Systems in their branches. There are 5 ingredients that form part of the Core Banking system viz. General Ledger Customer, Information System, Deposit System, Loan System and Management Information System.

**INFINET**—INFINET (Indian Financial Network), is used by a large number of banks for funds and non-funds-based message transfers, and is made available by the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad. INFINET is perhaps among the few networks in the world which uses the latest in technology and security called Public Key Infrastructure—PKI, which is not only state-of-the-art and robust but also well within the legal requirements of the Information

Technology Act, 2000.

**National Electronic Funds Transfer System**— RBI introduced an electronic funds transfer system to facilitate an efficient, secure, economical, reliable and expeditious system of funds transfer and clearing in the banking sector throughout India, and to relieve the stress on the existing paper-based funds transfer and clearing system called National Electronic Funds Transfer System (NEFT System).

The parties to a funds transfer under this NEFT System are the sending bank, the sending Service Centre, the NEFT Clearing Centre, the receiving Service Centre and the beneficiary branch. The EFT scheme enables transfer of funds within and across cities and between branches of a bank and across banks.

**National Electronic Clearing Services** —The objective of National Electronic Clearing Services (NECS) is to facilitate centralised processing for repetitive and bulk payment instructions. Sponsor banks shall submit NECS data at a single centre viz. at Mumbai. While NECS (Credit) shall facilitate multiple credits to beneficiary accounts at destination branch against a single debit of the account of a User with the sponsor bank, the NECS (Debit) shall facilitate multiple debits to destination account holders against single credit to user account.

**Centralized Funds Management System** —The Centralized Funds Management System (CFMS), is a system to enable operations on current accounts maintained at various offices of the Bank, through standard message formats in a secure manner. It is set up, operated and maintained by the Reserve Bank of India.

**Mobile Banking Services** —Mobile payments is defined as information exchange between a bank and its customers for

financial transactions through the use of mobile phones. Mobile payment involves debit/credit to a customer's account's on the basis of funds transfer instruction received over the mobile phones. Only Indian Rupee-based domestic services shall be provided. Use of mobile banking services for cross border inward and outward transfers is strictly prohibited. Only banks which have implemented core banking solutions would be permitted to provide mobile banking services. Banks shall file Suspicious Transaction Report (STR) to Financial Intelligence Unit-India (FIU-IND) for mobile banking transactions as in the case of normal banking transactions. To ensure inter-operability between banks, and between their mobile banking service providers, banks shall adopt the message formats like ISO 8583, with suitable modification to address specific needs. Hence, banks offering mobile banking should notify the customers the timeframe and the circumstances in which any stop-payment instructions could be accepted.

## **2. Current Position of Technological Banking Services**

### **Drift Towards Innovative Banking**

#### **1. Presence of Women on Boards**

Banking in the West has traditionally been a male bastion and continues to be so. Study titled "Women on Corporate Boards in India 2010" ranked the companies listed in the Bombay Stock Exchange (BSE-100) in terms of the gender diversity of their boards, with those with the highest percentage of women on their boards appearing at the top. The BSE-100 comprises 26 industry classifications with the banking industry making up the largest group of companies.

Indian banks, with better gender equality on board than their western counterparts, scraped through the economic slowdown unscathed.

Kalpana Morparia heads the Indian arm of global financial leviathan J. P. Morgan Chase & Co; Meera Sanyal is the country executive for Royal Bank of Scotland and; Manisha Girotra is the managing director of Union Bank of Switzerland's India operations. K. J. Udeshi is the Chairman of Governing Council of BCSBI.

## **2. Mobile Branches**

Domestic scheduled commercial banks (other than RRBs) were granted general permission by RBI, to operationalise Mobile branches in Tier 3 to Tier 6 centres (with population upto 49,999 as per Census 2001) and in rural, semi urban and urban centres in the North Eastern States and Sikkim, subject to reporting.

The mobile branch should be stationed in each village/location for a reasonable time on specified days and specified hours, so that its services could be utilized properly by customers. The business transacted at the mobile branch shall be recorded in the books of the base branch/data centre. The bank may give wide publicity about the mobile branch in the village, including details of 'specified days and working hours' at various locations so as to avoid any confusion to local customers; and any change in this regard should also be publicized.

## **3. Social Responsibility, Sustain-able Development and Non-Financial Reporting**

Government infused into bank-ing sector the 'socialist' constituent through nationalization of major banks.

CSR entails the integration of social and environmental concerns by companies in their business operations as also in interactions with their stakeholders. SD essentially refers to the process of maintenance of the quality of environmental and social systems in the pursuit of economic development. NFR is basically a system of reporting by organizations on their activities in this context, especially as regards the triple bottom line, that is, the environmental, social and economic accounting.

RBI circular (dated December 20, 2007) on Role of Banks in Corporate Social Responsibility, Sustainable Development and Non-Financial Reporting is appreciable. Stressing the need for Corporate Social Responsibility (CSR), RBI pointed out that these initiatives by the banks are vital for sustainable development. Banks have been directed to start; non-financial reporting will help to audit their initiatives towards the corporate social responsibility (CSR). Such a reporting will cover the work done by the banks towards the social, economic and environmental betterment of society.

#### **4. Universal Banking**

Universal Banking refers to those services offered by banks beyond traditional banking service such as saving accounts and loans and includes Pension Funds Management, undertaking equipment leasing, hire purchase business and factoring services, Primary Dealership (PD) business, insurance business and mutual fund business.

The issue of universal banking came to limelight in 2000, when ICICI gave a presentation to RBI to discuss the time frame and possible options for transforming itself into an universal bank.

Later on RBI asked financial institutions which are interested to convert them into a universal bank, to submit their plans for transition to a universal bank for consideration and further discussions. FIs need to formulate a road map for the transition path and strategy for smooth conversion into an universal bank over a specified time frame. The plan should specifically provide for full compliance with prudential norms as applicable to banks over the proposed period. Though the DFIs would continue to have a special role in the Indian financial System, until the debt market demonstrates substantial improvements in terms of liquidity and depth, any DFI, which wishes to do so, should have the option to transform into bank (which it can exercise), provided the prudential norms as applicable to banks are fully satisfied. To this end, a DFI would need to prepare a transition path in order to fully comply with the regulatory requirement of a bank. The DFI concerned may consult RBI for such transition arrangements. Reserve Bank will consider such requests on a case by case basis. Thus, Indian financial structure is slowly evolving towards a continuum of institutions rather than discrete specialization.

### **Conclusion**

The applicability of various existing laws and banking practices to e-banking is not tested and is still evolving, both in India and abroad. With rapid changes in technology and innovation in the field of e-banking, there is a need for constant review of different laws relating to banking and commerce. A re-orientation of strategy is required in order to accommodate the changes and challenges of the present globalised scenario.

Technological developments may become threat but still enable banks to access the global market through the electronic networks.

IT usage by banks would continue to exist in substantial scales. Indian Banking is trying to embrace latest technology upgrading its services. Clientele are reveling sophisticated services specific needs, preferences and conveniences by the banks.

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## Financial Literacy in India

### The Essence of Money

We all acknowledge the fact that money is essential for sheer existence and survival yet tend to escape from learning how to manage money. Managing money means the ability to judiciously save and multiply the money earned, through an informed understanding of the financial products and services available. It is also the question of avoiding risks and being protected from falling prey to unscrupulous elements. In my opinion the single most critical factor in effective money management is to stay away from greed. Greed for making quick money often restricts the power to think and take appropriate decisions. Greed and lust for easy money overpowers application of mind and the capacity to think sanely. We ignore the fact that money invested legally and ethically can hardly ever give returns which are disproportionate with respect to prevailing market conditions. Yet regularly we hear of people losing their hard earned money by succumbing to fraudulent schemes which promise attractive returns or trusting someone who tempts them with windfall gains.

We must always remember that money does not grow on trees and investments/savings can fetch only normal returns which are in conformity with market norms. Our indulgence in fancy schemes and faith in promoters whose credentials are not verified arises due to lack of adequate knowledge and the ability to think rationally. Money lost is difficult to retrieve; though checks and balances are there it is only the well informed who can pursue his case by approaching the respective authorities for redressal. We need to

respect money for its value and its significance for sheer survival. Financial literacy is therefore crucial for the well being of an individual from any section of society.

### **What is Financial Literacy ?**

It is not logical to assume that all educated individuals are financially literate and the less educated are weak. In fact the converse could be true. What then is financial literacy? Simply expressed it is the ability to manage one's personal finance judiciously by making best/optimum use of one's resources. There are different financial products and services available which cater to different needs and requirements. Understanding these products and services and choosing according to the wants is what constitutes the right approach. These wants differ from individual to individual and even during the life span of a person the wants keep changing. The requirements are linked to the risk taking capacity as the element of safety is crucial in an individual's life.

Be it savings through bank/post office schemes, investing in stock markets or mutual funds, buying life cover and general insurance, raising loans or use of credit cards it is essential to know the products thoroughly to make a well thought out decision. A prudent man generally relies on his personal judgement rather than dubious relationship managers/un-solicited help as trust and integrity in financial matters are an absolute necessity. It is better to stay away from complex products and services if the knowledge levels are low as safeguarding of money is more important than taking unwanted risks. With the spread of technology and opening of the economy it has become even more important to select the appropriate product after due diligence. Though technology has made services swifter and efficient it has also introduced many

hazards. A thorough understanding of the safe-guards in the technology process is all the more essential to avoid being a victim of fraudulent transactions.

To appreciate the significance and relevance of financial literacy for sound money management it may be worthwhile to capture a few illustrations.

(1) Taking the simple example of payment of interest on savings bank accounts not many still know that interest is now paid on the daily balance in the account. Rather than withdrawing money which may not be immediately required for a week at least it would be profitable if the same amount remains with the bank as it would continue to earn interest for the account holder. Better still the surplus funds in a savings account could be transferred to a fixed deposit account which would give higher interest.

(2) Those seeking loans from banks often do not read the terms and conditions of the bank and blindly sign the documents thereby agreeing to the terms of the document. At times these papers are signed in blank without even bothering to understand the significance of the loan contract. Loan means having to fulfil many obligations by the borrower till it is cleared and pleading ignorance later does not help. In case of default the assets can be seized by the lender and the borrower has no scope to protect the asset without clearing the dues.

(3) Most loan documents require one or more guarantors to sign along with the borrower. This strengthens the lender in case the borrower defaults. How many really know that the guarantor is liable to pay if the borrower does not repay the dues. There are many instances where the guarantors regretted signing the documents and protested when they were asked to clear the loan. Such

protests citing ignorance or lack of knowledge are of no use later.

(4) Most credit card holders do not realize that interest on roll over dues are charged abnormally high interest rates and interest gets com-pounded every month if the balance remains unpaid. Moreover service tax is also levied on the interest amount. Higher the interest amount higher the service tax becomes payable.

(5) Non-banking finance com-panies and corporates invite deposits from the public with offer of higher interest rates than most banks. It is quite logical for certain persons to be tempted to invest their funds in these schemes for the additional interest amount. What is of prime importance is to study thoroughly the back-ground and strength of the company before investing as the repayment of the deposit on maturity is not guaran-teed. There are so many examples where the companies have not retur-ned the money on maturity for various reasons. Some have even disappeared from the market after mobilizing substantial money. Ima-gine the poor person of meager means having to suffer the loss of money as he deposited in good faith but without full knowledge.

(6) RBI regularly releases reports of forged or counterfeit currency notes in circulation and the need to be cautious. How many of us really bother to understand the security features of currency notes to identify forged notes and take preventive action. The desired know how can stop the fraudulent use of illegal money and prevent undesirable con-sequences. RBI's campaign 'Paisa Bolta Hai' is an excellent audiovisual presentation on the measures to check the authenticity of a currency note.

(7) For the sake of credit and debit card holders there are regular warnings to avoid sharing their PIN and card numbers with any third person. Despite the constant educa-tion it is often seen that card

users are asking total strangers at ATM centres and elsewhere how to operate their cards. The fact that they are inviting trouble is overlooked for the sake of momentary help. Little do we realize that knowledge can prevent many untoward happenings ?

(8) Insurance policies are purchased as tax savings schemes rather than the main objective of insuring life. The type of policy is also not properly understood as to the type of risk cover it is providing. Unfortunately the insurance agent is at times not fully educated himself or avoids suggesting the right policy for making higher commission payouts.

(9) Insurance policies carry a 15 days or in some cases one month free look period during which time the buyer can reconsider his decision to purchase the life cover. This enables the buyer to study carefully the features of the policy and compare it with his actual need. Very few really know about this facility which again demonstrates the need to be aware and vigilant.

(10) Retail investors enter the stock market hoping to make quick gains. Very few make their own independent studies but merely rely on hearsay. The results are obvious as a few lucky ones may make some money without adequate knowledge but the large majority suffer losses. There is also the 'ASBA' facility for subscribing to new issues without blocking one's funds but very few take advantage of it. SEBI has tried to popularize this facility in many ways through advertisement campaigns and it is for the investor to gain from it. Once again the informed person only benefits.

(11) Investing in mutual funds has also become fashionable because of the coverage the sector gets. Yet it is a matter of debate as to how many can differentiate between equity or debt funds or even hybrid varieties. The investment is not linked to the risk taking

capacity of the investor and his financial priorities. Often the investor is not aware whether his holdings in the fund belong to the growth or dividend option.

The above examples relate to very basic transactions but convey the significance of possessing sound knowledge for prudent decision making. Absence of financial literacy can truly damage substantially the interests of the persons concerned. It is difficult to escape for any age group as money is needed by all.

### **The Spread of Financial Literacy**

It is better to start early with the process of financial education as discipline in money matters is an important characteristic of an individual. Children should be taught the benefits of saving and introducing the age old concepts of having a piggy bank can be a welcome start. Schools need to inculcate these habits in students and gradually introduce them to the basics of personal finance. A beginning has already been made by introducing subjects on basic finance in the school curriculum at certain centres. Reserve Bank of India is promoting this early education of children by adopting a friendly and entertaining way through the medium of comics. They are also encouraging the young to participate in contests, the winners of which are awarded scholarships. It is the vulnerable sections of society like women, senior citizens, the rural and urban poor who need to be adequately educated and equipped. The Financial Literacy programme of RBI is tackling all these issues through different means. Their website is a store house of knowledge provided there is an urge to learn. The individual has to be proactive and be eager to grasp the necessary knowledge to safeguard himself and thereby his money. RBI is making extra efforts to be as transparent as possible in the larger interest of the

common citizen by reaching out to them through their out reach programmes. These pro-programmes which were held during the 75th year of RBI in 2010 in far corners of the country were primarily to educate the masses about the activities of RBI and how to utilize the available banking services for their betterment.

Most banks also have their financial literacy departments and credit counseling centres where personal problems are addressed. How much of these centres are successes is debatable because a very small percentage of people know about these facilities and even if they know there is an inherent hesitation to seek their help. The websites of banks and financial institutions also have all the details about their products and services. In case of doubts it is advisable to refer to these portals to avoid making any wrong or improper decision. The concern is that incomplete or half baked knowledge is not used to take decisions which are repented later.

BCSBI or Banking Codes and Standards Board of India has been set up by RBI as an apex body to improve the working of banks and introduce systemic changes wherever necessary for better treatment of customers. While their primary focus remains on customer service they are also participating in disseminating information on different aspects of banking. For an effective literacy campaign it is important that information asymmetry between service provider and customer is reduced. In this connection banks have unilaterally undertaken to comply with a Code of Commitment to Customers detailing the nature of services provided by banks, the normal time taken for rendering these services and the various obligations of banks who have signed these codes. Only when there is awareness can the customers use the code to their benefit. It is for the individual to take advantage of the provisions provided there

is will-ingness to learn. BCSBI also publishes a quarterly newsletter which is both informative and educative.

The importance of promoting financial literacy and the enormity of the task is being gradually under-stood. This has made many organi-zations enter this field to make their presence felt. Innovative ways have been adopted to keep the literacy efforts simple and user friendly for maximum benefit. Websites, print media and audio visual communi-cations relating to financial education are easily accessible for the average individual to improve his under-standing of the financial market, its products and services.

National dailies, banks, financial institutions, private organisations are individually contributing through easy to understand pamphlets, comic strips, newsletters etc. to reach the consumer covering fundamental issues. Seminars, conferences, inter-active sessions are often arranged to address issues of common concern and dissemination of information.

Spreading of information and awareness is critical for an emerging economy like India. If the vast popu-lation of deprived people is brought into the mainstream it would be of immense benefit both as a social necessity as well as an economic push. The call for financial inclusion in the country has therefore become an immediate priority and is engag-ing the attention of policy makers for effective execution. It would reap dividends only when the targeted people are financial literate. Only then would they be able to make the most appropriate choice of the pro-ducts and services which would improve their position. The vast majority of our people are extremely vulnerable as they depend upon informal sources of finance for meet-ing their needs. Only by empowering them with the adequate knowledge can we hope to improve their lot and that of

the economy as a whole. The penetration of banking and insurance services is extremely poor in India and if the coverage is extended by simultaneous spreading of financial literacy it would be a huge progress for overall growth. The formal channels of money transmission has to be introduced for all round benefit as for far too long the poor, gullible people have suffered at the hands of the money lender and his brethren.

The international body Orga-nisation for Economic Development OECD is putting its weight behind RBI in promoting financial literacy in India. There is no running away from this hard fact for which the financial service providers are also being trained to encourage the dissemi-nation of information in as compre-hensive a way as possible. However it is the individual as the consumer who needs to grasp and absorb the knowledge for his betterment and safety.

Money creation through the legi-timate way is hard and painstaking but can be lost in no time if there is improper financial planning.

Finan-cial awareness is a critical component in the process of protecting and enlarging the corpus of funds that an individual may have.

## **Economic Survey to have special chapter on financing of climate change**

The Finance Ministry will include a special chapter on financing of climate change in the Economic Survey, the Chief Economic Advisor, Mr Kaushik Basu, has said.

“This year we have decided to devote a special chapter on the topic of financing of climate change in the Economic Survey,” Mr Basu said while addressing a UNDP event.

Speaking at the event, the Economic Affairs Secretary, Mr R. Gopalan, said that the climate change issue is posing a challenge for the world.

“The challenges are both environmental and developmental.

Addressing climate change is a challenge for all humanity and it is in our interest that the world community address the issue effectively,” Mr Gopalan said.

He said there is a need to change the way we use natural resources and device new technology to meet the challenges.

As per the 2010-11 Economic Survey, India’s total carbon-di-oxide emissions were about 4 per cent of the global emissions. The survey also showed that it cost India 2.84 per cent of its GDP to adapt to climate change.

Studies show that even with 8-9 per cent GDP growth every year for the next decade, India’s per-capita emissions will be well below developed countries average.

## Bankrolling the banks

The Reserve Bank of India's (RBI) recently released draft guidelines on the proposed implementation of international norms of capital adequacy (Basel–III) would require Indian banks to mobilise huge sums of capital during the next five years. Under the existing Basel-II norms, the Indian banking industry has to maintain total capital — drawn from a combination of equity and preference shares plus long-term debt, both accorded lower priority to monies belonging to depositors — amounting to 9 per cent of their assets calibrated suitably for riskiness ('risk-weighted assets' or RWA). While the overall ratio has been retained under the proposed new norms, a minor reshuffle has been attempted between equity/preference stock holders and long-term bond holders in the event of a bank failure, with the former having to contribute an additional one percentage point capital to their existing 6 per cent of the total 9 per cent. Further, equity/preference share holders have to come up with an additional 2.5 percentage points in capital as a buffer for any unforeseen contingencies. That takes the aggregate capital adequacy ratio (CAR) to 11.5 per cent, of which common equity alone would make up 8 per cent. The emphasis is clearly not just on meeting a broadly defined overall CAR of 8 per cent (as it was two decades ago), but also on improving the transparency and quality of the capital base. The implementation period for all these is from January 1, 2013 to March 31, 2017.

The rationale behind fashioning a tighter capital (especially core equity) regulatory regime for banks stems largely from the banking crises that followed the global recession of 2008 and also the

ongoing European sovereign debt troubles. These have created renewed concerns over the banking sector's ability to withstand financial shocks and minimise risks of spill-over to the real economy. But implementation will be a huge challenge, with the estimates of fresh capital needed to be raised by all Indian banks ranging anywhere from Rs 1.4 lakh to Rs 3 lakh crore. Given the dominance of public sector banks, it would necessitate large government infusion of funds. Where this money is going to come from, if the Centre would not even be prepared to dilute its stake below 51 per cent, is a huge question mark. This issue came to the fore not too long back, when Moody's downgraded the State Bank of India's credit rating, after its Tier-1 CAR fell below the Government's own 8 per cent prescription.

Related to this is the more immediate problem of rising non-performing assets (NPA) on account of loans to a host of troubled sectors from telecom and airlines to power. As these mount – under pressure from high interest rates and the general economic slowdown – banks would have to find resources to maintain even existing capital adequacy levels. The RBI, under the circumstances, cannot be totally oblivious to concerns over the proposed implementation schedule for Basel-III, which is seen to be rather frontloaded.

## BANK EXAMS GENERAL AWARENESS PRACTICE QUESTIONS

1. Which country's lower house of Parliament is called Wolesi Jirga?

- 1) Russia
- 2) Afghanistan
- 3) Japan
- 4) Pakistan
- 5) Bangladesh

2. Which of the following statements is/are correct?

1) The UNESCO-Madanjeet Singh Prize for the Promotion of Tolerance and Non-Violence is a prize awarded every two years by UNESCO.

2) This award has been instituted in memory of Mahatma Gandhi.

3) This prize of US \$ 1,00,000 was made possible by the donation of the Indian diplomat Madanjeet Singh who is also the Goodwill Ambassador of UNESCO.

4) The 2011 awardees are Afghanistan's women's rights campaigner Anarkali Honaryar and Palestinian peace activist Khaled Abu Awwad.

5) All the above statements are correct.

3. Who among the following was chosen for the UNESCO-Madanjeet Singh Prize for the Promotion of Tolerance and Non-Violence in 2002, but was allowed to accept the prize only in November 2011?

- 1) Taslima Nasreen (Bangladesh)

- 2) Aung San Suu Kyi (Myanmar)
- 3) Francois Houtart (Belgium)
- 4) Abdul Sattar Edhi (Pakistan)
- 5) None of these

4. Which of the following days is observed as the International Day for Tolerance?

- 1) October 2
- 2) November 16
- 3) October 24
- 4) October 16
- 5) November 14

5. Scientists have found the best evidence yet for water just beneath the surface of Europa. Europa is the icy moon of which of the following planets?

- 1) Mars
- 2) Saturn
- 3) Jupiter
- 4) Venus
- 5) Uranus

6. Which of the following countries is not a member of the Nuclear Suppliers Group (NSG)?

- 1) USA
- 2) Australia
- 3) Canada
- 4) India
- 5) France

7.Metro Cash& Carry is planning to invest Rs. 2400 crore in India on new stores in the next four years. To which country does this retailing giant belong?

- 1) Germany
- 2) Indonesia
- 3) Singapore
- 4) Malaysia
- 5) USA

8.The renovated Advanced Landing Ground (ALG) of Vijay-nagar, a completely air-maintained and strategically located human settlement, was inaugurated recently. In which state is this Vijaynagar airfield located?

- 1) Assam
- 2) Nagaland
- 3) Karnataka
- 4) Arunachal Pradesh
- 5) None

9.A delegation from the United States Nuclear Regulatory Commission (USNRC) visited the nuclear facilities at Kalpakkam. In which state is Kalpakkam situated?

- 1) Karnataka
- 2) Kerala
- 3) Tamil Nadu
- 4) Maharashtra
- 5) None of these

10.The United Nations General Ass-embly has re-elected who among the following as a member of the International Law Commission (ILC) for a five- year term?

- 1) Mota Singh
- 2) Narinder Singh
- 3) Swaraj Paul
- 4) P.Venkat Ram Reddy
- 5) None

11.What is the disinvestment target for the current financial year i.e. 2011-12?

- 1) Rs.25, 000 crore
- 2) Rs.30, 000 crore
- 3) Rs.40, 000crore
- 4) Rs.50, 000 crore
- 5) None

12.Gloria Macapagal Arroyo was arrested for electoral fraud recently. She was the President of which of the following countries from 2001 to 2010?

- 1) Singapore
- 2) Philippines
- 3) Venezuela
- 4) Honduras
- 5) Vietnam

13.Sarath Fonseka was sentenced to spend three more years in prison in November 2011. He is the former army chief of which of the following countries?

- 1) Nepal
- 2) Mauritius
- 3) Sri Lanka
- 4) Pakistan
- 5) Myanmar

14. Which of the following badminton tournaments was won by Saina Nehwal in the year 2011?

- 1) Singapore Super Series
- 2) Indonesia Super Series
- 3) Hong Kong Super Series
- 4) All England Badminton Championship
- 5) None

15. Guru Saidutt excelled in which of the following sports?

- 1) Table Tennis
- 2) Badminton
- 3) Lawn Tennis
- 4) Volleyball
- 5) Basketball

16. Which of the following trains covers the largest rail route in the country 4,286 km?

- 1) Vivek Express (Dibrugarh to Kanya Kumari)
- 2) Himsagar Express (Jammu Tawi to Kanya Kumari)
- 3) Dibrugarh-Chennai Express
- 4) Howrah-Amritsar Express
- 5) None of these

17. Sukh Ram was sentenced to five years' imprisonment by a special CBI Court in November 2011. He was a Minister of State for Communications in which of the following governments?

- 1) A.B. Vajpayee
- 2) P.V. Narasimha Rao
- 3) Rajiv Gandhi
- 4) Indira Gandhi
- 5) None

18. Eurasian Union is an economic body designed to reintegrate the former Soviet economies. Which of the following countries is not a member of this new group?

- 1) Russia
- 2) Kazakhstan
- 3) Belarus
- 4) Georgia
- 5) All the above mentioned countries are members

19. Basil D' Oliveira, the South Africa-born English player passed away recently. He was a renowned player in which of the following sports?

- 1) Football
- 2) Cricket
- 3) Rugby
- 4) Basketball
- 5) Boxing

20. Which Indian leader was honored by Singapore as a "Friend to our Shores" and a "Visionary" in November 2011?

- 1) Jawaharlal Nehru
- 2) Mahatma Gandhi
- 3) Sardar Vallabhbhai Patel
- 4) Indira Gandhi
- 5) A.B.Vajpayee

21. Which of the following groups/ organizations has funded a sports centre in Ramallah, Palestine?

- 1) BRICS
- 2) BASIC
- 3) IBSA
- 4) SAARC
- 5) APEC

22. Which was the first non-Arab state to recognize the Palestine Liberation Organization (PLO) in 1975?

- 1) India
- 2) Israel
- 3) China
- 4) USA
- 5) France

23. The Bar Council of India (BCI) was formed in 1961 as a regulatory body for the legal profession governed by the Indian Advocates Act. It is celebrating its golden jubilee. Who is its present Chairman?

- 1) Satish Abarao Deshmukh
- 2) Ashok K. Parija
- 3) S.Prabakaran

- 4) T.S.Ajith
- 5) None of theses

24. Tipaimukh Dam is a proposed dam on the river Barak in which state of India? (This project has led to a controversy between India and Bangladesh)

- 1) Assam
- 2) Nagaland
- 3) Manipur
- 4) Tripura
- 5) Arunachal Pradesh

25. Which team was crowned overall champions at the 65th Senior National Aquatic Championships in Ranchi in November 2011?

- 1) Karnataka
- 2) Maharashtra
- 3) Railways
- 4) Kerala
- 5) Gujarat

26. Which woman swimmer won 5 gold medals in the 65th Senior National Aquatic Championships held in Ranchi in November 2011?

- 1) Pooja Alva
- 2) Richa Mishra
- 3) Bhoomi Motwani
- 4) Talasha Prabhu
- 5) Surabhi Tipre

27. Who won the Men's singles title at the Hong Kong Open

badminton championships in November 2011?

- 1) Lin Dan
- 2) Chen Jin
- 3) Cai Yun
- 4) Fu Haifeng
- 5) None

28. Which of the following teams won the Presidents Cup golf tournament in November 2011?

- 1) Internationals
- 2) USA
- 3) Europe
- 4) Australia
- 5) None

29. Which of the following teams has won both the men's and women's Kabaddi world cup that was held in Ludhiana in November 2011?

- 1) Canada
- 2) Pakistan
- 3) USA
- 4) India
- 5) Australia

30. Who has been selected for the Indira Gandhi Prize for Peace, Disarmament and Development 2011, an award instituted by the Indira Gandhi Memorial Trust?

- 1) Sheikh Hasina
- 2) Ela Bhatt

- 3) Angela Merkel
- 4) Hillary Clinton
- 5) Medha Patkar

31. Which city will host the 2018 Commonwealth Games?

- 1) Hambantota (Sri Lanka)
- 2) Glasgow (Scotland)
- 3) Gold Coast (Australia)
- 4) Wellington (New Zealand)
- 5) London (United Kingdom)

32. Mohammad Zillur Rahman is the President of which of the following countries?

- 1) Pakistan
- 2) Bangladesh
- 3) Iran
- 4) Afghanistan
- 5) Syria

33. Which of the following institutions decides the Bank rate?

- 1) SEBI
- 2) SBI
- 3) IRDA
- 4) NABARD
- 5) RBI

34. Which scientist was conferred with the Ernesto Illy Trieste Science Prize for 2011 in November 2011? (This prize was instituted by the Academy of Sciences of the Developing World. It

carries a cash component of 1,00,000 dollars. It seeks to honor distinguished scientists from developing countries.)

- 1) Tessy Thomas
- 2) V.K.Saraswat
- 3) C.N.R Rao
- 4) Venkatraman Ramakrishnan
- 5) None of these

35. National Income Accounting, Conduct of Annual Survey of Industries, Economic Census and its follow up surveys, compilation of index of industrial production, etc. are some of the activities of which of the following institutions/organizations?

- 1) Reserve Bank of India
- 2) Planning Commission
- 3) Central Statistics Office
- 4) National Development Council
- 5) Unique Identification Authority of India

36. The distribution of Teesta river water is a bone of contention between India and which of the following countries?

- 1) Pakistan
- 2) Nepal
- 3) China
- 4) Bangladesh
- 5) Bhutan

37. Which of the following organizations/ agencies was set up to boost overall rural development in India?

- 1) RBI

- 2) SIDBI
- 3) NABARD
- 4) SEBI
- 5) None of these

38. BR Act controls banking activities in India. What does the letter 'R' denote?

- 1) Reformation
- 2) Regulation
- 3) Reporting
- 4) Ranking
- 5) None of these

39. Who is the ex-officio Chairman of the Rajya Sabha?

- 1) Meira Kumar
- 2) Mohammad Hamid Ansari
- 3) Karia Munda
- 4) K. Rahman Khan
- 5) Manmohan Singh

**ANSWERS:**

1. (2) 2. (5) 3. (2) 4. (2) 5. (3) 6. (4) 7. (1) 8. (4) 9. (3) 10. (2)  
11. (3) 12. (2) 13. (3) 14. (5) 15. (2) 16. (1) 17. (2) 18. (4) 19. (2) 20.  
(1)  
21. (3) 22. (1) 23. (2) 24. (3) 25. (1) 26. (2) 27. (1) 28. (2) 29. (4) 30.  
(2)  
31. (3) 32. (2) 33. (5) 34. (3) 35. (3) 36. (4) 37. (3) 38. (2) 39. (2)

## **RBI releases Mid Quarter Monetary Policy Review**

### **Monetary Measures**

On the basis of the current macroeconomic assessment, it has been decided to:

- keep the cash reserve ratio (CRR) unchanged at 6 per cent; and
- keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8.5 per cent.

Consequently, the reverse repo rate under the LAF will remain unchanged at 7.5 per cent and the marginal standing facility (MSF) rate at 9.5 per cent.

### **Introduction**

Since the Reserve Bank's Second Quarter Review (SQR) of October 25, 2011, the global economic outlook has worsened significantly. The recent European Union (EU) summit agreement did not assuage negative market sentiments, thereby increasing the likelihood of persistent financial turbulence as well as a recession in Europe. Both factors pose threats to emerging market economies (EMEs), including India. Significantly, despite these developments, crude oil prices remain elevated.

On the domestic front, growth is clearly decelerating. This reflects the combined impact of several factors: the uncertain global environment, the cumulative impact of past monetary policy tightening and domestic policy uncertainties.

Both inflation and inflation expectations are currently above the comfort level of the Reserve Bank. However, reassuringly,

inflationary pressures are expected to abate in the coming months despite high crude oil prices and rupee depreciation. The growth deceleration is contributing to a decline in inflation momentum, which is also being helped by softening food inflation.

### **Global Economy**

The global economic situation continues to be fragile with no credible solution as yet to the immediate euro area sovereign debt problem. At the EU summit on December 8-9, the European leaders agreed on a new fiscal compact, involving stronger coordination of economic policies to strengthen fiscal discipline. While the agreement is necessary for medium and long-term sustainability of the euro area, its ability to resolve short-term funding pressures was questioned by markets. Q3 euro area growth, at 0.8 per cent, was anaemic and 2012 growth is now expected to be weaker than earlier projected. Reflecting these projections, the European Central Bank (ECB) cut its policy rate twice in the last two months, and also implemented some non-standard measures. By contrast, growth in the US in Q3 of 2011 was better than in Q2, although still substantially below trend.

Growth in EMEs is also moderating on account of sluggish growth in advanced economies and the impact of monetary tightening to contain inflation. In view of the slowing down of their economies, Brazil, Indonesia, Israel and Thailand cut their policy rates, while China cut its reserve requirements. EME currencies have also come under varying degrees of downward pressure as a result of global risk aversion and financial stress emanating from the euro area.

### **Domestic economy**

## **Growth**

GDP growth moderated to 6.9 per cent in Q2 of 2011-12 from 7.7 per cent in Q1 and 8.8 per cent in the corresponding quarter a year ago. The deceleration in economic activity in Q2 was mainly on account of a sharp moderation in industrial growth. On the expenditure side, investment showed a significant slowdown. Overall, during the first half (April-September) of 2011-12, GDP growth slowed down to 7.3 per cent from 8.6 per cent last year. Industrial performance has further deteriorated as reflected in the decline of the index of industrial production (IIP) by 5.1 per cent, y-o-y, in October 2011. This was mainly due to contraction in manufacturing and mining activities. The contraction was particularly sharp in capital goods with a y-o-y decline of 25.5 per cent, reinforcing the investment decline story emerging from the GDP numbers.

Other indicators also suggest a similar tendency, though by no means as dramatic as the IIP. The HSBC purchasing managers' index (PMI) for manufacturing suggested further moderation in growth in November 2011. However, PMI-services index recovered in November from contractionary levels in the preceding two months. Corporate margins in Q2 of 2011-12 moderated significantly as compared with their levels in Q1. The decline in margins was largely on account of higher input and interest costs. Pricing power is evidently declining.

On the food front, the progress of sowing under major rabi crops so far has been satisfactory, with area sown under foodgrains and pulses so far being broadly comparable with that of last year.

## **Inflation**

On a y-o-y basis, headline WPI inflation moderated to 9.1 per cent in November from 9.7 per cent in October, driven largely by decline in primary food articles inflation. Fuel group inflation went up marginally. Notably, non-food manufactured products inflation remains elevated, actually increasing to 7.9 per cent in November from 7.6 per cent in October, reflecting rising input costs. The new combined (rural and urban) consumer price index (base: 2010=100) rose further to 114.2 in October from 113.1 in September. Inflation in terms of other consumer price indices was in the range of 9.4 to 9.7 per cent in October 2011. Reassuringly, headline momentum indicators, such as the seasonally adjusted month-on-month and 3-month moving average rolling quarterly inflation rate, show continuing signs of moderation.

### **External sector**

Merchandise exports growth decelerated sharply to an average of 13.6 per cent y-o-y in October-November from an average of 40.6 per cent in the first half of 2011-12. However, as imports moderated less than exports, the trade deficit widened, putting pressure on the current account. This, combined with rebalancing of global portfolios by foreign institutional investors and the tendency of exporters to defer repatriating their export earnings, has led to significant pressure on the rupee.

As on December 15, 2011, the rupee had depreciated by about 17 per cent against the US dollar over its level on August 5, 2011, the day on which the US debt downgrade happened. In the face of this, several measures were taken to attract inflows. Limits on investment in government and corporate debt instruments by foreign investors were increased. The ceilings on interest rates payable on nonsresident deposits were raised. The allsincost

ceiling for external commercial borrowings was increased. Further, a series of administrative measures that discourage speculative behaviour were also initiated. The Reserve Bank is closely monitoring the developments in the external sector and it will respond to the evolving situation as appropriate.

### **Fiscal Situation**

The central government's key deficit indicators worsened during 2011-12 (April-October), primarily on account of a decline in revenue receipts and increase in expenditure, particularly subsidies. The fiscal deficit at 74.4 per cent of the budgeted estimate in the first seven months of 2011-12 was significantly higher than 42.6 per cent in the corresponding period last year (about 61.2 per cent if adjusted for more than budgeted spectrum proceeds received last year). The likely slippage in this year's fiscal deficit has inflationary implications.

### **Money, Credit and Liquidity Conditions**

The y-o-y money supply (M3) growth moderated from 17.2 per cent at the beginning of the financial year to 16.3 per cent on December 2, 2011, although still higher than the projected trajectory of 15.5 per cent for the year. Y-o-y non-food credit growth at 17.5 per cent on December 02, 2011, however, was below the indicative projection of 18 per cent.

Consistent with the stance of monetary policy, liquidity conditions have remained in deficit during this fiscal year. However, the deficit increased significantly beginning the second week of November 2011. The average borrowings under the daily LAF increased to around ₹89,000 crore during November-December (up to December 15, 2011) from around ₹49,000 crore during April-October 2011. The Reserve Bank conducted open market

operations (OMOs) on three occasions in November-December 2011 for an amount aggregating about ₹ 24,000 crore to ease liquidity conditions.

There are currently no significant signs of stress in the money market. The overnight call money rate is stable around the policy repo rate and liquidity facilities such as marginal standing facility (MSF) remain unutilised. However, in view of the fact that borrowings from the LAF are persistently above the Reserve Bank's comfort zone, further OMOs will be conducted as and when seen to be appropriate.

### **Outlook**

Global growth for 2011 and 2012 is now expected to be lower than earlier anticipated. Increased strains in financial markets on the back of growing concerns over euro area sovereign debt, limited monetary and fiscal policy manoeuvrability, high unemployment rates, weak housing markets and elevated oil prices are all contributory factors. These factors have also contributed to moderating growth in the EMEs. As a consequence of all-round slower growth, inflation has also started declining, both in advanced countries and EMEs.

On the domestic front, agricultural prospects look promising on the back of expected record kharif output and satisfactory progress on rabi sowing. However, industrial activity is moderating, driven by deceleration in investment, which is a matter of serious concern.

Overall, the growth momentum in the economy is clearly moderating. Further, considering the global and domestic macroeconomic situation, the downside risks to the Reserve Bank's growth projection, as set out in the SQR, have increased significantly.

Between the First Quarter Review (FQR) and the SQR, while non-oil commodity prices had declined significantly, the rupee too had depreciated sharply. Consequently, the headline inflation projection at 7 per cent for March 2012, as set out in the FQR, was retained in the SQR. With moderation in food inflation in November 2011 and expected moderation in aggregate demand and hence in non-food manufactured products inflation, the inflation projection for March 2012 is retained at 7 per cent.

The Reserve Bank will make a formal numerical assessment of its growth and inflation projections for 2011-12 in the third quarter review of January 2012.

### **Guidance**

While inflation remains on its projected trajectory, downside risks to growth have clearly increased. The guidance given in the SQR was that, based on the projected inflation trajectory, further rate hikes might not be warranted. In view of the moderating growth momentum and higher downside risks to growth, this guidance is being reiterated. From this point on, monetary policy actions are likely to reverse the cycle, responding to the risks to growth.

However, it must be emphasised that inflation risks remain high and inflation could quickly recur as a result of both supply and demand forces. Also, the rupee remains under stress. The timing and magnitude of further actions will depend on a continuing assessment of how these factors shape up in the months ahead.

## BANK EXAMS GENERAL AWARENESS MCQs

1. Sushil Kumar, the winner of 'Kaun Banega Crorepati', was appointed as the brand ambass-ador for which of the following programmes?

- 1) JNNURM
- 2) IAY
- 3) Bharat Nirman
- 4) MGNREGA
- 5) None of these

2. Mario Monti became the new Prime Minister of which of the following countries in November 2011? (He succeeded Silvio Berlusconi)

- 1) France
- 2) Greece
- 3) Italy
- 4) Russia
- 5) Poland

3. Which of the following statements about the International Child-ren's Film Festival is/are correct?

- 1) The 17th International Childr-en's Film Festival was titled 'The Golden Elephant'.
- 2) The film festival was organiz-ed by the Children's Film Soc-iety of India (CFSI). Nandita Das is the chairperson of CFSI.
- 3) In the Indian competition section, 'Chillar Party' won the Best Feature Film.

- 4) Alafzar(Meadow), an Iranian film, was adjudged the Best Feature Film in the Competit-ion International section.
- 5) All the above are correct.

4. Which of the following countries was suspended from the Arab League in November 2011?

- 1) Qatar
- 2) Syria
- 3) Jordan
- 4) Libya
- 5) Saudi Arabia

5. Which is the first Indian comp-any to be listed in NASDAQ?

- 1) TCS
- 2) Reliance
- 3) Infosys
- 4) Wipro
- 5) None of these

6. With which game is Vijay Hazare Trophy associated?

- 1) Hockey
- 2) Football
- 3) Tennis
- 4) Table Tennis
- 5) Cricket

7. Which of the following countries is not a member of ASEAN?

- 1) Pakistan
- 2) Indonesia

- 3) Singapore
- 4) Malaysia
- 5) Thailand

8. Renowned cricket writer Peter Roebuck committed suicide recently. He was the captain of which of the following English county teams in the 1980s?

- 1) Oxford shire
- 2) Somerset
- 3) Kent
- 4) Essex
- 5) Sussex

9. Which city hosted the 17th International Children's Film Festival in November 2011?

- 1) Mumbai
- 2) Bangalore
- 3) Hyderabad
- 4) New Delhi
- 5) None of these

10. Who was named the Male World Athlete of the Year for 2011 by athletics' governing body, the International Association of Athletics Federation (IAAF)?

- 1) Yohan Blake (Jamaica)
- 2) Kirani James (Grenada)
- 3) Usain Bolt (Jamaica)
- 4) LaShawn Merritt (USA)
- 5) None of these

11. Sally Pearson, the world 100m hurdles champion, was named the Female World Athlete of the year for 2011 by the IAAF. To which country does she belong?

- 1) Australia
- 2) New Zealand
- 3) U.K.
- 4) U.S.A.
- 5) Denmark

12. Which of the following awards/ prizes is given for science?

- 1) Templeton Prize
- 2) Jnanpith Award
- 3) Phalke Ratna
- 4) Shanti Swarup Bhatnagar Award
- 5) None of these

13. Who is the author of the book 'The Exile', which is based on the life of Duleep Singh, the last Maharaja of Lahore?

- 1) Chetan Bhagat
- 2) Navtej Sarna
- 3) Mulk Raj Anand
- 4) Khushwant Singh
- 5) None of these

14. Which of the following is not a plantation crop?

- 1) Rubber
- 2) Arecanut
- 3) Cocoa

- 4) Potato
- 5) Coconut

15. The term Bull's eye is associated with which of the following sports?

- 1) Badminton
- 2) Boxing.
- 3) Shooting
- 4) Cricket
- 5) Hockey

16. Which of the following is/are considered as allied agricultural activity?

- 1) Poultry
- 2) Fisheries
- 3) Dairy
- 4) Sheep rearing
- 5) All the above

17. Which of the following program-mes was launched by the govern-ment to develop rural infrastru-ct-ure in India?

- 1) SHGs
- 2) Bharat Nirman
- 3) JNNURM
- 4) IAY
- 5) None of these

18. Which of the following is not the name of a foreign bank?

- 1) BNP Paribas

- 2) Deutsche Bank
- 3) Barclays
- 4) Cathay Pacific
- 5) RBS

19. Which of the following schemes has been successful in attracting children to come to school and get educated?

- 1) MGNREGA
- 2) Food for Work
- 3) Mid Day Meal
- 4) NRLM
- 5) None of these

20. Guru Tegh Bahadur Gold Cup tournament is associated with which of the following sports?

- 1) Hockey
- 2) Badminton
- 3) Cricket
- 4) Soccer
- 5) None of these

21. Where is the National Commodity and Derivatives Exchange Limited (NCDEX) located?

- 1) Hyderabad
- 2) Mumbai
- 3) Kolkata
- 4) Bangalore
- 5) New Delhi

22. Which former Chief Election Commissioner is the author of the book 'The Miracle of Democracy: India's Amazing Journey'?

- 1) T.N.Seshan
- 2) M.S.Gill
- 3) B.B.Tandon
- 4) T.S.Krishnamurthy
- 5) Navin Chawla

23. What is the full form of 'POS'?

- 1) Permission of Sale
- 2) Point of Sale
- 3) Point of Support
- 4) Potential of Service
- 5) None

24. Which of the following is not a banking term?

- 1) Overdraft
- 2) CBS
- 3) Equator
- 4) Account payee
- 5) SME Finance

25. The Doing Business Report (DBR) is released every year by which of the following institutions?

- 1) IMF
- 2) World Bank
- 3) WTO
- 4) ADB
- 5) UNCTAD

26. Which of the following banking terms is used to describe bad loans?

- 1) CBS
- 2) NPA
- 3) RTGS
- 4) Prime Loans
- 5) Prime Assets

27. Which country's currency is called Yen?

- 1) China
- 2) North Korea
- 3) South Korea
- 4) Japan
- 5) Thailand

28. Which of the following approves the draft of the Five Year Plans?

- 1) Planning Commission
- 2) National Innovation Council
- 3) National Development Council
- 4) Finance Commission
- 5) None of these

29. Which of the following is an extra-constitutional and non-statutory body?

- 1) Election Commission
- 2) Finance Commission
- 3) Planning Commission

- 4) Union Public Service Commission
- 5) None of these

30. Which of the following gives Crystal Award?

- 1) WTO
- 2) WEF
- 3) APEC
- 4) IBRD
- 5) ADB

31. Which of the following decides the distribution of tax incomes between the central and state governments?

- 1) Law Commission
- 2) Pay Commission
- 3) Planning Commission
- 4) Finance Commission
- 5) Administrative Reforms Commission

32. Who is the author of the book 'Termites in the Trading System'?

- 1) Jagdish Bhagwathi
- 2) Amartya Sen
- 3) M.S.Swaminathan
- 4) Paul Krugman
- 5) None of these

33. Which of the following is not a football club?

- 1) Chelsea
- 2) Arsenal
- 3) Manchester United

- 4) Monte Carlo
- 5) Liverpool

34. Putrajaya is the administrative capital of which of the following countries?

- 1) Malaysia
- 2) Indonesia
- 3) Sri Lanka
- 4) Nepal
- 5) None of these

35. Which of the following South American countries is a member of the Organization of Petroleum Exporting Countries (OPEC)?

- 1) Peru
- 2) Ecuador
- 3) Chile
- 4) Brazil
- 5) Argentina

**ANSWERS:**

- 1) 4 2) 3 3) 5 4) 2 5) 3
- 6) 5 7) 1 8) 2 9) 3 10) 3
- 11) 1 12) 4 13) 2 14) 4 15) 3
- 16) 5 17) 2 18) 4 19) 3 20) 1
- 21) 2 22) 4 23) 2 24) 3 25) 2
- 26) 2 27) 4 28) 3 29) 3 30) 2
- 31) 4 32) 1 33) 4 34) 1 35) 2

## **Crisis management group for financial markets on cards**

With high volatility in the equity and currency markets, the Government aims to set up an empowered 'Crisis Management Group' for the financial markets. This group is likely to take shape on December 8, when the sub-committee of the Financial Stability and Development Council (FSDC) will meet.

It is proposed to nominate a Deputy Governor of the Reserve Bank of India as the Chairman, along with senior officials from market regulator SEBI, insurance regulator IRDA, pension regulator PFRDA and the Ministry of Finance as members.

A senior Government official familiar with the development says, "The effort is to bring sufficiently high level of representation, so that prompt decisions could be taken for effective crisis management."

He said that though every segment of the financial sector has crisis prevention systems in place, an integrated system was needed to avoid sudden shocks which can quickly spread across market segments and institutions. The genesis of the crisis may be different from time to time, but the manifestation is similar.

Timely management of the crisis requires early detection of fault lines based on information on diverse institutions and markets, he added.

The official explained the whole concept with the impact of Euro zone crisis on the Indian capital and financial systems. The benchmark BSE Sensex is down by over 18 per cent from January. Analysts say it is because foreign institutional investment in equity markets has turned negative by \$187 million (January 3-December 2, 2011).

This and several other factors have impacted the rupee, which depreciated by over 15 per cent.

On the other hand, a sudden fall in the market price of equity or debt instruments might trigger redemption pressure on mutual funds.

### **Liquid funds**

Among mutual funds, as on October 31, 2011, income funds had the largest share of assets at 45 per cent, followed by liquid or money market funds with 24 per cent and equity funds with 23 per cent. Here the most happening segment is liquid fund.

As on September 30, the investor profile of liquid funds was dominated by corporates with 75 per cent share and banks/financial institutions with 20 per cent.

Now, when corporates, banks or any other financial institutions face liquidity shortfall, they start withdrawing from liquid funds.

At the same time, fresh investment falls, leading to liquidity pressure on entities like non-banking financial companies, which receive investments from liquid funds.

# IBPS CLERKS EXAM GENERAL AWARENESS MODEL PAPER

1. Who among the following served as the first chairman of the governing body of IBPS?

- 1) Dr. Manmohan Singh
- 2) Sir Smith
- 3) P. C. Mahalanobis
- 4) Dr. J.C. Chakraborty
- 5) Dr. A.K. Qureshi

2. 'Saranda Action Plan', has been recently launched by Rural Development Ministry. It will be implemented firstly in Naxal-hit Saranda district of which among the following states?

- 1) Chhattisgarh
- 2) Jharkhand
- 3) Odisha
- 4) Punjab

5) Haryana

3. How many key infrastructure sectors are known as Core sector in India Economy used for Index of Industrial Production (IIP) data?

- 1) six
- 2) seven
- 3) eight
- 4) ten
- 5) three

4. The Ennahda Party has emerged as largest political party in the first elections after the Arab Spring in which among the following countries?

- 1) Tunisia
- 2) Syria
- 3) Libya
- 4) Algeria
- 5) Sudan

5. Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) was initiated by which among the following countries?

- 1) India
- 2) Sri Lanka
- 3) Maldives
- 4) Mauritius
- 5) Nepal

6. Nabam Tuki has been sworn in as Chief Minister of which among the following states recently?

- 1) Nagaland
- 2) Mizoram
- 3) Arunachal Pradesh
- 4) Meghalaya
- 5) Sikkim

7. Who among the following has recently topped the Fortune India's 50 Most Powerful Women in Business list?

- 1) Kiran Mazumdar Shaw
- 2) Chanda Kochar
- 3) Ekta Kapoor
- 4) Shikha Sharma
- 5) Lalitha Dutta

8. Which among the following decides the Saving Banks Account Interest Rate in India?

- 1) Ministry of Finance
- 2) Reserve Bank of India
- 3) Indian Banks' Association (IBA)
- 4) Banks themselves
- 5) IBPS

9. For which among the following criminal activities related to Business, tycoon Raj Rajaratnam was sent to jail recently?

- 1) Terrorist Funding
- 2) Insider Trading
- 3) Tax Evasion
- 4) Hawala Transaction
- 5) Smuggling

10. Which of the following banks recently completed its Platinum Jubilee celebrations?

- 1) Central Bank of India
- 2) Reserve bank of India
- 3) Andhra Bank
- 4) Canara Bank
- 5) IDBI

11. Unique Identification Authority of India (UIDAI), which provides AADHAAR is a part of which among the following?

- 1) National Development Council
- 2) Planning Commission
- 3) Ministry of Home Affairs
- 4) Ministry of Planning and Implementation
- 5) Planning and Statistics

12. Which among the following country is the host to 17th South Asian Association for Regional Cooperation (SAARC) summit in November 2011?

- 1) Bangladesh
- 2) Maldives
- 3) Nepal
- 4) Pakistan
- 5) India

13. Accounts are allowed to be operated by cheques in respect of \_\_\_\_\_

- 1) Both saving bank accounts and fixed deposit accounts

- 2) Both saving bank accounts and current accounts
- 3) Both saving bank accounts and loan accounts
- 4) Both saving bank accounts and cash accounts
- 5) Both saving bank account and credit accounts

14. Vasanth Sathe , who recently died is known for spearheading the move to bring which among the following to India 1980s?

- 1) Personal Computers
- 2) Color TVs
- 3) Washing Machines
- 4) Motor Cycles
- 5) Telecom revolution

15. Recently which of the following bank celebrated its CENTENARY Anniversary ?

- 1) Andhra Bank
- 2) Bank of India
- 3) Central Bank of India
- 4) Vijaya Bank
- 5) Canara Bank

16. The students of which among the following institutions have built the 'Jugnu' satellite which is a remote-sensing satellite that will monitor vegetation and waterbodies?

- 1) IIT Kanpur
- 2) IIT Kharagpur
- 3) SRM University
- 4) Andhra University
- 5) Delhi University

17. Who among the following is the winner of 26th Indira Gandhi Award for National Integration?

- 1) Anil Kakodkar
- 2) Amjad Ali Khan
- 3) Mohan Dharia
- 4) Prof. Jagdish Bhagwati
- 5) Prof. Niharika VidyaSagar

18. On October 25, the Reserve Bank of India (RBI) had deregulated the savings bank deposit rates and asked banks to determine their own. Banks are required to offer a uniform rate on deposits up to which among the following amounts?

- 1) Rs. 50,000
- 2) Rs. 1,00,000
- 3) Rs. 1,20,000
- 4) Rs. 1,50,000
- 5) Rs. 2,00,000

19. What is the requirement of the minimum capital adequacy ratio under the new Basel III guidelines released in 2010?

- 1) 9%
- 2) 9.5%
- 3) 10%
- 4) 10.5%
- 5) 11%

20. Which among the following states have topped India Human Development Report 2011?

- 1) Kerala
- 2) Tamil Nadu
- 3) Himachal Pradesh
- 4) Punjab
- 5) Andhra Pradesh

21. Who among the following is India's Permanent Representative to the United Nations?

- 1) Arundhati Ghose
- 2) Hardeep Singh Puri
- 3) B N Rau
- 4) Nirupam Sen
- 5) Nidhi Razdan

22. P. C. Haldar was recently making news for being appointed as interlocutor by the Government to remove bottlenecks on the road to a dialogue in which among the following issues in India?

- 1) Gorkhaland Talks
- 2) Assam Peace Talks
- 3) Jammu & Kashmir Problem
- 4) Naxalite Problem
- 5) Delhi bomb blasts

23. Before it was transferred to Agriculture Insurance Company of India Ltd, the National Agricultural Insurance Scheme was being implemented by which among the following companies?

- 1) General Insurance Corporation of India
- 2) Oriental Insurance Company Ltd.
- 3) New India Assurance Company Ltd.

- 4) National Insurance Company Ltd
- 5) Food Corporation of India

24. As per the latest data, which among the following is the nearest figure to the average population of India per bank branch?

- 1) 8000
- 2) 13000
- 3) 18000
- 4) 21000
- 5) 25000

25. Who among the following is the current Chief of National Security Guards?

- 1) AK Mitra
- 2) JK Dutt
- 3) NPS Aulakh
- 4) Rajan K Medhekar
- 5) Jagadish Patnaik

26. RBI has decided to release Rs 5 coin to mark the 1000 years of which of the following temple recently ?

- 1) Vaishno Devi temple
- 2) Brihadeswara temple
- 3) Kashi Vishwanath temple
- 4) Sabarimala Temple
- 5) Tirumala Dwaraka

27. Which of the following approved \$ 1 billion loan for the National Ganga River Basin project recently ?

- 1) Asian Development Bank
- 2) World Bank
- 3) UNEP
- 4) IMF
- 5) None

28. The National Green tribunal headquartered at Delhi will have benches at all the following places except \_\_\_\_

- 1) Bhopal
- 2) Pune
- 3) Kolkatta
- 4) Jaipur
- 5) Chennai

29. India assumed the chairmanship of which of the following international organisations in September 2011 ?

- 1) G24
- 2) BRICS
- 3) G20
- 4) G8
- 5) IBSA

30. Which of the following is a private sector bank ?

- 1) Corporation Bank
- 2) Indian Bank
- 3) Karur Vysya Bank
- 4) Oriental Bank of Commerce
- 5) None of the above

31. What is the minimum time of operation an insurance company is required to complete for becoming eligible to launch an IPO ( Initial Public Offer )?

- 1) 2 years
- 2) 5 years
- 3) 7 years
- 4) 8 years
- 5) 10 years

32. SCORES is a complaint redressal system launched by \_\_\_\_\_

- 1) CCI
- 2) RBI
- 3) TRAI
- 4) SEBI
- 5) SBI

33. The national broadband plan is aimed at rolling out broadband infrastructure to every village with more than \_\_\_\_\_ people ?

- 1) 2000
- 2) 3000
- 3) 1000
- 4) 200
- 5) 500

34. Indian mining companies have bid for stake in Hajigak ore mines in Afghanistan, which of the following is the mines famous for ?

- 1) Iron
- 2) Bauxite

- 3) copper
- 4) Coal
- 5) Cobalt

35. From which of the following state National Rural Livelihood Mission launched recently?

- 1) Andhra Pradesh
- 2) Punjab
- 3) Haryana
- 4) Karnataka
- 5) Rajasthan

36. 'Aichi Targets' refers to which of the following?

- 1) Trade
- 2) Environment
- 3) S & T
- 4) Commerce
- 5) Education

37. Where in India World Spice Organisation set up recently ?

- 1) Guntur
- 2) Bangalore
- 3) Chennai
- 4) Kochi
- 5) Delhi

38. ASHA is a low priced milk food drink introduced for rural consumers by which of the following ?

- 1) Nestle

- 2) Amul
- 3) Heinz
- 4) GlaxosmithKline
- 5) None

39. Which of the following is the new income tax return form for salaried employees introduced by Finance Minister Recently ?

- 1) Suvida
- 2) Sugam
- 3) Sahaj
- 4) Saral
- 5) Samasya

40. Which Bank has announced an end to its TEASER home loan scheme recently?

- 1) SBI
- 2) Andhra Bank
- 3) Vijaya Bank
- 4) ICICI
- 5) HDFC

41. Kimberley process certificated are compulsory for trade in which of the following ?

- 1) Gold
- 2) Trade
- 3) Diamonds
- 4) Nuclear materials
- 5) Radio active materials

42. Accredited Social Health Activists (ASHAs ) in which of the states are known as Mitanins ?

- 1) Punjab
- 2) Haryana
- 3) Chhattisgarh
- 4) Madhya Pradesh
- 5) Kerala

43. Which of the foreign bank has the highest number of employees in India ?

- 1) HSBC
- 2) RBS
- 3) Bank of America
- 4) UBS
- 5) Standard Chartered Bank

44. What is the FDI limit in the insurance sector in India ?

- 1) 26 %
- 2) 25 %
- 3) 30%
- 4) 50%
- 5) 49 %

45. Which of the following state has recently announced a monthly allowance to unemployed under graduates recently ?

- 1) Karnataka
- 2) Rajasthan
- 3) Goa
- 4) Maharashtra
- 5) Punjab

46. Which of the following has launched the EVERYWHERE TELLER MACHINE in India ?

- 1) Andhra Bank
- 2) ICICI Bank
- 3) Axis Bank
- 4) RBS
- 5) SBI

47. French Auction is a term used in which of the following sectors of financial services ?

- 1) Capital Markets
- 2) Banks
- 3) Insurance
- 4) NBFC
- 5) Micro Credit

48. Which state has the second highest literacy rate as per the provisional figures of the census 2011 ?

- 1) Gujarat
- 2) Mizoram
- 3) Assam
- 4) Rajasthan
- 5) Punjab

49. China emerged as the world's second largest economy in 2010 overtaking which of the following ?

- 1) France
- 2) Germany

- 3) Italy
- 4) India
- 5) Japan

50. The new head of IMF is ?

- 1) Montek Singh Ahluwalia
- 2) Christine Lagarde
- 3) John Paul
- 4) Liu Xiabaou
- 5) Robert Zoellick

**ANSWERS:**

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

## IBPS CWE GENERAL AWARENESS MODEL PAPER

1. Lucas Papademos became the new Prime Minister of which of the following countries in November 2011?

- 1) Spain
- 2) Italy
- 3) Greece
- 4) Belgium
- 5) None of these

2. Which Indian city hosted the World Economic Forum's (WEF) Indian Economic Summit in November 2011?

- 1) Mumbai
- 2) New Delhi
- 3) Chennai
- 4) Bangalore
- 5) Hyderabad

3. Moshe Katsav has been sentenced to seven years in prison on the charges of sexual harassment and obstruction of justice. He was the 8th President of which of the following countries?

- 1) Iran
- 2) Israel
- 3) Syria
- 4) Sudan
- 5) Germany

4. Which former Australian cricketer's autobiography is titled 'Fierce

Focus'?

- 1) Allan Border
- 2) Shane Warne
- 3) Steve Waugh
- 4) Greg Chappell
- 5) Adam Gilchrist

5. Which of the following teams lifted the Beighton Cup hockey tournament in November 2011?

- 1) IOC
- 2) ONGC
- 3) Air India
- 4) Railways
- 5) None of these

6. Who became the first batsman in Test cricket history to score four centuries in successful fourth innings run chases in November 2011?

- 1) Hashim Amla
- 2) Graeme Smith
- 3) Ricky Ponting
- 4) Rahul Dravid
- 5) Sachin Tendulkar

7. Who was reelected as the President of Liberia in November 2011?

- 1) Joseph Boakai
- 2) Gyude Bryant
- 3) William Tolbert

- 4) Ellen Johnson Sirleaf
- 5) None of these

8. Indian Prime Minister Manmohan Singh addressed the People's Majlis recently. It is the Parliament of which of the following countries?

- 1) Iraq
- 2) Maldives
- 3) Lebanon
- 4) UAE
- 5) Saudi Arabia

9. Which country lifted the inaugural Sultan of Johor Cup hockey tournament in November 2011?

- 1) Malaysia
- 2) Australia
- 3) India
- 4) South Korea
- 5) None of these

10. Which country test fired Jericho, a ballistic missile, in November 2011?

- 1) Pakistan
- 2) Israel
- 3) Iran
- 4) Iraq
- 5) None of these

11. Who is the winner of the National Premier Women's chess

championship that was held in Chennai in November 2011?

- 1) Mary Ann Gomes
- 2) Eesha Karavade
- 3) Tania Sachdev
- 4) Nisha Mohota
- 5) Padmini Rout

12. Who is the first player to take 500 catches in Test cricket?

- 1) Rahul Dravid
- 2) Adam Gilchrist
- 3) Mark Boucher
- 4) Kumar Sangakkara
- 5) None of these

13. Joe Frazier died of liver cancer. In which of the following sports did he excel?

- 1) Golf
- 2) Boxing
- 3) Squash
- 4) Snooker
- 5) Weightlifting

14. Which city hosted the 23rd annual meeting of the Asia Pacific Economic Cooperation (APEC) in November 2011?

- 1) Canberra
- 2) Singapore
- 3) Seoul
- 4) Bangkok
- 5) Honolulu

15. Which of the following statements about the South Asian Association for Regional Co-operation (SAARC) is/are true?

- 1) SAARC was started in 1985 with headquarters in Kathmandu.
- 2) It is dedicated to economic, technological, social and cultural development emphasizing collective self reliance.
- 3) Mohamed Nasheed is the present chairman of SAARC.
- 4) The 17th SAARC Summit was held in Addu city, Maldives in November 2011.
- 5) All the above are correct.

16. ONGC Videsh Ltd (OVL), the overseas arm of Oil and Natural Gas Corporation, has signed an agreement to take a 25 per cent stake in Satpayev oil block. In which country is Satpayev block located?

- 1) Russia
- 2) Mongolia
- 3) Ukraine
- 4) Kazakhstan
- 5) Kyrgyzstan

17. Which state became the first in the country to achieve total financial inclusion in September 2011? (Each household in the state has at least one bank account)

- 1) Tamil Nadu
- 2) Kerala
- 3) Karnataka
- 4) Manipur
- 5) Assam

18. DVC, NHPC, PGCIL and NTPC are the four public sector undertakings working in which of the following sectors?

- 1) Coal
- 2) Telecom
- 3) Power
- 4) Textiles
- 5) None of these

19. Who is the author of the book "India and Global Financial Crisis: Managing Money and Finance"?

- 1) P. Chidambaram
- 2) Pranab Mukherjee
- 3) C.Rangarajan
- 4) Y.V.Reddy
- 5) Bimal Jalan

20. What is the full form of NFSM?

- 1) National Food Security Mechanism
- 2) New Food Security Mechanism
- 3) National Food Security Mission
- 4) National Farmers Security Mechanism
- 5) None of these

21. India is not a member of which of the following organizations?

- 1) BRICS
- 2) IBSA
- 3) SAARC
- 4) OPEC

## 5) The Commonwealth

22. Which of the following is not a Kharif crop?

- 1) Rice
- 2) Wheat
- 3) Sorghum
- 4) Bajra
- 5) Ragi

23. What per cent of foreign direct investment (FDI) is allowed in apiculture (beekeeping) under controlled conditions?

- 1) 20%
- 2) 26%
- 3) 100%
- 4) 49%
- 5) None of these

24. The FDI limit in FM radio has been increased from the existing 20% to?

- 1) 26%
- 2) 51%
- 3) 49%
- 4) 100%
- 5) None of these

25. Which is the largest producer and the consumer of tea in the world?

- 1) Brazil
- 2) India

- 3) Indonesia
- 4) Pakistan
- 5) Vietnam

26. Which state has the highest number of operational special economic zones in India?

- 1) Tamil Nadu
- 2) Karnataka
- 3) Maharashtra
- 4) Kerala
- 5) Andhra Pradesh

27. Which of the following has become the first public sector company to introduce Employee Stock Option Plan (ESOP) for its employees?

- 1) NMDC
- 2) IOC
- 3) NALCO
- 4) NTPC
- 5) ONGC

28. Which of the following groups can be called financially excluded people?

- 1) Urban slum dwellers
- 2) Marginal farmers
- 3) Landless laborers
- 4) Unorganized sector employees
- 5) All the above

29. In which year was the Bank of Calcutta established?

- 1) 1802
- 2) 1805
- 3) 1806
- 4) 1809
- 5) 1800

30. Which of the following stock exchanges was initially known as "The Native Share & Stock Brokers Association"?

- 1) Bombay
- 2) Madras
- 3) Jaipur
- 4) Cochin
- 5) Uttar Pradesh

31. Who among the following served as the Finance Minister before becoming the President of India?

- 1) N.Sanjeeva Reddy
- 2) Pratibha Patil
- 3) R.Venkatraman
- 4) A.P.J.Abdul Kalam
- 5) S.Radhakrishnan

32. Which bank has recently launched 'Everywhere Teller Machine' service in Vijayawada, Andhra Pradesh? (ETM allows debit card holders to withdraw upto Rs.1000 in cash per day from a Point of Sale terminal at select merchant outlets.)

- 1) ICICI Bank
- 2) Axis Bank

- 3) SBI
- 4) SBH
- 5) HDFC Bank

33. The Hindustan Copper Limited will develop an underground copper-ore mine at Malanjkhand with an investment of Rs.1,856 crore. In which state is this mine located?

- 1) Rajasthan
- 2) Madhya Pradesh
- 3) Jharkhand
- 4) Orissa
- 5) Bihar

34. Alok Prasad is the Chief Executive Officer of which of the following industry associations?

- 1) ASSOCHAM
- 2) FICCI
- 3) MFIN
- 4) NASSCOM
- 5) None of these

35. Who is the chairman of the Working Group on Benchmark Prime Lending Rate (BPLR) appointed by the Reserve Bank of India?

- 1) Deepak Mohanty
- 2) Bimal Jalan
- 3) Usha Thorat
- 4) R.V.Gupta
- 5) None of these

**ANSWERS:**

1. (3) 2. (1) 3. (2) 4. (4) 5. (1) 6. (2) 7. (4) 8. (2) 9. (1) 10. (2)  
11. (1) 12. (3) 13. (2) 14. (5) 15. (5) 16. (4) 17. (2) 18. (3) 19. (4) 20.  
(3)  
21. (4) 22. (2) 23. (3) 24. (1) 25. (2) 26. (5) 27. (3) 28. (5) 29. (3) 30.  
(1)  
31. (3) 32. (2) 33. (2) 34. (3) 35. (1)

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## Equip ATMs to accept cash directly, suggests panel

A year down the line government-owned bank ATMs in urban as well as rural areas may start accepting cash (not in an envelope but directly), have solar powered back-up, and 24x7 surveillance. The aforementioned are some of the recommendations of a government-appointed committee on ATMs headed by Dr Ashok Jhunjhunwala, Professor, IIT-Madras. These come at a time when the Government has directed the 21 banks in which it owns majority stake to go in for joint procurement of ATMs.

## **Cash acceptor**

Besides dispensing notes, which are soiled but can be issued, and retracting notes left behind by customers, the ATMs to be deployed by public sector banks will come equipped with a cash acceptor.

The cash acceptor will accept teller grade currency notes of denominations ranging from Rs 50 to Rs 1,000.

The idea behind incorporating the cash acceptance feature — intra-bank and inter-bank — in ATMs is to ensure that customers such as small retailers, traders, and vegetable vendors can deposit cash after the close of business hours and get immediate credit for the same in their account.

Banks could also add the currency recycle feature so that the frequency of replenishing the ATMs comes down.

Currently, bank ATMs offer cash deposit facility in an envelope. However, there is a delay of a day or two in crediting the depositor's account. This is so because the envelope has to be deposited at the designated branch, and opened and counted by bank staff in the presence of two witnesses.

## **Integrated Surveillance**

To tackle incidents such as stolen ATM cards being misused, the committee said all ATMs must have an internal camera. It should store images in a digital format for at least two months.

The integrated ATM surveillance solution must be able to capture and stamp the transaction information on the images and also allow for monitoring from a central location.

ATMs must be able to handle an average of 300 transactions in urban and semi-urban areas and 200 transactions in rural areas in a day and must work for at least 16 hours a day using solar power alone.

The committee has emphasised the importance of solar powered back-up for ATMs due to the frequent power cuts in rural and semi-urban areas. Further, the ATMs must be able to function without air-conditioner.

Besides cash withdrawal and acceptance, ATMs should, among others, enable transactions such as change in personal identification number (PIN), registration for mobile banking, mini-statement of last 10 transactions, balance enquiry, request for cheque books and funds transfer (intra and inter bank)

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## **IRDA launched Two Online Initiatives to Safeguard the Interest of Insurance-seekers**

The Insurance Regulatory and Development Authority (IRDA) announced two online initiatives to safeguard the interest of insurance-seekers. The first of the two online initiatives is the extensive guidelines pertaining to web aggregators and the second one relates to the launch of a mobile application to compare unitlinked insurance policies (ULIPS) from various companies and their premium rates.

### **Guidelines to web aggregators**

Web aggregators are sites like policybazaar.com, i-save.com, medimanager.com and click2insure.in that provide information on insurance products from various companies. The information so collated can help insurance-seekers compare premium rates for life, health, travel and motor insurance. Most portals just generate leads and not all offer the option to purchase a product online.

However, some do facilitate an online buying process to the extent possible, usually by directing the insurance-seekers to the companies' website. However, aggregators often sell visitors' personal information to several insurers, resulting in customers being bombarded with sales calls from the companies or their agents. IRDA therefore directed the aggregators not to pass visitor's information on to companies on the site's home page.

To ensure that aggregators do not indulge in promoting products, the

insurance regulator has decreed that they cannot display ratings, rankings, endorsements or bestsellers of insurance products on their websites. Similarly, they have been barred from commenting on insurers or their products.

In addition, aggregators will from here on be required to highlight links to the product comparison charts and tables for each category of products covered by them. Items to be displayed include premiums quoted by each insurer as per age and other personal details, policy and premium term, sum assured, default underwriting requirements such as medical examination, diagnostics, etc, and key features of the product chosen. The diktat also puts the onus of safeguarding and securing the entire process on the aggregators.

### **Launch of the mobile application**

The launch of the mobile application, is intended to help insurance-seekers compare ULIPs launched after 1 September 2010. The tool, which works on Android, iPhone, Nokia and Blackberry platforms, has been termed a mobile application and can be accessed even via a personal computer.

Users can search products for comparison through three options – By company, Policy type and Keywords. Up to three products can be selected at a time for comparison, with the criteria listed being benefits offered, premium-paying term, tenure, charges and so on.

## GENERAL KNOWLEDGE PRACTICE MCQs

1. Namrata Randhawa Haley (Nik-ki Haley) is the first woman and non-white governor of which of the following states of the USA?

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

2. Identify the mismatched pair

- 1) January 9 -Pravasi Bharatiya Divas (NRI Day)
- 2) January 12-National Youth Day
- 3) January 15 - Army Day
- 4) January 24- National Girl Child Day
- 5) January 27-National Voters Day

3. Fathimath Dhiyana Saeed is the new Secretary General of SAARC. She was the former attorney general of which of the following countries?

- 1) Pakistan
- 2) Afghanistan
- 3) Maldives
- 4) Bangladesh
- 5) India

4. The Permanent Representative of India to the United Nations is also presently the chairman of the United Nations Security Council

Counter-Terrorism Committee. Name him/her?

- 1) Hardeep Singh Puri
- 2) Meera Shankar
- 3) Nirupama Rao
- 4) Ranjan Mathai
- 5) None of these

5. Who is the first sitting head of state ever indicted by the International Criminal Court (ICC) as well as the first to be charged with genocide?

- 1) Zubair Mohamed Salih
- 2) Ali Osman Taha
- 3) Omar al-Bashir
- 4) John Garang
- 5) None of these

6. Who among the following is the winner of the Phalke Ratna Award for the year 2011?

- 1) Dev Anand
- 2) Dharmendra
- 3) Shammi Kapoor
- 4) Shashi Kapoor
- 5) Amitabh Bachchan

7. Which of the following pairs is not matched correctly?

AUTHOR                      BOOK

- 1) Tony Blair - A Journey
- 2) George Bush - Decision Points
- 3) Bill Clinton - My Life

- 4) Cherie Blair- Speaking for Myself
- 5) Ronald Reagan- Going Rogue: An American Life

8. Where are the headquarters of ASEAN located?

- 1) Jakarta
- 2) Manila
- 3) Singapore
- 4) Bangkok
- 5) Kuala Lumpur

9. Which of the following organisations was officially commenced on January 1, 1995 under the Marrakech Agreement?

- 1) UNO
- 2) IMF
- 3) World Bank
- 4) ADB
- 5) WTO

10. Which foreign bank has 4.8% stake in Yes Bank?

- 1) BNP Paribas
- 2) Rabobank
- 3) HSBC
- 4) RBS
- 5) Barclays

11. Identify the mismatched pair

COUNTRY            PRESIDENT

- 1) Sri Lanka- Mahinda Rajapakse
- 2) Iran -Mahmoud Ahmadinejad

- 3) Chile - Sebastian Pinera
- 4) Philippines - Benigno Aquino
- 5) Zimbabwe- Goodluck Jonathan

12. Which of the following statements about the Youth Olympic Games is not true?

- 1) The Youth Olympic Games (YOG) are held every four years and these games feature athletes between the ages of 14 and 18.
- 2) Johann Rosenzopf of Austria has developed the idea of the YOG.
- 3) The first summer YOG were held in Singapore in 2010.
- 4) The second summer YOG will be held in Nanjing, China in 2014.
- 5) The inaugural winter YOG will be held in Sochi in 2012.

13. Identify the mismatched pair

ORGANIZATION                      CHIEF

- 1) World Bank -Robert Zoellick
- 2) IMF -Christine Lagarde
- 3) WTO -Pascal Lamy
- 4) ADB - Haruhiko Kuroda
- 5) Amnesty International-Kamalesh Sharma

14. Which of the following books is not written by Chetan Bhagat?

- 1) Five Point Someone
- 2) One Night @ Call Center
- 3) Three Mistakes of My Life
- 4) Listening to Grasshoppers
- 5) 2 States: The Story of My Marriage

15. Which of the following famous personalities is the brand

ambassador of Bank of Baroda?

- 1) Yusuf Pathan
- 2) Geet Sethi
- 3) Amitabh Bachchan
- 4) Irfan Pathan
- 5) Rahul Dravid

16. Which city will host the 99th Indian Science Congress in January 2012?

- 1) Chennai
- 2) Bhubaneswar
- 3) New Delhi
- 4) Hyderabad
- 5) Kolkata

17. Who among the following is a Billiards/ Snooker champion?

- 1) Jyothi Randhawa
- 2) Jeev Milka Singh
- 3) Pankaj Advani
- 4) Arjun Atwal
- 5) Gaganjeet Bhullar

18. Which of the following Prizes is given for mathematicians?

- 1) Templeton Prize
- 2) Nobel Prize
- 3) Kalinga Prize
- 4) Abel Prize
- 5) Pritzker Prize

19. Which of the following books is not written by Orhan Pamuk, the Nobel Prize winner from Turkey?

- 1) My Name is Red
- 2) Snow
- 3) Enigma of Arrival
- 4) The Museum of Innocence
- 5) Istanbul: Memories and the City

20. Anil Agarwal is the chief of which of the following companies?

- 1) Corus
- 2) Caparo
- 3) Arcelor Mittal
- 4) Vedanta Resources
- 5) Ashok Leyland

21. Which company manufactures Blackberry smart phones?

- 1) Nokia
- 2) Samsung
- 3) Onida
- 4) Sony Ericsson
- 5) Research In Motion

22. The headquarters of the North Atlantic Treaty Organization (NATO) is situated in which of the following cities?

- 1) London
- 2) Washington
- 3) Brussels
- 4) Vienna
- 5) Paris

23. Which of the following countries will host both the 2014 FIFA world cup football and the 2016 Olympic Games?

- 1) UK
- 2) Brazil
- 3) South Africa
- 4) USA
- 5) Qatar

24. Merdeka Cup is associated with which of the following sports?

- 1) Cricket
- 2) Football
- 3) Hockey
- 4) Chess
- 5) Volleyball

25. The recession occurring two times with a short gap in between is called?

- 1) Double deflation
- 2) Double inflation
- 3) Double Dip recession
- 4) Depression
- 5) None of these

26. Which of the following terms is not used in Cricket?

- 1) Ashes
- 2) Doosra
- 3) Silly Point
- 4) Love

5) Long On

27. What is the full form of SHGs?

- 1) Self Help Groups
- 2) Small Help Groups
- 3) Small Hope Groups
- 4) Self Hope Groups
- 5) Selfless Help Groups

28. In which year were the SBI Associate Banks nationalized?

- 1) 1955
- 2) 1949
- 3) 1959
- 4) 1969
- 5) 1980

29. In which year was the IDBI established?

- 1) 1961
- 2) 1960
- 3) 1962
- 4) 1964
- 5) 1965

30. Small Industries Development Bank of India (SIDBI) was established in 1990 with the headquarters in?

- 1) Lucknow
- 2) New Delhi
- 3) Mumbai
- 4) Nagpur

5) Kolkata

31. In which year did NHB start its operations?

- 1) 1985
- 2) 1988
- 3) 1987
- 4) 1990
- 5) 1992

32. Which city hosted the 12th Inter-national Indian Film Academy (IIFA) Awards ceremony in June 2011?

- 1) Bangkok
- 2) Macau
- 3) Colombo
- 4) Toronto
- 5) None of these

33. Who was selected for the prestigious G.D. Birla Award for Scientific Research for his contributions in the area of electronic communications for the year 2011?

- 1) Mahindra Agrawal
- 2) Subhasis Chaudhuri
- 3) Raghavan Varadarajan
- 4) Santanu Bhattacharya
- 5) None of these

34. The Saraswati Samman, an annual award for outstanding prose or poetry literary works in any Indian language, was instituted in 1991 by the K.K. Birla Foundation. Who was given this award in

April 2011?

- 1) S.L. Bhyrappa
- 2) Surjit Paatar
- 3) Naiyer Masud
- 4) Jagannath Prasad Das
- 5) None of these

35. The Vyas Samman, instituted by the K.K. Birla Foundation, is given to an outstanding literary work in Hindi authored by an Indian citizen during the preceding ten years. Who was given this award for 2010 for his collection of poems 'Phir Bhi Kuch Rah Jayega'?

- 1) Amar Kanth
- 2) Mannu Bhandari
- 3) Vishwanath Prasad Tiwari
- 4) Kailash Vajpayee
- 5) None of these

36. In which field is the Chameli Devi Jain Award given annually?

- 1) Social Work
- 2) Journalism
- 3) Classical Dance
- 4) Cinema
- 5) Trade and Industry

37. The K.C Kulish International Award for Excellence in Print Media 2009 was conferred on the team of 'The New Crusading Guide' in June 2011. It is a newspaper published in which of the following countries?

- 1) South Africa

- 2) Sudan
- 3) Zimbabwe
- 4) Ghana
- 5) Egypt

**Answers**

- 1) 2 2) 5 3) 3 4) 1 5) 3 6) 2
- 7) 5 8) 1 9) 5 10) 2 11) 5 12) 5
- 13) 5 14) 4 15) 5 16) 2 17) 3 18) 4
- 19) 3 20) 4 21) 5 22) 3 23) 2 24) 2
- 25) 3 26) 4 27) 1 28) 3 29) 4 30) 1
- 31) 2 32) 4 33) 2 34) 1 35) 3 36) 2
- 37) 4

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## **Market Capitalization of all 24 Listed Public Sector Banks below that of 15 Listed Private Banks**

The combined market capitalization of all 24 listed public sector banks, which control 73% of bank deposits, is currently below that of the 15 listed private banks.

On 15 November 2011, the combined market capitalization of the 24 public sector banks which include 19 nationalized banks, SBI and its three associates and IDBI was Rs 311877 crore. As against this, the market capitalization of 14 private banks was Rs 321613 crore. This is a reversal of the position at the beginning of 2011. As on 1 April 2011, the total mkt-cap of government-owned banks was Rs 439600 crore much higher than the Rs 374218 crore for private banks.

As on end-June 2011, PSU banks accounted for 74.6% of bank deposits while private sector banks had only 18%, with the rest of the funds lying with regional rural banks and foreign banks. In matters of credit, PSU banks account for 74.9% of bank loans in the country while private banks have only a 17.6% share.

Two bad quarters of 2011-12 for State Bank of India and reports of loan restructuring and NPA worries in public sector banks hit valuations hard.

HDFC Bank overtook SBI to become the most valuable bank in the country. Incidentally, SBI the largest lender in the country has

contributed the most to the decline in value of public sector banks.

PSU banks can work around capital constraints in the short-term by consolidation or via a relaxation in norms that require the government to hold a minimum 51% stake. There also exists larger social burden on the public sector banks because of which they have had to restructure large loans. Compared to them the private banks have been selective in their lending and have had far fewer NPAs.

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## Corp Bank scheme for Kerala Govt employees

December 01, 2011

Corporation Bank has announced special benefits for the permanent employees of the State Government.

Mr A.M.M.G. Nair, Zonal Manager, Corporation Bank, regional office, Kochi, said Corp Payroll Account is available for routing the salary of permanent employees through which they can withdraw 50 per cent of the amount as overdraft from the second month.

Instant ATM-cum-debit card, Internet banking, SMS banking, free remittance facility, cheque book, multi-city cheques and passbook are also available.

Payment of tax, insurance payment and NEFT can be done free of charge through Internet and ATM.

There is a concession of 1 per cent on interest rates and 50 per cent of processing charges on housing loans and 0.25 per cent concession on interest rates for vehicle loans. Gift cards are also available free of charge.

## **BANKING AWARENESS MCQs**

**1.** Which of the following bodies tightened the norms for foreign exchange risk cover in India mentioning that only companies with a networth of Rs 200 crore can use derivatives to hedge against risk of volatility in currency rates?

- a.** IMF
- b.** Reserve Bank of India
- c.** SEBI
- d.** Union Ministry of Finance

**Ans: b**

**2.** Which body in India finally provided tax exemption on the 9.5 per cent interest income on PF deposits for 2010-11?

- a.** Reserve Bank of India
- b.** Income Tax Department
- c.** Employees' Provident Fund Organisation
- d.** Corporate Affairs Ministry

**Ans: b**

**3.** (1) The report on Customer Service in Banks by a committee chaired by M. Damodaran, former Chairman of the Securities and Exchange Board of India (SEBI) that was released on 3 July 2011 recommended an increased deposit insurance cover of Rs.5 lakh so as to encourage individuals to keep all their deposits in banks.

(2) The panel also suggested blocking of lost ATM cards through

SMS and immediate restoration of funds in case of non-dispensation of cash at an ATM within 5 working days.

Which of the above is not true?

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

**Ans: b**

4. The Reserve Bank of India (RBI) in a bid to tame inflationary pressure hiked the short-term indicative policy rate (repo rate) by 50 basis points on 26 July 2011. The repo rate currently stands at what percentage?

- a. 7%
- b. 7.5%
- c. 8%
- d. 8.5%

**Ans: c**

5. Which bank posted a 99 per cent drop in net profit at Rs 21 crore for the fourth quarter ended 31 March 2011 against Rs 1867 crore during the corresponding period in 2010?

- a. Indian Overseas Bank
- b. State Bank of India
- c. Bank of India
- d. United Bank of India

**Ans: b**

6. Who did global payments processing company MasterCard

appoint as the General Manager, South Asia and Country President, India?

- a. T. V. Seshadri
- b. Vicky Bindra
- c. Tunde Lemo
- d. Ajay Banga

**Ans: a**

7. Government of India on 19 July 2011 appointed Usha Ananthasubramanian, former general manager of Bank of Baroda (BoB) as executive director of which public sector lender?

- a. Central Bank of India
- b. Punjab National Bank
- c. United Bank of India
- d. Gramin Bank

**Ans: b**

8. Name the public sector lender that selected Metlife as its partner for a proposed foray into the life insurance segment.

- a. Syndicate Bank
- b. Punjab National Bank
- c. Corporation Bank
- d. United Bank of India

**Ans: b**

9. Which bank signed a memorandum of understanding with Dewan Housing Finance Corporation (DHFL) under which DHFL will distribute home loans to Yes Bank's customers?

- a. Canara Bank

- b. ABN Amro bank
- c. Yes Bank
- d. HSBC

**Ans: c**

**10.** Which life insurance company in India launched a new non-linked health insurance plan, Jeevan Arogya?

- a. HDFC Standard Life Insurance Co. Ltd
- b. Life Insurance Corporation of India
- c. IDBI Fortis Life Insurance Company Ltd.
- d. SBI Life Insurance Co. Ltd

**Ans: b**

**11.** Which of the following public sector banks in November 2011 froze its lending to the power sector?

- a. State Bank of India
- b. Allahabad Bank
- c. Punjab National Bank
- d. United Bank of India

**Ans: b**

**12.** Which Indian bank on 10 May 2011 raised benchmark prime lending rate 75 basis points to 14% following raising of interest rates by RBI by basis points on 3 May 2011?

- a. State Bank of India
- b. Union Bank
- c. Punjab National Bank
- d. Bank of Baroda

**Ans: a**

**13.** The Reserve Bank of India on 26 April 2011 fined 19 banks, including the country's top private and foreign banks for violating its guidelines on derivatives. Which is the only public sector bank on the list of banks to be fined?

- a.** State bank of India
- b.** Punjab National Bank
- c.** Bank of India
- d.** Indian Bank

**Ans: a**

**14.** The Reserve Bank of India on 25 August 2011 released its Annual Report for 2010-11. Which of the following was not discussed in the Annual Report the Central Board of the RBI?

- a.** assessment of the macroeconomic performance during 2010-11
- b.** prospects for 2011-12
- c.** working and operations of the Reserve Bank and its financial accounts
- d.** role of regulatory bodies in controlling the financial markets

**Ans: d**

**15.** Reserve Bank of India (RBI) panel headed by headed by Usha Thorat, Director, Centre for Advanced Financial Research and Learning (CAFRAL) on 29 August 2011 came up with suggestion on non-banking finance company (NBFC). Which of the following related to this statement is not true?

- 1.** The panel suggested the central bank to insist on a minimum asset size of more than Rs.25 crore for registering any new non-banking finance company (NBFC)

2. Transfer of shareholding, direct or indirect, of 25 per cent and above, change in control, merger or acquisition of any registered NBFC will require prior approval of the Reserve Bank.

3. Tier-I capital for capital to risk weighted assets ratio (CRAR) purposes would be specified at 12 per cent to be achieved in three years for all registered deposit-taking and non-deposit-taking NBFCs.

4. NBFCs would be subject to regulations similar to banks while lending to stock brokers and merchant banks and similar to stock brokers, as specified by the Securities and Exchange Board of India (SEBI)

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

**Ans: d**

16. Which Indian PSU bank in tune with its plans to expand its retail division in the UK entered the mortgage market in the country for the first time?

- a. Punjab National Bank
- b. Oriental Bank of Commerce
- c. State bank of India
- d. Indian Overseas Bank

**Ans: c**

17. Which of the following banks set up two loan processing centres for the small and medium enterprise (SME) segment on a pilot basis in Bangalore & in New Delhi in September 2011?

- a. Corp Bank
- b. United Bank of India
- c. Syndicate Bank
- d. Bank of Baroda

**Ans: c**

**18.** The government suspended M Ramadoss for alleged violations in issuing insurance cover to an airline during his stint as head of another state-run insurer. To which insurance group did he belong to?

- a. New India Assurance
- b. LIC
- c. GIC
- d. ICICI Insurance

**Ans: a**

**19.** Which of the following banks in early May 2011 entered into a tie-up with non-banking finance companies such as Future Capital, Bajaj Finance, and Reliance Capital to grow its retail portfolio?

- a. Central Bank of India
- b. State Bank of India
- c. Bank of India
- d. HDFC Bank

**Ans: a**

**20.** Which are the two Gujarat-based cooperative sector lenders on which Reserve bank of India imposed a financial penalty of Rs 1 lakh each for violation of various rules, including anti-money laundering guidelines?

1. Shree Mahalaxmi Mercantile Co-operative Bank
2. Rander People's Co-operative Bank
3. Abad District Co Op Bank
4. Ahd Mercantile Co-Op Bank Ltd

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

**Ans: (a)**

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## IBPS CWE GENERAL AWARENESS MODEL PAPER

1. Which of the following statements about new RBI policy on bank loans to non-banking finance companies (NBFCs) is / are correct ?

I) Bank loans to NBFCs will not come under 'priority sector' lending

II) NBFCs cannot charge a rate of interest higher than the RBI prescribed rate in lending funds borrowed from banks

III) The interest margin earned by NBFCs in lending funds borrowed from banks cannot exceed the ceiling prescribed by the RBI

1) I only

2) I and II only

3) II only

4) I and III only

5) None of these

2. Which of the following has proposed the setting up of a National Knowledge Functional Hub (NKFH) to facilitate interaction between the industry and institutions of higher education to produce better quality manpower recently ?

1) National Knowledge Commission

2) CII

3) ASSOCHAM

4) FICCI

5) None of these

3. The Reserve bank of India has increased the amount of money that can be loaded on mobile phones (mobile - wallet) to ..... from the existing limit of Rs. 5,000 recently

- 1) Rs. 10,000
- 2) Rs. 15,000
- 3) Rs. 25,000
- 4) Rs. 50,000
- 5) None of these

4. What are 'structural adjustment programmes'?

- 1) Programmes to increase the spread of financial services in developing countries
- 2) Programmes to improve road safety in developing countries
- 3) Requirements to qualify for World Bank and IMF loans
- 4) UN building regulations for disaster preparedness
- 5) None of these

5. Nuclear plants in India have an 'Exclusion Zone' of .... surrounding the power station, in which no habitation is permitted.

- 1) 1.6 km
- 2) 4.2 km
- 3) 8.4 km
- 4) 11.6 km
- 5) None of these

6. Improving regulation of which of the following was the subject of the Finance Ministry appointed KP Krishnan Committee ?

- 1) Microfinance institutions
- 2) Mutual funds
- 3) General insurance companies
- 4) Credit rating agencies
- 5) None of these

7. 'Asha' is a low - priced milk food drink introduced for rural consumers by which of the following ?

- 1) Nestle
- 2) Cadbury
- 3) Heinz
- 4) GlaxoSmithKline
- 5) None of these

8. ONGC Videsh Ltd (OVL) signed an agreement to acquire 25% stake in the Satpayev oil block in Central Asia recently. Which of the following statements is / are correct ?

- I) Satpayev is in Turkmenistan
  - II) Satpayev is in Black Sea
  - III) Satpayev is believed to hold 1.75 billion barrels of oil reserves
- 1) I only
  - 2) I and II only
  - 3) II only
  - 4) III only
  - 5) None of these

9. Which of the following is the new income tax return form for salaried employees introduced by the Finance Ministry recently ?

- 1) Suvidha
- 2) Sugam
- 3) Sahaj
- 4) Saral
- 5) None of these

10. The Commerce Ministry has launched 'Buyer's Credit under the National Export Insurance Account (NEIA)' to :

- 1) Facilitate foreign direct investment in India
- 2) Facilitate project exports of Indian companies
- 3) Facilitate acquisitions by Indian companies overseas
- 4) Facilitate employment of Indian professionals abroad
- 5) None of these

11. Which of the following banks has launched 'Tiny Cards' with biometric identification to expand the coverage of banking services in rural parts of the country ?

- 1) ICICI Bank
- 2) NABARD
- 3) State Bank of India
- 4) Bank of India
- 5) None of these

12. Which of the following statements about IRDA guidelines for distance marketing of products issued recently is / are correct ?

I) Telemarketing of all Unit - Linked Insurance Products (ULIPs) has been disallowed

II) Only telemarketers trained by institutes accredited by IRDA can be employed

III) All telemarketing calls will have to be recorded

- 1) I only
- 2) I and II only
- 3) I and III only
- 4) II and III only
- 5) None of these

13. The Bureau of Energy Efficiency labelling is compulsory for all of the following except :

- 1) Laptops
- 2) Frost-free refrigerators
- 3) Tubular fluorescent lamps
- 4) Ceiling fans
- 5) None of these

14. What is the investment limit in plant and machinery for classification under Small Scale Industries ?

- 1) Rs. 10 lakh
- 2) Rs. 50 lakh
- 3) Rs. 1 crore
- 4) Rs. 10 crore
- 5) None of these

15. The government has recently decided to allow FIIs investment in infrastructure bonds upto ..... annually.

- 1) \$5 billion
- 2) \$ 10 billion
- 3) \$ 15 billion
- 4) \$ 25 billion
- 5) None of these

16. The term ASBA (Applications Supported by Blocked Amount) is used in which of the following financial services ?

- 1) General Insurance
- 2) Capital markets

- 3) Life Insurance
- 4) Micro finance
- 5) None of these

17. The Government has decided to notify a provision exempting people of salary income up to ..... a year from filing returns

- 1) Rs. 2 lakh
- 2) Rs. 2.5 lakh
- 3) Rs. 4 lakh
- 4) Rs. 5 lakh
- 5) None of these

18. Which of the following is the largest mutual fund in India with assets under management (AUM) exceeding Rs. 100,000 crore on March 31, 2011 ?

- 1) UTI MF
- 2) HDFC MF
- 3) Reliance MF
- 4) Birla Sun Life
- 5) None of these

19. Which of the following identifies and funds social welfare projects under its India Development Marketplace initiative ?

- 1) IMF
- 2) USAID
- 3) Intel
- 4) World Bank
- 5) None of these

20. Which of the following has been set up by the government to fund energy saving technologies recently ?

- 1) National Renewable Energy Fund
- 2) National Green Energy Fund
- 3) National Carbon Reduction Fund
- 4) National Clean Energy Fund
- 5) None of these

21. Which of the following is the new income tax return form for small businessmen and self-employed professionals introduced by the Finance Ministry recently ?

- 1) Suvidha
- 2) Sugam
- 3) Sahaj
- 4) Saral
- 5) None of these

22. A Committee was constituted to review the functioning of the Central Economic Intelligence Bureau (CEIB) recently. What is the objective of CEIB ?

- 1) To give suggestions for promoting financial inclusion
- 2) To compile data for calculating GDP growth and per capita income
- 3) To gather data on tax evasion and other financial crimes
- 4) To assist the RBI in formulating monetary policy
- 5) None of these

23. Mission Document of the National Water Mission (NWM) was approved by the Union Cabinet recently. Which of the following

statements is / are correct ?

I) NWM is one of the constituents of the National Action Plan for Climate Change

II) Improving share of hydroelectricity in country's total energy production is one of the objective of NWM

III) NWM will adjudicate in water sharing disputes involving inter-state rivers

- 1) I only
- 2) I and II only
- 3) I and II only
- 4) II and III only
- 5) None of these

24. Which country's 'Zero Kero' LPG programme is being considered for use in India to encourage customers to switch from kerosene to LPG recently ?

- 1) Thailand
- 2) Sri Lanka
- 3) Malaysia
- 4) Indonesia
- 5) None of these

25. Which of the following was launched by Union Ministry for Youth Affairs and Sports in association with National Skill Development Corporation (NSDC) at Imphal, Manipur recently?

- 1) Sports Employability Skill Project
- 2) Youth Skill Development Project
- 3) Youth Employability Skill Project
- 4) Tribal Employability Skill Project

5) None of these

26. Government has decided to introduce biometric ..... to weed out duplicate and fake ones recently

- 1) Debit cards
- 2) Passports
- 3) Driving licenses
- 4) PAN cards
- 5) None of these

27. Which country is the single largest source for foreign direct investment to India, accounting for 40 percent of FDI flows in the last ten years, according to the Reserve bank of India ?

- 1) USA
- 2) UK
- 3) Singapore
- 4) Mauritius
- 5) None of these

28. The government plans to set up a Green National Accounting (GNA) system to evaluate impact of economic growth on environment. Who has been selected as the Chairperson of the expert group on GNA ?

- 1) Parthasarathi Shome
- 2) Madhav Gadgil
- 3) Partha Dasgupta
- 4) B. Ulhas Karanth
- 5) None of these

29. Global Assessment Report (GAR) of which of the following has complimented the Government of India for its National Rural Employment Guarantee Act (NREGA) recently ?

- 1) European Union
- 2) ILO
- 3) IMF
- 4) UN
- 5) None of these

30. The regulations pertaining to mergers and amalgamations (M & A) were issued by the Competition Commission of India (CCI) on May 12, 2011. Which of the following statements is / are correct ?

- I) Overseas acquisitions of Indian companies with no impact on the domestic market will not come under the ambit of CCI
  - II) M & A deals that were initiated before June 1, 2011 will not come under the ambit of CCI
  - III) Scrutiny of all M & A deals will be completed by the CCI within 180 calendar days
- 1) I only
  - 2) I and II only
  - 3) II and III only
  - 4) I, II and III
  - 5) None of these

31. Which of the following statements about foreign investment in Limited Liability Partnership (LLP) companies is / are correct ?

- I) FDI will be allowed in LLPs in sectors like mining, power, roads and highways, manufacturing activities, drugs and pharmaceuticals
- II) FDI will not be allowed in LLPs engaged in agricultural and

plantation activities, print media or real estate business

III) LLPs have been allowed to access external commercial borrowings

- 1) I only
- 2) I and II only
- 3) II and III only
- 4) III and I only
- 5) None of these

32. Which is the first state to introduce e-payment system for commercial tax payers recently ?

- 1) Maharashtra
- 2) Uttarakhand
- 3) Karnataka
- 4) Madhya Pradesh
- 5) None of these

33. Which of the following is not among the industries / sectors given priority in natural gas supply in the country ?

- 1) Fertiliser
- 2) LPG
- 3) Steel
- 4) Power
- 5) None of these

34. Where was the World Spice Organisation (WSO) set up recently ?

- 1) Kannur
- 2) Kochi

- 3) Kollam
- 4) Kottayam
- 5) None of these

35. Which of the following submitted a report titled 'Social Protection for a Changing India' - a comprehensive review of anti-poverty schemes such as PDS, MGNREGS, RSBY and IAY recently ?

- 1) World Economic Forum
- 2) CMIE
- 3) World Bank
- 4) IMF
- 5) None of these

36. Which of the following not one of the objectives of setting up the Warehousing Development and Regulatory Authority ?

- 1) To improve farm sector yield
- 2) To enable farmers to avail of loans against foodgrains stored
- 3) To reduce post-harvest losses in foodgrain storage
- 4) To prevent post-harvest distress sales by farmers
- 5) None of these

37. The government approved the revival of Scooters India Limited (SIL) through induction of a joint venture partner recently. SIL sells scooters under which trademark ?

- 1) Mayur
- 2) Bharat
- 3) Vijay
- 4) Vikram
- 5) None of these

38. The Petroleum Conservation and Research Association (PCRA) has unveiled plans to set up India's first Carbon Credit Aggregation Centre (CCA) in which state ?

- 1) Himachal Pradesh
- 2) Uttarakhand
- 3) Rajasthan
- 4) Chhattisgarh
- 5) None of these

39. Which sectors were added to the list of six 'core sector infrastructure industries' recently?

- I) Water supply
  - II) Natural gas
  - III) Fertilisers
- 1) I only
  - 2) I and II only
  - 3) II only
  - 4) III and II only
  - 5) None of these

40. Bina Refinery is a joint venture of Bharat Petroleum and ..... Oil Company to set up a 6 MMTPA grass root refinery at Bina in Madhya Pradesh.

- 1) Shell
- 2) Qatar
- 3) Emirates
- 4) Oman
- 5) None of these

41. A high level committee of Bankers submitted its report on Rural Housing recently. Which of the following statements regarding its recommendations for Below the Poverty Line (BPL) Households is / are correct ?

I) Allocation of grants for construction of rural housing units for BPL Households should be increased to Rs. 75,000 per dwelling unit

II) Repayment period should be reduced to ten years

III) BPL households should be provided a loan of Rs. 50,000 at 4% rate of interest

- 1) II only
- 2) I and II only
- 3) II only
- 4) III and I only
- 5) None of these

42. 'Aichi Targets' refers to which of the following?

- 1) Trade
- 2) Education
- 3) Nuclear safety
- 4) Environment
- 5) None of these

43. Scheduled commercial banks do not require permission from the Reserve bank of India for opening new branches in towns with population less than .....

- 1) 49,999
- 2) 99,999
- 3) 2,49,999

- 4) 4,99,999
- 5) None of these

44. The National Rural Livelihoods Mission (NRLM) was launched recently. Which of the following statements is / are correct ?

- I) NRLM seeks to bring the rural poor under the Self Help Group (SHG) network
- II) Services of Business Correspondents (BCs) will be utilised to spread the concept of NRLM
- III) NRLM will facilitate access of bank credit to those covered under the Mission

- 1) I only
- 2) I and II only
- 3) II and III only
- 4) I and III only
- 5) None of these

45. A committee headed by RBI deputy governor Shyamala Gopinath has recommended a 'holding company' structure for both banking and nonbanking financial groups recently. Which of the following statements is / are correct ?

- I) Both the holding company as well as the subsidiaries can be listed on stock exchange
- II) The subsidiaries will own equity stake in the holding company

- 1) II only
- 2) I and II only
- 3) I only
- 4) All of these
- 5) None of these

46. Which Indian corporate group has decided to enter the financial services business in a tie up with D.E. Shaw of the US ?

- 1) AV Birla Group
- 2) Wipro Ltd
- 3) Mahindra & Mahindra
- 4) RIL
- 5) None of these

47. The Reserve Bank of India (RBI) recently relaxed the eligibility norms for using credit default swaps (CDS) on corporate bonds.

What are CDS ?

- 1) A form of loan that can be taken by pledging shares of a company
- 2) A form of credit rating that compares companies on their cash flow
- 3) A form of insurance that protects the lender in case of loan default
- 4) A form of loan that can be converted into equity
- 5) None of these

48. Which of the following statements is /are correct about Indian Depository Receipts (IDRs) ?

- 1) They are issued by Indian companies to raise funds from overseas stock markets
- 2) They are issued by foreign companies to raise funds from Indian stock markets
- 3) They are denominated in foreign currency
- 4) None of the above

5) None of these

49. Which is the first state in the country to sign an agreement with the World Bank for securing carbon credits for its 'Clean Development Mechanism' (CDM) recently ?

- 1) Sikkim
- 2) Uttarakhand
- 3) Jammu Kashmir
- 4) Himachal Pradesh
- 5) None of these

50. From which state was the National Rural Livelihood Mission launched recently ?

- 1) Kerala
- 2) Maharashtra
- 3) Haryana
- 4) Rajasthan
- 5) None of these

**ANSWERS:**

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

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## **NABARD signed MoU with All Cooperative Banks in Punjab to Launch Core Banking Solution**

National Bank for Agriculture and Rural Development today on 8 April 2011 signed MoU with all cooperative banks in Punjab to launch core banking solution (CBS). Under the pan India project NABARD sought the willingness of State Cooperative Bank (SCB) at the state level as well as District Central Cooperative Banks (DCCBs) at the district level under the Short Term Cooperative Credit Structure (STCCS) to join the project by executing a Memorandum of Understanding (MoU) with NABARD.

The project is aimed at providing application software, maintenance of data centre, disaster recovery centre, related network connection and regular maintenance and support of hardware and software. The agreement reached under the project is likely to go a long way to bring the functioning of Cooperative Banks at par with Commercial Banks and Regional Rural Banks in Punjab.

## **Indian Bank launched e-banking Lounge & Inter-bank Mobile Payment Services**

Indian Bank launched its 24 hour operating e-banking lounge on 11 April 2011 in Chennai. The e-banking lounge was inaugurated by C Rangarajan, Chairman, Prime Minister's Economic Advisory Council. The new service will provide the customers of Indian Bank with the facility of cash deposit, cash withdrawal, cheque deposit with acknowledgement, internet banking, touch screen banking for all account related transactions.

Dr. Rangarajan also launched two new tech products namely maestro enabled debit card for senior citizens and inter-bank mobile payment services. The senior citizen debit card will contain details like year of birth, blood group and photo of the senior citizen.

Indian Bank has always been keen on introducing innovative, easy to use new tech products for the benefit of all types of customers and the general public. The bank also plans to introduce e-banking lounges in various metros.

## **K. S. Sreenivasan appointed non-official director on board of Oriental Bank of Commerce**

November 23, 2011

The Ministry of Finance (Department of Financial Services) on 27 september 2011 appointed K. S. Sreenivasan as part-time, non-official director on the board of Oriental Bank of Commerce. Sreenivasan has been appointed for a period of three years. He had earlier served on the board of Union Bank of India between 2006 and 2009 and also on the board of Madras School of Economics. Sreenivasan, a practising chartered accountant with nearly 26 years of experience, is also a life member of the Indian Council of Arbitration.

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## **Fresh Capital to be infused in SBI to help it achieve Compliance with Capital Adequacy Ratio Norms**

November 23, 2011

Union Finance Minister Pranab Mukherjee on 16 October 2011 voiced the Finance Ministry's decision to recapitalise State Bank of India (SBI). Funds would be provided to the PSU lender to enable it to achieve compliance with capital adequacy ratio (CAR) norms. Fresh capital is to be infused in SBI. The government will inject Rs 3,000-4000 crore into SBI during the current fiscal 2011-12 to help it achieve an 8 per cent capital adequacy ratio (CAR).

Recapitalisation of banks is a continuing process and the government will continue to provide funds to PSU lenders through the Budget to ensure that they can meet solvency requirements.

According to estimates, SBI needs about Rs 20000 crore of fresh capital to maintain the pace of growth without sacrificing solvency margin norms.

Moody's had recently downgraded the credit rating of SBI, citing inadequate capital and poor asset quality as reasons. Following the downgrade, major private sector lenders like ICICI Bank, HDFC Bank and Axis Bank currently have a better standing than SBI in terms of their credit rating. The government holds a 59 per cent stake in the country's largest bank, SBI.

## **Ratings Firm Moody's downgraded Indian Banking System's Rating outlook from Stable to Negative**

November 23, 2011

Global ratings firm Moody's on 9 November 2011 downgraded the entire Indian banking system's rating outlook from stable to negative indicating a deterioration in asset quality in the months ahead. In September 2011, Standard & Poor's (S&P) downgraded the country's largest lender, the State Bank of India, by one notch.

Arguing its case for the outlook downgrade the Moody's mentioned that with asset quality was anticipated to deteriorate over the next 12-18 months, thereby causing an increase in provisioning needs for the banks in financial year 2012 and 2013.

The Moody's decision was announced at a time when the Eurozone financial system is in turmoil and a large number of European banks are in dire straits.

The government rejected it claiming that the country's lending institutions are much healthier than their global counterparts. Indian bankers termed the move unwarranted and premature at this point of time.

The market apprehended that the downgrade by the Moody's would render overseas borrowings costlier for Indian banks. The negative sentiment sparked a major sell-off in banking stocks, resulting in the banking index on the Bombay Stock Exchange tumbling by 2.62 per cent on 9 November.

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33. China emerged as the world's second largest economy in 2010 overtaking .....

- 1) France
- 2) Britain
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34. CARINGS has been launched by Ministry of Women and Child Development to :

- 1) improve gender parity
- 2) reduce infant mortality
- 3) improve child immunisation
- 4) facilitate adoption
- 5) None of these

35. The Union Cabinet has approved amendments in the Coinage Bill 2009 that seeks to amalgamate four existing Acts relating to coinage recently. Which of the following Acts is the oldest ?

- 1) The Indian Coinage Act
- 2) The Small Coins (Offences) Act
- 3) The Metal Token Act
- 4) The Bronze Coin (Legal Tender) Act
- 5) None of these

36. Which of the following is not a hedge fund ?

- 1) Magellan
- 2) Hibhridge
- 3) Gartner
- 4) D.E. Shaw
- 5) None of these

37. Preferred Provider Network (PPN) is a term used in which of the following businesses ?

- 1) Commodities trading
- 2) Retailing
- 3) Health insurance

- 4) Foreign trade
- 5) None of these

38. Which of the following has introduced a new tool named Data Ware Housing and Business Intelligence System (DWBIS) for speedy analysis of data and identification of violations?

- 1) IRDA
- 2) SEBI
- 3) RBI
- 4) TRAI
- 5) None of these

39. The government has introduced three new consumer price indices – CPI (Rural), CPI (Urban) & CPI (Combined) – with 2010 as the base year recently. Which of the following is not among the five major commodity groups covered in the indices ?

- 1) Food, beverages and tobacco
- 2) Fuel and light
- 3) Education and schooling
- 4) Housing
- 5) None of these

40. Which of the following has launched the 'Everywhere Teller Machine' (ETM) in India ?

- 1) Stanchart Bank
- 2) HDFC Bank
- 3) SBI
- 4) Axis Bank
- 5) None of these

41. Regional Rural Banks (RRBs) are owned by :

- I) Their Sponsor Bank
  - II) Government of the state where they are located
  - III) Union government
- 1) I only
  - 2) I and II only
  - 3) II and III only
  - 4) I, II and III
  - 5) None of these

42. 'Easy Exit Scheme 2011' floated by the Ministry of Corporate Affairs refers to which of the following ?

- 1) Privatisation of loss-making public sector companies
- 2) Removal of names of defunct companies from the Registrar of Companies
- 3) Closure of loss-making industries after paying off creditors
- 4) Removal of SEZ status for companies not fulfilling export obligations
- 5) None of these

43. What is the financial inclusion campaign launched by the government to bring banking services to vast unbanked rural areas in the country recently named ?

- 1) Swawlamban
- 2) Swatantra
- 3) Swadhar
- 4) Swabhiman
- 5) None of these

44. Which of the following statements about India's population and surface area is/are correct as per the provisional figures of Census 2011 ?

- I) India accounts for 2.4 percent of the world surface area
- II) India sustains 17.5 percent of the world population
- III) Population density has increased between 2001 and 2011

- 1) I only
- 2) I and II only
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45. According to the RBI, branches serving population of ..... and above are classified as Metropolitan branches

- 1) 5 lakh
- 2) 10 lakh
- 3) 25 lakh
- 4) 50 lakh
- 5) None of these

46. Which state government has announced introduction of 'Vanita Family Card' for below poverty line families that will enable them travel in road transport corporation buses at concessional fares recently ?

- 1) Karnataka
- 2) Tamil Nadu
- 3) Maharashtra
- 4) Andhra Pradesh

5) None of these

47. 'French Auction' is a term used in which of the following sectors of financial services ?

- 1) Banking
- 2) Insurance
- 3) Capital markets
- 4) Micro-finance
- 5) None of these

48. The department of industrial policy and promotion (DPP) is promoting NMIZs to improve the spread of industrialisation in the country. NMIZ refers to which of the following ?

- 1) New Manufacturing and Investment Zones
- 2) National Medium Industry Zones
- 3) National Manufacturing Industry Zones
- 4) National Manufacturing and Investment Zones
- 5) None of these

49. Which state / union territory has the lowest literacy rate as per provisional figures of Census 2011 ?

- 1) Orissa
- 2) Mizoram
- 3) Bihar
- 4) Rajasthan
- 5) None of these

50. The Department of Industrial Policy and Promotion announced changes in FDI policy recently. Which of the following statements is

/ are correct ?

I) Indian companies have been allowed to convert foreign debt into equity

II) Indian companies have been allowed to issue equity to fund imports of machinery and capital goods

III) 51 per cent FDI is currently allowed in multi-branch retail trade

1) I only

2) I and II only

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**ANSWERS:**

1) 4 2) 2 3) 4 4) 2 5) 4 6) 3 7) 3 8) 3 9) 3 10)

4

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- 5) None of these

34. CARINGS has been launched by Ministry of Women and Child

Development to :

- 1) improve gender parity
- 2) reduce infant mortality
- 3) improve child immunisation
- 4) facilitate adoption
- 5) None of these

35. The Union Cabinet has approved amendments in the Coinage Bill 2009 that seeks to amalgamate four existing Acts relating to coinage recently. Which of the following Acts is the oldest ?

- 1) The Indian Coinage Act
- 2) The Small Coins (Offences) Act
- 3) The Metal Token Act
- 4) The Bronze Coin (Legal Tender) Act
- 5) None of these

36. Which of the following is not a hedge fund ?

- 1) Magellan
- 2) Hibhbridge
- 3) Gartner
- 4) D.E. Shaw
- 5) None of these

37. Preferred Provider Network (PPN) is a term used in which of the following businesses ?

- 1) Commodities trading
- 2) Retailing
- 3) Health insurance
- 4) Foreign trade

5) None of these

38. Which of the following has introduced a new tool named Data Ware Housing and Business Intelligence System (DWBIS) for speedy analysis of data and identification of violations?

- 1) IRDA
- 2) SEBI
- 3) RBI
- 4) TRAI
- 5) None of these

39. The government has introduced three new consumer price indices – CPI (Rural), CPI (Urban) & CPI (Combined) – with 2010 as the base year recently. Which of the following is not among the five major commodity groups covered in the indices?

- 1) Food, beverages and tobacco
- 2) Fuel and light
- 3) Education and schooling
- 4) Housing
- 5) None of these

40. Which of the following has launched the 'Everywhere Teller Machine' (ETM) in India?

- 1) Stanchart Bank
- 2) HDFC Bank
- 3) SBI
- 4) Axis Bank
- 5) None of these

41. Regional Rural Banks (RRBs) are owned by :

- I) Their Sponsor Bank
  - II) Government of the state where they are located
  - III) Union government
- 1) I only
  - 2) I and II only
  - 3) II and III only
  - 4) I, II and III
  - 5) None of these

42. 'Easy Exit Scheme 2011' floated by the Ministry of Corporate Affairs refers to which of the following ?

- 1) Privatisation of loss-making public sector companies
- 2) Removal of names of defunct companies from the Registrar of Companies
- 3) Closure of loss-making industries after paying off creditors
- 4) Removal of SEZ status for companies not fulfilling export obligations
- 5) None of these

43. What is the financial inclusion campaign launched by the government to bring banking services to vast unbanked rural areas in the country recently named ?

- 1) Swawlamban
- 2) Swatantra
- 3) Swadhar
- 4) Swabhiman
- 5) None of these

44. Which of the following statements about India's population and surface area is/are correct as per the provisional figures of Census 2011 ?

- I) India accounts for 2.4 percent of the world surface area
- II) India sustains 17.5 percent of the world population
- III) Population density has increased between 2001 and 2011

- 1) I only
- 2) I and II only
- 3) III and I only
- 4) I, II and III
- 5) None of these

45. According to the RBI, branches serving population of ..... and above are classified as Metropolitan branches

- 1) 5 lakh
- 2) 10 lakh
- 3) 25 lakh
- 5) 50 lakh
- 5) None of these

46. Which state government has announced introduction of 'Vanita Family Card' for below poverty line families that will enable them travel in road transport corporation buses at concessional fares recently ?

- 1) Karnataka
- 2) Tamil Nadu
- 3) Maharashtra
- 4) Andhra Pradesh
- 5) None of these

47. 'French Auction' is a term used in which of the following sectors of financial services ?

- 1) Banking
- 2) Insurance
- 3) Capital markets
- 4) Micro-finance
- 5) None of these

48. The department of industrial policy and promotion (DPP) is promoting NMIZs to improve the spread of industrialisation in the country. NMIZ refers to which of the following ?

- 1) New Manufacturing and Investment Zones
- 2) National Medium Industry Zones
- 3) National Manufacturing Industry Zones
- 4) National Manufacturing and Investment Zones
- 5) None of these

49. Which state / union territory has the lowest literacy rate as per provisional figures of Census 2011 ?

- 1) Orissa
- 2) Mizoram
- 3) Bihar
- 4) Rajasthan
- 5) None of these

50. The Department of Industrial Policy and Promotion announced changes in FDI policy recently. Which of the following statements is / are correct ?

- I) Indian companies have been allowed to convert foreign debt into equity  
II) Indian companies have been allowed to issue equity to fund imports of machinery and capital goods  
III) 51 per cent FDI is currently allowed in multi-branch retail trade
- 1) I only
  - 2) I and II only
  - 3) II and III only
  - 4) III and I only
  - 5) None of these

**ANSWERS:**

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

## IBPS CLERKS GENREAL AWARENESS MODEL PAPER

1. Cairo Programme of Action (POA) refers to which of the following ?

- 1) Vaccination
- 2) Adult literacy
- 3) Food security
- 4) Population control
- 5) None of these

2. Justice Wadhwa Committee is reviewing the functioning of which of the following ?

- 1) Mid-day meal programme
- 2) Rashtriya Swasthaya Bima Yojna
- 3) Public Distribution System
- 4) Public Distribution System
- 5) None of these

3. What is the objective of the Central Registry launched under the provisions of the SARFAESI Act 2002, recently ?

- 1) To prevent leakage of funds in delivery of central government sponsored rural employment schemes
- 2) To prevent tax evasion by Indians by keeping track of large transactions in the banking system
- 3) To prevent frauds in loan cases involving multiple lending from different banks on the same asset
- 4) To ensure timely delivery of agricultural credit under priority sector norms by public sector banks

5) None of these

4. What is the objective of the National Mission for Electric Mobility launched recently ?

- 1) Promoting the use of energy saving devices
- 2) Promoting the replacement of diesel by electric locomotives in Indian Railways
- 3) Promoting spread of mobile services in rural areas
- 4) Promoting the use of battery operated vehicles
- 5) None of these

5. What is the objective of India Smart Grid Forum (ISGF) ?

- 1) To promote R & D collaboration between universities and industry
- 2) To promote the use of non-renewable sources of energy
- 3) To promote higher education using broadband
- 4) To promote energy efficiency in power sector
- 5) None of these

6. Which of the following became India's first bank to facilitate payment of income tax using ATMs recently ?

- 1) State Bank of India
- 2) Punjab National Bank
- 3) Canara Bank
- 4) Union Bank of India
- 5) None of these

7. Which of the following has / have been selected as the sole fund manager by the Employees Provident Fund Organisation (EPFO) to manage its corpus of about Rs 3.5 lakh crore recently ?

- 1) State bank of India
- 2) ICICI Prudential
- 3) HSBC
- 4) Reliance Capital
- 5) None of these

8. Rabobank has received the Reserve Bank of India approval to set up its first branch in India recently. It is a bank headquartered in which country ?

- 1) France
- 2) Belgium
- 3) Britain
- 4) Netherlands
- 5) None of these

9. The government has approved the creation of posts of 'Indirect Tax Ombudsmen' in several cities recently. Which of the following statements about is / are correct ?

- I) It will be set up in seven cities
  - II) It will examine public complaints on income tax matters
  - III) It will have the powers to give settle claims and give awards" to the aggrieved parties
- 1) I only
  - 2) II and III only
  - 3) II only
  - 4) III and I only
  - 5) None of these

10. What does 'remittances', a word we often come across in articles

on foreign exchange reserves in newspapers, refer to ?

- 1) Postponement of payments to the IMF
- 2) Money transfer by migrant worker to their home country
- 3) Donation by individuals to a charity
- 4) Taxation obligation of developing countries
- 5) None of these

11. Which state has launched the 'Jeevandhara' programme to provide quality medicines at affordable prices to the poor recently ?

- 1) Andhra Pradesh
- 2) Maharashtra
- 3) Rajasthan
- 4) Gujarat
- 5) None of these

12. The abbreviation 'EAG states' mentioned in the Census 2011 refers to which of the following?

- 1) Eligible Action Group States
- 2) Economically Advancing Group States
- 3) Empowered Action Group States
- 4) Empowered Advancing Group States
- 5) None of these

13. Which of the following had the highest share of bank credit (occupation - wise) as on March 31, 2009 according to a RBI report released recently ?

- 1) Agriculture
- 2) Industry
- 3) Trade

- 4) Transport Operators
- 5) None of these

14. Which of the following statements is / are correct about the Pension Fund Regulatory and Development Authority (PFRD) (1) Bill introduced in Lok Sabha ?

- I) The Bill gives statutory status to interim pension regulator
  - II) The Bill was supported by Left Parties
  - III) The Bill was supported by the BJP
- 1) I only
  - 2) I and II only
  - 3) II and III only
  - 4) III and I only
  - 5) None of these

15. The Banking Laws (amendment) Bill 2011 was tabled in Parliament recently. Which of the following statements is / are correct as per current policy ?

- I) Nationalised banks cannot issue bonus shares
  - II) Nationalised banks can raise capital through rights issues
  - III) Nationalised banks cannot issue preference shares
- 1) I only
  - 2) I and II only
  - 3) II only
  - 4) III and I only
  - 5) None of these

16. The government has tabled a Constitution Amendment Bill on the Goods and Services Tax (GST) in Parliament recently. Which of

the following statements is / are correct ?

- I) GST will replace many taxes levied at the Centre, including excise duty and service tax
- II) GST will replace many taxes levied at the state level, including sales tax and entertainment tax
- III) Currently states are not allowed to tax sale of goods, while the Centre cannot tax services

- 1) I only
- 2) I and II only
- 3) II only
- 4) III and II only
- 5) None of these

17. The Banking Laws (amendment) Bill 2011 was tabled in Parliament recently. Which of the following statements is / are correct as per current policy ?

- I) At present promoters and shareholders of private banks cannot exercise voting rights in proportion to their shareholding
- II) Voting rights of a non - government's shareholder in nationalised banks cannot exceed 5% irrespective of the size of his shareholding
- III) Voting rights of a shareholder in private sector banks cannot exceed 10% irrespective of the size of his shareholding

- 1) I only
- 2) I and II only
- 3) II only
- 4) III and I only
- 5) None of these

18. What is the FDI limit in the insurance sector in India ?

- 1) 11%
- 2) 26%
- 3) 49%
- 4) 51%
- 5) None of these

19. Which of the following is launching 'Rupay' as a domestic alternative to the global real-time payment processing firms like Visa, MasterCard?

- 1) CCA venue Payment Gateway
- 2) PayPal Corporation of India
- 3) Industrial Financial Corporation of India
- 4) National Payments Corporation of India
- 5) None of these

20. Export of which of the following crop is / are allowed currently ?

- 1) Wheat
- 2) Non-Basmati rice
- 3) Sugar
- 4) Pulses
- 5) None of these

21. Which of the following is the oil exploration & production company operating in Siberia and owned by the ONGC ?

- 1) Venture Production
- 2) Regar Petroleum
- 3) Enterprise Oil
- 4) Imperial Energy
- 5) None of these

22. The government has decided provide equity support to public sector banks (PSBs) to raise its holding to .....

- 1) 55%
- 2) 58%
- 3) 62%
- 4) 68%
- 5) None of these

23. Which of the following is / are not covered under the compulsory labelling programme of the Bureau of Energy Efficiency (BEE) ?

- 1) Air conditioners
- 2) Refrigerators
- 3) Geysers
- 4) Distribution transformers
- 5) None of these

24. Which foreign bank publishes the monthly Purchasing Managers' Index (PMI) that measures the health of manufacturing sector in India and is based on a survey of top 500 companies ?

- 1) Barclays
- 2) HSBC
- 3) Stanchart Bank
- 4) Citi Bank
- 5) None of these

25. Which of the following has become the first state in the country to announce a monthly allowance to unemployed under-graduates recently ?

- 1) Karnataka
- 2) Rajasthan
- 3) Goa
- 4) Maharashtra
- 5) None of these

26. How many commercial banks are functioning in India as per the 'Statistical Tables Relating To Banks in India 2009-10 unveiled by the RBI in March 2011 ?

- 1) 135
- 2) 167
- 3) 193
- 4) 256
- 5) None of these

27. The Rashtriya Krishi Vikas Yojana (RKVY) will be implemented in the coming year (2011 - 12) with a budget of Rs. 7860 crore and nine sub - schemes. Which of the following sub-scheme refers to livestock development, dairy farming and fisheries ?

- 1) Rainfed Area Development Programme
- 2) National Mission for Protein Supplements
- 3) Promotion of Oil Palm
- 4) Accelerated Fodder Development Programme
- 5) None of these

28. What was the share of priority sector lending in lending by commercial banks as on March 31, 2010 as per the 'Statistical Tables Relating to Banks in India 2009-10' report unveiled by the RBI recently ?

- 1) 16%
- 2) 24%
- 3) 31%
- 4) 36%
- 5) None of these

29. Under the current merger & acquisition policy, any deal involving acquisition of ..... or more in a listed company requires the acquirer to make an open offer for buying at least ..... stake from public shareholders.

- 1) 5 per cent, 10 per cent
- 2) 10 per cent, 15 per cent
- 3) 15 per cent, 20 per cent
- 4) 20 per cent, 25 per cent
- 5) None of these

30. Pradhan Mantri Adarsh Gram Yojana (PMAGY) is for the integrated development of which of the following category of villages ?

- 1) Villages where SCs comprise more than 25% of population
- 2) Villages where SCs & STs comprise more than 50% of population
- 3) Villages where STs comprise more than 25% of population
- 4) Villages where SCs comprise more than 50% of population
- 5) None of these

31. How much as the requirement of water for irrigation in India as per a recent assessment by the National Commission for Integrated Water Resources Development (NCIWRD) ?

- 1) 4000 billion cubic meters (BCM)
- 2) 1869 BCM
- 3) 1123 BCM
- 4) 557 BCM
- 5) None of these

32. Which foreign bank has the highest number of employees in India ?

- 1) HSBC
- 2) Royal Bank of Scotland (RBS)
- 3) Standard Chartered Bank
- 4) Citibank
- 5) None of these

33. Which of the following statements about solvency ratio in the insurance sector is /are correct?

- I) IRDA has directed general insurance companies to increase their solvency ratios for vehicle insurance
  - II) A high solvency ratio indicates lower probability of default
  - III) A higher solvency ratio indicates better financial health of the insurance company
- 1) I only
  - 2) I and II only
  - 3) II and III only
  - 4) I, II and III
  - 5) None of these

34. Which of the following regions had the highest number of bank branches in the country as per the 'Statistical Tables Relating to

Banks in India 2009-10' unveiled by the RBI recently?

- 1) Rural
- 2) Semi-Urban
- 3) Urban
- 4) Metropolitan
- 5) None of these

35. Which state has the highest number of commercial bank branches in India as on March 31, 2010 as per the 'Statistical Tables Relating to Banks in India 2009-10' report unveiled by the RBI recently ?

- 1) UP
- 2) Maharashtra
- 3) Andhra Pradesh
- 4) Tamil nadu
- 5) None of these

36. Which of the following does not come under the definition of Scheduled Commercial Banks in India ?

- 1) Scheduled State Co - operative Banks
- 2) Scheduled Urban Co - operative Banks
- 3) REgional Rural Banks
- 4) None of the above
- 5) None of these

37. Which of the following is / are implementing the Traditional Knowledge Digital Library (TKDL) project ?

- I) Ministry of Science and Technology
- II) Council of Scientific and Industrial Research

### III) Ministry of Health and Family Welfare

- 1) I only
- 2) I and II only
- 3) II and III only
- 4) I, II and III
- 5) None of these

38. What was the poverty rate in 2009-10 according to recent estimates by Planning Commission ?

- 1) 28%
- 2) 30%
- 3) 32%
- 4) 34%
- 5) None of these

39. Which of the following statements about demand and supply of petroleum products in India is / are correct ?

I) India's current petroleum refining capacity is 240 million tonnes per annum (MTPa)

II) India's demand for the petroleum products is less than its refining capacity

III) Further addition in refining capacity is likely to boost country's exports of petroleum products

- 1) I only
- 2) I and II only
- 3) II and III only
- 4) III and I only
- 5) None of these

40. Which of the following has launched the 'Trans Union Score' that will indicate credit worthiness of consumers applying for loans from banks ?

- 1) Experian Credit Information Co
- 2) Indian Credit Rating Agency
- 3) Credit Information Bureau Ltd
- 4) Euifax Information Services
- 5) None of these

41. Which bank has announced an end to its 'teaser' home loan scheme recently ?

- 1) Bank of India
- 2) HDFC Bank
- 3) Union Bank
- 4) State Bank of India
- 5) None of these

42. The government has decided to set up an inter-ministerial group chaired by Planning Commission member Arun Maira to examine the issue of imposing restrictions on FDI in pharmaceutical industry. How much FDI is permitted currently ?

- 1) 33%
- 2) 49%
- 3) 51%
- 4) 100%
- 5) None of these

43. Which of the following is the criterion for allocation of foodgrains under the Public Distribution System (PDS) to below poverty line

(BPL) families ?

- 1) Same quantity of foodgrains is given to every BPL family
- 2) The quantity of foodgrains given depends on the number of members in the BPL family
- 3) The quantity of foodgrains given depends on the annual income of the BPL family
- 4) Both (2) & (3)
- 5) None of these

44. How much was the net Foreign Institutional Investor (FII) investment in Indian stock markets in 2010-11 according to SEBI ?

- 1) Rs. 0.76 lakh crores
- 2) Rs. 0.95 lakh crore
- 3) Rs. 1.17 lakh crore
- 4) Rs. 1.46 lakh crore
- 5) None of these

45. The government has launched 'Service Discharge Benefit Scheme' for over 2.7 lakh employees of which organisation recently ?

- 1) Department of Telecom
- 2) Indian Army
- 3) Department of Posts
- 4) Indian Railways
- 5) None of these

46. Accredited Social Health Activists (ASHAs) In which state are known as 'Mitans' ?

- 1) Jharkhand

- 2) Rajasthan
- 3) Orissa
- 4) Chhattisgarh
- 5) None of these

47. 'Health and Wellness Tourism – Advantage India', a study that offers a 10 - point prescription to boost health and wellness tourism in India, is a joint initiative of YES Bank and ....

- 1) MCI
- 2) IMA
- 3) FICCI
- 4) CII
- 5) None of these

48. Kimberley Process certificates are compulsory for trade in which of the following ?

- 1) Gold
- 2) Diamonds
- 3) Radioactive materials
- 4) All the above
- 5) None of these

49. The Ministry of Statistics & Programme Implementation recently decided to allow MPs to spend a maximum of Rs. 10.00 lakhs per year from their MPLAD funds for :

- 1) creating awareness about social welfare schemes of the government
- 2) building sports facilities in their constituencies
- 3) rehabilitation of those affected by natural calamities

- 4) giving assistance to the physically challenged in their constituencies  
 5) None of these

50. The Foreign Contribution Regulation Act (FCRa) 2010 came into effect from May 1, 2011. Which of the following statements is / are correct ?

- I) 'Organisations of political nature' can receive foreign funds only after prior clearances from the government  
 II) Organisations that receive foreign funds will have to renew their registration once every three years  
 III) Banks will have to immediately report to the government about all foreign funds exceeding Rs. 10 lakh

- 1) I only  
 2) I and II only  
 3) II only  
 4) III only  
 5) None of these

**ANSWERS:**

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

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## IBPS BANKING AWARENESS PRACTICE MODEL PAPER

1. From which state was the Janani O Shishu Suraksha Karyakram (JSSK) of the Ministry of Health and Family Welfare launched recently ?

- 1) Kerala
- 2) Maharashtra
- 3) Haryana
- 4) Rajasthan
- 5) None of these

2. RBI has decided to release a Rs. 5 coin mark 1000 years of which temple recently ?

- 1) Sabarimala Temple
- 2) Kashi Vishwanath Temple, Varanasi
- 3) Brihadeeswara Temple, Thanjavur
- 4) Vaishno Devi Temple
- 5) None of these

3. Which of the following approved \$ 1 billion loan for the National Ganga River Basin Project recently ?

- 1) UNEP
- 2) ADB
- 3) World Bank
- 4) All above jointly
- 5) None of these

4. The revised estimates of national income for the financial year

2010-11 were released by the Central Statistical Organisation (CSO) on May 31, 2011. Which of the following statements is / are correct ?

I) Gross Domestic Product (GDP) at factor cost at 2004-05 prices is Rs. 4877842 crore

II) Per Capita GDP at factor cost at 2004-05 prices is Rs. 38,247

III) Per Capita Net National Income (NNI) at factor cost at 2004-05 prices is Rs. 35,917

1) I only

2) I and II only

3) II and III only

4) I and III only

5) None of these

5. The government has set up ..... 'Vidyut Vyapar Nigam' as the Central Agency to purchase solar power from the developers and sell it to distribution companies such as state electricity boards.

1) BHEL

2) NHPC

3) REC

4) NTPC

5) None of these

6. The Reserve Bank of India (RBI) announced a change in its overseas direct investment guidelines to give Indian companies more flexibility in managing international joint ventures (JVs) and wholly-owned subsidiaries. Which of the following statements is / are correct ?

I) Listed companies will be allowed to write off 25 per cent capital,

loans and other receivables such as royalty and management fee of their JVs and wholly-owned subsidiaries without seeking RBI permission

II) These guidelines will be applicable for JVs in which Indian promoters own at least 51 per cent

III) Existing regulations allow restructuring of balance sheets only for winding - up of JVs and wholly - owned subsidiaries abroad

1) II only

2) I and II only

3) III and I only

4) I, II and III

5) None of these

7. Which public sector bank is associated with the launch of India's first Gramin Bank (Rural Bank) ATM Card in association with Varanasi - based Kashi Gomti Samyut Gramin Bank and National Payments Corporation of India (NPCI) recently ?

1) Allahabad Bank

2) SBI

3) Canara Bank

4) UBI

5) None of these

8. The government announced the setting up of a special wing - Directorate of Income Tax (Criminal Investigation) - to investigate criminal offences under direct tax laws recently. Which of the following statements is / are correct ?

I) It will work under the purview of Enforcement Directorate

II) It will cover evasion of income tax and corporate tax

III) It will cover evasion of excise and customs duties

- 1) I only
- 2) I and II only
- 3) II only
- 4) III only
- 5) None of these

9. Which of the following is not among the five-fold strategy adopted by the government to tackle the menace of illicit funds ?

- 1) Joining global crusade against 'black money'
- 2) Creating an appropriate legislative framework
- 3) Setting up institutions for dealing with Illicit Funds
- 4) Offering amnesty schemes to bring back black money
- 5) None of these

10. The National Food Security Mission (NFSM) does not cover :

- 1) Rice
- 2) Coarse Cereals
- 3) Pulses
- 4) All the above
- 5) None of these

11. Which of the following statements about rules governing the New Pension Scheme (NPS) is / are correct ?

- I) Fund managers under NPS can be from public sector as well as private sector
- II) NPS funds cannot be invested in equity markets
- III) Both government and private sector employees can invest in NPS

- 1) I only
- 2) I and II only
- 3) II and III only
- 4) I and III only
- 5) None of these

12. SCORES is a complaints redressal system launched by :

- 1) SEBI
- 2) IBA
- 3) CBDT
- 4) CCI
- 5) None of these

13. Direct tax collections account for what share of GDP in India ?

- 1) 9.26 per cent
- 2) 7.62 per cent
- 3) 5.66 per cent
- 4) 4.72 per cent
- 5) None of these

14. The government has increased the duty - free import quota for garments from which neighbouring country by two million pieces to 10 million recently ?

- 1) Nepal
- 2) Bangladesh
- 3) Myanmar
- 4) Bhutan
- 5) None of these

15. The Committee set up to review the functioning of the National Small Savings Fund (NSSF) submitted its report to the Finance Ministry recently. Which of the following statements is / are correct ?

- I) It has recommended an increase in the ceiling on annual subscriptions in Public Provident Fund (PPF).
- II) It has recommended an upward revision of the rate of interest in Post Office Saving Account from 3.5% to 4%.
- III) It has recommended an increase in the compulsory investment of net small savings collections in State Government Securities

- 1) I only
- 2) I and II only
- 3) II and III only
- 4) I and III only
- 5) None of these

16. Which of the following statements regarding recent changes in the Indira Gandhi National Old Age Pension Scheme (IGNOAPS) is / are correct ?

- I) Age limit for identification of beneficiaries has been lowered
- II) 60 years is the new age limit for identification of beneficiaries
- III) Monthly pension has been increased for all beneficiaries

- 1) I only
- 2) I and II only
- 3) II only
- 4) I, II and III
- 5) None of these

17. The draft National Manufacturing Policy was given in - principle approval by a High Level Committee on Manufacturing,

held under the Chairmanship of the Prime Minister recently. Which of the following statements is / are correct ?

I) The objective is to generate 100 million additional jobs by 2025

II) The objective is to raise the share of manufacturing in GDP to 30% by 2025

III) Manufacturing Industry Promotion Board (MIPB) should be set up to facilitate overseas investments by Indian companies

1) I only

2) I and II only

3) II and III only

4) I, II and III

5) None of these

18. The government announced certain changes in the Indira Gandhi National Old Age Pension Scheme (IGNOAPS) recently. Which of the following statements is / are correct ?

I) More than 3 crore persons are covered under the IGNOAPS currently

II) Total additional requirement of funds for implementing the changes will be Rs. 2,770 crore in 2011-12

III) Age limits for widows and disabled covered under the scheme has been lowered

1) I only

2) I and II only

3) II only

4) II and III only

5) None of these

19. The National Broadband Plan is aimed at rolling out

broadband infrastructure to every village with more than ..... people.

- 1) 500
- 2) 1000
- 3) 1500
- 4) 2000
- 5) None of these

20. The new series of the Index of Industrial Production (IIP) was unveiled recently. Which of the following statements is / are correct ?

- I) 2004-05 will be the base year
  - II) The weight of manufacturing in the new IIP has been increased
  - III) The weight of mining and electricity has been reduced in the new IIP
- 1) I only
  - 2) I and II only
  - 3) II and III only
  - 4) I, II and III
  - 5) None of these

21. The government replaced the Duty Entitlement Pass Book [DEP(2)] scheme of export promotion replaced with Duty Drawback scheme on September 30. Which of the following statements is / are correct?

- I) DEPB was a reimbursement of Customs duty paid by an exporter on an imported input used in the export product
- II) DEPB was a cashless export promotion scheme
- III) DEPB was administered by the revenue department of Finance Ministry

- 1) I only
- 2) I and II only
- 3) II and III only
- 4) III and I only
- 5) None of these

22. What is the interest rate in 2011-12 on fresh loans for farmers who have repaid their previous short - term loans on time ?

- 1) 3%
- 2) 4%
- 3) 5%
- 4) 6%
- 5) None of these

23. Which of the following indexes was coined by economist Arthur Okun ?

- 1) Corruption Perception Index
- 2) Network Readiness Index
- 3) Terrorism Risk Index
- 4) Misery Index
- 5) None of these

24. Which of the following category of workers were included under the Rashtriya Swasthya Bima yojana (RSBY) recently ?

- 1) Railway porters
- 2) Beedi workers
- 3) Carpenters
- 4) Masons
- 5) None of these

25. Which of the following have been disallowed from opening branches abroad by the RBI recently ?

- 1) Private sector banks
- 2) Pension Funds
- 3) Cooperative banks
- 4) NBFCs
- 5) None of these

26. Which of the following is the power exchange being set up by NPTC ?

- 1) Bharat Power Exchange Ltd
- 2) National Power Exchange Ltd
- 3) Power Exchange India Ltd
- 4) None of the above
- 5) None of these

27. India has filed an application for an extension of its Exclusive Economic Zone (EEZ) from ..... nautical miles to ..... nautical miles with the United Nations Commission on the Law of the Sea

- 1) 100, 300
- 2) 200, 250
- 3) 100, 250
- 4) 200, 350
- 5) None of these

28. Which was India's best performing state during 1980-2004 in terms of productivity of the organised manufacturing sector, according to a RBI sponsored study unveiled recently ?

- 1) Bihar
- 2) Tamil Nadu
- 3) Karnataka
- 4) Haryana
- 5) None of these

29. What was the insurance penetration (percentage of insurance premium to Gross Domestic Product) in India in 2009 according to figures released by the Finance Ministry in August 2011 ?

- 1) 3.14
- 2) 4.80
- 3) 4.70
- 4) 5.39
- 5) None of these

30. Indian - mining companies have bid for a stake in Hajigak ..... ore mines in Afghanistan

- 1) Bauxite
- 2) Copper
- 3) Iron
- 4) Coal
- 5) None of these

31. India and Sri Lanka signed a MoU to develop the ..... port in July 2011

- 1) Kankesanthurai
- 2) Hambantota
- 3) Trincomalee
- 4) Galle

5) None of these

32. The establishment of Serious Fraud Investigation Office to tackle white collar crimes is based on the recommendations of :

- 1) Vepa kamesam committee
- 2) J. Venkateswarlu committee
- 3) Jaydeep N. Shah committee
- 4) Nilesh S. Vikamsey committee

33. 'Sukhi Griha Parikalpana' is a housing welfare scheme for rehabilitation of slum dwellers launched by which central government ministry?

- 1) Railway
- 2) Rural Development
- 3) Urban Development
- 4) Labour & Employment
- 5) None of these

34. A draft policy on foreign direct investment (FDI) in multi-brand retail was unveiled by a committee of secretaries (CoS) in July 2011. Which of the following statements regarding current FDI policy in retail is / are correct ?

- I) FDI upto 10% is permitted in multi-brand retail.
  - II) 100% FDI is permitted in cash & carry wholesale trade
  - III) FDI upto 51% is permitted in single - brand retail
- 1) I only
  - 2) I and II only
  - 3) II and III only
  - 4) I, II and III

5) None of these

35. The government approved the acquisition of ..... Commercial and International Bank Ltd.' by ..... was approved by the government in July 2011.

- 1) State Bank of India
- 2) Bank of India
- 3) Axis Bank
- 4) ICICI
- 5) None of these

36. What is the base year of the new series of Consumer Price Indices (CPI) for rural, urban and combined introduced by the government in January, 2011 ?

- 1) 2005
- 2) 2007
- 3) 2008
- 4) 2010
- 5) None of these

37. Which of the following was imposed a penalty of Rs. 55.5 crore for abusing its dominant position in the currency derivative (CD) market in June 2011 ?

- 1) National Stock Exchange
- 2) MCX-SX
- 3) Bombay Stock Exchange
- 4) OTCEI
- 5) None of these

38. Use of the which of the following softwares in reporting financial results of companies was made compulsory by the government recently?

- 1) XBRL
- 2) Tally
- 3) HTML
- 4) COBOL
- 5) None of these

39. What is the minimum time of operation an insurance company is required to launch an initial public offer (IPO) ?

- 1) 3 years
- 2) 5 years
- 3) 7 years
- 4) 10 years
- 5) None of these

40. The Finance Ministry recently unveiled the structure of the infrastructure debt funds (IDFs) proposed in Budget 2011-12. Which of the following statements is / are correct ?

- I) IDF can be set up as a mutual fund (MF)
  - II) IDF can be set up as a non - banking finance company (NBFC)
  - III) IDF can be regulated by RBI or SEBI
- 1) I and II only
  - 2) II only
  - 3) II and III only
  - 4) I, II and III
  - 5) None of these

41. The securities and Exchange Board of India (SEBI) announced key changes in the Takeover Code governing mergers and acquisitions of companies in the country in July 2011. According to the new rules an investor whose shareholding in a company exceeds a certain limit will have to make an open offer to acquire a further ..... of the shareholding of the company

- 1) 18%
- 2) 20%
- 3) 24%
- 4) 26%
- 5) None of these

42. The comprehensive economic partnership agreement (CEPA) between India and Japan came into effect on August 1, 2011. This is India's third CEPA after .....

- 1) USA and United Kingdom
- 2) Singapore and South Korea
- 3) Malaysia and Thailand
- 4) China and Hong Kong
- 5) None of these

43. The European Union has decided to lift restrictions on India's export of which of the following passing through European ports ?

- 1) Processed food
- 2) Cheap medicines
- 3) Arms and Ammunition
- 4) Radioactive waster
- 5) None of these

44. Which state has the highest slum population in India according to Housing and Urban Poverty Alleviation Ministry ?

- 1) Maharashtra
- 2) Andhra Pradesh
- 3) Uttar Pradesh
- 4) West Bengal
- 5) None of these

45. What is India's Per Capita Income at current prices in 2010-11 ?

- 1) Rs. 41,532
- 2) Rs. 45,278
- 3) Rs. 49,294
- 4) 54.835
- 5) None of these

46. What is the share of Micro, Small and Medium Enterprises (MSMEs) in India's industrial production ?

- 1) 8.72%
- 2) 16.18%
- 3) 24.67%
- 4) 44.86%
- 5) None of these

47. The M. Damodaran committee on customer services by banks has suggested sweeping changes in banking practices in its report submitted to the Reserve Bank of India (RBI) in August 2011. Which of the following statements regarding its recommendations is / are correct ?

I) There should be a common customer service call centre for all banks

II) Insurance cover for deposits should be raised to Rs 500, 000 from Rs 100,000 now

III) Banks should offer savings accounts with facilities like cheque facility, ATM card, etc without prescribing a minimum balance requirement

1) I only

2) I and II only

3) II and III only

4) I, II and III

48. The State Bank of India (Subsidiary Banks Laws) Amendment Bill 2009 was passed by the Lok Sabha on August 11, 2011. Which of the following statements is / are correct ?

I) It allows subsidiary banks of State Bank of India (SBI) to raise capital through public issue route or through preferential allotment of equity shares

II) It authorises the Centre to approve increase in or reduction of the authorised capital of a subsidiary bank

III) It permits the SBI Chairman to nominate an official of the State Bank or the subsidiary bank as the Chairman of the Board of a subsidiary bank

1) I only

2) I and II only

3) II and III only

4) I, II and III

5) None of these

49. Which of the following is / are sold below market price to consumers in India ?

- 1) Kero sene
- 2) Diesel
- 3) LPG
- 4) All the above
- 5) None of these

50. The Standing Committee on Petroleum and Natural Gas in its report submitted on August 3, 2011 has called for an end to sale of subsidised domestic cooking gas (LPG) for people with income of more than ..... per annum.

- 1) Rs 2 lakh
- 2) Rs 3 lakh
- 3) Rs 4 lakh
- 4) Rs 6 lakh
- 5) None of these

**ANSWERS:**

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

## IBPS BANKING AWARENESS PRACTICE QUESTIONS

1. Which of the following bodies tightened the norms for foreign exchange risk cover in India mentioning that only companies with a networth of Rs 200 crore can use derivatives to hedge against risk of volatility in currency rates?

- a. IMF
- b. Reserve Bank of India
- c. SEBI
- d. Union Ministry of Finance

**Ans: b**

2. Which body in India finally provided tax exemption on the 9.5 per cent interest income on PF deposits for 2010-11?

- a. Reserve Bank of India
- b. Income Tax Department
- c. Employees' Provident Fund Organisation
- d. Corporate Affairs Ministry

**Ans: b**

3. (1) The report on Customer Service in Banks by a committee chaired by M. Damodaran, former Chairman of the Securities and Exchange Board of India (SEBI) that was released on 3 July 2011 recommended an increased deposit insurance cover of Rs.5 lakh so as to encourage individuals to keep all their deposits in banks.

(2) The panel also suggested blocking of lost ATM cards through SMS and immediate restoration of funds in case of non-dispensation of cash at an ATM within 5 working days.

Which of the above is not true?

- a. Only 1

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

**Ans: b**

4. The Reserve Bank of India (RBI) in a bid to tame inflationary pressure hiked the short-term indicative policy rate (repo rate) by 50 basis points on 26 July 2011. The repo rate currently stands at what percentage?

- a. 7%
- b. 7.5%
- c. 8%
- d. 8.5%

**Ans: c**

5. Which bank posted a 99 per cent drop in net profit at Rs 21 crore for the fourth quarter ended 31 March 2011 against Rs 1867 crore during the corresponding period in 2010?

- a. Indian Overseas Bank
- b. State Bank of India
- c. Bank of India
- d. United Bank of India

**Ans: b**

6. Who did global payments processing company MasterCard appoint as the General Manager, South Asia and Country President, India?

- a. T. V. Seshadri
- b. Vicky Bindra
- c. Tunde Lemo
- d. Ajay Banga

**Ans: a**

7. Government of India on 19 July 2011 appointed Usha Ananthasubramanian, former general manager of Bank of Baroda (BoB) as executive director of which public sector lender?

- a. Central Bank of India
- b. Punjab National Bank
- c. United Bank of India
- d. Gramin Bank

**Ans: b**

8. Name the public sector lender that selected Metlife as its partner for a proposed foray into the life insurance segment.

- a. Syndicate Bank
- b. Punjab National Bank
- c. Corporation Bank
- d. United Bank of India

**Ans: b**

9. Which bank signed a memorandum of understanding with Dewan Housing Finance Corporation (DHFL) under which DHFL will distribute home loans to Yes Bank's customers?

- a. Canara Bank
- b. ABN Amro bank
- c. Yes Bank
- d. HSBC

**Ans: c**

10. Which life insurance company in India launched a new non-linked health insurance plan, Jeevan Arogya?

- a. HDFC Standard Life Insurance Co. Ltd
- b. Life Insurance Corporation of India
- c. IDBI Fortis Life Insurance Company Ltd.
- d. SBI Life Insurance Co. Ltd

**Ans: b**

**11.** Which of the following public sector banks in November 2011 froze its lending to the power sector?

- a. State Bank of India
- b. Allahabad Bank
- c. Punjab National Bank
- d. United Bank of India

**Ans: b**

**12.** Which Indian bank on 10 May 2011 raised benchmark prime lending rate 75 basis points to 14% following raising of interest rates by RBI by basis points on 3 May 2011?

- a. State Bank of India
- b. Union Bank
- c. Punjab National Bank
- d. Bank of Baroda

**Ans: a**

**13.** The Reserve Bank of India on 26 April 2011 fined 19 banks, including the country's top private and foreign banks for violating its guidelines on derivatives. Which is the only public sector bank on the list of banks to be fined?

- a. State bank of India
- b. Punjab National Bank
- c. Bank of India
- d. Indian Bank

**Ans: a**

**14.** The Reserve Bank of India on 25 August 2011 released its Annual Report for 2010-11. Which of the following was not discussed in the Annual Report the Central Board of the RBI?

- a. assessment of the macroeconomic performance during 2010-11

- b. prospects for 2011-12
- c. working and operations of the Reserve Bank and its financial accounts
- d. role of regulatory bodies in controlling the financial markets

**Ans: d**

**15.** Reserve Bank of India (RBI) panel headed by Usha Thorat, Director, Centre for Advanced Financial Research and Learning (CAFRAL) on 29 August 2011 came up with suggestion on non-banking finance company (NBFC). Which of the following related to this statement is not true?

1. The panel suggested the central bank to insist on a minimum asset size of more than Rs.25 crore for registering any new non-banking finance company (NBFC)
2. Transfer of shareholding, direct or indirect, of 25 per cent and above, change in control, merger or acquisition of any registered NBFC will require prior approval of the Reserve Bank.
3. Tier-I capital for capital to risk weighted assets ratio (CRAR) purposes would be specified at 12 per cent to be achieved in three years for all registered deposit-taking and non-deposit-taking NBFCs.
4. NBFCs would be subject to regulations similar to banks while lending to stock brokers and merchant banks and similar to stock brokers, as specified by the Securities and Exchange Board of India (SEBI)

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

**Ans: d**

**16.** Which Indian PSU bank in tune with its plans to expand its retail division in the UK entered the mortgage market in the country for the first time?

- a. Punjab National Bank
- b. Oriental Bank of Commerce
- c. State bank of India
- d. Indian Overseas Bank

**Ans: c**

**17.** Which of the following banks set up two loan processing centres for the small and medium enterprise (SME) segment on a pilot basis in Bangalore & in New Delhi in September 2011?

- a. Corp Bank
- b. United Bank of India
- c. Syndicate Bank
- d. Bank of Baroda

**Ans: c**

**18.** The government suspended M Ramadoss for alleged violations in issuing insurance cover to an airline during his stint as head of another state-run insurer. To which insurance group did he belong to?

- a. New India Assurance
- b. LIC
- c. GIC
- d. ICICI Insurance

**Ans: a**

**19.** Which of the following banks in early May 2011 entered into a tie-up with non-banking finance companies such as Future Capital, Bajaj Finance, and Reliance Capital to grow its retail portfolio?

- a. Central Bank of India

- b. State Bank of India
- c. Bank of India
- d. HDFC Bank

**Ans: a**

**20.** Which are the two Gujarat-based cooperative sector lenders on which Reserve bank of India imposed a financial penalty of Rs 1 lakh each for violation of various rules, including anti-money laundering guidelines?

- 1. Shree Mahalaxmi Mercantile Co-operative Bank
- 2. Rander People's Co-operative Bank
- 3. Abad District Co Op Bank
- 4. Ahd Mercantile Co-Op Bank Ltd

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

**Ans: (a)**

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