

**BANKING QUESTIONS**

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1) What are Open Market Operations ?

- >Activities of SEBI registered brokers
- >Selling of Currency by the RBI
- >Selling of gilt edged securities by the Government
- >Sale of shares by FII's

**Answer:**

- >Selling of gilt edged securities by the Government
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2) Which from the following is NOT true when the interest rate in the economy goes up ?

- >Saving increases
- >Lending decreases
- >Cost of production increases
- >Return on capital increases

**Answer:**

- >Return on capital increases
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3) Rate of interest is determined by :

- >The rate of return on the capital invested
- >Central Government
- >Liquidity preference
- >Commercial Banks

**Answer:**

- >Commercial Banks
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4) Interest is the reward for abstinence. who says this ?

- >Keynes
- >Marshall
- >Malthus
- >David Ricardo

**Answer:**

>Marshall

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5)[Which bank was earlier called the Imperial Bank of India ?](#)

- >RBI
- >SBI
- >UBI
- >PNB

**Answer:**

- >SBI
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6)[It is said that good banker is one who knows the distinction between Mortgage and ..... ?](#)

- >Hundi
- >Bill of Exchange
- >Liquid Assets
- >Bond

**Answer:**

- >Liquid Assets
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7)[India s largest commercial Bank is :](#)

- >Central Bank of India
- >State Bank of India
- >Indian Overseas Bank
- >Bank of India

**Answer:**

- >State Bank of India
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8)[Bank deposits that can be withdrawn without notice are called :](#)

- >Account payee deposits
- >Fixed deposits
- >Variable deposits
- >Demand deposits

**Answer:**

- >Demand deposits
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9)[Which Bank in India performs duties of Central Bank ?](#)

- >Central Bank of India
- >State Bank of India
- >Both a and B
- >Reserve Bank of India

**Answer:**

- >Reserve Bank of India
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10) Reserve Bank of India was nationalized in :

- >1947
- >1948
- >1949
- >1951

**Answer:**

- >1949
- 
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11) Open Market operations of RBI refer to buying and selling of :

- >Commercial bills
- >Foreign exchange
- >Gold
- >Government bonds

**Answer:**

- >Government bonds
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12) The Narasimhan Committee (1991) on financial reforms proposed for establishment of a :

- >Four tier hierarchy of the banking structure
- >Three tier hierarchy of the Banking structure
- >Two tier hierarchy of the banking structure
- >United control by the apex institution

**Answer:**

- >Four tier hierarchy of the banking structure
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13) Green Banking means:

- >Development of forestry by banks
- >Financing of environmental friendly projects by banks
- >Financing of irrigation projects by Banks
- >None of the above

**Answer:**

>Financing of environmental friendly projects by banks

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14)Which one of the following is NOT a quantitative credit control technique ?

- >Bank Rate
- >Cash Reserve Ratio(CRR)
- >Statutory Liquidity Ratio (SLR)
- >Increase of interest rate on saving deposit

**Answer:**

>Increase of interest rate on saving deposit

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15)An instrument of qualitative credit control in India is:

- >Open market operations
- >credit rationing
- >Change in reserve ratio
- >Bank rate Policy

**Answer:**

>credit rationing

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16)The Bank Rate is the rate of interest at which the Reserve Bank of India Provides loans to the :

- >Scheduled Commercial Banks
- >Public Sector
- >Corporate Sector
- >Foreign Institutional Investors

**Answer:**

>Scheduled Commercial Banks

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17)The Monetary Policy of India is announced by the :

- >Prime Minister of India
- >Governor of the RBI
- >Union Finance Minister
- >Union Commerce Minister

**Answer:**

>Governor of the RBI

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18)Which of the following rate is NOT decided by the Reserve Bank of India ?

- >Bank Rate
- >Repo rate
- >Reverse Repo rate
- >Income Tax Rates

**Answer:**

- >Income Tax Rates
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19) Which of the following rates is NOT decided by the Reserve Bank of India

- >Bank rate
- >Repo Rate
- >Reverse Repo rate
- >Income tax Rates

**Answer:**

- >Income tax Rates
- 
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20) India has different categories of commercial Banks which of the following is not one such category ?

- >Nationalised Bank
- >Co-operative Banks
- >Private Banks
- >Foreign Banks
- >Commodity Banks

**Answer:**

- >Commodity Banks
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