

PROVISIONAL ANSWER KEY

Paper: Elements of Banking - I PAPER
Date of Test 02-11-2022

- Question1:-The Central Bank of India is
A:-Federal Bank of India
B:-State Bank of India
C:-Reserve Bank of India
D:-State Bank of Travancore
Correct Answer:- Option-C
- Question2:-The only Scheduled Bank under Co-operative Sector in Kerala
A:-Malappuram District Co-operative Bank
B:-Kerala State Agricultural and Rural Development Bank
C:-Kerala State Co-operative Bank
D:-Primary Agricultural and Rural Development Bank
Correct Answer:- Option-C
- Question3:-RBI Act was passed in the year
A:-1934
B:-1935
C:-1932
D:-1936
Correct Answer:- Option-A
- Question4:-IFCI Stands for
A:-Industrial Finance Corporation of India
B:-Industrial Finance Co-operative of India
C:-Industrial Finance Company of India
D:-Indian Financial Corporation of India
Correct Answer:- Option-A
- Question5:-IDBI stands for
A:-Institutional Development Board of India
B:-Industrial Development Board of India
C:-Institutional Development bank of India
D:-Industrial Development Bank of India
Correct Answer:- Option-D
- Question6:-Nationalisation of major 14 joint stock banks was on
A:-18 July 1969
B:-19 June 1969
C:-18 June 1869
D:-19 July 1969
Correct Answer:- Option-D
- Question7:-RRB is the abbreviation of
A:-Regional Rural Banks
B:-Regional Reserve Banks
C:-Regional Rural Board
D:-Regional Reserve Board
Correct Answer:- Option-A
- Question8:-EXIM Bank stands for
A:-The Export and Import Bank of India
B:-The Export and Import Board of India
C:-Emergency Money Bank of India
D:-Emergency Money Board of India
Correct Answer:- Option-A
- Question9:-Six major Banks in India was nationalised on
A:-15 May 1980
B:-15 April 1980
C:-15 March 1980
D:-15 January 1980
Correct Answer:- Option-B
- Question10:-ICICI stands for
A:-Industrial Credit and Institutional Credit Bank of India
B:-Industrial Credit and Investment Corporation of India
C:-Industrial Credit and Investment Co-operative of India
D:-Industrial Credit and Institutional Co-operative of India
Correct Answer:- Option-B
- Question11:-NABARD stands for
A:-National Board for Agriculture and Rural Development
B:-National Bank for Agriculture and Rural Development
C:-National Bank for Agriculture Refinance Development
D:-National Board for Agriculture Refinance Development
Correct Answer:- Option-B
- Question12:-System of banking that combines both deposit banking and industrial banking is called
A:-Merchant Banking
B:-Mixed Banking
C:-Commercial Banking
D:-Direct Banking
Correct Answer:- Option-D
- Question13:-An account which may be operated up on any number of time during a working day is
A:-Saving Bank account
B:-Time deposit
C:-Recurring deposit
D:-Current deposit
Correct Answer:- Option-D
- Question14:-The person who draws a cheque is called
A:-Drawee

B:-Payee
C:-Drawer
D:-Owner

Correct Answer:- Option-C

Question15:-A cheque bears a date earlier than the date of issue is known as

A:-Post dated cheque
B:-State cheque
C:-Anti-dated cheque
D:-Multilated cheque

Correct Answer:- Option-C

Question16:-The person to whom a cheque is drawn is known as

A:-Drawer
B:-Drawee
C:-Payee
D:-Payer

Correct Answer:- Option-B

Question17:-A cheque which need not necessarily contain the name of the payee is called

A:-Bearer cheque
B:-Payee cheque
C:-Marked cheque
D:-Unmarked cheque

Correct Answer:- Option-A

Question18:-A cheque which is not presented for payment within 3 months from the date of issue is called

A:-Multilated cheque
B:-Style cheque
C:-State cheque
D:-Unsigned cheque

Correct Answer:- Option-C

Question19:-Torn cheque is also called

A:-State Cheque
B:-Post dated cheque
C:-Multilated cheque
D:-Marked cheque

Correct Answer:- Option-C

Question20:-In India partnership Act was passed in the year?

A:-1932
B:-1936
C:-1939
D:-1931

Correct Answer:- Option-A

Question21:-PIN denotes

A:-Personal Index Number
B:-Personal Identification Number
C:-Personal Identification Note
D:-Personal Index Note

Correct Answer:- Option-B

Question22:-Pledge is also called

A:-Pawn
B:-Payee
C:-Lien
D:-Mortgage

Correct Answer:- Option-A

Question23:-Drawing two parallel transverse line on the face of the cheque is called

A:-Correction
B:-Crossing
C:-Marking
D:-Dishonouring

Correct Answer:- Option-B

Question24:-Non-Payment of money by the drawer when the cheque is presented for payment leads

A:-Misspass cheques
B:-Dishonour of cheque
C:-Honour of cheque
D:-In eligible cheque

Correct Answer:- Option-B

Question25:-When Court directs the Banker not to honour a cheque is called

A:-Bankers lien order
B:-Garnishee order
C:-Interim order
D:-Bankers interim order

Correct Answer:- Option-B

Question26:-ATM stands for

A:-Automated Teller Machine
B:-Automated Tell Machine
C:-Area Telling Machine
D:-Amount Tell Machine

Correct Answer:- Option-A

Question27:-The right of a creditor to retain the properties belonging to the debtor until the debt due to him is repaid is known as

A:-Creditor
B:-Mortgage
C:-Pledge
D:-Lien

Correct Answer:- Option-D

Question28:-Creation of security on the movable goods of the borrower for securing the repayment of loan is called as

A:-Pledge

B:-Mortgate
C:-Hypothication
D:-Pawn
Correct Answer:- Option-C

Question29:-DIR denotes
A:-District Interest rate
B:-Differential Interest Rate
C:-Direct Interest Rate
D:-Deviation Interest Rate
Correct Answer:- Option-B

Question30:-Lead Bank Scheme was introduced in
A:-April 1969
B:-December 1969
C:-May 1969
D:-June 1969
Correct Answer:- Option-B

Question31:-NPA means
A:-Not Pressing Asset
B:-Non Performing Asset
C:-Net Performing Asset
D:-Net Pressing Asset
Correct Answer:- Option-B

Question32:-Loans offered for the selling of the existing home and purchasing of another is called
A:-House Building loan
B:-Bridge loans
C:-House purchase loan
D:-Housing loans
Correct Answer:- Option-B

Question33:-Central Bank can issue currency notes up to a certain limit without gold reserve is called as?
A:-Fixed fiduciary limit
B:-Maximum fiduciary limit
C:-Minimum fiduciary limit
D:-Less fiduciary limit
Correct Answer:- Option-A

Question34:-The lender of last resort is
A:-Canara Bank
B:-Reserve bank of India
C:-State Bank of India
D:-State Co-operative Bank
Correct Answer:- Option-B

Question35:-The place where the inter Bank in debtness is to be cleared is called
A:-Cleaned house
B:-Clearing house
C:-Clever house
D:-Clearing mill
Correct Answer:- Option-B

Question36:-Which is the Bankers Bank of India?
A:-State Bank of India
B:-State Co-operative Bank
C:-Reserve Bank of India
D:-State Bank of Travancore
Correct Answer:- Option-C

Question37:-Name a quantitative credit control method
A:-Bank interest policy
B:-Bank rate policy
C:-Direct Bank action
D:-Bank rate acceleration
Correct Answer:- Option-B

Question38:-Buying and selling of commercial papers and Government securities in the market by the Central Bank is known as
A:-Direct Market Action
B:-Open Market Operation
C:-Fixed Fiduciary Method
D:-Open Fiduciary Operation
Correct Answer:- Option-B

Question39:-Name a qualitative credit control method
A:-Direct action of notes
B:-Open limit operation
C:-Moral suasion
D:-Moral inspiration
Correct Answer:- Option-C

Question40:-RBI was established in which year?
A:-1936
B:-1935
C:-1934
D:-1937
Correct Answer:- Option-B

Question41:-The Central Bank of USA is
A:-Reserve Bank of USA
B:-Federal Reserve
C:-Federal Reserve Bank
D:-Federal Bank
Correct Answer:- Option-B

Question42:-Who is said to be the banker to Government?
A:-Federal Bank

- B:-State Bank of India
- C:-State Bank of Travancore
- D:-Reserve Bank of India

Correct Answer:- Option-D

Question43:-Bank rate policy is defined under RBI Act in which section

- A:-Section 49
- B:-Section 48
- C:-Section 45
- D:-Section 40

Correct Answer:- Option-A

Question44:-A market for short period loans which extends from one day to 14 days is called

- A:-Short money market
- B:-Call money market
- C:-Short term money market
- D:-Money market

Correct Answer:- Option-B

Question45:-Who is called the controller of Credit of India?

- A:-Central Government
- B:-State Government
- C:-Central Bank of India
- D:-State Bank of India

Correct Answer:- Option-C

Question46:-FEMA means

- A:-Foreign Exchange Regulation Act
- B:-Foreign Exchange Management Act
- C:-Foreign Money Exchange Regulation Act
- D:-Foreign Exchange and Money Act

Correct Answer:- Option-B

Question47:-CORE banking denotes

- A:-Central Online Rural Emergency Banking
- B:-Central Online Real Time Electronic Banking
- C:-Centralised Online Rural Electronic Banking
- D:-Centralised Online Real Emergency Banking

Correct Answer:- Option-B

Question48:-The rate at which RBI lends money to commercial banks in the event of any short fall of funds is known as

- A:-Repo rate
- B:-Reverse repo rate
- C:-Reverse rate
- D:-Downfall rate

Correct Answer:- Option-A

Question49:-RBI introduced the banking ombudsman scheme in the year

- A:-1990
- B:-1995
- C:-1996
- D:-1999

Correct Answer:- Option-B

Question50:-The custodian of Foreign Exchange in India is

- A:-State Bank of India
- B:-Reserve Bank of India
- C:-Central Government
- D:-EXIM bank

Correct Answer:- Option-B

Question51:-The rate at which RBI borrows money from commercial banks within the country for a short duration is known as

- A:-Ripo rate
- B:-Reverse ripo rate
- C:-Minus ripo rate
- D:-Partial ripo rate

Correct Answer:- Option-B

Question52:-The process of transferring the possession of an article to another person for a specific purpose is called

- A:-Bailment
- B:-Consignment
- C:-Hypothication
- D:-Pledge

Correct Answer:- Option-A

Question53:- Negotiable instrument act was passed in the year

- A:-1890
- B:-1891
- C:-1881
- D:-1871

Correct Answer:- Option-C

Question54:-Who signed a cheque

- A:-Payee
- B:-Drawee
- C:-Bearer
- D:-Drawer

Correct Answer:- Option-D

Question55:-The drawee of a cheque is always who

- A:-Payee
- B:-Depositor
- C:-Drawer
- D:-Banker

Correct Answer:- Option-D

Question56:-Name a document executed by a debtor in favour of his creditor

- A:-Endorsement note

- B:-Bill note
- C:-Cheque
- D:-Promissory note

Correct Answer:- Option-D

Question57:-How many parties are there for a bill of exchange?

- A:-2
- B:-4
- C:-3
- D:-5

Correct Answer:- Option-C

Question58:-The person to whom the bill is endorsed is known as

- A:-Endorsee
- B:-Endorser
- C:-Bailor
- D:-Bailee

Correct Answer:- Option-A

Question59:-Expand NEFT

- A:-National Emergency Fund Transfer
- B:-National Electric Fund Transfer
- C:-National Electro Fund Transfer
- D:-National Electronic Fund Transfer

Correct Answer:- Option-D

Question60:-How many parties are there in the case of promissory note

- A:-3
- B:-4
- C:-5
- D:-2

Correct Answer:- Option-D

Question61:-The party who agree to compensate other person against possible loss is known as

- A:-Insurer
- B:-Insured
- C:-Insurance client
- D:-Insured party

Correct Answer:- Option-A

Question62:-Expand RTGS

- A:-Real Time Government Scheme
- B:-Real Time Gross Scheme
- C:-Real Time Government Settlement
- D:-Real Time Gross Settlement

Correct Answer:- Option-D

Question63:-The person to whom the amount of a cheque is made payable is called

- A:-Payee
- B:-Drawee
- C:-Drawer
- D:-Depositer

Correct Answer:- Option-A

Question64:-A cheque which bears a date later than the date of issue is called

- A:-Anti-dated cheque
- B:-Multilated cheque
- C:-Post Dated cheque
- D:-Crossed cheque

Correct Answer:- Option-C

Question65:-Expand SARFAESI Act

- A:-Securities Regulation and Enforcement Act
- B:-Securities Reconstruction of Financial Asset Act
- C:-Securitisation and Reconstruction of Financial Assets and Enforcement of securities interest Act
- D:-Securitisation and Reconstruction of Financial Assets and Enforcement Act

Correct Answer:- Option-C

Question66:-Drawing two parallel transverse line on the face of the cheque is known as

- A:-General crossing
- B:-Crossing specially
- C:-Special crossing
- D:-Non-crossing

Correct Answer:- Option-A

Question67:-Account payee crossing is

- A:-Fall crossing
- B:-Uncrossing
- C:-Special crossing
- D:-General crossing

Correct Answer:- Option-D

Question68:-What is mean by MICR?

- A:-Micro Italic Credit Rate
- B:-Micro Ink Credit Record
- C:-Magnetic Ink Character Recognition Cheque
- D:-Magnetic Ink Credit Record

Correct Answer:- Option-C

Question69:-What is law of limitation?

- A:-A debt will become a bad one after the expiry of 3 years from the date of the debt
- B:-A debit will become a bad one after the expiry of 2 years from the date of the debt
- C:-A debt which is time barred after the expiry of 4 years
- D:-A debt which is time barred after the expiry of 5 years

Correct Answer:- Option-A

Question70:-In which year Income Tax Act was passed?

- A:-1969

B:-1959

C:-1951

D:-1961

Correct Answer:- Option-D

Question71:-What is special crossing?

A:-Drawing two parallel transverse line on the face of the cheque and inserting the name of the collecting banker between the parallel transverse line

B:-Crossing made without mentioning the name of the banker between the two parallel transverse line

C:-Crossing made in connection with foreign countries

D:-Crossing made in connection with government transactions

Correct Answer:- Option-A

Question72:-DIR means

A:-Direct Interest Ratio

B:-Demo Interest Rate

C:-Direct Interest Rate

D:-Differential interest rate

Correct Answer:- Option-D

Question73:-'And Company' Must not be used in which crossing?

A:-General crossing

B:-Imaginary crossing

C:-Special crossing

D:-conditional crossing

Correct Answer:- Option-C

Question74:-Creation of security on the immovable property of the borrower for securing a loan

A:-Hypothication

B:-Lien

C:-Pledge

D:-Mortgage

Correct Answer:- Option-D

Question75:-SFDA means

A:-Special Finance Development Agency

B:-Small Finance Development Agency

C:-Small Farmers development agency

D:-Special fund Development Agency

Correct Answer:- Option-C

Question76:-Transfer of any existing or future right, property or debt by one person to another person

A:-Pledge

B:-Consignment

C:-Endorsement

D:-Assignment

Correct Answer:- Option-D

Question77:-Tier I capital is

A:-Paid up capital + Free Reserve + Tangible assets

B:-Paid up capital + Free Reserve + accumulated profit

C:-Paid up capital + Free reserve including share premium + general reserve

D:-Paid up capital + Free reserve + Net profit

Correct Answer:- Option-C

Question78:-Use of banking services in a foreign jurisdiction outside the country where one resides, is known as

A:-International Banking

B:-Foreign Banking

C:-On shore banking

D:-Off shore banking

Correct Answer:- Option-D

Question79:-The sale of insurance and other similar products through a bank is called

A:-Bank insurance

B:-Insurance banking

C:-Bancassurance

D:-Insurance with banking

Correct Answer:- Option-C

Question80:-The banking which is the combination of banking and consultancy service is known as

A:-Consultant banking

B:-Commercial banking

C:-Mixed banking

D:-Merchant banking

Correct Answer:- Option-D

Question81:-Who is the lender of last resort?

A:-State Bank of India

B:-State Bank of Travancore

C:-Reserve Bank of India

D:-Canara Bank

Correct Answer:- Option-C

Question82:-Accepting deposit for the purpose of lending is

A:-Commercial banking

B:-Mixed banking

C:-Direct banking

D:-Public sector banking

Correct Answer:- Option-A

Question83:-RBI was established in the year?

A:-1935

B:-1936

C:-1934

D:-1937

Correct Answer:- Option-A

Question84:-Monopoly right of note issue vest with whom

- A:-State Bank of India
 - B:-State Governments
 - C:-Central Government of India
 - D:-Central Bank of India
- Correct Answer:- Option-D

Question85:-Which is the name of Central Bank of China?

- A:-Bank of Central China
 - B:-Federal Reserve
 - C:-Reserve Bank of China
 - D:-Peoples Bank of China
- Correct Answer:- Option-D

Question86:-The standard rate at which the bank is prepared to buy or discount bill of exchange or other commercial papers is known as

- A:-Reverse Repo rate
 - B:-Repo rate
 - C:-Discount rate
 - D:-Bank rate
- Correct Answer:- Option-D

Question87:-BCSBI means

- A:-Banking Codes and Standards Board of India
 - B:-Banking Commission and State Boards of India
 - C:-Banking Companies Securities Board of India
 - D:-Banking Commission and Securities Board of India
- Correct Answer:- Option-A

Question88:-Money market is regulated by

- A:-Central Government
 - B:-State Bank of India
 - C:-Reserve Bank of India
 - D:-Federal Reserve of India
- Correct Answer:- Option-C

Question89:-Capital market is regulated by

- A:-SEBI
 - B:-RBI
 - C:-SBI
 - D:-GOI
- Correct Answer:- Option-A

Question90:-Short term promissory notes issued by RBI on behalf of the central government at a discount is called

- A:-Government bill
 - B:-Treasury cheque
 - C:-Treasure bill
 - D:-Bank cheque
- Correct Answer:- Option-C

Question91:-Expand NABARD

- A:-National Bank for Agriculture and Reconstruction Department
 - B:-National Bank for Agriculture and Rural Department
 - C:-National Beauru for Agriculture and Rural Department
 - D:-National Bank for Agriculture and Rural Department
- Correct Answer:- Option-D

Question92:-A sort of guarantee to the exporter that his draft will be honoured by a specified bank upto a certain amount as per specified terms is called as

- A:-Letter of credit
 - B:-Guarantee letter
 - C:-Letter of hypothification
 - D:-Letter of Lien
- Correct Answer:- Option-A

Question93:-The cheques which contains the name of payee to whom the amount of cheque is made payable is called

- A:-Blank cheque
 - B:-Bearer cheque
 - C:-Order cheque
 - D:-Special cheque
- Correct Answer:- Option-C

Question94:-Banker's demand draft is drawn by whom

- A:-Depositor himself
 - B:-Debtor himself
 - C:-Party himself
 - D:-Bank itself
- Correct Answer:- Option-D

Question95:-In which year Indian Companies Act was passed

- A:-1956
 - B:-1957
 - C:-1946
 - D:-1949
- Correct Answer:- Option-A

Question96:-EFT means

- A:-Earn Fund Transfer
 - B:-Electronic Finance Transfer
 - C:-Electronic Fund Transfer
 - D:-Efficient Fund Transfer
- Correct Answer:- Option-C

Question97:-Promissory note, bill of exchange, or cheque payable either to order or to the bearer is called

- A:-Debt instruments
 - B:-Credit instruments
 - C:-Non-negotiable instrument
 - D:-Negotiable instrument
- Correct Answer:- Option-D

Question98:-Mechanism used by RBI under its credit policy to provide to State Government with short term advances to help them to tide over temporary mismatches in the cash flow of their receipts and payments

- A:-Ways and means advance
- B:-Overdraft
- C:-Cash credit
- D:-Treasury bill

Correct Answer:- Option-A

Question99:-From the following name a qualitative or selective credit control method

- A:-Cheque clearance
- B:-Mandi operation
- C:-Rationing of credit
- D:-Credit overdraft

Correct Answer:- Option-C

Question100:-KYC means

- A:-Know Your Custom
- B:-Know Your Clearance
- C:-Know Your Credit
- D:-Know Your Customer

Correct Answer:- Option-A