

Banking Daily Quiz Blog - November 30



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1. The % of funds given to special category States under CSS(centrally-sponsored schemes)?

A 50%

B 60%

C 90%

D 75%

E 80%

Solution

- Option C is the correct answer.
- States which are granted special category status enjoy several benefits.
- The central government bears 90 percent of the state expenditure on all centrally-sponsored schemes and external aid while rest 10 percent is given as loan to state at zero percent rate of interest.
- Preferential treatment in getting central funds.
- Concession on excise duty to attract industries to the state.

- 30 percent of the Centre's gross budget also goes to special category states.
- These states can avail the benefit of debt-swapping and debt relief schemes.
- States with special category status are exempted from customs duty, corporate tax, income tax and other taxes to attract investment.
- Special category states have the facility that if they have unspent money in a financial year; it does not lapse and gets carry forward for the next financial year.

2. Sustained increase in General level of prices of goods and services is called ?

A Supply

B Demand

C Opportunity Cost

D Deflation

E Inflation

Solution

- Option E is the correct answer.
- Inflation is a sustained, generalized increase in the prices of goods and services in an economy.
- Every increase in price is not inflation, though. When the prices of produce rise in the winter, we don't call this inflation, because prices will come back down in the spring.
- The price increase is not a sustained (or permanent) increase.
- Similarly, if prices increase one time, but don't continue increasing, we don't call it inflation.

- Inflation must be a sustained increase in prices. When the price of gasoline increases at the pump, we don't call this inflation either, since gasoline is only one good that we consume.
- Rather, we call this a change in relative prices, since gasoline has become more expensive relative to other goods and services.
- A generalized increase in prices means the prices of all, or at least most, goods and services go up.

3. **Headline CPI (Consumer Price Index) Inflation for 2017-2018 averaged around?**

A 10%

B 4.2%

C 7.7%

D 3.3%

E 5.3%

Solution

- Option D is the correct answer.
- Consumer Price Index (CPI) based headline inflation averaged 3.3% during the period which is the lowest in the last six financial years.
- This has been stated in the Economic Survey 2017-18 placed in Parliament by the Union Minister for Finance and Corporate Affairs, Arun Jaitley.
- The decline in the inflation was broad-based across major commodity groups except Housing and Fuel & Light.

- The Headline inflation has been below 4% for twelve straight months, from November 2016 to October 2017 and CPI food inflation averaged around one% during April-December in the current financial year, says the Survey.

4. **RBI (Reserve Bank of India)has Deferred The implementation of Indian Accounting Standards by?**

A 2 year

B 1 year

C 4 year

D 5 year

E 3 year

Solution

- Option B is the correct answer.
- The First Bi-monthly Monetary Policy 2018-19 on April 5, 2018, wherein the implementation of Ind AS was deferred by one year pending necessary legislative amendments to the Banking Regulation Act, 1949 as also the level of preparedness of many banks.
- Scheduled Commercial Banks (SCBs), excluding Regional Rural Banks (RRBs), were required to implement Indian Accounting Standards (Ind AS) from April 1, 2018 vide our Circular dated

February 11, 2016. However, necessary legislative amendments – to make the format of financial statements, prescribed in the Third Schedule to Banking Regulation Act 1949, compatible with accounts under Ind AS – are under consideration of the Government. In view of this, as also the level of preparedness of many banks, it has been decided to defer implementation of Ind AS by one year by when the necessary legislative changes are expected.

5. **Gross value added picture State of economic Activity from The point of view of ?**

A consumer

B customer

C producer

D supplier

E intermediary

Solution

- Option C is the correct answer.
- While GVA gives a picture of the state of economic activity from the producers' side or supply side, the GDP gives the picture from the consumers' side or demand perspective.
- Both measures need not match because of the difference in treatment of net taxes.
- This is one of the reasons that in the first quarter of 2015, GDP growth was stronger at 7.5%, while GVA growth was 6.1%.

- GVA is defined as the value of output minus the value of intermediate consumption and is a measure of the contribution to growth made by an individual producer, industry or sector.
- It provides the rupee value for the number of goods and services produced in an economy after deducting the cost of inputs and raw materials that have gone into the production of those goods and services.

6. **Unemployment caused by the mismatch between the Workers skills and skills demanded by the recruiters is called ?**

A Frictional Unemployment

B Natural Unemployment

C Real Unemployment

D **Structural unemployment**

E Cyclical unemployment

Solution

- Option D is the correct answer.
- Structural unemployment is caused by mismatches between the skills offered by potential employees and those sought by employers.
- An example of this is an industry's replacement of machinery workers with robots. Workers now need to learn how to manage the robots that replaced them. Those that don't learn need retraining for other jobs or face long-term structural unemployment.

- A long recession often creates structural unemployment. If workers stay unemployed for too long, their skills have likely become outdated. Unless they are willing and able to take a lower-level, unskilled job, they may stay unemployed even when the economy recovers. If this happens, structural unemployment leads to a higher rate of natural unemployment.
- Cyclical unemployment occurs whenever the economy is not operating at its full, long-term potential.
- Natural unemployment consists of two of the three main types of unemployment: frictional and structural. It explains why there will always be some level of unemployment, even in a healthy economy.
- Real unemployment is not one of the types of unemployment, but it's a term you need to understand. Many people argue that instead of the “official” unemployment rate, we should use an alternate rate

7. In India , 65 % of population is below the age of ?

A 20 years

B 25 years

C 30 years

D 35 years

E 40 years

Solution

- Option D is the correct answer.
- India is the second most populated country in the world with nearly a fifth of the world's population. According to the 2019 revision of the World Population Prospects the population stood at 1,352,642,280.
- India has more than 50% of its population below the age of 25 and more than 65% below the age of 35.
- It is expected that, in 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan; and, by 2030, India's dependency ratio should be just over 0.4.

- However, the number of children in India peaked more than a decade ago and is now falling. The number of children under the age of five peaked in 2007, and since then the number has been falling. The number of Indians under 15 years old peaked slightly later (in 2011) and is now also declining.

8. Economics growth can be seen as % Increase in?

A Monetary Policy

B Real GDP

C Fiscal Deficit

D GNP

E GVA

Solution

- Option B is the correct answer.
- Economic growth is an increase in the production of economic goods and services, compared from one period of time to another. It can be measured in nominal or real (adjusted for inflation) terms.
- Traditionally, aggregate economic growth is measured in terms of gross national product (GNP) or gross domestic product (GDP), although alternative metrics are sometimes used.
- Economic growth is an increase in the production of goods and services in an economy. Increases in capital goods, labor force,

technology, and human capital can all contribute to economic growth.

9. As per UN Report , India is on the brink of urban revolution ,urban population in the nation is expected to be around ----- by 2031?

A 500 million

B 650 million

C 600 million

D 700 million

E 800 million

Solution

- Option C is the correct answer.
- India is on the "brink of an urban revolution" with its population in towns and cities expected to reach 600 million by 2031, according to a new UN-backed report which pegged the gap in urban infrastructure investment in the country over the next 20 years at a whopping \$827 billion.
- Over the last two decades, India's urban population increased from 217 million to 377 million and this is expected to reach 600 million, or 40 per cent of the population by 2031, said the New Climate

Economy Report by the The Global Commission on the Economy and Climate.

- "India is on the brink of an urban revolution. The current pattern of urbanisation is largely taking place on the fringe of cities, much of it unplanned and outside the purview of city codes and bylaws, and is already imposing high costs.

10. AS per economic survey 2018 the top 1% of the firm's Accounts for what % of exports ?

A 78%

B 72%

C 38%

D 40%

E 55%

Solution

- Option C is the correct answer.
- The Economic Survey 2018, tabled by Finance Minister Arun Jaitley in Parliament on Monday ahead of the Budget 2018, has revealed that merely 1% of export firms account for over 38% of exports.
- Calling the phenomenon of firms accounting for a disproportionately large share of exports as 'emergence of exports superstars', the survey noted why it is an 'egalitarian

exceptionalism’, and what can be understood as monopoly may not be a bad thing.

- “It is argued that having and fostering bigness influences the sectoral composition of exports and also helps create comparative advantage and improve long-term prospects.
- This is in contrast to the more conventional, Schumacherian view that argues for the virtues of smallness, especially small and medium enterprises,” the survey said.
- Exports superstars are dynamic and their expansion can have spillover effects on other firms, argued the survey, but did not rule out its disadvantages, including impeding competition.



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