

Digital Banking Questions for Federal Bank PO/Clerk



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1. is the first-of-its-kind domestic Card payment network of India, with wide acceptance at ATMs, POS devices and e-commerce websites across India and fulfils RBI's vision of initiating a 'less cash' economy.

A IMPS

B NACH

C RuPay

D BHIM

E UPI

Solution

- The correct answer is Option C i.e., RuPay.
- RuPay is the first-of-its-kind domestic Card payment network of India, with wide acceptance at ATMs, POS devices and e-commerce websites across India. It is a highly secure network that protects against anti-phishing.
- The name, derived from the words 'Rupee and 'Payment', emphasizes that it is India's very own initiative for Card payments.
- RuPay fulfils RBI's vision of initiating a 'less cash' economy.

- RuPay is a product of NPCI, the umbrella organisation that powers retail payments in the country. The provision under the Payment and Settlement Systems Act, 2007, empowered the Reserve Bank of India (RBI) and Indian Banks' Association (IBA) to create a secure electronic payment and settlement system in India.

2. **Maximum limit of each e-RUPI shall not exceed INR or as defined by regulator.**

A 60,000

B 10,000

C 50,000

D 30,000

E 20,000

Solution

- The correct answer is Option B i.e., 10,000.
- e-RUPI is a one-time use digital solution to facilitate cashless payment which is person & purpose specific solutions for various services like COVID Vaccine, donations, corporate gift vouchers, etc.
- Maximum limit of each e-RUPI shall not exceed INR 10,000 or as defined by regulator.
- e-RUPI can be issued only by banks authorized by RBI to issue Prepaid Payment Instruments (PPI) and who are participating as

Payment Service Providers (PSP) in the UPI ecosystem (referred hereunder as the “Issuer”).

- e-RUPI shall be permitted to be redeemed only for the purchase of goods and services from designated merchant bearing valid Merchant Category Code (MCC), as may be defined by the Issuer at the time of issuance of e-RUPI. e-RUPI shall not be permitted for cash out or cash back on redemption.

3. A Digital Banking Segment, for the purpose of disclosure under Accounting Standard, is a sub-segment of the existing 'Retail Banking' Segment which will now be sub-divided into Digital Banking and Other Retail Banking.

A AS 22

B AS 10

C AS 15

D AS 17

E AS 12

Solution

- The correct answer is Option D i.e., AS 17.
- Digital Banking refers to present and future electronic banking services provided by a licensed bank for the execution of financial, banking and other transactions and/or orders/instruments through electronic devices / equipment over web sites (i.e online banking), mobile phones (i.e mobile banking) or other digital channels as determined by the bank, which involve significant level of process automation and cross-institutional service capabilities running under

enhanced technical architecture and differentiated business model / strategy.

- A Digital Banking Segment, for the purpose of disclosure under Accounting Standard 17 (AS-17), is a sub-segment of the existing 'Retail Banking' Segment which will now be sub-divided in to (i) Digital Banking and (ii) Other Retail Banking.
- The business involving digital banking products acquired by DBUs or existing digital banking products would qualify to be clubbed under this segment.

4. Paytm, Freecharge, Mobikwik, Oxigen, mRuppee, Airtel Money are example of which of the following mentioned below ?

A mobile wallet

B Aadhaar Enabled Payment System

C USSD

D Point of Sale (PoS)

E Banking cards

Solution

- The correct answer is Option A i.e., mobile wallet.
- A mobile wallet is a way to carry cash in digital format.
- One can link your credit card or debit card information in mobile device to mobile wallet application or one can transfer money online to mobile wallet.
- Instead of using our physical plastic card to make purchases, you can pay with your smartphone, tablet, or smart watch.
- An individual's account is required to be linked to the digital wallet to load money in it.

- Most banks have their e-wallets and some private companies. e.g. Paytm, Freecharge, Mobikwik, Oxigen, mRuppee, Airtel Money, Jio Money, SBI Buddy, itz Cash, Citrus Pay, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, SpeedPay etc.

5. Which of the following facts related to the ‘DigiSaathi’- 24x7 Helpline for information on Digital Payments is not true ?

A

DigiSaathi is set up by NPCI on behalf of a consortium of payment system operators and participants (banks & non-banks).

B

DigiSaathi will be accessible on WhatsApp for the customers to access all the information they need pertaining to digital payment products and services.

C

DigiSaathi is an automated response system that helps customers in addressing their queries related to multiple products and services under the payments system umbrella including Cards (Debit/Credit/ Prepaid), UPI, NEFT, RTGS, IMPS, AePS, NETC, BBPS, USSD, PPI Wallets, ATM, QR (UPI/Bharat), NACH, TReDs, CTS, MTSS, Mobile and Net banking.

D

DigiSaathi is available in English for customers wherein they can access information about any of the digital payment products and services.

E

DigiSaathi helps customers with their transaction-related queries, by guiding them and sharing the contact details of concerned banks/Institutions.

Solution

- The correct answer is Option D i.e., DigiSaathi is available in English for customers wherein they can access information about

any of the digital payment products and services.

- DigiSaathi - a 24x7 helpline for Information on digital payment products and services is set up by NPCI on behalf of a consortium of payment system operators and participants (banks & non-banks).
- DigiSaathi will be accessible on WhatsApp for the customers to access all the information they need pertaining to digital payment products and services.
- DigiSaathi will assist the users with all their queries on digital payments via the chatbot facility on WhatsApp by simply messaging on +91 892 891 3333.
- DigiSaathi is available in both English and Hindi for customers wherein they can access information about any of the digital payment products and services. It even guides them on how to avail or use any particular product or service.
- DigiSaathi also helps customers with their transaction-related queries, by guiding them and sharing the contact details of concerned banks/Institutions.

6. **The Indian Premier League Governing Council (IPL GC) announced, the flagship product of National Payments Corporation of India (NPCI) as an official partner for TATA IPL.**

A Bharat Bill Pay

B RuPay

C Autopay

D IMPS

E BHIM

Solution

- The correct answer is Option B i.e., RuPay.
- The Indian Premier League Governing Council (IPL GC) announced RuPay, the flagship product of National Payments Corporation of India (NPCI) as an official partner for TATA IPL.
- RuPay is the first-of-its-kind Global Card payment network from India, providing an exceptional selfreliant card payments network with innovative features that have made it a successful interoperable card.

- RuPay is widely accepted at ATMs, POS devices, and e-commerce websites. *

7. NPCI International Payments Ltd (NIPL), the International arm of the National Payment Corporation of India has announced that BHIM UPI is now live at NEOPAY terminals, across

A UAE

B Bhutan

C Canada

D Germany

E Japan

Solution

- The correct answer is Option A i.e., UAE.
- NPCI International Payments Ltd (NIPL), the International arm of the National Payment Corporation of India has announced that BHIM UPI is now live at NEOPAY terminals, across the UAE.
- This initiative will empower millions of Indians who travel to the UAE, to safely and conveniently make payments using BHIM UPI. NIPL and NEOPAY, the payment subsidiary of Mashreq bank, partnered last year to create the acceptance infrastructure in the UAE.

- With the acceptance of BHIM UPI in the UAE, Indian tourists can now make seamless payments through BHIM UPI across NEOPAY enabled shops and merchant stores. This partnership will play a key role in transforming the P2M payment experience for Indian travelers in the UAE.

8. **National Payments Corporation of India (NPCI) has approved an additional million users on UPI for WhatsApp.**

A fifty five

B fifty

C sixty

D twenty

E thirty

Solution

- The correct answer is Option C i.e., sixty.
- National Payments Corporation of India (NPCI) has approved an additional sixty (60) million users on UPI for WhatsApp.
- With this approval, WhatsApp will be able to expand the service to its hundred(100) million users.
- National Payments Corporation of India (NPCI) was incorporated in 2008 as an umbrella organization for operating retail payments and settlement systems in India. NPCI has created a robust payment and settlement infrastructure in the country.

- It has changed the way payments are made in India through a bouquet of retail payment products such as RuPay card, Immediate Payment Service (IMPS), Unified Payments Interface (UPI), Bharat Interface for Money (BHIM), BHIM Aadhaar, National Electronic Toll Collection (NETC Fastag) and Bharat BillPay.
- NPCI is focused on bringing innovations in the retail payment systems through the use of technology and is relentlessly working to transform India into a digital economy.

9. Which Bank had been recognized as the Best Consumer Digital Bank in India by Global Finance Magazine's World's Best Digital Bank Awards, 2021 ?

A IDFC FIRST Bank

B Yes Bank

C Axis Bank

D ICICI Bank

E HDFC Bank

Solution

- The correct answer is Option A i.e.,
- IDFC FIRST Bank has been recognized as the Best Consumer Digital Bank in India by Global Finance Magazine's World's Best Digital Bank Awards, 2021.
- IDFC FIRST Bank was founded by the merger of Erstwhile IDFC Bank and Erstwhile Capital First on December 18, 2018.
- IDFC FIRST Bank focus on retail business with an intent to fast-forward its growth trajectory, and to serve many more customer segments that are growth-drivers of the Indian economy.

10. **MMID is a digit number allotted by your Bank for receiving funds through IMPS.**

A 9

B 10

C 7

D 11

E 15

Solution

- The correct answer is Option C i.e.,
- MMID full form is Mobile Money Identifier. It is a 7-digit unique number, typically a combination of your mobile number and bank account number.
- MMID is a code that allows for interbank transfers via the mobile banking platform.
- The MMID service was first launched in India in 2010 as a successor to two commonly used transfer methods – the Real Time Gross Settlement or RTGS fund transfers and the National Electronic Fund Transfer or NEFT service.

- Many people in various parts of the country do not have access to net banking facilities like RTGS and NEFT that enable quick money transfers. However, most people have mobile phones. Keeping this in mind, MMID was introduced to extend instant fund transfer facilities even to those who do not have internet banking. Senders and receivers do not even need bank account numbers or IFSC codes.

11. **IMPS (Immediate Payment Service) was initiated by which former deputy governor of RBI?**

A T. Rabi Sankar

B V. Leeladhar

C **Shyamala Gopinath**

D Urjit R. Patel

E Viral V. Acharya

Solution

The IMPS (Immediate Payment Service) was initiated by Smt. Shyamala Gopalan (former deputy governor of RBI) in addition to NEFT and RTGS.

12. On which occasions the IMPS (Immediate Payment Service) is not available?

A RBI holidays

B Bank holidays

C Second Saturdays

D Sundays

E None of these

Solution

IMPS is an emphatic service which allows transferring of funds within the banks across India, making it not only safe but also economical for the customers. The facility is provided by NPCI through its existing NFS switch. For carrying out IMPS, banks are required to fulfill the eligibility criteria of having a valid banking or prepaid payment instrument license from the RBI. IMPS can be done 24x7x365 – even on bank holidays, RBI holidays, and Sundays.

13. On which date IMPS (Immediate Payment Service) were launched?

A 22 October, 2010

B 20 September, 2012

C 22 November, 2010

D 12 December, 2012

E None of these

Solution

IMPS was publicly launched on 22 November 2010. As of April 2023, there are 722 member banks which signed up for the IMPS service.

14. On which date, UPI (Unified Payments Service) was launched by NPCI?

A 11th April 2016

B 20th May 2016

C 18th April 2014

D 10th March 2014

E None of these

Solution

The UPI facility is an immediate real-time payment system that helps instant transfer of funds between two banks through a mobile platform. Hence, UPI allows multiple bank accounts to get into a single mobile application. It was launched by the NPCI on 11th April 2016.

15. Which of the following is not a feature of UPI (Unified Payments Service)?

A Instant funds transfer through IMPS

B Single mobile application for accessing various bank accounts

C Bill/ receipt sharing facility

D UPI can be used 24x7 on all public holidays except on Sundays

E Complaint filing directly through mobile app

Solution

Some interesting features of the UPI are:

- Instant funds transfer through IMPS, which is faster than NEFT
- UPI can be used 24x7x365 and on all public holidays as well
- Single mobile application for accessing various bank accounts
- Every bank provides its own UPI for different platforms of Android, iOS, and Windows.
- Bill/ receipt sharing facility
- Complaint filing directly through mobile app

16. **BHIM (Bharat Interface for Money) App was launched in year ____**

A 2018

B 2016

C 2015

D 2014

E 2010

Solution

BHIM App is a mobile payments application based on NPCI's UPI, which enables simple, easy, and quick payments launched in December, 2016.

Customers can make instant bank-to-bank payments, pay, and collect money by just using their mobile number or virtual payment address, that is the UPI ID.

17. The NFS (National Financial Switch) was initially launched by ____

A National Strategy for Financial Inclusion (NSFI)

B National Payments Corporation of India (NPCI)

C Institute for Development & Research in Banking Technology (IDRBT)

D Reserve Bank of India (RBI)

E None of these

Solution

The NFS (National Financial Switch) was initially launched by the IDRBT (Institute for Development & Research in Banking Technology) with the collaboration of Euronet Worldwide Inc. switch vendor for ATM (Automated Teller Machines) transactions and as an e-commerce gateway, later transferred to the NPCI upon its creation in December 2009.

18. How many members are there in NFS ATM network currently?

A 1000

B 1140

C 1200

D 1080

E 1220

Solution

In the last few years, the NFS ATM network has grown from 37 members and connecting about 50,000 ATMs to 1140 members that includes 110 direct, 966 sub members, 56 RRBs, and 8 WLAOs (white-label ATM operators) connecting about more than 2.41 lakh ATMs

19. How many types of Aadhaar Enabled Payment Systems (AePS) is used commonly?

A 3

B 2

C 4

D 1

E 5

Solution

- The first type of payment is Aadhaar Bridge Payment System which is meant for direct benefit transfer and subsidy payments to the beneficiaries from the government
- The second AePS is used at the business level where bank customers can use the Aadhaar to access various services like for withdrawing cash, account opening, and fund transfer without visiting the branch.
- The third is Aadhaar Pay in which the merchants can accept payments through Aadhaar identification of their customers.

20. The concept of Bharat Bill Payment System was introduced by ____

A NPCI

B RBI

C SBI

D NACH

E None of these

Solution

Bharat Bill Payment System is a concept by the RBI, one of the prime regulators of the banks and financial institutions, and driven by the NPCI.

21. Which of the following instruments are used to make BBPS payments?

A Cash

B Transfer cheques

C Electronic modes

D None of the above

E All of the above

Solution

BBPS payments may be made using cash, transfer cheques, and electronic modes. Bill aggregators and banks that function as operating units carry out these transactions on behalf of their customers.

22. The turn-around time for mandate activation for NACH is around ___ days

A 5

B 8

C 10

D 12

E 7

Solution

The NACH system is used for bulk towards the distribution of salary, interest, dividends, etc. and also for bulk transactions towards collection of telephone, electricity, water bills, etc. It reduces the turn-around time for mandate activation from 30 days, in case of ECS, to around 10 days.

23. Which of the following is not the feature of RuPay card?

A Complimentary lounge access program – domestic & international

B 24×7 concierge services

C Earn cashback time after time

D Comprehensive insurance cover

E None of these

Solution

Features of RuPay card include:

- Complimentary lounge access program – domestic & international
- 24×7 concierge services
- Earn cashback time after time
- Comprehensive insurance cover
- Exclusive merchant offers

24. What does 'I' in SWIFT stands for?

A Inclusion

B Internet

C Interbank

D Immediate

E None of these

Solution

SWIFT stands for Society for Worldwide Interbank Financial Transactions.

25. What does the first four characters in SWIFT code indicates?

A The country code

B The location/city code

C The institute code

D Individual branches

E None of these

Solution

SWIFT assigns each financial organization a unique code with either eight or 11 characters, known as a bank identifier code or BIC. First four characters: the institute code

Next two characters: the country code

Next two characters: the location/city code

Last three characters: optional, but organizations use them to assign codes to individual branches.

26. What does 'V' stands for in the term EMV?

A Visa

B Vibrant

C Victory

D Via

E None of these

Solution

EMV stands for Europay, MasterCard, and Visa.

27. What is the technology used in Near-field communication (NFC)?

A Self induction

B Magnetic field induction

C Magnetic levitation

D Both A and B

E None of these

Solution

Near-field communication (NFC) is a short-range wireless connectivity technology that uses magnetic field induction to enable communication between devices when they're touched together or brought within a few centimeters of each other.

28. For which of the following applications Near Field Communications (NFC) technology is used?

A Credit cards authentication

B Enabling physical access

C Transferring small files

D Jumpstarting more capable wireless links

E All of the above

Solution

Near-field communication (NFC) is a short-range wireless connectivity technology that uses magnetic field induction to enable communication between devices when they're touched together or brought within a few centimeters of each other. This includes authenticating credit cards, enabling physical access, transferring small files and jumpstarting more capable wireless links.

29. Which are the services not provided by Automated Teller Machine (ATM)?

A Withdraw money

B Check your balance

C Transfer funds

D Apply for loan

E Account Information

Solution

ATM stands for Automated Teller Machine which is a self-service banking outlet. You can withdraw money, check your balance, or even transfer funds at an ATM. Different banks provide their ATM services by installing cash machines in different parts of the country.

30. How many types of ATMs are used?

A 5

B 3

C 7

D 2

E 6

Solution

White Label ATM (Owned and operated by non-bank entities)

Brown Label ATM (Banks outsourced ATMs for the operations to a third party.)

Green Label ATM (ATM for Agricultural Transaction)

Orange Label ATM (ATM for Share Transactions)

Yellow Label ATM (ATM for the purpose of E-commerce)

PINK label ATM (ATMs designed for Women Customers Only)

Biometric ATM (ATMs with security features like fingerprint and eye scanners)

31. What is full form of CDM?

A Cash Deposit Mechanism

B Cash Deposit Machine

C Customer Deposit Machine

D Cash Digital Machine

E None of these

Solution

CDM is short for Cash Deposit Machine and performs the opposite function of an ATM or Automated Teller Machine; CDM machine accepts deposits against a customer's bank account instead of dispensing cash from the same account. CDMs are freestanding kiosks that may be wall mounted as well, and they have a very similar interface and user experience to more recent iterations of the ATM.

32. Which of the following is a Mobile Banking Services offered?

A E-Passbooks

B Mutual fund investments

C Portfolio management services

D Lodging complaint/tracking applications

E All of the above

Solution

Services offered by Mobile Banking are:

- Balance enquiry
- Transaction history
- E-statement
- Loan statements
- Card statements
- E-Passbooks
- Bank to bank transfers
- Transfer of funds to self
- Payments to third parties (rent payments, bill payments, etc.)

- Giving standing instructions for periodic payments
- Payments via NEFT/IMPS/RTGS/UPI
- Opening fixed/recurring deposit
- Mutual fund investments
- Portfolio management services
- ATM locators
- Branch locators
- Lodging complaint/tracking applications
- Ordering a new cheque book
- Canceling/stopping an issued cheque

33. Internet banking is also known as ____

A Online banking

B E-banking

C Virtual banking

D All of the above

E Only A and B

Solution

Internet banking, also known as online banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website . NEFT , RTGS, IMPS & CES can be done through Internet banking

34. How many types of Point Of Sales terminals are there?

A 5

B 3

C 4

D 2

E 6

Solution

Various types of POS are

- a) GPRS/PSTN POS
- b) mPOS
- c) Android POS
- d) ePOS (Virtual POS)

35. Which is the oldest version of point of sale terminal (POS)?

A GPRS/PSTN POS

B mPOS

C Android POS

D ePOS (Virtual POS)

E None of these

Solution

A GPRS POS terminal is one of the oldest versions of a POS. Originally, it used to be a wired device that worked by connecting with a standard telephone line. These days it uses GPRS SIM cards for data connectivity.

36. What does 'm' stands for in the term mPOS?

A Moving

B Mobile

C Modern

D Modified

E None of these

Solution

mPOS, which stands for mobile POS, is a sleeker, smarter and a wireless version of the POS that can accept digital payments anywhere. It can run with a smartphone and an app

37. Which of the following is not a feature of Android POS?

A Aireless and portable

B Android operating system

C Easier to operate

D Need a seperate smartphone

E None of these

Solution

An Android POS terminal is a wireless and portable device running on an Android operating system. It has an intuitive interface and a large screen like a smartphone and hence, is easier to operate. The device allows several apps to run, thereby, eliminating the need of a separate phone to run delivery or payment apps.

38. Debit card is also known as ____

A Check card

B Bank card

C Loan card

D Customer card

E Both A and B

Solution

A debit card, also known as a check card or bank card, is a payment card that can be used in place of cash to make purchases.

39. Which of the following information is not available on a Debit card?

A Cardholder's name

B Expiration date

C Card number

D Account number

E Banker's name

Solution

The card usually consists of the bank's name, a card number, the cardholder's name, and an expiration date, on either the front or the back.

40. **Up to how many days credit card balance can be paid off completely and interest free?**

A 20 days

B 80 days

C 50 days

D 45 days

E None of these

Solution

A credit card is a financial tool with a pre-loaded amount that allows the cardholder to make purchases and pay for them later. The card company will allow you to pay off the balance completely and interest-free for up to 50 days from the date of payment.

41. In order to use smart card which of the following is required?

A Signature

B Identification

C Payment authorization

D Aadhar card

E None of these

Solution

It contains an electronic chip which is used to store cash. There is no requirement of any signature, identification and payment authorization.

The exact amount is deducted from the smart card during payment and is collected by the smart card read machines.

42. Who sponsors the co-branded credit cards along with bank?

A LIC

B Retail merchant

C RBI

D IBA

E None of these

Solution

A credit card that is offered by the credit card company that is jointly sponsored by a bank and a retail merchant.

43. Which are two types of credit offered by Kisan Credit Card to farmers?

A Cash Credit & Term Credit

B Cash Credit & Agri Credit

C Fast Credit & Term Credit

D Cash Credit & Fixed Credit

E None of these

Solution

Kisan Credit Cards is a scheme to provide timely and credit to farmers to meet their production credit needs besides meeting Image result for Kisan Credit Cards contingency expenses and expenses related to ancillary activities through simplified procedure. The Kisan Credit Card offers credit to farmers in two types: Cash Credit & Term Credit.

44. Which of the following is the full form of SEO in digital marketing?

A System Efficient Optimization

B Search Engine Optimization

C Search Engine Organizer

D System Engine Optimization

E None of these

Solution

SEO (Search Engine Optimization) is the process of affecting the online visibility of a website or a web page in a web search engine's unpaid results.

45. Which kind of search is not targeted by SEO?

A Image search

B Video search

C Academic search

D News search

E None of these

Solution

SEO may target different kinds of search, including image search, video search, academic search, news search, and industry-specific vertical search engines.

46. What does 'E' in the term SEM in digital marketing stands for?

A Efficient

B Energy

C Engine

D Elegant

E None of these

Solution

Search engine marketing (SEM) is a form of Internet marketing that involves the promotion of websites by increasing their visibility in Search Engine Results Pages (SERPs) primarily through paid advertising.

47. **On which of the following content marketing is focused?**

A distributing content online

B creating content online

C publishing content online

D All of the above

E None of these

Solution

Content marketing is a form of marketing focused on creating, publishing, and distributing content for a targeted audience online. It is often used by businesses in order to: Attract attention and generate leads.

48. Which of the following can be considered as content marketing?

A Blogs

B Social media posts

C Awareness campaign

D Both A and B

E Both B and C

Solution

Content marketing is a type of marketing that involves the creation and sharing of online material (such as videos, blogs, and social media posts) that does not explicitly promote a brand but is intended to stimulate interest in its products or services.

49. **What is the advantage of digital advertizing?**

A Easier to target specific demographics

B Easier to personalize the message

C Easier to optimize your advertisements

D All of the above

E None of these

Solution

When you create an advertisement, you are forced to rely on the ‘spray and pray’ philosophy– hoping that it gets in front of the right people. When you advertise online, it is easier to target specific demographics and to personalize the message they see. You can collect data from your campaigns and use this information to optimize your advertisements and therefore get more for your money.

50. Which form of digital marketing user certain individual for marketing instead targeting market as a whole?

A Content Marketing

B Digital Advertising

C Influencer marketing

D Email Newsletters

E None of these

Solution

Influencer marketing (also influence marketing) is a form of marketing in which focus is placed on influential people rather than the target market as a whole. It identifies the individuals that have influence over potential customers, and orients marketing activities around these influencers.



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