

Socio Economic & Banking Questions for Federal Bank PO/Clerk



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1. **CIBIL Score is a 3-digit numeric summary of our credit history, rating and report, and ranges from**

A 200 to 300

B 150 to 400

C 300 to 900

D 200 to 500

E 100 to 600

Solution

- The correct answer is Option C i.e., 300 to 900.
- CIBIL Score is a 3-digit numeric summary of your credit history, rating and report, and ranges from 300 to 900.
- The closer your score is to 900, the better your credit rating is.
- The Credit Information Bureau (India) Limited (CIBIL) is the most popular of the four credit information companies licensed by Reserve Bank of India. There are three other companies also licensed by the RBI to function as credit information companies. They are Experian, Equifax and Highmark.

2. What does T stands for in the term FATCA?

A Trading

B Tax

C Term

D Territory

E Trust

Solution

- The correct answer is Option B i.e., Tax.
- The Foreign Account Tax Compliance Act (FATCA) is tax information reporting regime, which requires Financial Institutions (FIs) to identify their U.S. accounts through enhanced due diligence reviews and report them periodically to the U.S. Internal Revenue Service (IRS) or in case of Inter-Governmental agreement(IGA), to appropriate government authority.
- The purpose of FATCA is to prevent U.S. persons from using banks and other financial institutions outside the USA to park their wealth outside U.S. and consequently avoid U.S. taxation on income

generated from such wealth. FATCA-CRS oblige financial institutions to report information about U.S. persons having accounts with them.

3. **Common Reporting standard (CRS) is a global level uniform standard for automatic exchange of financial account information. India signed up for CRS in**

A 2016

B 2015

C 2017

D 2018

E 2019

Solution

- The correct answer is Option B i.e., 2015.
- Common Reporting standard (CRS) is a global level uniform standard for automatic exchange of financial account information. CRS, an initiative of G-20 countries and Organisation for Economic Co-operation and Development (OECD) and is similar to FATCA.
- Under this standard, jurisdictions would obtain financial information from their financial institutions and exchange that information with other jurisdictions on an automatic annual basis.

- The purpose of CRS is to aid automatic exchange of information between bilateral treaty partner countries about accountholders/investors maintaining accounts in foreign jurisdictions so as to avoid tax evasions on the funds parked in such countries.

4. **Clearing Corporation of India Limited (CCIL) was set up in by banks, financial institutions and primary dealers, to function as an industry service organisation for clearing and settlement of trades in money market, government securities and foreign exchange markets.**

A 2010

B 2008

C 2001

D 2006

E 2005

Solution

- The correct answer is Option C i.e. 2001.
- Clearing Corporation of India Limited (CCIL) was set up in April 2001 by banks, financial institutions and primary dealers, to function as an industry service organisation for clearing and settlement of trades in money market, government securities and foreign exchange markets.
- The Clearing Corporation plays the crucial role of a Central Counter Party (CCP) in the government securities, USD–INR forex exchange

(both spot and forward segments) and Triparty Repo markets.

- CCIL plays the role of a central counterparty whereby, the contract between buyer and seller gets replaced by two new contracts - between CCIL and each of the two parties. This process is known as 'Novation'. Through novation, the counterparty credit risk between the buyer and seller is eliminated with CCIL subsuming all counterparty and credit risks. In order to minimise the these risks, that it exposes itself to, CCIL follows specific risk management practices which are as per international best practices. In addition to the guaranteed settlement, CCIL also provides non guaranteed settlement services for rupee derivatives such as Interest Rate Swaps.

5. A cheque past its validity, three months after the date of being issued, is called a

A Stale Cheque

B Self Cheque

C Banker's Cheque

D Traveller's Cheque

E Post-Dated Cheque

Solution

- The correct answer is Option A i.e., Stale Cheque.
- A cheque past its validity, three months after the date of being issued, is called a stale cheque.
- Stale Cheque refers to a cheque which is expired because it is held by the payee for too long. So, it cannot be honoured and is of no use to the payee.
- A stale cheque is one that is presented for payment by the payee, at the drawee bank for encashment, but not accepted by the bank, because it is presented after the reasonable period, i.e. three months (earlier it was six months) of its date of payment.

- These cheques bear a date in the past, on which the cheque is written, and so the bank is not obligated to honour such cheques.

6. Banks should frame their KYC ('Know Your Customer' Standards) policies incorporating how many key elements ?

A five

B three

C four

D two

E six

Solution

- The correct answer is Option C i.e., four.
- The objective of KYC ('Know Your Customer') guidelines is to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering activities. KYC procedures also enable banks to know/understand their customers and their financial dealings better which in turn help them manage their risks prudently.
- Banks should frame their KYC policies incorporating the following four key elements:

- Customer Acceptance Policy;
- Customer Identification Procedures;
- Monitoring of Transactions; and
- Risk management.

7. Which of the following are the features of “Mobile Aided Note Identifier (MANI)”, for aiding visually impaired persons to identify the denomination of Indian Banknotes ?

A

Capable of identifying the denominations of Mahatma Gandhi Series and Mahatma Gandhi (New) series banknote by checking front or reverse side/part of the note including half folded notes at various holding angles and broad range of light conditions (normal light/day light/low light/ etc.).

B

Ability to identify the denomination through audio notification in Hindi/English and non-sonic mode such as vibration (suitable for those with vision and hearing impairment).

C

After installation, the mobile application does not require internet and works in offline mode.

D

Ability to navigate the mobile application via voice controls for accessing the application features wherever the underlying device & operating system combination supports voice enabled controls.

E

All of the Above

Solution

- The correct answer is Option E i.e., All of the Above.

- RBI Governor launched the “Mobile Aided Note Identifier (MANI)”, a mobile application for aiding visually impaired persons to identify the denomination of Indian Banknotes.
- MANI, with the following features:
- Capable of identifying the denominations of Mahatma Gandhi Series and Mahatma Gandhi (New) series banknote by checking front or reverse side/part of the note including half folded notes at various holding angles and broad range of light conditions (normal light/day light/low light/ etc.).
- Ability to identify the denomination through audio notification in Hindi/English and non-sonic mode such as vibration (suitable for those with vision and hearing impairment).
- After installation, the mobile application does not require internet and works in offline mode.
- Ability to navigate the mobile application via voice controls for accessing the application features wherever the underlying device & operating system combination supports voice enabled controls.
- The application is free and can be downloaded from the Android Play Store and iOS App Store without any charges/payment.
- This mobile application does not authenticate a note as being either genuine or counterfeit.

8. An asset would be classified as doubtful if it has remained in the substandard category for a period of

A 5 months

B 2 months

C 12 months

D 10 months

E 3 months

Solution

- The correct answer is Option C i.e., 12 months.
- A non performing asset (NPA) is a loan or advance for which the principal or interest payment remained overdue for a period of 90 days.
- Banks are required to classify NPAs further into Substandard, Doubtful and Loss assets.
- Substandard assets: Assets which has remained NPA for a period less than or equal to 12 months.

- Doubtful assets: An asset would be classified as doubtful if it has remained in the substandard category for a period of 12 months.
- Loss assets: As per RBI, “Loss asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted, although there may be some salvage or recovery value.”

9. Hedge fund investors does not include which of the following ?

A high net worth individuals (HNIs)

B pension funds

C insurance companies

D credit card holders

E banks

Solution

- The correct answer is Option D i.e., credit card holders.
- Hedge fund is a private investment partnership and funds pool that uses varied and complex proprietary strategies and invests or trades in complex products, including listed and unlisted derivatives.
- Hedge fund investors typically include high net worth individuals (HNIs) and families, endowments and pension funds, insurance companies, and banks. These funds work either as private investment partnerships or offshore investment corporations. They are not required to be registered with the securities markets regulator

and are not subject to the reporting requirements, including periodic disclosure of NAVs.

10. **ETFs or exchange traded funds are similar to index mutual funds.ETFs were started in in India.**

A 1994

B 1998

C 2001

D 2007

E 2005

Solution

- The correct answer is Option C i.e. 2001.
- ETFs or exchange traded funds are similar to index mutual funds. However, they trade just like stocks.
- ETFs were started in 2001 in India. They comprise a portfolio of equity, bonds and trade close to its net asset value. These funds mainly track an index, a commodity, or a pool of assets.
- They have the following advantages over mutual funds and equity/debt funds:

- **Lower Costs:** An investor who buys an ETF doesn't have to pay an advisory/management fee to the fund manager and taxes are relatively lower in ETFs.
- **Lower Holding Costs:** As commodity ETFs are widely traded in, there isn't any physical delivery of commodity. The investor is just provided with an ETF certificate, similar to a stock certificate.

11. At present, Debts Recovery Tribunals (DRTs) and Debts Recovery Appellate Tribunals (DRATs) are functioning across the country.

A 32 & 9

B 37 & 8

C 39 & 5

D 42 & 5

E 40 & 7

Solution

- The correct answer is Option C i.e., 39 & 5
- At present, 39 Debts Recovery Tribunals (DRTs) and 5 Debts Recovery Appellate Tribunals (DRATs) are functioning across the country.
- The Debts Recovery Tribunals (DRTs) and Debts Recovery Appellate Tribunals (DRATs) were established under the Recovery of Debts and Bankruptcy Act (RDB Act), 1993 with the specific objective of providing expeditious adjudication and recovery of debts due to Banks and Financial Institutions.

- Each DRT and DRAT are headed by a Presiding Officer and a Chairperson respectively.
- The post of Presiding Officer is equivalent to a District Judge and the post of Chairperson is equivalent to that of a High Court Judge.

12. Government of India created the RIDF (RURAL INFRASTRUCTURE DEVELOPMENT FUND) in NABARD in 1995-96, with an initial corpus of crore.

A Rs. 10,000

B Rs. 2,000

C Rs. 5,000

D Rs. 8,000

E Rs. 3,000 crore.

Solution

- The correct answer is Option B i.e., Rs.2,000 crore.
- Government of India created the RIDF in NABARD in 1995-96, with an initial corpus of Rs.2,000 crore.
- With the allocation of Rs40,000 crore for 2021-22 under RIDF XXVII, the cumulative allocation has reached Rs. 4,18,408.73 crore, including Rs.18,500 crore under Bharat Nirman.
- Eligible Activities:At present, there are 39 eligible activities under RIDF as approved by GoI. The eligible activities are classified under three broad categories i.e.

- Agriculture and related sector
- Social sector
- Rural connectivity

13. **‘Demand Liabilities’ shall mean liabilities of a bank which are payable on demand and shall include which of the following ?**

A current deposits

B demand liabilities portion of savings bank deposits

C margins held against letters of credit/guarantees

D unclaimed deposits

E All of the Above

Solution

- The correct answer is Option E i.e., All of the Above.
- ‘Demand Liabilities’ shall mean liabilities of a bank which are payable on demand and shall include the following:
 - current deposits,
 - demand liabilities portion of savings bank deposits,
 - margins held against letters of credit/guarantees,
 - balances in overdue fixed deposits, cash certificates and cumulative/recurring deposits,

- outstanding Telegraphic Transfers (TTs), Mail Transfers (MTs), Demand Drafts (DDs),
- unclaimed deposits,
- credit balances in the Cash Credit account,
- deposits held as security for advances which are payable on demand.

14. An is a credit agreement made with a bank that allows an account holder to use or withdraw more money than what they have in their account up to the approved limit.

A Overdraft Facility

B Marginal Standing Facility

C Statutory Liquidity Facility

D Banker's draft Facility

E Benchmark Prime Lending Facility

Solution

- The correct answer is Option A i.e., overdraft facility.
- An overdraft facility is a credit agreement made with a bank that allows an account holder to use or withdraw more money than what they have in their account up to the approved limit.
- The line of credit is typically given based on account holder balances, and as pre-sanctioned loans against assets such as bank FDs, shares and bonds offered as collateral.
- The sanctioned overdraft limit and the interest charged will vary based on the nature of the asset offered as collateral.

- The overdraft facility works like an approved loan. Money can be withdrawn as and when required and the interest has to be paid only on the amount borrowed and only for time it was borrowed.

15. Which of the following entities regulated by IRDAI (Insurance Regulatory & Development Authority)?

A Life Insurance Companies

B General Insurance Companies

C Re-Insurance Companies

D Agency Channel

E All of the Above

Solution

- The correct answer is Option E i.e., All of the Above.
- Insurance Regulatory and Development Authority of India (IRDAI), is a statutory body formed under an Act of Parliament, i.e., Insurance Regulatory and Development Authority Act, 1999 (IRDAI Act 1999) for overall supervision and development of the Insurance sector in India.
- Entities regulated by IRDAI:
- Life Insurance Companies - Both public and private sector Companies.

- General Insurance Companies - Both public and private sector Companies. Among them, there are some standalone Health Insurance Companies which offer health Insurance policies.
- Re-Insurance Companies
- Agency Channel
- Intermediaries which include the following:
 - Corporate Agents
 - Brokers
 - Third Party Administrators
 - Surveyors and Loss Assessors.

16. refer to financial instruments evolved on the Indian sub-continent used in trade and credit transactions.

A Broad Money

B Hundis

C Maximum Permissible Bank Finance

D Letter of Credit

E Inter-creditor Agreement

Solution

- The correct answer is Option B i.e., Hundis.
- Hundis refer to financial instruments evolved on the Indian sub-continent used in trade and credit transactions.
- They were used
- as remittance instruments (to transfer funds from one place to another),
- as credit instruments (to borrow money),
- for trade transactions (as bills of exchange).

17. What is the weight of Ten Rupees coin?

A 13.79 gm

B 12.83 gm

C 4.85 gm

D 6 gm

E 7.71 gm

Solution

- The correct answer is Option E i.e., 7.71 gm.
- Metal --- Bimetallic Cupro-Nickel in Center Aluminium Bronze in outer ring
- Weight --- 7.71 gm
- Shape --- Circular
- Size --- 27 mm

18. Which of the following is the eligibility criteria for Prime Minister Employment Generation Programme (PMEGP) is not true ?

A Any individual above 18 years of age can apply.

B

The beneficiary must have passed at least VI standard for projects costing above Rs.10 lakh in the manufacturing sector, and above Rs.5 lakh in the business/service sector.

C

Under this scheme, beneficiaries can get a subsidy amounting to 15-35% of the project cost from the government.

D

The scheme is implemented by Khadi and Village Industries Commission (KVIC) as the nodal agency at the national level.

E

The Prime Minister Employment Generation Programme (PMEGP) is a Government of India-backed credit-linked subsidy scheme.

Solution

- The correct answer is Option B i.e., The beneficiary must have passed at least VI standard for projects costing above Rs.10 lakh in the manufacturing sector, and above Rs.5 lakh in the business/service sector.

- The scheme is implemented by Khadi and Village Industries Commission (KVIC) as the nodal agency at the national level. At the state level, the scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks.
- The Prime Minister Employment Generation Programme (PMEGP) is a Government of India-backed credit-linked subsidy scheme. Under this scheme, beneficiaries can get a subsidy amounting to 15-35% of the project cost from the government.

19. **Deen Dayal Upadhyaya Grameen Kaushalya Yojana is the demand-driven placement-linked skill training initiative of the Ministry of Rural Development, uniquely aimed at rural poor youth between and years of age.**

A 12 and 30 years

B 18 and 32 years

C 15 and 35 years

D 14 and 28 years

E 20 and 25 years

Solution

- The correct answer is Option C i.e., 15 and 35 years.
- Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is the demand-driven placement-linked skill training initiative of the Ministry of Rural Development (MoRD), Government of India, uniquely aimed at rural poor youth between 15 and 35 years of age,

with the purpose to create income diversity in poor families and help rural youth realize their career aspirations.

- DDU-GKY has its origins in the 'Special Projects' component of the Swarnajayanti Gram Swarozgar Yojana (SGSY), which was positioned as a holistic livelihoods intervention in 2004.

20. Aatmanirbhar Bharat Rozgar Yojana (ABRY) commenced in that has been launched to incentivize employers for creation of new employment along with social security benefits and restoration of loss of employment during COVID-19 pandemic.

A 2016

B 2017

C 2018

D 2020

E 2019

Solution

- The correct answer is Option D i.e., 2020.
- Aatmanirbhar Bharat Rozgar Yojana (ABRY) has been launched to incentivize employers for creation of new employment along with social security benefits and restoration of loss of employment during COVID-19 pandemic.
- The scheme has commenced from 1st October 2020 and shall remain open for registration of eligible employers and new employees upto 30th June 2021.

- Government will pay the subsidy for two years from the date of registration.
- This scheme being implemented through the Employees' Provident Fund Organisation (EPFO), reduces the financial burden of the employers of various sectors/industries including MSME and will encourages them to hire more workers.
- Under ABRY, the Government of India is bearing both the employees' share (12% of wages) and employers' share (12% of wages) of contribution payable or only the employees' share, depending on employment strength of the EPFO registered establishments.

21. is an economic event in which the inflation rate is high, economic growth rate slows, and unemployment remains steadily high.

A Hyperinflation

B Creeping Inflation

C Walking Inflation

D Demand-Pull Inflation

E Stagflation

Solution

- The correct answer is Option E i.e., Stagflation.
- Stagflation is an economic event in which the inflation rate is high, economic growth rate slows, and unemployment remains steadily high.
- Stagflation is characterized by slow economic growth and relatively high unemployment—or economic stagnation—which is at the same time accompanied by rising prices (i.e., inflation).
- Stagflation can be alternatively defined as a period of inflation combined with a decline in the gross domestic product (GDP).

22. Value-added tax (VAT) was introduced in, is a type of indirect tax levied on goods and services for value added at every point of production or distribution cycle, starting from raw materials and going all the way to the final retail purchase.

A 2002

B 2004

C 2005

D 2010

E 2009

Solution

- The correct answer is Option C i.e., 2005.
- Value-added tax (VAT) is a type of indirect tax levied on goods and services for value added at every point of production or distribution cycle, starting from raw materials and going all the way to the final retail purchase.
- VAT was introduced on April 1, 2005.
- Under it, the amount of value addition is first identified at each stage, and then tax is levied on the same.

- Ultimately, the end consumer has to pay the complete VAT while buying goods; buyers at earlier stages of production receive reimbursements of tax they have paid. Because the consumer bears the entire tax, VAT is also a consumption tax.

23. According to India Ratings & Research (Ind-Ra), credit growth is expected to hit % in 2022-23 which will be a double-digit growth in eight years.

A 17%

B 20%

C 10%

D 12%

E 15%

Solution

- The correct answer is Option C i.e., 10% .
- According to India Ratings & Research (Ind-Ra), credit growth is expected to hit 10% in 2022-23 which will be a double-digit growth in eight years.
- According to the RBI, bank credit stood at Rs. 116.8 lakh crore (US\$ 1.56 trillion) on 31st December 2021.
- India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a

foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

24. **The Deposit Insurance Corporation (DIC) Bill was introduced in the Parliament in**

A 1950

B 1978

C 1954

D 1961

E 1986

Solution

- The correct answer is Option D i.e., 1961.
- The Deposit Insurance Corporation (DIC) Bill was introduced in the Parliament on August 21, 1961.
- The functions of the DICGC are governed by the provisions of 'The Deposit Insurance and Credit Guarantee Corporation Act, 1961' (DICGC Act) and 'The Deposit Insurance and Credit Guarantee Corporation General Regulations, 1961' framed by the Reserve Bank of India in exercise of the powers conferred by sub-section (3) of Section 50 of the said Act.

- The preamble of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 states that it is an Act to provide for the establishment of a Corporation for the purpose of insurance of deposits and guaranteeing of credit facilities and for other matters connected therewith or incidental thereto.

25. IFTAS, an autonomous organization funded by the Reserve Bank of India, in pursuance of the recommendation of the Committee (2009).

A R. Jilani Committee

B Rangarajan Committee

C Parthasarathi Shome Committee

D R V Gupta Committee

E Kelkar Committee

Solution

- The correct answer is Option B i.e., Rangarajan .
- IFTAS was established in February 2015 by the Institute for Development and Research in Banking Technology (IDRBT), an autonomous organization funded by the Reserve Bank of India, in pursuance of the recommendation of the Rangarajan Committee (2009).
- Indian Financial Technology & Allied Services (IFTAS) is a wholly-owned subsidiary of the Reserve Bank of India, that designs,

deploys & provides the essential IT-related services, required by the Reserve Bank of India, banks, and financial institutions.

26. **Who has been appointed as Executive Director of Federal Bank that would assume charge as Executive Director of the Bank with effect from 23rd June 2023 ?**

A Vijay Srirangam

B Girish Chandra Chaturvedi

C Hasmukh Adhia

D Atanu Chakraborty

E **Harsh Dugar**

Solution

- The correct answer is Option E i.e., Harsh Dugar .
- Harsh Dugar has been appointed as Executive Director of Federal Bank.
- Harsh Dugar will serve for a period of three years from the date of assuming charge.
- Harsh Dugar assumed charge as Executive Director of the Bank with effect from 23rd June 2023.
- Harsh Dugar been serving as the Group President and Country Head – Wholesale banking of the Bank since 01.04.2021.

27. Which of the following measures taken by the Credit Information Companies (CICs) under the purview of the Reserve Bank Integrated Ombudsman Scheme (RB-IOS) ?

A

a compensation mechanism for delayed updation /rectification of credit information reports

B

a provision for SMS/email alerts to customers whenever their credit information reports are accessed

C

disclosures on customer complaints received by CICs

D

time-frame for inclusion of data received by CICs from Credit Institutions

E

All of the Above

Solution

- The correct answer is Option E i.e., All of the Above.
- Recalling that the Credit Information Companies (CICs) were recently brought under the purview of the Reserve Bank Integrated Ombudsman Scheme (RB-IOS), the Governor announced that the following measures are going to be put in place:

1. a compensation mechanism for delayed updation /rectification of credit information reports
2. a provision for SMS/email alerts to customers whenever their credit information reports are accessed
3. timeframe for inclusion of data received by CICs from Credit Institutions
4. disclosures on customer complaints received by CICs

28. Aadhaar based face authentication transactions for service delivery are gaining robust momentum with monthly transactions in May touching an all time high of million, since its launch in October 2021.

A 12 million

B 10.6 million

C 17.2 million

D 9.6 million

E 12.6 million

Solution

- The correct answer is Option B i.e., 10.6 million.
- Aadhaar based face authentication transactions for service delivery are gaining robust momentum with monthly transactions in May touching an all time high of 10.6 million, since its launch in October 2021.
- The number of face authentication transactions is on an upward trajectory and the monthly numbers clocked in May is an increase of

38 per cent, compared with such transactions reported in February 2023, indicative of its growing usage.

- The AI/ML based face authentication solution developed in-house by the Unique Identification Authority of India (UIDAI), is now being used by 47 entities, including state government departments, ministries in the central government and some banks.

29. Which of the following facts related to the MMID Mobile Money Identifier is not correct ?

A The Mobile Money Identifier has transformed digital transactions in India.

B

MMID helps in preventing financial fraud, easy to use and helps facilitate quick digital transfers.

C

MMID is a 10-digit unique number, typically a combination of your mobile number and bank account number.

D

MMID was introduced to extend instant fund transfer facilities even to those who do not have internet banking.

E

MMID service was first launched in India in 2010

Solution

- The correct answer is Option C i.e., MMID is a 10-digit unique number, typically a combination of your mobile number and bank account number.
- 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.

- 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.

30. Which of the following is the benefits of using digital payments ?

A Instant and convenient mode of payment

B Increased financial inclusion

C Increased acceptance during COVID-19 pandemic

D Faster adoption of QR code technology

E All of the Above

Solution

- The correct answer is Option E i.e.,All of the Above.
- The digital payment landscape in India has been transformed. Indian consumers have displayed great affinity to digital technology, leading to rapid growth in digital payment infrastructure. The benefits of using digital payments are as follows:

1. Instant and convenient mode of payment: Unlike cash, money can be instantaneously transferred to the beneficiary account using digital modes like BHIM-UPI and IMPS. Moreover, using the BHIM-UPI mode, one can effect a digital transaction via mobile

phone using easy-to-remember email-like address, called virtual payment address.

2. Increased financial inclusion
3. Increased acceptance during COVID-19 pandemic: The COVID-19 pandemic has brought out the benefit of digital payments in enabling healthcare. Contactless modes of digital payment like UPI QR code and Near Field Communication (NFC) enabled cards enable observance of social distancing.
4. Fostering innovation in payments: India's indigenously developed BHIM-UPI, which enables digital payments using mobile apps, is directly linked to achieving the goals of universal electronic payments, a less-cash society and financial inclusion.

31. Who has conferred the 4th National Water Awards organised at Plenary Hall, Vigyan Bhawan, New Delhi by the Department of Water Resources, River Development, and Ganga Rejuvenation (DoWR, RD &GR), Ministry of Jal Shakti ?

A Ms. Jodhaiyabai Baiga

B Shri Jagdeep Dhankhar

C Shri Premjit Baria

D Dr. Sukama Acharya

E Shri Narendra Modi

Solution

- The correct answer is Option B i.e., Shri Jagdeep Dhankhar.
- The Vice President of India, Shri Jagdeep Dhankhar conferred the 4th National Water Awards on 17th June, 2023 at an award distribution ceremony being organised at Plenary Hall, Vigyan Bhawan, New Delhi by the Department of Water Resources, River Development, and Ganga Rejuvenation (DoWR, RD &GR), Ministry of Jal Shakti.
- The Department has announced a total of 41 winners, including joint winners, for the 4th National Water Awards, 2022, covering 11

categories.

- Each award winner was conferred with a citation and a trophy as well as cash prizes in certain categories.

32. Which of the following is not the strategy of the communication aspects of the Reserve Bank ?

A Monetary Policy communication

B Financial Stability communication

C Communication relating to other functional domains

D

dissemination of market related information on near real time basis through the website

E Communication during times of crisis

Solution

- The correct answer is Option D i.e., dissemination of market related information on near real time basis through the website.
- The Communication Aspects of the Reserve Bank includes strategies on:
 1. Monetary Policy communication;
 2. Financial Stability communication;
 3. Communication relating to other functional domains;
 4. Communication during times of crisis;

5. Dissemination through flagship publications; and
6. RBI staff as ambassadors of RBI.

33. The Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

A 2040

B 2028

C 2030

D 2029

E 2035

Solution

- The correct answer is Option C i.e., 2030.
- The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.
- At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending

poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

34. The Ministry of Youth Affairs and Sports (MYAS) has revised the upper ceiling amount of boarding and lodging for Indian Athletes and team officials by%.

A 32%

B 66%

C 44%

D 87%

E 22%

Solution

- The correct answer is Option B i.e.,66%.
- The Ministry of Youth Affairs and Sports (MYAS) has revised the upper ceiling amount of boarding and lodging for Indian Athletes and team officials by 66%.
- This is for the athletes and officials participating only in international competitions, under the Ministry's Scheme of Assistance to National Sports Federations (NSFs).
- Under the newly revised norm, athletes and support staff travelling for approved competitions abroad (foreign exposures) will now be

entitled to USD 250 per day, which is an increase of 66% from an earlier norm of USD 150 per day.

35. Which of the following is the regulatory and supervisory objective of the Reserve Bank of India ?

A ensure healthy growth of the financial companies

B

Reserve Bank of India is entrusted with the responsibility of regulating and supervising the Non-Banking Financial Companies

C

the quality of surveillance and supervision exercised by the Bank over the NBFCs is sustained by keeping pace with the developments that take place in this sector of the financial system

D

ensure that these companies function as a part of the financial system within the policy framework, in such a manner that their existence and functioning do not lead to systemic aberrations

E

All of the Above

Solution

- The correct answer is Option E i.e., All of the Above.
- The Reserve Bank of India is entrusted with the responsibility of regulating and supervising the Non-Banking Financial Companies by virtue of powers vested in Chapter III B of the Reserve Bank of India Act, 1934. The regulatory and supervisory objective, is to:

1. ensure healthy growth of the financial companies;
2. ensure that these companies function as a part of the financial system within the policy framework, in such a manner that their existence and functioning do not lead to systemic aberrations; and that
3. the quality of surveillance and supervision exercised by the Bank over the NBFCs is sustained by keeping pace with the developments that take place in this sector of the financial system.

36. **Swachh Bharat Mission Grameen (SBMG), a flagship programme of the Government of India was launched on 2nd October, by the Hon'ble Prime Minister of India.**

A 2019

B 2014

C 2015

D 2016

E 2015

Solution

- The correct answer is Option B i.e., 2014.
- Swachh Bharat Mission Grameen (SBMG), a flagship programme of the Government of India was launched on 2nd October, 2014 by the Hon'ble Prime Minister of India.
- Swachh Bharat Mission was a revolution which mobilized a force of over a billion people – the largest mass movement and behavioural change programme in independent India – for a cleaner, safer, healthier and prosperous future for its citizens.

37. Which of the following is the function of Reserve Bank of India ?

A Monetary Authority

B Regulator and Supervisor of the financial system

C Manager of Foreign Exchange

D Issuer of currency

E All of the Above

Solution

- The correct answer is Option E i.e., All of the Above.
- The following is the function of Reserve Bank of India:-

1. Monetary Authority:

- Formulates, implements and monitors the monetary policy.
- Objective: maintaining price stability while keeping in mind the objective of growth.

1. Regulator and supervisor of the financial system:

- Prescribes broad parameters of banking operations within which the country's banking and financial system functions.

- Objective: maintain public confidence in the system, protect depositors' interest and provide cost-effective banking services to the public.

38. Which Ministry of India asked all Public Sector Bank and eligible Private Sector banks to implement and operationalise the Mahila Samman Savings Certificate 2023?

A Ministry of MSME

B Ministry of Commerce and Industry

C Ministry of External Affairs

D Ministry of Finance

E Ministry of Road, Transport and Highways

Solution

- The correct answer is Option D i.e., Ministry of Finance.
- The Department of Economic Affairs, Ministry of Finance permitted all Public Sector and eligible Private Sector to implement and operationalise the Mahila Samman Savings Certificate 2023.
- The aim is to enable enhanced access of the scheme for girls/women.
- The Mahila Samman Savings Certificate scheme will now be available for subscription in Post Offices, and eligible Scheduled Banks.

- The scheme has been in operation since April 1, 2023 through the Department of Post.

39. In which of the following disciplines/fields Padma Awards are conferred in three categories i.e., Padma Vibhushan, Padma Bhushan and Padma Shri ?

A Art

B Social Work

C Public Affairs

D Science and Engineering

E All of the Above

Solution

- The correct answer is Option E i.e. All of the Above.
- Padma Awards one of the highest civilian Awards awards of the country,are conferred in three categories,namely, Padma Vibhushan, Padma Bhushan and Padma Shri.
- The awards are given in various disciplines/fields of activities, viz. art, social work, public affairs, science and engineering, trade and industry, medicine, literature and education.
- The awards are announced on the occasion of Republic Day every year.

40. Which of the following is not a feature of Non-Banking Financial Company (NBFC)?

A NBFC cannot accept demand deposits

B

NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself

C

NBFCs whose asset size is of ₹ 500 cr or more as per last audited balance sheet are considered as systemically important NBFCs.

D

deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

E

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1940 engaged in the business of loans and advances.

Solution

- The correct answer is Option E i.e., A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1940 engaged in the business of loans and advances.
- A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business

of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property.

- NBFCs lend and make investments and hence their activities are akin to that of banks; however there are a few differences as given below:

1. NBFC cannot accept demand deposits;
2. NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself;
3. deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

41. **What is the ceiling on amount of Insured deposits kept by one person in different branches of a bank?**

A Rupees four lakhs

B Rupees ten lakhs

C Rupees five lakhs

D Rupees two lakhs

E Rupees three lakhs

Solution

- The correct answer is Option C i.e., Rupees five lakhs.
- The deposits kept in different branches of a bank are aggregated for the purpose of insurance cover and a maximum amount of upto Rupees five lakhs is paid.
- The DICGC insures all deposits such as savings, fixed, current, recurring, etc. deposits except the following types of deposits

1. Deposits of foreign Governments;
2. Deposits of Central/State Governments;
3. Inter-bank deposits;

4. Deposits of the State Land Development Banks with the State co-operative bank;
5. Any amount due on account of and deposit received outside India
6. Any amount, which has been specifically exempted by the corporation with the previous approval of Reserve Bank of India

42. What are the eligibility or entry point norms for registration of an Infrastructure Finance Companies (IFCs)-NBFC with RBI?

A

A minimum of 75 per cent of the total assets of an IFC-NBFC should be deployed in infrastructure loans

B

The company should have minimum net-worth of Rs 300 crore

C

The CRAR of of the company should be at 15% with Tier I capital at 10%

D

The minimum credit rating of the company should be at 'A' or equivalent of CRISIL, FITCH, CARE, ICRA, BRICKWORK or equivalent rating by any other accrediting rating agencies

E

All of the Above

Solution

- The correct answer is Option E i.e., All of the Above.
- Infrastructure Finance Companies (IFCs) is a non-deposit accepting loan company which complies with the following :
 1. A minimum of 75 per cent of the total assets of an IFC-NBFC should be deployed in infrastructure loans;
 2. The company should have minimum net-worth of Rs 300 crore,

3. The CRAR of of the company should be at 15% with Tier I capital at 10% and
4. The minimum credit rating of the company should be at 'A' or equivalent of CRISIL, FITCH, CARE, ICRA, BRICKWORK or equivalent rating by any other accrediting rating agencies.

43. **Exchange Earners' Foreign Currency Account (EEFC) is an account maintained in foreign currency with an Authorised Dealer Category. How much interest is payable on EEFC accounts ?**

A No Interest

B 10%

C 7%

D 6%

E 5%

Solution

- The correct answer is Option A i.e., No Interest.
- An EEFC account can be held only in the form of a current account. No interest is payable on EEFC accounts.
- Exchange Earners' Foreign Currency Account (EEFC) is an account maintained in foreign currency with an Authorised Dealer Category - I bank i.e. a bank authorized to deal in foreign exchange. It is a facility provided to the foreign exchange earners, including exporters, to credit 100 per cent of their foreign exchange earnings to the account, so that the account holders do not have to convert

foreign exchange into Rupees and vice versa, thereby minimizing the transaction costs.

44. Which of the following facts related to the Constitution of India is not true ?

A

November 26 marks the day in 1949 when the Constitution of India was adopted by the Constituent Assembly.

B

The Indian Constitution is the lengthiest and most comprehensive constitutions in the world. At the time of its commencement, the Indian Constitution had 395 Articles, 28 Parts and 10 Schedules.

C

The Indian Constitution is a set of written principles and precedents that frames fundamental principles, procedures, rights, directive principles and duties of the government and the citizens of the country

D

The Government of India has decided to observe November 26 as Constitution Day.

E

The drafting of the Constitution was steered by Dr. B. R. Ambedkar – the Chairman of the Drafting Committee, and one of India's finest scholars and statesmen.

Solution

- The correct answer is Option B i.e., The Indian Constitution is the lengthiest and most comprehensive constitutions in the world. At the

time of its commencement, the Indian Constitution had 395 Articles, 28 Parts and 10 Schedules.

- At the time of its commencement, the Indian Constitution had 395 Articles, 22 Parts and 8 Schedules.
- The Indian Constitution justifies the vastness of the nation in terms of geographical and linguistic diversity and the vast population of India.
- The Indian Constitution was given shape through extensive deliberations, debates and discussions.
- The drafting of the Constitution was steered by Dr. B. R. Ambedkar – the Chairman of the Drafting Committee, and one of India's finest scholars and statesmen.

45. Euro is not the currency of country named

A French Southern Territories & Greece

B Germany

C France

D Fiji

E Finland

Solution

- The correct answer is Option D i.e., Fiji.
- Fiji Dollar is the currency of Fiji.
- Fiji, a country in the South Pacific, is home to more than 300 islands.
- The Fijian dollar is the currency of Fiji country since 1969.

46. In the 75th year of India's Independence, the World has recognized the Indian Economy as a 'bright star' as the Economic Growth is estimated at per cent, highest among all major economies, in spite of the massive global slowdown caused by COVID-19 and Russia-Ukraine War.

A 9

B 15

C 7

D 8

E 11

Solution

- The correct answer is Option C i.e., 7.
- In the 75th year of India's Independence, the World has recognized the Indian Economy as a 'bright star' as the Economic Growth is estimated at 7 per cent, which is the highest among all major economies, in spite of the massive global slowdown caused by COVID-19 and Russia-Ukraine War.

- The Finance Minister said that India's rising global profile is due to several accomplishments like unique World Class Digital Public Infrastructure namely, Aadhaar, Co-Win and UPI; COVID-19 vaccination drive in unparalleled scale and speed; proactive role in frontier areas such as achieving the climate related goals, mission LiFE, and National Hydrogen Mission.

47. A special fund of Rs. crore has been set up in National Bank for Agriculture and Rural Development (NABARD) to provide credit at affordable rates to boost food processing sector.

A Rs.5000 crore

B Rs.2000 crore

C Rs. 1000 crore

D Rs.7000 crore

E Rs.8000 crore

Solution

- The correct answer is Option B i.e.,Rs.2000 crore.
- A special fund of Rs.2000 crore has been set up in National Bank for Agriculture and Rural Development (NABARD) to provide credit at affordable rates to boost food processing sector.
- Under this fund, loan is extended to individual entrepreneurs, cooperatives, farmers producer organizations, corporates, joint ventures, Special Purpose Vehicle and entities promoted by the Government for setting up, modernization, expansion of food

processing units and development of infrastructure in designated food parks.

48. Which scheme envisages empowerment of street vendors through hassle free access to affordable credit and their digital onboarding for their economic development ?

A Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

B Pradhan Mantri Suraksha Bima Yojana (PMSBY)

C PM SVANidhi

D Pradhan Mantri Jan Dhan Yojana (PMJDY)

E Atal Pension Yojana (APY)

Solution

- The correct answer is Option C i.e., PM SVANidhi scheme.
- PM SVANidhi scheme envisages empowerment of street vendors through hassle free access to affordable credit and their digital onboarding for their economic development.
- The PM SVANidhi Scheme continues to make significant strides in providing credit support to street vendors.
- The scheme performance is regularly monitored jointly by Ministry of Housing and Urban Affairs (MoHUA) & DFS for ensuring its effective implementation across the country.

49. **Union Finance and Corporate Affairs Minister Smt. Nirmala Sitharaman chaired theth Meeting of the Financial Stability and Development Council (FSDC) for the first time after the announcement of the Budget 2023-24.**

A 43rd

B 27th

C 42nd

D 24h

E 33rd

Solution

- The correct answer is Option B i.e.,27th.
- Union Finance and Corporate Affairs Minister Smt. Nirmala Sitharaman chaired the 27th Meeting of the Financial Stability and Development Council (FSDC), for the first time after the announcement of the Budget 2023-24.
- During the meeting of the Council, it was discussed that the policy and legislative reform measures required to further develop the financial sector may be formulated and implemented expeditiously

to not only increase the financial access of the people, but also increase their overall economic well-being.

50. Stand Up India Scheme scheme which is being implemented through all Scheduled Commercial Banks is to benefit at least lakh borrowers.

A 7.5 lakh

B 9.5 lakh

C 2.5 lakh

D 4.5 lakh

E 5.5 lakh

Solution

- The correct answer is Option C i.e., 2.5 lakh.
- Stand Up India scheme which is being implemented through all Scheduled Commercial Banks is to benefit at least 2.5 lakh borrowers.
- Government of India launched the Stand Up India scheme on 5th April, 2016.
- The Scheme facilitates bank loans between Rs.10 lakh and Rs.1 crore to at least one Scheduled Caste/ Scheduled Tribe borrower and

at least one Woman borrower per bank branch for setting up greenfield enterprises.

- The scheme is operational and the loan is being extended through Scheduled Commercial Banks across the country.
- Stand Up India scheme caters to promoting entrepreneurship amongst women, SC & ST category i.e those sections of the population facing significant hurdles due to lack of advice/mentorship as well as inadequate and delayed credit.
- The scheme intends to leverage the institutional credit structure to reach out to these underserved sectors of the population in starting greenfield enterprises.



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