



## Question Bank - Multiple Choice Questions (MCQs)

### Unit 1: Structure & Role of Indian Banking System

- 1) \_\_\_\_\_ allocates saving efficiently in an economy to ultimate users either for investment in real assets or for consumption.
  - a) Economic system
  - b) Banking system
  - c) Financial system
  - d) Market system
  
- 2) Which of the following is not a regulatory institution in Indian financial system?
  - a) RBI
  - b) CIBIL
  - c) SEBI
  - d) IRDA
  
- 3) \_\_\_\_\_ is regarded as a queen of Indian financial system.
  - a) SEBI
  - b) RBI
  - c) Finance Ministry
  - d) BSE
  
- 4) National Housing bank is a fully owned subsidiary of \_\_\_\_\_.
  - a) HDFC
  - b) HSBC
  - c) RBI
  - d) HUDCO
  
- 5) Financial institutions are also known as \_\_\_\_\_.
  - a) Financial organization
  - b) Financial intermediaries
  - c) Financial system
  - d) Any of the above
  
- 6) \_\_\_\_\_ is the first development financial institution in India.
  - a) IDBI
  - b) ICICI
  - c) IFCI



- d) RBI
- 7) IDBI was established in \_\_\_\_\_.
- a) 1948
  - b) 1954
  - c) 1992
  - d) 1964
- 8) \_\_\_\_\_ is an apex institution to coordinate, supplement and integrate the activities of all existing specialized financial institutions.
- a) IFCI
  - b) IDBI
  - c) RBI
  - d) SEBI
- 9) Which of the following is not an asset held by Commercial Banks?
- a) Bills of Exchange
  - b) Current Account Deposits
  - c) Money Lent at short Notice
  - d) Credit Balances with the Reserve Bank
- 10) Which of the following combinations is correct?
- a) NABARD-----Industrial Loan
  - b) RBI-----Long term Finance
  - c) RRB-----Agriculture Finance
  - d) IDBI-----Short Term Loans
- 11) Which of the following is not an organized sector in India?
- a) Nationalized Banks
  - b) Regional Rural Banks
  - c) Cooperative Banks
  - d) Chits and Money lenders
- 12) In which year was the Banking Regulation Act passed?
- a) 1949
  - b) 1955
  - c) 1959
  - d) 1969



- 13) When did the National Bank of Agriculture and Rural Development establish?
- July, 1982
  - July, 1969
  - June, 1951
  - June, 1961
- 14) Which of the following is the apex institution which handles refinance for agriculture and rural development in India?
- RBI
  - SIDBI
  - NABARD
  - RBI
- 15) At which of the following cities is the Head Office of Reserve Bank of India located?
- Mumbai
  - New Delhi
  - Kolkata
  - Dehradun
- 16) “Scheduled bank” in India means a bank \_\_\_\_\_.
- Incorporated under the Companies Act, 1956
  - Authorized to the Banking business
  - Governed by the Banking Regulation Act, 1949
  - Included in the Second schedule to the Reserve Bank of India Act 1934
- 17) Which is the largest commercial bank in India?
- Bank of India
  - Axis Bank
  - State Bank of India
  - HDFC
- 18) Co-operative Societies Act was enacted in which year?
- 1912
  - 1949
  - 1935
  - 1913

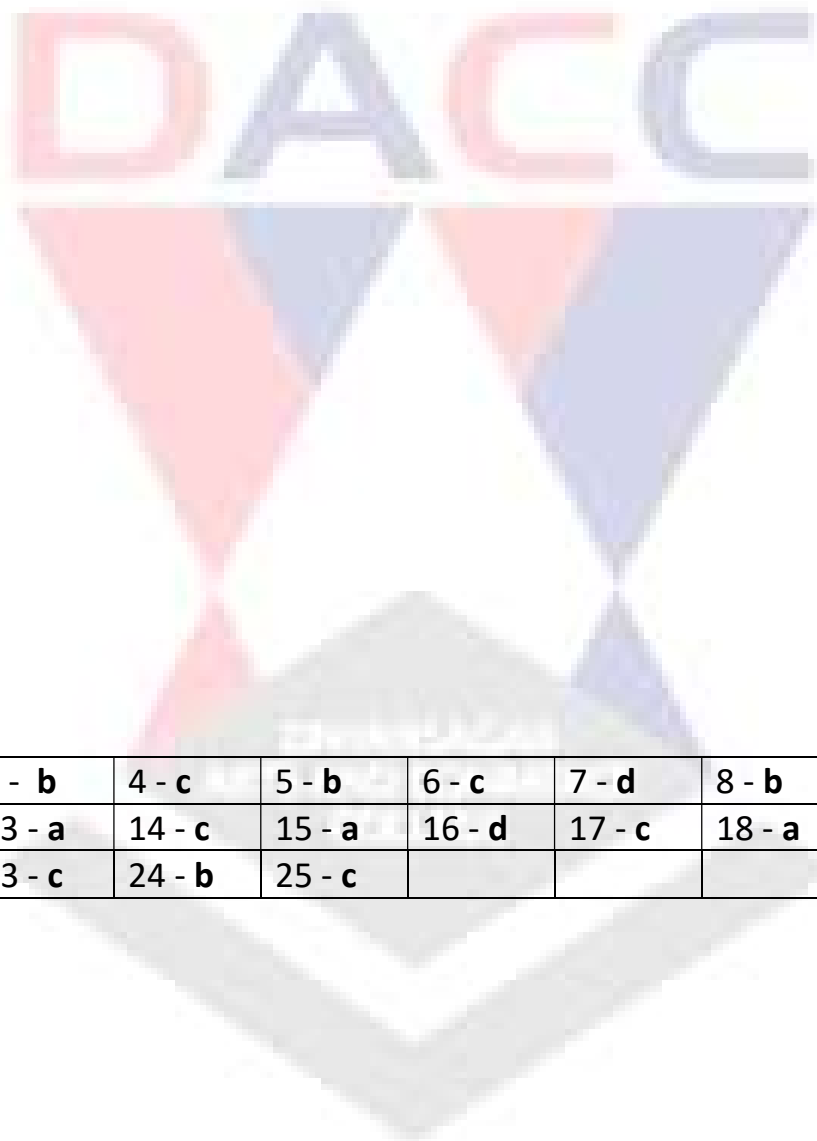


- 19) With whom does the ownership of Public sector banks rest?
- a) Government of India
  - b) Jointly with Government of India and share-holders from the public
  - c) Jointly with Government of India and State Bank of India
  - d) Jointly with Government of India and Reserve Bank of India
- 20) In which year was the Bank of Maharashtra established?
- a) 1937
  - b) 1935
  - c) 1934
  - d) 1949
- 21) Urban Cooperative Banks are also called as?
- a) Short-term co-operatives
  - b) Secondary Cooperative Banks
  - c) Primary Cooperative Banks
  - d) Long-term co-operatives
- 22) What is the full-form of NBFC?
- a) Non-Bank Financial Competition
  - b) Non-Bank Foreign Company
  - c) Non-Banking Financial Company
  - d) Non-Banking Finance Corporation
- 23) Who insures banks in India?
- a) IRDA
  - b) EXIM
  - c) DICGC
  - d) ECGC
- 24) How many developments banks are there in India?
- a) 5
  - b) 6
  - c) 7
  - d) 8



25) Which is the largest commercial bank in India?

- a) Bank of India
- b) Axis Bank
- c) State Bank of India
- d) HDFC



**Answer Key:**

1 - c	2 - b	3 - b	4 - c	5 - b	6 - c	7 - d	8 - b	9 - b	10 - c
11 - d	12 - a	13 - a	14 - c	15 - a	16 - d	17 - c	18 - a	19 - a	20 - b
21 - c	22 - c	23 - c	24 - b	25 - c					



### Unit 2: Private Sector Banks

- 1) A bank is a financial intermediary because
  - a) it acts as the broker between depositor and borrower
  - b) it acts as the link between the savers and the borrowers
  - c) it is in the finance industry
  - d) it is in the intermediary industry
  
- 2) Bank's services include
  - a) Net banking
  - b) Mobile banking
  - c) Phone banking
  - d) All the above
  
- 3) An Investment Bank is a bank
  - a) Which invests money in another bank
  - b) Which collects investments from public
  - c) An intermediary which performs a variety of financial services to corporate
  
- 4) \_\_\_\_\_ are NOT a part of the Scheduled banking structure in India.
  - a) Money lenders
  - b) Public sector banks
  - c) Private sector banks
  - d) Regional rural banks
  
- 5) Which of the following is NOT a function of Commercial Bank?
  - a) Providing Project Finance Settling of payments on behalf of the customers.
  - b) Deciding policy rates like CRR, SLR and Repo rate.
  - c) Issuing credit / debit /ATM cards
  
- 6) Which of the following public sector banks has the largest number of branches in foreign countries?
  - a) Bank of India
  - b) Bank of Baroda
  - c) Punjab National Bank
  - d) Corporation Bank



- 7) Bank of Rajasthan is now merged with which of the following Banks?
  - a) Axis Bank
  - b) IDBI Bank
  - c) ICICI bank
  - d) HDFC Bank
  
- 8) The rupee Note contain the signature of –
  - a) Finance Secretary, GOI
  - b) Chairman, SBI
  - c) Governor, RBI
  - d) Finance Minister, GOI
  
- 9) Zero balance account is generally allowed to be open for –
  - a) Salaried Class
  - b) Business Man
  - c) Foreign Customers
  - d) Children
  
- 10) The only merger of two public sector banks took place between –
  - a) Bank of India and New Bank of India
  - b) Punjab National Bank and New Bank of India
  - c) Allahabad Bank and United Bank of India
  - d) Punjab National Bank and Bank of Rajasthan
  
- 11) Canara Bank and Corporation Bank have headquarters in \_\_\_\_\_ and \_\_\_\_\_ respectively.
  - a) Bangalore, Mangalore
  - b) Mangalore, New Delhi
  - c) Both in Bangalore
  - d) Both in Mangalore
  
- 12) Which bank was united with the Punjab National Bank in 1993?
  - a) Oudh Commercial Bank
  - b) New Bank of India
  - c) Punjab and Sind Bank
  - d) Imperial Bank of India
  
- 13) Which among the following bank has its headquarters in Mumbai?
  - a) Allahabad Bank
  - b) UCO Bank



- c) United Bank of India  
d) Bank of India
- 14) Which bank has become the first private sector bank to sell Indian gold coins?  
a) Dhanlaxmi Bank  
b) Federal Bank  
c) Karur Vysya Bank  
d) ICICI Bank
- 15) Which private bank was earlier known as The Kumbakonam Bank Limited?  
a) Tamil Nadu Mercantile Bank  
b) Federal Bank  
c) South Indian Bank  
d) City Union Bank
- 16) Which Private bank is the wholly owned subsidiary of Bank of Baroda?  
a) Axis Bank  
b) Nainital Bank  
c) HDFC Bank  
d) Bandhan Bank
- 17) Among the following banks, which bank has been renamed as Axis Bank Ltd?  
a) HDFC Bank  
b) Centurion Bank  
c) Lord Krishna Bank  
d) UTI Bank
- 18) Where is the operational head office of HSBC Bank located in India?  
a) New Delhi  
b) Bangalore  
c) Mumbai  
d) Chennai
- 19) How many foreign banks are there in India at present?  
a) 42  
b) 43  
c) 44  
d) 45





- 20) Which is the largest foreign bank in India?  
a) HSBC  
b) Citi Bank  
c) Standard Chartered Bank  
d) Deutshce Bank
- 21) Where Citi Bank India was first established its office in 1902?  
a) Calcutta  
b) Bombay  
c) Madras  
d) Dhaka
- 22) Which is the 3rd largest foreign bank of India in terms of branches?  
a) HSBC  
b) Citi Bank  
c) Standard Chartered  
d) Royal bank of Scotland
- 23) Bhartiya Mahila Bank was founded in the year \_\_\_\_?  
a) 2011  
b) 2012  
c) 2013  
d) 2014
- 24) Which one among the following has not started commercial banking?  
a) SIDBI  
b) IDBI  
c) ICICI  
d) UTI
- 25) The merger of \_\_\_\_\_ and \_\_\_\_\_ was the first M and A activity after liberalization.  
a) Times Bank and HDFC Bank  
b) New Bank of India and Punjab National Bank  
c) ICICI and ICICI Bank  
d) GTB and Oriental Bank of Commerce

**Answer Key:**

1 - b	2 - d	3 - c	4 - a	5 - b	6 - b	7 - c	8 - d	9 - a	10 - b
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21 - a	22 - a	23 - c	24 - a	25 - c					



**Unit 3: Nationalized Banks**

- 1) How many banks were nationalized in India in the year 1969?
  - a) 12
  - b) 29
  - c) 14
  - d) 6
  
- 2) In April 1980, \_\_\_\_ banks were nationalized in India?
  - a) 3
  - b) 5
  - c) 6
  - d) 7
  
- 3) In which year were the Subsidiaries of SBI nationalized?
  - a) 1955
  - b) 1959
  - c) 1949
  - d) 1969
  
- 4) Imperial Bank of India was nationalized in which year?
  - a) 1945
  - b) 1955
  - c) 1949
  - d) 1965
  
- 5) What was the State Bank of India called before it was created through SBI Act?
  - a) Bank of Hindustan
  - b) Bank of Madras
  - c) Imperial Bank of India
  - d) Imperial Bank of Calcutta
  
- 6) Lead Bank System was started in\_\_\_\_\_.
  - a) 1966
  - b) 1967



- c) 1968  
d) 1969
- 7) When were the banks nationalized in our country?  
a) On 1st July 1965  
b) On 19th July 1969  
c) On 19th July 1969 and 15th April 1980  
d) On 16th April 1980 and 1st July 1965
- 8) What are the major change in banking sector of India after nationalization of Banks?  
a) Expansion of bank branches  
b) Cut throat competition in Banking sector  
c) Introduction of Banking Regulation Act  
d) Establishment of RBI
- 9) Largest shareholder (in percentage shareholding) of a Nationalized bank is?  
a) RBI  
b) NABARD  
c) Government of India  
d) LIC
- 10) The bank which was not nationalized in 1969.  
a) Punjab National Bank  
b) Oriental Bank of Commerce  
c) Bank of Baroda  
d) Union Bank of India
- 11) What is the number of nationalized banks in India?  
a) 20  
b) 28  
c) 27  
d) 19



- 12) Reserve Bank of India was nationalized on \_\_\_\_\_.
- a) 21 May 1948
  - b) 13 July 1951
  - c) 1 January 1949
  - d) 12 October 1951
- 13) Lead Bank System was started on the recommendations of \_\_\_\_\_.
- a) Raja Challaia Committee
  - b) Kelkar Committee
  - c) Nariman Committee
  - d) Malhotra Committee
- 14) When was general insurance business nationalized?
- a) 1938
  - b) 1971
  - c) 1973
  - d) 1993
- 15) First Bank established in India was:
- a) Bank of India
  - b) Bank of Hindustan
  - c) General Bank of India
  - d) None of The Above
- 16) Which of these banks was nationalised in 1969?
- a) United Bank of India
  - b) Vijaya Bank
  - c) Andhra Bank
  - d) Punjab and Sind Bank
- 17) Which nationalised bank was merged with Punjab National bank in 1993?
- a) Punjab and Sind Bank
  - b) Ludhiana Area Bank
  - c) Majha United Bank
  - d) New bank of India



18) Who was the Prime Minister of India when Banking Nationalization was done in 1969?

- a) Jawahar Lal Nehru
- b) Indira Gandhi
- c) Rajiv Gandhi
- d) Narsimha Rao

19) When was the State Bank of India nationalised?

- a) 1955
- b) 1956
- c) 1959
- d) 1964

20) Which of these banks was not associated with the State Bank of India in 1959?

- a) State Bank of Hyderabad
- b) State Bank of Indore
- c) State Bank of Mysore
- d) State Bank of Patna

21) Why were Banks nationalised in India?

- a) To borrow money from USA
- b) To follow the IMF Guidelines
- c) To provide the government of India more control of credit delivery
- d) All of the above

22) Which of these banks was nationalised in 1969?

- a) Union Bank of India
- b) Oriental Bank of Commerce
- c) UCO Bank
- d) All of the above

23) The first bank of India 'Bank of Hindustan' was established in the year?

- a) 1880
- b) 1870
- c) 1770
- d) 1775

24) Imperial Bank was nationalized and name it as.....

- a) State Bank of India



- b) Indian Bank
- c) Axis Bank
- d) Canara Bank

25) In which year the second round of Bank nationalisation was done?

- a) 1979
- b) 1974
- c) 1980
- d) 1988

**Answer Key:**

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**Unit 4: State Bank of India**

- 1) Which is India's largest commercial bank?
  - a) PNB
  - b) SBI
  - c) UTI
  - d) Vijaya Bank
  
- 2) In which year State Bank of India Act was passed?
  - a) 1934
  - b) 1945
  - c) 1955
  - d) 1957
  
- 3) The Imperial Bank of India, after its nationalization came to be known as
  - a) Reserve Bank of India
  - b) State Bank of India
  - c) United Bank of India
  - d) Indian Overseas Bank
  
- 4) Which of the first subsidiary bank of State Bank of India to do whole computerization of all its branches?
  - a) State Bank of Patiala
  - b) State Bank of Hyderabad
  - c) State Bank of Saurashtra
  - d) State Bank of Travancore
  
- 5) Establishment of SBI precedes the establishment of \_\_\_\_\_.
  - a) Bank of Madras
  - b) Bank of Calcutta
  - c) Bank of Bombay
  - d) All the above
  
- 6) State Bank of India is a \_\_\_\_\_.
  - a) Public Sector Bank



- b) Private Sector Bank  
c) Joint Sector Bank  
d) Non-Nationalized bank
- 7) State bank of INDIA started merchant banking in  
a) 1972  
b) 1978  
c) 1973  
d) 1980
- 8) Which bank came into existence in the year 1921 when three banks namely, Bank of Bengal (1806), Bank of Bombay (1840) and Bank of Madras (1843) were reorganized and amalgamated to form a single banking entity?  
a) Punjab National Bank  
b) Imperial Bank of India  
c) State Bank of India  
d) Reserve Bank of India (R B I)
- 9) \_\_\_\_ is the largest commercial bank in India in terms of assets, deposits, profits, branches, customers and employees:  
a) HDFC bank  
b) Axis bank  
c) SBI bank  
d) PNB
- 10) SBI lends money to other commercial banks.  
a) True  
b) False
- 11) The Government of India is the single largest shareholder of this (SBI) fortune 500 entity with \_\_\_\_\_ ownership:  
a) 61.58%  
b) 64.58%  
c) 66.58%  
d) None of These





12) In 1955, the Reserve Bank of India acquired the controlling interests of the \_\_\_\_\_ and SBI was created by an act of parliament:

- a) Bank of Hindustan
- b) Imperial Bank of India
- c) United India Bank
- d) None of These

13) The State Bank group (Including SBI) has how many subsidiaries:

- a) 8
- b) 9
- c) 7
- d) 10

14) Which of the following is not a state bank group subsidiary:

- a) State Bank of Travancore
- b) State Bank of Saurashtra
- c) State Bank of Indore
- d) State Bank of Allahabad

15) Which services provided by SBI:

- a) Agriculture/Rural Banking, NRI Services, ATM Services, Demat Services, Corporate Banking
- b) Internet Banking
- c) Mobile Banking, International Banking, Safe Deposit Banking, RBI –EFT
- d) All of the above

16) Which among the following banks has more ATMs?

- a) UBI
- b) ICICI
- c) SBI
- d) HDFC

17) Where is the head Quarter of SBI?

- a) Mumbai
- b) Delhi



- c) Kolkata
- d) Chennai

18) What is the tagline of SBI?

- a) Pure banking Nothing Else
- b) India's international Bank
- c) You can always bank on us
- d) Experience Next Generation banking

19) The Govt. of India has acquired RBI's stake in one of the major banks of India. Which of the following is the bank?

- a) Axis Bank
- b) IDBI Bank
- c) ICICI Bank
- d) SBI

20) SBI act was passed in parliament in?

- a) 1935
- b) 1949
- c) 1955
- d) 1969

21) Which of the following pairing is no correct?

- a) State Bank of Bikaner & Jaipur – Jaipur
- b) State Bank of Hyderabad – Hyderabad
- c) State Bank of Mysore - Mysore
- d) State Bank of Patiala – Patiala

22) The first associate bank of SBI?

- a) State Bank of Travancore
- b) State Bank of Patiala
- c) State Bank of Hyderabad
- d) State Bank of Indore



23) Which of the following bank is not regulated by Reserve Bank of India?

- a) State Bank of Sikkim
- b) IDBI Bank
- c) State Bank of Indore
- d) State Bank of Travancore

24) SBI has launched NETC- SBI FASTag. What does N stands for in NETC?

- a) Network
- b) National
- c) Numbered
- d) Nominal

25) Which of the following banks has the largest number of branches?

- a) PNB
- b) SBI
- c) Andhra Bank
- d) Canara Bank

**Answer Key:**

1 - b	2 - c	3 - b	4 - a	5 - d	6 - a	7 - c	8 - b	9 - c	10 - a
11 - a	12 - b	13 - a	14 - d	15 - d	16 - c	17 - a	18 - a	19 - d	20 - c
21 - c	22 - c	23 - a	24 - b	25 - b					



**Unit 5: Regional Rural Banks and National Bank for Agricultural and Rural Development**

- 1) In which year the Regional Rural Banks Act was passed?
  - a) 1986
  - b) 1976
  - c) 1992
  - d) 1988
  
- 2) What is the share of Sponsor Banks in the Regional Rural Banks?
  - a) 75%
  - b) 25%
  - c) 15%
  - d) 35%
  
- 3) What is the share of Sponsor Banks in the Regional Rural Banks?
  - a) Gaur Gramin Bank
  - b) Prathama Bank
  - c) Arunachal Pradesh Rural Bank
  - d) Himachal Gramin Bank
  
- 4) RRBs were set up on
  - a) 1975
  - b) 1985
  - c) 1991
  - d) 2001
  
- 5) The total authorized capital of RRBs was originally fixed at Rs 1 crore which has since has been raised to.....
  - a) Rs 2 crore
  - b) Rs 3 crore
  - c) Rs 5 crore
  - d) Rs 7 crore
  
- 6) The main resources of RRBs are
  - a) Share capital



- b) deposits from the public
  - c) borrowing from Sponsor Banks
  - d) All of the above
- 7) RRBs are owned by
- a) Central Govt.
  - b) State Govt.
  - c) Sponsor Bank
  - d) Jointly by all of the above
- 8) The number of directors on the boards of RRBs has been raised to
- a) 14
  - b) 15
  - c) 16
  - d) 17
- 9) Regional Rural bank are empowered to transact the business of banking as defined under
- a) Banking Regulation Act,1949
  - b) Negotiable Instrument Act,1881
  - c) Regional Rural banks Act , 1976
  - d) None of these
- 10) RRBs are managed by
- a) RBI
  - b) a board of director
  - c) the sponsor bank
  - d) the state Govt.
- 11) All RRBs are required to maintain their entire SLR in
- a) Govt. & other approved securities
  - b) current accounts with sponsor Banks
  - c) time deposits with sponsor Banks
  - d) Gold holdings only



12) For the purpose of Income Tax Act, 1961 , the RRBs are treated as

- a) Scheduled commercial banks
- b) Non-scheduled banks
- c) Nationalized banks
- d) Co-operative banks

13) NABARD stands for:

- a) National Bank for Agriculture and Research Development
- b) National Bank for Analysis of Rural Development
- c) National Bank for Agriculture and Rural Development
- d) None of The Above

14) 'NABARD' came into existence on:

- a) 8th July, 1982
- b) 19th July, 1982
- c) 12th July, 1982
- d) None of The Above

15) 'NABARD' was dedicated to which among the following Prime Ministers:

- a) Gulzari Lal Nanda
- b) Indira Gandhi
- c) Shri Lal Bahadur Shastri
- d) None of The Above

16) NABARD was set up with an initial capital of \_\_\_\_\_ :

- a) Rs. 50 Crore
- b) Rs. 100 Crore
- c) Rs. 200 Crore
- d) None of The Above

17) Headquarter of 'NABARD' is located at:

- a) Mangalore, Karnataka
- b) Mumbai, Maharashtra
- c) New Delhi
- d) None of The Above



- 18) NABARD was established on the recommendations of :
- Shivaraman Committee
  - Malhotra Committee
  - Kumarmangalam Committee
  - None of The Above
- 19) \_\_\_\_\_ is the apex institution in the country which looks after the development of the cottage industry, small industries, village industries and other rural industries:
- NABARD
  - SEBI
  - SIDBI
  - None of The Above
- 20) NABARD was set up essentially as a development bank for promoting:
- Agriculture Development only
  - Rural Development only
  - Both of The Above
  - None of The Above
- 21) The main function of NABARD is to provide refinance for rural credit disburse by the \_\_\_\_\_ and other financial institutions as may be approved by the Reserve Bank of India:
- State Co-operative Banks
  - The Regional Rural Banks
  - State Co-operative Banks and The Regional Rural Banks
  - None of The Above
- 22) Which among the following functions of NABARD is incorrect:
- Providing finance and also refinance for production and marketing in the rural areas
  - Coordination and advising the operations of institutions engaged in rural credit
  - Promoting research in agriculture and rural development
  - All of The Above
  - None of The Above



23) CSR stands for:

- a) Customer Satisfaction Responsibility
- b) Corporate Social Responsibility
- c) Corporate Social Reforms
- d) None of The Above

24) Which among the following is considered as 100% CSR company:

- a) SDB (Small Development Banks)
- b) NABARD
- c) RRBs (Regional Rural Banks)
- d) None of The Above

25) ARDC stands for:

- a) Agriculture Refinance and Development Corporation
- b) Agriculture Research and Development Commission
- c) Agriculture Research and Development Corporation
- d) None of The Above

**Answer Key:**

1 - b	2 - d	3 - b	4 - a	5 - c	6 - d	7 - d	8 - b	9 - a	10 - b
11 - a	12 - d	13 - c	14 - c	15 - b	16 - b	17 - b	18 - a	19 - a	20 - c
21 - c	22 - e	23 - b	24 - b	25 - a					





**Unit 6: Cooperative Credit System**

- 1) Co-operative banks are regulated by the Reserve Bank of India under which act?
  - a) Banking Regulation Act, 1949
  - b) Banking Laws (Application to Co-operative Societies) Act, 1965
  - c) Negotiable Instrument Act–1881
  - d) Both (A) and (B)
  
- 2) Co-operative banks which work at a metropolitan level are called as?
  - a) District Central Co-operative Bank
  - b) State Co-operative Bank
  - c) Primary Urban Co-operative Bank
  - d) Primary Agricultural Credit Societies
  
- 3) Which one of the apex bodies regulates the cooperative banks in India?
  - a) NABARD
  - b) RBI
  - c) Sponsor Banks
  - d) Both A and B
  
- 4) All banks registered under the \_\_\_\_\_ are considered co-operative banks.
  - a) Banking Regulation Act 1949
  - b) The Bankers' Books Evidence Act–1891
  - c) Cooperative Societies Act, 1912
  - d) Both (A) and (C)
  
- 5) Who manages the registration and management activities of Urban co-operative banks in India?
  - a) RBI
  - b) NABARD
  - c) RCS
  - d) None of the above
  
- 6) Which of these are at the lowest rung of Rural Cooperative banking structure in India?
  - a) State Cooperative Banks
  - b) District Central Cooperative Banks



- c) Primary Agricultural Credit Societies  
d) None of the above
- 7) When was the first law, regulating the working of cooperative societies, was promulgated by British India Government?  
a) 1902  
b) 1904  
c) 1907  
d) 1908
- 8) Where was the first society under Cooperative Societies Act 1904 registered in India?  
a) Madurai  
b) Kanjipoorum  
c) Gaya  
d) Panaji
- 9) Who regulates the functioning of District Cooperative Banks in India?  
a) State Government  
b) RBI  
c) State Cooperative Banks  
d) None
- 10) Which of these committees was formed in 1915 to review the performance of cooperative societies and suggest measures for strengthening them?  
a) Raja Hari Committee  
b) Maclagan Committee  
c) Saraiya Committee  
d) Frederick Nicholson Committee
- 11) Which of these committees in 1945 recommended the setting up of a Cooperative Training College in every state?  
a) Saraiya Committee  
b) Maclagan Committee  
c) Narsimaham Committee



d) Rajagopalachari Committee

12) Which was the first Cooperative Bank established in India?

- a) Bharat Cooperative Bank Limited
- b) Kangra Central Co-operative Bank Limited
- c) Anyonya Co-operative Bank Limited
- d) Abhyudaya Co-operative Limited

13) Which of these is a Cooperative Bank in India?

- a) Cosmos Bank
- b) SVC Bank
- c) Janata Sahakari Bank
- d) All of the above

14) Which is the largest cooperative bank of India presently?

- a) Saraswat Bank
- b) NKGSB Bank
- c) Apna Sahakari Bank Ltd.
- d) None of the above

15) The members of a Co-operative Society have \_\_\_\_\_ liability.

- a) Joint
- b) Limited
- c) Unlimited
- d) Joint and Several

16) The President of a Co-operative Society is

- a) Owner
- b) Officer
- c) Advisor
- d) Employees

17) Which of the following organizational structure is followed by Co-operatives in India?

- a) Federal Structure
- b) Unitary Structure



- c) Centralized Structure
- d) Decentralized Structure

18) Interest Rate of Deposits of a Co-operative Credit Societies are fixed by

- a) RBI
- b) General Body
- c) Registrar
- d) Government

19) The Rules and Regulations of a Co-operative Society is formed in its

- a) Bylaws
- b) General Body
- c) Co-operative Act
- d) Co-operative rules

20) The binding up of a co-operative Society means

- a) Liquidation
- b) Registration
- c) Amalgamation
- d) Reconstruction

21) Co-operative societies with area of operation more than two states is registered by

- a) Central Government
- b) Central Registrar
- c) NCUI
- d) RBI

22) Admission of members and allocation of shares in a Co-operative Society is the duty of

- a) Managing committee
- b) General Body
- c) Secretary
- d) President



- 23) An important document for the membership in a Co-operative Society is
- a) Receipt
  - b) Passbook
  - c) Identity card
  - d) Minute book
- 24) \_\_\_\_\_ is based on the principle of self-help through mutual help, abolition of profits and service above self help.
- a) socialism
  - b) capitalism
  - c) co-operation
  - d) trade unionism
- 25) DCCBs
- a) District Central Cooperative Banks
  - b) Director of Central Cooperative Banks
  - c) Danish Credit Cooperative Banks
  - d) Dane Creative Cooperative Banks

**Answer Key:**

1 - d	2 - c	3 - b	4 - c	5 - c	6 - c	7 - b	8 - b	9 - b	10 - b
11 - a	12 - c	13 - d	14 - a	15 - b	16 - b	17 - a	18 - c	19 - c	20 - a
21 - b	22 - a	23 - c	24 - c	25 - a					



**Unit 7: Reserve Bank of Bank (RBI)**

- 1) The Reserve Bank of India was established on \_\_\_\_\_.
  - a) April 1, 1935
  - b) July 12, 1982
  - c) May 26, 2006
  - d) September 30, 2005
  
- 2) Which among the following is incorrect?
  - a) RBI is the Bank of Issue
  - b) RBI acts as Banker to the Government
  - c) RBI is Banker's Bank
  - d) RBI does not regulate the flow of credit
  
- 3) RBI provides the Ways and Means Advances to whom?
  - a) Central Government
  - b) State Government
  - c) Commercial Banks
  - d) All of these
  
- 4) Who was the first Indian Governor of RBI?
  - a) Kuldeep Pathak
  - b) Dr. Rajyavardhan Sharma
  - c) Sir Mukund Khanna
  - d) Sir C.D. Deshmukh
  
- 5) Which is not a function of RBI?
  - a) Holding cash reserves of all commercial banks and make available financial accommodation to them
  - b) Assuming responsibility of all banking operations of the government
  - c) Assuming the responsibility of the statistical analysis of data related to macro economy of India
  - d) Assuming the responsibility to meet directly or indirectly all reasonable demands for the accommodation
  
- 6) Which of the following statements is/are not true about RBI?
  - a) RBI is the Bank of Issue.



- b) RBI acts as the Banker of the Government.
  - c) RBI is known as the Banker's Bank.
  - d) RBI does not regulate the credit flow.
- 7) The Government picked up the entire Share of SBI held by the RBI according to which of the following guidelines?
- a) Securities Commission
  - b) SEBI
  - c) National Stock Exchange of India
  - d) Financial Regulations
- 8) Which of the following Governors of RBI also served as the Finance Minister of India?
- a) Pranav Mukherjee
  - b) Amitabha Ghosh
  - c) Sir Benegal Rama Rau
  - d) Dr. Manmohan Singh
- 9) In which of the following cities, the regional headquarters of RBI is not situated?
- a) New Delhi
  - b) Mumbai
  - c) Bengaluru
  - d) Kolkata
- 10) Which among the following would not help RBI to control the inflation in the country?
- a) Increase in Reserve Ratio Requirements
  - b) Increase in Bank Rate
  - c) Purchase of securities in open market
  - d) Increase in Repo Rate
- 11) How many zonal training centers of RBI are there in India?
- a) 2
  - b) 3
  - c) 4
  - d) 5



- 12) In which year the nationalization of RBI was occurred?
- a) 1947
  - b) 1949
  - c) 1951
  - d) 1953
- 13) The logo of RBI consists of which animal?
- a) Elephant
  - b) Panther
  - c) Black Buck
  - d) Lion
- 14) In which year the head quarter of RBI is moved from Kolkata to Mumbai (Then Bombay)?
- a) 1936
  - b) 1937
  - c) 1938
  - d) 1939
- 15) Who was the first Governor of RBI?
- a) David Warner
  - b) Sir Phillip Smith
  - c) James Watson
  - d) Sir Osborne Smith
- 16) Which statement is not true regarding RBI?
- a) It is the Central Bank of India.
  - b) It was established in 1935.
  - c) It can issue currency notes.
  - d) Personal account can be opened in RBI.
- 17) Which of the following is/ are the Quantitative Instrument of RBI?
- a) CRR
  - b) Bank Rate Policy
  - c) SLR
  - d) All of these





- 18) RBI has withdrawn the circulation of coins in the denomination of 1 paise, 2 paise, 3 paise, 5 paise, 10 paise, 20 paise and 25 paise in which year?
- a) 2010
  - b) 2011
  - c) 2012
  - d) 2013
- 19) Which of the following coins is not issued by the RBI?
- a) Re. 1
  - b) Rs. 2
  - c) Rs. 5
  - d) Rs. 10
- 20) According to which section of the RBI Act of 1934, RBI is liable to pay the value of banknote to its holder?
- a) Section 22
  - b) Section 24
  - c) Section 26
  - d) Section 28
- 21) Which of the following factors is/ are considered by the RBI to determine the number of notes to be issued by it?
- a) GDP Growth
  - b) Inflation
  - c) Replacement of soiled banknotes
  - d) All of these
- 22) When did the Government appoint for transfer of stake?
- a) 29 June
  - b) 26 May
  - c) 5 April
  - d) 1 April
- 23) India is a member of the International Monetary Fund since \_\_\_\_\_.
- a) 1934



- b) 1935
- c) 1947
- d) 1949

24) Who works as RBI's agent at places where it has no office of its own?

- a) State Bank of India
- b) Ministry of Finance
- c) Government of India
- d) International Monetary Fund

25) Who mints the coins in India?

- a) Ministry of Finance
- b) Reserve Bank of India
- c) Prime Minister's Office
- d) Commerce and Industry Ministry

26) RBI known as lender of last resort because:

- a) It has to meet the credit need of citizens to whom no one else is willing to lend
- b) Banks lend to go to RBI as a last resort
- c) It comes to help banks in times of crisis
- d) All of the above

27) What does Deficit financing mean?

- a) Government of India borrows from World Bank
- b) Government of India borrows from IMF
- c) Government of India borrows from SBI
- d) Government of India borrows from RBI

28) Which is incorrect with regard to powers of RBI:

- a) Holds cash reserve banks
- b) Controls banking system through licensing
- c) Supervises Banking system through inspection
- d) None of the above



29) Which of the following term is not used in the Formation of Monetary Policy?

- a) Cash Reserve Ratio
- b) Repo Rate
- c) Bank Rate
- d) Blue chip

30) Which of the following sentence is not correct?

- a) RBI was nationalized on January 1, 1935.
- b) RBI's head quarter is in Delhi
- c) RBI is the custodian of the foreign currency in India
- d) RBI has 4 Deputy Governors

**Answer Key:**

1 - a	2 - d	3 - b	4 - d	5 - c	6 - d	7 - b	8 - d	9 - c	10 - c
11 - c	12 - b	13 - b	14 - b	15 - d	16 - d	17 - d	18 - b	19 - a	20 - c
21 - d	22 - a	23 - c	24 - a	25 - a	26 - c	27 - d	28 - d	29 - d	30 - b



**Unit 8: Banking Sector Reforms**

- 1) M Narasimham headed
  - a) The working group constituted by the Government of India in July 1975 for the establishment of Regional Rural Banks
  - b) The committee on the financial system 1991
  - c) The committee on Banking Sector Reforms 1997
  - d) All of the above
  
- 2) Narasimham Committee was appointed on.....
  - a) Agricultural reforms
  - b) Industry reforms
  - c) Insurance reforms
  - d) Banking reforms
  
- 3) What was the target set by Narasimham-II Committee for the capital adequacy ratio of the banks by the year 2000?
  - a) 8%
  - b) 9%
  - c) 10%
  - d) 11%
  
- 4) What was the maximum limit of Statutory Liquidity Ratio had Narasimham Committee recommended?
  - a) 25%
  - b) 20%
  - c) 15%
  - d) 18%
  
- 5) Who is the custodian of monetary reserves in India?
  - a) SBI
  - b) SIDBI
  - c) NABARD
  - d) RBI



- 6) Regional Rural Banks were set up on the recommendations of:
- Nariman committee
  - Narasimham committee
  - Gadgil committee
  - Puri committee
- 7) Which of the following can be categories as a Merchant Banking service?
- Consultancy on finance to a company
  - Advance in capital structure
  - Managing mergers & in finalizing take over
  - All the above
- 8) In India, forex rates are determined by:
- Importers
  - Exporters
  - RBI
  - Demand and supply forces
- 9) Committee, launched the process of reforms of financial system in India:
- Gadgil committee
  - Nariman committee
  - Narasimham committee
  - Khanna Committee
- 10) Which of the following can be categories as a Merchant Banking service?
- Consultancy on finance to a company
  - Advance in capital structure
  - Managing mergers & in finalizing take over
  - All the above
- 11) The instrument which provides proprietary interest in company and which entitles a person to dividend on profits, is called?
- Bond
  - Share
  - Debenture



- d) Warrant
- 12) Which of the following organizations/agencies works solely to monitor and arrange flow of agriculture credit in India?
- a) NABARD
  - b) SIDBI
  - c) RBI
  - d) SEBI
- 13) What is NOT a mechanism that contributes to the success of micro-credits?
- a) Collaterals
  - b) Dynamic incentives
  - c) Peer monitoring
  - d) Regular payment schedules
- 14) What does the microfinance model NOT predict?
- a) A decrease in interest rates when repayment is regular and in time
  - b) Homogeneous risk groups
  - c) Self-selection of best borrowers
  - d) None of the above
- 15) Micro credit or micro finance is a novel approach to bank with the poor. In this approach bank credit is extended to the poor through which of the following?
- a) Self Help Groups
  - b) Anganwadees
  - c) Co-operative credit Societies
  - d) RBI
- 16) Which of the following microfinance institution is Universal Bank?
- a) SKS Microfinance Pvt. Ltd.
  - b) Disha Microfinance Pvt. Ltd.
  - c) Arohan Financial Services Pvt. Ltd.
  - d) Bandhan Financial Services Pvt. Ltd.



- 17) Which of the following are loans of very small amounts given to low income groups or poor household?
- a) Simple Credit
  - b) Rural Credit
  - c) Micro Credit
  - d) No Frills Loan
- 18) Loans to poor people by banks have many limitations including lack of security and high operating cost. So to help them which type of finance system developed?
- a) Ponzi schemes
  - b) Micro finance System
  - c) Money Laundering Schemes
  - d) Money Tampering Finance
- 19) Which of the following statements related to Micro Finance System is wrong?
- a) It provides micro credit having scope for small savings and remittances of funds
  - b) It based on the principles of livelihood creations
  - c) High volumes of low transactions done through this system
  - d) None is wrong
- 20) When banks accept a fixed sum of money from an individual for a definite term and pay on maturity with interest, the deposit is known as:
- a) Term Deposit
  - b) Demand Deposit
  - c) Bond
  - d) Mortgage

**Answer Key:**

1 - d	2 - d	3 - b	4 - a	5 - d	6 - b	7 - a	8 - d	9 - c	10 - d
11 - b	12 - a	13 - a	14 - c	15 - a	16 - d	17 - c	18 - b	19 - d	20 - a

.....**Thank you**.....