

ALL THE VERY BEST FOR YOUR EXAMS

SAMPLE QUESTIONS FOR JAIIB INDIAN ECONOMY & INDIAN FINANCIAL SYSTEM

Though we had taken enough care to go through the sample questions provided here, we shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents. Creation of these short notes is the efforts of so many persons. First of all we thank all of them for their valuable contribution. We request everyone to go through the Macmillan book and update yourself with the latest information through RBI website and other authenticated sources. In case you find any incorrect/doubtful information, kindly update us also (along with the source link/reference for the correct information).

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Indian Economy & Indian Financial System

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JAIIB / DBF – GENERAL INFORMATION

- **Consists of 4 papers :**
 1. Indian Economy & Indian Financial System
 2. Principles & Practices of Banking
 3. Accounting & Financial Management for Bankers
 4. Retail Banking & Wealth Management
- Only existing employees of banks can appear for JAIIB Exam.
- People other than Bank Employees can appear for Diploma in Banking and Finance Exam. If Passed, JAIIB Examination certificate will be issued after joining the bank.
- Syllabus & exam pattern for both JAIIB and DBF exams are mostly same.
- Both JAIIB and DBF exams are conducted in on-line mode only.
- The examination will be conducted normally twice a year in May / June and November / December on Saturdays/Sundays.
- The duration of the examination will be of 2 hours.
- **Examination Pattern :** Each Paper will contain 100 objective type MCQs, carrying 100 marks including questions based on case studies. The Institute may, however, vary the number of questions to be asked for a subject. There is no negative marking for wrong answers.
- **Passing Criteria** - Minimum 200 in total and minimum 45 in each subject in any single attempt (not required to be the 1st attempt) is considered as pass. Else 50 in each subject. Passed subject gets carried forward to 5 attempts or 3 years (whichever is earlier) from the 1st attempt. If not passed in 5 attempts or 3 years, you need to appear in all the 4 papers.
 - ❖ **First Class** : 60% or more marks in aggregate and pass in all the subjects in the FIRST PHYSICAL ATTEMPT.
 - ❖ **First Class with Distinction** : 70% or more marks in aggregate and 60% or more marks in each subject in the FIRST PHYSICAL ATTEMPT.
 - ❖ Candidates who have been granted exemption in the subject/s will be given "Pass Class" only.
- **Cut-off Date of Guidelines /Important Developments for Examinations** - The Institute has a practice of asking some questions in each exam about the recent developments/ guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. But, there could be changes in the developments / guidelines from the date the question papers are prepared and the dates of the actual examinations. In order to address these issues effectively, it has been decided that:
 - ❖ In respect of the exams to be conducted by the Institute for the Period from February to July of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers.

- ❖ In respect of the exams to be conducted by the Institute for the period from August to January of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

➤ **Exam Fees**

JAIIB

- First attempt fee Rs. 4,000/-*
- 2nd attempt fee Rs. 1,300/-*
- 3rd attempt fee Rs. 1,300/-*
- 4th attempt fee Rs. 1,300/-*
- 5th attempt fee Rs. 1,300/-*

CAIIB

- First attempt fee Rs. 5,000/-*
- 2nd attempt fee Rs. 1,300/-*
- 3rd attempt fee Rs. 1,300/-*
- 4th attempt fee Rs. 1,300/-*
- 5th attempt fee Rs. 1,300/-*

DBF

- First attempt fee Rs. 3,500/-*
- 2nd attempt fee Rs. 1,300/-*
- 3rd attempt fee Rs. 1,300/-*
- 4th attempt fee Rs. 1,300/-*
- 5th attempt fee Rs. 1,300/-*

* Plus convenience charges and Taxes as applicable

Please Note: Candidates are required to register for every attempt separately

SYLLABUS

The details of the prescribed syllabus which is indicative are furnished below. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subject/s although those topics may not have been specifically included in the syllabus. Any alterations made will be notified from time to time. Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial news papers / periodicals more particularly "IIBF VISION" and "BANK QUEST" published by IIBF.

MODULE A: INDIAN ECONOMIC ARCHITECTURE

An overview of Indian economy

Evolution of Indian Economy, Basic Characteristics of Indian Economy, Indian Economy in Pre-British period, Economy till 2008 & after 2008, Structural changes in Indian Economy

Economic Planning in India

Definition of Economic Planning, History of Economic Planning, Objectives of Economic Planning, Types of Planning, Achievements of Planning, Financial resources for 5-year plans

Sectors of Indian Economy

Role & Importance of Primary, Secondary, Tertiary Sector, Quaternary & Quinary Sectors, Different Revolutions in Primary sector, Difference between the sectors, GDP contribution of different sectors, Agriculture, Industry, Services, Employment growth rate in Secondary sector, Sunrise Sector of Indian Economy, Organised and Unorganised sectors

Role of Priority Sector and MSME in the Indian Economy

Definition & Role of Priority Sector, List of Priority Sectors identified in India, Priority Sector Lending Norms, Definition of MSME, Role & Significance of MSME in economic development, Contribution of MSME in GDP, Recent Initiatives in MSME sector viz,, Atmanirbhar Bharat package, Make in India, Start-up India, Stand-up India etc.

Infrastructure including Social Infrastructure

Infrastructure & Economic Development, Energy, Power, Transport system viz., Rail, Road, Civil Aviation, Concept of Social Sector & Social Infrastructure, Health, Education, Family welfare, Development of Health Infrastructure

Globalisation - Impact on India

Globalisation and its Advocacy, Globalisation and its Impact on India, Fair Globalisation & the Need for Policy framework, Globalisation in reverse gear - The Threatened Re-emergence of Protectionism

Economic Reforms

A brief overview, Transformation, Economic Transformation — Real Sector, Economic Transformation — Financial Sector, Economic Transformation — Integration with the Global Economy, Economic Reforms in India

Foreign Trade Policy, Foreign Investments and Economic Development

FTP—Structural Changes during 1990s, FTP policy — 2015-2020, Challenges to be addressed in upcoming FTP, FDIs, FII and Recent trends, Economic development vs economic growth, Importance of economic development as a dimension etc.

International Economic Organisations (World Bank, IMF etc.)

IMF and World Bank, World Trade Organization (WTO) — India and WTO, Regional Economic Co-operations, Recent International Economic Issues

Climate change, Sustainable Development Goals (SDGs)

Core elements of Sustainable Development, Global Issues and initiatives, India's progress in SDGs including Climate change, CSR Activities

Issues facing Indian Economy

Poverty Alleviation, Jobless growth, Rising Inequalities, Migration and excessive pressure on resources, possible remedies, Pandemic situations

MODULE B: ECONOMIC CONCEPTS RELATED TO BANKING

Fundamentals of Economics, Microeconomics Macroeconomics and Types of Economies

Economics — An Introduction, Microeconomics and Macroeconomics, Types of Economies, Market, Command, and Mixed Economies

Supply and Demand

The Demand Schedule, Forces behind the Demand Curve, shifts in Demand, The Supply Schedule, Forces behind the Supply Curve, shifts in Supply, Equilibrium of Supply and Demand, Effect of a Shift in Supply or Demand, Interpreting Changes in Price and Quantity

Money Supply and Inflation

What is Money, Money Supply, Inflation, Causes of Inflation, Measures of Inflation

Theories of Interest

Classical Theory of Rate of Interest, Keynes' Liquidity Preference Theory of Rate of Interest, Money Demand Curve, Determination of Rate of Interest, Equilibrium in the Money Market, Effect of an Increase in the Money Supply, shifts in Money Demand or Liquidity Preference Curve, Hicks-Hansen Synthesis, IS-LM Curve Model

Business Cycles

Characteristics of a Business Cycle, Phases of a Business Cycle

Monetary Policy and Fiscal Policy

Tools of Monetary Policy, how did Monetary Policy in India Respond to the Global Financial Crisis? Fiscal Policy, FRBM Act

National Income and GDP Concepts

Computation, Utility

Union Budget

Receipts, Expenditure, Plan Expenditure, Deficit Concepts

MODULE C: INDIAN FINANCIAL ARCHITECTURE

Indian Financial System — An Overview

What is a Financial System? Phase I: Pre-1951 organisation, Phase II: 1951 to Mid-eighties organisation, Phase III: Post Nineties Organisation, Narasimham Committee (1991) on the banking system in India, Reform of the Banking sector (1992-2008), Present Status of Banking System

Indian Banking Structure

Functions, Development of Banking in India, Scheduled Commercial Banks- Types and functions, Local Area Banks, Regional Rural Banks, Cooperative Banks, Payment Banks and Small Finance Banks, NBFCs, Key RBI Guidelines

Banking Regulation Act, 1949 and RBI Act, 1934

Background of Enactment, PART-1 Reserve Bank of India Act, 1934: Chapter I to Chapter V, Schedules to the RBI Act, 1934, PART-I1 Banking Regulations Act, 1949, Background and Structure of the Banking Regulation Act: Section 1 to Section 56

Development Financial Institutions

Evolution of Development Financial Institutions in India, Gaps in the Post-Independence Financial System, Objectives of Development Financial Institutions, Classification of DFIs, Role of DFIs in the Indian Economy, Changing Role of DFIs and Emergence of Universal Banks, Industrial Finance Corporation of India (IFCI), Industrial Credit and Investment Corporation of India (ICICI), Industrial Development Bank of India (IDBI), Small Industries Development Bank of India (SIDBI), Export Import Bank of India (EXIM Bank), National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB), National Bank for Financing Infrastructure and Development (NaBFID)

Micro Finance Institutions.

Evolution of Microfinance in India, Grameen Bank Model, Delivery of Microfinance, SHG-Bank Linkage programme, Joint Liability Groups (JLGs), Regulatory Framework for Microfinance Institutions, Inclusion of Bank Finance to Microfinance Institutions in Priority Sector Lending, Regulatory Framework for Micro Finance Loans RBI Directions 2022, RBI's Fair Practices Code for NBFC-MFIs

Non-Banking Financial Companies

What is a Non-Financial Banking Company (NBFC)?, Evolution of NBFCs in India, Role of NBFC in Promoting Inclusive Growth of India, Regulators of NBFCs, Classification of NBFCs, Regulatory Oversight by RBI on NBFCs, Types of NBFCs, Concept of Owned Funds and Net Owned Funds (NOF) for NBFCs, Bank Finance to NBFCs, Fair Practice Code for NBFCs, Applicability of

Ombudsman Scheme to NBFCs, Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs

Insurance Companies

History and Development of Insurance. Privatisation and Foreign Direct Investment (FDI) in Insurance Sector. Insurance Business Globally and in India. Insurance Penetration and Density. Number of Insurance Companies Operating in India. Legislations Governing Operation of Insurance Companies. Insurance Intermediaries. Reinsurance. Insurance Repository's-Insurance Account

Indian Financial System - Regulators & their roles

Role of Financial Sector Regulators in an Economy, Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDA), Pension Fund Regulatory and Development Authority (PFRDA)

Reforms & Developments in the Banking sector

Bad Banks, Infrastructure financing, Formation/role of NaBFID-National Bank for Financing, Infrastructure & Development, Basic concepts on EASE.

MODULE D : FINANCIAL PRODUCTS AND SERVICES

Overview of Financial Markets

What is a Financial Market?, Evolution of the Financial Market, Segments of Financial Markets, Functions of Financial Markets, Price Discovery

Money Markets and Capital Markets

Call Money, Notice Money and Term Money, Treasury Bills, Certificates of Deposit, Commercial Paper, Repo, Tri-Party Repo, Bill Rediscounting Scheme (BRDS), Long-Term Repo Operations (LTRO)

Fixed Income Markets - Debt / Bond Market

Government Securities, Bond Valuation and Theorems, Auction of Government Securities, Primary Dealers, Fixed Income Money Market and Derivatives Association of India (FIMMDA), RBI Retail Direct Scheme (BRDS), Corporate Bond Market, Inter-Corporate Deposits

Capital Markets and stock Exchanges

Primary Market, Secondary Market Stock Exchanges in India, Financial Products/Instruments Dealt with in the Secondary Market, Regulatory Requirements Specified by SEBI for Corporate Debt Securities, Commonly Used Terms in the Capital Market, Types of Capital Issues in the

Primary Market, Eligibility Norms for Making Capital Issues, Intermediaries in an Issue in the Primary Market, Applications Supported by Blocked Amount (ASBA) Qualified Institutional Placement (QIP)

Forex Markets

Profile of Foreign Exchange (Forex) Market, Evolution of the Forex Market in India, Characteristics of the Forex Market, Market Participants, LIBOR and Alternate Reference Rates (ARRs), Foreign Exchange Dealers Association of India (FEDAI), Foreign Exchange Management Act (FEMA), 1999, FX-Retail Platform, US Dollar Index (USDIX), American Depository Receipt (ADR) and Global Depository Receipt (GDR)

Interconnection of various markets/Market Dynamics

Process of Interconnectedness of Financial Markets, Reasons for interconnectedness, Importance of Interconnectedness of Financial Markets, Heterogeneity of Financial Markets, Achievement of Market Integration in India, Different Levels of Market Integration, Asian Clearing Union, Benefits and Costs of Interconnectedness of Markets, Interconnectedness of the Money Market, Interconnectedness of the Credit Market, Interconnectedness of the Capital Market, Interconnectedness of the Forex Market, Integrated Treasury Operations, Contagion Effect

Merchant Banking Services

Definition of Merchant Banking, Historical Background, Development of Merchant Banking in India, Merchant Banking Vs Commercial Banking, Licensing Requirements, SEBI Regulations on Merchant Banking, Activities of Merchant Banks, Key Policy Requirements as per SEBI Regulations, Key Codes of Conduct as per SEBI regulations

Derivatives Market including Credit Default Swaps

What is a Derivative. History of Derivatives, Size of the Derivatives Market, Underlying Assets, Exchange Traded and Over-the-Counter Markets, Participants in the Derivatives Market, Functions of Derivatives, Types of Derivatives, Forward Contracts, Futures, Options, Swaps, Credit Default Swaps (CDS), RBI guidelines on Credit Default Swaps, Documentation for Derivatives — ISDA Agreement.

Factoring, forfaiting & Trade Receivables Discounting System (TReDS)

What is Factoring, History of Factoring, Types of factoring, Domestic Factoring, International Factoring, Bills Discounting vs Factoring, Fees Involved in Factoring, Advantages of Factoring, What is Forfaiting, Mechanism of a Forfaiting Transaction, Fees Involved in Forfaiting, Advantages of Forfeiting, Differences between Factoring and Forfaiting, What is TReDS? Participants under TReDS, Process Flow under TReDS, Eligibility Criteria to Set Up and Operate TReDS.

Venture capital

Concept of Venture Capital, Evolution of Venture Capital in India, Characteristics of Venture Capital Finance, Stages of Venture Capital Financing, Process of Venture Capital Financing, Regulatory Aspects of Venture Capital Funds, Modes of Venture Capital Financing, Advantages and Disadvantages of Venture Capital Financing, Exit Routes for Venture Capital Finance.

Leasing and Hire Purchase

Lease Finance, Evolution of Leasing in India, Types of Leasing, Advantages and Disadvantages of Lease Finance, Market Share of Various Leased Asset Classes, Impact of Leasing on Financial Ratios, Legal Aspects of Leasing, Regulatory Aspects of Leasing Activities, Hire Purchase, Evolution of Hire Purchase in India, Legal Aspects of Hire Purchase, Parties to a Hire Purchase Contract, Leasing and Hire Purchase Compared,

Credit Rating agencies & their functions

What is Credit Rating? Credit Rating Agencies (CRAs) ;History of Credit Rating; Characteristics of Credit Rating ;Importance of Credit Rating, Benefits of Credit Rating, Factors Considered while Rating Companies/Instruments, Process of Credit Rating, Credit Rating Symbols, Ratings Outlook, Regulations for CRAB in India, Fees for Credit Rating, What is Credit Scoring?, Credit Information Companies (CICs) in India, Membership to CICs, Regulatory Guidelines Governing CICs, Credit Scores, Difference Between Credit Ratings and Credit Scores

Mutual Funds

Mutual Funds and their Functions, Management of Mutual Funds, Evolution of Mutual Funds, Classification of Mutual Funds, Role of Mutual Funds, Supervision of Mutual Funds, New Fund Offer, Risks Associated with Mutual Funds, Risk Depiction — Riskometer, Net Asset Value (NAV), Expenses Ratio, Load/No-Load Funds, Strategies for Investment in Mutual Funds, Role of Mutual Funds in the Capital Market, Alternative Investment Funds

Insurance Products

What is Insurance? Fundamental Principles Governing Insurance Products, Classification of Insurance, Types of Insurance Business, Group Insurance Schemes, Micro Insurance, Insurance Based Social Security Schemes, Bancassurance, Insurance Ombudsman Scheme, Government Business Products (Social Security Schemes like PAJJBY, PMSBY)

Pension Funds (include APY, NPS)

Pension System and its Aspects, Pension Products, Different Types of Pension Schemes, Employees Provident Funds Scheme, Public Provident Fund (PPF) Scheme, Insurance Annuity Schemes, National Pension Scheme (NPS), Atai Pension Yojana (APY)

Guidelines on Para Banking & Financial Services provided by Banks

Types of Para Banking and Financial Services provided by Banks, Organisation of Para Banking and Financial Services Activities by a Bank, Para-Banking and Financial Services Undertaken by a Bank, Disclosure of Commissions/Remunerations earned from Para Banking and Financial Services Activities

Real Estate Investment Funds I Infrastructure Investment Fund (concept)

What are Real Estate Investment Trusts (REITs), History of REITs, Organisation of REITs, Types of REITs, Difference Between REITs and Real Estate Mutual Funds, Advantages and Disadvantages of Investing in REITs, Comparison of Various Modes of Investment in Real Estate, Taxation Guidelines for Investors of REITs, Regulatory Guidelines for REITs. What are Infrastructure Investment Trusts (InvITs), Organisation of InvITs, Rationale of Setting up InvITs, Activity of InvITs in India, Types of InvITs, Advantages and Disadvantages of InvITs, InvIT's Revenue Model, Taxation on Investments in InvITs

Indian Economy & Indian Financial System

Which of the following are the sub category under agriculture in priority sector lending?

- (i) Farm credit
- (ii) Agriculture infrastructure
- (iii) Store house infrastructure
- (iv) Ancillary activities

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans - b

Net fiscal deficit is the difference between

- a. gross fiscal deficit and net interest payments
- b. gross fiscal deficit and interest payments
- c. gross fiscal deficit and net lending
- d. None of the above

Ans – c

The Exim bank has been set up for the purpose of

- (i) functioning as a specialized institution for providing comprehensive credits on international competitive terms for exports of capital goods, engineering goods, manufactured produced, projects and services
- (ii) offering advisory services to exporters for non –traditional exports
- (iii) Providing refinance facilities in regard to export financing by banks and other financial institutions.

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Market equilibrium comes at the price at which commodity demanded equals to quantity (i)
Produced, (ii) Supplied

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

The Central Board of directors of RBI is required to meet, at least times in a year

- a. 4
- b. 6
- c. 8
- d. 12

Ans – b

Which of the statements given below is/are correct?

- (i) India spends more than 1% of its GDP on Research and Development (R&D)
- (ii) The expenditure on R&D as proportion of GDP has increased in the past few years
- (iii) China incurs more than four times expenditure on R&D than that by India

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans - c

What is the maximum credit score that can be awarded to an individual?

- a. 300
- b. 500
- c. 900
- d. 1,200

Ans – c

.....
If a company wants to borrow USD 1 million, for a period of 3 months, 6 months from now, what type of FRA should it buy?

- a. 3 x 6
- b. 6 x 3
- c. 6 x 9
- d. 9 x 6

Ans – c
.....

Which of the following statements regarding REITs (Real Estate Investment Trusts) is/are correct?

- (i) REITs are investment vehicles that can be used by real estate players to attract private investment.
- (ii) REITs allow one to invest in income-generating real estate assets.

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d
.....

How much credit small finance banks has to give to priority sectors?

- a. 40%
- b. 50%
- c. 75%
- d. 80%

Ans – c
.....

Which of the following are the assets which are eligible for being invested in, for maintenance of SLR?

- (i) Cash
- (ii) Gold valued at a price not exceeding the current market price
- (iii) Investment in the specified instruments which will be referred to as “Statutory Liquidity Ratio (SLR) securities”

- a. Only (i) and (ii)
 - b. Only (i) and (iii)
 - c. Only (ii) and (iii)
-

d. (i), (ii) and (iii)

Ans – d

7. A decrease in the nominal interest rate on money causes

- a. the aggregate demand curve to shift down and to the left.
- b. the aggregate demand curve to shift up and to the right.
- c. the short run aggregate supply curve to shift down.
- d. the short run aggregate supply curve to shift up

Ans – b

Who was the global pioneer of microfinance?

- a. Professor Muhammad Khan
- b. Professor Muhammad Yunus
- c. Professor Yunus Khan
- d. Professor Muhammad Basha

Ans – b

Expand EASE

- a. Early Access and Service Excellence
- b. Ease of Access and Service Expectation
- c. Ease of Access and Service Excellence
- d. Early Access and Service Expectation

Ans – c

The LIC absorbed Indian, non-Indian insurers as also provident societies

- a. 134, 26, 75
- b. 144, 16, 85
- c. 154, 16, 75
- d. 154, 26, 75

Ans – c

Answer the following questions on IS-LM Curve

1. The IS curve illustrates that when income increases, the
- a. interest rate must fall to restore equilibrium in the goods market
 - b. interest rate must rise to restore equilibrium in the goods market
 - c. interest rate must fall to restore equilibrium in the asset market
 - d. interest rate must rise to restore equilibrium in the asset market

Ans – a

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2. As we move down along the IS curve,
- a. investment spending and savings both decline
 - b. investment spending and savings both increase
 - c. investment spending declines but savings increases
 - d. investment spending increases but savings does not change

Ans – b

.....

3. The LM curve will shift down when the
- a. real money demand declines
 - b. expected inflation declines
 - c. nominal money supply declines
 - d. price level rises

Ans – a

.....

4. In the IS-LM analysis, the effects of a temporary adverse supply shock do not include
- a. an increase in the price level
 - b. an increase in the consumption level
 - c. an increase in real interest rates
 - d. a lower output level

Ans – b

.....

5. An increase in expected inflation causes the real interest rate to and the price level to in general equilibrium.

- a. remain unchanged; rise
- b. fall; fall
- c. rise; rise
- d. remain unchanged; fall

Ans – a

.....

6. The LM curve

- a. slopes downward.
- b. is horizontal.
- c. slopes upward.
- d. is vertical

Ans – c

.....

M3 is also known as

- a. Reserve Money
- b. Narrow Money
- c. Broad Money
- d. None of the above

Ans - c

.....

What is the full form of SEZ?

- a. Special Economic Zones
- b. Special Education Zones
- c. Social Economic Zones
- d. Special Effective Zones

Ans - a

.....

The demand deposit of banks are included in (i) M1, (ii) M2, (iii) M3

- a. Only (i) and (ii)

.....

- b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans - d

Market price is the price for which a good or service is offered in the market place

- a. Nominal price
b. Economic price
c. Marginal price
d. Deficit Price

Ans – b

Different levels of Financial markets integration are

- (i) Domestic financial integration
(ii) Global financial integration
(iii) Regional financial integration
- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans - d

What is the percentage of cash settlement proposed to be made by NARCL?

- a. 5%
b. 10%
c. 15%
d. 25%

Ans – c

The business that can be undertaken by RBI includes acceptance of deposit without interest from

- (i) Central/State governments

- (ii) Banks, local authorities
(iii) any other person/institutions

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans – d

The option contract which gives the seller the obligation to buy is

- a. Put option
b. Call option
c. American option
d. European option

Ans - a

A NPS subscriber can partially withdraw up to a maximum of times during his/her entire tenure in NPS.

- a. 1
b. 2
c. 3
d. 5

Ans - c

Market demand curve obey the (i) law of downward-sloping demand, (ii) law of upward-sloping demand

- a. Only (i)
b. Only (ii)
c. Either (i) or (ii)
d. Both (i) and (ii)

Ans - a

If Receipts and Expenditures of a Government as per Budget 2020-21 are as given below

1. Revenue Receipts - 1374203
2. Tax Revenue - 1101372
3. Non-Tax Revenue - 272831
4. Capital Receipts - 600991
5. Recovery of Loans - 17630
6. Other Receipts - 47743
7. Borrowings and Other Liabilities - 535618
8. Expenditure On Revenue Account of which - 1690584
9. Interest Payments - 480714
10. Grants in Aid for creation of capital assets - 165733
11. Expenditure On Capital Account - 284610

Find

1. Total Receipts

- a. 1374203
- b. 1690584
- c. 1975194
- d. 2075416

2. Total Expenditure

- a. 1374203
- b. 1690584
- c. 1975194
- d. 2075416

3. Revenue Deficit

- a. 54904
- b. 150648
- c. 316381
- d. 535618

4. Effective Revenue Deficit

- a. 54904
- b. 150648
- c. 316381
- d. 535618

5. Fiscal deficit

- a. 54904
- b. 150648
- c. 316381
- d. 535618

6. Primary Deficit

- a. 54904
- b. 150648
- c. 316381
- d. 535618

Solution

1. c

$$\begin{aligned} \text{Total Receipts} &= \text{Revenue Receipts} + \text{Capital Receipts} \\ &= 1374203 + 600991 = 1975194 \end{aligned}$$

2. c

$$\begin{aligned} \text{Total Expenditure} &= \text{Revenue Expenditure} + \text{Capital Expenditure} \\ &= 1690584 + 284610 = 1975194 \end{aligned}$$

3. c

$$\begin{aligned} \text{Revenue Deficit} &= \text{Revenue Expenditure} - \text{Revenue Receipts} \\ &= 1690584 - 1374203 = 316381 \end{aligned}$$

4. b

$$\begin{aligned} \text{Effective Revenue Deficit} &= \text{Revenue Deficit} - \text{Grants in Aid for creation of capital assets} \\ &= 316381 - 165733 = 150648 \end{aligned}$$

5. d

$$\begin{aligned} \text{Fiscal deficit} &= \text{Total Expenditure} - \text{Total Receipts net of Borrowings and other liabilities (Revenue Receipts + Recovery of Loans + Other Receipts)} \\ &= 1975194 - (1374203 + 17630 + 47743) \\ &= 535618 \end{aligned}$$

6. a

$$\begin{aligned} \text{Primary Deficit} &= \text{Fiscal deficit} - \text{Interest payments} \\ &= 535618 - 480714 \\ &= 54904 \end{aligned}$$

When the demand for a product is perfectly inelastic, a price increase will result in

- a. A decrease in quantity demanded of the product
- b. No change in the total income from a product
- c. An increase in the total income from a product
- d. A reduction in the total income from a product

Ans - c

Match the following

- i) Welfare definition a) Adam Smith
- ii) Scarcity definition b) Alfred Marshall
- iii) Wealth definition c) Lionel Robbins

- a. i-c,ii-b,iii-a
- b. i-b,ii-a,iii-c
- c. i-b,ii-c,iii-a
- d. i-a,ii-c,iii-b

Ans - c

The maximum limit on microfinance loans for NBFCs other than NBFC-MFIs) now stands revised to of the total assets

- a. 25%
- b. 50%
- c. 75%
- d. 80%

Ans – a

..... is a long term risk capital to finance high technology projects which involve risk but at same time has strong potential for growth.

- a. Venture capital
- b. hedge finance
- c. Merchant banker
- d. hire purchaser

Ans - a

World Bank consists of

1. International Finance Corporation
2. International Development Agency
3. International Monetary Fund

- a. 1 and 2 Only
- b. 2 and 3 Only
- c. 1 and 3 Only
- d. All of them

Ans - a

.....

Non-fund-based facilities include

- (i) Letters of Credit
- (ii) Bank Guarantees
- (iii) Bills Co-Acceptance Facilities

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d

.....

In terms of GDP purchasing power parity (PPP), India is ranked in the world in 2022. (As per IMF World Economic Outlook April 2022)

- a. 1st
- b. 3rd
- c. 4th
- d. 7th

Ans – b

.....

Asian Clearing Union (ACU) was established in

- a. November 1969
- b. December 1974
- c. November 1979

.....

d. December 1984

Ans - b

Which of the following business may not be transacted by RBI?

- (i) Purchase the shares of any banking company or of any other company
- (ii) Advance money on mortgage of, or otherwise on the security of, immovable property or documents of title relating thereto
- (iii) Draw or accept bills payable otherwise than on demand

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d

The contract where buyer and seller agrees to exchange asset on future date without the involvement of stock exchange

- a. Options
- b. Futures
- c. Forwards
- d. Swaps

Ans - c

NPS is mandatorily applicable on recruited on or after 01 Jan 2004

- (i) Central Government employees
- (ii) Armed Forces

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - a

Which of these groupings contains three factors that are all used to calculate a credit score?

- a. A person's age, missed loan payments, and marital status
- b. Missed loan payments, high balances on credit cards, and ethnic origin
- c. Marital status, high balances on credit cards, and personal bankruptcy
- d. Missed loan payments, high balances on credit cards, and personal bankruptcy

Ans - d

Laissez-faire economy is

- a. The extreme case of a Market Economy
- b. The extreme case of a Command Economy
- c. The extreme case of a Mixed Economy
- d. None of these

Ans – a

Which of the following is/are feature/s of Venture capital investments?

- (i) They are high risk investments
- (ii) The investments made are based on long-term goals
- (iii) The investments are made in start-ups, which have potential to grow
- (iv) The provider of venture capital cannot participate in the management of the company

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans – a

What is the maximum maturity period of funds/instruments in money market?

- a. 1 day
- b. 7 days
- c. 14 days
- d. 1 year

Ans - d

Year	Nominal GDP	GDP Deflator
2019-20	2500	120
2020-21	3200	145

Answer the following questions based on the above information.

01. If GDP Deflator in 2018-19 is 100, then Real GDP of 2020-21

- a. 2207
- b. 2215.5
- c. 2214.7
- d. 2214.6

02. If GDP Deflator in 2018-19 is 100, then real GDP of 2019-20

- a. 2083
- b. 2038
- c. 2112
- d. 1961

03. Growth Rate of Real GDP from 2019-20

- a. 6.12
- b. 5.95
- c. 5.20
- d. 6.95

04. Inflation Rate in 2020-21 in relation to 2019-20

- a. 19.61
- b. 20.83
- c. 20.38
- d. 21.12

Solution

1 - c

Real GDP = Nominal GDP / deflator

$$= 3200 / 145 * 100$$

$$= 2206.89$$

$$= 2207$$

2 - a

Real GDP = Nominal GDP / deflator

$$= 2500 / 120 * 100$$

=2083.33
=2083

3 - b
% change = $\frac{\text{New value} - \text{old value}}{\text{old value}} * 100$
= $\frac{\text{Real GDP (2020-21)} - \text{Real GDP (2019-20)}}{\text{Real GDP (2019-20)}} * 100$
= $\frac{2207 - 2083}{2083} * 100$
= $\frac{124}{2083} * 100$
= $0.0595 * 100$
= 5.95

4 - b
Inflation rate (2020-21) = $\frac{\text{GDP Deflator (2020-21)} - \text{GDP deflator(2019-20)}}{\text{GDP deflator(2019-20)}} * 100$
= $\frac{145 - 120}{120} * 100$
= $\frac{25}{120} * 100$
= $0.2083 * 100$
= 20.83%

Who is/are all the whole time officials of Reserve Bank of India?

- (i) The Governor
- (ii) Deputy Governors

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans – d

Which of the following will not be taught by a teacher taking Microeconomics classes?

- a. Product Pricing
- b. The general price level and interest rates
- c. The economic condition of a section of people
- d. Location of industry

Ans – b

Which one of the following is correct about the National Bank for Financing Infrastructure and Development (NaBFID) Act, 2021?

- (i) The Act establishes the National Bank for Financing Infrastructure and Development (NBFID) with both financial as well as developmental objectives.
- (ii) DFIs along with accepting deposits from people, provide long-term finance for such segments of the economy where the risks involved are beyond the acceptable limits of commercial banks and other ordinary financial institutions.

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans – a

- 1. Revenue deficit (RD) = 3% of GDP
 - 2. Grants for capital formation = 1.8% of GDP
 - 3. Primary deficit (PD) = 1.2%
 - 4. Non-plan expenditure = 1.5%
- In the above scenario, effective revenue deficit (ERD) will be:

- a. 1.2%
- b. 1.5%
- c. 1.8%
- d. cannot be calculated

Ans - a

Solution

$$\text{ERD} = \text{RD} - \text{Grants for capital formation}$$
$$= 3\% - 1.8\% = 1.2\%$$

The lock-in period is for a PPF, and one can extend their investment in PPF for another

- a. 5 years, 5 years
- b. 10 years, 5 years
- c. 15 years, 5 years
- d. 20 years, 5 years

Ans - c

Given,

1. Consumptions - Rs. 62000
2. Gross investment - Rs. 46000
3. Govt spending - Rs. 14000
4. Export - Rs. 96000
5. Import - Rs. 72000
6. Indirect Taxes - Rs. 15000
7. Subsidies(on production and import) - RS. 8000
8. Compensation of employee - Rs. 1000
9. Property Income - Rs. 1000
- 7,8,9 - Net receivable from aboard
- 10.Total capital gains from overseas investment - Rs. 18000
- 11.Income earned by foreign national domestically - Rs. 8000

1. Calculate GDP

- a. Rs. 139000
- b. Rs. 146000
- c. Rs. 156000
- d. Rs. 165000

Ans - b

2. Calculate GDP at factor cost

- a. Rs. 139000
- b. Rs. 146000
- c. Rs. 156000
- d. Rs. 165000

Ans - a

3. Calculate GNP

- a. Rs. 139000
- b. Rs. 146000
- c. Rs. 156000
- d. Rs. 165000

Ans - c

Solution :

1. $GDP = \text{Consumption} + \text{Gross investment} + \text{Government spending} + (\text{Exports} - \text{Imports})$

$$\begin{aligned} \text{GDP} &= C+I+G+(X-M) \\ &= 62000+46000+14000+(96000-72000) \\ &= 122000+24000 \\ &= 146000 \end{aligned}$$

$$\begin{aligned} \text{2. GDP at factor rate} \\ &= \text{GDP}-(\text{Indirect taxes}-\text{subsidies}) \\ &= 146000-(15000-8000) \\ &= 146000-7000 \\ &= 139000 \end{aligned}$$

$$\begin{aligned} \text{3. GNP} &= \text{GDP}+\text{NR}(\text{total capital gains from Overseas investment}-\text{income earned by foreign national domestically}) \\ &= 146000 + (18000-8000) \\ &= 146000 + 10000 \\ &= 156000 \end{aligned}$$

Which out of the following is pledged to RBI for borrowing under LAF?

- a. Gold
- b. G-Sec
- c. Deposit
- d. Shares

Ans - b

What is the difference between monetary and fiscal policy?

- (i) The tool used by the central bank to regulate the money supply in the economy is known as Monetary Policy.
- (ii) The tool used by the government in which it uses its tax revenue and expenditure policies to affect the economy is known as Fiscal Policy.
- (iii) Monetary policy is administered by the government of the country whereas fiscal policy is administered by the central bank of the country.

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

Who is not the member of the Asian Clearing Union (ACU)?

- a. Bangladesh
- b. Pakistan
- c. Thailand
- d. Sri Lanka

Ans - c

If the sum assured is Rs. 1 lakh and the total number of premiums payable is 20 (20 years' policy, mode of premium is assumed yearly) and default occurs after 10 annual premiums are paid, the policy acquires the paid-up value of

- a. Nil
- b. Rs. 25,000
- c. Rs. 50,000
- d. Rs. 100,000

Ans - c

Solution:

Paid up Value = No. of Premiums Paid/No. of Premiums Payable X S.A.
= $10/20 \times 100,000 = \text{Rs } 50,000$

The period for which Government securities are issued can vary from less than to and above

- a. 1 year to 20 years
- b. 2 year to 20 years
- c. 1 year to 40 years
- d. 2 year to 40 years

Ans - c

Consider the following statement and choose the correct answer

- (i) The BOP statement helps the government to decide on fiscal and trade policies
- (ii) The BOP deficit indicates a country's export is more than its import

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)

d. Neither (i) nor (ii)

Ans – c

Revenue deficit is calculated as

- a. total expenditure - total receipts
- b. revenue expenditure - total receipts
- c. revenue expenditure - revenue receipts
- d. total expenditure - revenue receipts

Ans – c

Which color code represents lowest level of risk in a mutual fund scheme?

- a. Blue
- b. Green
- c. Yellow
- d. Brown

Ans - a

IRDAI allows FDI in insurance intermediaries

- a. 26%
- b. 49%
- c. 74%
- d. 100%

Ans – d

What is one of the major objectives of SIDBI?

- a. Principal Financial Institution for Promotion, Financing and Development of Agriculture sector in India
- b. Principal Financial Institution for Promotion, Financing and Development of Housing sector in India
- c. Principal Financial Institution for Promotion, Financing and Development of Export sector in India
- d. Principal Financial Institution for Promotion, Financing and Development of MSME sector in India

Ans - d

.....
The new theme/s introduced for EASE 4.0 is/are

- (i) New Age 24x7 banking with resilient technology
- (ii) Collaborative banking for synergistic outcomes

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans – d
.....

In the last four decades, India has faced the following major shocks

- (i) The 1991 balance of payments (BoP) crisis
- (ii) The 2008 global financial crisis
- (iii) The COVID-19 pandemic

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans - d
.....

Which two of the following descriptions regarding hire purchase are true?

- I. Interest is charged by seller on cash price
- II. Hire Purchase Price = Cash Price + Total Interest
- III. Once the deposit is paid, the ownership of goods is held by the buyer
- IV. Instalment = (Amount To Be Financed + Total Interest) / Total Number Of Instalments

- a. I,II
- b. I,III
- c. II,IV
- d. III,IV

Ans - c
.....

Business cycles result when

- a. aggregate demand grows faster than potential GDP
- b. the labor force participation rate changes
- c. aggregate supply and aggregate demand change at an uneven pace
- d. real GDP equals potential GDP

Ans - c

What is Real GDP?

- a. GDP at Constant Price
- b. GDP at Current Price
- c. GDP at Today's Price
- d. GDP at Variable Price

Ans - a

Which of the following components is/are included in the Primary deficit?

- a. Fiscal deficit
- b. Budget deficit
- c. Interest Payment
- d. Government's market borrowings and liabilities

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans – b

In an IPO through voluntary book building, what percentage of the issue is reserved for retail investors?

- a. 10%
- b. 25%
- c. 35%
- d. 40%

Ans – c

.....
The difference between strike price and current market price of underlying security in option contract is

- a. Time value
- b. Intrinsic value
- c. Exchange value
- d. Trade value

Ans - b
.....

Government securities include

- (i) Central Government securities
- (ii) Treasury bills
- (iii) State Development Loans

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d
.....

If the Employee's salary is 10,000, amount the employee will contribute towards EPF will be

- a. 1000
- b. 1200
- c. 1800
- d. 2400

Ans - b
.....

Which of the following is not matched correctly about NITI Aayog?

- a. NITI Aayog head office: Delhi
- b. Narendra Modi: Chairman
- c. Parent Agency: Government of India
- d. NITI Aayog replaced: National Development Council

Ans - d
.....
.....

.....

Name the application process that allow an investor to apply for issue using his bank account. Under this process, the application money is debited from applicant bank account only if his application is selected for allotment.

- a. ASBA
- b. BSBDA
- c. BCCMA
- d. FIMC

Ans - a

.....

How much % of its capital fund can be borrowed by scheduled commercial banks in the call/notice money market on any particular day?

- a. 80
- b. 100
- c. 125
- d. 150

Ans - c

.....

In TReDS, when the transaction is initiated by the corporate buyer, what type of transaction would that be?

- a. Factoring
- b. Reverse factoring
- c. Forfaiting
- d. Aligned forfaiting

Ans – b

.....

What is the full form of CERSAI?

- a. Combined Registry of Securitization Asset Reconstruction and Security Interest
- b. Combined Registry of Securitization Agency Reconstruction and Security Interest
- c. Central Registry of Securitization Asset Reconstruction and Security Interest
- d. Central Registry of Securitization Agency Reconstruction and Security Interest

Ans - c

.....

.....

.....
Demand deposits' with a bank include all liabilities which are payable on demand and they include

- (i) current deposits, demand liabilities portion of savings bank deposits
- (ii) margins held against letters of credit/ guarantees
- (iii) balances in overdue fixed deposits, cash certificates and cumulative/ recurring deposits

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d
.....

Which among the following are included in Fiduciary media?

- a. Debit cards
- b. Bitcoins
- c. Overdrafts
- d. Token coins

Ans – d
.....

Which of the following statement(s) is/are correct about the Indian economy pre-independence?

- (i) Railways linked the interior of the country with ports and harbours, urban marketing centres and thus Indian agriculture began to keep an eye everywhere in India.
- (ii) The railways used to carry commercial crops from the various parts of the country, bringing back the foreign machine-made manufactures to India.
- (iii) change in Indian agriculture was its commercialisation that spread between 1850-1941

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans – c
.....

Given the following data (Rs. in Arab) about a government budget

Capital Receipts Net of Borrowings	95
Revenue Expenditure	100
Interest Payments	10
Revenue Receipts	80
Capital Expenditure	110

1. Find out the Revenue deficit

- a. Rs. 20 Arab
- b. Rs. 25 Arab
- c. Rs. 35 Arab
- d. Rs. 40 Arab

2. Find out the Fiscal deficit

- a. Rs. 20 Arab
- b. Rs. 25 Arab
- c. Rs. 35 Arab
- d. Rs. 40 Arab

3. Find out the Primary deficit

- a. Rs. 20 Arab
- b. Rs. 25 Arab
- c. Rs. 35 Arab
- d. Rs. 40 Arab

Solution

$$\begin{aligned} 1 - a. \text{ Revenue Deficit} &= \text{Revenue Expenditure} - \text{Revenue Receipts} \\ &= 100 - 80 \\ &= \text{Rs. 20 Arab} \end{aligned}$$

$$\begin{aligned} 2 - c. \text{ Fiscal Deficit} &= [\text{Revenue Expenditure} + \text{Capital Expenditure}] - [\text{Revenue Receipt} + \text{Capital Receipt} \\ &\text{Net of Borrowing}] \\ &= (100 + 110) - (80 + 95) \\ &= 210 - 175 \\ &= \text{Rs. 35 Arab} \end{aligned}$$

$$\begin{aligned} 3 - b. \text{ Primary Deficit} &= \text{Fiscal Deficit} - \text{Interest Payments} \\ &= 35 - 10 \\ &= \text{Rs. 25 Arab} \end{aligned}$$

Based on the below information on sale of motor-bikes, answer the following situation?

Situation	Price	Quantity demanded	Quantity Supplied
A	80000	1550000	2770000
B	70000	1980000	2490000
C	65000	2250000	2250000
D	60000	2600000	1940000
E	50000	3000000	1650000

1. What will be state of the market and what type of pressure will be there on the prices of the motor-bike for situation - A or B?

- a. the market is having surplus supply and there will be reduction in price
- b. the market is having surplus supply and there will be increase in price
- c. the market is having short supply and there will be reduction in price
- d. the market is having short supply and there will be increase in price

2. What will be state of the market and what type of pressure will be there on the prices of the motorbike for situation - D or E?

- a. the market is having surplus supply and there will be reduction in price
- b. the market is having surplus supply and there will be increase in price
- c. the market is having short supply and there will be reduction in price
- d. the market is having short supply and there will be increase in price

3. What is equilibrium price, demand and supply in the given problem?

- a. equilibrium price is Rs.70000 and demand and supply 1980000 units
- b. equilibrium price is Rs.65000 and demand and supply 2250000 units
- c. equilibrium price is Rs.50000 and demand and supply 3000000 units
- d. information is inadequate. No conclusion is possible

Answers : 1-a, 2-d, 3-b

Explanation :

- 1. In situation A and B, there is excess supply of motorbikes compared with demand which is less. This will force the price to decrease.
- 2. In situation D and E, there is excess demand of motorbikes compared with supply which is short. This will force the price to increase.
- 3. Situation C is the equilibrium where the equilibrium price is Rs.65000 and demand and supply 2250000 units.

Under which plan, certain percentage of the sum assured is returned to the insured person periodically as survival benefit. On the expiry of the term, the balance amount is paid as maturity value?

- a. Money Back Plans
- b. Cash Back Plans
- c. Endowment plans
- d. Either a or b

Ans - c

In which of the following types of leases are the assets bought on loan?

- a. Finance lease
- b. Operating lease
- c. Leveraged lease
- d. Funded lease

Ans – c

Which of the following are the formal entities in delivery of microfinance?

- (i) Cooperative banks
 - (ii) Joint liability groups
 - (iii) Microfinance institutions
- a. Only (i) and (ii)
 - b. Only (i) and (iii)
 - c. Only (ii) and (iii)
 - d. (i), (ii) and (iii)

Ans – d

Under the recommendations of which Committee was IRDA established?

- a. Malhotra Committee
- b. Narasimhan Committee
- c. Tandon Committee
- d. Ghosh Committee

Ans – a

.....

FEMA 1999 has been divided into chapters and sections.

- a. 5, 29
- b. 6, 37
- c. 7, 49
- d. 8, 91

Ans - c

.....

A contagion is the spread of an economic crisis from one market or region to another and can occur at the

- (i) Domestic level
- (ii) International level

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - c

.....

The instruments traded on the Negotiated Dealing System Order Matching (NDS-OM) include

- (i) G-secs
- (ii) T-Bills
- (iii) SDLs

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Fiscal Deficit Refers to

- a. The difference between the government's total expenditure and its total receipts (including borrowing)
 - b. The difference between the government's total expenditure and its total receipts (excluding borrowing)
-

- c. The difference between the government's Tax collections and Salary Payments
d. the difference between the government's Tax collections and government's Borrowings

Ans – b

What happens when CRR is increased?

- (i) It decreases money supply
(ii) It increases demand for money
(iii) It decreases inflation

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans - d

The first nationalized bank in India to start a VCF

- a. Canara bank
b. SBI
c. Bank of India
d. ICICI

Ans - a

The penalty for non-compliance with CSR provisions are

- (i) at least Rs. 1 crore for the defaulting company
(ii) at least Rs. 2 lakhs for each defaulting officer
(iii) imprisonment provision of maximum three years for defaulting officers

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans – a

What is the minimum corpus of fund that a Pension Fund must have to act as Qualified Institutional Buyers (QIB)?

- a. Rs 15 crore
- b. Rs 25 crore
- c. Rs 50 crore
- d. Rs 75 crore

Ans - b

Macroeconomics deals with

- a. Gross domestic product
- b. Unemployment rate
- c. Price indices
- d. All the above

Ans – d

Which of the following is/are correct statements about mutual funds?

- (i) Closed ended mutual fund runs for a specific period
- (ii) In open ended mutual funds, unit capital is fixed

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans – a

Which of these derivatives does not get traded in the Indian Stock Exchanges?

- a. Forward rate agreements
- b. Index options
- c. Stock futures
- d. Index futures

Ans - a

Answer the below questions from the table

Items	% Change in Price	% Change in Quantity Demanded	Elasticity
Demand for salt	20	-1	X
Demand for bananas	15	Y	-3
Supply of chicken	Z	14	1

1. The value of X

- a. -20
- b. -0.05
- c. -1
- d. None

Ans - a

.....

2. The value of Y

- a. -5
- b. 15
- c. -45
- d. -3

Ans - a

.....

3. The value of Z

- a. 14
- b. 1
- c. 007
- d. 5

Ans - a

.....

FDI in India is prohibited and not allowed to function in which of the following sectors?

- (i) Lottery Business
- (ii) Gambling
- (iii) Chit funds

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans – d

What is the maximum amount of Award that the Insurance Ombudsman can give to an aggrieved policy holder?

- a. Rs 10 lakhs
- b. Rs 20 lakhs
- c. Rs 30 lakhs
- d. Rs 50 lakhs

Ans – c

The Central Board shall consist of the Governor, not more than four Deputy Governors, to be appointed by the Central Government and directors to be nominated by the Central Government.

- (i) four directors to be nominated by Central Government, one each from the Local Boards constituted under Section 9 of the Act.
- (ii) ten directors to be nominated by Central Government from various fields.
- (iii) Two Government official to be nominated by the Central Government

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d

Who is the issuing authority of Treasury Bills?

- a. AIFI
- b. Central Government
- c. State Government
- d. Corporate

Ans – b

Government Securities will be issued for a minimum amount of (Face Value) and in multiples of thereafter.

- a. Rs. 1,000, Rs. 1,000
- b. Rs. 5,000, Rs. 5,000
- c. Rs. 10,000, Rs. 5,000
- d. Rs. 10,000, Rs. 10,000

Ans - d

Which of these statements is/are correct?

- 1. India is one of the founding members of the Asian Development Bank.
- 2. Its headquarters are in Beijing, China.

- a. 1 Only
- b. 2 Only
- c. Both 1 and 2
- d. None of them

Ans - a

Consider the following statements regarding Ombudsman Scheme for NBFC

- (i) Section 45L of the RBI Act, 1934 confers powers on RBI to notify such scheme
- (ii) NBFCs having customer interface, with assets size of one billion rupees or above are eligible to be covered under the scheme
- (iii) All NBFCs are covered under the scheme

Choose the correct answer from the following options

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

As per the World Inequality Report (2022), top 10 percent of the Indians earn of the national income.

- a. 27%
- b. 37%
- c. 47%
- d. 57%

Ans – d

Which of the following statements is not true about the division of labour?

- (i) Complex division of labour means division of society into major occupations like carpenter; weaver etc. It is also called the functional division of labour
- (ii) Territorial Division of labour means no group of workers makes a complete article. Instead the whole process is split into several processes and sub-processes to be carried out by separate groups
- (iii) Worker loses sense of responsibility and pride in his work since each worker makes only a part of the product
- (iv) Division of labour decreases the number of variety in jobs.

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans – b

An option that would lead to negative cash flow if it were exercised immediately is

- a. In the money option
- b. Out of the money option
- c. At the money option
- d. With money option

Ans - b

What % of interest is paid by RBI on CRR deposit maintained by Scheduled Commercial Banks with it?

- a. No interest rate
- b. 1

- c. 2
d. 3

Ans - a

Which among the following statements is true with respect to Primary Deposits?

- (i) Primary deposits are also known as passive deposits
(ii) Using these primary deposits the bank makes loans and advances to its customers.

- a. Only (i)
b. Only (ii)
c. Both (i) and (ii)
d. Neither (i) nor (ii)

Ans – c

Net tax revenue =

- a. gross tax revenue - National calamity contingent duty transferred to NCCF - states share
b. gross tax revenue - National calamity contingent duty transferred to NCCF + states share
c. gross tax revenue + National calamity contingent duty transferred to NCCF - states share
d. gross tax revenue + National calamity contingent duty transferred to NCCF + states share

Ans – a

..... refers to the financial arrangements that are specific to the use for projects that are environmentally sustainable or projects that adopt the aspects of climate change.

- a. Green debt
b. Carbon trade
c. Green finance
d. Carbon finance

Ans – c

Which of the following is Vertical FDI form?

- (i) backward vertical FDI
(ii) forward vertical FDI

(iii) straight vertical FDI

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Which of the following statements is incorrect?

- a. Micro-economics is primarily concerned with the problem of what, how and for whom to produce
- b. Micro-economics is primarily concerned with the behaviour of individual decision making units when at equilibrium
- c. Micro-economics is primarily concerned with the time path and process by which one equilibrium position evolves into another
- d. Micro-economics is primarily concerned with comparative static rather dynamics

Ans - a

.....

The minimum investment into a PPF account each year is Rs. and the maximum investment is Rs.

- a. 500, 100000
- b. 500, 150000
- c. 1000, 100000
- d. 1000, 150000

Ans - b

.....

Customer Due Diligence (CDD) of shall be necessary at the time of credit linking of SHGs

- a. Only Authorised Signatories
- b. President and Secretary
- c. All the members
- d. None of the above

Ans – c

.....

How many countries are members of the Asian Clearing Union?

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

Ans – c

Which of the following is true for the National Income of a country?

- a. If the savings exceed the investment within a country, the National Income will rise
- b. If the savings exceed the investment within a country, the National Income will fall
- c. If the savings exceed the investment within a country, the National Income will fluctuate
- d. If the savings exceed the investment within a country, the National Income will remain constant

Ans - d

Which of the following arguments are made in favour of privatisation of a country's economy?

- (i) It helps to revive sick public sector units
- (ii) It creates a competitive environment for businesses
- (iii) It helps to protect the sovereignty of a consumer

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans - d

Which of the following scenarios will not shift the demand curve for a particular product?

- a. A change in the income of the consumers of that product
- b. Effective advertising campaign by producers of a substitute good
- c. A reduction in the price of the raw material for that product
- d. A widely publicised study that says the product is harmful to the health of consumers

Ans - c

Given,

Currency with public - Rs. 230000 Crores

Demand deposit with banking system - Rs. 320000 Crores

Time deposits with banking system - Rs. 360000 Crores

Other deposit with RBI - Rs. 420000 Crores

Savings deposit of post office savings banks - Rs. 140000 Crores

All deposit with post office savings bank excluding NSCs - Rs. 80000 Crores

1. Calculate M1.

- a. Rs. 670000 Crores
- b. Rs. 830000 Crores
- c. Rs. 970000 Crores
- d. Rs. 1020000 Crores

2. Calculate M2.

- a. Rs. 830000 Crores
- b. Rs. 970000 Crores
- c. Rs. 1110000 Crores
- d. Rs. 1330000 Crores

3. Calculate broad money M3.

- a. Rs. 830000 Crores
- b. Rs. 970000 Crores
- c. Rs. 1110000 Crores
- d. Rs. 1330000 Crores

Explanation:

1-c. $M1 = \text{currency with public} + \text{demand deposit with the banking system} + \text{other deposits with RBI}$

$M1 = 230000 + 320000 + 420000$

$M1 = 970000$

2-c. $M2 = M1 + \text{Savings deposit of post office savings banks}$

$M2 = 970000 + 140000$

$M2 = 1110000$ Crores

3-d. $M3 = M1 + \text{Time deposit with banking system}$

$M3 = 970000 + 360000$

$M3 = 1330000$ Crores

Under the forfaiting, which is most commonly forfeited debt instrument?

- a. bill of exchange and promissory notes
- b. promissory notes and debentures
- c. bills receivables
- d. all the above

Ans - a

Which among the following statements is/are correct about the inter-bank transfer system RTGS?

- (i) RTGS is available 24x7x365 with effect from December 14, 2020.
- (ii) The minimum amount to be remitted through RTGS is 2,00,000/- with no upper or maximum ceiling
- (iii) In RTGS, the transactions are processed continuously on a transaction-by-transaction basis throughout the day
- (iv) The acronym RTGS stands for Real Time Gross-payment System

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans – a

In urban India we can see a lot of youths doing part time jobs to make ends meet, under which type of employment do they come?

- a. Open Unemployment
- b. Casual unemployment
- c. Invisible underemployment
- d. Visible underemployment

Ans – d

The exposure for facilities extended by way of factoring services shall be reckoned on the for factoring on limited recourse basis, depending on the terms of agreement.

- (i) Assignor
- (ii) Debtor
- (iii) Import factor

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans - d

Which is a full service credit rating agency exclusively set up for micro, small and medium enterprises?

- a. SMERA
- b. ICRA
- c. ONICRA
- d. CRISIL

Ans - a

Which of the following is not part of the informal financial system?

- a. Money lender
- b. Mutual fund
- c. Relatives
- d. Mahajan

Ans – b

In India Merchant banking along with management of public issues and loan syndication covering activities like

1. Project counseling
2. Portfolio management
3. Investment counseling
4. Mergers and amalgamation of the corporate firms
5. Securities and exchange

- a. 1, 2, 4, 5
- b. 1,2, 3, 5
- c. 1, 2, 3, 4
- d. 2, 3, 4, 5

Ans – c

The following information shows how Demand and Supply determines market equilibrium in 2023

Item	Possible price (Rs.)	Qty demanded (Million)	Qty supplied (Million)
A	1800	20	35
B	1600	18	32
C	1200	15	20
D	1000	15	15
E	800	20	15
F	600	32	18
G	400	35	20

Based on the above data answer the following question

- In the Item no. A, what is the state of the market?
 - market is in surplus
 - market is in shortage
 - market is in equilibrium
 - no conclusion can be drawn
- In the Item no. D, what is the state of the market?
 - market is in surplus
 - market is in shortage
 - market is in equilibrium
 - no conclusion can be drawn
- In the Item no. E, what is the state of the market?
 - market is in surplus
 - market is in shortage
 - market is in equilibrium
 - no conclusion can be drawn
- In the Item no. B, what should be tendency of the price movement of the commodity?
 - price should go up
 - price should not change
 - price should go downward
 - no conclusion can be drawn
- In the Item no. C, what should be tendency of the price movement of the commodity?
 - price should go up
 - price should not change

- c. price should go downward
d. no conclusion can be drawn

6. In the Item no. D, what should be tendency of the price movement of the commodity?

- a. price should go up
b. price should go downward
c. price should be neutral
d. no conclusion can be drawn

7. In the Item no. F, what should be tendency of the price movement of the commodity?

- a. price should go up
b. price should not change
c. price should go downward
d. no conclusion can be drawn

8. In the Item no. G, what should be tendency of the price movement of the commodity?

- a. price should go up
b. price should not change
c. price should go downward
d. no conclusion can be drawn

Answers : 1-a, 2-c, 3-b, 4-c, 5-c, 6-c, 7-a, 8-a

Which of the following statements is/are correct?

1. India has been borrowing from the IMF through the financial transaction plan due to the critical balance of payment situation
2. India also contributes to the IMF through the extended fund facility.

- a. 1 Only
b. 2 Only
c. Both 1 and 2
d. None of them

Ans - d

..... is deprived from the residual value of the asset.

- a. Lessee
- b. Lessor
- c. Both a and b
- d. None of the above

Ans - a

.....

Total receipts in the Central Govt. budget =

- a. revenue receipts + capital receipts + fiscal deficit
- b. revenue receipts + capital receipts + drawdown of cash balance
- c. revenue receipts + capital receipts + revenue deficit
- d. revenue receipts + capital receipts + revenue & fiscal deficit

Ans – b

.....

Who compiles and publishes the Index of Industrial Production (IIP)?

- a. Central Statistics Office
- b. Office of Economic Adviser, Ministry of Commerce and Industry
- c. Reserve Bank of India
- d. None of these

Ans - a

.....

What does InvIT stand for?

- a. Infrastructure Investment Trust
- b. Infrastructure Vital Trust
- c. Investment Infrastructure Trust
- d. None of the above

Ans - a

.....

While releasing the data relating to inflation increased by the Govt, it is observed that

- 1) The consumer price index based inflation increased to 11% and
- 2) Whole sale price index based inflation increased to 8%
- 3) The govt. claims that due to implementation of Banks Bi-partite Settlement, there is increase in demand of goods and services leading to increase in consumer prices.
- 4) Further due to increased wages and salaries, there is increase in cost of inputs leading to increase in whole-sale price index.

Answer the following questions, based on the above information.

1. The inflation caused by the the information given at point no.3 in the question, is not called as (i) Core inflation, (ii) Demand Pull inflation (iii) Cost-push inflation

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

2. The inflation rate of 8%, represented by the whole sale price, is called:

- a. Core inflation
- b. Headline inflation
- c. Demand Pull inflation
- d. Cost-push inflation

3. The inflation rate 11% represented by the consumer price, is called:

- a. Core inflation
- b. Headline inflation
- c. Demand Pull inflation
- d. Cost-push inflation

4. The inflation caused by the information given at point no.4 in the question, is not called as (i) Core inflation, (ii) Demand Pull inflation (iii) Cost-push inflation

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Answers : 1-b, 2-b, 3-a, 4-a

In phase of business cycle, underemployment will be widespread

- a. Recession
- b. Depression
- c. Recovery
- d. Boom

Ans – b

.....

Which among the following is a negotiated market place that exists anywhere as opposed to the auction market place and liquidity for less traded securities or that of small companies?

- a. Over the counter
- b. Commercial bill
- c. Certificates of deposit
- d. Private market

Ans – a

.....

In 1946, Rs and notes were demonetized to curb unaccounted money

- a. 500, 1000
- b. 500, 5000
- c. 1000, 5000
- d. 1000, 10000

Ans – d

.....

Select the correct answer from the following statements

- (i) National clean energy fund (NCEF) only research in the area of clean energy.
- (ii) Viability gap funding (VGF) is also provided for Namami Gange.

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

.....

Which among the following statements is/are true with respect to open economy?

- (i) Financial Market is where only the consumers can choose between domestic and foreign goods
- (ii) The Output Market is an economy that can trade in goods and services with other countries.
- (iii) An open economy is one which interacts with other countries through various channels
- (iv) The Labour Market is where firms can choose where to locate production and workers to choose where to work.

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans – c

Fiscal deficit implies

- a. Total expenditure – (Revenue receipts + Recovery of loans + Receipts from disinvestment)
- b. Total expenditure – Total receipts from all sources ,including borrowings
- c. Total expenditure – (Revenue receipts + Fresh loans)
- d. Total expenditure – Disinvestment receipts

Ans - a

A derivative is a financial instrument whose value changes in response to the change in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index, or similar variable called as

- (i) Understated
 - (ii) Unterlying
- a. Only (i)
 - b. Only (ii)
 - c. Either (i) or (ii)
 - d. Both (i) and (ii)

Ans – b

Green field investment means

- a. Merging with an existing firm

- b. Acquiring an existing firm
c. Establishment of a wholly new operation
d. None of the above

Ans - c

Mr. X owns a restaurant, which he had bought three years ago, for Rs.10 lakhs. He had bought fire insurance worth Rs.8 lakhs (which is the written down value of his insured property). His restaurant caught fire and he suffered a loss of Rs.6.00 lakhs. The amount of compensation to be paid by the insurance company is

- a. Rs. 4,80,000
b. Rs. 6,40,000
c. Rs. 8,00,000
d. Rs. 10,00,000

Ans - a

Solution

The amount of compensation to be paid = (sum insured/value of insured asset) * actual loss
= (8 lakhs/10 lakhs) * 6,00,000
= Rs. 4,80,000

In case of achieving priority sector through indirect routes viz. PSLCs, IBPCs, On-lending, Securitization, Assignment etc., the place of utilization may not be available on ADePT for mapping the individual account level data. While calculating district-wise incremental credit for assigning weights, credit disbursed through which of the following routes shall not be considered for incremental weights.

- (i) Investments by banks in securitised assets
(ii) Inter Bank Participation Certificates (IBPCs)
(iii) Priority Sector Lending Certificates (PSLCs)
(iv) Bank loans to MFIs (NBFC-MFIs, Societies, Trusts, etc.), NBFCs for on-lending

- a. (i), (ii), (iii)
b. (i), (ii), (iv)
c. (ii), (iii), (iv)
d. (i), (ii), (iii), (iv)

Ans - d

Black Revolution is connected to

- a. Eggs
- b. Banana
- c. Petroleum
- d. Pulses

Ans – c

Which of the following is true?

- A. $GNP + Depreciation = NNP$
- B. $GNP = GDP + \text{Net factor income from abroad}$
- C. $NDP = GNP \text{ minus net indirect taxes}$
- D. $NNP = DGP \text{ minus depreciation}$

Ans – b

Which of the following characteristics of VC funding is incorrect?

- a. They are high risk investments made with an intention of making high profits
- b. The investments made are based on short-term goals
- c. The provider of venture capital can participate in the management of the company
- d. Money is invested, generally, by buying equity shares in the start-up company

Ans – b

The Foreign Trade Policy 2015-2020 targeted to increase India's merchandise and services exports toby 2019-20.

- a. \$900 billion
- b. \$700 billion
- c. \$600 billion
- d. \$500 billion

Ans – a

Which among the following are derivative functions of money?

- (i) Store of value

- (ii) Transfer of value
(iii) Deferred value

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i) (ii) and (iii)

Ans – d

Underemployment of both men and materials is a characteristic of which phase?

- a. Depression
b. Boom
c. Recovery
d. Recession

Ans – a

What is the threshold transaction limit under FX-Retail platform with zero fee?

- a. USD 1 million
b. USD 50000
c. USD 7.5 million
d. USD 10 million

Ans – b

Forfeiting protects exporters against

- (i) Credit risk
(ii) transfer risk
(iii) Interest rate risk

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i) (ii) and (iii)

Ans – d

Fund of funds (FoF) mutual funds invests in

- a. Equities
- b. Corporate Bonds
- c. G-Sec
- d. Other Mutual Funds

Ans - d

Fifty paise (half rupee) coins are legal tender for any sum not exceeding rupees

- a. 10
- b. 100
- c. 500
- d. 1000

Ans – a

What is the meaning of market integration?

- (i) Offering competitive price
- (ii) A large variety of goods
- (iii) Operation across overseas markets

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans - d

Which of the following statements is/are true?

- (i) Black money may be defined as the money that is generated by activities that are kept secret in the sense that these are not reported to the authorities
- (ii) Parallel economy is a cause of big loss in the tax-revenues for the Government
- (iii) Black money is also not accounted to the fiscal authorities
- (iv) Black money is just the opposite of parallel economy

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)

- c. (ii), (iii), (iv)
d. (i), (ii), (iii), (iv)

Ans – c

..... undertakes a number of activities such as Issue of stocks, Fund raising and Management. They also provide advisory service & counsel on mergers & acquisitions

- a. SEBI
b. RBI
c. Merchant Bankers
d. Primary dealers

Ans - c

Where are the headquarters of the International Labour Organisation (ILO)?

- a. Rome
b. Geneva
c. London
d. New York

Ans - b

Green bonds are the bonds issued by any

- (i) Sovereign entity
(ii) Inter-governmental groups or alliances
(iii) Corporates

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans – d

Which of the following statements is not a function of primary health care?

- a. Primary healthcare is involved in providing essential drugs

- b. Primary healthcare is involved in spreading education and awareness related to health problems
c. Primary healthcare focuses on conducting research
d. Primary healthcare is involved in promoting proper nutrition

Ans – c
.....

Identify the correct order of a typical forfaiting transaction mechanism

- (i) Forfeiter makes payment to the exporter, less charges
(ii) Forfeiter gives commitment to forfeit to exporter
(iii) Shipment of goods to importer
(iv) Importer makes payment on maturity

- a. (i), (ii), (iii), (iv)
b. (i), (ii), (iv), (iii)
c. (ii), (iii), (i), (iv)
d. (iii), (i), (iv), (ii)

Ans – c
.....

What are the eligible categories which can be traded as PSLCs?

- (i) PSLC Small and Marginal Farmer
(ii) PSLC Weaker Sections
(iii) PSLC Agriculture
(iv) PSLC Micro Enterprises

- a. (i), (ii), (iii)
b. (i), (ii), (iv)
c. (ii), (iii), (iv)
d. (i), (ii), (iii), (iv)

Ans - c
.....

Factoring is a facility for which of the following?

- (i) Maintaining of sales ledger
(ii) Maintenance of receivables
(iii) Debt collection

- a. Only (i) and (ii)
.....

- b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans – d

What is the minimum capital requirement for a merchant banker?

- a. Rs 10 crores
b. Rs 5 crores
c. Rs 50 lakhs
d. Rs 10 lakhs

Ans – b

FDI from Pakistan is placed under

- a. Automatic route
b. Government route
c. Either a or b
d. Both a or b

Ans – b

As per guidelines issued by NABARD, SHGs may be sanctioned savings linked loans by banks, varying from a saving to loan ratio of

- a. 1:1 to 1:2
b. 1:1 to 1:3
c. 1:1 to 1:4
d. 1:1 to 1:5

Ans – c

Which of the following was not a part of the structural adjustment programs under the New Economic Policy (NEP) in 1991?

- a. Fiscal reforms
b. Tax reforms
c. Balance of payment adjustment

d. Industrial reforms

Ans - c

Expansion phase has all but one of the following characteristics

- a. Increase in national output
- b. Increase in consumer spending
- c. Excess production capacity of industries
- d. Expansion of bank credit

Ans - c

Which of the following are parts of structural Adjustment Programs of New Economic Policy (NEP) in 1991.

- (i) Industrial reforms
- (ii) Balance of Payment adjustment
- (iii) Tax reforms
- (iv) Fiscal reforms

- a. (i) and (iii) only
- b. (ii) and (iv) only
- c. (i), (ii) and (iii) only
- d. (i), (iii) and (iv) only

Ans – d

Which principle enables the total claim to be shared in a fair way?

- a. Principle of Proximate Cause
- b. Principle of Principle of Contribution
- c. Principle of Insurable Interest
- d. Principle of Indemnity

Ans - b

Regulators in the Indian Financial System consist of

- (i) Reserve Bank of India (RBI)

- (ii) Securities and Exchange Board of India (SEBI)
(iii) Pension Fund Regulatory and Development Authority (PFRDA)

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans – d

Shifts in Supply means

- a. When changes in factors other than goods own price affect the quantity supplied.
b. When changes in goods own price affect the quantity supplied.
c. Both a and b
d. None of these

Ans – a

After retirement, the subscribers can take out upto percentage of the corpus

- a. 20
b. 40
c. 60
d. 100

Ans - c

FFO for a REIT is roughly equal to

- a. NOI less interest deductions
b. Earnings before tax plus depreciation deductions
c. NOI plus interest deductions
d. Earnings per share plus capital gains

Ans - b

The lessee pays a periodic amount called lease rental to the lessor for the use of the asset.

- a. Fixed

- b. Fluctuating
c. Both a and b
d. None of the above

Ans - a

Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses. This definition presents Economics as a study of 'means' and 'ends'. Which of the followings is true regarding this definition?

- (i) Man has unlimited wants and the means to satisfy human wants are limited
(ii) Resources are not only limited but have alternative uses
(iii) Man has to make a choice

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans – d

Money that is backed with physical commodities like gold or silver is called as

- a. Real money
b. Representative money
c. Fiat money
d. Legal tender

Ans – b

Gross National Product is greater than gross domestic product when

- a. NFI (from abroad) > 0
b. NFI < 0
c. NFI = 0
d. NFI = -1

Ans – a

.....
NaBFID will be set up as a corporate body with authorised share capital of Rs

- a. 50000 crore
- b. 1 lakh crore
- c. 2 lakh crore
- d. 5 lakh crore

Ans – b
.....

According to Oxfam International, the top 10 per cent of the Indian population controls of the entire national wealth

- a. 47%
- b. 57%
- c. 67%
- d. 77%

Ans – d
.....

Issue management is an important function of and

- a. Merchant banker, lead manager
- b. Public banker, Merchant banker
- c. Lead banker, Private banking
- d. None of the above

Ans – a
.....

RBI supports the economic growth through

- (i) Supply side factors
- (ii) Demand side factors

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans – b
.....
.....

Under revised PSL guidelines, If a customer is sanctioned an Education Loan loan of Rs.20 lakhs and the outstanding amount becomes Rs.22 Lakhs, in such a scenario whether entire outstanding will be reckoned for PSL?

- a. Yes. Only sanctioned limit is taken for PSL
- b. No. Outstanding limit has been capped at Rs.20 lakhs
- c. No. Though the sanctioned limit has been capped at Rs.20 lakh, outstanding limit can't be above Rs.20 lakh
- d. None of the above

Ans - a

Which of the following statements is true of SLR?

- (i) It is to be maintained by all Financial Institutions
 - (ii) It is to be maintained as liquid assets
 - (iii) These need to be kept in non-cash form
- a. Only (i) and (ii)
 - b. Only (i) and (iii)
 - c. Only (ii) and (iii)
 - d. (i), (ii) and (iii)

Ans - d

GFCF stands for

- a. Gross Fixed Capital Formation
- b. Gross Fixed Currency Frequency
- c. Grievances for Fixed Capital Formation
- d. Grievances for Fixed Currency Frequently

Ans - a

Which among the following can be used as the factors to determine the current stage of the economic cycle?

- (i) Consumer Saving
- (ii) Total Employment
- (iii) Gross Domestic Product

-
- a. Only (i) and (ii)
 - b. Only (i) and (iii)
 - c. Only (ii) and (iii)
 - d. (i) (ii) and (iii)

Ans – c

.....

The buying of government securities in the open market helps

- a. Contract the amount of money in the banking system
- b. Sucks the money out from the banking system
- c. Inject money into the banking system
- d. Stimulate growth and sucks money from the market

Ans – c

.....

Priority Sector Lending guidelines are applicable to which of the following types of banks?

- (i) Land Development Bank
- (ii) Foreign banks
- (iii) RRB
- (iv) Cooperative Banks

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans - d

.....

An IS curve shows combinations of

- a. taxes and government spending
- b. nominal money balances and price levels
- c. interest rates and income that bring equilibrium in the market for real balances
- d. interest rates and income that bring equilibrium in the market for goods and services

Ans - d

.....

.....
The ownership of goods under hire purchase agreement belongs to the

- a. seller
- b. purchaser
- c. seller and purchaser
- d. purchaser and financial institution

Ans - a

.....

Initially, the central government will own 100% shares of NaBFID which may subsequently be reduced up to

- a. 26%
- b. 33%
- c. 51%
- d. 74%

Ans – a

.....

Which of the following is not correct about development banks in India?

- a. The Development Banks do not seek or accept deposits from the public
- b. They provide short term finance
- c. The development banks promote economic development by promoting investment & enterprise
- d. None of these

Ans - b

.....

Following economy traits are the characteristic feature of which phase of business/economy cycle?

1. Prolonged increase in demand
2. Heating up of economy
3. Demand-supply lag

- a. Recession
- b. Depression
- c. Recovery
- d. Boom

Ans – d

.....

Which of the following does not match?

- a. Food and Agricultural Organisation - Rome
- b. International Monetary Fund - Washington, DC
- c. United Nations Fund for Population Activities - New York
- d. International Fund for Agricultural Development Geneva

Ans - d

What does the principle of "Uberrimae Fidei" mean in the context of an insurance product?

- a. Principle of subrogation
- b. Principle of consideration
- c. Principle of utmost good faith
- d. Principle of proximate cause

Ans - c

Who conducts the certification that have to be passed by persons/entities engaged in marketing and selling of mutual funds?

- a. SEBI
- b. AMFI
- c. IRDAI
- d. PFRDA

Ans - b

Which of the following is India's first Credit Information Company?

- a. CRISIL
- b. CIBIL
- c. SMERA
- d. CERSAI

Ans - b

FDI in India is allowed by two modes Government route and

- a. Automatic route

- b. Trade route
c. Bank route
d. All of the above

Ans - a

A Government Security (G-Sec) is a tradeable instrument issued by the

- (i) Central Government
(ii) State Government

- a. Only (i)
b. Only (ii)
c. Either (i) or (ii)
d. None of the above

Ans – c

As per the IMF WEO April 2022, name the world's fastest-growing major economy in 2022.

- a. India
b. China
c. US
d. Russia

Ans – a

Who investigates the contravention of provisions of FEMA 1999?

- a. Enforcement Directorate
b. RBI
c. Finance Ministry
d. SEBI

Ans - a

Which of the following is/are true about India's INDC?

- (i) Reduce emission intensity by 33-35% of GDP of 1990 level by 2030
(ii) 40% cumulative electric power installed from non fossil fuel based energy resources by 2030

(iii) To create addition carbon sink

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

After completion of 10 years or upon completion of 03 years if subscriber has joined NPS after 60 years of age, subscriber can withdraw maximum % of the corpus as lumpsum and minimum % of the corpus has to be utilised for purchasing an annuity plan for receiving the pension.

- a. 20, 80
- b. 30, 70
- c. 40, 60
- d. 50, 50

Ans - a

Under PMAY loans to individual up to Rs. lakhs in Metro (with population 10 lakhs & above) cover under Priority sector

- a. 25 Lakhs but dwelling unit not to exceed 30 lakhs
- b. 28 Lakhs but dwelling unit not to exceed 35 lakhs
- c. 30 Lakhs but dwelling unit not to exceed 35 lakhs
- d. 35 Lakhs but dwelling unit not to exceed 45 lakhs

Ans - d

Which of the following statements is true about Stocks?

- (i) A corporation does not hold the right to repurchase the preferred stock in the future
- (ii) A corporation must deposit part of its profits into a fund, and, thus, the corporation can guarantee dividend payments to preferred stockholders
- (iii) Preferred stock allows stockholders to vote at stockholder meetings, while Common stock does not have any voting rights
- (iv) A stockholder can convert preferred stock into common stock on a specific date in the future

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)

- c. (i), (iii), (iv)
d. (i), (ii), (iii), (iv)

Ans – c

With reference to Infrastructure Investment Trusts (InvIT), which of the statements given below is/are correct?

- (i) InvITs are investment scheme similar to mutual funds
(ii) This investment is more attractive for investors as it provides greater flexibility
- a. Only (i)
b. Only (ii)
c. Either (i) or (ii)
d. Both (i) and (ii)

Ans - d

What is the minimum capital requirement for setting up a Small Finance Bank?

- a. Rs 100 crores
b. Rs 200 crores
c. Rs 500 crores
d. Rs 750 crores

Ans – a

Which of the following statements describes the state of infrastructure in low-income countries?

- a. Low-income countries generally do not invest in building transport services
b. Low-income countries generally do not invest in building irrigation services
c. Low-income countries generally do not invest in building power services
d. Low-income countries generally do not invest in building telecommunication services

Ans – d

Which among the following is not a pillar of the National Education Policy 2022?

- a. Accessibility
b. Equity

- c. Quantity
d. Accountability

Ans – c

The M3 measure of money supply includes which among the following?

- (i) Short-term repurchase agreements
(ii) Time deposits of all commercial and cooperative banks

- a. Only (i)
b. Only (ii)
c. Both (i) and (ii)
d. Neither (i) nor (ii)

Ans – c

At what levels, fair globalisation must be supported by the interdependent and mutually reinforcing pillars of economic development, social development, and environmental protection?

- (i) Local Level
(ii) National Level
(iii) Regional Level
(iv) Global Level

- a. (ii), (iv)
b. (i), (ii), (iv)
c. (i), (iii), (iv)
d. (i), (ii), (iii), (iv)

Ans – d

Core Investment Companies with asset size of less than are exempted from registration with RBI

- a. Rs 50 crore
b. Rs 100 crore
c. Rs 150 crore
d. Rs 500 crore

Ans - b

Which of the following statements is/are correct about the FTP 2015-20?

- (i) The FTP 2015-20 included two new schemes: the 'Merchandise Exports from India Scheme (MEIS) ' for exporting defined products to designated destinations, and the 'Services Exports from India Scheme (SEIS) for promoting exports of designated services
 - (ii) SEIS was applied to "Indian Service Providers" instead of "Service Providers located in India" regardless of the constitution or profile of the service provider
 - (iii) Served from India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS)
- a. Only (i) and (ii)
 - b. Only (i) and (iii)
 - c. Only (ii) and (iii)
 - d. (i) (ii) and (iii)

Ans – b

In India, merchant Banks operate in the form of divisions of India and foreign banks and financial institution, Subsidiary companies established by

1. SBI Capital Markets Ltd.
2. Can Bank Financial Services Ltd.
3. PNB Capital Services Ltd.
4. BOI Finance Ltd.
5. Indian Bank Merchant Banking Services Ltd.

- a. 1, 2, 4, 5
- b. 2, 3, 4, 5
- c. 1, 2, 3, 4, 5
- d. 1, 3, 4, 5

Ans – c

Which of the following statements is true?

- a. The power that gets generated from water is known as thermal power
- b. The power that gets generated from water is known as atomic power
- c. The power that gets generated from water is known as tidal power
- d. The power that gets generated from water is known as hydroelectric power

Ans – d

.....
The increase in the price of a bond when the interest rate goes down by a certain percentage, is the decrease in its price when the interest rate goes up by the same percentage

- (i) greater than
 - (ii) lesser than
-
- a. Only (i)
 - b. Only (ii)
 - c. Either (i) or (ii)
 - d. Neither (i) nor (ii)

Ans - a
.....

Which of the following are not participants in the forex market?

- a. Brokers
- b. Commercial banks
- c. Jobbers
- d. Central banks

Ans – c
.....

State Development Loans are instruments in which of the following markets?

- a. Money market
- b. Credit market
- c. Debt market
- d. Derivatives market

Ans – c
.....

The Gilt funds invest exclusively in

- a. Certificate of Deposits
- b. Debentures
- c. Corporate Bonds
- d. Government securities

Ans - d
.....

Which of the following are the indicators of the Monetary Policy?

- (i) Inflation
- (ii) GDP
- (iii) MSF Rate

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Which of the following statements are correct?

- (i) Business cycles are highly unpredictable
- (ii) Economic activity is at its lowest level during the recession phase
- (iii) During boom period production capacities are fully utilized

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

A Joint Liability Group (JLG) is a group of people of same village/locality of homogenous nature and of same socio-economic background

- a. 2 to 5
- b. 2 to 10
- c. 4 to 10
- d. 5 to 10

Ans - c

All equity/stock settlements in India happens on basis

- a. T+4
- b. T+3
- c. T+2

d. T+1

Ans - c

What is the main focus of Atmanirbhar Bharat Abhiyan?

- a. Land, Labour, Liquidity and Laws
- b. Land, Labour and Laws
- c. Land, Labour, Liquidity and Real Estate
- d. None of these

Ans - a

In economics utility is defined as the power of a commodity or service to satisfy a human want. Which of the following statements is not true about utility?

- (i) Utility is the want-satisfying power of a commodity, while the term 'value' would mean the power of a commodity to exchange for another commodity.
- (ii) Utility varies with ownership
- (iii) The same commodity may have different degrees or magnitude of economic value for different persons
- (iv) Both economic and free goods have value. But only economic goods have utility

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans – b

What is Real GDP?

- a. GDP at Constant Price
- b. GDP at Current Price
- c. GDP at Today's Price
- d. GDP at Variable Price

Ans - a

Under forfaiting, the exporter is able to transfer which of the following risk?

- (i) Interest rate risk
- (ii) Currency risk
- (iii) Credit risk and political risk

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The British introduced the following systems to take excessive land tax from farmers

- (i) Zamindari systems
- (ii) Mahalwari systems
- (iii) Ryotwari systems

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans - d

How do big private companies contribute in the development of a nation?

- a. By increasing productivity of the country in the manufacturing of industrial goods
- b. By providing private hospital facilities for the rich
- c. By increasing the demands for their products through advertisements
- d. By increasing their profits

Ans - a

For undertaking the PD business departmentally, a bank should be registered as an NBFC with

- (i) RBI (DNBR)
- (ii) RBI (IDMD)

- a. Only (i)

- b. Only (ii)
c. Either (i) or (ii)
d. Neither (i) nor (ii)

Ans - b

When initially set up, RBI served as the central bank to

- (i) Undivided India
(ii) Divided India
(iii) Burma (now Myanmar)

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans – b

..... is an unsecured money market instrument issued in the form of a promissory note and held in a dematerialized form though any of the depositories approved by and registered with SEBI.

- a. Certificates of deposit
b. Commercial Paper
c. Bills of exchange
d. Bonds market

Ans – b

According to the IMF's April 2022 World Economic Outlook (WEO), the Indian economy would grow by in fiscal year 2022-23, before slowing down to in fiscal year 2023-24

- a. 8.7 %, 6.8 %
b. 8.7 %, 6.9 %
c. 8.9 %, 6.8 %
d. 8.9 %, 6.9 %

Ans – d

.....

The erstwhile Industrial Reconstruction Bank of India (IRBI) is now known as

- a. IFCI
- b. ICICI
- c. IDBI
- d. Industrial Investment Bank of India Ltd

Ans - d

.....

Name the system through which money market trades are conducted?

- a. NEFT
- b. E-Kuber
- c. UPI
- d. NDS-Call system

Ans - d

.....

The tenure of members of the local Board will be years and can be re-appointed for a maximum of terms totalling years

- a. 3, 2, 6
- b. 3, 3, 9
- c. 4, 2, 8
- d. 4, 3, 12

Ans - c

.....

The with-recourse factoring means

- a. where the factor is not responsible for the loss to the seller on account of his actions
- b. where the factor assumes the risk of default in payment by the buyer
- c. where the risk of default in payment by the buyer is that of the seller
- d. where all the risk associated with the factoring is that of the buyer

Ans - c

.....

..... provides reinsurance to insurers in India as well as abroad

(i) General Insurance Corporation (GIC) Re

.....

(ii) National Insurance Corporation (GIC) Re

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans – a

Which of the following is/are true regarding multilateral climate funds?

- (i) Global environment facility (GEF) established as financial mechanism of UNICCCC in 2011.
- (ii) Green climate fund (GCF) is financial mechanism of biodiversity and climate change convention in 1992 for helping developed countries.
- (iii) Clean technology fund is first largest multilateral climate funds.

- a. Only 1
- b. Only 1 and 2
- c. Only 2 and 3
- d. None

Ans - d

In the IS-LM model, a decrease in government purchases leads to a(n) in planned expenditures, a(n) in total income, a(n) in money demand, and a(n) in the equilibrium interest rate.

- a. decrease; decrease; decrease; decrease
- b. increases; increase; increases; increase
- c. decrease; decrease; increase; increase
- d. increase; increase; decrease; decrease

Ans - a

Guidelines presently in force for setting up Universal banks in the Private Sector space are

- (i) Initial minimum paid up capital of Rs 500 crores
- (ii) The bank should open at least 25% of its branches in unbanked rural areas
- (iii) The bank should achieve its priority sector targets and sub-targets, as applicable to scheduled commercial banks

- a. Only (i) and (ii)

- b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans – d

Which is the most frequent method in India, of calculating inflation?

- a. Consumer Price Index
b. Food Inflation Index
c. GDP Deflator
d. Wholesale Price Index

Ans - d

Which of the following is not an OTC derivative?

- a. Swaps
b. Exotics
c. Currency futures
d. Forward contracts

Ans – c

Infrastructure Debt Funds (IDFs) can be set up as a

- (i) Mutual Fund (IDF-MF)
(ii) Non-Banking Finance Company (IDF-NBFC)

- a. Only (i)
b. Only (ii)
c. Either (i) or (ii)
d. Neither (i) nor (ii)

Ans - c

The main function of the IFC is to

- a. Make special efforts to promote international trade
b. Encourage the growth of productive private enterprises in less developed member countries

-
- c. Assist those countries with an annual per capital gross national product of less than \$520
 - d. Promote foreign investment

Ans - b

.....

The Majority shareholder in CRISIL is

- a. Standard and Poors
- b. Fitch Ratings Inc.
- c. Moody's
- d. Dun and Bradstreet

Ans - a

.....

If the Employee's salary is 20,000 and the employer opts for Minimum EPF, amount the employee will contribute towards EPF will be

- a. 1000
- b. 1200
- c. 1800
- d. 2400

Ans - c

.....

Which of the following are exchange traded derivatives?

- (i) forward contracts
- (ii) futures
- (iii) options

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

Which of the following has/have occurred in India after its liberalization of economic policies in 1991?

- 1. Share of agriculture in GDP increased enormously
- 2. Share of India's exports in world trade increased

3. FDI inflows increased
4. India's foreign exchange reserves increased enormously

- a. 1 and 4 only
b. 2, 3 and 4 only
c. 2 and 3 only
d. 1, 2, 3 and 4

Ans - b

Find odd one out

- a. Cyclical Trend
b. Dependent Variable
c. Seasonal Variation
d. Secular Trend

Ans - b

Which are correct with respect to Non achievement of Priority sector target?

- (i) Shortfall to be deposited with RIDF/SIDBI etc
(ii) will be taken into account while granting regulatory clearances for various purposes
(iii) will be taken into account while granting approvals for various purposes

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans - d

The first computerised stock exchange in India was

- a. Bombay Stock Exchange (BSE)
b. Multi Commodity Exchange (MCX)
c. National Stock Exchange (NSE)
d. Over-the-Counter Exchange of India (OCTEI)

Ans - c

.....
FIMMDA is an association of

- (i) Commercial Banks
- (ii) Financial Institutions
- (iii) Primary Dealers

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

'Garibi Hatao' (alleviate poverty) is the motto of which five-year plan?

- a. 1st Five-year plan
- b. 3rd Five-year plan
- c. 4th Five-year plan
- d. 6th Five-year plan

Ans – d

.....

A Venture Capital Fund may raise moneys from any investor by way of issue of units, provided the minimum amount accepted from an investor is _____

- a. Rs 5 lakhs
- b. Rs 10 lakhs
- c. Rs 1 crore
- d. Rs 10 crores

Ans – a

.....

Which of the following is/are elements of Green finance?

- (i) Banking system
- (ii) Bond market
- (iii) Institutional investment

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)

.....

d. (i), (ii) and (iii)

Ans - d

Which of the following statements is correct about the sources of power in India?

- a. Hydroelectricity is the largest source of power generation in India
- b. Thermal energy is the largest source of power generation in India
- c. Solar energy is the largest source of power generation in India
- d. Wind energy is the largest source of power generation in India

Ans – b

..... due to the advent of a new COVID variety, are undermining manufacturer confidence

- (i) Cost pressures from increasing energy
- (ii) Raw material prices
- (iii) Drop in demand

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d

What is the minimum amount for investing in a mutual fund using the SIP method?

- a. Rs 100
- b. Rs 500
- c. Rs 1,000
- d. Rs 5,000

Ans – b

Business Cycle is also called as

- a. Economic cycle
- b. Entrepreneur cycle
- c. Social cycle

d. Vicious cycle

Ans - a

Which of the following statement is/are correct about inflation?

- (i) The rise in the cost of raw materials and other inputs results in inflation
- (ii) If the demand is high for a product and supply is low, the price of the products increases.

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Neither (i) nor (ii)

Ans – c

A forfaiter gives an undertaking to execute a specific forfaiting transaction at a firm discount rate within a specified time. What is the fees for such undertaking known as?

- a. Undertaking fees
- b. Commitment fees
- c. Blocked fees
- d. Financing fees

Ans – b

Which of the following statement is/are correct about the NITI Aayog?

- (i) The aim of NITI Aayog is to achieve Sustainable Development Goals and to enhance cooperative federalism in the country.
- (ii) The Prime Minister of India is the ex officio Chairperson of the NITI Aayog
- (iii) There are 8 full time members in the NITI Aayog

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – a

.....
No bank shall set up a subsidiary/joint venture company for undertaking insurance broking and corporate agency, if its net worth is less than Rs. after investing in the equity of such company

- a. 50 crore
- b. 100 crore
- c. 200 crore
- d. 500 crore

Ans - d
.....

Of the 68 insurers in operation, are in the public sector and the remaining are in the private sector

- a. 6, 62
- b. 8, 60
- c. 10, 58
- d. 14, 54

Ans – b
.....

Which of the following categories comes under priority sector?

- (i) Export Credit
- (ii) Agriculture
- (iii) Social Infrastructure
- (iii) Renewable Energy

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans - d
.....

Who of the following is the part of Governing Council of NITI Aayog?

- (i) All Chief Ministers of the states
- (ii) Chief Ministers of Delhi and Puducherry
- (iii) Lieutenant Governor of Andaman & Nicobar Island

- a. Only (i) and (ii)
-

- b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i) (ii) and (iii)

Ans – d

Which of the following is the process by which the venture capitalist scrutinises all the different projects which are available for investing in ventures?

- a. Screening
b. Deal origination
c. Evaluation
d. Post Investment Activity

Ans – a

Which among the following contributes the most to plan financing in India?

- a. Domestic Budgetary Sources
b. Deficit Financing
c. Foreign Assistance
d. None of the above

Ans – a

With reference to Infrastructure Investment Trusts (InvIT), which of the statements given below is/are correct?

- (i) It is similar to a mutual fund, which enables direct investment of money from individual and institutional investors in infrastructure projects.
(ii) The India Grid Trust (IndiGrid) an infrastructure investment trust (“InvIT”) is established to own inter-state power transmission assets in India.

- a. Only (i)
b. Only (ii)
c. Either (i) or (ii)
d. Both (i) and (ii)

Ans - d

Which of the following is the first Development Bank of India?

- a. IFCI
- b. SFC
- c. NABARD
- d. State Industrial Development corporations

Ans - a

Which of the following statement is/are true for cyclones?

- a. Cyclones are centres of low pressure surrounded by closed isobars and having increasing pressure outwards.
- b. Cyclones range in shape from circulars, elliptical to 'V' shaped.
- c. Cyclones have an immense influence on the climate and weather.
- d. All the above are correct.

Ans - d

In business cycle, what follows after depression

- a. Boom
- b. Depression
- c. Recession
- d. Recovery

Ans - d

Which of the following are the reasons for wider acceptance of globalisation?

- A) Investment
- B) The proliferation of technology
- C) Robust institutions
- D) Restricted trade
- E) Effective macroeconomic policies
- F) Educated workforce
- G) The presence of a market economy
- H) Underprivileged Society

- a. A B C D E F G
- b. A C D E F H

- c. A B C E F G
d. A B C D E F G H

Ans – c

..... is/are the service company/operational entity which will manage the stressed asset and engage market professionals and turnaround experts

- (i) NARCL
(ii) IDRCL
- a. Only (i)
b. Only (ii)
c. Either (i) or (ii)
d. Both (i) and (ii)

Ans – b

What is the maximum period for which an Nbfd-D can accept deposits?

- a. 12 months
b. 36 months
c. 60 months
d. 120 months

Ans – c

In method the starting time & exit time of the venture investment is only considered.

- a. Conventional valuation method
b. First chieago method
c. Revenue multiplier method
d. Critical Path Method

Ans - a

You observe that the price of a good rises and the quantity decreases. These observations can be the result of

- a. the demand curve shifting rightward

- b. the demand curve shifting leftward
c. the supply curve shifting rightward
d. the supply curve shifting leftward

Ans - d

The primary capital market is defined as when the company first time publicly vends the new bonds and stocks, which takes place in the primary capital market. The primary capital market is also known as the new issues market. Furthermore, the new issue converts into the initial public offering (IPO). The secondary market is a platform in which

- a. Only earlier allotted securities are being traded among investors.
b. Investors trade in new securities
c. Individually cannot participate
d. None of the above

Ans - a

What were the reasons for introducing the economic reforms in 1991?

- (i) The Gulf war
(ii) The negative balance of payments
(iii) Increase in fiscal deficit

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i) (ii) and (iii)

Ans - d

The initials LM stand for

- a. Liquidity Model
b. Liquidity preference and Money supply equilibrium
c. Liquidity and Money Model
d. Liquidity and money

Ans – b

.....

A transaction carried out at an ATM of the card issuing bank is called an transaction.

- a. ON-US
- b. OFF-US
- c. ON-U
- d. ON-ME

Ans – a

.....

Which of the following is/are part of the financial system?

- (i) Financial market
- (ii) Financial instrument
- (iii) Financial institution

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans – d

.....

The process of transferring the ownership, management and control of a public sector partially/entirely to the private sector is known as

- a. Globalisation
- b. Liberalisation
- c. Privatisation
- d. None of the above

Ans - c

.....

The Governor and Deputy Governors appointed for a period not exceeding years

- a. Three
- b. Four
- c. Five
- d. Six

Ans – c

.....
Improper investments and cheap imports for infrastructure can cause

- (i) Slow development of the industrial sector
- (ii) Finding alternative options for domestic productions
- (iii) The slow growth of the agricultural sector

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i) (ii) and (iii)

Ans - d

.....

Narrow Money consists of

- a. Currency with the Public, Demand Deposits, 'Other' Deposits with the RBI
- b. Currency with the Public, Time Deposits, 'Other' Deposits
- c. Time deposits, Demand Deposits, 'Other' Deposits with the RBI
- d. Currency with the Public, Demand Deposits

Ans - a

.....

The tenor of certificate of deposit issued by commercial banks ranges from to

- a. 7 days, 1 year
- b. 14 days, 1 year
- c. 1 year, 3 years
- d. 14 days, 3 years

Ans - a

.....

Which one of the following activities can be included in the primary sector?

- a. Cultivating sugar cane
- b. Providing storage facility for the grains
- c. Giving loans to the farmer
- d. Making Sugar from sugar cane

Ans - a

.....

.....
The Reserve Bank of India controls the credit through the Traditional and

- a. Efficiency Method
- b. Modern Method
- c. Custodian Method
- d. Selective Method

Ans – d
.....

Which two of the following descriptions regarding hire purchase are true?

- I. Interest is charged by seller on cash price
- II. Hire Purchase Price = Cash Price + Total Interest
- III. Once the deposit is paid, the ownership of goods is held by the buyer
- IV. Instalment = (Amount To Be Financed + Total Interest) / Total Number Of Instalments

- a. I,II
- b. I,III
- c. II,IV
- d. III,IV

Ans - c
.....

Normally the demand curve will have a shape.

- a. Upward sloping
- b. Downward sloping
- c. Vertical
- d. Horizontal

Ans - b
.....

The service sector includes activities such as

- a. Agriculture, dairy, fishing and forestry
- b. Making sugar, gur and bricks
- c. Transport, communication and banking
- d. None of these

Ans - c
.....
.....

Bank shall not contribute more than % of the equity of Infrastructure Debt Fund, set up as a Non-Banking Finance Company (IDF-NBFC)

- a. 30
- b. 49
- c. 51
- d. 71

Ans - b

Which of the following statements are correct?

- (i) Pension Fund Regulatory and Development Authority (PFRDA) permits Non-resident Indians (NRIs) to invest in National Pension System (NPS).
- (ii) PFRDA is authorized by Ministry of Finance, Department of Financial Services.

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Neither (i) nor (ii)

Ans – c

The low per capita income is mainly attributed to high levels of

- a. poverty, unemployment, illiteracy
- b. poverty, employment, illiteracy
- c. poverty, unemployment, literacy
- d. poverty, employment, literacy

Ans - a

The slope of IS curve is

- a. Upward Sloping
- b. Downward Sloping
- c. Perpendicular Sloping
- d. None

Ans - b

.....
Important Acts that govern the establishment and operations of Insurance Companies in India are

- (i) The Insurance Act, 1938
- (ii) The LIC Act, 1956
- (iii) General Insurance Business Nationalisation Act, 1972 (GIBNA)

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d

.....

The Team India Hub (NITI Aayog) coordinates state involvement with the while the Knowledge and Innovation Hub strengthens

- a. Central Government, NITI's think-tank capabilities
- b. NITI's think-tank capabilities, Central Government
- c. State Government, NITI's think-tank capabilities
- d. NITI's think-tank capabilities, State Government

Ans - a

.....

What is the minimum capital requirement for setting up a Universal Bank?

- a. Rs 100 crores
- b. Rs 200 crores
- c. Rs 500 crores
- d. Rs 750 crores

Ans – b

.....

Which among the following is not a type of treasury bill issued in India?

- a. 45 day
- b. 91 day
- c. 182 day
- d. 364 day

Ans - a

.....

.....
A derivative is a financial instrument

- (i) that requires no initial net investment or little initial net investment
- (ii) that is settled at a future date

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans – d

.....
"Development Banks" are

- a. Branches of commercial Banks whether in private or public sector, situated in rural area for upliftment of weaker sections of the society
- b. Financial sections which provide long term finance to industries
- c. Land development banks which provide development financing to agriculture
- d. None of these

Ans - b

.....
With respect to InvITs, which of the statements given below is/are correct?

- (i) They can be thought of as a modified form of real estate investment trusts.
- (ii) SEBI regulates InvITs.
- (iii) They're similar to mutual funds in that they let individuals and institutions invest small sums of money directly in infrastructure.

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....
In economics, who gave the theory of wealth?

- a. Adam Smith
- b. Robin
- c. J.N.Keyens

d. Alfred Marshal

Ans - a

Which of the following statements are Incorrect?

- (i) In the redistribution function of the government budget, the government provides certain goods and services which cannot be provided by the market mechanism i. e. by exchange between individual consumers and producers
- (ii) In the allocation function of the government budget, government can decide not to allocate the public good to the free-riders
- (iii) In the allocation function of the government budget, the government affects the personal disposable income of households by making transfers and collecting taxes
- (iv) In the stabilisation function of the government budget, the government in order to correct fluctuations in income and employment expands or reduces the demand

- a. (i), (ii), (iii)
- b. (i), (ii), (iv)
- c. (ii), (iii), (iv)
- d. (i), (ii), (iii), (iv)

Ans – a

A market demand Schedule for a product indicates that

- a. as the product price falls, consumers buy less of the good
- b. there is a direct relationship between price and quantity demanded
- c. as a product price rises, consumers buy less of other goods
- d. there is an inverse relationship between price and quantity demanded

Ans - d

The option contract that can be exercised only at the date of maturity is called

- a. European option
- b. American option
- c. Bermudan option
- d. Call option

Ans - a

Between two bonds of same maturity but different coupons, the bond with the will experience more price sensitivity than the one with

- a. lower coupon, higher coupon
- b. higher coupon, lower coupon
- c. Both a and b
- d. None of the above

Ans - a

Which of the following are the characteristics of a Mortgage Loan?

- (i) It is secured against, immovable and fixed property
- (ii) It is a long term loan in nature
- (iii) It is repaid in small monthly installments along with interest

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

For undertaking primary dealership business, banks must fulfil the following criteria

- (i) Minimum Net Owned Fund of Rs 1,000 crores
- (ii) Minimum CRAR of 9 per cent
- (iii) Net NPAs of less than 5 per cent and a profit-making record for the last three years

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

What is the penal interest bank have to pay to RBI if it cannot maintain mandatory CRR requirement on daily basis?

- a. Bank rate + 3%
- b. Bank rate + 4%

- c. Bank rate + 5%
d. Bank rate + 6%

Ans - a

Answer the following questions regarding Atal Pension Yojana

1. The minimum age of the APY subscriber should be

- a. 10 years
b. 14 years
c. 18 years
d. 21 years

2. The maximum age of the APY subscriber should be

- a. 30 years
b. 35 years
c. 40 years
d. 45 years

3. Government co-contribute will be available to who join the scheme during the period from to and who are not covered by any Statutory Social Security Scheme and are not income tax payers

- a. 01.06.2014, 31.03.2015
b. 01.06.2015, 31.03.2016
c. 01.06.2014, 31.03.2016
d. 01.06.2015, 31.03.2017

4. Government co-contribution will be % of the total contribution subject to a maximum of Rs. at the end of financial year

- a. 25%, 1000
b. 50%, 1000
c. 25%, 5000
d. 50%, 5000

5. The contributions can be made at intervals through autodebit facility from savings bank account/post office savings bank account of the subscriber. (i) monthly, (ii) quarterly, (iii) half yearly

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)

d. (i), (ii) and (iii)

6. What will happen if a subscriber becomes non-citizen of the country?

- a. The APY account can continue
- b. The APY account will be closed and only his own contribution and interest on it will be returned
- c. The APY account will be closed and his own contribution and the Government co-contribution and interest on it will be returned
- d. None of the above

7. An existing subscriber of APY can change the auto debit mode once in a year during the month of

- a. January
- b. April
- c. July
- d. October

Answers

1-c, 2-c, 3-b, 4-b, 5-d, 6-c, 7-b

Answer the following questions regarding (PMSBY)

1. What is the minimum and maximum age to subscribe for (PMSBY)?

- a. Min-18, Max-40
- b. Min-18, Max-50
- c. Min-18, Max-60
- d. Min-18, Max-70

2. What is the premium payable?

- a. Rs. 12/- per month
- b. Rs. 20/- per month
- c. Rs. 12/- per annum
- d. Rs. 20/- per annum

3. What would be the sum assured under the scheme in case of Death?

- a. Rs. 1 Lakh
- b. Rs. 2 Lakhs
- c. Rs. 3 Lakhs
- d. Rs. 5 Lakhs

4 What would be the sum assured under the scheme in case of Total and irrecoverable loss of both eyes or loss of use of both hands or feet or loss of sight of one eye and loss of use of hand or foot?

- a. Rs. 1 Lakh
- b. Rs. 2 Lakhs
- c. Rs. 3 Lakhs
- d. Rs. 5 Lakhs

5. What would be the sum assured under the scheme in case of Total and irrecoverable loss of sight of one eye or loss of use of one hand or foot?

- a. Rs. 1 Lakh
- b. Rs. 2 Lakhs
- c. Rs. 3 Lakhs
- d. Rs. 5 Lakhs

6. Will this cover be in addition to cover under any other insurance scheme the subscriber may be covered under?

- a. Yes
- b. Yes, subject to conditions
- c. No
- d. None of the above

Answers

1-d, 2-d, 3-b, 4-b, 5-a, 6-a

Answer the following questions regarding (PMJJBY)

1. What is the minimum and maximum age to subscribe for (PMJJBY)?

- a. Min-18, Max-40
- b. Min-18, Max-50
- c. Min-18, Max-60
- d. Min-18, Max-70

2. What is the premium payable?

- a. Rs. 12/- per month
- b. Rs. 20/- per annum
- c. Rs. 330/- per month
- d. Rs. 436/- per annum

3. What would be the amount payable on a subscriber's death due to any cause?

- a. Rs. 1 Lakh
- b. Rs. 2 Lakhs
- c. Rs. 3 Lakhs
- d. Rs. 5 Lakhs

4. What would be the premium to be appropriated towards Insurance Premium to LIC/other insurance company?

- a. Rs. 395/- per annum per member
- b. Rs. 289/- per annum per member
- c. Rs. 30/- per annum per member
- d. Rs. 11/- per annum per member

5. What would be the premium to be appropriated towards Reimbursement of Expenses to BC/Micro/Corporate/Agent?

- a. Rs. 395/- per annum per member
- b. Rs. 289/- per annum per member
- c. Rs. 30/- per annum per member
- d. Rs. 11/- per annum per member

6. What would be the premium to be appropriated towards Reimbursement of Administrative expenses to participating Bank?

- a. Rs. 339/- per annum per member
- b. Rs. 289/- per annum per member
- c. Rs. 30/- per annum per member
- d. Rs. 11/- per annum per member

7. Who offer/administer the scheme?

- a. United India Insurance Company
- b. LIC and other Life Insurance companies
- c. Any Non-Life Insurance company
- d. All of the above

8. Will this cover be in addition to cover under any other insurance scheme the subscriber may be covered under?

- a. Yes
- b. Yes, subject to conditions
- c. No

d. None of the above

9. Does the PMJJBY cover death resulting from natural calamities such as earthquake, flood and other convulsions of nature?

- a. Yes
- b. Yes, subject to conditions
- c. No
- d. None of the above

10. Does the PMJJBY cover death resulting from suicide / murder?

- a. Yes
- b. Yes, subject to conditions
- c. No
- d. None of the above

Answers

1-b, 2-d, 3-b, 4-a, 5-c, 6-d, 7-b, 8-a, 9-a, 10-a

IE&IFS Recollected Questions from May 2023 Exam

Which of the following is not the function of NITI AAYOG?

- a. Promote cooperative federalism
- b. Allocation of revenue resources between the Union and the State Governments
- c. Assess and monitor program and initiative execution
- d. Create a strategy and long-term policy and program framework

Ans – b

.....

What are the key characteristics of venture capital investments?

- a. Low-risk investments made for long-term goals
- b. High-risk investments made for short-term goals
- c. Low-risk investments made for short-term goals
- d. High-risk investments made for long-term goals

Ans – d

.....

What is the intention of a Venture Capitalist (VC) while providing equity finance to a start-up?

- a. To retain the investment in the investee company for ever
- b. To earn regular returns in the form of interest on loans
- c. To act as the owner of the enterprise and participate in day-to-day management
- d. To provide risk capital which is not available otherwise, due to the high degree of risk involved in the venture

Ans – d

.....

What were the recommendations of the Narasimha Committee on Banking Sector Reforms?

- a. Reforms in the credit delivery mechanism
- b. Introduction of prudential norms in banking
- c. Strengthening of banking supervision
- d. All of the above

Ans - d

.....

Which regulatory body in India is responsible for regulating foreign exchange?

- a. Reserve Bank of India (RBI)
- b. Securities and Exchange Board of India (SEBI)
- c. Ministry of Finance
- d. Competition Commission of India (CCI)

Ans - a

What is factoring in finance?

- a. A method of financing where a company sells its accounts receivable to a third party at a discount.
- b. A method of financing where a company sells its accounts payable to a third party at a discount.
- c. A method of financing where a company borrows money from a bank using its inventory as collateral.
- d. A method of financing where a company borrows money from a bank using its accounts receivable as collateral.

Ans - a

What is the upper limit of investment in plant and machinery for a medium enterprise in the manufacturing sector as per the latest MSME classification?

- a. Rs. 10 crore
- b. Rs. 20 crore
- c. Rs. 50 crore
- d. Rs. 100 crore

Ans - b

What does COP stand for in the context of the UNFCCC conference?

- a. Conference on Pollution
- b. Conference of the Parties
- c. Conference on Paris Agreement
- d. Conference on Climate Change

Ans - b

Which of the following is a characteristic of the Money market?

- a. High liquidity
- b. Long-term investments
- c. High risk
- d. Volatility

Ans - a

What is a floating fund?

- a. A type of mutual fund
- b. A type of fixed deposit
- c. A type of insurance policy
- d. A type of loan

Ans - a

Which of the following initiatives is related to the development of ropeways in India?

- a. Bharatmala - Ropeways
- b. Gati Shakti - Multi Modal connectivity
- c. Parvatmala - Ropeways
- d. None of the above

Ans - c

Usually on which day the budget is presented in India?

- a. 26th January
- b. 1st April
- c. 1st February
- d. 15th August

Ans - c

Which of the following is typically not offered by Merchant Banks?

- a. Underwriting services
- b. Portfolio management

- c. Deposits and loans to individuals and companies
d. Mergers and acquisitions advice

Ans - c

Under the Ayushman Bharat project, how much amount has been allocated for the construction of health centers in tier 2 to tier 6 cities?

- a. Rs. 5 lakh
b. Rs. 10 lakh
c. Rs. 15 lakh
d. Rs. 20 lakh

Ans - b

What is the impact of increasing production costs in the boom phase on the fixed-income category?

- a. They are unaffected by the increase in prices
b. They increase their consumption to keep up with rising prices
c. They reduce their consumption as they can't afford to keep up with rising prices
d. They invest more to take advantage of the booming economy

Ans - c

Which of the following types of financial institutions are required under Section 42 of the RBI Act to keep cash reserves with the Reserve Bank of India?

- a. All banks operating in India
b. Only public sector banks
c. Only private sector banks
d. Only Banks included in the 2nd Schedule

Ans - d

What is the relationship between interest rates and the reserve requirements such as Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)?

- a. An increase in CRR will decrease interest rates while an increase in SLR will increase interest rates.
b. An increase in CRR and SLR will increase interest rates.
c. A decrease in CRR and SLR will decrease interest rates.

d. The relationship between CRR, SLR and interest rates is not direct.

Ans – d

What is the purpose of self-help groups (SHGs) in the context of microfinance sector?

- a. SHGs are the only providers of microfinance services to the poor in India
- b. SHGs were the pioneers of the modern microfinance movement in India
- c. SHGs have no role to play in the microfinance sector in India
- d. SHGs were created to help large corporations access cheap credit

Ans – b

In the case of matured SHGs, loans can be given up to

- a. 2 times the saving
- b. 3 times the savings
- c. 4 times the savings
- d. None of the above

Ans – d

Which of the following is a key objective of the Bharatmala Project?

- a. To create industrial corridors and promote economic growth
- b. To improve the quality of education in rural areas
- c. To develop tourism infrastructure in coastal regions
- d. To promote the use of renewable energy sources

Ans - a

Which of the following modes of transportation is not included in the Gati Shakti initiative?

- a. Road
- b. Rail
- c. Air
- d. Maritime

Ans - d

What does NNP stand for in economics?

- a. Net National Profit
- b. Net National Product
- c. Non-National Product
- d. National Nonprofit Program

Ans - b

What is the agenda of Niti Aayog for 2022-23?

- a. @75, Which focuses on transforming India into a high-income country by 2032
- b. @75, which aims to achieve a doubling of farmers income by 2032
- c. @75, which focuses on sustainable development and reducing carbon emission by 2030
- d. @75, which aims to achieve universal health coverage and reduce maternal and child mortality rates by 2032

Ans - a

What does the supply-demand curve show in economics?

- a. The relationship between the quantity of a good or service that producers are willing to sell and the quantity that consumers are willing to buy at different prices.
- b. The relationship between the quantity of a good or service that producers are willing to sell and the cost of producing that good or service.
- c. The relationship between the price of a good or service and the income of consumers
- d. The relationship between the quantity of a good or service that consumers are willing to buy and the cost of producing that good or service.

Ans - a

What is the maximum period for a notice money transaction?

- a. 1 day
- b. 7 days
- c. 14 days
- d. 30 days

Ans - c

Who is credited with developing the Keynesian theory in economics?

- a. John Maynard Keynes
- b. Adam Smith
- c. Milton Friedman
- d. Friedrich Hayek

Ans - a

Which of the following best describes the term "sunrise sector"?

- a. A sector that is experiencing declining demand and profitability
- b. A sector that is highly regulated by the government
- c. A sector that is emerging and growing rapidly
- d. A sector that is dominated by a few large players

Ans - c

What is the significance of Section 17 of the Reserve Bank of India Act?

- a. It empowers the RBI to issue bank notes of various denominations
- b. It provides for the establishment of the Monetary Policy Committee (MPC)
- c. It lays down the provisions for the maintenance of the cash reserve ratio (CRR) by banks
- d. It authorizes the RBI to regulate and supervise the functioning of commercial banks in India

Ans - a

A company is having stock of Rs. 50 lakh and on 01.01.2022 it has taken stock insurance for 40 Lakh as only the same was available with the insurance co. On 01.01.2022 fire break out and all stock was burnt, the company had claimed for Rs 40L as it was the max amount to claim. How much claim will be sanctioned to the company-

- a. 40 lakh
- b. 35 Lakh
- c. 36 Lakh
- d. Not sufficient information to answer

Ans - d

Which of the following best describes the objective of the Gati Initiative?

- a. To promote the use of renewable energy sources in the transportation sector
- b. To improve the quality of healthcare in rural areas
- c. To integrate various modes of transportation to a seamless and efficient transportation network
- d. To provide financial assistance to small and medium enterprises in the logistics sector

Ans - c

A customer bought 100 shares of RIL for 1800 each in dec 2020 and the company charged 100 premium at present 2022, the price of share is 2115 cal profit or loss

- a. Profit of Rs 34900
- b. Profit of 34900
- c. Loss of 35000
- d. None of the above

Ans - a

Characteristics of the Forex market

- i. Liquidity
- ii. Promptness
- iii. Availability
- iv. Fixed-value transactions

- a. i and ii only
- b. i, ii and iii only
- c. i, ii, iii, iv
- d. i and iii only

Ans - b

Which of the following is a characteristic of a hire purchase agreement?

- a. The ownership of the asset is transferred to the buyer immediately
- b. The buyer can return the asset at any time during the agreement period
- c. The buyer pays a portion of the purchase price as a down payment
- d. The seller is responsible for maintaining the asset during the agreement period

Ans - c

What is the full form of ACU?

- a. American Credit Union
- b. Asian Central Union
- c. African Currency Union
- d. Asian Clearing Union

Ans - d

What does REIT stand for?

- a. Real Estate Income Trust
- b. Real Estate Investment Trust
- c. Renewable Energy Income Trust
- d. Renewable Energy Investment Trust

Ans - b

Which was the first bank in India to launch merchant banking services?

- a. State Bank of India
- b. Punjab National Bank
- c. Bank of India
- d. ICICI Bank

Ans - d

Which of the following entities are eligible to deal in government securities in India?

- a. Banks
- b. Primary Dealers
- c. Insurance Companies
- d. All of the above

Ans - d

What is "Pamchamrit" in the context of Glasgow COP26?

- a. A type of renewable energy technology showcased at the conference
- b. A plan to reduce greenhouse gas emissions from the transport sector

-
- c. A five-point agenda for climate action proposed by India
 - d. A global initiative to reduce plastic pollution in oceans

Ans - c

.....

What is the periodicity of coupon payment for State Development Loans (SDL) in India?

- a. Monthly
- b. Quarterly
- c. Half-yearly
- d. Annually

Ans - b

.....

The first Narasimhan committee report was related to

- a. Banking sector reforms
- b. Industrial policy reforms
- c. Agricultural sector reforms
- d. Fiscal policy reforms

Ans - a

.....

If a student avails an education loan after September 2020 for Rs. 20 lakhs, how will PSL be calculated for this particular customer?

- a. Approved as within outstanding limit
- b. Approved as within sanctioned limit
- c. Rejected as above sanctioned limit
- d. Rejected as above outstanding limit

Ans - b

.....

Which entity is responsible for calculation of interest rates on banks' contributions to Rural Infrastructure Development Fund (RIDF) or other similar funds, if they fail to meet the Priority Sector targets?

- a. National Bank for Agriculture and Rural Development (NABARD)
 - b. Reserve Bank of India (RBI)
 - c. Ministry of Finance
-

d. The particular Bank itself

Ans – b

What is the benchmark interest rate for MSE (Micro and Small Enterprises) loans?

- a. Repo Rate
- b. Prime Lending Rate
- c. Marginal Cost of Funds based Lending Rate (MCLR)
- d. Base Rate

Ans - c

Which of the following banks was merged with Bank of Baroda (BOB)?

- a. Dena Bank
- b. Vijaya Bank
- c. Oriental Bank of Commerce
- d. Both (a) and (b)

Ans - d

What is the Plastic Hackathon 2021?

- a. A global initiative to reduce the use of single-use plastics
- b. An event to promote the use of plastic in various industries
- c. A competition to develop innovative solutions to manage plastic waste
- d. A conference to discuss the environmental impact of plastic pollution

Ans - c

Maximum sum insured under PMJJBY

- a. 100000
- b. 200000
- c. 300000
- d. 500000

Ans - b

.....

In accordance with the Priority Sector Lending (PSL) guidelines, which of the following groups do not fall under the category of weaker sections?

- a. Small and Marginal farmers
- b. Beneficiaries of NRLM, NULM and Self-employment schemes of government
- c. Individual women beneficiaries up to Rs 2 lakh per borrower
- d. Beneficiaries of Differential Rate of Interest (DRI) scheme

Ans – c

.....

What was the minimum threshold for bank deposits set by the Indian Government for nationalization of banks in 1969?

- a. Rs. 5,000
- b. Rs. 10,000
- c. Rs. 15,000
- d. Rs. 20,000

Ans - b

.....

What is the impact of Ayushman Bharat on Priority Sector Lending?

- a. Ayushman Bharat has no impact on Priority Sector lending targets for banks
- b. Ayushman Bharat has reduced the priority sector lending targets for banks
- c. Ayushman Bharat has increased the priority sector lending targets for banks
- d. Ayushman Bharat has introduced a separate lending category for healthcare infrastructure development

Ans - c

.....

Factors of production are

- a. land, labour, capital and entrepreneur
- b. land, labour and capital
- c. land labour capital and equity
- d. land labour and equity

Ans - a

.....

Which is not a member of Asian Clearing Union?

- a. Iran
- b. Bangladesh
- c. Myanmar
- d. Indonesia

Ans - a

According to world bank classification of world economies, India is a

- a. Low Income
- b. Lower Middle-Income
- c. Upper Middle-Income
- d. Higher Income

Ans – b

What is the meaning of the term "One Sun One World One Grid" in th context of solar energy?

- a. A system of interconnecting power grids that share solar energy across the globe
- b. A single solar panel that can provide energy to the entire world
- c. A project to launch a satellite that will capture solar energy and distribute it to the world
- d. A policy to limit the use of solar energy to only one country or region

Ans - a

What is Gati Shakti?

- a. A Yoga posture
- b. A Hindu festival
- c. A Military strategy
- d. A Type of Indian cuisine

Ans - c

Which one is not a type of FDI?

- a. BROWNFIELD FDI
- b. GREENFIELD FDI

- c. Joint Ventures
d. None of the above

Ans - d

Based on the recommendations of the Narasimham Committee -I, the government implemented the following measures:

- i. Lowering SLR and CRR:
ii. Prudential Norms:
iii. Deregulation of Interest Rates:
iv. Freedom of Operation:
v. Competition from New Private Sector Banks

- a. i, ii, iii, and iv only
b. i, iii, iv, v only
c. i, and iii only
d. all of the above

Ans - d

According to the Narasimham Committee-II, what is the relationship between government control over banks and bank autonomy?

- a. They complement each other and are necessary for the success of the banking system
b. They are incompatible with each other and need to be reviewed
c. They have no effect on each other
d. The government should have complete control over banks for efficient functioning

Ans – b

What is the reason behind the GDP deflator being considered as more comprehensive in measuring inflation than the WPI and CPI?

- a. Because it is based on a fixed basket of goods and services
b. Because it covers a limited range of goods and services produced in the economy
c. Because it covers the entire range of goods and services produced in the economy
d. Because it is available on a monthly basis

Ans – c

Treasury bills tenor

- a. 91 days
- b. 181 days
- c. 90 days
- d. All of the above

Ans - a

.....

What was the initial share capital of Reserve Bank of India?

- a. 5 Crore
- b. 500 Crore
- c. 1000 crore
- d. none of the above

Ans - a

.....

What are the constituents of the 'basket' used in calculating the GDP deflator in each year?

- a. The set of all goods that were produced domestically, weighted by the market value of the total consumption of each good
- b. The set of all goods that were produced internationally, weighted by the market value of the total consumption of each good
- c. The set of all goods that were produced domestically, weighted by the quantity of each good
- d. The set of all goods that were produced internationally, weighted by the quantity of each good

Ans – a

.....

What does the term priority sector signify within the Indian economic framework?

- a. Only sectors that have a substantial influence on vast portions of the population and are employment intensive are considered priority sectors.
- b. Sectors those are important for the growth of the economy and the basic needs of the country.
- c. Any sector that contributes significantly to the country's GDP.
- d. Sectors those are important for the overall development of the country, regardless of their influence on the population.

Ans – a

.....

What is the core function of a factor in the context of the factoring business?

- a. To finance company's business against invoices
- b. To bear the losses if the buyer fails to pay
- c. To sell agricultural produce or goods of any kind
- d. To secure credit facilities provided by a bank.

Ans – a

.....

What is the maximum debt period permitted under factoring?

- a. 150 days
- b. 120 days
- c. 100 days
- d. 90 days

Ans – a

.....

What is the prescribed limit of Priority Sector Lending (PSL) targets for Urban Co-operative Banks (UCBs) as per the current guidelines?

- a. 40 per cent of Adjusted Net Bank Credit (ANBC)
- b. 70 per cent of Adjusted Net Bank Credit (ANBC)
- c. 75 per cent of Adjusted Net Bank Credit (ANBC)
- d. 50 per cent of Adjusted Net Bank Credit (ANBC)

Ans – c

.....

The RBI's predetermined standards for determining suitability for Priority Sector Lending do not correspond to the following?

- a. Activity specific
- b. Collateral specific
- c. Beneficiary specific
- d. Both (a) and (c)

Ans – b

.....

Who determines the criteria for Priority sector?

- a. Government of India
- b. Reserve Bank of India
- c. Both (a) and (b)
- d. NABARD

Ans – c

The RBI Act 1934 outlines the number of Local Boards that are formed within the RBI, as well as the number of members appointed to each of these boards - what are these numbers?

- a. 2 Local Boards with 5 members each
- b. 3 Local Boards with 5 members each
- c. 4 Local Boards with 5 members each
- d. 5 Local Boards with 5 members each

Ans – c

What is the specific clause in Chapter III-F of the RBI Act, 1934 that outlines the provision of information to the Monetary Policy Committee (MPC) members?

- a. Sub-section 45ZL
- b. Sub-section 45ZM
- c. Sub-section 45ZN
- d. Sub-section 45ZO

Ans – b

Who has been given the responsibility of exercising the general superintendence and direction of the Reserve Bank of India in accordance with Section 7 of the RBI Act, 1934?

- a. Central Government
- b. Central Board of Directors
- c. Governor
- d. Deputy Governors

Ans – c

.....
In the context of fiscal policy, which of the following statements is true about primary deficit?

- a. It is the difference between fiscal deficit and interest payments
- b. It is the difference between revenue deficit and interest payments
- c. It is the difference between capital deficit and interest payments
- d. None of the above

Ans – a

.....

Name the section that mandate banks to maintain CRR with RBI?

- a. Section 42(1) RBI Act
- b. Section 24(1) RBI Act
- c. Section 42(1) BR Act
- d. Section 24(1) BR Act

Ans – a

.....

As per sec 24 of RBI Act, max how much amount of currency note can be printed by RBI?

- a. 2000
- b. 10000
- c. 50000
- d. No upper limit

Ans - b

.....

The vehicle insurance taken by a customer so as to cover the expenses for the other person is called

- a. Third party insurance
- b. IDV
- c. Comprehensive insurance
- d. Life insurance

Ans - a

.....

New India @75 has 4 components one of which is driver, which of the following are the among the key recommendations in driver section?

- a. To raise the export of goods and services

.....

-
- b. Continued exit of the government from non-strategic public sector units
 - c. Promoting "Zero Budget Natural Farming" techniques
 - d. All of the above

Ans - d

.....

Which of the following reforms doesn't take place in 1992?

- a. Deregulation of Lending rates
- b. Debt Recovery Tribunal
- c. Deregulation of Branch licensing
- d. Entry of new private banks

Ans - c

.....

As per the RBI Act, 1934, which assets fall under the purview of the Issue Department's balance sheet?

- a. Rupee coins, rupee securities, and gold bullion only
- b. Foreign securities, rupee coins, and rupee securities only
- c. Gold coin, gold bullion, foreign securities, rupee coins, and rupee securities
- d. Only gold bullion

Ans - c

.....

What is a primary deficit?

- a. A deficit in the trade balance of a country
- b. A deficit in the government's budget caused by spending on primary education
- c. A deficit in the government's budget after taking into account interest payments on past debt
- d. A deficit in the government's budget before taking into account interest payments on past debt

Ans - d

.....

What is the difference between M1 and M2 in economics?

- a. M1 includes only physical currency, while M2 includes M1 plus credit card debt
 - b. M1 includes M2 plus credit card debt, while M2 includes only physical currency and savings accounts
 - c. M1 includes M2 plus long-term investments, while M2 includes only physical currency and demand deposits
-

.....

d. M1 includes only physical currency and demand deposits while M2 includes M1 plus savings accounts and small time deposits

Ans - d

.....

Which of the following is considered as a sunrise sector in the Indian economy?

- a. Information Technology (IT)
- b. Agriculture
- c. Manufacturing
- d. Banking

Ans - a

.....

ALL THE VERY BEST FOR YOUR EXAMS

SAMPLE QUESTIONS FOR JAIIB INDIAN ECONOMY & INDIAN FINANCIAL SYSTEM

Though we had taken enough care to go through the sample questions provided here, we shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents. Creation of these short notes is the efforts of so many persons. First of all we thank all of them for their valuable contribution. We request everyone to go through the Macmillan book and update yourself with the latest information through RBI website and other authenticated sources. In case you find any incorrect/doubtful information, kindly update us also (along with the source link/reference for the correct information).

Dr. K Murugan, DMS, MBA (Finance), MBA (HR), MCA, MSc (IT), CAIIB
