

## FINAL ANSWER KEY

Paper:  
Medium of Question:  
Date of Examination

Elements of Banking - I PAPER  
English  
07-03-2019

Question1:-NABARD was started in the year

- A:-1949
- B:-1955
- C:-1975
- D:-1982

Correct Answer:- Option-D

Question2:-Unit Banking is originated in

- A:-India
- B:-USA
- C:-UK
- D:-Australia

Correct Answer:- Option-B

Question3:-Who took over the functions of ARDC and functions of Agriculture credit Department of RBI?

- A:-NABARD
- B:-Regional Rural Banks
- C:-State Bank of India
- D:-Finance Ministry

Correct Answer:- Option-A

Question4:-Participating Banking is

- A:-Social Banking
- B:-Online Banking
- C:-Consortium Banking
- D:-Innovative Banking

Correct Answer:- Option-C

Question5:-Scheduled Banks are included in the \_\_\_\_\_ Schedule of the RBI Act of 1934.

- A:-First
- B:-Second
- C:-Third
- D:-Fourth

Correct Answer:- Option-B

Question6:-Which one is not a nationalized bank?

- A:-Punjab National Bank
- B:-Bank of Baroda
- C:-South Indian Bank
- D:-Indian Overseas Bank

Correct Answer:- Option-C

Question7:-Essential of Sound Banking System

- A:-Safety
- B:-Liquidity
- C:-Stability
- D:-All of these

Correct Answer:- Option-D

Question8:-Reserve Bank of India nationalized in the Year

- A:-1935
- B:-1947
- C:-1949
- D:-1956

Correct Answer:- Option-C

Question9:-Number of Banks Nationalized in the year 1980 by Govt. of India

- A:-14
- B:-10
- C:-8
- D:-6

Correct Answer:- Option-D

Question10:-IDBI was Separated from RBI during the year

- A:-1976
- B:-1982
- C:-1978
- D:-1964

Correct Answer:- Option-A

Question11:-IFCI (Industrial Financial Corporation of India) is related to

- A:-Agricultural
- B:-Industrial
- C:-Housing
- D:-None of these

Correct Answer:- Option-B

Question12:-Regional Rural Banks are established based on the report of

- A:-Sivaraman Committee
- B:-Narasimham Committee
- C:-Hazari Committee
- D:-MacLagan committee

Correct Answer:- Option-B

Question13:-DICGE is under the control of

- A:-Finance Ministry
- B:-SBI
- C:-RBI
- D:-Agriculture Ministry

Correct Answer:- Option-C

Question14:-The Bank formed on 1-7-1955 (1st July Nineteen Fifty Five)

A:-RRB's

B:-RBI

C:-SBI

D:-NABARD

Correct Answer:- Option-C

Question15:-Which one is not a Private Bank?

A:-HDFC Bank Ltd

B:-ICICI Banking Corporation

C:-Indus Ind-Bank Ltd

D:-Syndicate Bank

Correct Answer:- Option-D

Question16:-The Minimum share Capital for registering a Private Bank

A:-Rs. 5 cores

B:-Rs. 25 cores

C:-Rs. 50 cores

D:-Rs. 100 cores

Correct Answer:- Option-D

Question17:-Sec. .... of B.R Act 1949 defines 'Banking'

A:-5(a)

B:-5(b)

C:-5(c)

D:-5(d)

Correct Answer:- Option-B

Question18:-Sec 3 of B.R Act 1949 deals with

A:-Definition of Banking Company

B:-Business of Banking Company

C:-Act to apply to Co-operative Societies in certain cases

D:-None of these

Correct Answer:- Option-C

Question19:-The bottom of three tire system in Co-Operative Banks

A:-Coop credit Society

B:-Central Coop Bank

C:-Apex Coop Bank

D:-None of these

Correct Answer:- Option-A

Question20:-Statutory Liquidity Ratio (SLR) is fixed by which of the following Act

A:-Sec. 40 of RBI Act

B:-Sec. 20 of NI act

C:-Sec. 63 of Co-op Societies Act

D:-Sec. 24 of B.R Act

Correct Answer:- Option-D

Question21:-Head Quarters of EXIM Bank

A:-Delhi

B:-Chennai

C:-Mumbai

D:-Kolkata

Correct Answer:- Option-C

Question22:-The biggest commercial bank in India is

A:-RBI

B:-HDFC

C:-SBI

D:-United Commercial Bank

Correct Answer:- Option-C

Question23:-The first joint stock bank in India

A:-Bank of Baroda

B:-Dena Bank

C:-Imperial Bank of India

D:-Oudh Commercial Bank

Correct Answer:- Option-D

Question24:-Interest on deposit of co-operative banks in Kerala are fixed by

A:-Kerala Finance Ministry

B:-Registrar of Co-op. Societies

C:-Secretary, Co-operation Department

D:-Reserve Bank of India

Correct Answer:- Option-B

Question25:-The present Reserve Bank Governor

A:-Raghuram Rajan

B:-Urjith Patel

C:-Shakthikanta Das

D:-None of these

Correct Answer:- Option-C

Question26:-CRR (Cash Reserve Ratio) can be raised or lowered by \_\_\_\_\_ in India.

A:-Any bank

B:-SBI

C:-Central

D:-RBI

Correct Answer:- Option-D

Question27:-Commercial banks can be either unit banking or \_\_\_\_\_ banking type.

A:-Central

B:-Rural

- C:-Specialized  
D:-Branch  
Correct Answer:- Option-D
- Question28:-In India the Banker to Government is  
A:-RBI  
B:-SBI  
C:-SBT  
D:-ICICI  
Correct Answer:- Option-A
- Question29:-From 1st July 1956 India follows \_\_\_\_\_ system of note issue.  
A:-Fixed Monetary  
B:-Minimum Reserve  
C:-Proportional Reserve  
D:-Maximum Fiduciary  
Correct Answer:- Option-B
- Question30:-EXIM Bank was started in the year  
A:-1975  
B:-1980  
C:-1982  
D:-1988  
Correct Answer:- Option-C
- Question31:-RTGS system was introduced during  
A:-2005  
B:-2004  
C:-2012  
D:-2011  
Correct Answer:- Option-B
- Question32:-Payment transactions emanating from a participant bank are processed by the RTGS system strictly on \_\_\_\_\_  
A:-FIFO basis  
B:-Priority basis  
C:-LIFO basis  
D:-None of these  
Correct Answer:- Option-A
- Question33:-The World's first ATM was installed by  
A:-ICICI Bank  
B:-Barclays Bank  
C:-CITI Bank  
D:-HSBC Bank  
Correct Answer:- Option-B
- Question34:-Banks are required to maintain cash reserve on the basis of  
A:-NDTL  
B:-CRR  
C:-CRAR  
D:-None of these  
Correct Answer:- Option-A
- Question35:-The main functions of SEBI is  
A:-To regulate securities market  
B:-To protect the development of securities market  
C:-To protect the interest of investors in securities  
D:-All the above  
Correct Answer:- Option-D
- Question36:-Indian banking system predominantly of the type of  
A:-Branch banking  
B:-Chain Banking  
C:-Unit Banking  
D:-None of these  
Correct Answer:- Option-A
- Question37:-Using ATMs we get service like  
A:-Cash deposits  
B:-Cash withdrawals  
C:-Balance enquiry  
D:-All the above  
Correct Answer:- Option-D
- Question38:-The newly formed Bank in Kerala by merging both the NMGB and SMGB is known as  
A:-North and South Gramin Bank  
B:-Kerala Gramin Bank  
C:-Malabar Gramin Bank  
D:-None of these  
Correct Answer:- Option-B
- Question39:-NPA stands for  
A:-Number of private accounts  
B:-Number of performing assets  
C:-Non performing application  
D:-None of these  
Correct Answer:- Option-D
- Question40:-Number of District Cooperative Banks in Kerala  
A:-12  
B:-13  
C:-14  
D:-15  
Correct Answer:- Option-C
- Question41:-A system under which the Central Bank limit, the total amount of loan and advance by commercial bank is

- A:-Credit control
- B:-Rationing credit
- C:-Credit creation
- D:-Credit limit

Correct Answer:- Option-B

Question42:-A market in which short term bills are discounted and re- discounted is called \_\_\_\_\_ market.

- A:-Capital
- B:-Bill
- C:-Money
- D:-Commodity

Correct Answer:- Option-C

Question43:-Collateral Securities means \_\_\_\_\_ securities.

- A:-Personal
- B:-Government
- C:-Tangible
- D:-Bank

Correct Answer:- Option-C

Question44:-The ability of a Bank to produce Cash on demand is

- A:-Safety
- B:-Liquidity
- C:-Security
- D:-None of these

Correct Answer:- Option-B

Question45:-The Central Bank is called \_\_\_\_\_ Bank.

- A:-Creditors
- B:-Debtors
- C:-Bankers
- D:-None of these

Correct Answer:- Option-C

Question46:-Which Bank is otherwise called World Bank?

- A:-RBI
- B:-IMF
- C:-ADB
- D:-IBRD

Correct Answer:- Option-D

Question47:-MICR Code line indicates

- A:-Cheque of number
- B:-City code
- C:-Bank code and Branch code
- D:-All of these

Correct Answer:- Option-C

Question48:-Employees of District Co. Op. Bank are recruited by

- A:-Co. op. Service Exam Board
- B:-Bank Recruitment Board
- C:-PSC
- D:-RCS

Correct Answer:- Option-C

Question49:-Banking Sector falls under

- A:-Primary sector
- B:-Secondary sector
- C:-Service sector
- D:-None of these

Correct Answer:- Option-C

Question50:-Bank guarantees are covered by

- A:-BR Act
- B:-RBI Act
- C:-NI Act
- D:-Indian Contract Act

Correct Answer:- Option-D

Question51:-Promissory note is defined in Section of \_\_\_\_\_ negotiable instrument Act 1981.

- A:-4
- B:-5
- C:-6
- D:-7

Correct Answer:- Option-A

Question52:-A \_\_\_\_\_ is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand.

- A:-Cheque
- B:-Promissory Note
- C:-Bailment
- D:-None of these

Correct Answer:- Option-A

Question53:-A bill of exchange is an \_\_\_\_\_ order.

- A:-Conditional
- B:-Unconditional
- C:-Oral
- D:-None of these

Correct Answer:- Option-B

Question54:-Section 123 of NI Act says about

- A:-Cheque crossed generally
- B:-Cheque crossed specially
- C:-Crossing after issue
- D:-None of these

Correct Answer:- Option-A

Question55:-Maximum punishment in case of dishonor of cheque as per Sec 138 of N1 Act

- A:-Imprisonment for 6 months or fine or with both
- B:-Imprisonment for 1 year or fine or with both
- C:-Imprisonment for 2 years or fine or with both
- D:-Imprisonment for 3 years or fine or with both

Correct Answer:- Option-C

Question56:-The Maker of a bill of exchange is called the

- A:-Drawer
- B:-Drawee
- C:-Payee
- D:-None of these

Correct Answer:- Option-A

Question57:-\_\_\_\_\_ is a direction given to the paying banker not to make the payment across the counter.

- A:-ATM
- B:-Crossing of Cheque
- C:-Teller System
- D:-Garnishee order

Correct Answer:- Option-B

Question58:-The person named in the instrument to whom or to whose order the money is by the instrument to be paid is called the

- A:-Payee
- B:-Drawer
- C:-Drawee Endorser
- D:-None of these

Correct Answer:- Option-A

Question59:-A bill of exchange not accompanied by any document is a \_\_\_\_\_ bill.

- A:-Trade
- B:-Discount
- C:-Clean
- D:-Accommodation

Correct Answer:- Option-C

Question60:-Complaint under 138 of N1 Act should be filed before

- A:-Police Station
- B:-First Class Judicial Magistrate Court
- C:-Munsiff Court
- D:-None of these

Correct Answer:- Option-B

Question61:-Parties in promissory note

- A:-Two
- B:-Three
- C:-Four
- D:-Only one

Correct Answer:- Option-A

Question62:-When accepting deposits the relationship of bank with customer is

- A:-Debtor-Creditor
- B:-Creditor-Debtor
- C:-Agent-Principal
- D:-Bailee-Bailer

Correct Answer:- Option-A

Question63:-A court order attaching funds of judgement debtor obtained by judgement creditor is

- A:-Mandate
- B:-Power of Attorney
- C:-Garnishee order
- D:-None of these

Correct Answer:- Option-C

Question64:-Maximum number of endorsement in a cheque

- A:-One
- B:-Five
- C:-Three
- D:-No Limit

Correct Answer:- Option-D

Question65:-Crossing of cheque can be cancelled by

- A:-Holder
- B:-Holder is due course
- C:-Drawee
- D:-Drawer

Correct Answer:- Option-D

Question66:-A cheque issued with a future date is called

- A:-Post-dated
- B:-Stale
- C:-Anti-dated
- D:-Mutilated

Correct Answer:- Option-A

Question67:-In joint deposit account nomination facilities are available to

- A:-Maximum three Nomination
- B:-Only one Nomination
- C:-Two Nominations
- D:-None of these

Correct Answer:- Option-B

Question68:-A person is absconding for a continuous period of seven years is called

- A:-Missing
- B:-Civil Death

- C:-Legal Death
- D:-None of these

Correct Answer:- Option-C

Question69:-Cash credit account is

- A:-Working capital Finance
- B:-Project Finance
- C:-Long term loan for acquiring assets
- D:-None of these

Correct Answer:- Option-A

Question70:-How many days notice is to be given to the drawer for payment of money of the returned cheque?

- A:-15 days
- B:-30 days
- C:-45 days
- D:-60 days

Correct Answer:- Option-A

Question71:-Collecting bankers protection is given in section \_\_\_\_\_ N1 Act.

- A:-Section 10
- B:-Section 85
- C:-Section 15
- D:-Section 131

Correct Answer:- Option-D

Question72:-What is CBS?

- A:-Coordinate banking solution
- B:-Corporate Banking solution
- C:-Core banking solution
- D:-Competitive banking solution

Correct Answer:- Option-C

Question73:-A place where representatives of banks meet to exchange cheques

- A:-Clearing house
- B:-Bankers club
- C:-Bankers Forum
- D:-None of these

Correct Answer:- Option-A

Question74:-A bank provides over draft facility only in

- A:-Saving Bank
- B:-Recurring deposit
- C:-Current Account
- D:-None of these

Correct Answer:- Option-C

Question75:-Crossing of cheque can be done by

- A:-Any holder
- B:-Payee Only
- C:-Drawer Only
- D:-None of these

Correct Answer:- Option-A

Question76:-Bailor -bailee relationship is applicable in

- A:-Safe deposit locker
- B:-Demand draft issued by bank
- C:-Keeping articles in safe custody with bank
- D:-All of the above

Correct Answer:- Option-C

Question77:-Objective of KYC

- A:-To ensure customer identification
- B:-To monitor transaction of suspicious nature
- C:-To categorise the customer
- D:-Only (1) and (2)

Correct Answer:- Option-D

Question78:-San re course means

- A:-Without fear
- B:-Without liability to me
- C:-Without physical toner
- D:-Without liability to payee

Correct Answer:- Option-B

Question79:-Banking ombudsman is appointed by

- A:-SBI
- B:-RBI
- C:-Govt. of India
- D:-None of these

Correct Answer:- Option-B

Question80:-Natural guardian of minor is

- A:-Father
- B:-Mother
- C:-Court
- D:-None of these

Correct Answer:- Option-A

Question81:-Bank is a factory of

- A:-Deposit
- B:-Credit
- C:-Interest
- D:-None of these

Correct Answer:- Option-B

Question82:-Bank guarantees are issued by

- A:-Any banks
- B:-Only specified Bank
- C:-Only bank permitted to do this type of business
- D:-RBI

Correct Answer:- Option-A

Question83:-A mutual fund is set up in the form of

- A:-By an act of parliament
- B:-A company under Company Act
- C:-A trust
- D:-None of these

Correct Answer:- Option-C

Question84:-Banker's lien is not applicable in case of

- A:-Safe custody
- B:-Securities left negligently
- C:-Debts not due
- D:-All of above

Correct Answer:- Option-D

Question85:-Mandate is a \_\_\_\_\_ agreement.

- A:-Stamped
- B:-Non stamped
- C:-Memorandum
- D:-Letter

Correct Answer:- Option-B

Question86:-A cheque which is not presented for payment within reasonable time period time is called

- A:-Post dated
- B:-Stale Cheque
- C:-Ante-dated
- D:-Mutilated cheque

Correct Answer:- Option-B

Question87:-Who is the present Chairman of SEBI?

- A:-UK Sinha
- B:-Prakash Bakshi
- C:-Ajay Tyagi
- D:-Dr. Duvvuri Subbarao

Correct Answer:- Option-C

Question88:-For the revival and strengthening of the Urban Cooperative banking sector, RBI formed

- A:-TAFUCB
- B:-NAFCUB
- C:-NAFSCOB
- D:-None of these

Correct Answer:- Option-A

Question89:-The full form of TAN is

- A:-Tax Deduction Account Number
- B:-Tax Account Number
- C:-Tax Account Net Work
- D:-None of these

Correct Answer:- Option-A

Question90:-Find out the income which is falling under service tax for Co-operatives

- A:-Locker rent
- B:-Folio Charges
- C:-D D Commission
- D:-All of the above

Correct Answer:- Option-A

Question91:-District Cooperative Banks were registered after

- A:-1912 Cop Societies Act
- B:-Maclagan committee Report
- C:-1904 Coop credit Societies Act
- D:-None of these

Correct Answer:- Option-B

Question92:-The fixed deposit of a Cooperative bank is

- A:-Current liability
- B:-Demand liability
- C:-Contingent liability
- D:-None of these

Correct Answer:- Option-B

Question93:-Average credit outstanding divided by average deposits multiplied by hundred is

- A:-Cost of deposit
- B:-Yield on loans
- C:-Cost of loans
- D:-Credit deposit ratio

Correct Answer:- Option-D

Question94:-Financial margin plus Miscellaneous income minus cost of management and risk cost is

- A:-Margin
- B:-Financial margin
- C:-Break even level
- D:-Net margin

Correct Answer:- Option-D

Question95:-In the formula for calculation of CRAR the numerator is

- A:-Capital
- B:-Capital funds
- C:-Share capital
- D:-Share capital and reserves

Correct Answer:- Option-B

Question96:-Simple interest @ 12% for Rs. 75,000/- for 2 years is

- A:-Rs. 7,500/-
- B:-Rs. 15,000/-
- C:-Rs. 9,000/-
- D:-Rs. 18,000/-

Correct Answer:- Option-D

Question97:-Current investment should be valued of

- A:-Lower of cost price or market value
- B:-Average value
- C:-Higher value
- D:-None of these

Correct Answer:- Option-A

Question98:-In the case of an Insured Cooperative bank an order of winding up may be made only with the previous sanction in writing by

- A:-NABARD
- B:-Central Government
- C:-NCDC
- D:-RBI

Correct Answer:- Option-D

Question99:-The present Finance Minister of India

- A:-Arun Jaitely
- B:-Venkayya Naidu
- C:-Raj Nadh Singh
- D:-None of these

Correct Answer:- Option-A

Question100:-\_\_\_\_\_ is a post paid card.

- A:-ATM
- B:-Pan Card
- C:-Debit Card
- D:-Credit Card

Correct Answer:- Option-D