BANKING AWARENESS SET 1

Banking Awareness is the important section in IBPS PO and Clerk examination. To score good marks in this section, all you need is to be aware of the banking concepts and functionalities. Here we will try to provide you with banking awareness practice sets:

1. A money deposited at a bank cannot be withdrawn for a present fixed period of time is known as a ……………..

A.Term Deposit

B.Checking Accounts

C.Savings Bank Deposit

D.No Frills Account

E.Current Deposits

2. A worldwide financial messaging network which exchanges messages between banks and financial institutions is known as-

A.CHAPS

B.SWIFT

C.NEFT

D.SFMS

E.CHIPS

3. The Term Smart Money refers to ……………….

A.Foreign currency

B.Internet banking

C.US Dollars

D.Traveller’s cheques

E. Credit cards

4. Which of the following is not a ‘Money Market Instrument’?

A.Treasury Bills

B.Commercial Paper

C.Certificate of Deposit

D.Equity Shares

E.None of these

5. Which of the following is the retail banking product?

A.Home Loans

B.Working Capital Finance

C.Corporate term loans

D.Infrastructure Financing

E. Export Credit

6. Technological Advancement in the recent times has given a new dimension to banks, mainly to which one of the following aspects?

A.New Age Financial derivatives

B.Service Delivery Mechanism

C.Any Banking

D.Any type Banking

E.Multilevel Marketing

7. When there is a difference between all receipts and expenditure of the Government of India, both capital and revenue , it is called …..

A.Revenue Deficit

B.Budgetary Deficit

C.Zero Budgeting

D.Trade Gap

E.Balance of payment problem

8. Which of the following is not a function of the Reserve Bank of India ?

A.Fiscal Policy Functions

B.Exchange Control Functions

C.Insurrance,Exchange and destruction of currency notes

D.Monetary Authority Functions

E.Supervisory and control Functions

9. Which of the following is NOT required for opening a bank account?

A.Identity Proof

B.Address Proof

C.Recent Photographs

D.Domicile Certificate

E.None of these

10. With reference to a cheque which of the following is the ‘drawee bank;?

A.The bank that collects the cheque

B.The payee’s bank

C.The endorsee’s bank

D.The endorser’s bank

E.The bank upon which the cheque is drawn

11. In which of the following fund transfer mechanisms, can funds be moved from one bank to another and where the transaction is settled without being bunched with any other transaction?

A.RTGS

B.NEFT

C.TT

D.EFT

E.MT

12. Banking Ombudsman Scheme is applicable to the business of

A.All scheduled commercial banks excluding RRBs

B.All scheduled commercial banks including RRBs

C.Only Public Sector banks

D.All Banking Companies

E.All scheduled banks except private banks

13. Nationalization of banks aimed at all of the following except-

A.Provision of adequate credit for agriculture, SME & exports

B.Removal of control by a few capitalists

C.Provision of credit to big industries only

D.Access of banking to masses

E.Encouragement of a new class of entrepreneurs

14. Base Rate is the rate below which no Bank can allow their lending to anyone. Who sets up this ‘Base Rate’ for Banks?

A.Individual Banks Board

B.Ministry of Commerce

C.Ministry of Finance

D.RBI

E.Interest Rate Commission of India

15. What is a debit card?

A.It is a card issued by a Rating Agency

B.It is a card which can be used for withdrawing cash or making payment even in the absence of any balance in the account

C.It is a card which can be used for withdrawing cash or making payment if there is balance in the account.

D.It is a card which carries prepaid balance

E.It is a card which can be used for making STD calls.

16. Bank advances of a Bank are called :

A.Bad debt

B.Book debt

C.Non Performing Asset

D.Out of order accounts

E.Overdrawn accounts

17. Axis Bank is a ………..

A.Public Sector Bank

B.Private Sector Bank

C.Co-operative Bank

D.Foreign Bank

E.Gramin Bank

18. By increasing repo rate, the economy may observe the following effects :

A.Rate of interest on loans and advances will be costlier

B.Industrial output would be affected to an extent

C.Banks will increase rate of interest on deposits

D.Industry houses may borrow money from foreign countries

E.All of these

19. Increased interest rates, as is existing in the economy at present will …………

A.Lead to higher GDP growth

B.Lead to lower GDP growth

C.Mean higher cost of raw materials

D.Mean lower cost of raw materials

E.Mean higher wage bill

20. Financial Ministry has asked the Reserve Bank of India to allow common ATM’s that will be owned and managed by non-banking entities hoping to cut transaction costs for banks. Such ATM’s are known as…………..

A.Black Label ATM’s

B.Offsite ATM’s

C.On site ATM’s or red ATM’s

D.Third Party ATM’s

E.White label ATM’s