



1. In which year, the first bank of India "Bank of Hindustan" was established ?

- A. 1770
- B. 1775
- C. 1780
- D. 1785

Answer: A

2. Which among the following are the correct locations of three presidency banks during British India?

- A. Surat, Madras, Bombay
- B. Surat, Calcutta, Madras
- C. Bombay, Surat, Calcutta
- D. Calcutta, Madras, Bombay

Answer: D

3. Which of the following is the oldest Joint Stock Bank of India?

- A. Bank of India
- B. Patiala Bank
- C. Bank of Baroda
- D. Allahabad Bank

Answer: D

4. Under which kind of banking, the purchasing through net banking comes?

- A. M-commerce
- B. P-commerce
- C. Online banking
- D. Offline banking

Answer: C

5. What is the full form of MIBOR?

- A. Mobile Inter Bank Offered Rate
- B. Minimum Instruction Board of Resources
- C. Money International Banking Organization Research
- D. None of these

Answer: A

6. Money market is a market for:

- A. Short term
- B. Long term



Answer: B

12. Which movement encouraged the formation of commercial banks?

- A. Swadeshi movement
- B. Quit India Movement
- C. Non Cooperation Movement
- D. Civil Disobedience Movement

Answer: A

13. When did the banking crisis of 1913-1917 end?

- A. 1949
- B. 1959
- C. 1969
- D. 1979

Answer: A

14. In which year was the Banking Regulation Act passed?

- A. 1945
- B. 1949
- C. 1955
- D. 1959

Answer: B

15. Imperial Bank of India was nationalised in _____.

- A. 1935
- B. 1945
- C. 1955
- D. 1965

Answer: C

16. Which bank was baptised as the State Bank of India?

- A. Indian Bank
- B. New Bank of India
- C. United Bank of India
- D. Imperial Bank of India

Answer: D



17. Which Bank was established in 1881 in Faizabad, and was the first commercial bank in India having limited liability and an entirely Indian board of directors?

- A. Indus Commercial Bank
- B. Oudh Commercial Bank
- C. Royal Commercial Bank
- D. Imperial Commercial Bank

Answer: B

18. Which among the following is a 'Public Sector Bank' in India?

- A. Dena Bank
- B. IndusInd Bank
- C. Karnataka Bank
- D. ING Vysya Bank

Answer: A

19. 'Imperial Bank of India' was the old name of:

- A. Bank of Baroda
- B. Allahabad Bank
- C. State Bank of India
- D. Reserve Bank of India

Answer: C

20. Government of India, nationalised _____ major private sector banks in year 1969

- A. 12
- B. 14
- C. 16
- D. 18

Answer: B

21. In India, Credit Rating Agencies are regulated by:

- A. RBI
- B. SEBI
- C. Ministry of Finance
- D. National Statistical Organisation (NSO)

Answer: B

22. Which among the following accounts are allowed to be operated by cheques?

- A. Current Account and Loan Account
- B. Savings and Current Account
- C. Fixed Deposit Account and Loan Account
- D. Savings Account and Fixed Deposit Account



Answer: B

23. An adjustable-rate mortgage loan in which the borrower pays a very low initial interest rate, which increases after a few years is referred to as:

- A. Soft Loan
- B. Teaser Loan
- C. Promo Loan
- D. Early Bird Loan

Answer: B

24. The ownership structure of Regional Rural Banks (RRBs) comprises of:

- A. Central Govt., State Govt. and Sponsor Bank
- B. Sponsor Bank, Reserve Bank of India and NABARD
- C. Central Govt., State Govt., Reserve Bank of India (RBI)
- D. Sponsor Bank, Reserve Bank of India (RBI) and State Govt.

Answer: A

25. What does letter 'U' stand for in abbreviation 'ULIP'?

- A. Unit
- B. Urban
- C. Unified
- D. Underwriting

Answer: A

26. Which among the following public sector banks, has its headquarters in Kolkata?

- A. UCO Bank
- B. Syndicate Bank
- C. Corporation Bank
- D. Oriental Bank of Commerce

Answer: A

27. Which bank was united with the Punjab National Bank in 1993?

- A. New Bank of India
- B. Imperial Bank of India
- C. Oudh Commercial Bank
- D. Punjab and Sind Bank

Answer: A



28. Which among the following is not a public sector bank?

- A. UCO Bank
- B. Vijaya Bank
- C. Allahabad Bank
- D. City Union Bank

Answer: D

29. Which is the largest commercial bank of the country?

- A. Bank of India
- B. Canara Bank
- C. State Bank of India
- D. Union Bank of India

Answer: C

30. The subsidiary banks attached to the State Bank are:

- A. State Bank of Hyderabad
- B. State Bank of Mysore
- C. State Bank of Saurashtra
- D. All of the above

Answer: D

31. The RBI sanctioned the amalgamation of the Centurion Bank with the HDFC Bank on _____.

- A. March 31, 2009
- B. May 23, 2008
- C. June 30, 2009
- D. August 13, 2008

Answer: B

32. Which one of the subsidiary banks was merged with the State Bank of India on August 13, 2008?

- A. State Bank of Indore
- B. State Bank of Mysore
- C. State Bank of Saurashtra
- D. State Bank of Hyderabad

Answer: C

33. According to which issue of guidelines did the RBI grant approval for the setting up of 13 new privately-owned domestic banks?

- A. January, 1993
- B. March, 1971
- C. April, 1980
- D. September, 1993



Answer: A

34. The new privately-owned domestic banks that started functioning with the approval of the RBI as per the issue of guidelines in January 1993 include:

- A. Bank of Punjab Ltd. (Chandigarh)
- B. Global Trust Bank Ltd. (Secunderabad)
- C. Centurion Bank Ltd. (Since amalgamated with HDFC Bank in 2008) (Panaji)
- D. All of the above

Answer: D

35. When did the nationalisation of major banks happen?

- A. June, 1951
- B. June, 1955
- C. June, 1959
- D. July, 1969

Answer: D

36. Deposits mobilised by the banks are utilised for -

- A. loans and advances
- B. investment in commercial paper, shares, debentures up to stipulated ceilings
- C. investment in government and other approved securities in fulfilment of liquidity stipulation
- D. all of the above

Answer: D

37. When did the Government initiate the process of amalgamation of RRBs in a phased manner?

- A. October, 2001
- B. September, 2005
- C. March, 2009
- D. June, 2010

Answer: B

38. When did the National Housing Bank start its operations?

- A. July, 1982
- B. July, 1984
- C. July, 1988
- D. July, 1994



Answer: C

39. The performance of which scheme does the National Housing Bank monitor?

- A. Liberalized Finance Scheme
- B. Finance scheme for indirect loans
- C. Energy Efficient Housing Finance Scheme
- D. Golden Jubilee Rural Housing Finance Scheme

Answer: D

40. When did the National Bank of Agriculture and Rural Development establish?

- A. June, 1951
- B. June, 1961
- C. July, 1969
- D. July, 1982

Answer: D

41. When did the government acquire RBI's shareholding (72.5%) in NABARD?

- A. March, 2009
- B. May, 2008
- C. June, 2008
- D. August, 2008

Answer: C

42. The duration of fund raising from the commercial banks to the extent of RIDFs shortfall in agricultural lending is _____.

- A. daily
- B. weekly
- C. monthly
- D. yearly

Answer: D

43. When did the Government of India set up the Export-Import Bank of India?

- A. June, 1969
- B. March, 1971
- C. January, 1982
- D. January, 1993

Answer: C



44. The main objectives of the Export-Import Bank (EXIM Bank) are:

- A. to ensure an integrated and coordinated approach to solving the problems of exporters
- B. to tap domestic and overseas markets for resources, undertake development and finance activities in the areas of exports.
- C. to provide financial assistance to the exporters and importers and act as the principal financial institution for coordinating the working of other institutions engaged in financing exports and imports.
- D. all of the above

Answer: D

45. Which bank had the highest concentrations of operations overseas in 2010?

- A. Bank of India
- B. Bank of Baroda
- C. State Bank of India
- D. Union Bank of India

Answer: B

46. When did the Government of India appoint a committee under the chairmanship of Shri M.Narasimham to strengthen the banking system?

- A. December, 1997
- B. April, 1998
- C. September, 2005
- D. May, 2006

Answer: A

47. The Reserve Bank of India was established on _____.

- A. April 1, 1935
- B. April 12, 1939
- C. July 12, 1982
- D. May 26, 2006

Answer: A

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

- A. State Bank of India
- B. Ministry of Finance
- C. Government of India
- D. International Monetary Fund



Answer: A

49. Which of the following is true about the functions performed by RBI -

- A. It is the Bank of Issue
- B. It is the banker of other banks
- C. It regulates the flow of credit
- D. All of the above

Answer: D

50. Which among the following is incorrect?

- A. RBI is Banker's Bank
- B. RBI is the Bank of Issue
- C. RBI does not regulate the flow of credit
- D. RBI acts as Banker to the Government

Answer: C

51. India is a member of the International Monetary Fund since ____.

- A. 1945
- B. 1947
- C. 1949
- D. 1952

Answer: B

52. Which of the following is true about the restrictions on RBI?

- A. It is not to compete with the commercial banks.
- B. It cannot acquire or advance loans against immovable property.
- C. It is prohibited from purchasing its own shares or the shares of any other bank or any company or granting loans on such security.
- D. All of the above

Answer: D

53. When did the Reserve Bank of India notify the draft regulations relating to the Credit Information Companies (Regulation) Act, 2005?

- A. September 30, 2005
- B. April 5, 2006
- C. May 26, 2006
- D. June 29, 2007



Answer: B

54. When did the draft guidelines for building grievance redressal mechanism within NBFCs (Non-Banking Financial Companies) publish?

- A. April 5, 2006
- B. May 26, 2006
- C. June 29, 2007
- D. September 30, 2005

Answer: B

55. When did the Centre acquire the Reserve Bank of India's entire 59.73% equity stake in the State Bank of India (SBI) at over Rs. 35,531 crore in New Delhi?

- A. April 5, 2006
- B. May 26, 2006
- C. June 29, 2007
- D. September 30, 2005

Answer: C

56. According to which guidelines did the Government pick up the entire SBI shares held by the RBI?

- A. Financial Regulations
- B. Securities Commission
- C. National Stock Exchange of India
- D. Securities and Exchange Board of India (SEBI)

Answer: D

57. When did the Government appoint for transfer of stake?

- A. 1 April
- B. 5 April
- C. 26 May
- D. 29 June

Answer: D

58. What is the full form of CBS?

- A. Core Banking System
- B. Core Banking Service
- C. Core Banking Solution
- D. Core Banking Software



Answer: C

59. 'Subprime lending' is a term applied to the loans made to _____.
- A. Those borrowers who have a good debit history
 - B. Those borrowers who have a good credit history
 - C. Those borrowers who do not have a good debit history
 - D. Those borrowers who do not have a good credit history

Answer: D

60. Which among the following is the act of taking on a risk for a fee?
- A. Guidewire
 - B. Underwriting
 - C. Predictive analytics
 - D. Initial Public Offering

Answer: B

61. Which among the following is called the rate of interest charged by RBI for lending money to various commercial banks by rediscounting of the bills in India?
- A. Bank Rate
 - B. Overnight Rate
 - C. Monetary Policy
 - D. Discount Window

Answer: A

62. Which of the following are to be followed by Commercial Banks for risk management?
- A. Basel I norms
 - B. Basel II norms
 - C. Basel III norms
 - D. Solvency II norms

Answer: B

63. What is the full form of CRR?
- A. Cash Reserve Rate
 - B. Core Reserve Rate
 - C. Cash Reserve Ratio
 - D. Cash Recession Ratio

Answer: C



64. What is the full form of 'MAT'?

- A. Minimum Alternate Tax
- B. Maximum Alternate Tax
- C. Minimum Alternate Time
- D. Maximum Alternate Time

Answer: A

65. What is the full form of NDTL?

- A. Net Demand & Tax Liabilities
- B. Net Demand & Time Liabilities
- C. New Demand & Tenure Liabilities
- D. National Deposits & Total Liquidity

Answer: B

66. Which one of the following is known as the recession occurring two times with a small gap in between?

- A. Deflation
- B. Double Inflation
- C. Deep Recession
- D. Double-dip Recession

Answer: D

67. "Basel Committee on Banking Supervision" is also known as _____.

- A. Global Financial System
- B. Financial Stability Board
- C. Banking Regulation Committee
- D. Bank for International Settlements Committee

Answer: D

68. What is the full form of NAV?

- A. Net Asset Value
- B. Net Actual Value
- C. Net Annual Value
- D. Net Average Value

Answer: A

69. Who issues 'Commercial Papers'?

- A. Banks to Banks
- B. Banks to Companies



- C. A Company to a Bank
D. Company to its suppliers

Answer: A

70. What is the full form of SWIFT?

- A. Safe Window Institute For Transactions
B. Safe Window In case of Financial Transaction
C. Safe Window for Interbank Financial Transactions
D. Society for Worldwide Interbank Financial Telecommunication

Answer: D

71. Which of the following is known as the concept of a standard contract to buy or sell a specified commodity at a certain date in future and at a market driven price?

- A. Market Contract
B. Futures Contract
C. Forward Contract
D. Standard Contract

Answer: B

72. Which one of the following set up core banking infrastructure for rural banks?

- A. IBA
B. RBI
C. SIDBI
D. NABARD

Answer: D

73. Which organization provides credit history of the borrowers?

- A. CII
B. IRDA
C. FRBI
D. CIBIL

Answer: D

74. Which one of the following organisations has been set up to facilitate connectivity between the Bank's switches and their ATMs, and inter bank payment gateway for authentication and routing the paymen



- A. IBA
- C. SIDBI

- B. IRDA
- D. IDRBT

Answer: D

75. Which is a tool that helps RBI to stabilize money supply and prices of Government securities?

- A. JIT
- C. EOQ

- B. OMO
- D. EPQ

Answer: B

76. Who regulates the Mutual Funds in India?

- A. RBI
- C. SEBI

- B. FRBI
- D. SIDBI

Answer: C

77. What is 'fiat money'?

- A. The currency is backed by gold reserves
- C. The currency is backed by budgetary support

- B. The currency is backed by tangible assets
- D. The currency is backed by Government Guarantee

Answer: D

78. What is a Lease?

- A. A legal contract between the owner of an asset and its user, containing many conditions including payment of a specified amount by the user to the Owner for use of the asset
- C. Both (a) and (b)

- B. A rental agreement between owner of a flat/house and the Tenant, whereby the Tenant pays specified amount on specified dates to the owner
- D. None of the above

Answer: A



79. What is Factoring?

- A. A method of discounting of long term bills
- B. An arrangement for raising short term money against prepaid expenses
- C. An easy way of raising capital from a factoring company by small business
- D. Selling of account receivables on a contract basis for cash payment to a factor before it is due

Answer: D

80. Which one of the following is called as initial repayment holiday given to a borrower for repayment of loan?

- A. Moratorium
- B. Subvention
- C. Amortization
- D. None of the above

Answer: A

81. Who sets up 'Base Rate' for Banks?

- A. RBI
- B. Individual Banks Board
- C. Interest Rate Commission of India
- D. None of the above

Answer: A

82. Which of the following are Bank advances of a Bank?

- A. Bad debts
- B. Overdrawn accounts
- C. Out of order accounts
- D. Non-performing Assets

Answer: D

83. Which of the following are benefited through the Reserve mortgage scheme?

- A. Minors
- B. Senior citizens
- C. Government employees
- D. All the above

Answer: B



84. Which of the following are the amounts owed to a company that are not going to be paid?

- A. Bad debts
- B. Overdrawn accounts
- C. Out of order accounts
- D. Non-performing Assets

Answer: A

85. Whom with Primary Dealers deal in both primary and secondary markets?

- A. Equities
- B. Debentures
- C. Corporate Bonds
- D. Government Securities

Answer: D

86. What will be the impact if Reserve Bank of India reduces the Bank Rate by 1%?

- A. Less liquidity in the market
- B. More liquidity in the market
- C. No change in the market liquidity
- D. Mobilisation of more deposits by commercial banks

Answer: B

87. What is the full form of IRR?

- A. Internal Rate of Ratio
- B. Internal Reserve Ratio
- C. Internal Rate of Return
- D. Internal Recession Rate

Answer: C

88. Which among the following made the initial contribution for setting up Financial Inclusion Fund and Financial Inclusion Technology Fund?

- A. NABARD, UTI and RBI
- B. SIDBI, NABARD and UTI
- C. Government of India, NABARD and RBI
- D. SIDBI, Government of India and IDBI Bank

Answer: C

89. Which one of the following is known as the real return to the investor getting reduced due to sudden rise in the prices of the commodities?



- A. Cost risk
- B. Market risk
- C. Demand risk
- D. Systemic risk

Answer: B

90. Which among the following refers to misselling?

- A. When mutual funds are sold without telling the likely returns
- B. When agents invest somebody's money in mutual funds without their knowledge
- C. When agents sell the products without telling investors what are the risks involved in investing in mutual funds
- D. All of the above

Answer: D

91. Which of the following is the correct definition of Hot Money?

- A. This is the fund which is pushed into market through illegal methods
- B. This is the fund which is dumped into a country to get the advantage of a favourable interest rate
- C. This is the fund which is provided by a bank in US \$ at very short notice and at a very high rate of interest and for a longer period of repayment
- D. None of the above

Answer: B

92. What will bank customers pay for using safe deposit locker facilities?

- A. Rent on locker
- B. Exchange on locker
- C. Commission on locker
- D. Safe custody charges

Answer: A

93. Which one of the following is known as a Savings Bank Account opened with a commercial bank with zero balance or very minimal balance?

- A. No frill account
- B. Current Account
- C. Savings Bank-ordinary Account
- D. Students Savings Bank Account



Answer: A

94. What does the letter 'R' denote in the abbreviation 'BR Act' which controls banking activities in the country?

- A. Rule
- B. Regulation
- C. Reformation
- D. Reclamation

Answer: B

95. What is Mortgage?

- A. A security created on movable property for a loan given by a bank
- B. A security created on immovable property for a loan given by a bank
- C. A facility created on movable property for a deposit received by a bank
- D. A security created on immovable property for a deposit received by a bank

Answer: B

96. Which is the minimum lending rate decided by RBI which shall be adopted by all Public Sector Banks?

- A. Bank rate
- B. Base rate
- C. Overnight rate
- D. None of the above

Answer: B

97. Which one of the following depicts the financial position of a bank or business enterprise at a given point of time?

- A. Model audit
- B. Balance sheet
- C. Income statement
- D. Cash flow statement

Answer: B

98. What is the full form of FIMMDA?

- A. Fixed Income Money Markets & Derivatives Affiliation
- B. Fixed Income Money Markets & Derivatives Association



C. Foreign Income Money Markets & Derivatives Association

D. Floating Income Money Markets & Derivatives Association

Answer: B

99. Which one of the following provides banking services to all villages having a population upto 2000?

A. Plan for Financial Inclusion Technology

B. Plan for Financial Exclusion

C. Plan for Financial Inclusion

D. None of the above

Answer: A

100. What is the full form of FSDC?

A. Fiscal Stability and Development Council

B. Financial Stability and Development Council

C. Financial Security and Development Council

D. Financial Security and Development Convention

Answer: B