

# JAIIB May 2025

Free  
PDF

## Memory Based Question

IE & IFS



---

**Must For Nov'25 Cycle**

**Q1.** What is the primary regulatory body for merchant banking activities in India?

- a) Reserve Bank of India (RBI)
- b) Securities and Exchange Board of India (SEBI)
- c) Ministry of Finance
- d) Insurance Regulatory and Development Authority of India (IRDAI)

**Correct Answer:** b) Securities and Exchange Board of India (SEBI)

## **2. NBFC**

**Q.** Which one of the following is a core activity that a Non-Banking Financial Company (NBFC) is prohibited from undertaking?

- a) Providing loans and advances
- b) Acquisition of stocks and shares
- c) Accepting demand deposits
- d) Leasing and hire-purchase

**Correct Answer:** c) Accepting demand deposits

## **3. Wealth Definition**

**Q** The definition of Economics focusing on 'Wealth' as the subject matter is primarily associated with which economist?

- a) Alfred Marshall
- b) Lionel Robbins
- c) Adam Smith
- d) Paul Samuelson

**Correct Answer:** c) Adam Smith

## **4. Bank Merged With Bank of Baroda**

**Q.** Which two public sector banks were merged with Bank of Baroda, effective from April 1, 2019?

- a) Dena Bank and Vijaya Bank
- b) Syndicate Bank and Canara Bank
- c) Andhra Bank and Corporation Bank

d) Oriental Bank of Commerce and United Bank of India

**Correct Answer:** a) Dena Bank and Vijaya Bank

### 5. Sponsorship Bank

**Q.** In the context of Regional Rural Banks (RRBs) in India, what is the minimum shareholding percentage of the Sponsor Bank?

a) 15% b) 25% c) 35%

d) 50%

**Correct Answer:** c) 35%

### 6. FRA (Forward Rate Agreement)

**Q.** What does a Forward Rate Agreement (FRA) primarily enable a party to lock in?

a) An exchange rate for a future date

b) The price of a commodity for future delivery

c) An interest rate for a future period

d) The credit rating of a counterparty

**Correct Answer:** c) An interest rate for a future period

### 7. Forfaiting

**Q.** In the context of international trade finance, when an exporter sells their receivables on a 'without recourse' basis through forfaiting, what does 'without recourse' mean?

a) The exporter retains liability for the importer's payment default.

b) The forfaiter can claim payment from the exporter if the importer defaults.

c) The exporter is absolved of all financial liability if the importer defaults.

d) The forfaiter only finances a portion of the receivable.

**Correct Answer:** c) The exporter is absolved of all financial liability if the importer defaults.

### 8. GNP Formula

**Q.** What is the correct formula for calculating Gross National Product (GNP)?

a)  $GNP = GDP - \text{Depreciation}$

b)  $GNP = GVA + \text{Indirect Taxes} - \text{Subsidies}$

c)  $GNP = GDP + \text{Net Factor Income from Abroad}$

d)  $GNP = GDP + \text{Net Exports}$

**Correct Answer:** c)  $GNP = GDP + \text{Net Factor Income from Abroad}$

### 9. Welfare Definition of Economics

**Q.** Which economist shifted the focus of economics from 'wealth' to 'human welfare' in his definition of economics?

a) Adam Smith

b) Alfred Marshall

c) Lionel Robbins

d) John Maynard Keynes

**Correct Answer:** b) Alfred Marshall

### 10. SONIA

**Q.** What does the acronym SONIA, an important interest rate benchmark, stand for?

a) Sterling Overnight National Interest Average

b) Standard Overnight Interbank Access

c) Sterling Overnight Index Average

d) Sovereign Overnight Net Interbank Agreement

**Correct Answer:** c) Sterling Overnight Index Average

### 11. Operating Lease

**Q.** Which of the following is a key characteristic of an operating lease?

a) It typically covers the entire useful life of the asset.

b) Ownership of the asset automatically transfers to the lessee at the end of the lease term.

c) The lessee is responsible for major repairs and maintenance.

d) It is generally for a shorter period and does not involve the transfer of ownership risks and rewards.

**Correct Answer:** d) It is generally for a shorter period and does not involve the transfer of ownership risks and rewards.

### 12. Green Shoe

**Q.** In the context of an Initial Public Offering (IPO), what is a 'greenshoe option'?

a) An option for investors to buy additional shares after the IPO.

- b) An option for the issuing company to repurchase shares from the market.
- c) An over-allotment option granted to the underwriters to stabilize the share price.
- d) A clause that allows the IPO to be cancelled if market conditions are unfavorable.

**Correct Answer:** c) An over-allotment option granted to the underwriters to stabilize the share price.

### 13. LIBOR

**Q.** Which of the following international benchmark rates has largely replaced LIBOR (London Interbank Offered Rate) globally for new financial contracts?

- a) MIBOR (Mumbai Interbank Offered Rate)
- b) SOFR (Secured Overnight Financing Rate)
- c) EURIBOR (Euro Interbank Offered Rate)
- d) TIBOR (Tokyo Interbank Offered Rate)

**Correct Answer:** b) SOFR (Secured Overnight Financing Rate)

### 14. PJ Nayak Committee

**Q.** The recommendations of the PJ Nayak Committee were primarily focused on which area of the Indian banking sector?

- a) Financial Inclusion
- b) Monetary Policy Framework
- c) Governance of Boards of Banks
- d) Digital Payments

**Correct Answer:** c) Governance of Boards of Banks

### 15. Central Record Keeping Agency

**Q.** Which entity functions as the Central Record Keeping Agency (CRA) for the National Pension System (NPS) in India?

- a) Reserve Bank of India (RBI)
- b) Securities and Exchange Board of India (SEBI)
- c) NSDL e-Governance Infrastructure Limited
- d) Pension Fund Regulatory and Development Authority (PFRDA)

**Correct Answer:** c) NSDL e-Governance Infrastructure Limited

## 16. ACU

**Q.** What is the primary objective of the Asian Clearing Union (ACU)?

- a) To promote military cooperation among Asian nations.
- b) To facilitate multilateral payments for current international transactions among member central banks.
- c) To regulate stock exchanges across Asian countries.
- d) To provide development finance to underdeveloped Asian economies.

**Correct Answer:** b) To facilitate multilateral payments for current international transactions among member central banks.

## 17. Padmanabham Committee

**Q.** The Padmanabham Committee is known for its recommendations related to which aspect of Indian banking?

- a) Restructuring of Public Sector Banks
- b) Customer service in banks
- c) Non-Performing Assets (NPAs) management
- d) Technology adoption in banking

**Correct Answer:** b) Customer service in banks

## 18. Diminishing Marginal Utility

**Q.** What does the law of diminishing marginal utility state?

- a) As price increases, quantity demanded decreases.
- b) The total satisfaction from consuming a good increases with each additional unit.
- c) As more units of a good are consumed, the additional satisfaction derived from each successive unit tends to decrease.
- d) Production costs decrease as output increases.

**Correct Answer:** c) As more units of a good are consumed, the additional satisfaction derived from each successive unit tends to decrease.

## 19. PFRDA

**Q.** Which of the following is primarily regulated by the Pension Fund Regulatory and Development Authority (PFRDA)?

- a) Mutual Funds

- b) Insurance Companies
- c) National Pension System (NPS)
- d) Commercial Banks

**Correct Answer:** c) National Pension System (NPS)

## **20. CRR, SLR**

**Q.** What is the primary objective of imposing Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) on banks?

- a) To increase the profitability of the banks
- b) To ensure solvency and control credit growth
- c) To provide direct funding for government projects
- d) To finance the operations of the Reserve Bank of India

**Correct Answer:** b) To ensure solvency and control credit growth

## **21. EPFO**

**Q.** The Employees' Provident Fund Organisation (EPFO) in India comes under the administrative control of which ministry?

- a) Ministry of Finance
- b) Ministry of Labour and Employment
- c) Ministry of Social Justice and Empowerment
- d) Ministry of Corporate Affairs

**Correct Answer:** b) Ministry of Labour and Employment

## **22. Base Money Includes**

**Q.** What constitutes "Base Money" (M0) in an economy?

- a) Currency in circulation + Demand Deposits with Commercial Banks
- b) Currency in circulation + Bankers' deposits with the Central Bank
- c) Time Deposits + Savings Deposits
- d) Net Demand and Time Liabilities of Commercial Banks

**Correct Answer:** b) Currency in circulation + Bankers' deposits with the Central Bank \*

## **23. Atal Pension Yojana (APY)**

**Q.** What is the eligible age bracket for a new subscriber to join the Atal Pension Yojana (APY)?

- a) 18 to 40 years
- b) 21 to 50 years
- c) 18 to 60 years
- d) 25 to 45 years

**Correct Answer:** a) 18 to 40 years

#### **24. Reverse Repo Rate**

**Q.** What happens during a Reverse Repo operation conducted by the Reserve Bank of India (RBI)?

- a) Commercial banks borrow money from the RBI.
- b) The RBI lends money to commercial banks.
- c) The RBI borrows money from commercial banks.
- d) Commercial banks lend money to the public.

**Correct Answer:** c) The RBI borrows money from commercial banks.

**25. NSDL \* Question:** What is the primary function of the National Securities Depository Limited (NSDL) in the Indian financial market?

- a) To regulate mutual funds
- b) To act as a central bank
- c) To hold securities in dematerialized form
- d) To provide credit to small businesses

**Correct Answer:** c) To hold securities in dematerialized form

#### **26. Grindlays First Merchant Bank**

**Q.** Which foreign bank was the first to receive a license to operate as a merchant bank in India?

- a) Citibank
- b) Standard Chartered Bank
- c) Grindlays Bank
- d) HSBC



**Correct Answer:** c) Grindlays Bank

**27. Liberalisation \* Question:** The policy of Liberalisation in India, as part of the broader LPG reforms, was officially introduced in which year?

- a) 1981
- b) 1991
- c) 2001
- d) 1971

**Correct Answer:** b) 1991

### **28. Demand Curve**

**Q.** What is the typical slope of a demand curve in a conventional supply and demand graph?

- a) Upward from left to right
- b) Downward from left to right
- c) Vertical
- d) Horizontal

**Correct Answer:** b) Downward from left to right

### **29. Red Herring Prospectus**

**Q.** What critical piece of information is intentionally omitted from a Red Herring Prospectus (RHP) filed during an IPO?

- a) The company's financial statements
- b) The names of the company's promoters
- c) The risks involved in the investment
- d) The final issue price and exact number of shares

**Correct Answer:** d) The final issue price and exact number of shares.

### **30. Nationalisation of Bank**

**Q.** In which year did the first major nationalisation of 14 commercial banks take place in India?

- a) 1955
- b) 1969
- c) 1980

d) 1991

**Correct Answer:** b) 1969

### **31. Mutual Fund Regulator**

**Q.** Who is the primary regulator for Mutual Funds in India?

- a) Reserve Bank of India (RBI)
- b) Securities and Exchange Board of India (SEBI)
- c) Ministry of Finance
- d) Association of Mutual Funds in India (AMFI)

**Correct Answer:** b) Securities and Exchange Board of India (SEBI)

### **32. Balance of Payment Committee, headed by**

**Q.** The High Level Committee on Balance of Payments, which made significant recommendations for India's external sector reforms in the 1990s, was headed by whom? \*

- a) Dr. Manmohan Singh
- b) Dr. Bimal Jalan
- c) Dr. C. Rangarajan
- d) Dr. Y. V. Reddy

**Correct Answer:** c) Dr. C. Rangarajan

### **33. Formula (GNP/GVA)**

**Q.** Which of the following best describes the relationship between Gross National Product (GNP) and Gross Value Added (GVA)?

- a) GNP measures total domestic production, while GVA measures output at the national level.
- b) GVA focuses on value addition by producers, while GNP is a measure of total national income, including net factor income from abroad.
- c) Both GNP and GVA are identical measures of economic output.
- d) GNP is always lower than GVA.

**Correct Answer:** b) GVA focuses on value addition by producers, while GNP is a measure of total national income, including net factor income from abroad.

### **34. R N Malhotra Committee**

**Q.** The recommendations of the R. N. Malhotra Committee were instrumental in the establishment of which regulatory authority?

a) Securities and Exchange Board of India (SEBI) b) Pension Fund Regulatory and Development Authority (PFRDA) c) Insurance Regulatory and Development Authority of India (IRDAI) d) Forward Markets Commission (FMC) \* **Correct Answer:** c) Insurance Regulatory and Development Authority of India (IRDAI)

**35. T-Bill \* Question:** What is the maximum maturity period for a Treasury Bill (T-Bill) issued by the Government of India? \* **Options:** a) 91 days b) 182 days c) 364 days d) 5 years \* **Correct Answer:** c) 364 days

**36. Face Value Interest Rate \* Question:** How do Treasury Bills (T-Bills) typically pay returns to investors? \* **Options:** a) They pay fixed interest quarterly at face value. b) They are issued at a discount to their face value and redeemed at par. c) They pay interest annually at a variable rate based on market conditions. d) They are convertible into equity shares after a certain period. \* **Correct Answer:** b) They are issued at a discount to their face value and redeemed at par

**37. Pillars Of NITI Aayog \* Question:** Which of the following is NOT considered one of the seven pillars of effective governance envisioned by NITI Aayog? \* **Options:** a) Pro-People b) Pro-Activity c) Centralization d) Equality \* **Correct Answer:** c) Centralization

**38. Regulation of Foreign Exchange \* Question:** Which act governs the regulation of foreign exchange in India, replacing the earlier FERA? \* **Options:** a) Foreign Exchange Regulation Act (FERA) b) Foreign Exchange Management Act (FEMA) c) Prevention of Money Laundering Act (PMLA) d) Banking Regulation Act \* **Correct Answer:** b) Foreign Exchange Management Act (FEMA)

**39. Make In India Pillars \* Question:** The 'Make in India' initiative is based on four pillars to boost manufacturing. Which of the following is NOT one of these pillars? \* **Options:** a) New Processes b) New Infrastructure c) New Taxes d) New Sectors \* **Correct Answer:** c) New Taxes

**40. Foreign Exchanges Arrange in Chronological Order \* Question:** Among the following foreign exchange management regimes/acts in India, which was introduced most recently? \* **Options:** a) Foreign Exchange Regulation Act (FERA) b) Liberalized Exchange Rate Management System (LERMS) c) Foreign Exchange Management Act (FEMA) d) Exchange Control Regulations (initial pre-FERA regime) \* **Correct Answer:** c) Foreign Exchange Management Act (FEMA)

**41. FDI and FII- Hot Money \* Question:** In the context of international capital flows, which of the following is most often referred to as 'hot money' due to its volatile nature? \* **Options:** a) Foreign Direct Investment (FDI) b) Foreign Institutional Investment (FII) c)

External Commercial Borrowings (ECB) d) Remittances from Non-Resident Indians (NRIs) \*

**Correct Answer:** b) Foreign Institutional Investment (FII)

**42. Monetary Policy** \* **Question:** Who is responsible for formulating and implementing monetary policy in India? \* **Options:** a) Ministry of Finance b) Securities and Exchange Board of India (SEBI) c) The Reserve Bank of India (RBI) d) NITI Aayog \* **Correct Answer:** c) The Reserve Bank of India (RBI)

**43. Financial Market** \* **Question:** A financial market that deals with short-term funds (typically with a maturity period of up to one year) is known as what? \* **Options:** a) Capital Market b) Stock Market c) Money Market d) Derivatives Market \* **Correct Answer:** c) Money Market

**44. Mutual Fund Institution** \* **Question:** In a mutual fund structure, which entity is responsible for holding the securities of a mutual fund scheme in its custody? \* **Options:** a) Asset Management Company (AMC) b) Board of Trustees c) Registrar and Transfer Agent (RTA) d) The Custodian \* **Correct Answer:** d) The Custodian

**45. Forward Rate Agreement Numerical** \* **Question:** A company enters into a 3x6 Forward Rate Agreement (FRA). What does this notation signify about the period for which the interest rate is fixed? \* **Options:** a) The rate is fixed for 3 months, starting immediately. b) The rate is fixed for 6 months, starting 3 months from now. c) The rate is fixed for 3 months, starting 3 months from now. d) The rate is fixed for 6 months, starting immediately. \* **Correct Answer:** c) The rate is fixed for 3 months, starting 3 months from now.

**46. Prudential Norms** \* **Question:** In banking, prudential norms typically include standards for which of the following? \* **Options:** a) Customer service quality and complaint redressal mechanisms. b) Employee remuneration and incentive structures. c) Income recognition, asset classification, and provisioning. d) Marketing strategies and product development. \* **Correct Answer:** c) Income recognition, asset classification, and provisioning.

**47. Cooperative Banks** \* **Question:** Cooperative banks in India are typically regulated by which of the following? \* **Options:** a) Exclusively by the Reserve Bank of India (RBI). b) Exclusively by the Registrar of Cooperative Societies of the respective states. c) Both the Reserve Bank of India (RBI) and the Registrar of Cooperative Societies of the respective states. d) National Bank for Agriculture and Rural Development (NABARD) only. \* **Correct Answer:** c) Both the Reserve Bank of India (RBI) and the Registrar of Cooperative Societies of the respective states.

**48. Development Financial Institution Regulated By** \* **Question:** Development Financial Institutions (DFIs) like SIDBI, EXIM Bank, and NABARD are primarily regulated by which authority in India? \* **Options:** a) Ministry of Finance b) Securities and Exchange Board of India (SEBI) c) Reserve Bank of India (RBI) d) NITI Aayog \* **Correct Answer:** c) Reserve Bank of India (RBI)

**49. Call and Notice Money \* Question:** In the Indian money market, what is the maximum duration for "Notice Money"? \* **Options:** a) 1 day b) 7 days c) 14 days d) 30 days \* **Correct Answer:** c) 14 days

**50. Formal and Informal Market \* Question:** Which of the following is a characteristic typically associated with an informal financial market? \* **Options:** a) Strict adherence to regulatory guidelines. b) Transactions are primarily conducted through licensed financial institutions. c) Absence of formal rules and often higher interest rates. d) High transparency in lending and borrowing terms. \* **Correct Answer:** c) Absence of formal rules and often higher interest rates.

**51. Numerical on Bond \* Question:** A bond has a face value of Rs. 1,000 and carries a coupon rate of 7% per annum. What is the annual coupon payment an investor would receive from this bond? \* **Options:** a) Rs. 7 b) Rs. 70 c) Rs. 100 d) Rs. 1,070 \* **Correct Answer:** b) Rs. 70

**52. Share Prices, Profit was asked \* Question:** If a company's stock is trading at Rs. 250 per share and its annual Earnings Per Share (EPS) is Rs. 25, what is its Price-to-Earnings (P/E) ratio? \* **Options:** a) 5 b) 10 c) 15 d) 20 \* **Correct Answer:** b) 10

**53. Law of Demand \* Question:** According to the Law of Demand, *ceteris paribus* (all else being equal), what is the relationship between the price of a good and the quantity demanded? \* **Options:** a) Direct relationship b) Inverse relationship c) No relationship d) Proportional relationship \* **Correct Answer:** b) Inverse relationship

**54. NRI Eligibility For APY? \* Question:** Are Non-Resident Indians (NRIs) eligible to open a new Atal Pension Yojana (APY) account? \* **Options:** a) Yes, provided they have an NRE account. b) Yes, provided they have an OCI card. c) No, only resident Indian citizens are eligible to subscribe to APY. d) Yes, if they intend to return to India within 5 years. \* **Correct Answer:** c) No, only resident Indian citizens are eligible to subscribe to APY.

**55. Phases of Development of Financial Market \* Question:** The first phase of development in the Indian financial system (from post-independence until 1991) was primarily characterized by what? \* **Options:** a) Extensive liberalization and market-driven reforms. b) A highly regulated, state-dominated banking and financial sector. c) Rapid growth of private sector banks and foreign investment. d) Focus on global integration and capital account convertibility. \* **Correct Answer:** b) A highly regulated, state-dominated banking and financial sector.

#### **55. Green Debt Security Revised Guidelines Issued By**

**Question:** The revised regulatory framework for Green Debt Securities, issued in February 2023, is primarily governed by which regulatory body in India?

**Options:** a) Reserve Bank of India (RBI) b) Securities and Exchange Board of India (SEBI) c) Ministry of Finance d) National Green Tribunal (NGT)

**Correct Answer:** b) Securities and Exchange Board of India (SEBI)

#### 56. USD Index

**Question:** What does the USD Index (DXY) primarily measure?

**Options:** a) The value of the US Dollar against a basket of major world currencies. b) The inflation rate in the United States. c) The performance of the US stock market. d) The US trade balance with its largest partners.

**Correct Answer:** a) The value of the US Dollar against a basket of major world currencies.

#### 57. Insurance Broker

**Question:** In India, who is the primary regulatory authority for Insurance Brokers?

**Options:** a) Reserve Bank of India (RBI) b) Securities and Exchange Board of India (SEBI) c) Insurance Regulatory and Development Authority of India (IRDAI) d) Ministry of Finance

**Correct Answer:** c) Insurance Regulatory and Development Authority of India (IRDAI)

#### 58. Deficit Financing

**Question:** What does 'Deficit Financing' primarily imply in government budgeting?

**Options:** a) Government borrowing from external sources only. b) Government spending exceeding its revenue, covered by borrowing or printing money. c) Government reducing its expenditure to balance the budget. d) Government increasing taxes to cover expenses.

**Correct Answer:** b) Government spending exceeding its revenue, covered by borrowing or printing money.

#### 59. Credit Score Range

**Question:** In India, what is generally considered an 'excellent' credit score range for an individual, as provided by credit bureaus like CIBIL?

**Options:** a) 300-500 b) 500-650 c) 650-750 d) 750-900

**Correct Answer:** d) 750-900

#### 60. SHG Initiative

**Question:** The Self Help Group (SHG) - Bank Linkage Programme, a significant financial inclusion initiative in India, is primarily promoted and facilitated by which institution?

**Options:** a) Reserve Bank of India (RBI) b) Small Industries Development Bank of India (SIDBI) c) National Bank for Agriculture and Rural Development (NABARD) d) National Housing Bank (NHB)

**Correct Answer:** c) National Bank for Agriculture and Rural Development (NABARD)

#### 61. CPI Released By NSO

**Question:** Which organization is responsible for releasing the Consumer Price Index (CPI) in India?

**Options:** a) Reserve Bank of India (RBI) b) Ministry of Finance c) National Statistical Office (NSO) d) NITI Aayog

**Correct Answer:** c) National Statistical Office (NSO)

#### 62. Money Demand Curve - Income Level Changes

**Question:** According to economic theory, how does an increase in the aggregate income level of an economy typically affect the money demand curve, assuming other factors remain constant?

**Options:** a) It shifts the money demand curve to the left. b) It shifts the money demand curve to the right. c) It causes a movement along the money demand curve. d) It makes the money demand curve steeper.

**Correct Answer:** b) It shifts the money demand curve to the right.

#### 63. SDG 13

**Question:** Sustainable Development Goal (SDG) 13, as set by the United Nations, specifically addresses which global challenge?

**Options:** a) Zero Hunger b) Clean Water and Sanitation c) Climate Action d) Affordable and Clean Energy

**Correct Answer:** c) Climate Action

#### 64. Viksit Bharat

\* **Question:** The Government of India has set an ambitious vision for India to become a 'Viksit Bharat' (Developed India) by which year? \* **Options:** a) 2030 b) 2035 c) 2047 d) 2050

\* **Correct Answer:** c) 2047

#### 65. Board Directors of RBI



\* **Question:** Who is primarily responsible for appointing the Governor and Deputy Governors (official directors) of the Reserve Bank of India's Central Board? \* **Options:** a) The President of India b) The Parliament of India c) The Central Government of India d) The existing RBI Board members \* **Correct Answer:** c) The Central Government of India

#### 66. NITI Aayog Full Form

\* **Question:** What is the full form of NITI Aayog? \* **Options:** a) National Institute of Technology and Innovation Aayog b) National Institution for Transforming India c) New India Transformation Initiative Agency d) National Industrial and Technological Integration Authority \* **Correct Answer:** b) National Institution for Transforming India

#### 67. RBI Green Deposit

\* **Question:** What is the primary purpose of the Reserve Bank of India's (RBI) framework for 'Green Deposits' for regulated entities? \* **Options:** a) To encourage deposits in foreign currency accounts. b) To provide preferential tax treatment for all bank deposits. c) To facilitate and promote green finance for sustainable projects. d) To mandate banks to invest in environmental charities. \* **Correct Answer:** c) To facilitate and promote green finance for sustainable projects.

#### 68. Numerical On GDP

**Question:** Using the expenditure approach, if Consumption (C) = 150, Investment (I) = 70, Government Spending (G) = 40, Exports (X) = 30, and Imports (M) = 20, what is the Gross Domestic Product (GDP)? \* **Options:** a) 250 b) 270 c) 290 d) 310 \* **Correct Answer:** b) 270 \*

#### 69. TReDS Regulated By

\* **Question:** The Trade Receivables Discounting System (TReDS) platforms in India, which facilitate the financing of trade receivables, are regulated by which authority? \* **Options:** a) Securities and Exchange Board of India (SEBI) b) Reserve Bank of India (RBI) c) Ministry of MSME d) National Payment Corporation of India (NPCI) \* **Correct Answer:** b) Reserve Bank of India (RBI)

#### 70. G-Sec Coupon Rate

\* **Question:** What does the 'coupon rate' of a Government Security (G-Sec) primarily represent? \* **Options:** a) The discount at which the security is issued. b) The interest rate the investor earns annually on the face value. c) The yield to maturity of the security. d) The premium at which the security is traded in the secondary market.

**Correct Answer:** b) The interest rate the investor earns annually on the face value.

#### 71. Insurance Penetration Numerical

\* **Question:** How is 'insurance penetration' in an economy typically calculated? \* **Options:** a)  $\frac{\text{Total insurance premiums paid}}{\text{Number of policies issued}}$  b) Total insurance premiums



paid / Gross Domestic Product (GDP) \* 100 c) Total insurance claims settled / Total premiums paid d) Number of insurance agents / Total population

- **Correct Answer:** b) Total insurance premiums paid / Gross Domestic Product (GDP) \* 100

## 72. CSR Activity

\* **Question:** As per the Companies Act, 2013 in India, a company is required to undertake Corporate Social Responsibility (CSR) activities if its net profit in the immediately preceding financial year exceeds a certain threshold. What is that threshold? \* **Options:** a) Rs. 1 Crore b) Rs. 3 Crore c) Rs. 5 Crore d) Rs. 10 Crore

**Correct Answer:** c) Rs. 5 Crore

## 73. Retail Investor Limit

\* **Question:** In an Initial Public Offering (IPO) in India, what is the maximum application amount allowed for a 'retail individual investor'? \* **Options:** a) Rs. 50,000 b) Rs. 1,00,000 c) Rs. 2,00,000 d) Rs. 5,00,000

**Correct Answer:** c) Rs. 2,00,000

## 74. NBFC and Bank Difference

\* **Question:** What is a fundamental difference between a Non-Banking Financial Company (NBFC) and a Commercial Bank regarding their deposit-taking activities? \* **Options:** a) NBFCs can issue cheques, while banks cannot. b) Banks cannot provide loans, while NBFCs can. c) NBFCs cannot accept demand deposits, while banks can. d) NBFCs are regulated by the Ministry of Finance, while banks are regulated by RBI.

**Correct Answer:** c) NBFCs cannot accept demand deposits, while banks can.

## 75. T-Bills Minimum Amount

\* **Question:** What is the minimum investment amount for Treasury Bills (T-Bills) in India? \* **Options:** a) Rs. 1,000 b) Rs. 5,000 c) Rs. 10,000 d) Rs. 25,000

**Correct Answer:** d) Rs. 25,000

## 76. CD Maturity

\* **Question:** What is the minimum and maximum maturity period for Certificates of Deposit (CDs) issued by banks in India? \* **Options:** a) 3 months to 1 year b) 7 days to 1 year c) 15 days to 3 years d) 1 year to 5 years

**Correct Answer:** b) 7 days to 1 year

#### **77. CRA - Rating Not Included**

\* **Question:** Which of the following types of ratings is NOT typically provided by a Credit Rating Agency (CRA) in India? \* **Options:** a) Company's debt instruments rating b) Sovereign credit rating c) Equity investment recommendation rating d) Bank loan ratings

**Correct Answer:** c) Equity investment recommendation rating

#### **78. Economic Organisation Fundamental Question**

\* **Question:** Which international economic organization primarily aims to facilitate global trade, reduce tariffs, and resolve trade disputes among member countries? \* **Options:** a) International Monetary Fund (IMF) b) World Bank c) World Trade Organization (WTO) d) Organization for Economic Cooperation and Development (OECD)

**Correct Answer:** c) World Trade Organization (WTO)

#### **79. First Organisation set up by Foreign Bank?**

\* **Question:** Which of the following financial services was pioneered in India by a foreign bank, making it one of the first such organizations? \* **Options:** a) Payment Banks b) Small Finance Banks c) Merchant Banking d) Microfinance Institutions

**Correct Answer:** c) Merchant Banking

#### **80. Why DFI**

\* **Question:** What is the primary reason for the establishment of Development Financial Institutions (DFIs) in an economy? \* **Options:** a) To manage short-term liquidity in the money market. b) To provide long-term finance for large-scale industrial and infrastructure projects. c) To regulate the banking sector and issue currency. d) To manage public debt and government borrowings.

**Correct Answer:** b) To provide long-term finance for large-scale industrial and infrastructure projects.

#### **81. Law of Diminishing Marginal Utility**

\* **Question:** What does the law of diminishing marginal utility state? \* **Options:** a) As price increases, quantity demanded decreases. b) The total satisfaction from consuming a good increases indefinitely. c) As more units of a good are consumed, the additional satisfaction derived from each successive unit tends to decrease. d) Production costs decrease as output increases.

**Correct Answer:** c) As more units of a good are consumed, the additional satisfaction derived from each successive unit tends to decrease.

## 82 . B.R. Act Sec 10 - Board of Directors

\* **Question:** According to Section 10(1) of the Banking Regulation Act, 1949, regarding the composition of a banking company's Board of Directors, what is a key requirement concerning directors with substantial interest in other companies? \* **Options:** a) All directors must have substantial interest in other companies. b) Not less than 51% of the directors should have substantial interest in other companies. c) Not less than 51% of the directors should have specialized knowledge or practical experience, and no director should have a substantial interest in any other company or firm. d) The Act does not specify any conditions for directors with substantial interest.

**Correct Answer:** c) Not less than 51% of the directors should have specialized knowledge or practical experience, and no director should have a substantial interest in any other company or firm.

## 83. CRR SLR Purpose

\* **Question:** What is the primary objective of imposing Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) on banks by the RBI? \* **Options:** a) To increase the profitability of the banks. b) To ensure solvency and control credit growth. c) To provide direct funding for government projects. d) To finance the operations of the Reserve Bank of India.

**Correct Answer:** b) To ensure solvency and control credit growth.

## 84. NNPS Vatsalya \*

**Question:** What is the primary objective of the 'Vatsalya Scheme' of the Ministry of Women and Child Development? \* **Options:** a) To provide universal education for children. b) To focus on child protection services and rehabilitation. c) To offer financial assistance for girls' marriages. d) To promote health insurance for new mothers.

**Correct Answer:** b) To focus on child protection services and rehabilitation.

## 85. Lionel Robbin Definition

\* **Question:** Which economist is known for giving the 'Scarcity Definition' of economics, emphasizing human wants being unlimited and resources being scarce? \* **Options:** a) Adam Smith b) Alfred Marshall c) Lionel Robbins d) Paul Samuelson

**Correct Answer:** c) Lionel Robbins

## 86. ANBC Calculation

\* **Question:** In the context of Priority Sector Lending (PSL) by banks in India, what does 'ANBC' stand for? \* **Options:** a) Approved Net Bank Credit b) Adjusted Net Bank Credit c) Annual National Banking Capital d) Average Non-Banking Capital

- **Correct Answer:** b) Adjusted Net Bank Credit

#### 87. PMJJBY

\* **Question:** What is the age eligibility criteria for enrolling in the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)? \* **Options:** a) 18-50 years b) 18-60 years c) 18-70 years d) 16-59 years

**Correct Answer:** a) 18-50 years

#### 88. Atal Pension Yojana

\* **Question:** What is the maximum age for an individual to join the Atal Pension Yojana (APY)? \* **Options:** a) 40 years b) 50 years c) 55 years d) 60 years

**Correct Answer:** a) 40 years

#### 89. Economic Development Features

\* **Question:** Which of the following is typically NOT considered a characteristic feature of 'Economic Development'? \* **Options:** a) Increase in real per capita income. b) Improvement in living standards and quality of life. c) Only an increase in the country's Gross Domestic Product (GDP) without structural changes. d) Reduction in poverty and inequality.

**Correct Answer:** c) Only an increase in the country's Gross Domestic Product (GDP) without structural changes.

#### 90. Call/Notice/Term Money

\* **Question:** In the Indian money market, what is the maximum duration for a lending/borrowing transaction to be classified as 'Term Money'? \* **Options:** a) Overnight b) Up to 14 days c) More than 14 days and up to one year d) More than one year

**Correct Answer:** c) More than 14 days and up to one year

#### 91. Coinage Act

\* **Question:** Which Act primarily governs the coinage of money in India? \* **Options:** a) Reserve Bank of India Act, 1934 b) Banking Regulation Act, 1949 c) The Coinage Act, 2011 d) Negotiable Instruments Act, 1881

**Correct Answer:** c) The Coinage Act, 2011

#### 92. Budget 2024-25

\* **Question:** A key focus area in the Interim Union Budget 2024-25 for driving economic growth was emphasized on which of the following? \* **Options:** a) Reducing capital expenditure to control fiscal deficit. b) Increasing subsidies to boost consumption. c) Sustained push for infrastructure development through higher capital outlay. d) Increasing direct taxes to enhance revenue.

**Answer:** c) Sustained push for infrastructure development through higher capital outlay.

### 93. Lease Finance and Hire Purchase Statement Based Question

\* **Question:** Which of the following statements correctly highlights a key difference between Lease Finance and Hire Purchase? \* **Options:** a) In hire purchase, ownership transfers to the hirer at the end of the agreement, while in lease finance, ownership generally remains with the lessor. b) Lease finance always involves a down payment, while hire purchase never does. c) Hire purchase is off-balance sheet financing, while lease finance is on-balance sheet. d) Lease finance is primarily for consumer goods, while hire purchase is for industrial assets.

**Correct Answer:** a) In hire purchase, ownership transfers to the hirer at the end of the agreement, while in lease finance, ownership generally remains with the lessor.

### 94. Age In Various Schemes

\* **Question:** What is the maximum age for enrollment in the Pradhan Mantri Suraksha Bima Yojana (PMSBY)? \* **Options:** a) 50 years b) 55 years c) 60 years d) 70 years

**Correct Answer:** d) 70 years

### 95. IBRD Sovereign Loan

\* **Question:** Which institution, part of the World Bank Group, primarily provides sovereign loans to middle-income and creditworthy low-income countries for development projects?

\* **Options:** a) International Development Association (IDA) b) International Finance Corporation (IFC) c) International Bank for Reconstruction and Development (IBRD) d) Multilateral Investment Guarantee Agency (MIGA)

**Correct Answer:** c) International Bank for Reconstruction and Development (IBRD)

### 96 . Rate of Interest v/s Demand of Savings

\* **Question:** According to economic theory, how does an increase in the rate of interest typically affect the demand for savings, *ceteris paribus*? \* **Options:** a) It decreases the demand for savings. b) It increases the demand for savings. c) It has no effect on the demand for savings. d) It shifts the supply curve of savings to the left.

**Correct Answer:** b) It increases the demand for savings.

### 97. License Given or Provided to Private Banks

\* **Question:** Which body is responsible for granting licenses for new private sector banks in India? \* **Options:** a) Ministry of Finance b) Reserve Bank of India (RBI) c) Indian Banks' Association (IBA) d) Securities and Exchange Board of India (SEBI)

**Correct Answer:** b) Reserve Bank of India (RBI)

### 98. Credit Score

\* **Question:** What is the primary purpose of an individual's credit score in the financial system? \* **Options:** a) To determine their eligibility for government subsidies. b) To assess their creditworthiness for loans and credit products. c) To calculate their income tax liability. d) To predict their investment returns in the stock market.

**Correct Answer:** b) To assess their creditworthiness for loans and credit products.

### 99. Prudential Limit

\* **Question:** What is the main objective of 'Prudential Limits' set by banking regulators for banks? \* **Options:** a) To encourage aggressive lending by banks. b) To ensure that banks maintain sound financial health and manage risks effectively. c) To limit the number of branches a bank can open. d) To fix the maximum interest rates banks can charge on loans.

**Correct Answer:** b) To ensure that banks maintain sound financial health and manage risks effectively.

### 100. SDG 17

\* **Question:** Sustainable Development Goal (SDG) 17 focuses on which of the following? \* **Options:** a) Life Below Water b) Affordable and Clean Energy c) Partnerships for the Goals d) Responsible Consumption and Production

**Correct Answer:** c) Partnerships for the Goals

### 101. Climate Action

\* **Question:** Which specific Sustainable Development Goal (SDG) directly addresses the global challenge of 'Climate Action'? \* **Options:** a) SDG 7 (Affordable and Clean Energy) b) SDG 11 (Sustainable Cities and Communities) c) SDG 13 (Climate Action) d) SDG 15 (Life on Land)

**Correct Answer:** c) SDG 13 (Climate Action)

### 102. Bank of Baroda Merger

\* **Question:** Which major three-way merger of public sector banks involved Bank of Baroda in 2019? \* **Options:** a) Syndicate Bank, Canara Bank, and Bank of Baroda. b) Dena Bank, Vijaya Bank, and Bank of Baroda. c) Andhra Bank, Corporation Bank, and Bank of Baroda. d) Oriental Bank of Commerce, United Bank of India, and Bank of Baroda.

**Correct Answer:** b) Dena Bank, Vijaya Bank, and Bank of Baroda.

### 103. OMO Purpose

\* **Question:** What is the primary purpose of Open Market Operations (OMOs) conducted by the Reserve Bank of India (RBI)? \* **Options:** a) To provide direct loans to the government. b)

To manage liquidity in the banking system. c) To regulate stock market trading. d) To grant licenses to new banks.

- **Correct Answer:** b) To manage liquidity in the banking system.
- **Solution:** OMOs (buying or selling government securities) are a key monetary policy tool used by the RBI to either inject or absorb liquidity from the banking system, thereby influencing short-term interest rates.

**50. Security and Wealth Definition \* Question:** Which definition of economics focuses on the efficient allocation of 'scarce resources' to satisfy unlimited 'wants'? \* **Options:** a) Wealth definition (Adam Smith) b) Welfare definition (Alfred Marshall) c) Scarcity definition (Lionel Robbins) d) Growth definition (Paul Samuelson)

- **Correct Answer:** c) Scarcity definition (Lionel Robbins)
- **Solution:** Lionel Robbins' scarcity definition emphasizes that economics is about how individuals and societies make choices given unlimited wants and limited (scarce) resources.

**51. Term Money \* Question:** In the interbank money market, what is the minimum duration for a loan to be classified as 'Term Money'? \* **Options:** a) Overnight b) 2 days c) 15 days d) 30 days

- **Correct Answer:** c) 15 days
- **Solution:** Term money refers to funds borrowed or lent for periods exceeding 14 days, up to one year.

**52. Demand and Supply Curve \* Question:** What point on a conventional demand and supply curve graph represents market equilibrium? \* **Options:** a) Where the demand curve is horizontal. b) Where the supply curve is vertical. c) The intersection point of the demand and supply curves. d) The point where either curve touches the Y-axis.

- **Correct Answer:** c) The intersection point of the demand and supply curves.
- **Solution:** Market equilibrium occurs where the quantity demanded by consumers equals the quantity supplied by producers, represented by the intersection of the demand and supply curves.

**53. Who Gives the CPI Index? \* Question:** In India, which organization is responsible for compiling and releasing the Consumer Price Index (CPI)? \* **Options:** a) Reserve Bank of India (RBI) b) NITI Aayog c) National Statistical Office (NSO) d) Ministry of Finance

- **Correct Answer:** c) National Statistical Office (NSO)



- **Solution:** The National Statistical Office (NSO), under the Ministry of Statistics and Programme Implementation, is the primary body responsible for generating and releasing India's CPI data.

**54. Effective Revenue Deficit \* Question:** How is 'Effective Revenue Deficit' calculated in the context of government budgeting in India? \* **Options:** a) Revenue Deficit - Interest Payments b) Fiscal Deficit - Revenue Deficit c) Revenue Deficit - Grants for Creation of Capital Assets d) Total Expenditure - Total Revenue

- **Correct Answer:** c) Revenue Deficit - Grants for Creation of Capital Assets
- **Solution:** Effective Revenue Deficit is a concept introduced in India to capture the revenue deficit net of grants provided for the creation of capital assets, as such grants are productive in nature even if they are part of revenue expenditure.

**55. Mutualize and Demutualize Statement Based \* Question:** What is the primary outcome of the 'demutualization' process for a stock exchange? \* **Options:** a) It merges two or more stock exchanges into one. b) It converts a for-profit, shareholder-owned exchange into a non-profit, member-owned entity. c) It converts a non-profit, member-owned exchange into a for-profit, shareholder-owned company. d) It allows foreign investors to trade directly on the exchange.

- **Correct Answer:** c) It converts a non-profit, member-owned exchange into a for-profit, shareholder-owned company.
- **Solution:** Demutualization means separating the ownership and trading rights of the members of a stock exchange. It transforms the exchange from a non-profit mutual organization into a for-profit public limited company.

**56. Not a T Bill on the basis of types/majority \* Question:** Which of the following is NOT a standard maturity period for Treasury Bills (T-Bills) issued by the Government of India? \* **Options:** a) 91 days b) 182 days c) 364 days d) 5 years

- **Correct Answer:** d) 5 years
- **Solution:** Treasury Bills are short-term money market instruments with original maturities of less than one year, typically 91, 182, or 364 days. Securities with maturities of 5 years or more are generally classified as Government Bonds (G-Secs).

**57. Enforcement of FEMA \* Question:** Which government body in India is primarily responsible for the enforcement of the Foreign Exchange Management Act (FEMA), 1999? \* **Options:** a) Reserve Bank of India (RBI) b) Ministry of Finance c) Enforcement Directorate d) Central Bureau of Investigation (CBI)

- **Correct Answer:** c) Enforcement Directorate



- **Solution:** While RBI frames regulations under FEMA, the Enforcement Directorate (ED), under the Ministry of Finance, is the specialized agency responsible for investigating and prosecuting offenses under FEMA.

**58. Microeconomics \* Question:** What is the primary focus of Microeconomics? \* **Options:**

a) The study of aggregate economic phenomena like inflation and unemployment. b) The study of individual economic agents, their decisions, and specific market interactions. c) The analysis of international trade policies and global markets. d) The formulation of government fiscal and monetary policies.

- **Correct Answer:** b) The study of individual economic agents, their decisions, and specific market interactions.
- **Solution:** Microeconomics studies economic behavior and decisions of individual units such as consumers, households, firms, and specific markets, as opposed to the economy as a whole (macroeconomics).

**59. Total PSL of SFB \* Question:** What is the current Priority Sector Lending (PSL) target for Small Finance Banks (SFBs) in India, as a percentage of their Adjusted Net Bank Credit (ANBC)? \* **Options:** a) 40% b) 50% c) 75% d) 60%

- **Correct Answer:** c) 75%
- **Solution:** Small Finance Banks (SFBs) have a higher PSL target of 75% of their ANBC, designed to promote lending to underserved sectors.

**60. Cash, Tom, Spot Time Period \* Question:** In foreign exchange markets, what is the settlement period for a 'Spot' transaction? \* **Options:** a) Same day (T+0) b) Next business day (T+1) c) Two business days from the trade date (T+2) d) Beyond two business days

- **Correct Answer:** c) Two business days from the trade date (T+2)
- **Solution:** 'Cash' (or 'Ready') is T+0, 'Tom' (Tomorrow) is T+1, and 'Spot' is T+2. 'Forward' is beyond T+2.

**61. SLR Act \* Question:** Under which Act is the Statutory Liquidity Ratio (SLR) requirement for banks in India mandated? \* **Options:** a) Reserve Bank of India Act, 1934 b) Banking Regulation Act, 1949 c) Negotiable Instruments Act, 1881 d) Companies Act, 2013

- **Correct Answer:** b) Banking Regulation Act, 1949
- **Solution:** Section 24 of the Banking Regulation Act, 1949, empowers the RBI to specify the SLR requirements for banks.

**62. Currency Note Legal Tender Issued By? \* Question:** In India, who has the sole authority to issue currency notes (other than one rupee notes and coins) and declare them as legal

tender? \* **Options:** a) Ministry of Finance b) Commercial Banks c) Reserve Bank of India (RBI) d) Securities and Exchange Board of India (SEBI)

- **Correct Answer:** c) Reserve Bank of India (RBI)
- **Solution:** Under Section 22 of the Reserve Bank of India Act, 1934, the RBI has the sole right to issue banknotes in India. One rupee notes and coins are issued by the Government of India.

**63. GIFT City** \* **Question:** What is the full form of GIFT City, an emerging global financial and IT hub in India? \* **Options:** a) Gujarat Information and Financial Technology City b) Global Innovation and Financial Trade City c) Gujarat International Finance Tec-City d) Grand Indian Future Technology City

- **Correct Answer:** c) Gujarat International Finance Tec-City
- **Solution:** GIFT City is India's first operational smart city and international financial services centre (IFSC), located in Gujarat.

**64. Financial Inclusion** \* **Question:** What is the primary goal of 'Financial Inclusion' initiatives in an economy? \* **Options:** a) To increase the profitability of large commercial banks. b) To ensure access to affordable financial products and services for all sections of society. c) To regulate the stock market and protect investors. d) To provide direct financial assistance to large corporations.

- **Correct Answer:** b) To ensure access to affordable financial products and services for all sections of society.
- **Solution:** Financial inclusion aims to bring the unbanked and underbanked population into the formal financial system by providing access to basic banking, credit, insurance, and pension products.

**65. GDP Deflator** \* **Question:** What does the GDP Deflator measure? \* **Options:** a) The change in the price of a fixed basket of consumer goods and services. b) The average change in prices of all new, domestically produced, final goods and services in an economy. c) The inflation rate experienced by exporters. d) The real growth rate of the economy.

- **Correct Answer:** b) The average change in prices of all new, domestically produced, final goods and services in an economy.
- **Solution:** The GDP Deflator is a measure of the level of prices of all new, domestically produced, final goods and services in an economy. It's used to convert nominal GDP into real GDP.

**66. Venture Capital** \* **Question:** What distinguishes Venture Capital (VC) funding from traditional bank loans for startups? \* **Options:** a) VC funds provide collateral-based debt,

while banks provide equity. b) VC funds typically take an equity stake in high-growth, high-risk startups, while bank loans are debt-based. c) VC funding is primarily for large, established companies, while bank loans are for startups. d) VC funds charge fixed interest rates, while bank loans have variable rates.

- **Correct Answer:** b) VC funds typically take an equity stake in high-growth, high-risk startups, while bank loans are debt-based.
- **Solution:** Venture capital is a form of equity financing provided to early-stage, high-potential, high-growth startup companies that are usually too risky for traditional bank loans.

**67. Venture Capital Basic Purpose \* Question:** What is the basic purpose of a Venture Capital fund? \* **Options:** a) To invest in established, publicly traded companies for stable dividends. b) To provide short-term working capital loans to small businesses. c) To provide seed, start-up, and early-stage financing to high-growth, innovative companies. d) To manage pension funds for government employees.

- **Correct Answer:** c) To provide seed, start-up, and early-stage financing to high-growth, innovative companies.
- **Solution:** Venture capital funds focus on providing capital to businesses with high growth potential, often in new or emerging industries, that typically lack the operating history or assets to qualify for traditional bank loans.

**68. Currency Note Policy \* Question:** The demonetization of Rs. 500 and Rs. 1000 notes in 2016 in India was implemented under which broad policy objective? \* **Options:** a) To encourage digital payments only. b) To curb black money, counterfeit currency, and terrorism financing. c) To boost agricultural production. d) To reduce the national debt.

- **Correct Answer:** b) To curb black money, counterfeit currency, and terrorism financing.
- **Solution:** The primary stated objectives of the 2016 demonetization were to combat black money, tackle counterfeit currency, and stop the financing of terrorism.

**69. FX Retail Platform - Size of Single \* Question:** What is the maximum single transaction size allowed for individuals on the FX Retail platform for foreign exchange transactions? \* **Options:** a) USD 10,000 b) USD 50,000 c) USD 250,000 d) USD 1,000,000

- **Correct Answer:** c) USD 250,000
- **Solution:** The FX Retail platform, launched by the RBI for retail participants, allows individuals to conduct foreign exchange transactions with a single transaction size limit of up to USD 250,000.

**70. 2000 Notes demolish under which policy? \* Question:** The withdrawal of Rs. 2000 denomination banknotes in 2023 by the RBI was primarily done under which of its ongoing initiatives? \* **Options:** a) Financial Inclusion Drive b) Clean Note Policy c) Digital India Campaign d) Fiscal Consolidation Plan

- **Correct Answer:** b) Clean Note Policy
- **Solution:** The RBI stated that the withdrawal of Rs. 2000 notes was part of its 'Clean Note Policy', which aims to ensure a good quality currency circulation in the economy.

**71. DFI \* Question:** What is the primary role of a Development Financial Institution (DFI) in an economy? \* **Options:** a) Providing short-term consumer loans. b) Facilitating foreign exchange trading. c) Providing long-term project finance for economic development. d) Regulating the stock market.

- **Correct Answer:** c) Providing long-term project finance for economic development.
- **Solution:** DFIs are specialized institutions established to provide medium-to-long term finance for sectors crucial for economic development, such as infrastructure and heavy industries.

**72. What is Single Transaction? \* Question:** In the context of banking regulations (e.g., for reporting suspicious transactions), what is a 'single transaction' typically defined as? \* **Options:** a) Any deposit or withdrawal made by a customer. b) A single cash deposit or withdrawal exceeding a specified threshold, or a series of connected transactions whose aggregate value exceeds the threshold. c) Only transactions involving foreign currency. d) Any transaction conducted through digital means.

- **Correct Answer:** b) A single cash deposit or withdrawal exceeding a specified threshold, or a series of connected transactions whose aggregate value exceeds the threshold.
- **Solution:** For anti-money laundering (AML) and combating the financing of terrorism (CFT) purposes, a 'single transaction' often includes not just an isolated event but also connected transactions that cumulatively cross a reporting threshold.

**73. Equilibrium Situation - Price Impact \* Question:** If, at a given market price, the quantity demanded for a product exceeds the quantity supplied, what is the likely short-term impact on its market price? \* **Options:** a) Price will tend to fall. b) Price will tend to rise. c) Price will remain stable. d) Quantity supplied will immediately decrease.

- **Correct Answer:** b) Price will tend to rise.

- **Solution:** When demand exceeds supply, there is a shortage in the market. This creates upward pressure on prices as consumers compete for the limited available goods, pushing the price towards the equilibrium point.

**74. PPB Definition \* Question:** In the context of banking and finance, what does 'PPB' commonly stand for, particularly in relation to internal financial management? \* **Options:** a) Public-Private Banking b) Profit Planning and Budgeting c) Payment and Performance Benchmarking d) Portfolio Purchase Bonds

- **Correct Answer:** b) Profit Planning and Budgeting
- **Solution:** PPB, in a banking context, often refers to the strategic process of Profit Planning and Budgeting, which involves setting financial goals and allocating resources to achieve desired profitability.

**75. PMSBY \* Question:** What is the annual premium amount for the Pradhan Mantri Suraksha Bima Yojana (PMSBY)? \* **Options:** a) Rs. 12 b) Rs. 20 c) Rs. 436 d) Rs. 500

- **Correct Answer:** b) Rs. 20
- **Solution:** PMSBY offers accidental death and disability cover for Rs. 2 lakh for an annual premium of Rs. 20.

**76. Call and Put Option - Role of Underlying Asset \* Question:** In a financial options contract (whether a Call or a Put option), what is the 'underlying asset'? \* **Options:** a) The premium paid to buy the option. b) The asset that the option holder has the right (but not the obligation) to buy or sell. c) The strike price of the option. d) The maturity date of the option.

- **Correct Answer:** b) The asset that the option holder has the right (but not the obligation) to buy or sell.
- **Solution:** The underlying asset is the specific security, commodity, currency, or index on which the options contract is based. The value of the option is derived from the price movement of this underlying asset.

**77. Bond Valuation and Theorem \* Question:** What is the general relationship between bond prices and interest rates, as described by basic bond theorems? \* **Options:** a) Direct relationship b) Inverse relationship c) No relationship d) Proportional relationship

- **Correct Answer:** b) Inverse relationship
- **Solution:** Bond prices and interest rates generally move in opposite directions. When interest rates rise, existing bond prices fall (to make their fixed coupon payments attractive compared to new, higher-yielding bonds), and vice versa.

**78. Retail Trading \* Question:** What is the primary characteristic of 'Retail Trading' in the stock market? \* **Options:** a) Large-volume trading by institutional investors. b) Trading of commodities and derivatives only. c) Trading of securities by individual investors, usually in smaller quantities. d) Trading conducted exclusively by stockbrokers.

- **Correct Answer:** c) Trading of securities by individual investors, usually in smaller quantities.
- **Solution:** Retail trading refers to the activity of individual, non-professional investors buying and selling securities for their personal accounts, typically involving smaller trade sizes compared to institutional trading.

**79. FRA \* Question:** A Forward Rate Agreement (FRA) is primarily used by financial institutions and corporations to manage exposure to what type of risk? \* **Options:** a) Credit risk b) Exchange rate risk c) Interest rate risk d) Commodity price risk

- **Correct Answer:** c) Interest rate risk
- **Solution:** An FRA allows parties to fix an interest rate for a future period, thereby hedging against adverse movements in interest rates for a future loan or deposit.

**80. Which Bank was Nationalised in July 1969? \* Question:** Which of the following banks was among the 14 major commercial banks nationalized in India in July 1969? \* **Options:** a) State Bank of India b) HDFC Bank c) Bank of India d) ICICI Bank

- **Correct Answer:** c) Bank of India
- **Solution:** State Bank of India was nationalized earlier (1955). HDFC Bank and ICICI Bank are private sector banks established later. Bank of India was one of the 14 private commercial banks with deposits exceeding Rs. 50 crore that were nationalized on July 19, 1969.

**81. CRA Basic Feature \* Question:** What is a fundamental characteristic of a Credit Rating Agency (CRA)? \* **Options:** a) They provide financial assistance to defaulting companies. b) They act as intermediaries for mergers and acquisitions. c) They provide independent assessments of the creditworthiness of entities and debt instruments. d) They regulate stock market trading activities.

- **Correct Answer:** c) They provide independent assessments of the creditworthiness of entities and debt instruments.
- **Solution:** CRAs are independent organizations that evaluate the financial strength of borrowers and their ability to meet debt obligations, assigning ratings to debt instruments and entities.

**82. Open and Close Ended - Why? \* Question:** What is a key differentiating feature between an 'open-ended' and a 'close-ended' mutual fund scheme? \* **Options:** a) Open-ended funds invest only in equity, while close-ended funds invest only in debt. b) Open-ended funds allow continuous subscription and redemption of units, while close-ended funds have a fixed corpus and maturity period. c) Close-ended funds are regulated by SEBI, while open-ended funds are regulated by RBI. d) Open-ended funds can trade on stock exchanges, while close-ended funds cannot.

- **Correct Answer:** b) Open-ended funds allow continuous subscription and redemption of units, while close-ended funds have a fixed corpus and maturity period.
- **Solution:** Open-ended funds are available for subscription and redemption on a continuous basis at Net Asset Value (NAV) related prices. Close-ended funds have a fixed number of units and a specified maturity period, after which they are wound up.

**83. LLP - CP Amount \* Question:** What is the minimum denomination for Commercial Papers (CPs) issued in India? \* **Options:** a) Rs. 1 lakh b) Rs. 2 lakh c) Rs. 5 lakh d) Rs. 10 lakh

- **Correct Answer:** c) Rs. 5 lakh
- **Solution:** Commercial Papers (CPs) can be issued in denominations of Rs. 5 lakh or multiples thereof.

**84. How to come out from Venture Capital Fund? \* Question:** Which of the following is a common 'exit route' for a Venture Capital (VC) fund to realize returns on its investments? \* **Options:** a) Depositing funds in a fixed deposit account. b) Selling shares to the public through an Initial Public Offering (IPO) or a trade sale/acquisition. c) Lending money to other startups at high interest rates. d) Investing in government securities for long-term returns.

- **Correct Answer:** b) Selling shares to the public through an Initial Public Offering (IPO) or a trade sale/acquisition.
- **Solution:** VC funds invest in companies with the expectation of high returns through an exit strategy, primarily IPO (selling shares to the public) or trade sale/acquisition (selling the company to another entity).

**85. Local Boards of RBI \* Question:** Where are the Local Boards of the Reserve Bank of India (RBI) located? \* **Options:** a) Only in Mumbai b) Mumbai, Kolkata, Chennai, and New Delhi c) All state capitals d) Only in major financial centers like London and New York

- **Correct Answer:** b) Mumbai, Kolkata, Chennai, and New Delhi



- **Solution:** The RBI has four Local Boards located in Mumbai, Kolkata, Chennai, and New Delhi, representing the four regions of the country. They advise the Central Board on local matters.

**86. Payment Bank Feature \* Question:** Which of the following is a key operational restriction for Payment Banks in India? \* **Options:** a) They can issue credit cards. b) They can undertake lending activities. c) They cannot undertake lending activities. d) They can accept deposits up to Rs. 10 Lakh per individual customer.

- **Correct Answer:** c) They cannot undertake lending activities.
- **Solution:** Payment Banks are restricted to accepting deposits (up to Rs. 2 lakh per individual customer) and facilitating payments. They are explicitly prohibited from undertaking any lending activities.

**87. Medium Enterprises \* Question:** As per the revised MSME classification in India (effective July 1, 2020), what is the investment in plant and machinery or equipment limit for a 'Medium Enterprise'? \* **Options:** a) Up to Rs. 1 Crore b) Up to Rs. 10 Crore c) Rs. 10 Crore to Rs. 50 Crore d) Rs. 50 Crore to Rs. 250 Crore

- **Correct Answer:** d) Rs. 50 Crore to Rs. 250 Crore
- **Solution:** As per the revised criteria, a Medium Enterprise is one with an investment of Rs. 50 Crore to Rs. 250 Crore AND a turnover of Rs. 250 Crore to Rs. 1250 Crore. The question specifically asked for investment limit.

**88. Rural-Urban Migration \* Question:** Which of the following is considered a primary 'pull factor' contributing to rural-urban migration? \* **Options:** a) Scarcity of agricultural land in rural areas. b) Better employment opportunities and higher wages in urban areas. c) Drought and famine in rural regions. d) Lack of basic infrastructure in rural areas.

- **Correct Answer:** b) Better employment opportunities and higher wages in urban areas.
- **Solution:** 'Pull factors' are attractions in urban areas that draw people from rural areas, with better job prospects and higher income being major drivers.

**89. Match The Following - Bonus Share, Equity \* Question:** From which of the following sources are 'Bonus Shares' typically issued by a company to its existing shareholders? \* **Options:** a) Fresh capital raised from IPO. b) Accumulated reserves and surplus. c) Short-term bank loans. d) Proceeds from sale of assets.

- **Correct Answer:** b) Accumulated reserves and surplus.



- **Solution:** Bonus shares are fully paid shares issued free of cost to existing shareholders out of the company's accumulated profits or reserves, proportional to their existing shareholding.

**90. Hicks-Hansen Gave Which Model? \* Question:** The IS-LM model, a macroeconomic tool that shows how the interaction of the goods market (IS curve) and the money market (LM curve) determines equilibrium output and interest rates, was developed by whom? \*

**Options:** a) Adam Smith and David Ricardo b) John Maynard Keynes and Milton Friedman c) John Hicks and Alvin Hansen d) Robert Solow and Paul Romer

- **Correct Answer:** c) John Hicks and Alvin Hansen
- **Solution:** The IS-LM model was developed by John Hicks in 1937 and later extended by Alvin Hansen, based on Keynesian economics.

**91. Future and Forward Contract Feature \* Question:** What is a key distinguishing feature between a Futures contract and a Forward contract? \* **Options:** a) Futures are customized and traded OTC, while Forwards are standardized and exchange-traded. b) Futures are primarily used for hedging, while Forwards are used for speculation. c) Futures are standardized and exchange-traded, while Forwards are customized and traded Over-The-Counter (OTC). d) Futures have counterparty risk, while Forwards do not.

- **Correct Answer:** c) Futures are standardized and exchange-traded, while Forwards are customized and traded Over-The-Counter (OTC).
- **Solution:** Futures contracts have standardized terms (quantity, quality, delivery date) and are traded on organized exchanges. Forward contracts are tailor-made agreements between two parties and are traded privately (OTC).

**92. IDBI, EXIM, ICICI, IFCI, Arrange according to establishment \* Question:** Arrange the following Development Financial Institutions (DFIs) in chronological order of their establishment in India: 1. ICICI 2. IFCI 3. IDBI 4. EXIM Bank \* **Options:** a) 1, 2, 3, 4 b) 2, 1, 3, 4 c) 3, 1, 2, 4 d) 4, 3, 1, 2

- **Correct Answer:** b) 2, 1, 3, 4
- **Solution:**
  1. IFCI (Industrial Finance Corporation of India) - 1948
  2. ICICI (Industrial Credit and Investment Corporation of India) - 1955
  3. IDBI (Industrial Development Bank of India) - 1964
  4. EXIM Bank (Export-Import Bank of India) - 1982

**93. TReDS Operation Regulated By RBI? \* Question:** Are the operations of Trade Receivables Discounting System (TReDS) platforms in India regulated by the Reserve Bank of India (RBI)? \* **Options:** a) No, they are regulated by SEBI. b) No, they are self-regulated by the participating entities. c) Yes, they are regulated by the RBI. d) Yes, but only for foreign exchange transactions.

- **Correct Answer:** c) Yes, they are regulated by the RBI.
- **Solution:** The RBI has issued guidelines and regulates the establishment and operation of TReDS platforms to ensure smooth and secure financing of MSME receivables.

**94. Interpret Liquidity Preference Theory \* Question:** What does Keynes's Liquidity Preference Theory primarily explain? \* **Options:** a) Why the central bank adjusts interest rates. b) Why individuals prefer to hold wealth in liquid assets (money) rather than illiquid assets. c) How supply and demand interact in the goods market. d) The relationship between inflation and unemployment.

- **Correct Answer:** b) Why individuals prefer to hold wealth in liquid assets (money) rather than illiquid assets.
- **Solution:** Keynes's theory posits that individuals demand money for three motives: transactions, precautionary, and speculative. The speculative motive explains why individuals prefer to hold money as a buffer against future uncertainty rather than investing in less liquid assets.

**95. Which of the following is not SDG Goal? \* Question:** Which of the following is NOT one of the Sustainable Development Goals (SDGs) as adopted by the United Nations? \* **Options:** a) No Poverty b) Zero Hunger c) Global Space Colonization d) Quality Education

- **Correct Answer:** c) Global Space Colonization
- **Solution:** The UN SDGs comprise 17 goals, focusing on various social, economic, and environmental challenges. 'Global Space Colonization' is not one of them.

**96. Market Economy \* Question:** What is the defining characteristic of a pure market economy? \* **Options:** a) All economic decisions are made by the central government. b) Decisions about production, investment, and prices are determined by the forces of supply and demand. c) Resources are primarily owned and controlled by the state. d) Central planning dictates what goods and services are produced.

- **Correct Answer:** b) Decisions about production, investment, and prices are determined by the forces of supply and demand.

- **Solution:** In a market economy, resources are privately owned, and economic decisions are largely driven by competition and price signals in free markets.

**97. NBFC-MFI - Minimum Loan Amount** \* **Question:** As per RBI regulations for NBFC-MFIs, what is the maximum individual loan amount that can be provided to a borrower in the first cycle (assuming the borrower meets income criteria)? \* **Options:** a) Rs. 50,000 b) Rs. 75,000 c) Rs. 1,00,000 d) Rs. 1,25,000

- **Correct Answer:** d) Rs. 1,25,000
- **Solution:** For NBFC-MFIs, the maximum permissible loan amount per eligible borrower is Rs. 1,25,000 in the first cycle and Rs. 2,00,000 in subsequent cycles (subject to the household income limit of Rs. 3,00,000).
















**98. Which of the following is not a regulator?** \* **Question:** Which of the following is NOT a financial sector regulator in India? \* **Options:** a) Reserve Bank of India (RBI) b) Securities and Exchange Board of India (SEBI) c) Indian Banks' Association (IBA) d) Insurance Regulatory and Development Authority of India (IRDAI)

- **Correct Answer:** c) Indian Banks' Association (IBA)
  - **Solution:** IBA is a representative body of banking management in India that promotes best practices and represents member banks. It is not a statutory regulatory authority like RBI, SEBI, or IRDAI.
-



**7000+ Selections in JAIIB-CAIIB 2024**  
Meet the Champions

 <b>Mohd Tarque</b> JAIIB Score: 283	 <b>Akhil Kumar A</b> JAIIB Score: 280	 <b>M. Divyasree</b> JAIIB Score: 271
 <b>Anil Kumar</b> CAIIB Score: 378	 <b>Naveen Hajrika</b> CAIIB Score: 361	 <b>Sumit Dahiya</b> CAIIB Score: 360

 <b>Thirukumaran A</b> JAIIB Score: 270	 <b>Sunny</b> JAIIB Score: 261	 <b>Aniruddha Sen</b> JAIIB Score: 260	 <b>Tarun Yadav</b> JAIIB Score: 260	 <b>Renu</b> JAIIB Score: 259	 <b>Jayakumar S</b> JAIIB Score: 259
 <b>Shruti Menon</b> JAIIB Score: 259	 <b>Torugu Balakrishna</b> JAIIB Score: 258	 <b>Uttam Kumar Pal</b> CAIIB Score: 359	 <b>K Hari Prasad</b> CAIIB Score: 348	 <b>Shiv Pratap Singh</b> CAIIB Score: 333	 <b>Mohammad Danish</b> CAIIB Score: 328
 <b>Ravi Veera</b> CAIIB Score: 327	 <b>Preet Sagar Sharma</b> CAIIB Score: 325	 <b>Twinkle Wahane</b> CAIIB Score: 324	 <b>Azhar Khan</b> CAIIB Score: 322		

And Thousands More...!

**Start Your JAIIB Exam Prep Today**



Call: +91 76760 22222



Email: [help@oliveboard.in](mailto:help@oliveboard.in)



Download Oliveboard App

# We Don't Brag... Hear It Straight from Toppers!

**Madhubanti Ray**

1st attempt RBWM-63  
IE AND FS- 48  
PPB-55  
AFM-62  
THANK YOU P. Shama SIR.



←2 16:20

MR

**SRIKANTH TALWAR**

RBWM:61  
IEIFS:50  
PPB:62  
AFB:54

Thank your Oliveboard team for support and cleared in my first attempt

11:18

ST

**Gau K**

Got 56 in AFM  
Jaiib cleared... 🙏  
Thanks sir ..



←1 15:19

GK

U

**Utkarsh JAIIB**

Got 55 in RBWM, believe me it was quiet tough Cleared DBF aka Jaiib in 1st attempt

11:22

But at the end if concepts are clear its relatively easier

11:23

**Manisha Morya**

Thankyou so much sir... Got 58 ..  
thanks for your efforts sir 🙏

←1 15:21

MM

S

**Shivani**

Thank you sir AFM 52 cleared

11:40



Rbwm was not leaving me for a long time. Thanks to your master batch i cleared it and finally cleared JAIIB sir. Thank you so much



←1 15:36



**Manish Kumar Rawat**

Got 52 sir thanks Rajeev sir

11:42



**Priyam Awasthi**

AFM 51 Thankyou Pradhyuman Sir only last 1 week ko de payi thi apke classes or content samjnae ka tarika Etna lazawab hain ki non commerce background hokr bi AFM clear ho gya sir really you are a great mentor big Thankyou Pradhyuman sir



PA

**Suman Kumari JAIIB**

Thank you, Rajeev Sir, for your guidance and support. I have cleared the exam. Got 59.

11:45

SK

**Arif Sheikh**

Sir got 61 Thank you so much for your efforts formaking us to qualify in rbwm

11:54

AS



Call: +91 76760 22222



Email: [help@oliveboard.in](mailto:help@oliveboard.in)



Download Oliveboard App