

Subject: central banking TYBBI SEMESTER -VI

Choose the correct alternative and rewrite the sentences

- 1) The RBI was nationalized in the year -----
a) 1935 b) 1965 c) 1949 d) 2000
- 2) The major weakness faced by central banks in emerging economies are ----
a) Weak financial system b) financing government debt c) Both (a) and (b) d) none of the above
- 3) ----- is the apex body of the monetary and banking system of the nation's economy.
a) Commercial bank b) central bank c) government d) co-operative bank
- 4) One of the important objectives of monetary policy of the RBI is growth with -----.
a) Social security b) political stability c) price stability d) none of the above.
- 5) The first central bank established in 1668 is called -----
a) Bank of England b) risk bank c) reserve bank d) federal reserve system
- 6) The role of central bank has increased due to -----
a) Nationalization b) financial stability c) export increased d) globalization
- 7) Forecasting or fixing rate of inflation is called -----
a) Inflation targeting b) exchange rate targeting c) money supply targeting d) All the above
- 8) Monetary policy of India is formulated by-----
a) Commercial bank b) state bank of India c) monetary policy committee d) currency board
- 9) ----- is considered as an alternative to central bank
a) International monetary fund b) currency board c) government of India d) both (a) and (b)
- 10) When exchange rate is pegged to another currency it is called -----
a) Inflation targeting b) money supply targeting c) exchange rate targeting d) None of the above
- 11) Fixed exchange rate was operated under -----
a) Flexible exchange rate b) managed float system c) employment policy d) gold standard
- 12) When a currency is pegged to stable foreign currency -----is possible .
a) Low rate of inflation b) high rate of inflation c) Balanced d) none of the above.
- 13) During inflation the central bank adopts ----- money policy
a) Near b) dear c) cheap d) all the above
- 14) The Reserve bank is managed by -----
a) Board of directors b) The Governor c) Four deputy governors d) all the above
- 15) Indian Rupees is fully convertible in the -----
a) Current account b) capital account c) Both (a) and (b) d) none of the above
- 16) The autonomy of a central bank is limited by -----.
a) IMF intervention b) government intervention c) commercial bank d) foreign banks
- 17) Rules for transparency has framed at the global level by -----
a) World bank b) The bank for international settlement c) south eastern countries d) all the above

- 18) The RBI has limited -----
a) Autonomy b) independence c) Both (a) and (b) d) none of the above
- 19) The present Governor of the RBI is-----
a) Mr. Shakti kanta Das b) Dr. Urjit patel c) Dr viral.v. acharya d) Dr. Arvind Subramanian
- 20) The RBI achieves stability in the foreign exchange market through ----
a) Bank rate b) repo and reverse repo rate c) market stabilization scheme d) marginal standing facility
- 21) Short term liquidity is managed through -----
a) Margin requirement b) bank rate c) open market operation d) liquidity adjustment facility.
- 22) The establishment of the RBI was recommended by -----
a) Planning commission b) finance commission c) SEBI d) Hilton young commission.
- 23) Foreign exchange operations are governed by the-----
a) FERA b) FEMA c) SEBI d) NSDL.
- 24) During recession time the CRR is -----
a) Reduced b) increased c) kept same d) doubled
- 25) The objectives of Macro economic policy are
a) Maintain stable price level b) attain full employment c) accelerating the rate of economic growth d) all the above.
- 26) Inflation and recession are controlled by using -----
a) Monetary policy b) fiscal policy c) both (a) and (b) d) none of the above
- 27) Fiscal policy is formulated by -----
a) Government b) central bank c) chief minister of the state d) commercial bank.
- 28) Fiscal policy is concerned with -----
a) Public revenue b) public expenditure c) public debt d) all the above
- 29) GST means -----
a) Goods and settlement tax b) general standard tax c) government security tax d) goods and service tax.
- 30) Public debt is mobilized during -----
a) Deflation b) stagflation c) inflation d) recovery
- 31) When government expenditure exceeds government revenue the government resorted-----
a) Deficit financing b) surplus budgeting c) direct taxation balanced budget
- 32) Main source of revenue to the government is -----
a) Borrowing b) taxation c) public expenditure d) none of the above.
- 33) Monetary policy is concerned with -----
a) Money supply b) credit creation by commercial bank c) rate of interest d) All the above
- 34) The banking regulation act was passed in the year -----
a) 1947 b) 1990 c) 1969 d) 1959
- 35) The primary functions of the commercial bank is ----
a) Accepting deposits and lending loans b) providing locker facilities c) providing general utility services d) issues shares and debentures
- 36) Licenses to start a bank are issued by -----
a) RBI b) SEBI c) IRDA d) ITA

- 37) To ensure financial soundness the banking regulation Act has prescribed minimum reserve requirement and -----
 a) Emergency funds b) claims of depositors c) paid up capital d) advances
- 38) For effective supervision of the banks RBI used -----
 a) On-site inspection b) off- site monitoring surveillance c) both (a) and(b) . d) none of the above
- 39) Financial sector reforms committee in 1991 under the chairmanship of -----
 a) Dr. Manmohan Singh b) dr. Raghuram Rajan c) C.A Narayanan d) Dr.Narasimham
- 40) CBS enables the banking sector to have -----
 a) Better connectivity between branches b) setting up effective management information system c) preventing fraudulent practices d) All the above
- 41) Regulation Review Authority was constituted by RBI in the year -----
 a) 1991 b) 1947 c) 1999 d) 200
- 42) Money laundering and financial terrorism is controlled through -----
 a) OSMOS B) BIS c) ITA d) KYC
- 43) Commercial banks are inspected by the RBI on the basis of -----
 a) CAMELS model b) ITI model c) KYC model d) none of the above
- 44) The core principles for effective supervision were framed by the -----
 a) Narasimham committee b) tendon committee c) Basel committee d) none of the above
- 45) OSMOS stands for -----
 A) Off –site monetary on-line system b) on –site money oriented system c) computerized off –site monitoring and surveillance d) on –line service money oriented system .
- 46) The RRBs and State AND Central Co-operative banks are monitored by -----
 a) SEBI b) RBI c) SBI d) NABARD
- 47) Certificate of deposit is issued by -----
 a) IRDA b) SEBI c) RBI d) commercial bank
- 48) Capital market in India consist of -----
 a) Primary market b) secondary market c) financial intermediaries d) all the above
- 49) Money market refers to the mechanism by which funds are transacted for -----
 a) Short term b) long term c) middle term d) very long period
- 50) Financial system in India consists of the ----
 a) Money market and capital market b) reserve bank of India c) securities exchange board of India d) all the above
- 51) The market deals with short term bills of the central government refers to ----
 a) Commercial bill market b) call money market c) The Treasury bill market d) none of the above
- 52) Money market mutual funds are regulated by -----
 a) SEBI b) RBI c) commercial banks d) NBFC
- 53) Scheme is used to regulate inflow of capital in the market is -----
 a) Repurchase option b) market stabilization c) call money market d) non- of the above.
- 54) Corporate raise capital by issuing -----
 a) Securities b) commercial paper c) both (a) and (b) d) non- of the above

- 55) Pradhan Mantri Jan dhan Yojana provides -----
- a) Access financial services to the weaker section b) banking facilities with insurance and one bank account c) Ru-Pay Debit card d) all the above
- 56) To facilitate multi- tiered market for securities and ensure liquidity is -----
- a) OTCEI b) CCIL c) STCI d) NSDL
- 57) SEBI regulates -----
- a) Regulating the business in stock market b) regulating the work of stock brokers c) preventing insider trading in securities d) All the above
- 58) Central bank of China is -----
- a) Reserve bank of China b) Swiss bank of China c) Federal bank of China d) People's bank of China .
- 59) The central bank of USA is -----
- a) Federal Reserve System b) Central bank of America c) Reserve bank of America d) Federal Americans bank
- 60) At present 19 countries adopt a common currency is ---
- a) Euro b) US dollar c) Rupee d) pound
- 61) US dollar is known as -----
- a) Common currency b) vehicle currency c) standard currency d) non- of the above
- 62) The new bank of Japan came into existence in -----
- a) 1942 b) 1882 c) 1950 d) 1998
- 63) Asian development bank is concerned with -----
- a) Reduction of poverty in the a
b) Asian pacific region b) sustainable growth and regional integration c) both (a) and (b) d) none of the above
- 64) The Bretton-woods conference led to the establishment of –
- a) IBRD b) IMF c) BIS d) ADB.
- 65) SDR is an international reserve and is also known as -----
- a) Capital flow b) vehicle money c) paper gold d) none of the above
- 66) To become a member of IBRD , membership of -----is compulsory
- a) BIS b) RBI c) ADB d) IMF
- 67) The rate at which is used to inject liquidity in the market -----
- a) Repo rate b) reverse repo c)SLR d) bank rate
- 68) Inflation targeting in India is-----
- a) 5% b) 4% c) 3.5% d) 6%
- 69) At present there are ----- core principles for banking supervision .
- a) 22 b) 29 c) 31 d) 31
- 70) Guidelines for E- banking at the international level are issued by-----
- a) RBI b)BIS c) ECB d) federal reserve system
- 71) RTGS stands for -----
- a) Real Time Gross Settlement b) Red Time Gross Settlement c) Rate Time Gross Settlement d) Real Time Gross Settlement .

- 72) E-payments are increasing due to ----- shopping
a) Offline b) on-line c) both (a) and (b) d) non- of the above
- 73) The convergence of information technology and ---- facilities e- payments
a) Message Information b) traditional c) Both (a) and (b) d) Tele - communication
- 74) International development association provides ---
a) Long term loan at zero percent interest to the poor countries b) loans are provided for ranging up to 40 years c) assistance and guidance for education, health d) All the above
- 75) The problems of inflation and depression are addressed by modern government through -----
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a) Monetary policy b) EXIM policy c) industrial policy d) fiscal policy