

# QB365 Question Bank Software Study Materials

## Banking 50 Important 1 Marks Questions With Answers (Book Back and Creative)

12th Standard

Economics

Total Marks : 50

### Multiple Choice Question

50 x 1 = 50

- 1) A Bank is a  
**(a) Financial institution** (b) Corporate (c) An Industry (d) Service institutions
- 2) A Commercial Bank is an institution that provides services  
(a) Accepting deposits (b) Providing loans **(c) Both a and b** (d) None of the above
- 3) The Functions of commercial banks are broadly classified into  
(a) Primary Functions (b) Secondary functions (c) Other functions **(d) a, b, and c**
- 4) Bank credit refers to  
(a) Bank Loans (b) Advances **(c) Bank loans and advances** (d) Borrowings
- 5) Credit creation means  
**(a) Multiplication of loans and advances** (b) Revenue (c) Expenditure (d) Debt
- 6) NBFIs do not have.  
**(a) Banking license** (b) government approval (c) Money market approval (d) Finance ministry approval
- 7) Central bank is \_\_\_\_\_ authority of any country.  
**(a) Monetary** (b) Fiscal (c) Wage (d) National Income
- 8) Who will act as the banker to the Government of India?  
(a) SBI (b) NABARD (c) ICICI **(d) RBI**
- 9) Lender of the last resort is one of the functions of.  
**(a) Central Bank** (b) Commercial banks (c) Land Development Banks (d) Co-operative banks
- 10) Bank Rate means.  
**(a) Re-discounting the first class securities** (b) Interest rate (c) Exchange rate (d) Growth rate
- 11) Repo Rate means.  
(a) Rate at which the Commercial Banks are willing to lend to RBI  
**(b) Rate at which the RBI is willing to lend to commercial banks** (c) Exchange rate of the foreign bank  
(d) Growth rate of the economy
- 12) Moral suasion refers.  
(a) Optimization (b) Maximization **(c) Persuasion** (d) Minimization
- 13) ARDC started functioning from  
(a) June 3, 1963 (b) July 3, 1963 (c) June 1, 1963 **(d) July 1, 1963**
- 14) NABARD was set up in

- (a) July 1962 (b) July 1972 **(c) July 1982** (d) July 1992
- 15) EXIM bank was established in.  
(a) June 1982 (b) April 1982 (c) May 1982 **(d) March 1982**
- 16) The State Financial Corporation Act was passed by  
**(a) Government of India** (b) Government of Tamilnadu (c) Government of Union Territories (d) Local Government
- 17) Monetary policy his formulated by.  
(a) Co-operative banks (b) Commercial banks **(c) Central Bank** (d) Foreign banks
- 18) Online Banking is also known as.  
(a) E-Banking **(b) Internet Banking** (c) RTGS (d) NEFT
- 19) Expansions of ATM  
**(a) Automated Teller Machine** (b) Adjustment Teller Machine (c) Automatic Teller mechanism (d) Any Time Money
- 20) 2016 Demonetization of currency includes denominations of  
**(a) Rs.500 and Rs.1000** (b) Rs.1000 and Rs.2000 (c) Rs.200 and Rs.500 (d) All the above
- 21) RBI will act as the banker to the \_\_\_\_\_  
(a) Private concern (b) Society **(c) Government of India** (d) Both 'a' and 'b'
- 22) Banks issue traveler's cheques to\_\_\_\_\_  
(a) Group of people (b) Family **(c) Individual** (d) Couple
- 23) Finance is the life blood of all economic activities such as\_\_\_\_\_  
(a) trade (b) commerce (c) agriculture **(d) all the above**
- 24) \_\_\_\_\_refers to bank loans and advances  
(a) Credit creation (b) Exchange rate **(c) Bank credit** (d) Bank debit
- 25) \_\_\_\_\_ is the life blood of all the activities.  
**(a) Finance** (b) Sales (c) Deposits (d) Loans
- 26) Commercial banks are institutions that conduct business\_\_\_\_\_  
(a) with profit motive (b) By accepting the deposits (c) By Lending loans **(d) all the above**
- 27) The fundamentals of the art of banking have been developed by \_\_\_\_\_ as the first bank of issues  
(a) The Bank of Baroda (b) The Bank of India (c) Federal Bank of America **(d) The Bank of England**
- 28) Match the items in the List – I with items in List – II. Select the correct answer from the code given below:

List - I	List - II
I. The Central Bank of Chin	1. 1935
II. The Reserve Bank of New Zealand	2. 1934
III. The Reserve Bank of India	3. 1928
IV. Central Bank of Ceylon	4. 1956

<b>(a)</b>	(b)	(c)	(d)
I IIIIIIV	I IIIIIIV	I IIIIIIV	I IIIIIIV
<b>3214</b>	2413	2341	1234

- 29) Demand Deposits refers to deposits that can be withdrawn by individuals \_\_\_\_\_ to the bank.  
**(a) without any prior notice** (b) with prior notice (c) both a and b are correct (d) none of the above

- 30) In which of the following, the owners of these deposits are allowed to withdraw money anytime by writing a withdrawal slip or a cheque at the bank counter or from ATM centres using debit card?
- (a) Saving Deposits    **(b) Demand Deposits**    (c) Time deposits    (d) None of the above
- 31) What deposits can be withdrawn only after a specific time period by providing a written notice to the bank?
- (a) Saving Deposits    (b) Demand Deposits    (c) Statutory Deposits    **(d) Time Deposits**
- 32) Pick the financial tool which are the safe and easy way to protect money while traveling.
- (a) Demand Draft    (b) ATM    (c) Master Card    **(d) Traveller's Cheque**
- 33) Which of these terms are/is appropriate for RBI?
- (a) Banker's Bank    (b) Banker's to the Government    **(c) Both**    (d) None
- 34) Who is "Lender of Last Resort"?
- (a) World Bank    (b) Government    **(c) RBI**    (d) Private Bank
- 35) Expand FEMA.
- (a) Factory Exchange Management Act    **(b) Foreign Exchange Management Act**    (c) Foreign Economic Management Act  
(d) Foreign Exchange Maintenance Act
- 36) \_\_\_\_\_ is the macroeconomic policy being laid down by the Central Bank towards the management of money supply and interest rate
- (a) Narrow Money Policy    (b) Dear Money Policy    (c) Fiscal Policy    **(d) Monetary Policy**
- 37) The Contractionary monetary policy is \_\_\_\_\_, which maintains short term interest rates higher than usual or which slows the rate of growth in the money supply or even shrinks it.
- (a) dear money policy**    (b) federal policy    (c) fiscal policy    (d) monetary policy
- 38) \_\_\_\_\_ have only an internet presence, which enables them to lower costs than traditional brick-and-mortar banks
- (a) indirect banks    (b) development bank    (c) cooperative bank    **(d) direct banks**
- 39) Expand NEFT
- (a) National electronic Fund Transfer**    (b) National electric Fund Transfer    (c) National electronic Finance Transfer  
(d) National electronic Fund Transmission
- 40) A Debit card is a card allowing the holder to transfer money \_\_\_\_\_ from their bank account when making a purchase.
- (a) automatically    **(b) electronically**    (c) technically    (d) none of the above
- 41) During 2018 - 19, the GOI has infused \_\_\_\_\_ into the banking system.
- (a) Rs.78,000 crores    (b) Rs.88,000 crores    **(c) Rs.68,000 crores**    (d) Rs.66,000 crores
- 42) \_\_\_\_\_ is a credit facility granted by commercial banks to current account holders.
- (a) Cash credit    **(b) overdraft**    (c) discounting of bills of exchange    (d) demand loans
- 43) Which bank was introduced first ATM machine in India?
- (a) RBI    **(b) HSBC**    (c) PNB    (d) ICICI bank
- 44) How does a commercial bank create money
- (a) By printing money    **(b) By lending a part of its deposits**    (c) By issuing ATM cards    (d) Accepting deposits
- 45) Match the correct codes

1	It implies that commercial banks are mainly dependent on public deposits	i	Agency Functions
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2	It refers to deposits that can be withdrawn by individuals without any prior notice to the bank.	ii	Accepting Deposits
3	It refers to deposits that are made for certain committed period of time	iii	Demand Deposits
4	It implies that commercial banks act as agents of customers	iv	Time Deposits

- (a) **(1) – (i) (2) – (ii) (3) – (iv) (4) – (iii)**    (b) (1) – (ii) (2) – (iii) (3) – (iv) (4) – (i)    (c) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)  
(d) (1) – (iv) (2) – (iii) (3) – (i) (4) – (ii)

46) The Presidential bank were Bank of

- (a) Bengal    (b) Bombay    (c) Madras    **(d) all the above**

47) RBI was nationalised on \_\_\_\_ 1949.

- (a) 15<sup>th</sup> June    (b) 15<sup>th</sup> July    **(c) 15<sup>th</sup> August**    (d) 15<sup>th</sup> September

48) Which bank is the issuer of currency?

- (a) Central Bank**    (b) Commercial Bank    (c) Land Development Bank    (d) Co-operative Bank

49) Medium term loan period is

- (a) below 15 months    (b) above 5 years    **(c) between 15 months and 5 years**    (d) none

50) \_\_\_\_\_ deals with short term credit instruments.

- (a) Capital market    **(b) Money market**    (c) Forward market    (d) None