

General Socio-Economic & Banking Awareness: Solved Paper

**1. RBI's open market operation transactions are carried out with a view to regulate—**

- (A) Liquidity in the economy
- (B) Prices of essential commodities
- (C) Inflation
- (D) Borrowing power of the banks
- (E) All the above

**2. When more than one banks are allowing credit facilities to one party in coordination**

with each other under a formal arrangement, the arrangement is generally known as—

- (A) Participation
- (B) Consortium
- (C) Syndication
- (D) Multiple banking
- (E) None of these

**3. Open market operations, one of the measures taken by RBI in order to control credit**

expansion in the economy means —

- (A) Sale or purchase of Govt. securities
- (B) Issuance of different types of bonds
- (C) Auction of gold
- (D) To make available direct finance to borrowers
- (E) None of these

**4. The bank rate means—**

- (A) Rate of interest charged by commercial banks from borrowers
- (B) Rate of interest at which commercial banks discounted bills of their borrowers
- (C) Rate of interest allowed by commercial banks on their deposits
- (D) Rate at which RBI purchases or rediscounts bills of exchange of commercial banks
- (E) None of these

**5. What is an Indian Depository Receipt ?**

- (A) A deposit account with a Public Sector Bank
- (B) A depository account with any of Depositories in India
- (C) An instrument in the form of depository receipt created by an Indian depository against underlying equity shares of the issuing company
- (D) An instrument in the form of deposit receipt issued by Indian depositories
- (E) None of these

**6. An instrument that derives its value from a specified underlying (currency, gold, stocks etc.) is known as—**

- (A) Derivative
- (B) Securitisation Receipts
- (C) Hedge Fund
- (D) Factoring
- (E) Venture Capital Funding

**7. Fiscal deficit is—**

- (A) total income less Govt. borrowing
- (B) total payments less total receipts
- (C) total payments less capital receipts
- (D) total expenditure less total receipts excluding borrowing
- (E) None of these

**8. In the Capital Market, the term arbitrage is used with reference to—**

- (A) purchase of securities to cover the sale
- (B) sale of securities to reduce the loss on purchase
- (C) simultaneous purchase and sale of securities to make profits from price
- (D) variation in different markets
- (E) Any of the above

**9. Reverse repo means—**

- (A) Injecting liquidity by the Central Bank of a country through purchase of Govt. securities
- (B) Absorption of liquidity from the market by sale of Govt. securities
- (C) Balancing liquidity with a view to enhancing economic growth rate
- (D) Improving the position of availability of the securities in the market
- (E) Any of the above

**10. The stance of RBI monetary policy is—**

- (A) inflation control with adequate liquidity for growth
- (B) improving credit quality of the Banks
- (C) strengthening credit delivery mechanism
- (D) supporting investment demand in the economy
- (E) Any of the above

**11. Currency Swap is an instrument to manage—**

- (A) Currency risk
- (B) interest rate risk
- (C) currency and interest rate risk
- (D) cash flows in different currencies
- (E) All of the above

**12. 'Sub-prime' refers to—**

- (A) lending done by banks at rates below PLR
- (B) funds raised by the banks at sub-Libor rates
- (C) Group of banks which are not rated as prime banks as per Banker's Almanac
- (D) lending done by financing institutions including banks to customers not meeting with normally required credit appraisal standards
- (E) All of the above

**13. Euro Bond is an instrument—**

- (A) issued in the European market
- (B) issued in Euro Currency
- (C) issued in a country other than the country of the currency of the Bond
- (D) All of the above
- (E) None of these

**14. Money Laundering normally involves—**

- (A) placement of funds
- (B) layering of funds
- (C) integration of funds
- (D) All of (A), (B) and (C)
- (E) None of (A), (B) and (C)

**15. The IMF and the World Bank were conceived as institutions to—**

- (A) strengthen international economic co-operation and to help create a more stable and prosperous global economy
- (B) IMF promotes international monetary cooperation
- (C) The World Bank promotes long term economic development and poverty reduction
- (D) All of (A), (B) and (C)
- (E) None of (A), (B) and (C)

**16. Capital Market Regulator is—**

- (A) RBI
- (B) IRDA
- (C) NSE
- (D) BSE
- (E) SEBI

**17. In the term BRIC, R stands for—**

- (A) Romania
- (B) Rajithan
- (C) Russia
- (D) Regulation
- (E) None of these

**18. FDI refers to—**

- (A) Fixed Deposit Interest
- (B) Fixed Deposit Investment
- (C) Foreign Direct Investment
- (D) Future Derivative Investment
- (E) None of these

**19. What is Call Money ?**

- (A) Money borrowed or lent for a day or over night
- (B) Money borrowed for more than one day but upto 3 days
- (C) Money borrowed for more than one day but upto 7 days
- (D) Money borrowed for more than one day but upto 14 days
- (E) None of these

**20. Which is the first Indian company to be listed in NASDAQ ?**

- (A) Reliance
- (B) TCS
- (C) HCL
- (D) Infosys
- (E) None of these

**21. Which of the following is the Regulator of the credit rating agencies in India ?**

- (A) RBI
- (B) SBI
- (C) SIDBI
- (D) SEBI
- (E) None of these

**22. Who is Brand Endorsing Personality of Bank of Baroda ?**

- (A) Juhi Chawla
- (B) Kiran Bedi
- (C) Amitabh Bachchan
- (D) Kapil Dev
- (E) None of these

**23. The branding line of Bank of Baroda is—**

- (A) International Bank of India
- (B) India's International Bank
- (C) India's Multinational Bank
- (D) World's local Bank
- (E) None of these

**24. The logo of Bank of Baroda is known as—**

- (A) Sun of Bank of Baroda

- (B) Baroda Sun
- (C) Bank of Baroda's Rays
- (D) Sunlight of Bank of Baroda
- (E) None of these

**25. Which of the following statements(s) is/are True about the exports of China which is a close competitor of India ?**

- (i) China's economic success is basically on the fact that it exports cheaper goods to rich nations like the USA, etc.
  - (ii) In the year 2007 China's exports became almost 40% of its GDP.
  - (iii) When compared to India China's share in the World Exports is more than 30% whereas India's share is mere 6% of the global exports.
- (A) Only (i)
  - (B) Only (ii)
  - (C) Both (i) and (ii)
  - (D) All (i), (ii) and (iii)
  - (E) None of these

**26. One of the major challenges banking industry is facing these days is money laundering. Which of the following acts/norms are launched by the banks to prevent money laundering in general ?**

- (A) Know Your Customer Norms
- (B) Banking Regulation Act
- (C) Negotiable Instrument Act
- (D) Narcotics and Psychotropic Substance Act
- (E) None of these

**27. Lot of Banks in India these days are offering M-Banking Facility to their customers. What is the full form of 'M' in 'M-Banking' ?**

- (A) Money
- (B) Marginal
- (C) Message
- (D) Mutual Fund
- (E) Mobile Phone

**28. Which of the following is/are true about the 'Sub-Prime Crisis' ? (The term was very much in news recently.)**

- (i) It is a mortgage crisis referring to credit default by the borrowers.
  - (ii) Sub-Prime borrowers were those borrowers who were rated low and were high risk borrowers.
  - (iii) This crisis originated because of negligence in credit rating of the borrowers.
- (A) Only (i)
  - (B) Only (ii)

- (C) Only (iii)
- (D) All (i), (ii) and (iii)
- (E) None of these

**29. Which of the following is not the part of the structure of the Financial System in India ?**

- (A) Industrial Finance
- (B) Agricultural Finance
- (C) Government Finance
- (D) Development Finance
- (E) Personal Finance

**30. Which of the following is not the part of the scheduled banking structure in India ?**

- (A) Money Lenders
- (B) Public Sector Banks
- (C) Private Sector Banks
- (D) Regional Rural Banks
- (E) State Co-operative Banks

**31. As we all know Govt. of India collects tax revenue on various activities in the country. Which of the following is a part of the tax revenue of the Govt. ?**

- (i) Tax on Income
- (ii) Tax on Expenditure
- (iii) Tax on Property or Capital Asset
- (iv) Tax on Goods and Services
- (A) Both (i) and (iii) only
- (B) Both (ii) and (iv) only
- (C) All (i), (ii), (iii) and (iv)
- (D) Only (ii), (iii) and (iv)
- (E) None of these

**32. We very frequently read about Special Economic Zones (SEZs) in newspapers. These SEZs were established with which of the following objectives ?**

- (i) To attract foreign investment directly.
- (ii) To protect domestic market from direct competition from multinationals.
- (iii) To provide more capital to agricultural and allied activities.
- (A) Only (i)
- (B) Only (ii)
- (C) Only (iii)
- (D) All (i), (ii) and (iii)
- (E) None of these

**33. Which of the following groups of countries has almost 50% share in global emission of carbon every year ?**

- (A) US, China, India, South Africa
- (B) India, China, Russia, Britain
- (C) South Africa, Nepal, Myanmar
- (D) US, Russia, China & India
- (E) None of these

**34. Which of the following correctly describes the concept of 'Nuclear Bank' floated by International Atomic Energy Agency ?**

- (i) It is a nuclear fuel bank to be shared by all the nations jointly.
  - (ii) It is a facility to help nations in enrichment of uranium.
  - (iii) It is an agency which will keep a close vigil on the nuclear programme of all the nations.
- (A) Only (i)
  - (B) Only (ii)
  - (C) Both (i) and (iii) only
  - (D) Only (iii)
  - (E) Both (i) and (ii) only

**35. Many times we read about Future Trading in newspapers. What is 'Future Trading' ?**

- (i) It is nothing but a trade between any two stock exchanges wherein it is decided to purchase the stocks of each other on a fixed price throughout the year.
  - (ii) It is an agreement between two parties to buy or sell an underlying asset in the future at a predetermined price.
  - (iii) It is an agreement between stock exchanges that they will not trade the stocks of each other under any circumstances in future or for a given period of time.
- (A) Only (i)
  - (B) Only (ii)
  - (C) Only (iii)
  - (D) All (i), (ii) and (iii)
  - (E) None of these

**36. Inflation in India is measured on which of the following indexes/indicators ?**

- (A) Cost of Living Index (COLI)
- (B) Consumer Price Index (CPI)
- (C) Gross Domestic Product
- (D) Wholesale Price Index (WPI)
- (E) None of these

**37. As per the reports published in the newspapers a section of society staged a demonstration at the venue of the G-8 Summit recently. What was/were the issues towards which these demonstrators were trying to draw the attention of G-8 leaders ?**

- (i) Food shortage which has taken 50 million people in its grip.
  - (ii) Inflation which has gone up substantially across the Globe.
  - (iii) USA's consistent presence in Iraq.
- (A) Only (i)  
(B) Only (ii)  
(C) Only (iii)  
(D) Both (i) and (ii) only  
(E) None of these

**38. Hillary Clinton formally suspended her campaign to ensure election of who amongst the following for the next President of USA ?**

- (A) George Bush  
(B) Barack Obama  
(C) John McCain  
(D) Bill Clinton  
(E) None of these

**39. Hugo Chavez whose name was recently in news is the—**

- (A) President of Congo  
(B) Prime Minister of Uganda  
(C) President of Venezuela  
(D) Prime Minister of Brazil  
(E) None of these

**40. The Govt. of India has raised the amount of the Loan Waiver to the farmers by 20%. Now the amount is nearly—**

- (A) Rs. 60,000 crore  
(B) Rs. 65,000 crore  
(C) Rs. 72,000 crore  
(D) Rs. 76,000 crore  
(E) Rs. 80,000 crore

**41. Delimitation Commission has made a recommendation that next Census should be Panchayat-wise. When is the next Census due ?**

- (A) 2010  
(B) 2011  
(C) 2012  
(D) 2013  
(E) 2015



**42. The World Health Organisation has urged that advertisements of which of the following should be banned to protect youth from bad effects of the same ?**

- (A) Tobacco
- (B) Alcoholic drinks
- (C) Junk Food
- (D) Soft drinks with chemical preservatives
- (E) None of these

**43. Which of the following countries has allocated a huge amount of US \$ 10 billion to provide relief to its earthquake victims ?**

- (A) Japan
- (B) South Korea
- (C) China
- (D) South Africa
- (E) None of these

**44. India and Nepal have many agreements on sharing of the water of various rivers. Which of the following rivers is not covered under these agreements ?**

- (A) Kosi
- (B) Gandak
- (C) Ganga
- (D) Mahakali
- (E) All these rivers are covered

**45. Which of the following names is not closely associated with space programme of India or any other country ?**

- (A) CARTOSAT
- (B) NLS – 5
- (C) RUBIN – 8
- (D) GSLV
- (E) SCOPE

**46. Vijay Hazare Trophy is associated with the game of—**

- (A) Hockey
- (B) Cricket
- (C) Badminton
- (D) Football
- (E) Golf

**47. Which of the following was the theme of the Olympic Torch ?**

- (A) Journey of Harmony
- (B) Green World Clean World
- (C) Journey of Peace
- (D) Journey for Hunger-free World
- (E) None of these

**48. Which of the following schemes is not a social development Scheme ?**

- (A) Indira Awas Yojana
- (B) Mid Day Meal
- (C) Bharat Nirman Yojana
- (D) Sarva Shiksha Abhiyan
- (E) All are social schemes

**49. Which of the following is not a member of the ASEAN ?**

- (A) Malaysia
- (B) Indonesia
- (C) Vietnam
- (D) Britain
- (E) Singapore

**50. Which of the following Awards are given for excellence in the field of Sports ?**

- (A) Kalinga Prize
- (B) Shanti Swarup Bhatnagar Award
- (C) Arjun Award
- (D) Pulitzer Prize
- (E) None of these

**Answers :**

1. (E) 2. (B) 3. (A) 4. (D) 5. (C) 6. (C) 7. (D) 8. (C) 9. (A) 10. (E)  
11. (D) 12. (D) 13. (C) 14. (D) 15. (D) 16. (E) 17. (C) 18. (C) 19. (A) 20. (D)  
21. (D) 22. (E) 23. (B) 24. (B) 25. (C) 26. (E) 27. (E) 28. (D) 29. (E) 30. (A)  
31. (C) 32. (A) 33. (D) 34. (B) 35. (B) 36. (D) 37. (B) 38. (B) 39. (C) 40. (A)  
41. (B) 42. (A) 43. (C) 44. (C) 45. (E) 46. (B) 47. (A) 48. (C) 49. (D) 50. (C)