FINANCE AND ESI QUESTIONS FOR RBI GRADE B PHASE 2 2019

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Q.4 Under which Act SEBI has acquired the power to invest regulatory data leaks and unauthorised access of data?

a) RBI Act, 1934
b) Income Tax Act,1961
c) SEBI Act,1992
d) Banking Regulation Act, 1949
e) None of these

Explanation:

- As per the **Finance Bill**, a new section- **15HAA** has been added in the **SEBI Act.**
- According to the bill, if a person tampers with information, destroys regulatory data, access data in an unauthorised manner then a penalty of up to **Rs 10 crore or 3 times the unlawful gains,** whichever is higher would be imposed on the entity
- The step has been taken as SEBI was in the midst of probing sensitive data leak through social media platforms, **Whatsapp and National Stock Exchange (NSE)** case.
- It is not yet clear whether 'regulatory data' and 'database' as mentioned in the bill refers only to SEBI data or even those maintained by depositories, exchanges and clearing corporations,".

Q.5 What is the maximum limit for the subscription of the Sovereign Gold Bond Scheme for individuals and HUFs?

a) 4 kg
b) 8 kg
c) 20 kg
d) 1 kg
e) None of these

Explanation: The **minimum investment limit** of subscription is **one gram** and the **maximum limit is 4 kg for individuals, HUFs and 20 kg for trusts.**

Q.6 Who is the chairman of the committee set up by RBI to review the regulatory guidelines and supervisory framework of Core Investment Companies (CIC)?

a) Rakesh Mohan
b) Tapan Ray
c) Nandan Nilekani
d) U.K. Sinha
e) None of these

Explanation:

Terms of Reference of the committee:

- To **examine the current regulatory framework** for CIC and **suggest changes** therein.
- Suggest changes to the current approach of the Reserve Bank of India towards registration of CIC.
- To strengthen **corporate governance** and **disclosure requirements** for CIC.
- For enhancing off-sight and on-site **supervision** over CIC.
- The committee shall submit the report by **October31, 2019.**

Core Investment Companies (CIC):

- CIC is a **Non-Banking Financial Company (NBFC)** that is indulged in the business of acquiring shares and securities.
- The CIC holds **not less than 90%** of its net assets in the **form of investment.**
- The investment is made in equity shares, preference shares, debentures, bonds, debt or loans in group companies.
- The investments in the **equity shares** in group companies are **not less than 60 per cent** of its net assets.

Q.7 Zero Budget Natural Farming is based on which method?

a) Using a limited amount of chemical fertilizer
b) Use of only nitrogen fertilizer
c) No use of chemical fertilizer
d) High production cost based farming
e) None of these

Explanation:

- **"Zero budget"** stands for no production cost in farming and **"Natural Farming"** stands for doing farming without any aided chemical fertilizer or external seed and only using natural resources.

- **Aim** to pull farmers out of the debt trap, cutting production cost and make small scale farming a viable option.
- ZBNF involves **no use of chemical** fertilizers and assures zero credit for agriculture.
- This type of farming was successfully initiated in **Karnataka** and was replicated as a role model in other states.
- It cut down the farming expenditure and ends farmer's reliance on loans.

Q.8 Which of the following is not allowed to benefits of alternate composition scheme?

a) Service providers of turnover up to Rs 50 lakh
b) Ice-cream manufacturers
c) E-commerce players
d) Traders of turnover up to Rs 1.5 crore
e) None of these

Explanation:

- **Manufacturers or traders** with a taxable business turnover of up to Rs 1.5 crore are eligible for the scheme. The turnover limit is Rs 75 Lakh for the North-Eastern States.
- For the **service provider,** the taxable business turnover is up to Rs 50 Lakh.
- Under this scheme, the person can pay tax **every quarter** at a flat percentage of turnover, instead of paying tax at a normal rate **every month.**
- The composition scheme applies tax rates at 1% (0.5% CGST and 0.5% SGST) on turnover for manufacturers and traders, 5 % on restaurants (not serving alcohol) and 6% for other service providers.
- The scheme **resists** e-commerce players, businesses with tobacco and pan masala, inter-state supplies and ice-cream manufacturers to opt for the scheme.

Q.9 What is the definition of a micro enterprise as per MSME act ?

a) Investment in plant and machinery is less than 10 lacs
b) Turnover is less than 5 crore
c) Has less than 10 full-time employees
d) Total investment in fixed assets of business is less than 25 lacs
e) None of these

Explanation:

Enterprises	**Annual Turnover**
Micro Enterprises	Does not exceed 5 crore rupees
Small Enterprises	More than 5 crore rupees but does not exceed 75 crore rupees
Medium Enterprises	More than 75 crore rupees but does not exceed 250 crore rupees

Q.10 What is "Priority Sector Lending" target for Small Payment banks?

a) 40 per cent of Adjusted Net Bank Credit
b) 50 per cent of Adjusted Net Bank Credit
c) 25 per cent of Adjusted Net Bank Credit
d) 75 per cent of Adjusted Net Bank Credit
e) None of these

Explanation:

Categories	Target
Total Priority Sector	75 per cent of Adjusted Net Bank Credit
Agriculture	18 per cent of ANBC. Within the 18 per cent target for agriculture, a target of 8 percent of ANBC is prescribed for Small and Marginal Farmers.
Micro Enterprises	7.5 per cent of ANBC
Advances to Weaker Sections	10 percent of ANBC

Q.11 What is the age-limit to be eligible as a director of a PSU bank ?

a) 35 to 67 years
b) 24 to 70 years
c) 30 to 67 years
d) 27 to 65 years
e) None of these

Explanation:

- The Committee shall determine the 'fit and proper' status of the proposed candidates based on the broad criteria mentioned hereunder:
  I. **Age –** The candidate's age should be between 35 to 67 years as on the cut-off date fixed for submission of nominations for election.
  II. **Educational qualification –** The candidate should at least be a graduate.
  III. **Experience and field of expertise –** The candidate shall have special knowledge or practical experience in respect of one or more

Q.12 What is the maximum tenure of a PSU bank director ?

a) 5 years
b) 6 years
c) 9 years
d) 10 years
e) None of these

Explanation: An elected director shall hold office for three years and shall be eligible for re-election: Provided that no such director shall hold office for a period exceeding six years, whether served continuously or intermittently.

Q.13 Which among the following report is published by the International Monetary Fund (IMF)?

a) World Development Report
b) World Economic Outlook Report
c) Ease of doing business
d) World Economic Situation and Prospects Report
e) None of these

Explanation:

Current scenario

- The IMF's **World Economic Outlook** July update has also cut India's growth forecast in **2020-21 to 7.2%.**

- **World Development Report:** International Bank for Reconstruction and Development (IBRD).
- **Ease of doing business –** World Bank
- **World Economic Situation and Prospects Report :** United Nations Department of Economic and Social Affairs (UN/DESA), the United Nations Conference on Trade and Development (UNCTAD) and the five United Nations regional commissions (Africa, Europe, Latin America and the Caribbean, Asia and the Pacific, and Western Asia).

Q.14 What is the theme of the Global Innovation Index 2019?

a) Creating Innovative ideas- The Future Innovation
b) Creating Healthy Lives - The Future of Medical Innovation
c) Live to Elders- Future of Medical Innovation
d) Creating Child and Mother lives-The Future of Medical Innovation
e) None of these

Explanation: The GII 2019 theme is Creating Healthy Lives - The Future of Medical Innovation, which aims to explore the role of medical innovation in shaping the future of healthcare.

Q.15 The Income Tax Day is celebrated in India on?

a) 21st July
b) 23rd August
c) 24th July
d) 25th July
e) None of these

Explanation:

- Income Tax was **first introduced** on 24th July 1860 in India **by Sir James Wilson.**
- It was to compensate for the losses incurred by the British regime during the **first war of independence i.e. Revolt of 1857** against British Rule.
- From that day **24th July** is observed as the Income Tax Day every year.

Q.16 RBI's medium-term strategy framework UTKARSH 2022 has a duration of?

a) 2020-2023
b) 2019-2024
c) 2020-2022
d) 2019-2022
e) None of these

Explanation:

- The framework's **objective** is to achieve excellence in the performance of RBI's mandates and improve regulation, supervision of the central bank and to avoid future crisis.
- The vision document is a **3-year roadmap** to guide the RBI during the medium-term period **(2019-22).**

Q.17 Who has released Working on a warmer Planet Report 2019 ?

a) International Labour Organization (ILO)
b) International Monetary Fund
c) World Bank
d) International Bank for Reconstruction and Development (IBRD)

e) None of these

Explanation:

- Working on a warmer Planet Report 2019 has been released by the **International Labour Organization (ILO).**
- The report highlights the impact of heat stress on labour productivity and decent work.
- By the year 2030, it is projected that there will be **a loss equivalent to more than two per cent of total working hours worldwide every year.** This loss will be due to either too much heat or slower pace of workers.
- The report founded that **India will be the most affected** country due to global warming with **agriculture and construction sectors** being most affected sectors.
- The report further stated that **India is estimated to lose 5.8 per cent of working hours in 2030** due to global warming.

Q.18 Which statement is correct about the legality of cryptocurrency in India?

a) It is considered as a legal tender money
b) It is accepted in financial transactions and banks
c) Both a & b
d) All of them
e) No statement is correct

Explanation:

- **Current context:** Government's inter-ministerial committee on virtual currencies has proposed banning of private cryptocurrencies in India.
- The committee was **headed by** finance secretary **Subhash Chandra Garg,** MEITY secretary Ajay Prakash Sawhney, SEBI chairman Ajay Tyagi and RBI deputy governor B.P. Kanungo as its members.
- The committee proposed a **draft bill "Banning of Cryptocurrency & Regulation of Official Digital Currency Bill, 2019".**
- The group has proposed that the government may establish a **standing committee** to revisit the issues addressed in the report.

Q.19 Out of the given options, which committee is related to the surplus transfer of reserves between RBI and the government?

a) H.R. khan committee
b) Tapan Ray committee
c) Bimal Jalan committee
d) TN Mahoharan committee
e) None of these

Explanation:

- The **Bimal Jalan Committee** on **Economic Capital Framework** met on 17th July 2019 for the final time to decide on **transferring of surplus reserves to the government.**
- RBI had the total surplus cash reserve of **Rs 9.43 lakh crore** on 30th June 2018.
- According to the finance ministry, the buffer of **28 % of gross assets** maintained by the RBI is well above the **global norm of around 14 %.**

Q.20 What is the maximum duration of time for the completion of the resolution process for corporates, allowed under the Insolvency and Bankruptcy Code (IBC)?

a) 330 days
b) 270 days
c) 250 days
d) 100 days
e) None of these

Explanation: Amendments to The Insolvency and Bankruptcy Code (IBC) was approved. This includes **330 days deadline** for corporate resolution process and 7 other amendments. Currently, IBC allows a maximum of **270 days** for clearing a resolution plan (180 days and extended 90 days if a majority of the creditors agree).

Q.21 The Budget 2019-20 has proposed to transfer__% of SEBI's surplus funds to the government?

a) 20%
b) 60%
c) 25%
d) 75%
e) None of these

Explanation:

- The Finance Minister proposed **an amendment to the SEBI Act** in the budget 2019-20 which will **transfer 75% SEBI's surplus funds** to the central government.
- SEBI chairman **Ajay Tyagi** has asked to review the proposal of transfer of surplus funds as it will compromise the **autonomy** of SEBI and its functioning.
- **Two provisions** as presented in the finance bill were opposed by SEBI- the **First one** is related to the transfer of surplus funds and **second one** seeking prior approval from finance ministry for raising expenses.

Q.22 Which infrastructure finance entity was proposed to be set up in Budget 2019-20?

a) Credit Guarantee Bond Corporation
b) Credit Guarantee Enhancement Corporation
c) Credit Bond Enhancement Corporation
d) Credit Bond Rating Corporation
e) None of these

Explanation:

- The government is to set up the Credit Guarantee Enhancement Corporation (CGEC) with Rs 20K crore capital.
- The **Infrastructure finance entity- CGEC** was announced by Nirmala Sitharaman in the budget 2019-20 to increase the source of capital for **infrastructure financing.**
- The CGEC is expected to free up lending of up to **Rs 3.5 lakh crore** by the banks.
- It will be set up with a capital of **Rs 20K crore.**
- The step was taken to fulfil the need for investment as it is estimated that India requires an **average investment of 20 lakh crore** every year.
- The Finance Minister proposed to set up the CGEC in 2019-20 and the regulations have been notified by the **RBI.**

- **Credit enhancement** helps the companies to improve their **bond ratings** by ensuring guaranteed bond payment to a certain limit.
- It helps the issuer of the bond to get access to markets at **cheaper rates** than the bank's borrowings.

Q.23 Which is the 1st foreign bank to launch operations at IFSC GIFT City, Gujarat?

a) Abu Dhabi Commercial Bank
b) Bank International Indonesia
c) Standard Chartered
d) Antwerp Diamond Bank
e) None of these

Explanation:

- The bank has received in-principle regulatory approvals to set up its **IFSC Banking Unit** in GIFT city, Gujarat.
- The **Gujarat International Finance Tec-City (GIFT City)** is envisaged as a hub to bring **offshore financial transactions.**
- The GIFT city is working with organisations to help build a **hub for aircraft leasing and financing** within GIFT City.
- The banking business at GIFT IFSC has already seen a **167% jump in just 2 years.**
- The cumulative banking transaction has reached **$22 billion this year** while it was **$6 billion in 2016-17.**
- Data shows that IFSC Banking Units (IBUs) have contributed **around 8% of total External Commercial Borrowings (ECBs)** availed by Indian corporates in 2017-18 in GIFT IFSC.

Q.24 In the set of rules/directives given by RBI to banks in India, out of the following which option/options comes under priority sector?

a) Renewable energy
b) Housing
c) Export Credit
d) Social infrastructure
e) All of them

Explanation: Priority Sector includes the following categories:

I. Agriculture
II. Micro, Small and Medium Enterprises
III. Export Credit
IV. Education
V. Housing
VI. Social Infrastructure
VII. Renewable Energy
VIII. Others

Q.25 What is the applicable limit for bank loans for building social infrastructure under priority sector?

a) up to a limit of Rs.5 million per borrower
b) up to a limit of Rs.50 million per borrower
c) up to a limit of Rs.10 million per borrower
d) No limit is applied for bank loans for building social infrastructure
e) None of these

Explanation: Bank loans up to a limit of Rs.50 million per borrower has been put for classification under priority sector for building social infrastructure.

Q.26 What is the prescribed limit for bank loans sanctioned to education under priority sector?

a) upto Rs. 1 million
b) upto Rs. 11 million
c) upto Rs. 10 million
d) upto Rs. 1 lakh
e) None of these

Explanation: Loans to individuals for educational purposes including vocational courses **upto Rs. 1 million** irrespective of the sanctioned amount are eligible for classification under priority sector.

Q.27 What is the Target set for Domestic scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks) under priority sector?

a) 20 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher
b) 60 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher
c) 35 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher
d) 40 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher
e) None of these

Explanation:

Categories	**Domestic scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks) and Foreign banks with 20 branches and above**	**Foreign banks with less than 20 branches**
Total Priority Sector	40 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	40 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, to be achieved in a phased manner by 2020.

Q.28 Which among the following is not included under Weaker Sections under priority sector?

a) Self Help Groups
b) Overdraft limit to PMJDY account holder upto Rs.50,000/- with age limit of 18-65 years

c) Artisans
d) Beneficiaries of Differential Rate of Interest (DRI) scheme
e) None of these

Explanation: Priority sector loans to the following borrowers are eligible to be considered under Weaker Sections category:-

Category
Small and Marginal Farmers
Artisans, village and cottage industries where individual credit limits do not exceed Rs. 0.1 million
Beneficiaries under Government Sponsored Schemes such as National Rural Livelihoods Mission (NRLM), National Urban Livelihood Mission (NULM) and Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)
Scheduled Castes and Scheduled Tribes
Beneficiaries of Differential Rate of Interest (DRI) scheme
Self Help Groups
Distressed farmers indebted to non-institutional lenders
Distressed persons other than farmers, with loan amount not exceeding Rs. 0.1 million per borrower to prepay their debt to non-institutional lenders
Individual women beneficiaries up to Rs. 0.1 million per borrower
Persons with disabilities
Overdraft limit to PMJDY account holder upto Rs. 10,000/- with age limit of 18-65 years.
Minority communities as may be notified by Government of India from time to time

Q.29 Choose the wrong statement about the prescribed limit for housing loans under priority sector?

a) Up to Rs.4.5 million loans to individuals in metropolitan centres is prescribed
b) Housing loans to banks' own employees are eligible for classification under priority sector
c) Only a
d) Only b
e) Both a & b

Explanation:

- Loans to individuals up to **Rs.3.5 million** in metropolitan centres (with population of ten lakh and above) are allowed under PSL.
- Loans to individuals up to **Rs.2.5 million** in non-metropolitan centres (with population of less than ten lakh) are allowed under PSL.
- Housing loans to banks' own employees are **not eligible** for classification under priority sector.

Q.30 Mukhyamantri Krishi Aashirwad Yojana is an ambitious scheme of which state government?

a) Kerala
b) Punjab
c) Jharkhand
d) Odisha
e) None of these

Explanation:

- The scheme was first announced on **21st December 2018** for doubling farmer's income in the **upcoming 4 years (2022)** and is officially launched on 10th August 2019.
- The **objective of MMKAY** is to serve to improve the financial situation of farmers and provides them with investment support for the Kharif season to double their income by 2022.
- Under the scheme, **Rs 5000 Per Acre/year (maximum up to 5 Acres)** would be given to Jharkhand's state farmers for their Kharif crops.
- This Financial fund will be given for the **following purpose-** Purchase of Fertilizers, Hiring of Farm Equipment, Purchase of Seed, Labour and land preparation and Any other Agriculture related work.
- The beneficiaries would get financial assistance through the **Direct Benefit Transfer (DBT)** mode.

Q.31 Bank credit to registered NBFCs for on-lending will be eligible for classification as priority sector subject to conditions. For the 'term lending' component of 'Agriculture' the limit is Rs.10 lakh per borrower. For MSE borrowers, it is _____.

a) Rs.10 lakh
b) Rs.15 lakh
c) Rs.20lakh
d) Rs.25 lakh
e) None of these

Explanation: Bank credit to non-banking financial companies (NBFCs) for on-lending to the agriculture, micro and small enterprises (MSE) and housing categories under priority sector lending (PSL) will be allowed up to a limit of 5 per cent of the individual bank's total PSL on an ongoing basis.

Limits:

- **Agriculture:** On-lending by NBFCs for 'Term lending' component under Agriculture will be allowed up to Rs.10 lakh per borrower.
- **Micro & Small enterprises:** On-lending by NBFC will be allowed up to Rs. 20 lakh per borrower.
- **Housing:** Enhancement of the existing limits for on-lending by HFCs from Rs. 10 lakh per borrower to Rs. 20 lakh per borrower.

Q.32 The minimum credit rating required to issue "Commercial Paper" is?

a) A-1
b) A-2
c) AAA
d) AAAA
e) None of these

Explanation: Rating requirements for issuance of CP:

- All eligible participants shall obtain the credit rating for issuance of Commercial Paper either from CRISIL, ICRA, CARE or the FITCH or such other credit rating agency (CRA) as may be specified by the Reserve Bank of India.
- The **minimum credit rating shall be A-2** [As per rating symbol and definition prescribed by Securities and Exchange Board of India (SEBI)].
- The issuers shall ensure at the time of issuance of CP that the rating so obtained is current and has not fallen due for review.

Q.33 Pradhan Mantri Suraksha Beema Yojna is applicable to?

a) Small traders and vendors of age group 18-60 years
b) Shopkeepers and small businessman of age group 18-40 years
c) All individuals of age group 18-70 years
d) Not total permanent disability
e) None of them

Explanation:

- **Uttar Pradesh** became the number one state in implementation of the PM Suraksha Beema Yojna in the country.
- PMSBY is **an accident insurance scheme** that offers accidental death and disability cover for one-year, which can be renewed annually.
- Under PMSBY, up to **Rs 2 lakh** of risk coverage is available for accidental death and **total permanent disability,** and **Rs 1 lakh** for **permanent partial disability.**

Q.34 The Ambedkar Hastshilp Vikas Yojana was launched for which sector?

a) Agriculture
b) Artisans
c) Construction workers
d) Traders
e) None of these

Explanation:

- The scheme was launched in the year **2001-2002** to **mobilize the artisans into SHGs** for running the **community business enterprise** for self-sustainability.
- The government has identified **90 clusters across the country** with the **aim** of transforming these clusters into self-sustained SHGs within 3 year period.
- The **salient features** of the Yojana include Design & Technology up-gradation, Direct Benefit to artisans, Marketing support & services, Research and Development, Infrastructure and Technology Support, Baseline Survey & Mobilization of Artisan.

Q.35 As per the IBBI norms, what is the timeline given for completing the liquidation process for corporate debtors?

a) 2 years
b) 60 days
c) 1 year
d) 5 years
e) None of these

Explanation: The CoC may recommend the sale of the corporate debtor or sale of the business of the corporate debtor in the process of liquidation. IBBI has now specified to complete all the liquidation processes within one year of its commencement i.e. a model timeline for each liquidation task completion.

Q.36 Under which ministry the 7th Economic census is being conducted?

a) Ministry of commerce and industry
b) Ministry of Human Resource Development
c) Ministry of Statistics and Programme Implementation
d) Ministry of Development of North-East Region

e) None of these

Explanation:

- The 7th Economic census has begun from 29th July from **Tripura.**
- The census will be conducted by the **Ministry of Statistics and Programme Implementation (MoSPI)** in partnership with CSC e-governance Services India Ltd. **(CSC SPV)** after a gap of 5 years.
- The officials will collect the data through the door to door household survey under the provision of **Collection of Statistics Act 2008.**

Q.37 The government in budget 2019 has decided to borrow overseas sovereign bond in?

a) Foreign currencies
b) Domestic currencies
c) Both a and b
d) Neither a nor b
e) None of these

Explanation: The real interest rate on Indian bonds is attractive as compared to other developed countries, and attracts foreign portfolio investor's interest in Indian government bonds traded locally but they have to take the currency risk investing in rupee-denominated government bonds.

Q.38 "I-Metros", an association of all Indian Metro Rail companies was launched for which purpose?

a) To provide voluntary training to employees
b) To provide health coverage to all employees
c) To exchange knowledge & innovation among Indian metro rail companies
d) To make a platform to enhance security for women
e) None of these

Explanation:

- I-METROS", an association of all Indian Metro Rail companies was launched at the Conference on "Indian Metros: Collaborating for Excellence". The platform will be a forum for exchange of ideas, pooling of knowledge and sharing of experience, best practices, innovations etc. among the Indian Metro Rail companies to nurture excellence in performance.
- This association will also undertake and promote techno-economic studies and research. It will safeguard the interest and rights of metro rail companies and will be resource tank of information for decision making.

Q.39 Which is the first Regional Rapid Transit System (RRTS) being developed by the government of India?

a) Delhi-Sonipat RRTS corridor
b) Delhi-Shahdra RRTS corridor
c) Delhi-Meerut RRTS corridor
d) Delhi-Haryana RRTS corridor
e) None of these

Explanation:

- The National Capital Region Planning Board (NCRPB), in order to enhance the connectivity within the Delhi **NCR,** has proposed to connect urban, industrial (SEZs/industrial parks), regional and sub-regional centres through a fast rail based Regional Rapid Transit System (RRTS).

- The objective of this system is to reduce dependence of commuters on road based transportation.
- NCR is projecting figures for 2032 and has identified **eight** rail based rapid transit corridors to enhance the efficacy of the transportation system in the NCR.
- Delhi-Meerut RRTS: India's first RRTS (Regional Rapid Transit System) project connecting Delhi-NCR to Meerut i.e. Delhi-Ghaziabad-Meerut RRTS.

Q.40 Choose the correct statement about Pradhan Mantri Gramin Digital Sakshatra Abhiyan (PMGDISHA)?

a) one person per household will be nominated
b) It will impart only IT training to the citizens
c) Anganwadi and ASHA workers are included in the scheme
d) Both a and b
e) All are correct

Explanation: PM Gramin Digital Saksharta Abhiyan (PMGDISHA) has been formulated to impart IT training to rural persons by covering one person from each household, including Anganwadi and ASHA workers and authorised ration dealers in all the States/UTs across the country.

Q.41 For which purpose DBT portal has been launched by the Ministry of tribal affairs?

a) For sharing beneficiary data by state for faster release of funds
b) To enable states to raise query about welfare funds
c) Both a and b
d) Only a
e) Only b

Explanation: DBT Tribal portal, is launched by the ministry of tribal affairs to bring in greater e-Governance in implementation of welfare schemes for STs. It consists of 3 modules-

- **Data Sharing module** is mainly meant for sharing beneficiary-data by States.
- In **Communication module**, the States have facility to upload documents, raise query and DBT data uploaded by States is used for faster release of funds.
- **Monitoring module** has facility of MIS (Management Information System) reports & Dashboards.

Q.42 Relaxation for additional factor of authentication (AFA) requirement is permitted for transactions for a maximum value of ___ per transaction?

a) Rs 1,000
b) Rs 2,000
c) Rs 5,000
d) Rs 10,000
e) None of these

Explanation: Recently, The Reserve Bank of India (RBI) has removed the so-called two-factor authentication otherwise known as AFA (additional factor of authentication) for online card transactions involving sums up to Rs2,000, in a move aimed at simplifying and encouraging electronic payments. This led to the RBI relaxing the OTP rules for online transactions (or Card Not Present transactions) under the value of Rs.2000.

Q.43 RBI's payment system vision document 2019-21 aims to make a _____ society?

a) Liquid
b) Less-cash

c) More-cash
d) No-cash
e) None of these

Explanation: The Reserve Bank of India (RBI) released a vision document the 'Payment and Settlement Systems in India: Vision 2019 - 2021', with its core theme of 'Empowering Exceptional e-payment Experience' envisages to achieve "a highly digital and less-cash society".

Q.44 Which regulatory mechanism has been launched by the RBI for Fintech companies?

a) FinBox
b) StartBox
c) SandBox
d) TechBox
e) None of these

Explanation: A regulatory sandbox (RS) refers to live testing of new products or services in a controlled/test regulatory environment will provide the requisite regulatory guidance, so as to increase efficiency, manage risks and create new opportunities for fintech consumers.

Q.45 Sugamya Pustakalaya launched by GOI is an online library of digital books for?

a) Rural children
b) Illiterate women of SHGs
c) Visual Impaired persons
d) Illiterate old age people
e) None of these

Explanation: "Sugamaya Pustakalaya" is an online platform that makes accessible content available to print content readable by disabled people. The library houses publications across diverse subjects and languages and multiple accessible formats. It has been created by Department of Empowerment of Persons with Disabilities (Divyangjan), Ministry of Social Justice and Empowerment in collaboration with member organizations of Daisy Forum of India and powered by TCS Access. Books are available in Accessible formats for people with visual impairment and other print disabilities.

Q.46 According to the disclosure norms of SEBI, all listed banks have to disclose the NPAs exceeding ___% of the reported profit before provisions and contingencies?

a) 15%
b) 10%
c) 20%
d) 25%
e) None of these

Explanation:

- As per SEBI's new norm, if the **additional provisioning of NPAs** identified by RBI **exceeds 10%** of the reported profit before provisions and contingencies, then **all the listed banks have to disclose to the stock exchanges divergences** in the asset provisioning and classification.
- Earlier, the **threshold** for the NPAs provisioning **was 15%** of the reported profit.

Q.47 HDFC and Common Service Centres (CSCs) launched which among the following for village-level entrepreneurs (VLEs)?

a) MSME Credit Card
b) Small Business Money-Back Credit Card
c) All Business Money-Back Credit Card
d) Small and Medium Business Money-Back Credit Card
e) None of these

Explanation:

- The credit card has been launched for **small traders, village-level entrepreneurs (VLEs) and VLE-sourced customers.**
- The card will provide easy access to credit for **day-to-day business expenses** to them.
- HDFC Bank and CSC has signed a pact in **July 2018** in which the bank offered to provide products and services in remote locations to **VLEs that are enrolled with CSCs.**

Common Service Centres (CSCs):

- CSCs acts as delivery points of various **government and public utility services** across the country.
- There are about **3.6 lakh CSCs** in the country with transacting the business of about **Rs 70,000 crore.**
- The services provided **include** financial services, welfare schemes, health care, digital literacy etc.

Q.48 With respect to Basic Savings Bank Deposit (BSBD) accounts, which statement is correct?

a) A minimum balance is required
b) No minimum balance is required
c) Limit on the number of deposits
d) Banks charge for additional services
e) None of these

Explanation: Basic Savings Bank Deposit (BSBD) accounts:

- RBI has **mandated all banks** to offer BSBD accounts to those looking to open a bank account.
- In a BSBD account, **no minimum balance** is required to be maintained.
- These accounts are aimed to enhance **financial inclusion.**
- The **no-frill accounts** also come under BSBD accounts.

Current Scenario:

- As per the revised circular, Banks are advised to offer **basic minimum facilities free of charge** without any minimum balance requirement.
- There will be **no limit** on number and value of **deposits** made in a month.
- **4 minimum withdrawals** in a month along with ATM withdrawals are allowed.
- Banks are free to provide additional **value-added services,** like issue of cheque book.
- The customers have option of the availment of such facilities.
- **No minimum balance** would be required to avail such additional services.
- The BSBD account can be **converted** into a **normal saving** account only at the written request of the customer.
- The banks would be penalized under **RBI Banking Regulation Act,1949,** if found for non-compliance of any instruction.

Q.49 Budget 2019 announced setting up of a DD channel for which sector among the following?

a) Agriculture

b) Education
c) Start-ups
d) Health
e) None of these

Explanation:

- The channel will serve as a **platform** to discuss issues affecting the growth, funding and tax paying and matchmaking with venture capitalists and investors.
- The start-ups will design and execute the channel itself.
- In 2016, the **Department of Industrial Policy and Promotion** (DIPP) has suggested setting up a channel dedicated to startups to the **Ministry of Information and Broadcasting.**

Q.50 Who has introduced enhanced disclosure guidelines for credit rating agencies (CRA)?

a) Ministry of Finance
b) Reserve Bank of India (RBI)
c) Securities and Exchange Board of India (SEBI)
d) NITI Aayog
e) None of these

Explanation:

- Since the global financial crisis in 2008, the credibility of the rating agencies has been eroding because of the conflict of interest that arises from the fact that they are paid by the issuers to rate their securities and for their failure to downgrade troubled firms until they are on the verge of bankruptcy.
- **The recent Infrastructure Leasing and Financial Services Ltd's (IL&FS) liquidity crisis among non-bank lenders in India has focused attention again on credit rating agencies.**

The Guidelines:

- The rating companies must create an uniform probability of default benchmark for each rating category on their website, for one-year, two-year and three-year cumulative default rates, both for the short term and long term.
- They should use marginal default methodology to arrive at default rates.
- SEBI defined the terms that the companies should use to describe the liquidity position of issuer, that is, strong, adequate, stretched and poor.
- Tracking the probability of default is a step towards aligning Indian rules with global standards.

Q.51 RBI has constituted the a six-member committee on Development of Housing Finance Securitisation Market in India. Who is the head of this committee ?

a) Harsh Vardhan
b) UK Sinha
c) Tapan Ray
d) Amitabh Kant
e) None of these

Explanation:

Role of the Panel:

- **The panel will review the regulations relating to mortgage-backed securitisation (MBS) currently in place, and make specific recommendations on suitably aligning the same with international norms.**
- It will assess the role of various counterparties, including servicers, trustees, rating agencies, in the securitisation process and suggest the steps required.

Mortgage-Backed Security (MBS):

- **Mortgage-Backed security (MBS) is a type of asset-backed security that is secured by a mortgage or collection of mortgages.**

Q.52 The Reserve Bank of India (RBI) announced that the time-window for using RTGS service for customer transactions will be extended from 4:30 pm to _____ on all working days?

a) 5 PM
b) 6 PM
c) 7 PM
d) 8 PM
e) None of these

Explanation:

Reason for this decision:

- **The decision is after a robust year-on-year increase in the number of transactions by 8% to Rs.1,335 crore in March 2019.**
- The aggregate amount of transactions rose 12% year-on-year to Rs 1,255.51 crore.
- In the month of April, banks and customers combined used RTGS for 1.14 crore transactions worth Rs.112 lakh crore.

Q.53 Which bank has tied up with the FMCG arm of The Art of Living, 'Sri Sri Tattva'?

a) Kotak Mahindra Bank
b) State Bank of India (SBI)
c) Federal Bank
d) Karnataka Bank
e) None of these

Explanation: Under this tie up, SBl's YONO users can avail a discount of 15% on the entire range of products offered by Sri Tattva such as food, personal care, healthcare, homecare, BYOGI apparels and Shankara skincare products.

Q.54 Digital payments company Paytm, in association with which bank has launched its first credit card called "Paytm First Card"?

a) ICICI Bank
b) HDFC Bank
c) **Citibank**
d) YES Bank
e) None of these

Explanation:

- **Paytm First Card comes with unlimited cash back and will be accepted in India as well globally.**

- The card is issued by Citibank and doesn't involve any hidden fees or charges.

Q.55 Which of the following entities are eligible to issue Differential Voting Rights shares ?

a) Tech company making intensive in the use of technology
b) Public sector banks
c) Infrastructure companies
d) Oil refining companies
e) None of these

Explanation: A company having superior voting rights shares (SR shares) would be permitted to do an initial public offering (IPO) of only ordinary shares subject to fulfillment of eligibility requirements of the SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2018 and the following conditions :

- The issuer company is a **tech company** (as per the definition in Innovators Growth Platform) i.e. intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value addition.
- The SR shareholder **should be a part of the promoter group whose collective net worth does not exceed Rs 500 Crores.**
- The SR shares have been issued **only to the promoters/ founders** who hold an executive position in the company.

Q.56 In Gold Monetisation Scheme, Gold is valued at _____for Gold /USD rate with the Rupee-US Dollar reference rate announced by RBI on that day. The prevalent custom duty for import of gold will be added to the above value to arrive at the final value of gold.

a) London AM fixing
b) London PM fixing
c) Daily RBI gold rate
d) World Gold Council daily rate
e) None of these

Explanation:

- The London Gold Fix involves gold dealers from London's five biggest bullion banks establishing a common transaction price for a large pool of purchase and sale orders. They do this twice each business day - first at 10:30am (the Morning Fix) and then again at 3pm (the Afternoon Fix).
- The participating bullion banks will be acting both on their own behalf and for those customers of theirs who have issued limit orders for them to trade at the London Gold Fix price. No-one knows what the Gold Fix will be before it is declared.
- The Gold Fix establishes the price at which the gross amount of gold on buy orders matches the gross amount of gold on sell orders - across all the participating banks.

Q.57 RBI has removed transaction charges levied by it for which two systems to boost digital transactions?

a) Real Time Gross Settlement System (RTGS) and National Electronic Funds Transfer (NEFT)
b) Running Time Gross Settlement System (RTGS) and National Electronic Funds Transaction (NEFT)
c) Real Time General Settlement System (RTGS) and Central Electronic Funds Transfer (CEFT)
d) Real Transaction Gross Settlement System (RTGS) and National Actual Funds Transfer (NAFT)
e) None of these

Explanation:

- The RBI has removed transaction charges levied by it for Real Time Gross Settlement System (RTGS) and National Electronic Funds Transfer (NEFT) systems to boost digital transactions.
- The Real Time Gross Settlement System (RTGS) is meant for large-value instantaneous fund transfers while the National Electronic Funds Transfer (NEFT) System is used for fund transfers up to Rs 2 lakh.

Q.58 What has the Reserve Bank of India (RBI) launched on its website for facilitating its grievance redressal process?

a) Grievance Management System (GMS)
b) Complaint Management System (CMS)
c) Grievance Redressal System (GRS)
d) Complaint Redressal System (CRS)
e) None of these

Explanation: It is a software application launched by RBI for lodging complaints against any regulated entity with public interfaces such as Commercial Banks, Urban Cooperative Banks (UCBs) and Non-Banking Financial Companies (NBFCs).

Q.59 Which country has become the first Arab country to be granted full membership of the Financial Action Task Force (FATF)?

a) Oman
b) Saudi Arabia
c) Qatar
d) Egypt
e) None of these

Explanation: What is the FATF?

- **It was established in 1989, with headquarters in Paris, France.**
- The FATF comprises of 37-Member Jurisdictions and 2- Regional Organisations namely Gulf Cooperation Council (GCC) and European Commission (EC).
- **With the Kingdom becoming a FATF member, the number of permanent members in the group is now 39.**
- FATF Plenary is FATF's decision-making body which meets three times per year.

What is the function of FATF?

- The Financial Action Task Force is an international group responsible for issuing international standards, policies and best practices for combating money laundering, terrorist financing and proliferation and other related threats to the integrity of the international financial system.

Q.60 When is GST (Goods & Services Tax) Day celebrated?

a) 1st July
b) 2nd July
c) 3rd July
d) 4th July
e) None of these

Explanation: GST was rolled out in the intervening night of 30th June and July 1st 2017 in a ceremony held in the Central Hall of Parliament.

Q.61 What has the Union Ministry of Statistics and Programme Implementation (MoSPI) launched in a bid to effectively track India's progress on Agenda 2030 adopted by UN?

a) Global Development Goal (GDG) Dashboard
b) Sustainable Development Goal (SDG) Dashboard
c) Human Development Goal (HDG) Dashboard
d) Universal Development Goal (UDG) Dashboard
e) None of these

Explanation: About SDG Dashboard:

- It is a unique, searchable platform, which provides data and insights on how India is progressing on SDGs.
- **It is a first of its kind national platform that pulls together reliable data from more than 100 different data sets, portals and sectors on to only one easy to use and intuitive platform, to power better-informed decision making on SDGs.**
- **It will be India's official data repository of National Indicator Framework (NIF) on SDGs, which is India's largest monitoring framework with 306 statistical indicators.**
- SDG Dashboard is developed in partnership with United Nation in India, Department for International Development (DFID) India and data intelligence firm Social Cops.

What are SDGs?

- **They are the universal call by the United Nations Development Programme (UNDP) for action towards ending poverty, improving health and education, protecting the planet and ensuring that all people enjoy peace and prosperity by 2030.**
- India has been closely monitoring its progress on SDGs through its National Indicator Framework and India SDG Index released in 2018.

Q.62 Which state government recently approved an amendment to Factories Act 1948 which will allow the deployment of women in night shifts (from 7pm to 6 am) in industries?

a) Goa
b) Rajasthan
c) Assam
d) Tamil Nadu
e) None of these

Explanation:

- **It is administered by Union Ministry of Labour and Employment via Directorate General Factory Advice Service & Labour Institutes (DGFASLI), which advises Central and State Governments on the administration of Factories Act and coordinates factory inspection services in States.**
- In states, the act is administered by State Governments through their factory inspectorates.
- It deals with different problems concerning health, safety, efficiency and well-being of persons at workplaces.
- **It is applicable to establishments with 10 or more workers if the premise is using power and to establishments with 20 or more workers, without electricity connection.**

Q.63 Who has introduced enhanced disclosure guidelines for credit rating agencies (CRA)?

a) Ministry of Finance
b) Reserve Bank of India (RBI)

c) Securities and Exchange Board of India (SEBI)
d) NITI Aayog
e) None of these

Explanation:

Enhanced Disclosure Guidelines introduced by SEBI:

- SEBI asked the rating companies to disclose the probability of default for the issuers they rate, troubled by the raters' track record of detecting defaults or near-defaults.
- **The recent Infrastructure Leasing and Financial Services Ltd's (IL&FS) liquidity crisis among non-bank lenders in India has focused attention again on credit rating agencies.**

The Guidelines:

- **The rating companies must create an uniform probability of default benchmark for each rating category on their website, for one-year, two-year and three-year cumulative default rates, both for the short term and long term.**
- **They should use marginal default methodology to arrive at default rates.**
- The methodology should be revised.
- This can bring the rating companies in line with global best practices and increased disclosures for liquidity and rating sensitivity factors.
- **Tracking the probability of default is a step towards aligning Indian rules with global standards.**

Q.64 What is the last date to obtain Legal Entity Identifier for entities with networth above Rs.10000 million?

a) 31 December 2019
b) 31 March 2020
c) 31 July 2020
d) 30 April 2020
e) None of these

Explanation:

- Legal Entity Identifier (LEI), proposed by the G20, LEI is a unique, electronic, 20-digit standard identifier used to identify the legal entities that participate in financial transactions around the world.
- Just like a passport or a car registration number, the LEI represents a common and recognisable code which can be used to connect to key reference information that enables clear and unique identification of legal entities participating in global financial transactions.

Timelines for Implementation:

Phase	Net Worth of Entities	Current Deadline	Extended Deadline
Phase I	above Rs.10000 million	April 30, 2019	December 31, 2019
Phase II	between Rs.2000 million and Rs 10000 million	August 31, 2019	December 31, 2019
Phase III	up to Rs.2000 million	March 31, 2020	March 31, 2020

Q.65 The sum of all the exposure values of a bank to a single counter-party must not be higher than _____of the bank's available eligible capital base at all times.

a) 10 per cent
b) 15 per cent
c) 20 per cent
d) 25 per cent
e) None of these

Explanation:

- The sum of all the exposure values of a bank to a single counter-party must not be higher than 20 per cent of the bank's available eligible capital base at all times.
- In exceptional cases, board of banks may allow an additional 5 per cent exposure of the bank's available eligible capital base.
- In case of groups of connected counter-parties, the sum of all the exposure values of a bank to a group of connected counter-parties must not be higher than 25 per cent of the bank's available eligible capital base at all times, the revised LEF said.
- Under the LE Framework, an exposure to a counter-party will constitute both on and off-balance sheet exposures include.

Q.66 As per Moody's rating, the current local and foreign currency issuer rating for the Indian Economy is?

a) Baa1
b) Baa2
c) Baa3
d) Baa4
e) None of these

Explanation: Moody's rating agency upgraded local and foreign currency issuer rating to Baa2 from Baa3 for Indian Economy.

Q.67 The government has instituted the Jal Shakti Mantralaya with the target to provide piped water supply to all rural households by ___?

a) 2022
b) 2023
c) 2024
d) 2025
e) None of these

Explanation: The Jal Shakti Mantralaya has been constituted by integrating the erstwhile Ministry of water resources, river development and Ganga rejuvenation with the ministry of drinking water and sanitation. The **Government will provide piped water supply to all rural households by 2024** and provided approx. Rs 10,000 crore for rural drinking water for 2019-20 for the Jal Shakti Mantralaya.

Q.68 Section 80-IAC of the Income Tax Act, 1961 was recently in the news for which context?

a) Insolvency and Bankruptcy Code related norms
b) Foreign direct investment
c) Angel tax provisions
d) Start-ups tax holiday eligibility
e) None of these

Explanation:

- The tax holiday for small startups provides a deduction for **100% of the income** of an eligible start-up **for 3 years** out of 7 years from the year of its incorporation.
- A start-up recognized by **DPIIT (Department for Promotion of Industry and Internal Trade)** has to fulfill the conditions specified in Section 80-IAC for claiming this deduction.
- **Section 80-IAC** contains a detailed definition of the eligible start-up which provides that a start-up shall be eligible for the deduction, if
    - It is incorporated on or after **1st April 2016.**
    - Its turnover **does not exceed Rs. 25 crore** in the year of deduction and
    - It holds a certificate from the **Inter-Ministerial Board of Certification.**

Q.69 As per RBI's minimum holding period requirement, Minimum Retention Requirement (MRR) for such securitisation/assignment transactions is _____of the book value of the loans being securitised.

a) 10%
b) 15%
c) 20%
d) 25%
e) None of these

Explanation: Minimum Holding Period Guidelines:

- In respect of loans of original maturity above 5 years, the minimum number of instalments to be paid before securitisation is now six monthly instalments (12 earlier) or two quarterly instalments (four).
- Minimum Retention Requirement (MRR) for such securitisation/assignment transactions shall be 20% of the book value of the loans being securitised/20% of the cash flows from the assets assigned.

Q.70 Cash withdrawal limit at POS using debit card/credit cards is Rs.1000/- per day in Tier I and II centres and _____per day in Tier III to VI centres.

a) Rs.1,500/-
b) Rs.2,000/-
c) Rs.2,500/-
d) Rs.2,750/-
e) None of these

Explanation: Classification of centres (tier-wise) Population(as per 2001 Census)

- Tier 1 - 1,00,000 and above
- Tier 2- 50,000 to 99,999
- Tier 3- 20,000 to 49,999
- Tier 4- 10,000 to 19,999
- Tier 5- 5,000 to 9,999
- Tier 6- Less than 5000

Q.71 Under 'Partial Credit Guarantee offered by Government of India (GoI) to Public Sector Banks (PSBs) for purchasing high-rated pooled assets from Non-Banking Financial Companies (NBFCs), One-time guarantee provided by the GoI on the pooled assets will be valid for_____ from the date of purchase.

a) 12 months
b) 18 months
c) 24 months
d) 36 months

e) None of these

Explanation: Operational Guidance:

I. The assets shall be purchased by banks at fair value.
II. Assets to be assigned by NBFCs/HFCs must be **rated by Credit Rating Agencies** (CRAs) accredited by Reserve Bank of India (RBI).
III. One-time guarantee provided by the GoI on the pooled assets will be **valid for 24 months** from the date of purchase and **can be invoked on the occurrence of default as outlined under heading 'D' below.**
IV. The guarantee shall cease earlier if the purchasing bank sells the pooled assets to the originating NBFC/HFC or any other entity, before the validity of the guarantee period.

Q.72 As per the latest circular on Priority Sector Lending, what is the sanctioned limit for classification of export credit under Priority Sector Lending ?

a) Rs.25 cr

b) Rs.30 cr

c) Rs.40 cr

d) Rs.100 cr

e) None of these

Explanation:

- Enhance the sanctioned limit, for classification of export credit under PSL, from Rs.250 million per borrower to Rs.400 million per borrower.
- Remove the existing criteria of 'units having turnover of up to Rs.1 billion.

Q.73 As per the latest circular on customer compensation for failed transactions using authorised Payment Systems, if a Customer's account debited but cash not dispensed in an ATM, the funds should be credited to his account within ___ days.

a) T + 1 days

b) T + 3 days

c) T + 5 days

d) T + 6 days

e) None of these

Explanation:

Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	Rs.100/- per day of delay beyond T + 5 days, to the credit of the account holder.

Q.74 What is the loan limit for education under priority sector?

a) Rs. 5 lacs

b) Rs. 10 lacs
c) Rs. 12 lacs
d) Rs. 15 lacs
e) None of these

Explanation: Under Priority Sector Lending (PSL), the loans and advances granted to only individuals for educational purposes up to Rs.10 lakh for studies in India and Rs. 20 lakh for studies abroad.

Q.75 The Reserve Bank of India (RBI) issued a prudential framework for resolution of stressed assets, which give lenders_____ to review a borrower account before labeling it as a non-performing asset (NPA) in case of default.

a) 14 days
b) 30 days
c) 60 days
d) 90 days
e) None of these

Explanation: The Prudential Framework for resolution of stressed asset was expected to be address the tough provisions contained in the previous guidelines especially in the wake of the SC verdict. As expectedly, the new guidelines contain several relaxed norms. The most important one is that it abandons the one-day NPA classification for defaulters if they default the payment and instead introduces a 30-day notice period. This means instead of the first day of the default, the NPA period for stressed assets starts on the 31st day.

Q.76 As per RBI's circulars on Customer liability in case of unauthorised electronic payment transactions through a PPI. In case of a third party breach where the deficiency lies neither with the PPI issuer nor with the customer but lies elsewhere in the system.

What is the liability of the customer if he/she intimated on 4th day ?

a) Zero
b) Rs.5000 or transaction value whichever is lower
c) Rs.10000 or transaction value whichever is lower
d) Rs.12000 or transaction value whichever is lower
e) None of these

Explanation:

Customer liability in case of unauthorised electronic payment transactions through a PPI		
S. No.	Particulars	Maximum Liability of Customer
(a)	Contributory fraud / negligence / deficiency on the part of the PPI issuer, including PPI-MTS issuer (irrespective of whether or not the transaction is reported by the customer)	Zero

(b)	Third party breach where the deficiency lies neither with the PPI issuer nor with the customer but lies elsewhere in the system, and the customer notifies the PPI issuer regarding the unauthorised payment transaction. **The per transaction customer liability in such cases will depend on the number of days lapsed between the receipt of transaction communication** by the customer from the PPI issuer and the reporting of unauthorised transaction by the customer to the PPI issuer -	
	i. Within three days#	Zero
	ii. Within four to seven days#	Transaction value or Rs. 10,000/- per transaction, whichever is lower
	iii. Beyond seven days#	As per the Board approved policy of the PPI issuer

Q.77 As per Trade Credit Policy framework, what is the limit on trade credit on import transactions under automatic route on industries other than oil/gas refining & marketing, airline and shipping companies ?

a) **USD 150 million**
b) USD 100 million
c) USD 50 million
d) USD 40 million
e) None of these

Explanation: Amount under automatic route

- Up to USD 150 million or equivalent per import transaction for oil/gas refining & marketing, airline and shipping companies.
- For others, up to USD 50 million or equivalent per import transaction.

Q.78 Which bank has been recently put under Directions by the RBI?

a) Allahabad Bank
b) Punjab National Bank
c) Bank of Baroda
d) Punjab and Maharashtra Cooperative Bank
e) None of these

Explanation:

- As per the Directions, the depositors of the **Mumbai based PMC Bank** are not allowed to withdraw amount **exceeding Rs 1,000** of the total balance in a savings account/current account or deposit account.
- Other **restrictions** put on the PMC Bank by RBI are:
  - The bank cannot grant or renew any loans and advances.
  - Can't make any investment.
  - Can't incur liability including borrowal of funds.
  - Can't do acceptance of fresh deposits, without prior approval in writing from the Reserve Bank.
  - Not be able to disburse or agree to any payment towards its liabilities and obligations.
  - Enter into any compromise or arrangement.
  - Sell, and transfer or dispose of any of its properties or assets.
- The directions are to remain in force for **6 months** from the close of business of the bank.
- RBI has said that the direction is **not be construed as a cancellation** of a banking licence.

Q.79 As per RBI's latest circular, what is the new limit for "Bulk deposit" ?

a) 1 cr
b) **2 cr**
c) 5 cr
d) 10 cr
e) None of these

Explanation:

- Single Rupee term deposits of Rupees two crore and above for Scheduled Commercial Banks (excluding Regional Rural banks) and Small Finance Banks.
- Single Rupee term deposits of Rupees fifteen lakhs and above for RRBs.

Q.80 As per RBI's latest circular, What is the age limit for retired staff engaged as concurrent auditors?

a) 72 years
b) 70 years
c) 68 years
d) 65 years
e) None of these

Explanation: The tenure of external concurrent auditors with a bank shall not be more than five years on continuous basis. Further, the age limit for retired staff engaged as concurrent auditors may be capped at 70 years. However, no concurrent auditor shall be allowed to continue with a branch/business unit for a period of more than three years.

Q.81 The tenure of external concurrent auditors with a bank shall not be more than _____years on continuous basis.

a) 3
b) 4
c) 5
d) 6
e) 7

Explanation: The tenure of external concurrent auditors with a bank shall not be more than five years on continuous basis. Further, the age limit for retired staff engaged as concurrent auditors may be capped at 70 years. However, no concurrent auditor shall be allowed to continue with a branch/business unit for a period of more than three years.

Q.82 The Reserve Bank of India (RBI) has made it mandatory for banks to link all floating personal or retail loans to external benchmark from 1 October 2019, which of the followings can be used as a benchmark ?

a) Reserve Bank of India policy repo rate
b) Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Ltd (FBIL)
c) Government of India 6-Months Treasury Bill yield published by the FBIL
d) Any other benchmark market interest rate published by the FBIL.
e) All of the above

Explanation:

(a) All new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks from October 01, 2019 shall be benchmarked to one of the following:

- Reserve Bank of India policy repo rate
- Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Ltd (FBIL)
- Government of India 6-Months Treasury Bill yield published by the FBIL
- Any other benchmark market interest rate published by the FBIL.

(b) Banks are free to offer such external benchmark linked loans to other types of borrowers as well.

(c) In order to ensure transparency, standardisation, and ease of understanding of loan products by borrowers, **a bank must adopt a uniform external benchmark within a loan category;** in other words, the adoption of multiple benchmarks by the same bank is not allowed within a loan category.

Q.83 Recently SEBI allowed certain technology companies to issue Superior Rights shares. What is maximum voting right these can have?

a) 2:1
b) 5:1
c) 10:1
d) 25:1
e) None of these

Explanation: A company having superior voting rights shares (SR shares) would be permitted to do an initial public offering (IPO) of only ordinary shares subject to fulfillment of eligibility requirements of the SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2018 and the following conditions :

- The issuer company is a **tech company** (as per the definition in Innovators Growth Platform) i.e. intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value addition.
- The SR shareholder **should be a part of the promoter group whose collective net worth does not exceed Rs 500 Crores.**
- The SR shares have been issued **only to the promoters/ founders** who hold an executive position in the company.

Q.84 As per Large Exposure Framework of Reserve Bank India, what is the exposure limit on lending to a single NBFC ?

a) 20% of Tier-I capital
b) 15% of Tier-I capital
c) 15% of Tier-I & Tier-II capital
d) 20% of of Tier-I & Tier-II capital
e) None of these

Explanation: Bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of that bank's eligible capital base.

Q.85 The Finance Ministry has recently slashed the corporate tax rates to ___% for domestic companies and ____% for new domestic manufacturing companies.

a) 15%, 20%

b) 22%, 20%
c) 22%, 15%
d) 15%, 22%
e) None of these

Explanation:

- The effective rate for **domestic companies** with inclusive surcharge and cess shall be **25.17%.**
- The effective rate for **new domestic companies** with inclusive surcharge and cess shall be **17.01%.**

Q.86 Which document has been made mandatory under GST to be linked during the registration of taxpayers?

a) Personal Identification Number
b) Aadhaar
c) House number
d) Both a and c
e) None of them

Explanation:

- The council has decided to link **Aadhaar with the registration of taxpayers under GST** and is in the process to make Aadhaar number mandatory for claiming refunds.
- **No GST** will be charged for **hotel rooms** having tariffs of up to **1,000 Rupees per night.**
- Hotel rooms whose tariff ranges between **1,001 to 7,500 Rupees**, will be levied with **12%** GST instead of the existing 18%.
- A hotel room will be charged with **18% GST** those having the tariff of **7,500 Rupees and above** from the existing 28%.
- **28% tax plus 12% compensation cess** will be charged on **caffeinated beverages** instead of the existing tax rate of 18%.
- A tax of 12% instead of the existing 5% has been put on railway wagon and coaches.
- 12% tax is levied on the woven/non-woven polyethene bags.
- The council has cut the tax rate to **0.25% from 3%** for cut and polished **semi-precious items.**
- GST Council **recommends** lowering 12% cess on vehicles of 1,500 cc diesel, 1,200 cc petrol having the capacity to carry up to 13 people.
- Import of specified **defence goods not being manufactured indigenously** have been **exempted** from GST/IGST till 2024.
- GST on **marine fuels** has been reduced to **5% from 18%.**
- All the above changes in the tax rates are made effective from **1st October 2019.**

Q.87 Recently, the government has allowed corporate social responsibility (CSR) spending on _____ for corporate companies?

a) Waste Management Control
b) Research and Development activities
c) Water conservation
d) Afforestation
e) None of these

Explanation: The Companies Act requires firms with

- net worth of Rs 500 crore
- turnover of Rs 1,000 crore or net profit of Rs 5 crore or more

to set aside 2% of their average net profit over the last 3 years towards 'approved' CSR activities.

Q.88 RBI has expanded the scope of the Bharat Bill Payment System (BBPS) by allowing____ payments on its platform?

a) Recurring Payments
b) Insurance premium
c) Mutual funds
d) Both b and c
e) None of them

Explanation:

- BBPS is an interoperable medium to **facilitate customers to pay bills** such as direct-to-home (DTH), telephone, water, gas and electricity **at a single location** either physical or electronic.
- After the expansion of the payment facility, municipal taxes, insurance premiums, school fees and other **recurring payments** can also be paid via BBPS.
- All categories of billers (except prepaid recharges) are permitted, who provide for recurring bill payments to participate in BBPS on a voluntary basis.
- BBPS payments can be made using cash, cheques, through digital methods including debit, credit card, internet banking.

Q.89 RBI has recently allowed _____ to apply for Small Finance Bank (SFB) licences through the "on tap licensing"?

a) NBFCs
b) Payment Banks
c) Core Investment Companies
d) NABARD
e) None of these

Explanation:

- Under the **"on tap licensing",** the criteria that the promoter of a payment bank have to meet to set up an SBF is that both banks come under the **non-operating financial holding company (NOFHC) structure.**
- The SFB licence to the payments banks will allow them to boost deposits and lend, that is currently **capped at Rs 1 lakh per customer.**
- The **minimum paid-up capital requirement for SFBs** is also revised by the RBI from **Rs 100 crore to now Rs 200 crore.**
- Promoter's shareholding should be a **maximum of 40% by the end of 5 years**, and within **10years it should be down to 30%** and within **15years it should be down to 15%** shareholding.
- Promoters could exit from the bank after the lock-in period of 5years.

Q.90 As per the latest RBI bi-monthly monetary policy review, what is the policy repo rate ?

a) 5.15%
b) 5.45%
c) 5.60%
d) 5.90%

e) None of these

Explanation: On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting today decided to:

- reduce the policy repo rate under the liquidity adjustment facility (LAF) by 35 basis points (bps) from 5.75 per cent to 5.40 per cent with immediate effect.

Consequently, the reverse repo rate under the LAF stands revised to 5.15 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 5.65 per cent.

- The MPC also decided to maintain the accommodative stance of monetary policy.

Q.91 What is the lending cap on micro finance institutions in rural and semi-urban areas ?

a) Rs.75,000
b) Rs.1 lac
c) Rs.1.25 lac
d) 2 lacs
e) None of these

Explanation:

- The Reserve Bank of India has raised the lending cap for microfinance institutions to Rs 1.25 lakh, against the earlier limit of Rs 1 lakh, to improve credit availability in rural and semi-urban areas.

Q.92 As per latest RBI circular, NEFT payment system is available till ?

a) 4 PM
b) 4:30 pm
c) 7:45 PM
d) 24x7
e) None of these

Explanation: NEFT payment system operated by RBI as a retail payment system is available for customers from 8.00 am to 7.00 pm on all working days of the week (except 2nd and 4th Saturdays of the month). The availability of NEFT on a 24x7 basis is expected to revolutionise the retail payments system of the country.

Q.93 As per latest RBI circular, what is the maximum household limit for the borrowers of micro finance institutions (NBFC-MFIs) in urban areas?

a) 1.5 lacs
b) 2 lacs
c) 3 lacs
d) 5 lacs
e) None of these

Explanation:

- It has also been decided to "increase the household income limit for borrowers of non-banking financial companies-micro finance institutions (NBFC-MFIs) from the current level of Rs 1 lakh for rural areas and Rs 1.60 lakh for urban/semi urban areas to Rs 1.25 lakh and Rs 2 lakh, respectively".

Q.94 Who manages The Bharat-22 Exchange Traded Fund (ETF) ?

a) ICICI Prudential Mutual Fund
b) Aditya Birla Sun Life Mutual Fund
c) UTI Mutual Fund
d) Axis Mutual Fund
e) None of these

Explanation:

- The investors would get a **3% discount over the issue price.**
- The offer has a base issue size of Rs 2,000 crore along with a greenshoe option to retain another Rs 6,000 crore, making the **total amount to Rs 8000 crore.**
- The total sum raised through Bharat-22 ETF to the GOI amounts to Rs 35,900 crore.
- Public sector enterprises like ONGC, IOC, SBI, BPCL, Coal India and Nalco are the part of Bharat-22.
- **State Bank of India (SBI). Indian Bank and Bank of Baroda** are the only three public sector banks that figure in Bharat-22 index.
- **Private companies:** L&t, ITC, Axis bank, Bharat electronics.

Q.95 As per IMF's in its World Economic Outlook report, what is the forecasted GDP growth rate of India?

a) 6.1%
b) 6.5%
c) 6.9%
d) 7.1%
e) None of these

Explanation: "India's economy is set to grow at 6.1% in 2019, picking up to 7% in 2020," the IMF said in its latest World Economic Outlook, adding that the downward revision reflected a weaker-than-expected outlook for domestic demand.

Q.96 RBI has decided to offer on-tap authorisation for Bharat Bill Payment Operating Unit, what is the minimum networth requirement for the applicants ?

a) Rs25 cr
b) Rs.100 cr
c) Rs.500 cr
d) Rs.1000 cr
e) None of these

Explanation: For entities desirous to function, operate, or provide platforms for BBPOU, the RBI said they should have a Rs 100 crore net worth and should be maintained at all times.

Q.97 As per RBI's "Priority Sector Lending Guidelines", Small Finance Banks will have a target of_____ for priority sector lending of their Adjusted Net Bank Credit (ANBC).

a) 75 per cent
b) 40 per cent
c) 60 per cent
d) 80 per cent
e) None of these

Explanation: Small Finance Banks will have a target of 75 per cent for priority sector lending of their Adjusted Net Bank Credit (ANBC). While 40 per cent of ANBC should be allocated to different sub-sectors under PSL as mentioned below, the balance 35 per cent can be allocated to any one or more sub-sectors under the PSL, where the banks have competitive advantage.

Q.98 SEBI has recently made it mandatory to hold at least ____% liquid assets in mutual fund liquid schemes?

a) 10%
b) 15%
c) 20%
d) 25%
e) None of these

Explanation:

- The **liquid assets include** cash, government securities, T-Bill and repo on Government securities.
- The decision is taken in the wake of the recent credit crisis and **aimed at** ensuring sufficient liquidity and improving risk management.
- Also, **Fund houses** have to match **20% norm** before they start their investment.
- The new rule is applicable from **1st April 2020.**

Q.99 The newly "UMMID" initiative of the government is launched for which purpose?

a) To provide early medication in the first one hour of child birth
b) To reduce the new-born death due to malnutrition
c) To provide aid for genetic disorders in new-borns
d) To provide aid of Rs 7000 to each newborn girl child
e) None of these

Explanation:

- The scheme is launched to help people who cannot afford expensive care **for genetic disorders.**
- Genetic disorders are the **third most common cause of mortality** in new-borns among the urban areas of India and due to high birth rate, large population and consanguineous marriage in many communities, these diseases are very common among them.
- **NIDAN (National Inherited Diseases Administration) Kendra** has .also been inaugurated by the ministry to provide help related to genetic diseases at one place.
- The **aims** of the UMMID initiative is to establish NIDAN Kendras to provide, management, counselling, prenatal testing and multidisciplinary care in Government Hospitals.

Q.100 The Margadarshan and Margdarshak Scheme were recently launched by the government for?

a) Providing training to School teachers
b) Help mentee institutions (institutions with low accreditation) improve their ranking
c) Provide atleast 100 teachers to each mentee institutions (institutions with low accreditation)
d) Help students of mentor institution to teach the students of mentee institutions
e) None of these

Explanation:

- Under the initiative, the topmost institutions will mentor institutions that need support for improving their rankings.
- Under the Margadarshan scheme, highly performing institutions with good accreditation record are supposed to mentor relatively newer 10 - 12 potential institutions.
- These institutions are also provided funding up to Rs. 50 lakhs per institution over a period of 3 years in instalments for carrying out various activities like training, workshops, conferences and travel.
- In the 1st phase, institutes are provided Margadarshaks, those having a student enrolment of at least 70% and willing to get mentoring through AICTE's Margadarshaks but are not yet accredited.

Q.101 The Pradhan Mantri Matru Vandana Yojana (PMMVY) has been implemented in all states of the country except?

a) Odisha
b) Andhra Pradesh
c) Telangana
d) Himachal Pradesh
e) Both a & c

Explanation:

- PMMVY is a direct benefit transfer scheme which was launched on **1st January 2017.**
- Under the scheme, cash benefits are provided through Direct Benefit Transfer (DBT) to **pregnant women.**
- The **objective** of the scheme is to meet enhanced nutritional needs of the mother and child and partially compensate for wage loss.
- The scheme is implemented under the **Women and Child Development Ministry.**
- The beneficiaries receive a cash benefit of **Rs 5000 in 3 instalments** under the scheme.
- They eligible beneficiaries also receive cash incentive under **Janani Suraksha Yojana,** through which a women gets **Rs 6000 on an average.**
- All states except **Odisha and Telangana** have implemented the scheme.

Q.102 The Government of India's Scheme NIRVIK is concerned with?

a) Import of Gold
b) Insurance coverage on Exports
c) Minimum Export Price
d) Domestic Consumption
e) None of these

Explanation:

- The **Export Credit Guarantee Corporation (ECGC)** under the ministry has introduced the scheme with the aim to **ease the lending process and enhance loan availability** for exporters.
- The scheme will ensure guaranteed insurance cover **up to 90%** of the principal and interest including the pre and post-shipment loss.
- The present coverage is provided up to **60%** of the loss by the current Export Credit Guarantee Corporation of India (ECGC).
- The initiative would make the ECGC more exporter friendly and also make Indian exports more competitive.

Q.103 Choose the correct option to boost the Credit flow in agriculture, as per the recommendations of RBI?

a) No farm waivers
b) Setting up of management information system (MIS) for banks
c) Interest subvention/subsidy to be replaced with DBT
d) All of them
e) None of these

Explanation:

- To boost the Credit flow in agriculture RBI recommended the following measures:
    - Interest subvention/subsidy to be replaced with Direct transfer of subsidies or DBT (Direct Benefit Transfer).
    - No farm waivers
    - A management information system (MIS) to be developed by banks to flag loans sanctioned against gold as collateral.
    - Set up a federal institution like GST council with participation from centre and states.
    - Banks should increase credit for consumption loans to farmers and other allied farm activities up to a sanctioned limit of Rs 1 lakh.
    - The centre should complete updation and digitisation of land records in a time-bound manner.

Q.104 Recently RBI allowed e-mandate processing on cards for recurring transactions, what is the maximum limit for recurring transactions ?

a) Rs.2000
b) Rs.2500
c) Rs.5000
d) Rs.10000
e) None of these

Explanation:

- The Reserve Bank of India (RBI) has decided to permit processing of e-mandate on cards for recurring transactions with additional factor authentication (AFA) during registration.
- This will be applicable for transactions done using all types of cards — debit and credit cards and Prepaid Payment Instruments, including wallets. The maximum limit for such a transaction will be Rs.2,000.

Q.105 Adhering to the Bimal Jalan Committee recommendations, the RBI has decided to set the CBR level at _____of the balance sheet?

a) 4.5%
b) 5.5%
c) 7%
d) 14%
e) None of these

Explanation: The Reserve Bank of India has decided to transfer a sum of Rs. 1,76,051 crores to the Government of India as per the recommendations made by Bimal Jalan Committee.

About the committee:

- RBI constituted a panel on the economic capital framework which was headed by ex-RBI governor Bimal Jalan.

- The committee has given a range of 5.5-6.5% of RBI's balance sheet for Contingent Risk Buffer while transferring the remaining excess reserves worth Rs.52,637 crore to the government.

Q.106 The Bimal Jalan Committee on Economic Capital Framework of the RBI has proposed change in its accounting year from July-June to April-March from the financial year _____?

a) 2020-21
b) 2021-22
c) 2022-23
d) 2023-24
e) None of these

Explanation: The Bimal Jalan Committee on Economic Capital Framework of the RBI has proposed a more transparent presentation of the RBI's annual accounts and **change in its accounting year from July to June to April to March from the financial year 2020-21.**

Q.107 Under Interest Subvention Scheme for Kisan Credit Card (KCC) to Fisheries and Animal Husbandry farmers, the 2 per cent interest subsidy on short-term loans of up to _____ for farmers engaged in fisheries and animal husbandry through Kisan Credit Card (KCC).

a) Rs. 2 Lakh
b) Rs. 3 Lakh
c) Rs. 5 Lakh
d) Rs. 7 Lakh
e) None of these

Explanation: The Reserve Bank of India (RBI) on Monday announced modalities for providing 2 per cent interest subsidy on short-term loans of up to Rs 2 lakh for farmers engaged in fisheries and animal husbandry through Kisan Credit Card (KCC).

Q.108 Calculate the Interest subvention/PRI benefit that will be available to the farmer.

Overall Kisan Credit Card limit – Rs.3 lakhs

Limit under Crop loan – Rs. 0.5 lakh

Sub-limit KCC for Animal Husbandry and / or Fisheries – Rs.2.5 lakhs

a) Rs.2.5 lakhs
b) Rs.2 lakhs
c) Rs.3 lakhs
d) Rs.3.5 lakhs

Explanation: Overall KCC limit – Rs.3 lakhs Limit under Crop loan – Rs.0.5 lakh Sub-limit KCC for Animal Husbandry and / or fisheries – Rs. 2.5 lakhs Interest subvention/PRI benefit will be available on overall Rs. 2.5 lakhs i.e. **Rs. 0.5 lakh crop loan + Rs.2 lakhs animal husbandry and / or fisheries.**

Q.109 Section 80-IAC of the Income Tax Act, 1961 was recently in the news for which context?

a) Insolvency and Bankruptcy Code related norms
b) Foreign direct investment
c) Angel tax provisions
d) Start-ups tax holiday eligibility

e) None of these

Explanation: Section 80-IAC contains a detailed definition of the eligible start-up which, provides that a start-up shall be eligible for the deduction, if

1) It is incorporated on or after 1st April 2016.
2) Its turnover does not exceed Rs. 25 crore in the year of deduction, and
3) It holds a certificate from the Inter-Ministerial Board of Certification.

Q.110 As per RBI's minimum holding period requirement, the minimum number of installments to be paid before securitisation is _____monthly installments.

a) 6
b) 12
c) 18
d) 24
e) None of these

Explanation:

1) RBI has relaxed the minimum holding period (MHP) requirement for originating NBFCs, in respect of loans of original maturity above 5 years, to receipt of repayment of six monthly installments or two quarterly installments.
2) Earlier, they had to hold these assets for at least one year.
3) However, relaxation on MHP will be allowed when the NBFC retains 20% of book value of these loans.
4) RBI has also prescribed certain Minimum Retention Requirement (MRR) for NBFCs for availing the relaxed norms.

Q.111 In case of recovery of excess/wrong payment made to a pensioner which the pensioner had withdrawn and unable to repay back, what portion of his/her future net pension payment can be recovered every month ?

a) ½
b) 1/3
c) ¼
d) 1/5
e) None of these

Explanation: Recovery of excess payments made to pensioners

In case the pensioner expresses his inability to pay the amount, the same may be adjusted from the future pension payments to be made to the pensioners. For recovering the over-payment made to pensioner from his future pension payment in instalments 1/3rd of net (pension + relief) payable each month may be recovered unless the pensioner concerned gives consent in writing to pay a higher installment amount.