

BANKING, SECURITY MARKET & INSURANCE BASED INDIAN ECONOMY MCQ PRACTICE QUESTIONS AND ANSWERS PDF WITH EXPLANATION

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Created By [Careericons](#) Team

Q1. 'MobiKwik' is the name of a

- a) White Label ATM entity
 - b) Online shopping portal
 - c) Mobile wallet and online payment system
 - d) Brown Label ATM entity
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Q2. The Indian Coins are minted at the four Indian Government Mints, which of the following is 'not' one of them?

- a) India Government Mint, Noida (Uttar Pradesh)
 - b) India Government Mint, Hyderabad (Telangana)
 - c) India Government Mint, Nasik (Maharashtra)
 - d) India Government Mint, Kolkata (West Bengal)
-

Q3. SMERA Limited, a popular body in the financial world, is a full service

- a) Credit Information Bureau
 - b) Asset Management Company
 - c) Asset Financing Company
 - d) Credit Rating Agency
-

Q4. The value of money varies

- a) directly with the volume of employment
- b) directly with the price level

- c) directly with the, interest rate
- d) inversely with the price level

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Q5. The microfinance institutions (MFI) registered as Non-Banking Finance Companies (NBFC) are presently regulated by

- a) MUDRA (SIDBI) Bank
- b) Reserve Bank of India
- c) SEBI
- d) NABARD

Q6. The 'Gilt edge' market deals in

- a) Corporate Bonds
- b) Bullion
- c) Govt. Securities
- d) Worn and torn currency notes

Q7. An increase in CRR by the Reserve Bank of India results in

- a) attracting more FDI in the country
- b) reduction in liquidity in the economy
- c) decrease in debt of the government
- d) more flow of credit to desired sectors

Q8. Which of the following activities can lead to financial inclusion in India?

- Issuing of general-purpose credit cards.

- Strict know your customer (KYC) norms
- Opening of Bank branches in unbanked rural areas.
- Opening of no-frills account.

Select the **correct** answer using the codes given below :

- a) 1, 3 and 4 only
 - b) 2, 3 and 4 only
 - c) 1, 2 and 3 only
 - d) 2 and 3 only
-

Q9. On which date is the establishment of State Bank of India celebrated?

- a) 1st July
 - b) 19th June
 - c) 1st January
 - d) 15th October
-

Q10. The baseline 'Aapka bhala, Sabki bhal' is associated with

- a) Yes Bank Limited
 - b) DCB Bank Limited
 - c) RBL Bank Limited
 - d) Bandhan Bank Limited
-

Q11. The recently launched 'UPI' is expected to make sending money easy. The letter 'I' in the abbreviation 'UPI' stands for

- a) Institution
 - b) Infrastructure
 - c) Interface
 - d) International
-

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Answers to the above questions :

Q1. Answer: (c)

MobiKwik is an Indian company founded in 2009 that provides a mobile phone based payment system and digital wallet.

Q2. Answer: (c)

The Government of India has the sole right to mint coins.

Coins are minted at the four India Government Mints at

1. Mumbai, Alipore(Kolkata),
2. Saifabad(Hyderabad),
3. Cherlapally (Hyderabad) and
4. Noida (UP).

Q3. Answer: (d)

SMERA Ratings Limited is a full service Credit Rating Agency, registered with SEBI, and accredited by RBI as an External Credit Assessment Institution, for Bank Loan Ratings under BASEL-II norms.

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Q4. Answer: (d)

The variation in the value of money is always accompanied by the opposite variation in the price of commodities and services.

In brief, the value of money varies inversely with the price level. It is reciprocal of the price level.

$$V_m = 1/p$$

(where V_m denotes the value of money and p stands for price level).

Q5. Answer: (b)

Microfinance Institutions (MFIs) regulated by the Reserve Bank of India (RBI).

Q6. Answer: (c)

Q7. Answer: (b)

The Cash Reserve Ratio is the amount of funds that the banks are bound to keep with the Reserve bank of India as a portion of their Net Demand and Time Liabilities (NDTL).

When RBI increases the CRR, fewer funds are available with banks as they have to keep larger portions of their cash in hand with RBI. This means that banks will now have less money to play with.

This resulted in a reduction in liquidity in the economy.

Q8. Answer: (a)

Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society.

For financial inclusion 'Know your customer (KYC) norms should be relaxed and no-frills account should be opened for low-income segments which are looking for basic banking only.

Along with general-purpose credit cards should be issued and bank branches should be opened in unbanked rural areas.

Q9. Answer: (a)

1 st July is celebrated as the establishment date of the State Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India.

SBI is a multinational banking and financial services company based in India. It is a government-owned corporation with its headquarters in Mumbai.

SBI : Indian Multinational public sector banking and financial services company.

Chairperson : Rajnish Kumar.

Q10. Answer: (d)

The baseline "Aapka bhala, Sabki bhalai" is associated with Bandhan Bank limited.

Q11. Answer: (c)

A Unified Payment Interface (UPI) is a single window mobile payment system launched by the National Payments Corporation of India (NPCI). The letter "I" in the abbreviation UPI stands for interface.

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