

QUESTION BANK

- Q1.** Who was the regulatory body for controlling financial affairs in India before SEBI? **[SM]**
- (a) Controller of Capital Issues
 - (b) Reserve Bank of India
 - (c) Insurance Regulatory and Development Authority of India
 - (d) Government of India
- Q2.** When was SEBI constituted? **[SM]**
- (a) 1988
 - (b) 1990
 - (c) 1986
 - (d) 1989
- Q3.** How many members of SEBI should be from RBI? **[SM]**
- (a) 4
 - (b) 3
 - (c) 1
 - (d) 2
- Q4.** Where can the first appeal against SEBI be made? **[SM]**
- (a) High Court
 - (b) Supreme Court
 - (c) Securities Appellate Tribunal
 - (d) RBI
- Q5.** Who regulates the currency in the country? **[SM]**
- (a) SEBI
 - (b) RBI
 - (c) Central Bank
 - (d) Finance Ministry
- Q6.** The RBI has been vested with extensive power to control and supervise commercial banking system under which Act? **[SM]**
- (a) The Reserve Bank of India Act 1933
 - (b) The Reserve Bank of India Act, 1934
 - (c) The Reserve Bank of India Act, 1935
 - (d) The Reserve Bank of India Act 1936

- Q7.** When was IRDAI constituted? **[SM]**
 (a) 1997
 (b) 1998
 (c) 1999
 (d) 2000
- Q8.** Which Section of IRDAI Act, 1999 lays down the duties, powers and functions of IRDAI? **[SM]**
 (a) Section 10
 (b) Section 12
 (c) Section 14
 (d) Section 5
- Q9.** Which of the following statements about RBI is incorrect? **[SM]**
 (a) It deals largely with Government Central and State Banks
 (b) Its role is to ensure monetary stability, including stability of domestic price levels
 (c) One of its missions is to protect the interest of policyholders.
 (d) The RBI is the sole authority for the issue of currency in India.
- Q10.** What is the constitution of Competition Commission of India? **[SM]**
 (a) A chairperson and 6 members appointed by the Central Government
 (b) A chairperson and 5 members appointed by the Central Government
 (c) A chairperson and 5 members appointed by the RBI
 (d) A chairperson and 6 members appointed by the RBI
- Q11.** Where is the headquarter of NABARD? **[SM]**
 (a) Mumbai
 (b) Delhi
 (c) Gurugram
 (d) Bengaluru
- Q12.** Large number of SHGs have been linked to credit, resulting in an important Indian tool for microfinance, by the endeavor of: **[SM]**
 (a) NABARD
 (b) SIDBI
 (c) IDBI
 (d) SEBI
- Q13.** The regional office of SEBI is not located in: **[SM]**
 (a) Chennai
 (b) Kolkata
 (c) Chandigarh
 (d) Ahmedabad

- Q14.** SEBI has its Western Regional Office in: [SM]
(a) Pune
(b) Mumbai
(c) Ahmedabad
(d) Surat
- Q15.** Which one of the following statements is incorrect? [SM]
(a) The SEBI members consist of a Chairman, who shall be appointed by Central Government.
(b) The SEBI members consist of two members from amongst the officials of the Ministry of the Central Government.
(c) The SEBI members consist of one member from amongst the official of RBI, who shall be nominated by RBI.
(d) The SEBI members consist of five other members out of which at least four members shall be whole-time members, who shall be appointed by Central Government.
- Q16.** SEBI has to be responsive to the needs of groups, which constitute the market: [SM]
(a) The issuers of securities
(b) The investors
(c) The market intermediaries
(d) All of the above
- Q17.** SEBI has several functions rolled into one body. Which one of the following is not the function of SEBI? [SM]
(a) Quasi-legislative
(b) Quasi-judicial
(c) Quasi-professional
(d) Quasi-executive
- Q18.** For the discharge of its functions efficiently, SEBI has been vested with the following powers: [SM]
(a) To approve by-laws of stock exchanges.
(b) To inspect the books of accounts and call for periodical returns from recognized stock exchanges.
(c) To compel certain companies to list their shares in one or more stock exchanges.
(d) All of the above
- Q19.** The RBI has been vested with extensive power to control and supervise commercial banking system under the- [SM]
(a) Reserve Bank of India Act, 1934.
(b) The Banking Regulation Act, 1949.

- (c) Both (a) and (b).
- (d) None of the above.

- Q20.** Who is the custodian of the nation's foreign exchange reserves? **[SM]**
- (a) Central Government of India
 - (b) President of India
 - (c) Reserve Bank of India
 - (d) State Bank of India
- Q21.** The Reserve Bank of India being the Central Bank of India performs all the central banking functions. Which one of the following is not the functions of RBI? **[SM]**
- (a) Issue of currency
 - (b) Banker to the government
 - (c) Watchdog of the unethical competition in the market
 - (d) Custodian of the nation's foreign exchange reserves
- Q22.** Which one of the following is not the role of the Competition Commission of India? **[SM]**
- (a) To promote practices having adverse effect on competition.
 - (b) To promote and sustain competition in markets.
 - (c) To protect the interests of consumers and
 - (d) To ensure freedom of trade carried on by other participants in markets in India.
- Q23.** NABARD refines the financial institutions which finances the ____ **[SM]**
- (a) Urban sector
 - (b) Rural sector
 - (c) Secondary sector
 - (d) Service sector
- Q24.** NABARD serves as an apex financing agency for the institutions providing investment and production credit for promoting the various developmental activities in ____ **[SM]**
- (a) Rural areas
 - (b) Urban areas
 - (c) Sub-urban areas
 - (d) All of the above
- Q25.** NABARD is the most important institution in the country which looks after the development of the **[SM]**
- (a) Cottage industry,
 - (b) Small industry
 - (c) Village industry
 - (d) All of the above.

- Q26.** A category of Facilitators, who operate to ease the doing of business -
 (a) Business Facilitators
 (b) Trade Facilitators
 (c) Industry Facilitators
 (d) All the above
- Q27.** An example of Point of Contact (POC) Business Facilitators
 (a) Transport Agency
 (b) Business Incubator
 (c) Bank
 (d) Insurance company
- Q28.** SEBI, RBI and IRDA are:
 (a) Regulatory Institutions
 (b) Policy institutions
 (c) Satellite Institutions
 (d) Goal setting bodies
- Q29.** EXIM Bank acts as an apex Banking Institution in -
 (a) Foreign Trade
 (b) Agriculture
 (c) Industrial loan
 (d) All the above
- Q30.** Provision of finance for agriculture is now handled by
 (a) Export-Import Bank of India (EXIM Bank)
 (b) Small Industries Development Bank of India (SIDBI)
 (c) Reserve Bank of India (RBI)
 (d) National Bank for Agriculture and Rural Development (NABARD)
- Q31.** NABARD is a-
 (a) Bank
 (b) Board
 (c) Exchange Programme for consumer goods
 (d) Department
- Q32.** Which of the following is not correct about RBI?
 (a) Central Bank of our country
 (b) Apex Monetary Institution of the highest authority in India
 (c) It has the responsibility for controlling the country's EXIM Policy
 (d) It is the Custodian of the Nation's Foreign Exchange Reserves
- Q33.** Central Bank is one which constitutes the-
 (a) Apex of the monetary and banking structure
 (b) Base of the monetary and banking structure
 (c) At the middle of the monetary and banking structure

- (d) None of the above
- Q34.** Identify which of these is not a function of the Central Bank.
- (a) Custodian of Foreign Exchange Reserves
 - (b) Issue of Currency
 - (c) Paying interest on deposits obtained from the public
 - (d) Custodian of Cash Reserves
- Q35.** Identify which of these is not a function of the Central Bank.
- (a) Clearing arrangements among Banks
 - (b) Implementing Government's monetary policy
 - (c) Specifying Income Tax Rates
 - (d) Custody of Cash Reserves
- Q36.** Which of the following is not the function of RBI?
- (a) Banker's Bank
 - (b) Issue of currency.
 - (c) Regulation of Foreign Trade
 - (d) Custody of Cash Reserves
- Q37.** The current CRR is -
- (a) 3%
 - (b) 5%
 - (c) 4%
 - (d) 6%
- Q38.** Which of the following is a quantitative measure of credit policy-
- (a) Direct Credit
 - (b) SLR
 - (c) CRR
 - (d) Both (b) and (c)
- Q39.** The rate of interest at which the RBI lends to Banks
- (a) Repo Rate
 - (b) Bank Rate
 - (c) Reverse Repo Rate
 - (d) Time Rate
- Q40.** _____ is rate at which Banks borrow money from the RBI against pledging or sale of Government Securities to RBI.
- (a) Demand Rate
 - (b) Interest Rate
 - (c) Repo Rate
 - (d) Reverse Repo Rate

- Q41.** _____ is the rate of interest offered by RBI, when Banks deposit their Surplus Funds with the RBI, for short periods.
- (a) Demand Rate
 - (b) Interest Rate
 - (c) Repo Rate
 - (d) Reverse Repo Rate
- Q42.** Which of the following, set up in 1990, is the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium enterprise sector?
- (a) SIDBI
 - (b) EXIM Bank
 - (c) NABARD
 - (d) IFCI
- Q43.** The Chairman of SEBI shall be appointed by the
- (a) Central Government
 - (b) RBI
 - (c) Members of SEBI
 - (d) None of the above
- Q44.** Duties of SEBI does not include-
- (a) Protecting of the interests of investors in securities
 - (b) Promoting the development of Securities Market
 - (c) Regulating the Securities Market
 - (d) None of the above
- Q45.** Which bank took over the operations of the international finance wing of IDBI, and became the principal financial institution in the field of international trade in India?
- (a) EXIM bank
 - (b) IFCI
 - (c) SIDBI
 - (d) None of the above
- Q46.** Increase in Competition leads to -
- (a) Producers will have maximum incentive to innovate and specialize
 - (b) Reduced costs
 - (c) Wider choice to Consumers
 - (d) All the above
- Q47.** The situation where products perform the same function and compete against each other is called-
- (a) Conventional Competition
 - (b) Direct Competition

- (c) Straight Competition
- (d) None of the above

Q48. _____ is the conflict between vendors whose products or services are not the same, but that could satisfy the same consumer need.

- (a) Indirect Competition
- (b) Secondary Competition
- (c) Unconventional Competition
- (d) All of the above

Q49. IRDAI stands for-

- (a) Income Regulatory and Development Authority of India
- (b) Indemnity Regulatory and Development Authority of India
- (c) Insurance Regulatory and Development Authority of India
- (d) Insurance Regulatory Department of India

Q50. FDI Limit in Insurance Sector is -

- (a) 39%
- (b) 49%
- (c) 29%
- (d) 59%

ANSWERS

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

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