## CHAPTER ORGANIZATIONS FACILITATING **BUSINESS**

5

**QUESTION BANK** Who was the regulatory body for controlling financial affairs in India before SEBI? Q1. [SM] (a) Controller of Capital Issues (b) Reserve Bank of India (c) Insurance Regulatory and Development Authority of India (d) Government of India [SM] Q2. When was SEBI constituted? (a) 1988 (b) 1990 (c) 1986 (d) 1989 How many members of SEBI should be from RBI? [SM] Q3. (a) 4 (b) 3(c) 1(d) 2 Where can the first appeal against SEBI be made? [SM] Q4. (a) High Court (b) Supreme Court (c) Securities Appellate Tribunal (d) RBI [SM] Who regulates the currency in the country? Q5. (a) SEBI (b) RBl (c) Central Bank (d) Finance Ministry The RBI has been vested with extensive power to control and supervise commercial Q6. [SM] banking system under which Act? (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 IRDAI? (a) Section 10	functions of [SM]
	(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 domesti	c 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.	
	Company of the disco	[SM]
Q10.	What is the constitution of Competition Commission of India?	
	(a) A chairperson and 6 members appointed by the Central Government (b) A chairperson and 5 members appointed by the Central Government	t
	(c) A chairperson and 5 members appointed by the RBI	
	(d) A chairperson and 6 members appointed by the RBI	
	(a) A chair person and o members appointed by the risk	
Q11.	Where is the headquarter of NABARD?	[SM]
QII.	(a) Mumbai	
	(b) Delhi	
	(c) Gurugram	
	(d) Bengaluru	
Q12.	Large number of SHGs have been linked to credit, resulting in an imp	oortant 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 2
- (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-
  - (a) Reserve Bank of India Act, 1934.
  - (b) The Banking Regulation Act, 1949.



- (c) Both (a) and (b).
- (d) None of the above.
- Who is the custodian of the nation's foreign exchange reserves? Q20.

[SM]

- (a) Central Government of India
- (b) President of India
- (c) Reserve Bank of India
- (d) State Bank of India
- The Reserve Bank of India being the Central Bank of India performs all the central 021. 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
- Which one of the following is not the role of the Competition Commission of India? Q22.

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.
- NABARD refinances the financial institutions which finances the\_\_\_\_ Q23.

[SM]

- (a) Urban sector
- (b) Rural sector
- (c) Secondary sector
- (d) Service sector
- NABARD serves as an apex Ifinancing agency for the institutions providing Q24. investment and production credit for promoting the various developmental activities [SM] in\_
  - (a) Rural areas
  - (b) Urban areas
  - (c) Sub-urban areas
  - (d) All of the above
- NABARD is the most important institution in the country which looks after the Q25. [SM] development of the
  - (a) Cottage industry,
  - (b) Small industry
  - (c) Village industry
  - (d) All of the above.

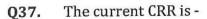


- Q26. A category of Facilitators, who operate to ease the doing of business -
  - (a) Business Facilitators
  - (b) Trade Facilitators
  - (c) Industry Facilitators
  - (d) All the above
- Q27. An example of Point of Contact (POC) Business Facilitators
  - (a) Transport Agency
  - (b) Business Incubator
  - (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 baking structure
  - (b) Base of the monetary and banking structure
  - (c) At the middle of the monetary and banking structure

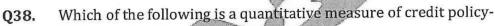


(d)	None	of the	above

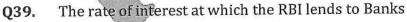
- **Q34.** Identify which of these is not a function of the Central Bank.
  - (a) Custodian of Foreign Exchange Reserves
  - (b) Issue of Currency
  - (c) Paying interest on deposits obtained from the public
  - (d) Custodian of Cash Reserves
- Q35. Identify which of these is not a function of the Central 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



- (a) 3%
- (b) 5%
- (c) 4%
- (d) 6%



- (a) Direct Credit
- (b) SLR
- (c) CRR
- (d) Both (b) and (c)



- (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





- is the rate of interest offered by RBI, when Banks deposit their Surplus Q41. Funds with the RBI, for short periods. (a) Demand Rate (b) Interest Rate (c) Repo Rate (d) Reverse Repo Rate Which of the following, set up in 1990, is the Principal Financial Institution for the Q42. Promotion, Financing and Development of the Micro, Small and Medium enterprise sector? (a) SIDBI (b) EXIM Bank (c) NABARD (d) IFCI The Chairman of SEBI shall be appointed by the Q43. (a) Central Government (b) RBI (c) Members of SEBI (d) None of the above Duties of SEBI does not include-Q44. (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 Which bank took over the operations of the international finance wing of IDBI, and Q45. became the principal financial institution in the field of international trade in India? (a) EXIM bank (b) IECI (c) SIDBI (d) None of the above Increase in Competition leads to -Q46. (a) Producers will have maximum incentive to innovate and specialize (b) Reduced costs
  - (c) Wider choice to Consumers
  - (d) All the above
- The situation where products perform the same function and compete against each Q47. 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	(3-1)	6	7	8	9	10	
a	a	C	C	b	b	С	С	С	a	
11	12	O <sup>13</sup> /	14	15	16	17	18	19	20	
a	a	G	С	d	d	С	d	С	С	
21	22	23	24	25	26	27	28	29	30	
С	a	b	a	d	a	b	a	a	d	
31	32	33	34	35	36	37	38 .	39	40	
a	С	a	c	С	С	С	d	b	С	
41	42	43	44	45	46	47	48	49	50	
d	а	a	d	a	d	b	a	С	b	

