

TYBBI Central Banking Sem VI 50 MCQs

1) The _____ was established as a private shareholder's bank

- a) RBI b) SBI c) IDFC d) IFCI

Correct answer: Answer (a)

2) Evolution of central banking is a _____ century phenomenon

- a) 20th b) 19th c) 18th d) 21st

Correct answer: Answer (a)

3) Monetary Policy in India is formulated by _____

- a) Government b) Ministry of Finance c) Monetary Policy Committee d) Tendulkar Committee

Correct answer: Answer (c)

4) The _____ banks owned by the government play a predominant role in the Indian banking sector

- a) Private b) Public sector c) Foreign d) Cooperative

Correct answer: Answer (b)

5) In the initial years of planning, RBI had limited _____

- a) Transparency b) Autonomy c) Accountability d) Monetary functions

Correct answer: Answer (b)

6) Growth with _____ is one of the important objectives of the monetary policy of RBI

- a) Price stability b) Demonetisation c) Credit supply d) Inflation targeting

Correct answer: Answer (a)

7) The _____ School argued in favour of the central bank to regulate the banking system and ensure stability

- a) Rational b) Classical c) Modern d) Banking

Correct answer : Answer (a)

8) Abolition of _____ licensing changed the nature of Indian economy from an inward looking economy to an outward looking one

- a) Corporate b) Domestic c) Service d) Industrial

Correct answer: Answer (d)

9) In the post-independence era, central bank had to participate in nation building with the _____

- a) RBI b) Government c) Public sector banks d) Rural banks

Correct answer : Answer (b)

10) The _____ created by commercial banks is controlled by central bank

- a) Stock b) Credit c) Money demand d) Transactions motive

Correct answer: Answer (b)

11) The central bank uses both quantitative and qualitative measures to achieve the various objectives of _____ policy

- a) Fiscal b) Monetary c) Budgetary d) Economic

Correct answer: Answer (b)

12) During _____, Repo rate is increased

- a) Recession b) Recovery c) Prosperity d) Depression

Correct answer: Answer (a)

13) Public debt is mobilised during _____

- a) Deflation b) Stagflation c) Inflation d) Mobilisation

Correct answer: Answer (c)

14) The financial crisis in _____ made it obligatory for governments and central banks to follow a liberal policy

- a) 2008 b)2010 c)2012 d)2015

Correct answer: Answer (a)

15) The insurance sector is regulated by _____

- a) ICICI b) HDFC c)IRDA d) DFHI

Correct answer: Answer (c)

16) India's financial sector has _____ regulators

- a) Unified b)Multiple c) Primary d) Secondary

Correct answer: Answer (b)

17) The _____ Act was passed in the year 1949

- a) Banking Regulation b) RBI c) Insurance d) Mutual Funds

Correct answer: Answer (a)

18) At present there are _____ core principles for banking supervision

- a) 25 b)30 c)40 d)29

Correct answer: Answer (d)

19) In Singapore , the _____ discharges the function of supervision

- a) Monetary Authority of Singapore b) Bank of Singapore c) Central Bank of Singapore d) Rijs Bank

Correct answer: Answer (a)

20) OSMOS was introduced by RBI in the year _____

- a) 1995 b)2005 c)2000 d)1990

Correct answer: Answer (a)

21) The biggest threat of E-banking is _____

- a) Hacking of websites and accounts b) Electronic money c)Electronic payments d) Leakages

Correct answer: Answer (a)

22) Financial markets are getting _____ due to globalisation

- a) Integrated b)Intimated c) Informed d)Outdated

Correct answer: Answer (a)

23) _____ facility is provided by banks

- a) RTGS b)Money order c) Speed post d) Courier

Correct answer: Answer (a)

24) The Brettonwoods Conference led to the establishment of the _____

- a) IMF b)WTO c) IBRD d) ADB

Correct answer: Answer (a)

25) IMF provides _____ financial assistance to member countries

- a) Short-term b)Long-term c)Medium-term d) Zero

Correct answer : Answer (a)

26) IBRD stands for _____

- a) International Bank for Reconstruction and Development b) Internal Bank for Reconstruction and Development c) Information Bank for Reconstruction and Development d)Incredible Bank for Reconstruction and Development

Correct answer : Answer (a)

27) The World Bank consists of _____ institutions

- a)Two b)Three c) Four d)Five

Correct answer: Answer (d)

28) The Bank of England was established in the year _____

- a) 1800 b)1694 c)1700 d)1995

Correct answer: Answer (b)

29) In US _____ is the vehicle currency

- a) Dollar b) Pound c) Rupee d) Dinar

Correct answer : Answer (a)

30) The New Bank Of Japan was established in the year _____

- a) 1998 b) 1999 c) 2000 d) 1997

Correct answer : Answer (a)

31) Under SEBI, _____ has grown significantly

- a) Stock exchanges b) Commercial Banks c) Financial institutions d) Call money market

Correct answer : Answer (a)

32) _____ rate is the rate at which Central Bank discounts the securities of commercial banks

- a) Liquidity rate b) Bank rate c) Organised rate d) Lending rate

Correct answer : Answer (a)

33) _____ refers to buying and selling of Government securities by the central bank

- a) Repos b) Open market operations c) Liquid assets d) Commercial papers

Correct answer : Answer (b)

34) Nidhis and chit funds are included under _____

- a) NBFIs b) RBI c) Moneylenders d) CDs

Correct answer: Answer (a)

35) There are _____ types of treasury bills

- a) Two b) Three c) Four d) Six

Correct answer: Answer (b)

36) _____ are issued by merchants for domestic transactions

- a) Commercial bills b) Certificate of deposits c) Reverse repos d) Commercial Papers

Correct answer : Answer (a)

37) _____ serves as a link between the savers and investors

- a) Financial institutions b) Financial system c) Banks d) Government

Correct answer: Answer (b)

38) _____ market consists of money and capital market

- a) Financial b) Lender's c) Creditor's d) Debtor's

Correct answer : Answer (a)

39) _____ is a part of non-banking institution

- a) Mutual funds b) Accepting deposits c) Providing loans d) Overdraft

Correct answer: Answer (a)

40) _____ acquired prominence since the beginning of 20th century

- a) Public sector banks b) Regional rural banks c) NABARD d) Central Banks

Correct answer : Answer (d)

41) The first Indian Governor of RBI was _____

- a) Dr. Manmohan Singh b) Pranab Mukherjee c) Raghuram Rajan d) C.D. Deshmukh

Correct answer: Answer (d)

42) The Chairman of the Central Board is _____

- a) Finance Minister b) Governor of RBI c) Prime Minister d) President

Correct answer: Answer (b)

43) The _____ department of RBI is an advisory body

- a) Banking b) Legal c) Research and Statistics d) Industrial finance

Correct answer: Answer (b)

44) Training of staff in RBI is included under _____ department

- a) Administration b) Information Technology c) Issue d) Exchange central

Correct answer: Answer (a)

45) The 14th meeting of Monetary Policy Committee was held at the RBI in _____

a)Kolkata b)Bengaluru c)Mumbai d)Delhi

Correct answer: Answer (c)

46) _____ of the clearing corporation enables the central bank to work as a Central Clearing House

a) Computerisation b) Regulation c) Operation d) Demonetisation

Correct answer: Answer (a)

47) _____ Commission recommended the establishment of RBI

a) Royal/Hilton Young b)Narasimham c)Tendulkar d)Kelkar

Correct answer: Answer (a)

48) _____ are used to inject liquidity in the market

a) Bills of exchange b)Demand draft c)Open securities d)Repos

Correct answer: Answer (d)

49) Excess capital inflow leads to _____ money supply

a) More b)Less c)Reduced d)Medium

Correct answer: Answer (a)

50) IMF has improved international liquidity by introducing _____

a)Global Depository Receipts b)Special Drawing Rights c) Discount Rates d) Borrowing Rates

Correct answer: Answer (b)