

# Expected Banking Awareness Questions for Bank PO and Clerk Exams

## Negotiable Instruments Act

1. A promissory note, bill of exchange or cheque payable either to order or to bearer is called – **Negotiable Instrument**
2. How many total sections are there in the Negotiable Instruments Act? – **147**
3. Which section of Negotiable Instruments Act deals with Promissory Note? – **Section 4**
4. In which section bill of exchange is dealt with in Negotiable Instruments Act? – **Section 5**
5. What does Section 6 deals with in Negotiable Instruments Act? – **Cheque**
6. Which section in Negotiable Instruments Act deals with Negotiable Instruments? – **Section 13**
7. Drawee is defined in which section of Negotiable Instruments Act? – **Section 7**
8. Which section of Negotiable Instruments Act deals with Dishonour by non-payment? – **Section 92**
9. Which section of Negotiable Instruments Act deals with Cheque crossed generally? – **Section 123**
10. Which section of Negotiable Instruments Act deals with Presumptions as to Negotiable Instruments? – **Section 118**
11. Which section of Negotiable Instruments Act deals with Dishonouring of Cheque? – **Section 138**
12. What type of negotiable instrument is a currency note? – **None. Money is Not a Negotiable Instrument**
13. An order in writing directing a person to pay a sum of money to a specified person is called \_\_\_\_\_. – **Bill of Exchange**
14. A bill of exchange drawn on a specified banker, and not expressed to be payable otherwise than on demand is called \_\_\_\_\_. – **Cheque**
15. How many type of cheques are there as per the Negotiable Instruments Act? – **4 (Open cheque, Crossed cheque, Bearer cheque, Order cheque)**

## Basic Savings Bank Deposit Account

1. Total credits in BSBDA accounts should not exceed how much a year? – **₹ One lakh**
2. At any point of time, maximum balance in the Basic Savings Bank Deposit Account should not exceed \_\_\_\_\_. – **₹50,000**
3. In the BSBDA account, total of debits by way of cash withdrawals and transfers will not exceed what amount in a month? – **₹10,000**
4. How many BSBDA accounts can an individual have in one bank? – **One**
5. While opening the BSBDA customers' consent in writing be obtained that his existing non-BSBDA Savings Banks accounts will be closed after how many days? – **30 days**
6. The prime purpose of BSBDA Account is \_\_\_\_\_. – **Financial Inclusion**
7. What does BSBDA stands for? – **Basic Savings Bank Deposit Account**
8. Which account did BSDBA replaced? – **No Frills Account**
9. What is the validity of BSBDA small accounts? – **12 Months**
10. What is the minimum initial deposit amount for Basic Savings Bank Deposit Account? – **No minimum amount**
11. For which of the following banking product did RBI recently launch a TV ad campaign? – **Basic Savings Bank Deposit Account**
12. The people with no valid KYC documents can open which account? – **Basic Savings Bank Deposit Account – Small Account**
13. What is the interest rate in Basic Savings Bank Deposit Account? – **Same as Savings Account**
14. Which of the following services cannot be availed in BSBDA-Small Account? – **Foreign Remittance** (The options can be, Internet Banking, Fixed Deposit, Recurring Deposit, these are available, except Foreign Remittance)

## Credit Rating Agencies

1. Who among the following regulates Credit Rating Agencies in India? - **SEBI**
2. Credit Rating Agencies denote the rating by which symbol? - **Simple Alphanumeric Symbols i.e. AA+, A- etc.**
3. Name the first Credit Rating Agency of India. - **CRISIL**
4. CRISIL was established in which year? - **1987**
5. Who is the largest shareholder of CRISIL? - **Standard & Poor's**
6. Which of the following agency launched India's first index to benchmark performance of investments of foreign portfolio investors (FPI) in the fixed-income market? - **CRISIL**
7. CRISIL is headquartered in which city? - **Mumbai, Maharashtra**
8. What does CRISIL stands for? - **Credit Rating Information Services of India Limited**
9. TransUnion CIBIL is headquartered in \_\_\_\_\_. - **Mumbai, Maharashtra**
10. What is ICRA? - **A credit rating agency.**
11. The majority of shares are held in ICRA by \_\_\_\_\_. - **Moody's**
12. ICRA credit rating agency is headquartered in \_\_\_\_\_. - **Gurugram**
13. SMERA is credit rating agency exclusively set up for \_\_\_\_\_. - **micro, small and medium enterprises (MSME)**
14. Who is the principal promoter of SME Rating Agency of India? - **Small Industries Development Bank of India (SIDBI)**
15. SME Rating Agency of India is headquartered in \_\_\_\_\_. - **Mumbai**
16. What does credit agency IND-RA stands for? - **India Ratings & Research**
17. India Rating & Research (IND-RA) is a wholly owned subsidiary of \_\_\_\_\_. - **Fitch Group**

## Financial Regulatory Bodies

1. Which of the following organisation is established to improve the public sector banks condition? – **Banks Board Bureau**
2. In which city Banks Board Bureau is headquartered? – **Mumbai**
3. Banks Board Bureau is established in which year? – **2016**
4. Banks Board Bureau was established after recommendations of \_\_\_\_\_. – **P J Nayak Committee**
5. Which of the following regulatory organisation was a part of government's Indradhanush Plan for Banks? – **Banks Board Bureau**
6. Which of the following body is the regulator for the securities market in India? – **SEBI**
7. Securities and Exchange Board of India was established in which year? – **1992**
8. Securities and Exchange Board of India is headquartered in \_\_\_\_\_. – **Mumbai**
9. Which of the following(s) is/are not regulated by Securities and Exchange Board of India? – **NIDHI, Chit Funds and Cooperatives**
10. Which of the following organisation merged with Securities and Exchange Board of India? – **Forward Markets Commission**
11. Reserve Bank of India is headquartered at \_\_\_\_\_. – **Mumbai**
12. In which year, Reserve Bank of India was established? – **1935**
13. In which year, Reserve Bank of India was nationalised? – **1949**
14. Insolvency and Bankruptcy Board of India was established in which year? – **2016**
15. Insolvency and Bankruptcy Board of India is headquartered at \_\_\_\_\_. – **New Delhi**
16. Insurance Regulatory and Development Authority is headquartered in which city? – **Hyderabad**
17. In which year Insurance Regulatory and Development Authority was established? – **2000**
18. Establishment of Insurance Regulatory and Development Authority was the recommendation of a report submitted by \_\_\_\_\_. – **Malhotra Committee**
19. What does PFRDA stands for? – **Pension Fund Regulatory and Development Authority**
20. Pension Fund Regulatory and Development Authority was established in which year? – **2003**
21. Pension Fund Regulatory and Development Authority is headquartered in which city? – **New Delhi**

22. In which year, Pension Fund Regulatory and Development Authority became a central autonomous body? – **2013**
23. Which of the following organisation governs and maintains good competition among the companies in India? – **Competition Commission of India**
24. In which year, Competition Commission of India was formed? – **2003**
25. In which city Competition Commission of India is headquartered? – **New Delhi**

## FDI in India

1. How many types of FDIs are there in India? – **2**
2. One of the types of FDI is via Automatic Route, what is the other type of FDI in India? – **Government Route**
3. The FDI is allowed without any prior approval by the Government of India or the Reserve Bank of India is called \_\_\_\_\_. – **Automatic Route**
4. Foreign Investment and Promotion Board (FIPB) was replaced by \_\_\_\_\_. – **Foreign Investment Facilitation Portal**
5. What does FIFP stands for? – **Foreign Investment Facilitation Portal**
6. Name the new online single point interface of the Government of India for investors to facilitate Foreign Direct Investment through Government Route. – **Foreign Investment Facilitation Portal**
7. FDIs from which of the following nation(s) would require clearance from the Ministry of Home Affairs? – **Bangladesh & Pakistan**
8. FDIs above what amount required to be placed before the Cabinet Committee of Economic Affairs? – **₹50 billion or USD775 million**
9. What does FEMA stands for? – **Foreign Exchange Management Act (FEMA) 1999**
10. FDI in India is regulated under which act? – **Foreign Exchange Management Act (FEMA) 1999**
11. Who among the following administers the Foreign Exchange Management Act (FEMA) 1999 act? – **RBI**
12. What was India's rank in the 2018 FDI Confidence Index by AT Kearney? – **11<sup>th</sup>**
13. How many types of categories are there for FDI in India? – **4**
14. Which of the following sector is prohibited from FDI in India? – **Chit Funds, Atomic Energy, Tobacco Products, Nidhi Companies, Gambling**

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## Banking Ombudsman Scheme

1. Banking Ombudsman Scheme was introduced under which of following section of Banking Regulation Act, 1949? – **35A**
2. At present, how many Banking Ombudsmen have been appointed? – **20**
3. What is the maximum period a Banking Ombudsman can be appointed for? – **3 years**
4. One can file a complaint before the Banking Ombudsman if the reply is not received from the bank within a period of \_\_\_\_\_ after the complaint filed. – **1 month**
5. What is the maximum amount to be paid by the bank to the complainant by way of compensation for any loss suffered by the complainant? – **₹20 lakhs**
6. The Banking Ombudsman may award compensation not exceeding \_\_\_\_\_ to the complainant for mental agony and harassment. – **₹1 lakh**
7. What is the charge for filing the complaint before the Banking Ombudsman? – **No Charges**

8. Banking Ombudsman can reject a complaint if the compensation sought from the Banking Ombudsman is beyond \_\_\_\_\_. – ₹20 lakhs
9. One can file the appeal against the award or decision of the Banking Ombudsman rejecting the complaint within \_\_\_\_\_. – 30 days

## NBFC Ombudsman Scheme

1. The NBFC Ombudsman Scheme is being introduced under which act? – **Reserve Bank of India Act, 1934**
2. The NBFC Ombudsman Scheme is being introduced under which section of Reserve Bank of India Act, 1934? – **45L**
3. NBFCs with asset size of \_\_\_\_\_ come under NBFC Ombudsman Scheme. – **₹100 crore**
4. As on date, how many NBFC Ombudsman have been appointed? – **4**
5. In which city(s) NBFC Ombudsman have been appointed? – **Chennai, Kolkata, New Delhi and Mumbai**
6. What is the maximum amount to be paid by the NBFC to the complainant by way of compensation for any loss suffered by the complainant? – **₹10 lakhs**
7. The NBFC Ombudsman may award compensation not exceeding \_\_\_\_\_ to the complainant for mental agony and harassment. – **₹1 lakh**
8. One can file appeal against the award or the decision of the NBFC Ombudsman rejecting the complaint, within \_\_\_\_\_. – **30 Days**

## CTS

1. What does CTS stands for? – **Cheque Truncation System**
2. Cheque Truncation System started in which year? – **2008**
3. Which standard is followed for Cheque clearance in India? – **CTS 2010**
4. Who has developed Cheque Truncation System? – **National Payments Corporation of India**
5. What does MICR stands for? – **Magnetic Ink Character Recognition**
6. How long is an MICR code? – **9 Digit**
7. What does the first 3 characters stand for in MICR code? – **City**
8. What does the 4<sup>th</sup>, 5<sup>th</sup> & 6<sup>th</sup> character represent in MICR Code? – **Bank Name**
9. What does the last 3 character represent in MICR Code? – **Branch Name**
10. CTS was first implemented on a pilot basis in \_\_\_\_\_. – **New Delhi**
11. What does PKI stands for in context to Cheque Truncation System? – **Public Key Infrastructure**
12. Who manages the Clearing House for Cheque Truncation System? – **Reserve Bank of India**
13. Who acts as Cheque Processing Center for Cheque Truncation System? – **National Payments Corporation of India**
14. How many grids are there for Cheque Truncation System? – **3 (New Delhi, Chennai, Mumbai)**

## RTGS

1. What does RTGS stands for? – **Real Time Gross Settlement**
2. Who maintains the RTGS payments network? – **Reserve Bank of India**
3. In which year RTGS started in India? – **2004**
4. What is the minimum amount can be remitted through RTGS? – **₹200,000**
5. What is the maximum amount can be remitted through RTGS? – **No limit**
6. The RTGS service window for customer's transactions is available to banks from \_\_\_\_\_. – **9 am to 4.30pm during Weekdays**

7. What is the transaction charge for RTGS amounting between ₹2 lakhs to ₹5 lakhs? – **₹30 maximum**
8. What is the maximum charges for RGTS transfer? – **₹55**
9. What does IDL stands for? – **Intra-Day Liquidity**
10. What is the Intra-day Liquidity limit for banks set by RBI? – **Three times the Net-Owned Fund**

## IMPS

1. What does IMPS stands for? – **Immediate Payment Service**
2. Who has developed IMPS? – **National Payments Corporation of India**
3. In which year IMPS started in India? – **2010**
4. IMPS is built upon which network? – **National Financial Switch**
5. IMPS can availed through USSD code \_\_\_\_\_. – **\*99#**
6. Through which medium(s) IMPS can be availed? – **Mobile, Internet, ATM, SMS, Branch and USSD**
7. What does MMID stands for? – **Mobile Money Identifier**
8. How long is MMID? – **7 Digit**
9. What does ABRs stands for? – **Aadhaar Based Remittance Service**
10. What does QSAM stands for? – **Query Service on Aadhaar Mapper**
11. What is the maximum limit for IMPS transaction? – **₹2 lakhs**
12. What is the minimum limit for IMPS transaction? – **No limit**
13. IMPS using Mobile number & MMID is called – **P2P (person-to-person)**
14. IMPS using Account number & IFS Code is called – **P2A (person-to-account)**
15. If the status of the IMPS transaction is shown as not available/pending, as per NPCI guidelines request you to wait for how many days for roll back? – **2 days**

## SWIFT and IFSC Codes

1. What does SWIFT stands for? – **Society for Worldwide Interbank Financial Telecommunication**
2. Society for Worldwide Interbank Financial Telecommunication is headquartered in \_\_\_\_\_. – **La Hulpe, Belgium**
3. The first message sent through SWIFT network was in the year? – **1977**
4. A SWIFT Code is also known as? – **Business Identifier Codes**
5. What is a SWIFT network? – **Interbank communication network for fund transfer**
6. A SWIFT code consists of \_\_\_\_\_. – **8 or 11 characters (sometimes 12)**
7. The first four letters of a SWIFT Code represents – **Institution code or bank code.**
8. The 5 and 6 letters of a SWIFT Code represents – **country code**
9. The last 3 letters or digits of a SWIFT Code represents – **branch code, optional ('XXX' for primary office)**
10. Which of the following defines a standard format of Bank Identifier Codes or SWIFT Codes? – **ISO 9362**
11. What is the difference between SWIFT Code and IFSC Code? – **IFSC is used in intranational transaction and SWIFT in international.**
12. What does IFSC stand for? – **Indian Financial System Code**
13. IFSC Codes are required for which of the following type of transactions? – **NEFT & RTGS**
14. How many characters does an IFSC code have? – **11**
15. The first four alphabetic characters of an IFSC code represents? – **Bank Name**
16. Which of the following character of an IFSC code is 0? – **5th**
17. Which of the following character of an IFSC code is reserved for future use? – **5th**
18. The last six characters of an IFSC code represents? – **branch**



## NEFT

1. What does NEFT stands for? – **National Electronic Fund Transfer**
2. What type of payment system is NEFT? – **Credit-Push System**
3. In which year NEFT started in India? – **2005**
4. Individuals who do not have a bank account (walk-in customers) can also deposit cash at the NEFT-enabled branches upto what amount? – **₹50,000 per transaction**
5. What is the limit for Indo-Nepal Remittance Facility Scheme under NEFT? – **₹50,000 per transaction**
6. What is the minimum limit for NEFT? – **No limit**
7. What is the maximum limit for NEFT? – **No Limit**
8. Settlements of fund transfer requests in NEFT system is done on \_\_\_\_\_. – **Half-hourly basis**
9. How many half-hourly NEFT settlement batches are there in a working day? – **23**
10. What are the operating hours of NEFT? – **8am to 7pm**
11. What does IFSC stands for? – **Indian Financial System Code**
12. How long is the Indian Financial System Code? – **11 Digit Alpha-Numeric Code**
13. What does the first 4 characters represent in Indian Financial System Code? – **Representing Bank**
14. Which character is the 0 in Indian Financial System Code? – **5<sup>th</sup>**
15. Which characters represent the bank branch code in Indian Financial System Code? – **last 6 characters**
16. What is the maximum charges for NEFT? – **₹25**
17. ₹25 is the maximum charges for NEFT for transactions over \_\_\_\_\_. – **₹2 lakhs**

## UPI 2.0

1. In addition to current and savings accounts, customers can link what type of account to UPI 2.0? – **Overdraft Account**
2. Which of the following type(s) of account was recently added to the UPI 2.0? – **Overdraft Account**
3. Who among the following developed UPI 2.0? – **National Payments Corporation of India**
4. Through which of the following service in UPI 2.0, a customer can pre-authorise a payment for future date? – **UPI mandate**
5. Name the feature designed for customers to check the invoice sent by merchant prior to making payment in UPI 2.0. – **Invoice in the Inbox**
6. How many banks are the launching partner of UPI 2.0? – **11**
7. Which of the following foreign bank was the launching partner of UPI 2.0? – **HSBC Bank**
8. Name the feature designed for customers to check the authenticity of merchants while scanning QR or quick response code. – **Signed intent**

## Small Finance Banks

1. Resident individuals/professionals with how many years of experience in banking and finance are eligible as promoters of Small Finance Bank? – **10 Years**
2. The minimum paid-up equity capital for small finance banks shall be \_\_\_\_\_. – **₹100 crore**
3. The small finance banks will be required to extend what per cent of its Adjusted Net Bank Credit (ANBC) to the sectors eligible for priority sector lending (PSL)? – **75 per cent**
4. What should be the promoter's minimum initial contribution to the paid-up equity capital of small finance bank? – **40%**
5. Right after the inception, for how many years, 25 per cent of branches of the small finance banks are required to be in unbanked rural areas? – **3 years**
6. The maximum loan size and investment limit for a small finance bank to a group borrower is restricted to what percent of the capital fund? – **15%**
7. Reserve Bank of India states, that if a promoter setting up a small finance bank desires to set up a Payments Bank, it should set up both types of banks under a NOFHC structure. What does C stands for? – **Non-Operative Financial Holding Company**

8. Which of the following is the first Small Finance Bank of the country? – **Capital Small Finance Bank**
9. AU Small finance bank is headquartered in \_\_\_\_\_. – **Jaipur**
10. Under which section of the Banking Regulation Act, 1949, small finance banks are licensed? – **Section 22**
11. Utkarsh Small Finance Bank is headquartered at \_\_\_\_\_. – **Varanasi**
12. Capital Small Finance Bank is headquartered at \_\_\_\_\_. – **Jalandhar**
13. North East Small Finance Bank Limited, north-east India's first small finance bank is headquartered at \_\_\_\_\_. – **Guwahati**
14. Fincare Small Finance Bank is headquartered at \_\_\_\_\_. – **Ahmedabad**
15. Janalakshmi Small Finance Bank is headquartered at \_\_\_\_\_. – **Bengaluru**
16. Ujjivan Small Finance Bank is headquartered at \_\_\_\_\_. – **Bengaluru**
17. A Small Finance Bank is required to maintain a minimum capital adequacy ratio of what percent of its risk weighted assets (RWA) on a continuous basis? – **15%**
18. What is the maximum FDI limit in Small Finance Bank? – **74%**
19. The maximum loan size and investment limit for a small finance bank to a single borrower is restricted to what percent of the capital fund? – **10%**

## Non-Banking Financial Companies

1. Non-Banking Financial Companies (NBFC) are registered under which act? – **Companies Act, 1956**
2. Who among the followings regulates the NBFCs in India? – **Reserve Bank of India**
3. What is difference between banks & NBFCs? – **i. NBFC cannot accept demand deposits; ii. NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; iii. Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.**
4. What is the minimum net owned fund requirement for NBFCs? – **₹ 200 lakh**
5. What are systemically important NBFCs? – **NBFCs whose asset size is of ₹ 500 cr or more**
6. What type(s) of NBFC is not regulated by the Reserve Bank of India? – **Housing Finance Companies, Merchant Banking Companies, Stock Exchanges, Companies engaged in the business of stock-broking/sub-broking, Venture Capital Fund Companies, Nidhi Companies, Insurance companies and Chit Fund Companies**
7. What is the minimum Net Owned Fund requirement for Infrastructure Finance Company? – **₹ 300 crore**
8. The NBFCs are allowed to accept/renew public deposits for a minimum period of \_\_\_\_\_. – **12 Months**
9. The NBFCs are allowed to accept/renew public deposits for a maximum period of \_\_\_\_\_. – **60 Months**
10. Which is the authority that regulates Collective Investment Schemes (CIS)? – **SEBI**
11. NBFC-Infrastructure Finance Companies must have a minimum Net Owned Funds of \_\_\_\_\_. – **₹300 crore**
12. NBFC-Infrastructure Finance Companies must have at least what per cent of its total assets in infrastructure loans? – **75%**
13. Loan disbursed by an NBFC-MFI to a borrower with a rural household annual income should not exceed – **₹ 1,00,000**
14. Loan disbursed by an NBFC-MFI to a borrower with urban and semi-urban household income should not exceed – **₹ 1,60,000**
15. For an NBFC-MFI, the tenure of the loan must not to be less than how many months? – **24 months**
16. NBFCs cannot offer interest rates higher than the ceiling rate prescribed by RBI from time to time. The present ceiling is \_\_\_\_\_. – **12.5%**
17. The NBFCs are allowed to accept/renew public deposits for a minimum period of \_\_\_\_\_. – **12 months**
18. The NBFCs are allowed to accept/renew public deposits for a maximum period of \_\_\_\_\_. – **60 months**
19. The Chit fund NBFCs are governed by \_\_\_\_\_. – **State Governments**
20. The NBFC-Housing Finance companies are regulated by \_\_\_\_\_. – **National Housing Bank**

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