

IBPS Examinations

Banking Awareness tips for recruitment as

clerks and officers in banks

e-book

(Banking Awareness)

PART: 01

Prepared by

Debarati Mukherjee

meetdebaratimukherjee.wordpress.com

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BULLET POINTS - PART: 001

Reserve Bank of India

01. Central bank is a bank which acts as a banker to the government; **has monopoly of note issue and controls the entire banking system**
02. RBI is the **central bank in India**
03. RBI was established by an act of **Parliament in 1934**
04. The initial share capital for RBI was **Rs. 5 crores**
05. RBI was nationalized under (transfer of public ownership) **act 1948**
06. Its affairs are regulated by **central board of directors**
07. It has four regional centres at **Mumbai, Kolkatta, Chennai and Delhi**
08. The central office of the bank is at **Mumbai**
09. RBI is **note issuing authority; banker, agent and financial adviser to the government; custodian of cash reserves of banks; custodian of nation's reserves of foreign exchange; lender of the last resort; controller of credit etc.**
10. Currency notes other than one rupee notes are issued **by RBI**
11. RBI has credit control – **regulation of cash reserves of commercial banks, regulating the flow of credit, qualitative control and open market operations**
12. Handles all **government transactions**
13. It is a banker's **bank**
14. It maintains the exchange rate for the Indian rupee; **hold the country's reserves in foreign currencies and administration of the exchange management regulations**

Scheduled commercial banks

15. They are included in the second schedule to the **RBI act, 1934**
16. They can avail facilities from RBI – **accommodation in the form of refinance and loans and advances; remittance facility at concessive rates as also grant of authorized dealer's license to handle foreign exchange business.**
17. Have paid up capital and reserves – **aggregate value of not less than Rs. 5 lakhs.**
18. It can be a state cooperative bank or company registered **under the companies act**
19. Scheduled commercial banks are – **State Bank of India and associates, nationalized banks, private sector banks, regional rural banks, urban cooperative banks, state cooperative banks**
20. Scheduled Commercial Banks to maintain CRR up to **3 percent of their demand and time liabilities which can go upto a maximum of 15 percent**

Public sector banks

21. State Bank of India and associate banks
22. Nationalized banks – **20**
23. Banks were nationalized on 19.07.1969 - **fourteen banks**
24. **Nationalised banks** are: Central Bank of India, Bank of India, Bank of Baroda, Allahabad Bank, Union Bank of India, United Commercial Bank, Indian Overseas Bank, Indian Bank, Canara Bank, Syndicate Bank, Punjab National Bank, United Bank of India, Dena Bank, Bank of Maharashtra, Andhra Bank, Corporation Bank, Oriental Bank of Commerce, Punjab and Sind Bank and Vijaya Bank. (19) and Industrial Development Bank of India = 20

Development banks

25. Industrial Finance Corporation of India is a **development bank**
26. Its operations are **project finance, financial services and corporate advisory services**
27. Industrial Investment Bank of India was set up in 1971 **for rehabilitation of sick industrial companies.**
28. Reconstituted as Industrial Reconstruction Bank of India in 1985 under **the IRBI act, 1984**
29. IRBI was incorporated in March, 1997 as Industrial Investment Bank of India Limited under the **companies act, 1956**
30. SIDBI was set up in 1990 under an act of parliament (SIDBI) act 1989 **as a wholly owned subsidiary of IDBI**
31. It is the principal financial institution for promoting and financing development of industry in the **small scale sector**
32. 14 banks were nationalized on **19th July 1969**

New Private sector banks

33. New private sector banks were formed as per **RBI guidelines 1993**
34. They were registered under companies act **1956**
35. They were included in second schedule to the RBI act, **1934**
36. The minimum paid up capital of a new bank shall be **Rs. 100 crores**
37. Priority sector lending norms should be adopted by **these banks**
38. The banks are governed by the provisions of the RBI act, 1934, the Banking regulation act, 1949 and **other relevant statutes.**
39. They are not allowed to set up a subsidiary or mutual fund for at least three years after their establishment

Regional Rural banks

40. Regional Rural banks were established on **2.10.1975**
41. To develop rural economy by providing credit and other facilities for the purpose of development of agriculture, trade, commerce, industry and other productive activities in rural areas, particularly to the small and marginal farmers, agricultural laborers, artisans and small entrepreneurs
42. They are **scheduled commercial banks**

43. Included in second schedule to RBI act, **1934**
44. The gross NPAs of regional rural banks should **not be more than 10 percent**.
45. The banks should comply with the IRDA regulations for acting as a **corporate agent**
46. The authorized capital of a regional rural bank is **Rs. 5 crore and issued/paid up capital minimum of Rs. 25 lakhs and maximum of Rs. 100 lakhs**
47. The prescribed minimum level of **share holding should be 51 percent for sponsor institutions**

Local Area banks

48. Local area banks were established on **24.08.1996**
49. They were set up in the private sector to cater to credit needs of the local people and to provide efficient and competitive financial intermediation services in their area of operation
50. They are required to observe the priority sector lending target of 40 percent of net bank credit, as applicable to other domestic banks, out of which 25 percent shall be given to weaker sections
51. They were registered as public limited companies as per **Companies act, 1956**.
52. They got licence as per Banking regulation act 1949
53. Included in the second schedule to RBI act, 1934
54. They have the minimum paid up capital of Rs. 5 crore
55. Promoters' contribution to be Rs 2 crores.
56. They can be promoted by individuals, corporate entities, trusts and societies
57. The area of operation of local area bank shall be a maximum of three geographically contiguous districts.
58. To comply with the provisions of the Banking Regulation act, 1949, RBI act, 1934 and other statutes
59. They are subject to prudential norms, accounting policies and other policies laid down by RBI

Non Banking Finance Companies

60. NBFCs consist of eight categories – each one of them conducting a particular business activity
61. Equipment leasing company undertakes equipment leasing or the financing of such activity
62. Hire purchase finance company is engaged in hire purchase transaction or the financing of such transactions
63. Loan company provides finance by making loans or advances or otherwise for any activity other than its own.
64. The main business of any investment company is the acquisition of securities and trading in such securities to earn a profit
65. Mutual Benefit Financial Company are the companies which are notified by the Central Government under section 620 A of the companies act 1956
66. Miscellaneous non banking company – the principal business of such company is managing, conducting or supervising as a promoter, foreman or agent of any transaction or arrangement by which the company enters into an agreement
67. Housing finance company – acquisition of construction of houses including the acquisition or development of plots of land
68. Residuary non banking company – receives deposits under any scheme or arrangement by whatever name called in one lump sum or in installments by way of contributions or subscriptions or by sale of units or certificates or other instruments or in any manner.
69. Effective 4.3.2003, NBFCs are not allowed to offer more than 11 percent per annum interest on public deposit
70. No official agency guarantees or undertakes the repayment of deposits or interest
71. NBFC deposits are uninsured and not backed by security
72. They are not allowed to offer more than 2 percent brokerage

73. They are not allowed to offer gifts or incentives
74. All depositors must be issued proper receipts for deposits
75. NBFCs having track record of less than 2 years is not eligible to accept public deposits
76. NBFCs seeking public deposit should be a profit making company

Life Insurance corporation of India

77. LIC was established in 1956 as wholly owned corporation of the Government of India
78. LIC came into being from 1.9.1956
79. To spread life insurance across the country, particularly in the rural areas and to the socially and economically backward classes.
80. Besides insurance business, LIC in pursuance of Government of India guidelines invests a major portion of its funds in central and state government securities and other approved securities including special deposits with Government of India.
81. Extends assistance to develop infrastructure facilities like housing, rural electrification, water supply and sewerage and provides financial assistance to the corporate sector by way of term loans, underwriting off and direct subscription to shares and debentures.
82. It also provides resource support to financial institutions through subscription to their shares/bonds and by way of term loans.
83. UTI - the largest mutual fund organization in India was set up in 1964 by an act of parliament.
84. Established to fulfill the objectives of mobilizing of retail savings, investing them in the capital market and passing on the benefits accrued from the acquisition, holding, management and disposal of securities to the small investors.
85. General Insurance Corporation of India was formed and registered on January, 1973 under the insurance act 1938 in accordance with the provisions of the General Insurance Business (Nationalization) act, 1972
86. The New India Assurance Company Limited; The United India Insurance Company Limited, The Oriental Insurance Company Limited and National Insurance Company Limited are government owned insurance companies doing general insurance business
87. Need based insurance companies to meet the diverse and emerging needs of various segments of society and provides financial assistance to industrial projects by way of term loans, short term loans and direct subscription to shares/debentures of new and existing industrial enterprise.

National Bank for agriculture and Rural Development

88. NABARD was established in 1982 under an act of parliament
89. It is the apex development bank for promotion and development bank for promotion and development of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas
90. It serves as an apex financing agency for the institutions providing investment and production credit for promoting the various developmental activities in rural areas
91. Takes measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel etc.

92. Coordinates the rural financing activities of all institutions engaged in developmental work at the field level and maintains liaison with Government of India, state governments, RBI and other national level institutions concerned with policy formulation

Export and Import Bank of India

93. Export and Import Bank of India - EXIM bank was established in 1982

94. Public sector financial institution created by an act of Parliament vide - the Export and Import Bank of India act 1981.

95. Principal financial institution for – financing, facilitating and promoting India's foreign trade

96. They provide Indian exporters with investment loans, export product development loans, loans for export marketing, pre shipment credit, suppliers credit for exports or projects and advisory services.

97. Equity finance available for acquiring of setting up companies abroad for manufacturing, marketing, trading etc.

98. It offers buyers credit and lines of credit to foreign governments and banks

99. It has facilities to provide advance information and business advisory services to Indian exporters in respect of multilaterally funded projects overseas.

100. It offers advisory and information services to exporters and sponsors

BULLET POINTS - PART: 002

COMPUTER TERMINOLOGY

01. Access: To store or retrieve data

02. Add-on: Circuits, systems, or hardware devices that can be attached to a computer to increase its memory or improve its performance

03. Application: A system, such as a payroll, that has been defined to be suitable for electronic data processing techniques

04. Archived file: A file that has been transferred to a lower level in the memory hierarchy, usually from magnetic disc to magnetic tape, may be as a result of operations of appropriate resource management

05. Array: A group of two or more logically related elements identified by a single name; generally stored in consecutive storage locations in main memory

06. Audit trail: A permanent record of every transaction taken by a computer system, indicating for example, when users log in and out, what transaction they perform, when files are accessed and the type of access. Examination of this record provides a way of observing patterns of security violation and/or serves as a deterrent to violations

07. Availability: The ratio of time a device is operating correctly to the total scheduled time for operating

08. Back office operations: Operation that does not involve direct interaction with customers

09. Back up: A resource that is, or can be used as a substitute when a primary resource fails or when a file has been corrupted

10. Bar code: A printed machine readable code that consists of parallel bars of varied width and spacing. The application most commonly observed is the coding on food and goods that is read at the checkout and translated into a line of print on the bill showing product and cost

11. Batch processing: A method of organizing work for a computer system, designed to reduce overheads by grouping together similar jobs

12. Bit: Contraction of binary digit

13. Bug: An error or mistake in a programme

14. Byte: A group of consecutive bits forming a unit of storage in the computer and used to represent one alphanumeric character; a byte usually consists of 8 bits but may contain more or fewer bits depending on the model of computer

15. Character: An alphabetic letter, a digit or a special symbol

16. Chip: A small section of a single crystal of semiconductor usually silicon, that forms the substrate upon which is fabricated a single semiconductor device or all the individual devices comprising an integrated circuit

17. Configuration: The particular hardware elements and their interconnection in a computer system for a particular period of operation

18. Debug: To trace and correct errors in programming code or hardware malfunctions in a computer system

19. Downtime: The percentage of time that a computer system is not available for use

20. Dummy: An artificial instruction, address etc. used only to fulfill specification in a programme but not actually performing a function

21. Duplex channel: A communication channel that allows data to be transmitted in both directions simultaneously

22. Encoder: A small table-top electronic machine which is a combination of electronic typewriter and calculator – functions: encode numeric data in the MICR in desired font; print a listing of amounts of all instructions with batch/grand totals; zero-proofing place clearing endorsement, stamp on the reverse of instruments

23. Image: A copy in memory of data that exists elsewhere

24. Interface: A common boundary between two systems, devices or programmes

25. Lock: A key or other group of characters that allows access to specified storage locations or software systems

26. Log-in: To enter the necessary information like personal identification number – PIN and/or password to begin a session on a terminal

27. Menu: The list of options may be displayed with a sign code opposite each. The selection may then be made by keying the single code. The method provides simple way of guiding a user through a complex situation by presenting a sequence of simpler decisions

28. Main memory: Storage located in the computer for programmes, along with their data, while they are being executed

29. MICR: Abbreviation for magnetic ink character recognition. A process in which data printed in ink containing ferromagnetic particles is read by magnetic read heads

30. Modem: Acronym for modulator demodulator – a device that converts digital data output from another device into analog data that can be transmitted over communication lines or vice versa.

31. OCR: Abbreviation for Optical Character Recognition

32. Output device: A device that can provide for only the output of data, such as a printer or card punch

33. Password: A group of characters by which a user is uniquely identified, when logging on to a terminal or when submitting a programme for execution

34. Real Time: The time that passes on an ordinary clock

35. Scan: To examine sequentially all the records in a file in order to find those whose keys meet a specified criterion

36. Soft Copy: Output that is displayed on the screen of a video display unit

37. SWIFT: Society for Worldwide Inter-bank Financial Telecommunication

38. VDU: Abbreviation for Visual Display Unit

39. Bandwidth: How much stuff you can send through a connection. Usually measured in bits per second

40. Beta: Preliminary or testing stage of a software or hardware product: “a beta version”; “beta software”

41. BIOS: Stands for Basic Input/Output system: The BIOS is responsible for booting the computer by providing a basic set of instructions

42. Binary: This is a basic system of numbering using ones and zeros

43. Blue tooth: Radio technology that connects electronic devices without using a cable. Data and voice can be exchanged at ranges of up to 10 meters without the need for devices to be lined up together

44. Boot disk: A diskette from which you can boot your computer

45. Buffer: A place, especially in RAM, for the temporary storage of data for the purpose of speeding up an operation such as printing or disk access

- 46. Browser:** It is a software used for viewing pages on the web
- 47. Bus:** A collection of wires through which data is transmitted from one part of a computer to another
- 48. Cache:** A special block of fast memory used for temporary storage of data for quick retrieval
- 49. CD-ROM:** Compact Disc Read Only Memory – an optical storage medium that can hold about 700 MB of data and is accessed with lasers
- 50. CGA:** Stands for Color Graphics Adapter: CGA allowed a maximum of four colours at a resolution of 320 x 200 or two colours at 640 x 200.
- 51. Clock Speed:** The clock speed is the frequency which determines how fast devices that are connected to the system bus operate. The speed is measured in millions of cycles per second
- 52. Clustering:** A technique in which two or more servers are interconnected and can access a common storage pool
- 53. CMOS:** Abbreviation of complementary metal oxide semiconductor. Pronounced seemoss; CMOS is widely used type of semiconductor
- 54. COBOL:** Common Business Oriented Language
- 55. CPU:** Central Processing Unit – It interprets and carries out instructions, performs numeric computations, and controls the peripherals connected to it
- 56. Data bus:** A group of parallel conductors found on the motherboard that is used by the CPU to send and receive data from all the devices in the computer.
- 57. Data mining:** Sorting through data to identify patterns and establish relationships
- 58. DDR:** Stands for “Double Data Rate”
- 59. Decoder:** A circuit or device that restores a coded signal to its original form based on knowledge of the process used to code the signal
- 60. Decryption:** It is the process of converting encrypted data back into its original form, so that it can be understood
- 61. Dedicated line:** It is a phone line meant specifically for one thing, like being attached to a computer
- 62. Demodulation:** It is the process of converting analog information into digital information
- 63. DLL:** Dynamic Link Library
- 64. DNS:** Domain Name Server – it is the system used on the internet for mapping names to the actual numerical addresses of machines on the Internet

65. DOS: Disc Operating System

66. Domain name: A name that identifies one or more IP addresses

67. Driver: A program that controls a device. Every device, whether it can be a printer, disk drive, or keyboard must have one driver program

68. EBCDIC: Extended Binary Coded Decimal Interchange Code

69. Email: Stands for electronic mail. It is a system of relaying messages across the Internet from one internet user to another

70. Encryption: It is the process of converting data into “unreadable code” so that unauthorized people cannot understand the contents

71. Ethernet: A networking system that enables high speed data communication over coaxial cables

72. Executable file: A file in a format that the computer can directly execute

73. FAQ: Frequently asked questions

74. GUI: Graphical User Interface

75. FTP: File transfer protocol

76. HTML: Hyper Text Markup Language

77. HTTP: Stands for Hyper Text Transport Protocol

78. Icon: A small video display that acts as an activation link when clicked on

79. ISP: Internet service provider

80. ISDN: Integrated Services Digital Network

81. Java: A high level programming language developed by Sun Microsystems

82. LAN: a computer network that spans a relatively small area

82. LCD: Abbreviation of liquid crystal display, a type of display used in digital watches and many portable computers

83. Linux: A version of UNIX that runs on a variety of hardware platforms. It is open source software, which is freely available

84. Kilobyte: This is about thousand bytes of space. It is two to the 10th power of 1024 bytes

- 85. MPEG:** Motion Picture Experts Group
- 86. Peer to Peer:** A type of network in which each workstation has equivalent capabilities and responsibilities
- 87. Pen drive:** A small device that can be used to easily transfer files between USB-compatible systems
- 88. Processor:** A processor is a device that processes programmed instructions and performs tasks
- 89. RAM:** Random Access Memory
- 90. ROM:** Read Only Memory
- 91. Serial Port:** A port or interface that can be used for serial communication, in which only 1 bit is transmitted at a time
- 92. SMTP:** Simple Mail Transfer Protocol
- 93. Spam:** This is to transmit unwanted messages, usually over email, to a great many people
- 94. SLIP:** Serial Line Interface Protocol
- 95. Switch:** In networks, a device that filters and forwards packets between LAN segments. LANs that use switches to join segments are called switched LANs or, in the case of Ethernet networks, switched Ethernet LANs
- 96. WWW:** World Wide Web
- 97. Virus:** A program or piece of code that is loaded into the computer without the knowledge of the computer user and runs against the wishes of the user
- 98. WAN:** Wide Area Network
- 99. Weblog:** This is publicly accessible personal journal for an individual. Similar to a personal diary, but shared over the web. The activity of updating a blog is “blogging” and someone who keeps a blog is called as a “blogger”
- 100.ZIP:** Stands for Zone Information Protocol. This is an application that allows for the compression of application files
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BULLET POINTS - PART: 003

- 01.** EXIM bank operates various lending programs **for promotion of exports of engineering and capital goods and related services from India**
- 02.** EXIM - Direct financial assistance to exporters of plant, equipment, **machinery and related services in the form of medium term credit**

03. EXIM -Overseas investment finance to **Indian promoters of overseas joint ventures to support their equity investments.**
04. EXIM - Overseas buyers' credit to foreign importers for **import of Indian capital goods and related services**
05. National Housing bank was established on **9.7.1988**
06. Vide National housing bank act, 1987 to function as a principal agency to promote housing finance institutions and **to provide financial and other support to such institutions.**
07. NHB – **issues directions to housing finance institutions to ensure their growth on sound lines**
08. Make loans and advances and render any other form of financial assistance to scheduled banks and housing finance institutions or to any authority established by or under any central, state or provincial act and engaged in slum improvement
09. Formulate schemes for the purpose of **mobilization of resources and extension of credit for housing.**
10. Banks **can accept both demand and time deposits from the public**
11. Interest payable on savings bank accounts is not regulated by **Reserve Bank of India**
12. RBI is the sole authority to issue and **manage currency in India**
13. Accounts are allowed to be operated by **cheques in respect of both savings bank accounts and current accounts**
14. Normally no interest is paid on **current deposit accounts**
15. The usual deposit schemes of the banks are **current accounts, savings bank accounts and term deposit accounts**
16. Fixed deposits and recurring deposits are **repayable after an agreed period**
17. Financial inclusion means provision of financial services namely, **payments, remittances, savings, loans and insurance at affordable cost to persons not yet given the same**
18. Sale of insurance policy to a depositor is known **as cross selling by banks**
19. When a bank returns a cheque unpaid, **it is called as dishonor of the cheque**
20. Mortgage is a security **on immovable property for a deposit received by a bank**
21. Accounts in which shares of various companies are **traded in electronic form is called as demat accounts**
22. NABARD has sought an emergency fund of Rs. 1000 crore from banks to tackle acute liquidity crisis, **which is coming in the way to give loans to micro borrowers**
23. Distribution of insurance products and insurance policies by the banks as **corporate agencies is known as bankassurance**
24. The term L denote “Liquidity” in term “LAF” as referred every now and then in relation to monetary policy of RBI – **liquidity**
25. The full form of FINO – a term frequently used in newspapers is called as – **Financial Information Network and Operation Limited**
26. The rate of inflation increases **when the purchasing power of money decreases**
27. Interest on savings bank account is **now calculated by banks on daily product basis**
28. A centralized data base with online connectivity to branches through internet **as well as ATM network which has been adopted by almost all major banks of the country is known as core banking**
29. Treasury bills, commercial paper, certificate of deposit, shares and bonds are called as **money market instruments**
30. Repurchase agreement is not **money market instrument**
31. With a view to facilitate payment of balance in the deposit account to the person named by the depositor without any hassles in the event of death of the account holder, the following facility has been introduced for bank accounts in our country – **nomination**
32. Banks in our country normally publicize that additional interest rate is allowed on retail domestic term deposits of – **senior citizens**

33. CRR – cash reserve ratio

34. SLR – statutory reserve ratio
 35. EXIM bank – export and import bank of India
 36. NABARD – National Bank for Agriculture and Rural development
 37. SIDBI – small industries development bank of India
 38. EDP – entrepreneurship development programme
 39. SMERA – SME rating agency of India Limited
 40. NBFC – Non banking finance companies
 41. NEFT – National electronic funds transfer
 42. RTGS – real time gross settlement
 43. Narrow banking is a system of banking under which a bank places its funds only in 100 percent risk free assets with maturity matching for its liabilities.
 44. NPA – non performing assets
 45. CAR means capital adequacy ratio
 46. KYC means know your customer guidelines
 47. IPO – Initial public offer
 48. QIB – qualified institutional buyers
 49. SEBI – securities and exchange board of India
 50. MICR – magnetic ink character recognition
 51. NSE – national stock exchange
 52. BCSBI – Banking codes and standards board of India
 53. FEDAI – Foreign exchange dealers association of India
 54. ALCO – asset liability committee
 55. ALM – asset liability management
 56. FCNR – foreign currency non resident deposit accounts
 57. CDRS – Corporate debt restructuring
 58. IDRBT – Institute for development and research of banking technology
 59. YTM – yield to maturity
 60. IRDA – Insurance Regulatory and Development Authority of India
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BULLET POINTS - PART: 004

COMPUTER AWARENESS

01. To change a selected text to all capital letters, click the change case button and then click – **caps lock**
02. A person who used his or her expertise to gain access to other people's computers to get information illegally or do damage is a – **hacker**
03. Where you are likely to find an embedded operating system? – **on a desktop operating system**
04. Reusable optical storage will typically have the acronym – **RW**
05. An online discussion group that allows direct live communication is known as – **chat group**

06. Codes consisting of lines of varying widths or lengths that are computer readable are known as – **a magnetic tape**
07. A web site's main page is called as – **home page**
08. Which of the following is a program that uses a variety of different approaches to identify and eliminate spam? – **any spam program**
09. To access properties of an object, the mouse technique to use is – **right clicking**
10. Computers use the _____ number system to store data and perform calculations – **binary**
11. Phishing trips are attempts by individuals to obtain confidential information from you to falsifying their identity
12. Sharing copyrighted files without permission breaks copyright laws
13. The following can be used to select the entire document – **Ctrl +A**
14. The system unit – is the container that houses electronic components
15. The simultaneous processing of two or more programs by multiple processors is – multiprocessing
16. A disk's content that is recorded at the time of manufacture and that cannot be changed or erased by the user is – **read only**
17. The permanent memory built into the computer is called – **ROM**
18. The default view in excel is normal
19. System software – **helps the computer manage internal resources**
20. In word, you can force a page break – by positioning your cursor at the appropriate place and pressing **ctrl – enter**
21. Grouping and processing all of a firm's transactions at one time is called – **batch processing**
22. Help menu is available at which button – **start**
23. The personal files and folders can be kept at – **my documents**
24. Help menu is available at which button – **start**
25. A central computer that holds collections of data and programs for many PCs, workstations and other computers is a server
26. When you save to this, your data will remain intact even when the computer is turned off – **secondary storage device**
27. The drafts folder retains copies of messages that you have started but are not yet ready to send
28. You can refine a search by providing more information and the search engine can use to select a smaller more useful set of results
29. The contents of memory are lost when the computer turns off
30. The tab row enables you to simultaneously keep multiple web pages open in one browser window
31. A DVD is an example of an optical disc
32. The basic unit of a worksheet into which you enter data in excel is called a – cell
33. Formatting is the process of dividing the disk into tracks and sectors
34. Which ports connect special types of music instruments in sound cards ? – **MIDI**
35. The process of transferring the files from a computer on the internet to your computer is called – **downloading**
36. Computer and communication technologies such as communication links to the internet that provides help and understanding is the end user is known as – **FTB**
37. Which of the following is contained on chips connected to the system board and is a holding area for data instructions and information? – **memory**
38. To reload a web page, press the button – **refresh**
39. Mobile commerce is best described as – **buying and selling goods/services through wireless handheld devices**
40. Video processors consist of CPU and memory which store and process images
41. The main circuit board of the system unit is the control unit

42. Installation is the process of copying software programs from secondary storage media to the hard disk.
 43. Nanosecond is billionth of a second
 44. When the pointer is positioned on a hyperlink, it is shaped like a hand
 45. The computer abbreviation – KB usually means – **kilo byte**
 46. Connection or link to other documents of web pages that contain related information is called – **hyperlink**
 47. An animation is a special visual and audio effect applied in Power Point to text or content
 48. The following is a programming language for creating special programs like apples – **Java**
 49. The piece of hardware that converts the computer's digital signal to an analog signal that can travel over telephone lines is called - **a enterprise**
 50. Personal computers can be connected together to form a network
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BULLET POINTS - PART: 005

01. The bank branches which can undertake foreign exchange business directly are known as approved dealers in foreign exchange
02. Insurance cover for bank deposits in the country is provided by **DICGC**
03. Deposit Insurance and Credit Guarantee Corporation of India Limited is called as **DICGC**
04. The financial literacy includes the following namely; how to invest the funds; how to use the limited funds carefully; how to minimize the risks and how to reinvest the money earned
05. The loans of very small amounts given to low income group is called as – **Micro credit**
06. When a banker talks about CDR, CDR is meant – **Corporate Debt Restructuring.**
07. ALM is called as Asset Liability Management
08. Cash Reserve Ratio and Statutory Liquidity Ratio are terms most closely related to the following industries/markets – Banking industry
09. CRR and SLR are not related to capital market, commodities market, money market and mutual fund industry
10. The letter “L” available in the term LAF commonly used in financial/economic news is called as– **Liquidity**
11. LAF means liquidity adjustment facility
12. The banking ombudsman resolves the complaints of the customers in regard to services provided by the banks
13. Public sector bank, foreign bank, private sector bank and regional rural bank are classified as commercial banks
14. Urban cooperative bank is not a commercial bank
15. SEBI means Securities and Exchange Board of India.
16. Money laundering means – the process of conversion of money obtained illegally to appear to have originated from legitimate sources
17. Monetary policy as an arm of the economic policy is administered by – Reserve Bank of India
18. The following is not a primary function of a bank – Facilitating import of goods
19. The following are the functions of banks – accepting deposits; granting loans; collecting cheques; issuing drafts; selling gold/silver coins
20. The following represent the correct meaning of Repo rate – Rate for borrowing rupees by banks from RBI
21. The reserves which can act as a liquidity buffer for commercial banks during crisis times are CRR and SLR
22. Savings bank accounts are opened by individuals for savings purposes
23. A customer drawing a cheque on a bank has the right to stop payment of the cheque before it is paid

24. The following are the functions of a commercial bank namely; providing project finance; settlement of payments on behalf of the customers; issuing credit and debit cards to the customers and providing services such as locker facilities and remittances
 25. Commercial banks do not undertake the following functions: deciding policy rates like CRR, SLR and repo rates
 26. Reserve Bank of India undertakes the following rates: CRR; SLR and repo rates
 27. The conversion of money which is illegally obtained is called as – **money laundering**
 28. For purchase of white goods, the following loan is granted by the banks – **consumer durables loan**
 29. A cheque which has completed the stipulated validity period of the cheque is called as – **stale cheque** (The validity period is 3 months as at present)
 30. Ganesh has been nominated in the savings bank account of Vijaya and Ganesh requests the bank authorities to allow him to operate Vijaya's account as she is found to be unwell. What will the bank do? – As nomination will come into effect only after the death of the depositor, the bank will not permit
 31. The following is a measure taken by RBI in order to control inflation in the country – **raising of Repo and Reverse Repo rates.**
 32. What do you understand by the term called as mortgage ?– Making the security of immovable property available as a cover for a home loan availed by the borrower
 33. The following constitutes the largest percentage of retail loans in the country – Home loans
 34. The credit risk to the bank is high from which of these cards – **Credit cards**
 35. Depreciation of an asset does not occur on account of the following namely; fire in the unit; theft; labour trouble; wear and tear;
 36. The following are the sources of finance for any commercial bank – capital, borrowings from RBI, deposits and cash reserves with RBI
 37. Call money borrowings – is not the source of finance for any commercial bank
 38. The rate at which the domestic currency can be converted into foreign currency and vice versa is known as the – **exchange rate**
 39. ARCIL – **is the asset reconstruction company**
 40. IRDA – Insurance Regulatory Development Authority
 41. BCSBI – Banking Codes and Standards Board of India
 42. CIBIL – Credit Information Bureau of India Limited
 43. Exchange rate is the term used in the field of economics
 44. The non performing assets of any bank are called as – sub standard assets, doubtful assets and loss assets
 45. The performing assets of any bank are called as – standard assets
 46. The crossing on a cheque can be cancelled by the drawer of the cheque under his full signature
 47. Banks can accept both demand and time deposits from the public
 48. Interest payable on savings bank is not regulated by RBI
 49. The usual deposit accounts of the banks are – current accounts, savings accounts and term deposit accounts
 50. The fixed deposits, reinvestment deposits and recurring deposits are repayable after an agreed period.
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BULLET POINTS - PART: 006

01. Accounts are allowed to be operated by cheques in respect of current and savings accounts
02. Interest is not paid in current accounts
03. Mortgage is a security on immovable property for loan given by the bank
04. Financial inclusion means provision of – financial services namely; payments, remittances, savings, loans and insurance at affordable cost to persons not yet given the same
05. When a bank returns a cheque unpaid, it is called as – dishonor of the cheque

06. Demat accounts are accounts in which the shares of various companies are traded in electronic form
07. NEFT means – National Electronic Funds Transfer
08. No upper limit has been prescribed for RTGS
09. RTGS means – Real Time Gross Settlement
10. Distribution of insurance products and insurance policies by banks as corporate agents is known as –
bankassurance
11. Interest on savings bank account is now calculated by the banks on daily product basis
12. Government of India is the largest shareholder (in percentage shareholding) of a nationalized bank
13. Banks in the country normally publicise that additional interest rate is allowed in retail domestic term deposits held
by– **senior citizens**
14. A centralized database with online connectivity to branches, internet as well as ATM network which has been
adopted by almost all major banks of the country is known as – **core banking**
15. Commercial paper is not considered as the money market instrument
16. With a view to facilitate payment of balance in the deposit account to the person named by the depositor without
any hassles in the event of death of the account holder, the following facility was introduced for bank
accounts in the country – **Nomination**
17. ATM cards are issued to a person who maintains any of the following accounts namely – **savings bank accounts
and current accounts**
18. ATM is a computer which is dedicated to perform certain specific jobs only
19. ATM is a user friendly machine and the customer does not require any training for using it
20. ATM is totally menu driven which displays instructions to the customer step by step for operating the same
21. A working group on cheque truncation and E-cheques was constituted by RBI under the chairmanship of Dr. R.B.
Barman and major recommendations of group include – the physical cheque will be truncated within the
presenting bank; settlement will be generated on the basis of current MICR code line data and electronic
images will be used for payment processing
22. RTGS benefits the customer and the bank
23. RTGS means a payment system in which – **both processing and final settlement of funds transfer
instructions can take place continuously**
24. RBI in regard to RTGS has decided that – RTGS would be accessible to all retail customers and there would be
no floor ceiling for routing the transactions through RTGS and settlement of transactions.
25. State Bank of India is considered to be the first bank to launch a mutual fund
26. In commercial paper the following parties can invest – individuals, banking companies and corporate bodies
registered or incorporated in the country and unincorporated bodies, Non Resident Indians and foreign
Institutional Investors.
27. The commercial paper may be issued in multiples of Rs. 5 lakhs subject to the minimum size of an issue to a
single investor being – **Rs. 5 lakhs**
28. Commercial paper may be issued for period ranging from seven days to one year
29. Commercial paper is essentially – unsecured money market instrument
30. Social control was imposed on commercial banks effective from – **1st February, 1969**
31. Fourteen major Indian banks having deposits of more than Rs. 50 crores were nationalized on **19.07.1969**
32. With effect from 19.07.1969, the fourteen major Indian banks were nationalized by the Government of India under
– the banking companies (acquisition and transfer of undertakings) act 1970
33. Effective from **15.04.1980**, six banks with demand and time liabilities exceeding Rs. 200 crores were nationalized
34. In the wake of Narasimhan committee recommendations the banks which entered into the capital markets – **State
Bank of India, Oriental Bank of Commerce and Bank of India.**

35. In the wake of Narasimhan Committee recommendations, the financial sector reforms were implemented by the government of India
36. Financial sector reforms aim towards introduction of capital adequacy norms, based upon capital to risk weighted asset ratios; prudential norms relating to classification of assets, income recognition and provisioning; setting up of a strong supervisory and surveillance mechanism for the banking system and financial sector through the Board for financial supervision in RBI
37. According to Hilton Young Commission, the RBI act, 1934 was enacted
38. The Banking Commission was appointed by the Government of India in January, 1969 under the chairmanship of R.G. Saraiya
39. In order to study the functioning of Public Sector banks, James Raj Committee was appointed
40. Kamath working group was appointed to study the problems arising out of the adoption of multi agency in agricultural banking
41. The banking laws committee was headed by – **P.V. Rajamannar**
42. The National Credit Council which symbolized the role of credit planning in development was set up in the year – **1968**
43. During the year-1966, RBI set up the All India Rural Credit Review Committee in order to – reassess the developments that have taken place in the field of rural credit since 1954, that is subsequent to submission of the report of the **All India Rural Credit Survey Commission**
44. Talwar committee submitted its report in the year **1977**
45. Talwar committee was appointed by Government of India to – submit recommendations on customer service on banks
46. In order to review the existing system of inspection of banks by RBI, **Pendarkar working group was appointed**
47. Under the chairmanship of H.N. Sinor, the working group to examine various issues concerning the deposit rates including floating rate of interest on fixed deposits was constituted by RBI
48. RBI had constituted the working group on flow of credit to SSI sector under the chairmanship of A.S. Ganguly
49. The Joint stock banking system started in the late 18th century/early 19th century
50. The Bank of Bengal got its charter in 1809

BULLET POINTS - PART: 007

01. The first bank in India was set up on modern lines in 1770 by an agency house
02. Bombay stock exchange was made functional as early as 1870
03. The first life insurance company in the country – Oriental Life Insurance company
04. Oriental Life insurance company was established in 1818
05. First General (non life) Insurance company was set up in 1850
06. There were 566 private commercial banks in the country with 4151 branches in 1951
07. There are 32 foreign banks in the country
08. Foreign banks have around 310 branches all over the country
09. The Unit trust of India came into existence in 1964
10. Export Risk Insurance Corporation was set up in July 1957
11. Export Risk Insurance Corporation was converted as ECGC in January 1964
12. ECGC – Export Credit Guarantee Corporation
13. The deposit insurance corporation was set up in 1962
14. The fourteen banks which were nationalized on 19.7.1969 were – Central Bank of India; Bank of Maharashtra; Dena Bank; Punjab National Bank; Syndicate Bank; Canara Bank; Indian Bank; Indian Overseas Bank;

Bank of Baroda; Union Bank; Allahabad Bank; United Bank of India; United Commercial Bank and Bank of India

15. Six banks were nationalized during the second stage on 15.4.1980
 16. Regional Rural Banks were set up in 1975
 17. NABARD was established in 1982
 18. NABARD – National Bank for Agriculture and Rural Development
 19. Securities and Exchange Board of India was established in 1988
 20. Licensing for new private sector banks was issued in 1993
 21. Indian financial system is composed of three components – financial assets, financial markets and financial intermediaries or institutions
 22. Financial assets are classified into primary or direct securities and secondary or indirect securities
 23. Financial markets can be classified into money market and capital market
 24. Financial intermediaries can be classified into organized and unorganized
 25. Organized financial intermediaries can be classified into banking institutions and non banking financial institutions
 26. Primary securities are those securities which represent financial claims against real sectors
 27. Real sectors represent bills, bonds, shares, book debts etc.
 28. National savings certificates, infrastructure bonds, Indira Vikas Patras, Krishi Vikas Patra etc. are examples of financial assets
 29. Money market is the center of dealings mainly of short term character in monetary assets
 30. The capital market deals in long term funds, both debt and equity
 31. Financial instruments of the capital market are classified into the following two categories namely; government or gilt edged securities and corporate securities
 32. The main financial instruments of corporate sector are – shares, debentures, public deposits and loan from institutions
 33. Banking commission was established in 1972
 34. Capital market is a market which deals in long term funds
 35. Regional Rural Banks fall within supervisory purview of RBI
 36. IRDA is the regulatory authority for all insurance companies in the country including LIC of India
 37. IRDA has its headquarters at Hyderabad
 38. Mutual funds fall within the supervisory purview of SEBI
 39. Export and Import Bank of India does not fall within the purview of development banks
 40. State Bank of India was formulated as per SBI act 1955
 41. ICICI Bank Limited is the first Universal Bank established in the country
 42. New Bank of India merged with Punjab National Bank
 43. The central monetary authority of the country is Reserve Bank of India
 44. Scheduled commercial banks are banks which have been included in the second schedule of RBI act, 1934; registered under companies act and got licence as per Banking Regulations act 1949
 45. When the banks entertain in dealing with insurance business, it is called as bankassurance
 46. Universal banking is the roof under which various banking products are available
 47. When the repayment period of any loan is upto 36 months, the loan is called as short term loan
 48. When the repayment period is between 37 to 84 months, such loans are called as medium term loans
 49. When the repayment period is more than 84 months, they are called as long term loans
 50. In the case of Regional Rural Banks, the contribution structure between Government of India, State Government and Sponsoring banks are in the ratio of 50:15:35
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BULLET POINTS - PART: 008

01. Laxmi Commercial Bank merged with Canara Bank
02. CAMEL denotes – capital adequacy, asset quality, management, efficiency and liquidity
03. Banks are subject to operational risk, credit risk, market risk, liquidity risk
04. When the ATM machine installed in the bank is out of order, it is called as operational risk
05. When the computers are not functioning, it is called as operational risk
06. When the loans are not repaid in time, it is called as credit risk
07. When the banks products fail to survive in the market, it is called market risk
08. When the banks are not able to pay the amount to the depositors, it is called as liquidity risk
09. IFSC code denotes the branch code of any bank
10. IFSC code consists of eleven digits
11. Tissue culture denotes propagation of cells
12. Aqua culture denotes shrimp farming and fish production
13. Horticulture means fruit production
14. Sericulture means silk production
15. Pisciculture means fish farming
16. Apiculture means honeybee rearing
17. Sylvi culture means cultivation of fodder crops
18. Moriculture means cultivation of mulberry
19. Olericulture means vegetable cultivation
20. Increase in agriculture production is called as green revolution
21. When the activity relates to milk production, it is called as white revolution
22. When the activity relates to meat production, it is called as red revolution
23. When the activity relates to cocoa production, it is called as brown revolution
24. When the activity relates to rubber production, it is called as black revolution
25. When the activity relates to fish farming, it is called as blue revolution
26. When the activity relates to cultivation of oil seeds and pulse production, it is called as yellow revolution
27. When the activity relates to flower production, it is called as rainbow revolution
28. Marginal farmer is one who has irrigated lands less than 1.25 acres or non irrigated lands less than 2.5 acres
29. Small farmer is one who has irrigated lands less than 2.50 acres or non irrigated lands less than 5.00 acres
30. Agricultural laborer is one whose 50 percent of income is from agriculture
31. The old private sector banks in the country are: City Union Bank, Tamilnadu Mercantile Bank, SBI commercial Bank, Catholic Syrian Bank, Dhanalakshmi Bank, Federal Bank, Jammu and Kashmir Bank, Karnataka Bank, Karur Vysya Bank, Lakshmi Vilas Bank, Nainital Bank, Ratnakar Bank, South Indian Bank Limited, ING Vysya Bank Limited
32. The new private sector banks in the country are: Axis Bank, Development credit bank, HDFC Bank, ICICI Bank, Indus Ind Bank, Kotak Mahindra Bank, Yes Bank
33. The subsidiaries of State Bank of India are; State Bank of Patiala; State Bank of Hyderabad; State Bank of Travancore; State Bank of Bikaner and Jaipur and State Bank of Mysore.
34. Oriental Bank of Commerce has taken over Global Trust Bank
35. For charging interest on loans/advances from July 2010, RBI introduced the following system namely; Base lending rate system in the place of Benchmark Prime Lending Rate system
36. Money laundering refers to conversion of money which is legally obtained
37. The account in which trading of shares in their electronic form is called as DEMAT account

38. Reserve Bank of India issues all the currency notes except one rupee note
 39. RBI does not transact the business of the following state government namely – Jammu and Kashmir
 40. The first Indian bank to open a branch outside India in London in 1946 is Bank of India
 41. NRI deposits are called as hot money
 42. Euro Bond is an instrument issued in a country other than the country of the currency of the bond
 43. National Income Estimates in India are prepared by Central Statistics Commission
 44. Full convertibility of a rupee means determination of rate of exchange between rupee and foreign currencies freely by the market forces of demand and supply
 45. RBI has prescribed that all scheduled commercial banks should maintain their SLRs in dated securities notified by RBI; treasury bills of Government of India and State Development Loans
 46. The following category of banks were mooted with a view to providing an Institutional mechanism for promoting rural and semi urban savings as well as for the provision of credit for viable economic activities in local areas – Local area banks in the private sector
 47. LAB means local area banks
 48. The first Private bank in India to receive an in principle approval from Reserve Bank of India was Housing Development Finance Corporation Limited
 49. The actual return of an investor is reduced sometimes as the prices of the commodities go up all of a sudden. In financial sector, this type of phenomenon is known as – market risk
 50. Rashtriya Swastiya Bima Yojana started rolling from 1.4.2008
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BULLET POINTS- PART: 009

01. Banking regulation act, 1949 does not at all apply to – primary agricultural credit societies and cooperative land mortgage banks
02. As per the provisions of section 12 of the Banking Regulations act, 1949, the minimum ratio between the authorized, subscribed and paid up capital of a banking company should be 4:2:1
03. Under the provisions of section 35(b) (ii) of the Banking Regulation Act, 1949, inspection of branches of Indian banks situated abroad is to be carried out by – RBI
04. The first public sector bank to issue capital to public is – Oriental Bank of Commerce
05. The New Private Sector Banks have been authorized to be set up under the new liberalization policy and the minimum paid up capital should be – Rs. 200 Crore
06. The Banking Companies act, 1949 was enacted to consolidate and amend the law relating to banking companies with effect from 1.3.1966 and the name of the act has been changed to – The banking regulation act
07. The management of SEBI consists of – chairman and five members
08. The following is the reason for the success of mutual fund – mutual fund scheme offers to every investor security, steady growth, regular income and easy liquidity; a small investor gets the professional expertise of the fund managers of the mutual fund and it carries tax breaks and this benefit is passed on to the investor
09. The individual investor can claim tax exemption for both principal amount and income from these units under – Sec 80 E of the information technology act
10. The main objectives of special electronic fund transfer scheme – SEFT – it is safe; secure and same day electronic interbank transfer of funds across the country
11. Treasury bill is – negotiable security
12. RBI functions as the agent of the central government issues – treasury bills
13. The treasury bills are issued at a – discount

14. NABARD extends refinance to – State Land Development Banks, State Cooperative Banks; Regional Rural Banks and Commercial Banks and other financial institutions approved by RBI
15. Automatic refinance scheme is available to the persons financed under – the scheme of setting up of agriclinic and agribusiness centers; rural non farm sector (investment credit) upto Rs. 15 lakhs and composite loan scheme
16. The objectives and functions of IDBI include – to provide technical and administrative assistance for promotion or expansion of industry; to undertake market and investment research and survey technical and economic studies in connection with development of industry and to act as lender of last resort and to finance projects that are in conformity with national priorities
17. For availing refinance from IDBI – the industrial unit should not be SSI; promoter's contribution should be 25% of project cost and debt equity ratio should not be more than 2:1
18. Central Cooperative Banks – serve as the connecting links between State Cooperative Banks and Primary Credit Societies; finance the primary credit societies which balance the excess and deficiency in their resources but do little commercial banking and are closer to the primary societies than an apex bank
19. The primary function of a central cooperative bank is – to mobilize the resources in the district for financing its members; to channelize the flow of funds from the state cooperative banks and to mobilize deposit from state government
20. Diversification refers to entering into attractive opportunities.
21. Diversification means the activities outside the existing businesses of the firm
22. The various types of diversification generally observed by the business – concentric diversification, horizontal diversification and conglomerate diversification
23. The world over most of the supervisory authorities have adopted the following as the basis of assessment of capital adequacy – risk assets ratio system
24. The committee on Banking and Regulations and Supervisory practices which released the agreed frame work on international convergence of capital measures and capital standards in July, 1988 is popularly known as – Basle committee
25. Basle committee adopted weighted risk assets approach which assigns weights to – on balance sheet exposure of a bank and off balance sheet exposure of a bank
26. CBS – Core Banking Solution
27. The benefits of Core Banking Solutions – benefit of not carrying the cash from one place to another; depositing money anywhere in the country where the bank is present and instant updating of the accounts
28. Network can be defined as – a system of communication between various computers used by different users.
29. Retail banking refers to provision of the basic services of a bank to the individuals
30. The following are categorized under retail banking – personal loans to individuals; vehicle loans; home loans and credit cards
31. The reduction in the SLR by RBI – will augment the resources of scheduled commercial banks
32. Under sections 20, 21 and 21A of the RBI act, 1934, RBI manages the public debt and issues new loans on behalf of the central and state governments
33. Social control of banks was introduced during the year – 1967
34. The following form the part of general insurance – fire, burglary, theft, marine, household, vehicles etc
35. FDMA means – Frequency Division Multiple Access
36. Full form of ERNET – Educational and Research Network
37. Application of VSAT in bank is – inter branch reconciliation; funds and securities movement; payment system and monitoring and MIS reporting
38. The various facilities offered by banks through tele banking – balance enquiry; enquiry about collection or specific credit/debit transactions; transfer of funds and request for statement of accounts etc.

39. Home banking refers to – how banking is an extended version of tele banking; in home banking the customer is able to access his bank account from his home for availing a variety of services which is made available and home banking is availed through the customer's personal computer attached to a telephone line and modem.
 40. For availing home banking facility, a client should have the following – personal computer, modem and telephone line
 41. The functions of IRDA – it has the power to specify the code of conduct for surveyors and loss assessors; it has power to regulate investment of funds by insurance companies; it has power to supervise the functioning of tariff advisory committee and it has the duty to regulate, promote and ensure orderly growth of the insurance and re-insurance business in the country
 42. The compelling reasons for bank nationalization are – concentration of which and economic power in the hands of industrialists and businessmen; branch expansion was confined to urban areas and rural areas were being neglected; sectors like agriculture, small scale industries and the other deserving sectors were outside the purview of bank lending operations and various malpractices indulged in by banks under private ownership
 43. Regional Rural Banks are allowed to pay half per cent additional interest on savings accounts and time deposits less than three years
 44. The regulatory authority for Regional Rural Banks is RBI and NABARD
 45. Bank rate means the standard rate at which the RBI is prepared to buy or rediscount bills of exchange and other commercial paper eligible for purchase under the RBI act 1934
 46. When RBI desires to restrict expansion of credit it raises the bank rate
 47. In periods of depression, when the Reserve Bank of India desires to encourage the banking system to create more credit, it reduces the bank rate
 48. Sub section 12 AB of system 17 of the RBI act, 1934 defines the term: Repo
 49. Repo is an instrument for borrowing the funds by selling securities of the central government or a state government or of such securities of a local authority as may be specified in this behalf by the central government or foreign securities, with an agreement to repurchase the said securities on a mutually agreed future date at an agreed price which includes interest for the funds borrowed
 50. Sub section 12AB of section 17 of the RBI act 1934 defines the term – Reverse repo rate
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BULLET POINTS - PART: 010

01. Financial instruments of the capital market are classified into the following two categories namely; government or gilt edged securities and corporate securities.
02. The financial instruments of corporate sector are: shares, debentures, public deposits and loans from institutions.
03. Financial intermediaries are those institutions which collect savings from those who save and make it available to the investors for their use.
04. The financial intermediaries or institutions are mainly classified into two categories namely; institutional or organized; non institutional or unorganized.
05. Institutional or organized are mainly divided into two parts namely; banking institutions and non banking financial intermediaries.
06. The financial regulatory authorities in India are: Reserve Bank of India, Securities and Exchange Board of India and Insurance Regulatory and Development authority.
07. SEBI – securities and exchange board of India
08. IRDA – Insurance Regulatory and Development Authority
09. IRDA was established in 1990

10. IRDA has its headquarters at Hyderabad
11. The financial institutions perform a number of functions: promoting savings, mobilizing savings and allocate it among different users and facilitating capital formation, production and economic development
12. The financial markets in the country can be divided into money markets and capital markets
13. Money market refers to that market wherein short term monetary assets are bought and sold
14. Financial institutions can be either in the organized sector or unorganized sector
15. RBI, Commercial Banks, Cooperative Banks are in organized sector
16. Indigenous banks, money lenders, chit funds etc are in the unorganized sector.
17. Financial instruments include bills, treasury bills, promissory notes, hundies, certificate of deposits etc.
18. The important terms which relate to money market are: money market, call money, notice money, term money, held till maturity, yield to maturity, coupon rate, treasury operations and gilt edged security
19. Under call money market, funds are transacted on overnight basis and under notice money, market funds are transacted for the period between 2 days and 14 days.
20. The participants in call/notice money market currently include banks, primary dealers, development finance institutions, insurance companies and select mutual funds.
21. Treasury bills are money market instruments used to finance the short term requirements of the Government of India.
22. There are different types of treasury bills based on the maturity period and utility of the issuances like, ad-hoc treasury bills, 3 months, 6 months and 12 months treasury bills
23. Treasury bills etc. in India at present are issued for the following periods namely; 91 days, 182 days and 364 days
24. Call money is an amount borrowed or lent on demand for very short period
25. When the period of call money is more than one day; however, lesser than 14 days, it is called as notice money
26. Certificate of deposit is a negotiable promissory note, secure and short term of up to a year in nature.
27. Commercial paper is freely negotiable by endorsement and delivery.
28. An inter corporate deposit or ICD is an unsecured loan extended by the corporate to another.
29. Ready forward contracts are transactions in which two parties agree to sell and repurchase the same security.
30. Bills of exchange are negotiable instruments drawn by the seller or drawer of the goods on the buyer or drawee of the goods for the value of the goods delivered.
31. Pass through certificate is an instrument with cash flows derived from the cash flow of another underlying instrument or loan.
32. Pass through certificates have two to three year maturity because the issuance stamp duty rate makes shorter duration PTCs unviable.
33. A bill market is the market which deals in short term bills.
34. The bills may be of two types i) bills of exchange or commercial bills and ii) finance bills or treasury bills.
35. Bill market scheme was introduced by Reserve Bank of India in 1952.
36. New Bill market scheme was introduced by RBI in 1970.
37. The gilt edged market refers to the market for government and semi government securities, backed by RBI.
38. The industrial securities market refers to the market which deals in equities and debentures of the corporate.
39. Industrial securities market is divided into primary market and secondary market.
40. Securities and Exchange Board of India was established during the year - 1988
41. In India, there are 23 stock exchanges
42. Securities and Exchange Board of India got its legal status in 1992.
43. CRISIL – Credit Rating Information Services of India – was established in 1988
44. ICRA – Investment Information and Credit Rating Agency of India Limited – was established on 1991
45. CARE – Credit Analysis and Research Limited – was established in 1991
46. IEPF – Investors Education and Protection Fund was set up by SEBI in 2001

47. NSE has introduced the derivatives trading in the equities in November, 2001
 48. IRDA – Insurance Regulatory and Development Authority was set up in 2000
 49. CCIL – Clearing Corporation of India Limited
 50. OTCEI – Over the counter exchange of India – was incorporated in 1990 under the companies act 1956
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BULLET POINTS - PART: 011

BANKING TERMS - ABBREVIATIONS

01. ISCI – International Standard Industrial Classification
02. KCC – Kisan Credit Card
03. KVIC – Khadi and Village Industries Corporation
04. KYC – Know your customer
05. LAMPS – Large Sized Adivasi Multipurpose societies
06. LERMS – Liberalised Exchange Rate Management System
07. LIC – Life Insurance Corporation of India
08. MCA – Ministry of Company affairs
09. MIS – Management Information System
10. MICR – Magnetic Ink Character Recognition
11. NABARD – National Bank for Agriculture and Rural Development
12. NBFC – Non Banking Finance Companies
13. NEFT – National Electronic Funds Transfer
14. NPA – Non Performing assets
15. NRE – Non Resident External account
16. NRI – Non Resident Indian
17. NSE – National Stock Exchange
18. OLTA – Online tax accounting system
19. OMO – Open market operations
20. PACS – Primary Agricultural Credit Societies
21. PDO – Public Debt Office
22. PIN – Personal Identification Number
23. QIB – Qualified Institutional Buyers
24. RBI – Reserve Bank of India
25. RDBMS – Relational Database Management System
26. REC – Rural Electrification Corporation
27. RFC – Resident Foreign Currency
28. RIDF – Rural Infrastructure Development Fund
29. RRB – Regional Rural Bank
30. RTGS – Real Time Gross Settlement
31. RWA – Risk Weighted Assets
32. SBI – State Bank of India
33. SCB – Scheduled Commercial Bank
34. SDR – Special Drawing Rights
35. SEBI – Securities and Exchange Board of India

36. SFMS - Structured Financial Messaging Services
 37. SHG – Self Help Group
 38. SIDBI – Small Industries Development Bank of India
 39. SIDC – State Industrial Development Corporation
 40. SJSRY – Swarna Jayanthi Shahari Rozgar Yojana
 41. SLR – Statutory Liquidity Ratio
 42. SLRS – Scheme for Liberation and Rehabilitation of Scavengers
 43. SMERA – SME rating agency of India Limited
 44. SSI – Small Scale Industries
 45. SME – Small and Medium Industries
 46. SSSBE – Small Scale Service and Business Enterprises
 47. UTI – Unit Trust of India
 48. WPI – Wholesale Price Index
 49. YTM – Yield to maturity
 50. LAB – Local Area Banks
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BULLET POINTS: PART: 012

BANKING TERMS - ABBREVIATIONS

01. ALM – Asset Liability Management
02. ANBC – Adjusted Net Bank Credit
03. ASBA – Applications supported Bank accounts
04. BOE – Bill of Exchange
05. CASA – Current and savings accounts
06. CBLO – Collateralised Bank Lending Obligations
07. CIBIL – Credit Information Bureau of India Limited
08. DPG – Deferred Payment Guarantee
09. DPN – Demand Promissory Note
10. DRAT – Debt Recovery Appellate tribunal
11. DRI – Differential Rate of Interest
12. DSCR – Debt Service Coverage Ratio
13. EDI – Electronic Data Interchange
14. EMI – Equated Monthly Instalments
15. EPS – Earnings Per Share
16. ESOP – Employee Stock Options
17. FEDAI – Foreign Exchange Dealers Association of India
18. FFMC – Full Fledged Money Changers
19. FOB – Free on Board
20. LIBOR – London Inter Bank Operations Rate
21. MIBOR – Mumbai Inter Bank Operations Rate
22. MOU – Memorandum of Understanding
23. MCA – Ministry of Company Affairs
24. NPV – Net Present Value

25. OCB – Overseas Corporate Bodies
 26. POA – Power of Attorney
 27. RKBY – Rashtriya Krishi Bima Yojana
 28. SEBI – Securities and Exchange Board of India
 29. LAF – Liquidity Adjustment Facility
 30. IDBI – Industrial Development Bank of India
 31. BCSBI – Banking Codes and Standards Board of India
 32. IRDA – Insurance Regulatory Development Authority
 33. DICGC – Deposit Insurance and Credit Guarantee Corporation
 34. SPV – Special Purpose Vehicle
 35. CRISIL – Credit Rating Information Services of India Limited
 36. ICRA – Investment Information and Credit Rating Agency of India Limited
 37. CARE – Credit Analysis and Research Limited
 38. MCX – Multi Commodity Exchange
 39. CCIL – Clearing Corporation of India Limited
 40. OTCEI – Over the Counter Exchange of India
 41. EFT – Electronic Funds Transfer
 42. ARF – Asset Reconstruction Fund
 43. MSS – Market Stabilisation Scheme
 44. CRAR – Capital to Risk Assets Ratio
 45. FSDC – Financial Stability and Development Council
 46. SCARDB – State Cooperative Agriculture and Rural Development Banks
 47. LERMS – Liberalised Exchange Rate Management System
 48. BOT – Balance of Trade
 49. CAC – Capital account convertibility
 50. NDS – Negotiated Dealing System
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BULLET POINTS - PART: 013

BANKS – PUNCHLINES

01. Allahabad Bank – A tradition of trust
02. Andhra Bank – For all your needs
03. Bank of Baroda – India's International Bank
04. Bank of Maharashtra – One family one bank
05. Bank of India – Relationship beyond banking
06. Canara Bank – Together we can
07. Central Bank Of India – Build a better life around us
08. Corporation Bank – Prosperity for all
09. Dena Bank – Trusted Family Bank
10. Indian Bank – Your tech friendly Bank
11. Indian Overseas Bank – Good people to grow with
12. Oriental Bank of Commerce – Where every individual is committed
13. Punjab National Bank – The name you can bank upon

14. Punjab and Sind Bank – To strive to achieve excellence in customer service
15. Syndicate Bank – Faithful and friendly
16. United Commercial Bank – Honours your trust
17. Union Bank of India – Good people to bank with
18. United Bank of India – The bank that begins with “U”
19. Vijaya Bank – A friend you can bank on
20. State Bank of India – With you all the way
21. State Bank of Hyderabad – Modern Innovative dependable
22. State Bank of Mysore – Working for a better tomorrow
23. State Bank of Patiala – Blending modernity with tradition
24. State Bank of Travancore – Since 1945 – a long tradition of trust
25. ICICI Bank – Hum Hai Na
26. IDBI Bank – Banking for all
27. HSBC bank – World’s local bank
28. HDFC Bank – We understand your world
29. Bank of Rajasthan – Together we prosper
30. Federal Bank – Your perfect Banking partner
31. Yes Bank – Experience our expertise
32. Jammu and Kashmir Bank – Serving to empower
33. Lakshmi Vilas Bank Limited – The changing face of prosperity
34. Karur Vysya Bank – Smart way to Bank
35. Deutsche Bank – A passion to perform
36. South Indian Bank Limited – Experience Next Generation Banking

Important Foreign Banks in India

37. Standard and Chartered Bank – United Kingdom
 38. HSBC – United Kingdom
 39. Royal Bank of Scotland – United Kingdom
 40. Barclays Bank – United Kingdom
 41. Citi Bank – United States of America
 42. Citi Bank – USA
 43. JP Morgan chase bank – USA
 44. Bank of America – USA
 45. ABN AMRO Bank – The Netherlands
 46. ABU Dhabi Commercial Bank – UAE
 47. Bank of Ceylon – Sri Lanka
 48. BNP Paribas Bank – France
 49. Societe Generale – France
 50. China Trust Commercial Bank – Taiwan
 51. Deutsche Bank – Germany
 52. Scotiabank – Canada
 53. DBS Bank – Singapore
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01. The administrative heads of the department heads are responsible for **compliance of Official Language Policy of Government of India**
02. MS word is an **application software**
03. The locker holder is sick and as such he gives an authority in favor of the minor son to operate the locker and in this case, **the bank can allow the minor to operate the locker**
04. A – a minor endorses a cheque in favour of B. In the case of dishonour, A - cannot be held liable- **as when a minor endorses a cheque all parties are liable except the minor**
05. You come across a cheque on which neither the words bearer nor order are written. **You will make the payment of this cheque by treating it as an order cheque**
06. Debt Service Coverage Ratio **denotes solvency position of the firm**
07. Shroff committee had recommended that companies entering into merger and acquisition transactions, making preferential allotment of shares to related parties and proposing buyback of shares **must appoint registered valuer for independent valuation of shares and assets**
08. Debt equity ratio **denotes the solvency position of the firm**
09. The accountholder is **the drawer of the cheque**
10. Not negotiable crossing means **that the holder in due course will not get the better title**
11. Account opening form is a very important document because it forms the basis of contract between the bank and the customer and it **contains the offer of the customer to enter into a contract with the bank**
12. The following are not bound on a negotiable instrument as drawer, acceptor or endorser –**a lunatic, an alien enemy and an insolvent**
13. An order cheque is transferable **only by endorsement and delivery**
14. The term – “allonge” refers to a plain sheet appended to a negotiable instrument **for the purpose of making endorsement thereon**
15. The following endorsements are invalid – **endorsement after maturity of the instrument, partial endorsement, endorsement on a discharged instrument and endorsement in the case of negotiation**
16. “Account Payee” crossing is **not mentioned in the Negotiable Instruments Act – 1881**
17. The “protest” is the formal notarial certificate attesting the dishonour of the bill, **and based upon the noting.**
18. Service Area Approach is a result of recommendation of committees **headed by P D Ojha**
19. A person who owns **unirrigated land of 3 acres will be classified as a small farmer**
20. A foreign traveller encashes travellers cheques for \$1000 at Rs. 47.25. **It is a purchase transaction**
21. A restricted letter of credit is **one in which the negotiation is restricted to a specific bank**
22. Red Clause letter of credit is **one which authorizes release of pre-shipment finance to the beneficiary**
23. Limited company means – **limited liability clause in memorandum of association.**
24. Garnishee Order is issued under **Rule 46 of Order XXI of the schedule to the code of Civil Procedure - 1908**
25. A contract of guarantee is defined as – **a contract to perform or discharge the liability of the principal debtor in the case of his default**
26. To be a valid acceptance, **the drawee shall affix his signature with or without the words – ‘Accepted’**
27. A Government Company means **51% of the paid up share capital is held by State Government and/or Central Government**
28. If the registrar of DRT refuses to file the suit due to discrepancies in copybook, **the bank can file the appeal before presiding officer of DRT within 15 days**
29. Lok adalats are constituted under **Legal Services Authorities act**
30. Stamp duty earned by the government on demand promissory note **goes to the state government**

31. When the bill becomes due for payment – **it is the starting point of limitation on a bill of exchange payable at a fixed time after date**
32. Cash Reserve Ratio is maintained by the banks **by keeping cash balance with Reserve Bank of India**
33. Nomination facility can be allowed in the following cases – **deposit account of individuals, articles kept in safe custody and lockers**
34. A certificate of deposit is **an usance promissory note**
35. Subordinated debt is **an element of tier II capital**
36. Accumulated loss will be **deducted from tier I capital**
37. Vaghul Committee had **recommended the introduction of Certificate of Deposits**
38. The basic nature of a Commercial Paper is – **it is usance promissory note**
39. “A pass through certificate” - **PTC can be of the following nature in securitization transactions – with recourse and without recourse**
40. Global depository receipt is listed on **Stock Exchange outside USA**
41. Current Ratio denotes **liquidity**
42. Simultaneous Sale and Purchase of a share to take the benefit of the variation in prices in two different markets is called – **Arbitrage**
43. Current Ratio denotes – **liquidity**
44. Debt Recovery Tribunals have been created by the Government **as a result of the recommendations of Narasimhan Committee**
45. When a bill matures on a public holiday, **the maturity date of the bill falls on the next preceding business day**
46. A negotiable instrument can **always be negotiated until it has been paid up or satisfied**
47. In the case of dishonor of a foreign bill, **protest is compulsory when it is required by the law of the place where it is drawn**
48. An engineer is financed for the purchase of a car. **The same can be classified as Non priority sector**
49. Under drip irrigation system water is used very economically **and supplied drop by drop to the root zone of crop**
50. “Yellow Revolution” is in connection **with growing of fruits specially banana**
51. The economic life of a tractor is - **10 years**
52. The natural guardian of a married **minor girl is her husband**
53. The minimum number of share holders in a Private Limited Company – **two members**
54. To open an “Administrator account” **the bank requires letter of administration**
55. Karta has the absolute authority to appoint any person **as an agent and the agent need not to be a family member**
56. Garnishee Order – is the court order obtained by judgment creditor **attaching funds with Bank of judgment debtor**
57. Indemnity means **to make good the loss to the promise/indemnity holder**
58. A bearer who takes a bearer cheque bonafide and for value **will be a holder in due course**
59. Mortgage is defined in – **Section 58 of transfer of property act – 1882**
60. A banker can exercise the right of set-off **only in respect of debts due and determined**
61. Banks are restricted to advance against its own shares – **as per “Banking Regulation Act”**
62. The recovery of dues after issuance of recovery certificate by Presiding Officer of DRT can be made through – **Recovery Officer of DRT**
63. The roles of Lok Adalat – **to arrive at compromise or settlement; issue final judgment and to give the consented decree**

64. The remedy under Section 138 of Negotiable Instruments Act is available – **when the cheque is presented to paying banker within a period of six months or within the period of its validity whichever is earlier**
65. In case a document travels from higher stamp area to lower stamp area, **additional stamps are not required to be affixed**
66. The purpose of maintaining a “documents execution register” is that **it is a prima facie evidence of execution of documents**
67. One rupee note bears **the signature of the Secretary, Ministry of Finance**
68. Nomination facility is **not allowed in joint safe custody accounts**
69. Free capital is a part of **tier I capital**
70. Kumar Mangalam Birla is **the architect of SEBI’s Corporate Governance Code**
71. Malhotra Committee had suggested to establish an **“Insurance Regulatory Authority”**
72. The minimum denomination for a Commercial Paper is **Rs.5.00 lakhs**
73. The maximum period for which a Certificate of Deposit can be issued – **not more than 12 months**
74. Capitalisation of reserves **leads to issue of bonus shares**
75. 1,2,3,4,5,6,7,8,9 – numerals are called **International form of Indian numerical**
76. Key-board is **an input device**
77. MS - DOS is a **system software**
78. Dear money policy is **meant to control inflation**
79. Since an illiterate borrower cannot sign acknowledgment of debt, he affixes his thumb impression on it. **The limitation period will be extended by this action**
80. Section 45 Z of Banking Regulation Act relates to **handing over of original paid cheques to the corporate customer**
81. As per the Prompt Corrective Action scheme, RBI can initiate certain structured actions in respect of the banks **which have hit the trigger points in terms of CRAR, Non performing advances and Return on advances**
82. Under Know Your Customer guidelines, the identification and reporting of suspicious transactions are to be done on quarterly basis **to Audit Committee of the board of directors**
83. To prevent slippage of accounts to NPA category, RBI has designed broad framework detailing preventive and corrective measures. One of the measures is the introduction of new asset category between “standard” and “sub standard”. **This new category is called Special mention accounts**
84. While opening accounts of Executors and Trustees to the estate of a deceased person, **bank should scrutinize the trust deed, order of charity commissioner and probate**
85. Stamp duty on which of the following documents does not vary from state to state – **Mortgage agreements, hypothecation agreements, guarantee agreements and bills of exchange.**
86. If no time for payment is specified in a promissory note or bill of exchange, such an instrument is considered as – **instrument payable on demand**
87. Acceptance is not required **in the case of promissory note and demand bill of exchange**
88. To open an executor account the **bank should insist on probate**
89. The following do not fall within the implied powers of a partner under section 19(2) of the Partnership act, 1932 – **opening a banking account on behalf of the firm in his own name, compromising or relinquishing any claim or portion of a claim by the firm and withdrawing suit or proceedings filed on behalf of the firm**
90. In a balance sheet, **profit is shown under liabilities side**
91. The term – preshipment advances is **used to describe advances granted to exporters for the purpose of manufacturing, processing, packaging etc. or simply procuring goods meant for export**

92. In an account of a minor operated by the guardian, after the death of the guardian, **the balance cannot be paid to the minor even though he has completed the age of 10 years**
93. On the death of a partner, the firm having credit balance stands dissolved and to wind up the affairs of the firm the surviving partners are allowed to jointly operate the account and if it decides to continue after registering the Municipal Death certificate recording fresh mandate for operation, **the existing account can be continued and operation allowed**
94. Opening a banking account on behalf of the firm in his own name, compromising or relinquishing any claim or portion of the claim by the firm, withdrawing suit or processing filed on behalf of the firm do not fall within the implied powers of a partner **under Section 19(2) of the Partnership act – 1932.**
95. Garnishee order attaches debts due or accruing due. **This means deposits payable on demand and payable at a future date**
96. Parties to a guarantee **are Principal debtor, surety and creditor**
97. A cheque **may be crossed by drawer or holder**
98. The purpose of mortgage is **to possess the ownership of others property**
99. A banker can set-off the amount held in the time deposit account of customer against the debit balance of the same customer in overdraft account only **after maturity of the fixed deposit**
100. Civil Procedure code provides the provision exemption **for arrest in execution of a decree for money under Section 56**

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BULLET POINTS: PART: 015

01. Money laundering prevention act 2002 became effective since 1.7.2005
02. Cooperative Bank organization in India has three tier set up – Primary credit society; district cooperative bank and state cooperative bank
03. The foreign direct investment limit in private sector bank is 74%
04. RBI has partial control on – cooperative bank
05. The committee which has proposed National Rural Bank is – N. Janardhan Reddy committee
06. The organization whose functions has been taken over by NABARD from RBI are – Agricultural Refinance and Development Corporation; National Agricultural Credit Fund (long term operation) and National Agricultural credit fund (stabilization)
07. The first modern bank in India – Presidency Bank and it was established during 1806
08. International Monetary Fund was established on 27.12.1945
09. International Monetary Fund has its headquarters at Washington DC
10. World Bank was established during the year 1944 and it has its head office at Washington DC
11. World Bank is a group of International Bank for Reconstruction and Development; International Development Agency; Multi lateral Investment of Guarantee Agency and International Centre of Settlement Investment Dispute
12. IBRD – International Bank for Reconstruction and Development was established in 1945
13. IDA – International Development Association was established in 1960
14. IFC was established in 1956
15. ICSID – International Centre for Settlement and Industrial Disputes was established in 1966
16. MIGA – The Multilateral Investment Guarantee Agency was established in 1988
17. Asian Development Bank was established in December, 1966
18. Asian Development Bank has its head office at Manila

19. World Trade Organization – WTO was established during the year, 1995 and it has head office at Geneva
20. OPEC – Organization of the Petroleum Exporting Countries was established in 1960
21. Association of South East Asian Nations was established on 8.8.1967 and it has head office at Jakarta
22. Imperial Bank was established during the year, 1921
23. Reserve Bank of India was established in 1.4.1935
24. RBI was nationalized on 1.1.1949
25. Industrial Finance Corporation of India was established during year, 1948
26. ICICI was established during January, 1955
27. Unit Trust of India was established on 1.2.1964
28. Industrial Development Bank of India was established during July, 1964
29. NABARD was established on 12.7.1982
30. IRBI – Industrial Reconstruction Bank of India was established on 20.3.1985
31. IRBI has been renamed as IIBIL since 6.3.1997
32. SIDBI was established during 1990
33. SIDBI – Small Industries Development Bank of India
34. ICICI – Industrial Credit and Investment Corporation of India
35. EXIM Bank was established on 1.1.1982
36. National Housing Bank was established during July, 1988
37. Life Insurance corporation of India was established during September, 1956
38. General Insurance Corporation was established during November, 1972
39. Regional Rural Banks were established during 2.2.1975
40. Risk Capital and technology Finance Corporation Limited was established during March 1975
41. Technology Development Information Company of India Limited was established during the year 1989
42. Infrastructure Leasing and Financial Services Limited during the year, 1988
43. Housing Development Finance Corporation Limited was established during the year, 1977
44. State Bank of India was established during the year, 1955
45. Securities and Exchange Board of India was established during the year, 1988
46. Asian Development Bank – ADB established during the year 1966 has its head office at Manila – Phillipines
47. Asian Pacific Economic Cooperation – APEC established during the year, 1989 has its headquarters at Singapore
48. Shanghai Cooperation Organization – SCO established during the year, 1966 has its headquarters at Beijing – China
49. African Union established during the year, 2001 has its head office at Addis Ababa – Ethiopia
50. European Union established during the year, 1991 has its headquarters at Brussels (Belgium)
51. Caribbean Development Bank – CDB established during the year, 1969 has its headquarters at St. Michael – Barbados

BULLET POINTS - PART: 016

01. **Shiksha Sahyog Yojana** – SSY was launched during the year 2001-2002 with an objective to provide education for children living below poverty line
02. **Sampoorna Gramin Rojgar Yojana** - SJRY was launched during the year, 2001 for providing employment and food security

03. **Jai Prakash Rojgar Guarantee Yojana-** JPRGY was launched during the year 2002-2003 to provide employment guarantee to unemployed in the most backward districts in the country
04. **National Food for work programme** – NFFWP was launched during the year 2004 – to intensify the generation of supplementary wage employment
05. **Bharat Nirman Programme** - BNP was launched during the year 2005 – for the development of rural infrastructure including six components: irrigation, water supply, housing, road, telephone and electricity
06. **National Rural Health Mission** - NRHM was launched during the year 2005 to provide accessible, affordable and accountable quality health services to the poorest households in the remotest rural regions
07. **Jawaharlal Nehru National Urban Renewal Mission** was launched during the year, 2005-2006 to assist cities and towns in taking up housing and infrastructural facilities to the urban poor
08. **National Rural Employment Guarantee Act** – NREGA was launched during the year, 2006 to provide at least 100 days wage employment in rural areas
09. **Ujjwala scheme was launched during the year, 2007** for the prevention of trafficking and rescue, rehabilitation and reintegration of victims of trafficking for commercial sexual exploitation
10. **Aam Aadmi Bima Yojana** – AABY was launched during the year, 2007 – to provide insurance to the head of the family of rural landless households in the country against death and disability
11. **Rashtriya Swasthya Bima Yojana** – RSBY was launched during the year, 2007. As per the scheme the workers and their family members in the unorganized sector, living below poverty line will be covered for health care, smart cards to be issued to the beneficiaries to enable cash less transaction – the total sum assured is Rs. 30000 per family per annum. Central and state share is 75:25
12. **Indira Gandhi National Old Age Pension Scheme** – IGNOAPS was launched during the year, 2007 to provide monthly pension of Rs. 200 to those people living below poverty line, who has crossed 65 years of age
13. Unorganised workers social security act was launched during the year 2008 to provide social security to the poor workers and their families working in un-organised sector
14. **Indira Gandhi National Widow Pension Scheme** and Indira Gandhi National Disability Pension Scheme were launched during the year, 2009 to provide pension of Rs. 200 to widows between the age group 40-64 years and disability pension scheme aims to provide pension to severely disabled persons.
15. **Pradhana Mantri Adarsh Gram Yojana** was launched during the year, 2009 – with the main objective for integrated development of 1000 villages having population of scheduled castes above 50%
16. **Sarva Siksha Aabyan** was launched during the year 2010-2011 to provide scholarship for SC/ST students of classes IX and X
17. **MGNREGA** was launched during the year 2011 – to increase the remuneration of Anganwadee workers from Rs. 1500 to 3000 per month and for Anganwadee helpers from Rs. 750 to Rs. 1500 per month
18. BSE – is situated at Mumbai
19. **NSE** – National Stock Exchange was incorporated in 1992
20. NSE was incorporated by Industrial Development Bank of India, Industrial Credit and Investment Corporation of India, Industrial Finance Corporation of India, all insurance corporations, selected commercial banks and others.
21. NSE provides exposure to investors in two types of markets namely; wholesale debt market and capital market
22. Capital market is the market for long term funds
23. A savings bank is a financial institution whose primary purpose is to accept savings deposits
24. A commercial bank is an institution which accepts deposits, makes business loans and offers related services.
25. Development Banks are those financial institutions engaged in the promotion and development of industry, agriculture and other key sectors
26. Development banks are IFCI; ICICI and IDBI
27. IFCI – Industrial Finance Corporation of India

28. ICICI – Industrial Credit and Investment Corporation of India
29. IDBI – Industrial Development Bank of India
30. Cooperative Banks are registered under the Cooperative Societies act, 1912
31. The following are the functions of exchange banks – remitting money from one country to another country, discounting of foreign bills, buying and selling gold and silver and helping import and export trade
32. The functions of banks can be classified into three parts namely; primary functions, secondary functions and social/development functions
33. The primary functions are – accepting deposits and advancing loans
34. The different types of deposit accounts are: Term deposits namely – Fixed deposit, Reinvestment deposit and Recurring deposit; current account; savings deposit and demat account
35. The different types of loans are – cash credit, overdraft, loans and advances, discounting of the bill of exchange and investment in government securities
36. The secondary functions can be classified into agency or representative functions, general utility services and social/developmental functions
37. Agency or representative functions include – collection and payment of various items; purchase and sale of securities; trustee and executor services; remitting money; purchase and sale of foreign exchange; letter of references and other agency functions
38. General utility services include – locker facilities, business information and statistics; help in transportation of goods; acting as a referee; issuing letters of credit; acting as underwriters; issuing of travelers cheques and credit cards; issuing gift cheques, dealing in foreign exchange and merchant banking services.
39. The social development functions include – capital formation, inducement to innovations, impact on the rate of interest, role in the development of rural sector and helpful in pushing up the demand
40. E-banking is also called as virtual banking
41. The popular services which are covered under e-banking are: automated teller machine, debit card, electronic funds transfer, mobile banking, telephone banking, credit card, smart card, cheques truncation payment and internet banking
42. Securities and Exchange Board of India – SEBI was established in 1992
43. Control of capital issues was the regulatory authority before SEBI came into existence
44. SEBI has to be responsive to three groups namely; the issues of securities; the investors and the market intermediaries
45. PMAC – Primary Market Advisory Committee
46. SMAC – Secondary market advisory committee
47. SCODA – SEBI committee on disclosures and accounting standards
48. SIDBI – Small Industries Development Bank of India – SEBI was established in 1989
49. IRBI – Industrial Reconstruction Bank of India has been reconstituted into a full fledged all purpose development bank on 27.03.1997 under the companies act and it is now known as Industrial Investment Bank of India Limited.
50. National Housing Bank was established in July 1988 under National Housing Bank act 1987

BULLET POINTS - PART: 017

01. In the case of a bearer cheque, **the identity is not necessary**
02. When an order cheque is endorsed in blank, **it becomes payable to bearer and transferable by mere delivery**

03. A cheque crossed "Not Negotiable" **is still transferable**
04. As per section 138 of Negotiable Instruments Act, there is a provision of penalty when the cheque issued in discharge of a liability is dishonoured due to insufficient funds in the account and **if the cheque has been presented to the bank within a period of six months and is not honoured due to insufficient funds**
05. A fixed deposit receipt **cannot be endorsed**
06. A cheque is presented in an account but there is no sufficient balance to meet the same. **The cheque will be returned with the remarks – insufficient funds**
07. The cheque on behalf of a partnership firm **can be stopped for payment by any partner whether authorized to operate the account or not**
08. The marginal farmer is one **who possesses agriculture land up to 1.25 acres of irrigated or 2.5 acres of non-irrigated land**
09. Registration of charge is not required **in the case of pledge, lien, set-off and appropriation**
10. Loans for construction of godown for own use of farmers **is not part of indirect finance to agriculture**
11. Olericulture is **cultivation of vegetables**
12. Agriculture labourer is a labourer **whose income from agriculture is more than 50%**
13. Nostro account **is an account of Indian Bank with a Foreign Bank in foreign currency**
14. Resident Foreign Currency (RFC) **account scheme is available for Home Returned NRI**
15. Under packing credit limit, **the extent of finance is computed on the basis of FOB**
16. Forfaiting refers **to discounting of export bill without recourse to the seller**
17. In an overdraft account, when the death notice of partner is received **the bank should stop the operations to avoid application of Clayton's case**
18. A company is not dissolved by **lunacy of a director or bankruptcy of a director or death of a director**
19. In the case of insolvency, **the banker's obligation to honour customers' cheques comes to an end when the customer is adjudged insolvent**
20. A lien is the right to **retain goods or securities belonging to a debtor until he has discharged a debt due to the retainer thereof**
21. The shareholders of a Private Limited Co **cannot transfer the shares to other public**
22. The rule in Clayton's case applies **in the case of running accounts having debit balances**
23. The term banking has been defined by **Banking Regulation act – 1949**
24. Bills drawn in respect of goods delivered **by parties to various Government/Semi Government departments are known as supply bills**
25. Goiporia committee has made the recommendation – **Commencement of employee working hours should be 15 minutes before commencement of business hours**
26. Banking companies are registered under – **Banking Regulation act**
27. Bipartite settlements are registered under **Industrial Disputes Act**
28. Financial products, whose prices are derived from the price of the underlying currency, interest rate, stocks etc. are called – **securitization**
29. Revaluation reserves is **a part of subsidiary capital/tier II capital**
30. Y V Reddy – committee had **revised the concept of liquidity and monetary aggregates**
31. Verma Committee was appointed **to examine the restructuring of weak banks**
32. The process through which any member-owned organization becomes a shareholder-owned company **is called demutualization**
33. Official Language deals with the following articles of constitution – **343 to 351**
34. Hindi was declared as the official language of the union on **14-09-1949**
35. The system of electronic funds transfer was suggested by the committee headed by – **B D Shah**
36. INFINET is – **RBI's VSAT based communication system**

37. The negotiable instruments act is applicable **in the entire part of the country**
38. If the cheque is drawn in favour of "Mother God" or order, **the cheque is to be returned since drawn on fictitious name**
39. A cheque payable to Rohit is endorsed as follows – **Pay to "Kabil on his marriage". This endorsement is conditional endorsement**
40. The cheque crossed – account payee drawn in favour of Mr Brij Nand is presented by Ramana Nand in his account and **in this case the bank should not make the payment**
41. The following are not negotiable instruments – **airway bill, a currency note, a letter of credit and lorry receipt**
42. Under section 25 of Negotiable Instruments Act, public holidays are declared by – **the state government by notification in the official gazette**
43. Conversion means – **not crediting the amount in the account of true owner**
44. By "General Crossing" we mean **two transverse parallel lines on a cheque**
45. Forward exchange contract is an agreement **where the foreign exchange is delivered at predetermined future date at a contracted date**
46. Unless otherwise specified in the letter of credit, **the insurance amount should be expressed in the currency of the letter of credit**
47. On the death of the partner, **bank opens a new account to rule-of the existing account to avoid application of Clayton's case**
48. Executor – in banking means a **person named by the deceased in his will and for which probate is obtained**
49. The partnership firm doing the banking business cannot have more than 10 partners, and other business not more than 20 partners otherwise it will become illegal association. **It is provided in Companies act**
50. Prospectus is an invitation to the public **to subscribe shares or debentures or deposits**
51. According to the rule in Clayton's case, the money paid in by a customer has to be applied towards adjustment in overdraft account **in order of time in which the debits were incurred**
52. Banking company is prohibited for undertaking business like trading of goods etc under – **Banking Regulation act 1949**
53. In the case of return of cheque for availing remedy under section 138 of Negotiable Instruments act, **the holder will have to give notice to the drawer within 30 days of return of cheque**
54. When a firm has branches at different places and wishes to avail the loan at all stations, **the documents will be executed at its Head Office and sub limits will be allocated to branches at different places**
55. In case of any doubt about stamp duty, **clarification can be sought from State Stamp Authority and Controller of stamp duty**
56. Banks were nationalized under – **Banking Company (Acquisition and transfer of undertaking) act-1970**
57. When an account shows debit balance, **the banker is a creditor and when the account shows credit balance, the banker is the debtor**
58. Partnership firms cannot do the business of banking and **it is provided under the banking regulation act**
59. The concept of authorized deduction and illegal deduction is mentioned in the act – **Payment of wages act**
60. The process of replacing paper securities into electronic holding of shares is known as – **dematerialization**
61. Official Language policy came into force from **16.01.1950**
62. The Central Processing Unit – CPU- **consists of control unit and arithmetic logic unit**
63. When the price of a dollar is raised from Rs. 48 to Rs. 55, **the exporter will be benefited in terms of rupee**
64. A cheque is the **mandate of the accountholder**
65. When a cheque without a date is presented for payment, **the banker should return the cheque**

66. In a cheque the name of the banker had been written with or without the words – “Not negotiable” – **In this case, it is called as a special crossing**
67. For negotiating a negotiable instrument **there are no limits**
68. A bearer cheque is transferable only **by delivery**
69. A bill drawn in Paris and drawn in favour of a trader in Mumbai and payable in Chennai is called a **foreign bill**
70. The Negotiable Instruments Act provides protection to the collecting banker in respect of **Conversion**
71. Crossing of a cheque denotes that it should **be paid to a banker only**
72. By noting, **it is meant that the fact of dishonour has been recorded by the notary public on a dishonoured bill or/and on a plain paper attached to the bill**
73. Sericulture is classified under – **direct agriculture advance**
74. Mahima relates to refinance by NABARD to banks for **onlending to agencies for marketing of non farm products of rural women**
75. Foreign exchange transactions are viewed always **from the angle of the bank**
76. The responsibility of managing the foreign exchange resources lies with – **Reserve Bank of India**
77. EXIM policy is announced by the **Ministry of Commerce**
78. In a Free on Board contract, **freight and insurance will be borne by the importer**
79. If a letter of credit is silent about the revocability, **then the letter of credit is irrevocable**
80. Crystallisation of sight export bills purchased/negotiated will be done **on the expiry of transit period plus 30 days**
81. A transferable letter of credit **can be transferred only once**
82. Natural guardian under Hindu Minority and guardianship act, 1956 will be – **his father and after him the mother**
83. For banking transactions, an administrator is one who is appointed by the court **if the deceased has died intestate**
84. Banker's lien is **an implied pledge**
85. A contract of insurance is **a contract of indemnity**
86. Acceptance of an usance bill **will be made on the face of the bill**
87. The right of set-off can be exercised by the banker only **when the relationship between the customer and the banker is that of debtor and creditor**
88. Bank must create reserve fund and 25% of the profits should be transferred to this fund before any dividend declared is contained in **Banking Regulation act**
89. Limitation period for availing the remedy under Section 138 of Negotiable Instruments Act is **one month from the date of cause of action**
90. In case the amount of loan to a company is decreased or increased, **the memorandum of modification or charge is submitted to the Registrar of companies**
91. The rate of revenue stamp is **the same throughout India except in Jammu and Kashmir**
92. When articles are kept in safe custody, the relationship between banker and customer is that of **bailee and bailor**
93. In the case of minor's joint account with the guardian and when the minor attains majority, **the guardian should not be allowed to operate the account**
94. Wages of employees are settled under **Minimum wages act**
95. CB Bhave committee has looked into ways to reduce cost of demat operations and **the said companies should bear a substantial part of dematerialization costs**
96. Basle committee relates to **Capital Adequacy**
97. In Camel's rating – **E stands for earnings**
98. The revised definition of a sick SSI unit **has been given by Kohli committee**
99. Greenshoe option is **retaining the full/part of equity subscribed by investing public over and above that issued**
100. Hindi is accepted as an official language of the union **under Devanagiri script**

BULLET POINTS - PART: 018

01. RBI was established during the year, 1935
02. RBI act was enacted during 1934
03. RBI has three main functions namely; traditional functions, development functions and regulatory functions
04. The traditional functions consist of issue of currency, forex management and miscellaneous functions.
05. The miscellaneous functions include export assistance, clearing house functions, change of currency, transfer of currency, publication of statistics and other information, training in banking
06. The development functions mainly consist of agriculture development, promotion of industrial finance, promotion of export through refinance, development of bill market and development of banking system
07. The regulatory functions mainly consist of qualitative credit control, bank rate, differential rate of interest, open market operations, CRR, SLR, direct action, credit authorization scheme and moral persuasion
08. The financial system comprises of– financial markets, financial assets and financial intermediaries and institutions
09. Financial markets are classified into money market and capital market
10. The capital market consists of the following financial instruments namely; government or gilt edged securities, corporate securities, shares, debentures, public deposits and loan from institutions
11. The financial regulatory authorities in India consist of RBI, SEBI and IRDA
12. The money market terms are: money market, call money, notice money, term money, held till maturity, yield to maturity, coupon rate, treasury operations and gilt edged securities
13. The financial instruments consist of bills, treasury bills, promissory notes, hundies, certificate of deposits and commercial papers.
14. Stock exchanges are available in important cities in the country
15. Mumbai stock exchange – Mumbai
16. National stock exchange – Mumbai
17. Ahmedabad stock exchange – Ahmedabad
18. Bangalore stock exchange – Bangalore
19. Bhubaneswar stock exchange – Bhubaneswar
20. Kolkatta stock exchange – Kolkatta
21. Cochin stock exchange – Cochin
22. Coimbatore stock exchange – Coimbatore
23. Delhi stock exchange – Delhi
24. Guwahati stock exchange – Guwahati
25. Hyderabad stock exchange - Hyderabad
26. Jaipur stock exchange – Jaipur
27. Ludhina stock exchange – Ludhiana
28. Madhya Pradesh stock exchange – Indore
29. Chennai stock exchange – Chennai
30. Magadh stock exchange – Patna
31. Mangalore stock exchange – Mangalore
32. Meerut shah stock exchange – Meerut
33. OTC Exchange of India – Mumbai

34. Pune stock exchange – Pune
35. Capital stock exchange of India – Trivandrum
36. Uttar Pradesh stock exchange – Kanpur
37. Vadodara stock exchange – Vadodara
38. There are different types of banks namely; savings bank, commercial bank, Industrial bank, development bank, Land development bank, indigenous bank, central bank, cooperative bank, exchange bank, consumer bank
39. Banks have the following functions namely; primary functions, secondary functions and social development functions
40. The primary functions consist of accepting deposits namely; fixed deposit, savings bank, current account, recurring deposit, demat account
41. The primary functions consist of granting different categories of loans namely; cash credit, overdraft, loans and advances, discounting of bill of exchange, investment in government securities
42. The secondary functions can be classified into agency or representative functions and general utility services
43. The agency or representative functions consist of – collection and payment of various items; purchase and sale of securities; trustee and executor business; remitting money; purchase and sale of foreign exchange; issue of letter of references and other agency functions
44. The general utility services consist of locker facilities, business information, help in transportation of goods, acting as a referee, issuing of letters of credit, acting as underwriters, issue of traveler cheques, issue of gift cheques and dealing in merchant banking
45. The social development functions consist of capital formation, inducement to innovations, impact on the rate of interest, role on the development of rural sector and helpful in pushing up the demand
46. The popular services covered under e-banking are; automated teller machine, debit card, credit card, smart card, EFT, cheque truncation payment, mobile banking, internet banking and telephone banking
47. The services of e-banking include bill payment service, funds transfer, credit card customers, railway pass, investing through internet banking, recharging prepaid mobile connections, shopping, RTGS funds transfer and online payment of taxes
48. The Narasimhan committee report I pertains to 1991 consisting of reduction in SLR/CRR; phasing out of directed credit program; interest rate determination; structured reorganization of the banking sector, establishment of ARF tribunal, removal of dual control and banking autonomy
49. The second Narasimhan committee report pertains to the year, 1998 consisting of strengthening of banks in India, narrow banking, Capital adequacy ratio, bank ownership and review of banking laws
50. The cooperative banking structure consists of five categories namely; primary agricultural credit society; district central cooperative banks; state cooperative banks or apex banks, Land Development Banks, SCARDB and Primary Urban Cooperative banks

BULLET POINTS - PART: 019

01. The following are covered in negotiable instruments act: promissory note, bill of exchange, cheque, exchequer bill, circular note, dividend warrant, share warrant, bearer debenture, bank note, bank draft
02. The following are not negotiable instruments: money order, postal order, deposit receipt and share certificate
03. The following are semi negotiable instruments: bill of lading, dock warrant, carriers' receipt, letters of credit, railway receipt and wharfinger's certificate
04. The bill of exchange consists of three parties namely; drawer, drawee and payee

05. There are four categories of cheques namely; open cheque, crossed cheque, bearer cheque and order cheque.
06. Open cheque is un crossed cheque or is called as blank cheque
07. Two parallel transverse lines on the face of the cheque denotes crossing of the cheque
08. When the name of any bank is written between the two transverse lines, it is called as special crossing
09. Normally all cheques are bearer cheques. It means that it can be payable to the payee or to the bearer of the cheque
10. By striking the words "bearer" in the cheque, the cheque can be made payable to order
11. Cheques can also be categorized into ante dated cheque, stale cheque, mutilated cheque and post dated cheque
12. When the cheque is out of date, it is said to be a stale one
13. When the cheque contains unwanted words or figures in the cheque and some portion of the cheque is found missing, it is said to be mutilated
14. Post dated cheques are cheques where the date of the cheque is found to be the future date
15. The following are the varieties of hundies namely; darshani hundi, mitti hundi or muddati hundi, nam-jog hundi, furman jog hundi, dhani jog hundi, shah jog hundi, jokhim hundi, jawabi hundi, khaka hundi and khoti hundi
16. Dharshani hundi is payable immediately on demand
17. Mitti hundi is payable after the expiry of some period
18. Nam jog hundi is payable only to person named in the hundi
19. Furman jog hundi is payable to person the named in the hundi or any other person
20. Dhani jog hundi is payable to holder or bearer
21. Shah jog hundi is payable to shahs in the area
22. Johim hundi consists of conditions
23. Jawabi hundi invites acknowledgment from the person on acceptance
24. Khaka hundi is one which has been paid already
25. Khoti hundi is a defective hundi
26. In the case of deposit, the customer is creditor and the banker is debtor
27. In the case of overdraft account, the banker is creditor and the customer is debtor
28. A person who makes deposit with the bank is called as the depositor
29. A person who avails loan from the bank is called as the borrower
30. When any loan is backed by any immovable security like land, house, factory, it is said to be under mortgage
31. The person who mortgages the security is called as the mortgagor and the banker is called as the mortgagee
32. When any loan is backed by any movable security like auto, truck, computer etc. it is said to be under hypothecation
33. The person who hypothecates the security is called as the hypothecator and the banker is called as the hypothecatee
34. When a person avails any loan against the security of LIC policy, it is said to be under assignment
35. When a person offers a fixed deposit as security for a loan, it is treated as pledge
36. The customer who pledges the deposit is called as pledgor
37. The banker on whom the deposit is pledged is called as the pledgee
38. In the case of locker, the customer is lessee and the banker is called as lessor
39. In the case of safe custody receipt, the customer is called as bailor and the banker is called as the bailee
40. The different types of customers are – individuals and others
41. The individuals can be single individuals, joint individuals, minors, married woman, pardanashin woman, illiterate person and lunatic
42. In the case of hindu undivided family, the senior most male member is called as the karta
43. The business accounts can be opened by partnership firm, trustees, societies, charitable institutions and clubs

44. The person named in the will to receive the properties in the will is called as executor
 45. In the absence of will, the person who is appointed by the court to receive the money is called as the administrator
 46. Proprietorship firm is an account managed by a single individual called as proprietor
 47. Companies can be divided into private limited company and public limited company
 48. When the bank in India opens an account with a bank in a foreign country it is called as nostro account
 49. When the bank in a foreign country opens an account with a bank in India, it is called as vostro account
 50. When a bank in one foreign country opens an account with another bank in another country it is called as Loro account
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BULLET POINTS - PART: 020

01. When a company wants to open an account with a bank, they have to produce the following namely; memorandum of association, articles of association, certificate of incorporation, board resolution and certificate of commencement of business
02. Banks are subjected to the following risks namely; credit risk, liquidity risk, operations risk and market risk
03. Account to KYC guidelines, customers are classified into low risk customers, medium risk customers and high risk customers
04. Low risk clients are – salaried customers, government departments, government owned companies, regulatory and statutory bodies
05. Medium risk clients are – High net worth individuals, Non Resident individuals, blind people and pardanashin women
06. High risk clients are – trusts, charities, NGOs receiving donations, sleeping partners, persons who are covered under foreign contribution act, politically exposed persons of foreign origin, non face to face customers, high net worth NRI clients and bullion dealers and jewelers
07. Agriculture advances can be classified into direct agriculture and indirect agriculture
08. The following are considered to be the direct agriculture activities namely; finance to individual farmers, self help groups and joint liability groups who avail loan for agricultural purpose, crop production, investment loans, pre harvest and post harvest activity related loans
09. Indirect finance comprises of 2/3 rd loans to corporate, partnership firms, agro clinics and agribusiness centre, credit to fertilizers and pesticide and seed dealers, drip irrigation activities and sprinkler activities
10. Priority sector loans consist of retail trade, small business, professional and self employed, agriculture, small scale industries, self help groups, DRI loans, SC/ST beneficiaries
11. The following are considered to be weaker sections as per RBI guidelines – small business, marginal farmers, artisans/village and cottage industries for whom loans were granted up to Rs. 50000; SGSY beneficiaries, SC/ST beneficiaries, DIR, SJSRY beneficiaries, self help groups and minority community beneficiaries
12. In the case of deposits, father and mother are called as natural guardians
13. Savings bank account is termed as mother of deposits
14. The following security provisions are available in a currency note namely; security thread, latest image, micro letterings, identification mark, intaglio printing, fluorescence, optically variable ink
15. The different categories of cooperative banks in the country are – primary agricultural credit societies, district central cooperative banks, state cooperative banks or apex banks, land development banks, SCARDB and primary urban cooperative banks
16. The rights of customers are – right to line, right to set off, right to appropriation, right to charge interest, commission and service charges
17. Lien is classified into particular lien and general lien

18. Different types of NBFC companies are – equipment leasing, hire purchase company, loan company, asset finance company, residuary non banking company, mutual benefit financial company, mutual benefit company and miscellaneous non banking company
19. The following private insurance companies are available in the country namely; HDFC standard life insurance co limited, MAX New York Life Insurance Co. Limited, ING Vysya Life Insurance Co Private Limited, ICICI prudential life insurance co limited, Kotak Mahindra life insurance co limited, Iffko Tokyo General Insurance co limited, Metlife India Insurance co limited, SBI life insurance co limited.
20. The specific principles of insurance business are – utmost good faith, insurable interest, indemnity, proximate cause and subrogation
21. The various products of Life Insurance corporation of India are – Term Insurance, whole life, endowment plans, money back, children's assurance plan and unit linked insurance plan
22. PMAC – Primary market advisory committee
23. SMAC – Secondary Market advisory committee
24. SCODA – SEBI committee on disclosures and accounting standards
25. TDICI – Technology development and Information company of India Limited
26. CFC – Credit capital finance corporation
27. VCF – venture capital fund
28. GVCFL – Gujarat venture finance company limited
29. GIIC – Gujarat Industrial Investment Corporation Limited
30. RCTFC – Risk capital and technology finance corporation Limited
31. RNBC – Residuary non banking company
32. MBC – Mutual benefit company
33. MNBC – miscellaneous non banking company
34. ARWIND – Assistance to rural women in non farm development
35. NABCONS – NABARD consultancy services
36. STCC – short term rural cooperative society
37. FSDC – financial stability and development council
38. PCR – Partial rupee convertibility
39. CAC – Capital account convertibility
40. GST – goods and services tax has been replaced by VAT
41. Investor protection fund was established by BSE
42. FRBM – Fiscal responsibility and budget management
43. Yuan is the currency of China
44. Credit cards and debit cards are called as plastic money
45. IFRS – International finance reporting standards
46. The different types of credit are cash credit, micro credit, simple overdraft, no frill loans and rural credit
47. IPR – Intellectual property rights
48. State Bank of Indore was merged with State Bank of India
49. Banking services fall under service sector
50. Laxmi commercial Bank merged with Canara Bank

BULLET POINTS - PART: 021

01. The first private bank in India to receive an in principle approval from Reserve Bank of India was Housing Development Finance Corporation
02. The actual return of an investor is reduced sometimes as the prices of the commodities go up all of a sudden. In financial sector this type of phenomenon is known as market risk
03. The Narasimhan committee for financial sector reforms suggested reduction in statutory liquidity ratio and cash reserve ratio
04. The Global enabling trade report is released by world economic forum
05. Coins are minted at Mumbai, Hyderabad, Noida and Kolkatta
06. The set of directive principles issued by the central bank of a country or the process adopted by it to control the supply of money, availability of money, cost of money and rate of interest, etc in order to bring stability and growth of the economy are commonly known as – monetary policy of the central bank of the country
07. Deciding policy rates like cash reserve ratio, repo rate and statutory liquidity ratio are not the functions of a commercial bank
08. Banks do not issue pan cards
09. Petro dollar means – money owned by oil rich countries invested in United States of America
10. Banking regulation act was framed specially to deal more effectively with the problem of non- performing assets in banking system
11. The new capital adequacy framework prescribed for the banks is commonly known as basel accord
12. PFRDA stands for – Pension Fund Regulatory and Development Authority
13. Indian Bank Association recently prepared a charter of the banking codes and services
14. SEBI is called as Securities and Exchange Board of India
15. SEBI has asked all foreign funds to come forward and register themselves as foreign institutional investors prior to any investment in India
16. PMGSY – Pradhan Mantri Gram Sadak Yojana
17. PMGSY was launched in 2000
18. As compared to traditional budgeting, the performance and programme budgeting system stresses more an outcome and less on expenditure allocation
19. Regional Rural Banks are empowered to transact the business of banking as defined under Banking Regulation act 1949
20. According to the Securities and Insurance Laws (Amendment) Bill 2010, RBI Governor will be the vice chairman of joint commission to resolve differences amongst the financial regulators
21. Adjustment credit is used in the field of finance and banking
22. Increase in interest rates is found to be the best option when RBI wants to block/hinder capital outflows and contain currency depreciation.
23. Globalisation means – the growth of a single united world market
24. The inflationary impact of the inflow of foreign capital in India is neutralized by RBI by sale of securities in the open market
25. The main function of International Monetary Fund is to help to solve balance of payment problems at member countries
26. Bank of Baroda is having the largest number of branches in foreign countries
27. The documents which are considered as officially valid document to satisfy KYC guidelines for opening one bank account – pass port, PAN card, aadhar number issued by Unique Identification Authority of India
28. The standard of living in a country is represented by its per capita income
29. Phishing means – fraudulent way of acquiring PIN and bank passwords using email
30. State Bank of Mysore merged with State Bank of India during 2010
31. Prudential ICICI Mutual fund has been renamed as ICICI Prudential Mutual Fund

32. Government of India is in the process of the establishment of SROs for various market participants in the capital market
33. SRO means Small Regulatory Organisation
34. Micro credit or micro finance is novel approach to banking with the poor. In the approach bank credit is extended to the poor through self help groups
35. Reserve Bank of India prepares the balance of payments accounts in the country
36. An over valued currency in the foreign exchange market will have the following impacts in the country namely – make imports cheaper and exports costlier
37. When a large number of investors in a country transfer investments elsewhere because of disturbed economic conditions, it is called as flight of capital
38. Government of India promulgated Banking Companies (acquisition and transfer of undertaking) ordinance to acquire 14 commercial banks on 19.7.1969
39. On the current account balances maintained by the Regional Rural Banks with them, the commercial banks may pay interest at such rates as may be mutually agreed to
40. Bank rate signals the Reserve Bank of India's long term outlook on interest rates
41. In deposit accounts KYC (Know Your Customer) has been implemented in 2002 as per the directive of RBI
42. FRBM – Fiscal Responsibility and Budget Management
43. As national initiative which allows pregnant women to undergo delivery free of cost in government health institutions was recently launched and the name of the scheme is Janani Shishu Suraksha Yojana
44. The following assets are considered as near money – bonds, time deposits, equity shares and travellers' cheques
45. Employer's contribution to contributory provident fund to employees is a transfer payment
46. Indian Depository Receipt is known as IDR
47. IDR is an instrument in the form of depository receipt created by an Indian depository against underlying equity shares of the issuing company
48. Mid day meal scheme has been launched by the Ministry of Food and Civil Supplies of Government of India
49. NABARD is the apex institution which handles refinance for agriculture and rural development in the country
50. ULIP stands for Universal Loan and Investment Plan

BULLET POINTS - PART: 022

1. The most effective channel other than traditional branch channel to achieve the aim of providing banking services to the people in rural and remote areas – putting biometric ATMs
2. Land Development Banks form part of the cooperative credit structure
3. KYC guideline is basically an anti money laundering exercise
4. Bharat Nirman Yojana is not welfare scheme launched by the Government of India
5. The following cannot be considered as a value added service offered by any bank – free cheque books
6. The minimum number of women required for formation of women groups under Development of Women and Children (DWCRA) program is 10
7. Dirham is the currency of UAE
8. The land development bank secure short term accommodation from – state governments, commercial banks and state cooperative banks
9. GNP stands for gross national product
10. FINO means Financial Investment Network and Operations

11. Nationalisation of banks in the country took place under two phases – the first phase on 19.7.1969 for fourteen banks and on 15.4.1980 in the second phase for six banks
12. Industrial Exit policy means allowing the business units to close down
13. The following is not the feature of Real Time Gross Settlement – RTGS – settlement of funds in revocables
14. The 2011 census is the 15th census
15. Sub Prime refers to lending done by financing institutions including the banks to customers not meeting with normally required credit appraisal standards
16. National Rural Employment Guarantee Scheme is associated with Mahatma Gandhi
17. Currency is one among several terms used in banking
18. Standard and Poor is a credit rating agency
19. RBI is the banker of the banks and it is also called as the central bank of the country
20. The first bank in the country to implement reverse mortgage in the country is Punjab National Bank
21. Reverse mortgage scheme is beneficial for senior citizens for availing loan against immovable properties
22. State Bank of India has been appointed for refunding income tax to tax payers
23. Inflation has become a major area of concern in the country these days and Government of India and Reserve Bank of India normally take to control the same the following measures namely – system of dual prices; increase in supply of food grains and control on credit and liquidity in market
24. Government of India these days is very keen about the credit to the rural people and the product launched by the banks to provide loan/credit to the farmers quickly – Kisan Credit Cards
25. SEBI was established during the year 1988
26. SEBI was made a fully autonomous body in 1992
27. SEBI regulates the securities market and protect the interests of the investors in securities
28. The short and medium term cooperative credit structure in the country federal in character consists of three tiers viz: the State Cooperative banks at the state level; the central cooperative banks at the district level and primary cooperative credit societies at the village level.
29. Mutual funds are regulated by – SEBI – Securities and Exchange Board of India
30. Raghuram Rajan Committee had submitted recommendations on financial inclusion
31. The main function of the International Monetary Fund is to help solve balance of payments problem of member countries
32. NABARD is limited to the needs of agriculture and rural finance
33. SEBI is the regulator of the credit rating agencies in the country
34. The terms which are associated with banking operations are – repo rate, prime lending rate and corporate finance
35. Joint Liability Groups replicate the self help groups
36. UTI bank has officially changed its name to Axis Bank Limited
37. A hot money or the refugee capital is one which is transferred from one centre to another for greater safety
38. RBI has asked all the banks in the country to form customer service panels at branch levels
39. Indra Awas Yojana is one of the most successful programs under Bharat Nirman
40. SARFAESI act was framed specially to deal more effectively with the problem of non performing assets in the banking system
41. Operation market operations of Reserve Bank of India refer to trading in securities
42. SEBI has introduced a new tool named Data Warehousing and Business Intelligence System (DWBIS) for speedy analysis of data and identification of violations
43. EXIM bank is a term lending institution
44. Central Cooperative Banks occupy a crucial importance in the cooperative credit structure
45. Central Cooperative Banks form an important link between the State cooperative bank at the apex and the primary agricultural credit societies at the base

46. Central cooperative Banks are closer to the primary societies than an apex bank could be
47. In context with the business and banking, CRAR means Capital to Risk Asset Ratio
48. Rangarajan committee is the first committee that gave its recommendations relating to mechanization of banking system
49. The definition of banking has been given in Negotiable Instruments Act 1881
50. Employer's contribution to contributory provident fund of employees is a transfer payment

BULLET POINTS - PART: 023
QUESTIONS AND ANSWERS MODEL

51. **What are the functions of any bank?** – The bank accepts deposits from the public and lends loans to the public. Acceptance of deposits and lending loans are called as the primary functions. The secondary functions are – selling gold coins, selling insurance products and selling mutual fund products. Apart from the above, the banks open demat accounts also.
52. **What do you know by demand deposits?** – Current account and savings accounts are called as demand deposits. Current account is opened for business purpose carrying no interest and savings deposit is opened for the purpose of saving the money and it carries interest. The interest is at present decided by respective banks.
53. **What do you know by KYC guidelines?** – KYC means Know your customer guidelines. According to KYC, the bank demands address proof and identity proof from the public when they open accounts with the bank. For address proof, copies of ration card, voter ID card, AATHAAR card, telephone bill etc. are obtained. For identity proof, copies of identity card issued by the employers, voter ID card, driving licence, AATHAAR card etc. are obtained by the bankers.
54. **What do you know by term deposits?** – Fixed deposits, recurring deposits and reinvestment deposits are called as term deposits since these deposits are opened for specific period. The minimum period for which the term deposit is opened – 7 days and the maximum period: 10 years. Interest is paid according to the period of deposit. Interest is decided by the respective banks only.
55. **What do you know by fixed deposit?** – Fixed deposits are opened for a minimum period of seven days and maximum period of ten years. Interest is paid according to the period of deposit. In this scheme, a lump sum amount is deposited for a fixed period and interest earned is obtained from the bank on quarterly basis. In case the customer demands, interest is paid by the bank on monthly or fortnightly basis.
56. **What do you mean by recurring deposit?** – According to this scheme, the customer can remit monthly or quarterly a fixed amount for a fixed period. For example, an amount of Rs. 1000/- can be deposited for 60 months and interest is paid to the depositor according to the period of deposit along with the principal amount on maturity of deposit.
57. **What do you know by reinvestment deposit?** – Reinvestment scheme is nothing but fixed deposit. Instead of getting the interest on fixed amount on monthly or quarterly basis, the customer can get the interest on maturity along with principal amount. Since interest is reinvested, the customer is eligible to get interest for interest also.
58. **What do you know by PAN number?** – PAN number is required for IT purposes and when more than Rs. 50000/- is invested in time deposit accounts or remitted in current or savings deposit accounts, the customer has to mention the PAN number in the remittance slips.
59. **Whether deposits can be opened in the name of minor?** – Yes, deposits can be opened in the name of minors. The accounts are opened in the name of minor duly represented by father and mother and they are called as

natural guardians. When the minor is a student and aged more than ten years, he can operate the account himself. For this purpose, he should produce a certificate from the headmaster or principal of the school where he is studying.

60. **Whether minor is eligible for loans** – Loans should not be granted to minors as per law and as per law the loans granted to the minors cannot be demanded by legally.

61. **What do you know by PIN number?** – PIN number is a four digit number used when the customer operates automated teller machines. The PIN number consists of four digits and instead of PIN number, thumb impressions are recorded in biometric ATMs

62. **What do you know by bank nationalization?** – As much as fourteen banks owned by private entrepreneurs were nationalized on 19.7.1969 so that they can meet social obligations. During the second phase, six banks were nationalized on 15.4.1980. New Bank of India got merged with Punjab National Bank and as at present there are twenty public sector banks including IDBI bank.

63. **What do you know by foreign bank?** – Foreign banks have their headquarters in a foreign country; however, they have branches in India as permitted by Reserve Bank of India.

64. **What do you know private sector banks?** – At present there are fourteen old private sector banks in our country and seven new private sector banks namely; Axis bank Limited, Development Credit Bank Limited, HDFC Bank Limited, ICICI Bank Limited, Indus Ind bank Limited, Kotak Mahindra Bank Limited and Yes bank Limited. According to the revised norms fixed by Reserve Bank of India, the new private sector banks should have a minimum capital base of Rs. 200 crore.

65. **What do you know by central bank?** Central bank is the bank which governs other banks in the country. In our country RBI is the central bank. It has its headquarters at Mumbai and the following are the functions of RBI namely – currency note issue, banker to the banks, financial adviser to the government, custodian of cash reserves of banks, lender of the last resort and controller of credits etc.

66. **What do you know by issue of currency notes in the country?** In our country, up to one rupee note and coins, Government of India undertakes to issue and currency notes coins valuing more than one rupee are issued by Reserve Bank of India.

67. **What do you know by scheduled commercial banks?** – The public sector banks, SBI and its subsidiaries, all private sector banks, foreign banks and Regional Rural Banks are called as scheduled commercial banks. They should have been included in the second schedule of RBI act 1934; got licence for conducting banking business as per Banking Regulation act, 1949 and should have been incorporated either as per companies act or cooperative act.

68. **What do you know by commercial banks?** – Commercial banks are banks which function for profit and the following banks are included under the category of commercial banks by RBI – State Bank and its subsidiaries, all nationalized banks including IDBI bank, all private sector banks and foreign banks. The cooperative banks and regional rural banks are not treated as commercial banks.

69. **What do you know by cheque book?** Cheque books are issued when the customer is having current account, savings deposit account or overdraft account. Cheque books are issued for the purpose of withdrawal of money from the account. Cheques are not issued in the case of term deposits namely; fixed deposit, reinvestment deposit and recurring deposit. In the case of term deposits, the customers are issued with deposit receipts mentioning therein the details of deposits.

70. **What do you know by minimum balance?** – When a customer is maintaining current account and savings account, he should maintain minimum balance in the account. The minimum balance is prescribed by the respective banks. When the amount falls below the minimum balance during any day, penal charges are levied in the account.

71. **What do you know by automated teller machines?** – Automated Teller Machines are used for the purpose of allowing the customer to withdraw money twenty four hours a day using ATMs. The following services are available through automated teller machines namely – cash withdrawal, balance enquiry, mini statement up to last ten entries, pin number change, mobile recharge, e-ticketing, transfer of funds etc.

72. **What do you know by TDS?** TDS is called as tax deducted at source. When a customer having a fixed deposit account or reinvestment deposit account earns interest amount more than Rs. 10000/- tax is deducted at source from the account according to income tax laws prevalent in the country.

73. **What do you know by core banking solution?** According to core banking solutions, all branches of the bank are interconnected through a common server and a customer can transact the business in his account from anywhere in the country.

74. **What do you know by real time gross settlement?** _ According to RTGS, a customer can send money more than Rs. 200000/- from his account to any other account of another person having his account with the branch of the same bank or any other bank. For example, a customer having an account with Canara Bank, Kellys branch at Chennai can transfer the amount to the account of his father with State Bank of India, Canning Street, Kolkatta. Banks charge normal service charges for the remittance facility.

75. **What do you know by either or survivor?** – When more than one individual opens an account it is called as a joint account. Since the account is opened jointly by more than one person, the account holders should specify the conditions for operation of the account to the banker. In the case of E or S account, anyone of the customers can operate the account individually. In the case of joint accounts, all accountholders should operate the accounts jointly.

76. **What do you know safe deposit locker?** – It is a facility provided by the bank for safekeeping the valuable articles. Lockers are available in different sizes and according to the size of the locker, charges are collected for the lockers. The lockers are operated by the locker holder and the banker and for this purpose, the customer is given one key pertaining to the locker and the banker is having the master key for the entire unit.

77. **What do you know by nomination facility in the account?** Nomination facility is available for deposit accounts namely; current account, savings account, fixed deposit, reinvestment deposit account and recurring deposit account. The customer nominates a person for the account to receive money on the death of the depositor.

78. **What do you know by safe custody service?** – According to the scheme for safe custody service, customers can safe keep their valuables with the banker for nominal service charges. The valuables are kept in sealed packets or bundles and handed over to the banker and the banker on receipt of the packet or bundle, furnishes a receipt and when the customer is in need of the packet or bundle, he has to produce the receipt to the banker.

79. **What do you know by proprietorship account?** When a customer maintains an account in his personal name, it is called as individual account and when he opens an account in the name of a firm owned by him, it is called as proprietorship account. For example, Balaji conducting a printing press can open an account in the name of Balaji Printing services and this is a proprietorship account opened for business purposes and Balaji is called as proprietor.

80. **What do you know by partnership account?** When more than one person joins together to conduct a business, it is called as a partnership firm and the partners invest the capital either equally or according to the terms as agreed between the partners. The rules and regulations of the business are recorded in partnership deed. The partnership deed can be registered or non registered.

81. **What do you mean by crossing of the cheque?** – When two parallel transverse lines are drawn on the face of the cheque, it is called as crossing. When two simple transverse lines are drawn, it is called as general crossing and when the name of a banker is mentioned between the two parallel lines, it is called as special crossing.

82. **What is the purpose of crossing of the cheque?** – Cheques are crossed so that they should be encashed through accounts only. This is to avoid fraudulent encashment of the cheques by miscreants.

83. **What do you know by order cheque?** Normally the cheques are payable to the person mentioned in the cheque or to the bearer. In the case of uncrossed bearer cheque, the person named in the cheque or any bearer can get payment of the cheque from the bank counter. When the words, “bearer” are cancelled, the cheque is treated as order cheque and for encashing an order cheque, the customer has to prove his identity to the banker.

84. **What do you know by shares?** – For the purpose of building fixed capital, joint stock companies are authorized to issue shares to the public. Shares can be issued in the form of ordinary shares or preference shares. Ordinary

shareholders are entitled to vote during the annual general body meeting and they do not have any predetermined dividend amounts and in the case of preference shareholders, they are paid dividend according to predetermined rates.

85. **What do you know by Debentures ?:** It is a sort of loan document. Those who advance loans to the company are called as debenture holders. Normally debentures are issued through initial public offer as in the case of shares. Predetermined rate of interest is paid to the debenture holder, whether the corporation earns profit or suffers loss.

86. **What do you know by SEBI?** It is the principal regulator in the capital market in the country – both the primary and secondary segments. It has also been conferred with the powers to regulate the mutual funds and venture capital funds in the country.

87. **What do you know by call money?** It is an important segment of the Indian Money Market. Under call money market, funds are transacted on overnight basis and under notice money market, funds are transacted for the period between 2 days and 14 days. Banks borrow in this market, in order to fill the gaps or temporary mismatches in funds; to meet the cash reserve ratio and statutory liquidity ratio and to meet sudden the demand for funds arising out of large outflows. Banks, primary dealers, development finance institutions, insurance companies and select mutual funds are participants in this market.

88. **What do you mean by Treasury bill?:** They are money market instruments to finance the short term requirements of the Government of India. There are different types of treasury bills based on the maturity period and utility of the issuance like, adhoc treasury bills, three months, six months and 12 months treasury bills etc.

89. **What do you know by call money?** – Call or notice money is an amount borrowed or lent on demand for a very short period. If the period is greater than one day and up to 14 days, it is called as notice money; otherwise the amount is known as call money. Cooperative banks, commercial banks and primary dealers are allowed to borrow and lend in this market for adjusting their cash reserve requirements.

90. **What do you know by certificate of deposits?** – It is a negotiable short term promissory note in nature. It is issued at a discount to the face value, the discount rate being negotiated between the issuer and the investor.

91. **What do you know by commercial paper?** – Commercial papers are negotiable short term unsecured promissory notes with fixed maturities, issued by well rated organizations. These are generally sold on discount basis. Organisations can issue commercial papers either directly or through banks or merchant banks called as dealers.

92. **What do you know by primary market?** – Primary market deals with new securities – it can be otherwise called as new shares issued to the public. The new offerings by the companies are made through an initial public offer or rights issue of shares to the existing shareholders

93. **What do you know by secondary market/stock market?** – It is the market for buying and selling securities of the existing companies. Under this scheme, securities are traded and being initially offered to the public in the primary market and/or listed on the stock exchange. The secondary market dealings are done through the share brokers in the stock markets situated in various cities in the country.

94. **What do you know by the term called as savings bank ?** – It is a financial institution whose primary purpose is to accept savings deposits. It may also perform some other functions. These banks are much helpful for salaried people and low income groups. The deposits collected from customers are invested in bonds, securities etc.

95. **What do you know by commercial banks?** – It is an institution which accepts deposits, makes business loans and offers related services. The commercial banks also allow for a variety of deposit accounts, such as checking, savings and time deposits. Their main purpose is to make a profit. Commercial banks apart from acceptance of deposits and lending loans provide services like collection of cheques and bills of exchanges, remittance of money from one place to another place etc.

96. **What do you know by industrial banks and development banks?** – They are development banks engaged in promotion and development of industry. SIDBI is a development bank engaged in helping industries in getting loans from public sector and other banks. NABARD caters to the needs of agriculture and National Housing Bank is meant for helping housing development. EXIM bank helps for import and export development in the country.

97. **What do you know by indigenous banks?** – Indigenous banks mean money lenders and sahu-kars. They collect deposits from the general public and grant loans to the needy persons out of their own funds as well from deposits. They are much popular in villages and small towns.

98. **What are the different types of loans provided by banks?** – Cash credits, overdrafts, loans and advances, discounting of the bill of exchange and investment in government securities are various loan facilities provided by any bank. Cash credits are loans granted against stock of goods. Overdrafts are clean loans granted in current accounts. The other loans are housing loans, educational loans, consumer loans, gold loans, other agricultural loans, industrial loans etc. .

99. **What do you know by debit card?**- They are cards issued by the banks on current and savings accounts. Using debit cards the customers can withdraw funds using automated teller machines or they can purchase goods through point of sale terminals situated at textile shops, petrol pumps, hotels and other outlets. The card can be also used for purchasing e-tickets, air tickets and many more.

100. **What do you know by credit card?** – Credit cards are post paid cards whereas the debit cards on the other hand is a prepaid card with some stored value. Every time, a person uses this card, the internet banking house gets money transferred to its account from the bank of the buyer.

BULLET POINTS - PART: 024

NEWS IN BRIEF – NOVEMBER/DECEMBER, 2012

1. Smt Vijayalakshmi Iyer has been appointed as Chairman and Managing Director of Bank of India
2. Mr. Malay Mukherjee has taken charge as Executive Director of Central Bank of India
3. Mr. P.V. Ananthakrishnan has been appointed as the country head of India's operations at Singapore headquartered United Overseas Bank
4. Mr. G. Srinivasan has been appointed as Chairman and Managing Director of New India Assurance Company Limited
5. Punjab National Bank tied up with Xpress Money for the purpose – PNB Xpress Money Remit Card facilitates foreign inward remittances under Money transfer Service Scheme to send and receive money overseas
6. ICICI Bank tied up with Vodafone India for – mobile money transfer and payment services
7. Yes Bank tied up with Espend Prepaid solutions for – Prepaid cards can be used to make purchases at point of sale and for online shopping across India on the mastercard network
8. United Bank of India tied up with Calcutta Stock Exchange for – U-connect, an integrated online platform for stock trading
9. Basix tied up with Royal Sundaram Alliance General Insurance and Aviva Life Insurance for – for sale of insurance products in rural areas
10. Oriental Bank of Commerce tied up with Bajaj Auto - to provide finance for customers who intend to buy the latter's autorikshaws
11. Allahabad Bank tied up with Universal Sompo General Insurance – to secure their agri loan product Kisan Credit Card
12. China Development Bank tied up with Lanco Infratech – for its upcoming coal based power plants

13. State Bank of India tied up with Sohan Lal Commodity Management – to provide post harvest credit and storage services to farmers
14. Mr Damodar Acharya has been appointed as the director on central board of Reserve Bank of India
15. Shri T.M. Bhasin has been appointed as Deputy Chairman of Indian Banks' Association
16. Mr. S. Viswanathan has been appointed as the Managing Director of State Bank of India
17. Smt S.A. Panse has been appointed as Chairperson and Managing Director of Allahabad Bank
18. Mr. Satish Kumar Kalra has been appointed as the Executive Director of Andhra Bank
19. Mr. Bhupinder Nayyar has been appointed as the Executive Director of Oriental Bank of Commerce
20. Mr. Michael Corbat has been appointed as the CEO at Citigroup Inc
21. ICICI Bank tied up with Ecobank Transnational Incorporated (Africa) – to extend banking services across India and Africa
22. Uco Bank and Rewa Siddhi Gramin Bank tied up with Mahindra and Mahindra – to extend vehicle finance
23. HDFC Bank tied up with IOC – to provide banking facilities in semi urban and rural areas through the latter's rural petrol pump outlets Kisan Seva Kendras. Kisan Seva Kendras will act as HDFC Bank's Business Correspondents
24. Karnataka Bank tied up with National Collateral Management Services (NCMSL)- to assist industries, traders and farmers in financing their capital requirements

Miscellaneous information

25. Shri D. Subba Rao is Governor of Reserve Bank of India
 26. Shri G. Padmanabhan, Executive Director of Reserve Bank of India
 27. Dr. K.C. Chakrabarty, Deputy Governor – Reserve Bank of India
 28. Mr. Anand Sharma – Deputy Governor – Reserve Bank of India
 29. Mr. H R. Khan – Deputy Governor – Reserve Bank of India
 30. Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India
 31. Mr. Deepak Mohanty, Executive Director, Reserve Bank of India
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BULLET POINTS - PART: 025

BANKING AWARENESS – ABBREVIATIONS

1. AADHAAR card denotes – Unique Identity Number
2. PSL – Priority sector lending
3. NBFC – Non Banking Financial Company
4. WPI – Wholesale price Index
5. CPI – Consumer Price Index
6. LAF – Liquidity adjustment facility
7. NDTL – Net Demand and Time Liabilities
8. UCB – Urban Cooperative Bank
9. ECS – Electronic clearing service
10. FSLRC – Financial Sector Legislative Reforms Commission
11. UCIC – Unique Customer Identification Code
12. AML – Anti Money Laundering

13. CFT – Combatting of financial terrorism
 14. SME – Small and Medium Enterprises
 15. CDR – Corporate Debt Restructuring
 16. CDS –Credit Default Swaps
 17. IRS – Interest Rate Swaps
 18. QE3 –Quantitative Easing
 19. FII – Foreign Institutional Investors
 20. RRB – Regional Rural Banks
 21. PDC – Post Dated Cheques
 22. MSE – Micro and Small Enterprises
 23. DCCO – Date of commencement of commercial operations
 24. CRAR – Capital to Risk weighted assets ratio
 25. IBL – Inter bank liability
 26. GDS – Gold deposit scheme
 27. CAD – Current account deficit
 28. ECB – European Central Bank
 29. MFIN – Micro Finance Institutions Network
 30. IRDA – Insurance Regulatory Development Authority
 31. CRMPG – Counterparty Risk Management Policy Group
 32. HTM – Held to maturity
 33. SLR – Statutory Liquidity Ratio
 34. BC – Business correspondents
 35. BF – Business facilitators
 36. DSA – Direct selling agents
 37. DMA – Direct marketing agents
 38. DRA – Debt Recovery agents
 39. ELA – Emergency Liquidity assistance
 40. BOP – Balance of payments
 41. APBS – AADHAAR payment bridge system
 42. FDI – Foreign direct investment
 43. M3 – Money supply
 44. MSF – Marginal standing facility
 45. FFA – Forward freight agreements
 46. AD – Authorised dealer
 47. BIS – Bank for international settlements
 48. BR act – Banking Regulation act
 49. MCX – Multi commodity exchange
 50. PSB – Public sector banks
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BULLET POINTS - PART: 026

1. The Unit Trust of India came into existence in 1964
2. Infrastructure bonds are termed as financial assets
3. National savings certificates, Indra Vikas Patras, Kisan Vikas Patras are issued by Post office

4. Capital market is a market which deals with gilt edge securities
5. Regional Rural Banks fall within the supervisory purview of Reserve Bank of India
6. IRDA is called as Insurance Regulatory Development Authority
7. IRDA with its headquarters at Hyderabad is the regulatory authority for all insurance companies in India including the Life Insurance Corporation of India
8. Mutual Funds fall within the supervisory purview of SEBI
9. SEBI means – Securities and Exchange Board of India
10. Export-Import Bank do not fall within the category of development banks
11. Industrial Development Bank of India, Small Industries Development Bank of India and Industrial Investment Bank of India, State Finance Corporation are called as developments
12. The major financial instruments of corporate sector are shares, debentures, public deposits and loan from institutions
13. Financial institutions promote savings, mobilize savings and allocate savings among different users
14. The following are called primary securities – bills, bonds, shares and book debts
15. New currency is not an example of primary security
16. Indian Financial System comprises of scheduled commercial banks, non banking financial institutions, urban cooperative banks
17. The Bombay Stock Exchange was made functional as early as 1870
18. The Unit Trust of India came into existence in 1964
19. In July 1969, 14 commercial banks were nationalized
20. The government's share in any nationalized bank is 51% or more
21. New Private banks are being given licences since 1993
22. The gilt edged market refers to the market for government securities and semi government securities
23. First share market in India was established in Mumbai
24. Securities that have an original maturity that is greater than one year are traded in capital markets
25. The best known capital market securities are stocks and bonds
26. Securities that have an original maturity that is greater than one year are not traded in money markets
27. Stocks and bonds are not money market securities
28. The primary issuers of capital market securities include – the central and local governments and corporations
29. The characteristic of a capital market instrument are – liquidity, marketability, long maturity and liquidity premium
30. Treasury bill, negotiable certificate of deposit and commercial paper are capital market instruments
31. Treasury bills are financial instruments initially sold by the government to raise funds
32. Commercial Paper is a short term security issued by large and well known companies to raise funds
33. A corporate convertible bond gives the holder the right to exchange the bond for a specified number of the company's common shares
34. Treasury bond is not a money market instrument
35. Money lent for 15 days or more in inter bank market is called as term money
36. Money lent for one day is called as call money
37. Special interest rate on a fixed maturity security fixed at the time of issue is called as coupon rate
38. Lending of scheduled commercial banks, on a fortnightly average basis, should not exceed 25 percent of their capital fund
39. A short term credit investment created by a non financial firm and guaranteed by a bank to make payment is called as bankers acceptance market
40. Money market securities are short term in nature having low risk and very liquid
41. Money market instruments are characterized by the following namely – they are usually sold in large denominations, have low default risk and mature in one year or less

42. In the term repo, the term of the loan is greater than 30 days
 43. All commercial banks do not deal for their customers in the secondary market
 44. Money markets are used extensively by businesses both to warehouse surplus funds and to raise short term funds
 45. The single most influential participant in the US money market is the US treasury department
 46. The money market in India consists of two sectors namely the organized and the unorganized sectors.
 47. Indigenous banks do not fall under unorganized sector
 48. Money lent for one day in the money market is known as call money
 49. Money lent for more than one day but less than 15 days in the money market is known as notice money
 50. Money lent for 15 days or more in inter-bank market is called as term money
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BULLET POINTS - PART: 027

1. Government security that is a claim on the government and is a secure financial instrument which guarantees of both capital and interest is called as gilt edged security
2. Insurance companies operate in the call money market as lenders
3. As per prudential norms of RBI, lending of scheduled commercial banks on a fortnight average basis should not exceed 25 percent of their capital fund
4. The market for bankers acceptance which are out of trade transactions, both domestic and foreign is called as bankers acceptance market
5. An unsecured loan extended by one corporate to another is called as inter corporate deposits
6. Interest is calculated on actual/365 days basis in respect of the following products namely; call money, notice money and term money
7. Interest is not calculated on actual/365 days basis in respect of the following products namely; Government of India dated securities
8. An Institution which accepts deposits, makes business loans, and offers related services is called as commercial bank
9. A bank which acts as a banker of other banks is called as central bank
10. The following are the functions of exchange banks – remitting money from one country to another country, discounting of foreign bills, buying and selling gold and silver and helping import and export trade
11. Consumer banks are usually found in United States of America and Germany
12. A bank account in which a depositor can deposit his funds any number of times he likes and can also withdraw the same any number of times he wishes is called as current account
13. In Recurring deposit account, a specified amount is deposited every month for a specific period, say 12, 24, 36 or 60 months
14. An Inter bank funds transfer system, where funds are transferred as and when the transactions are triggered is called as real time gross settlement
15. Accepting deposits is the primary function of any bank
16. Collection and payment of cheques, rent, interest etc on behalf of their customers is the secondary function of any bank
17. Buying, Selling and keeping in safe custody, the securities on behalf of their customers are called as the secondary functions
18. Acting as trustees and executors of the property of their customers on their advice – the secondary functions of the bank

19. Remitting money from one place to the other through bank drafts or mail – the secondary functions of the bank
20. The operative guidelines for banks on mobile banking transactions in India were issued in 2008
21. To use smart cards/debit cards/credit cards for the purchase of an item or for payment of a service at a merchant's store, the card has to be swiped in a terminal known as point of sale terminal
22. The branding line of Bank of Baroda is - India's International Bank
23. The logo of Bank of Baroda is known as Baroda sun
24. Lot of banks in India these days are offering M-banking facility to their customers. The full form of M in M-banking is Mobile
25. State cooperative banks do not form part of the scheduled banking structure in India
26. Section 14 of Banking Regulations act, 1949 prohibits a banking company from creating a charge upon any unpaid capital of the company
27. A bank is under a statutory obligation to honour the customer's cheques vide section 31 of the Negotiable Instruments act 1881
28. Nationalised banks have been permitted to offer their equity shares to the public to the extent of 49 percent of their capital as per amendments made in 1994 in – Banking companies (acquisition and transfer of undertakings) act, 1970
29. Five banks are at present associates of State Bank of India
30. At present there are twenty nationalized banks in the country
31. The number of foreign banks operating in India are – 32
32. BCSBI stands for Banking Codes and Standards Boards of India
33. The main function of a commercial bank can be segregated into – payment system, financial intermediation and financial services
34. Reserve Bank of India prescribed that all scheduled commercial banks should maintain their SLRs in dated securities noted by RBI; T-bills of Government of India and State Development loans
35. In case a depositor wishes to withdraw his deposits prematurely, banks charge a penalty and allow the same
36. The percentage of India's population lives in rural areas – 65% to less than 70%
37. In case a depositor is a sole proprietor and holds deposits in the name of the proprietary concern as well as in the individual capacity, the maximum insurance cover is available upto Rs. 100000.00
38. Banks give contracts to third parties in order to manage support services like help desk support, credit card processing and call support service
39. In case of FCNR – B scheme, the period for fixed deposits is – for terms not less than one year and not more than five years
40. The past due debt collection policy of banks generally emphasizes on – respect to customers, appropriate letter authorizing agents to collect recovery, due notice to customers.
41. According to the risk diversification principle of bank lending, diversification should be in terms of customer base, geographic location, nature of location etc
42. The aspects which are outlined by the loan policy of a bank are – rating standards, lending procedures, financial covenants etc.,
43. The paid up capital of non scheduled bank is less than Rs. 5 lakhs
44. Scheduled bank means a bank – which is included in the second schedule to the RBI act, 1934
45. A foreign bank is one which is incorporated outside India
46. The Unit banking system is prevalent in United States of America
47. In terms of section 5(1) (e) of the Banking Regulations act, 1949, a banking company means any company which transacts the business of banking in India
48. Universal Banking is one which undertakes the functions of a Development financial institution as well as a commercial bank

49. The commercial banking system in India consists of scheduled and non scheduled banks
50. EBT – stands for Electronic Benefit Transfer
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BULLET POINTS - PART: 028

1. RBI generally reviews the monetary policy every three months on a quarterly basis
2. The rate at which Reserve Bank of India lends short term money to the banks is called as repo rate
3. The Reserve Bank of India was nationalized on 1.1.1949
4. RBI functions are governed by RBI act 1934
5. RBI is not expected to perform the function of accepting deposits from the general public
6. RBI functions as a banker to the government; accepts deposits from commercial banks and issues currencies
7. RBI has its headquarters at Mumbai
8. The first Governor of the Reserve Bank of India from 01.04.1935 to 30.06.1937 was Sir Osborne Smith
9. The 22nd current Governor of Reserve Bank of India is Y V Reddy
10. Prime lending rate is not decided by RBI
11. Prime lending rate is decided by the individual banks
12. RBI decides the following rates namely; Bank rate, repo rate, reverse repo rate and cash reserve ratio
13. RBI was set up on the recommendations of Hilton Young commission
14. RBI formulates implements and monitors the monetary policy
15. The central banking institution in India is Reserve Bank of India
16. RBI had divested its stake in State Bank of India to IDBI bank
17. At present the RBI holds one percent of shareholding in National Bank for Agriculture and Rural Development Bank – NABARD
18. The number of regional offices of RBI is 23
19. In India RBI prescribes the minimum SLR level for scheduled commercial banks in India in specified assets as a percentage of bank's net demand and time liabilities
20. CRR refers to the share of liquid cash that rural banks have to maintain with RBI of their net demand and time liabilities
21. The functions of RBI are – acts as the currency authority; controls money supply and credit; manages foreign exchange and serves as a banker to the government
22. The quantitative instruments of RBI are – bank rate policy, cash reserve ratio and statutory liquidity ratio
23. The objective of monetary policy of RBI is to control inflation; discourage hoarding of commodities and encourage flow of credit into neglected sector
24. When RBI is lender of the last resort, it means that RBI advances credit against eligible securities
25. When RBI acts as a banker to the government, its functions are – keeping bank accounts of the government; carrying out government transactions and advising the government on all financial and monetary matters
26. Government of India decides the quantity of coins to be minted
27. The method which is used currently in India to issue currency note – minimum reserve system
28. An anna was equal to four paise
29. The first decimal issues of coins in 1950 in India consisted of 1,2,5 paise
30. RBI began production of notes in 1938, issuing Rs.2,5,10, 1000 notes. Rs. 500 note was reintroduced again in 1987
31. Rs. 1000 note was reintroduced again in 2000

32. Coins which were struck in with the hand picture are available since 2010
 33. Under Britton Woods system, as a member of International Monetary Fund, India declared its par value of rupee in terms of gold
 34. On September, 25, 1975, rupee was delinked from pound sterling and was linked to basket of currencies
 35. On March 1, 1992, RBI announced a new system of exchange rates known as partial convertibility and liberalized exchange rate system
 36. In India, the fixed fiduciary system of note issue was in force from 1816 to 1920
 37. During 1992, India adopted partial convertibility of rupee
 38. All banks are authorized to accept soiled notes across their counters and pay the exchange value
 39. Banks are expected to offer this service even to non customers
 40. All public sector bank branches and currency chest branches of private sector banks are authorized to adjudicate and pay value in respect of mutilated notes
 41. RBI has also authorized all commercial bank branches to treat certain notes in two pieces as soiled notes and pay exchange value
 42. At present there are over 4000 currency chests in the country
 43. Indo_Greeks were the first rulers in India to issue coins which can be definitely attributed to the kings
 44. Section 22 of RBI act 1934 gives sole power to RBI to issue currency notes
 45. For issuing notes, RBI is required to hold the minimum reserves of Rs. 200 crore of which note less than Rs. 115 crore is to be held in gold
 46. The decimal system of note and coin issue was started in the country in 1957
 47. The objectives of financial sector reforms in the country are – creating an efficient, productive and profitable financial sector industry; preparing the financial system for increasing international competition; opening the external sector in a calibrated fashion; promoting the maintenance of financial stability even in the face of domestic and external environments
 48. The Narasimhan Committee-I was set in 1991
 49. The Narasimhan Committee-I was set up to suggest some recommendations for improvement in the efficiency and productivity of the financial institution
 50. The Narasimhan Committee-II was set up to suggest some recommendations for improvement in the banking reform process
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BULLET POINTS - PART: 029

1. Narasimhan Committee 1991 has given the following recommendations namely – reduction in SLR and CRR; phasing out directed credit program; the determination of the interest rate should be on the grounds of market forces such as the demand for and the supply of fund; the actual numbers of public sector banks need to be reduced
2. According to narrow banking concept, weak banks will be allowed to place their funds only in short term and risk free assets
3. The following are the recommendations of Narasimhan Committee report 1998 – reduction in CRR and SLR; deregulation of interest rate, fixing prudential norms and capital adequacy norms
4. Basel I which was issued during 1988 focuses on the capital adequacy of financial institutions
5. Capital to risk assets ratio CRAR of all the scheduled commercial banks under Basel I framework improved to 13.6 percent by the end of March, 2010
6. In 1991, the statutory liquidity ratio was as high as 38.5%

7. Narasimhan committee recommended to reduce SLR and CRR to 25 % and 3.5% respectively
8. The following guidelines were issued by RBI in January 1993 for the entry of private sector banks in the wake of Narasimhan Committee recommendations – The new bank upon being granted licence under the banking regulation act by RBI shall be registered as a public limited company under the companies act, 1956; Its inclusion in the second schedule to the RBI act, 1934 shall be subject to RBI's decision; Preference would be given to those banks the headquarters of which are proposed to be located in the center which does not have the headquarters of any other bank
9. The RBI has prescribed that new private sector bank – shall be subject to prudential norms in regard to income recognition, asset classification and provisioning, capital adequacy ratio etc; shall have to observe priority sector lending targets as applicable to other domestic banks and will be required to open rural and semi urban branches also as may be laid down by RBI
10. To create a strong and competitive banking system, reform measures were initiated in early 1990s and the thrust of these reforms was on – increasing the operation efficiency; developing technological supervision over banks and developing technological and institutional infrastructure
11. Financial inclusion makes people to access financial markets
12. The following steps are taken for financial inclusion in the country – the expansion of network of cooperative banks to provide credit to agriculture and saving facilities in rural areas; nationalization of banks in 1969 and expansion of branches; creation of an elaborate framework of priority sector lending with mandated targets as part of a strategy to meet the savings and credit needs of large sections of the Indian population who had no access to institutional finance
13. The following sections of people are covered under financial inclusion – marginal farmers, landless labourers, self employed and unorganized sector enterprises and urban dwellers
14. Mangalam village situated in the Union territory of Puducherry became the first village in India where all households were provided with banking facilities
15. The objectives of forming self help group is – to build mutual trust and confidence between the bankers and the rural people; to encourage banking activities, both on the thrift as well as credit sides, in a segment of the population that the formal financial institutions usually find difficult to cover and to meet the needs of the poor by combining the flexibility, sensitivity and responsiveness of the informal credit system with the strength of technical and administrative capabilities and financial resources of the formal credit institutions
16. The best alternative banking service to branch banking to be the part of financial inclusion – establishment of small branches; setting up of automated teller machines; issuing of ATM cards, giving credit cards and mobile banking
17. National credit fund for women is the most prominent national level micro finance apex organization providing micro credit services for women in the country
18. Banks provide the lowest lending in the North-eastern part of India
19. No frills accounts are certainly an effort in the direction of financial inclusion
20. The financial assistance or loans of Rs. 10000 by a bank to a small borrower will be called as micro finance
21. The Rashtriya Mahila Kosh is working exclusively for poor women
22. SHG bank linkage programme was initially launched by NABARD
23. The recent initiatives for financial inclusion in India include – no frill account for retail purpose; simplified KYC (Know your customer); credit counseling centre facilities and extension of smart cards
24. Strong competition between numerous microcredit programs to reduce interest rates is not innovation likely to explain the high repayment rates of microcredit programs
25. Group lending using social sanctions instead of collateral foreclosure is not a potential limit of group lending
26. Collaterals is not a mechanism that contributes to the success of micro credits

27. The index of financial inclusion has been launched for the first time in 2008 by ICRIER
 28. Regional Rural banks were established in the country on the recommendations of Narasimhan committee
 29. Regional Rural banks were set up during 1975
 30. The total authorized capital of Regional Rural Banks was originally fixed at Rs. 1 crore which has since been raised to Rs. 5 crore
 31. At present, the formula for subscription to Regional Rural Banks capital has been fixed at – central government 60%; state government 20% and sponsor bank 20%
 32. Central Government's contribution towards the capital of Regional Rural Bank is made through NABARD
 33. The sponsor bank helps and aids the Regional Rural Bank sponsored by it by – subscribing to its share capital; training its personnel; providing managerial and financial assistance during the first five years or extended period
 34. The sponsor banks are empowered to – monitor the progress of Regional Rural Banks; to conduct inspection and internal audit; to suggest corrective measures
 35. As on March, 2011, the total number of Regional Rural Banks in the country are – 82
 36. Each of the Regional Rural Banks covers districts ranging from 3 to 25
 37. The main resources of Regional Rural Banks are – share capital, deposits from the public, borrowing from sponsor banks, refinance from NABARD
 38. Regional Rural Banks are refinanced at 2 percent below the bank rate
 39. Regional Rural Banks are owned by central government, state government, sponsor bank and jointly by all of the above
 40. With a view to improve the performance of the Regional Rural Banks and giving more powers and flexibility to their boards in decision making RBI had constituted task force on empowering the RRB boards for operational efficiency. The task force was headed by – K.G. Karmakar.
 41. The number of directors on the boards of Regional Rural Banks has been raised to 15
 42. Regional rural banks are classified under scheduled commercial banks
 43. The paid up share capital of Regional Rural Bank is contributed by state government only
 44. Regional Rural Banks are empowered to transact the business of banking as defined under Banking Regulation act, 1949
 45. Regional Rural Banks are managed by the board of directors
 46. The deposits with Regional Rural Banks are insured by DICGC
 47. DICGC – Deposit Insurance and Credit Guarantee Corporation
 48. For the purpose of Income tax act, 1961, the Regional Rural Banks are treated as – cooperative banks
 49. On the current account balances maintained by the Regional Rural Banks with them, the commercial banks may pay interest as applicable to savings accounts
 50. By virtue of the amendment carried out by the Regional Rural Bank (Amendment) act, 1987, the chairman of a Regional Rural Bank is to be appointed by sponsor bank in consultation with NABARD
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BULLET POINTS - PART: 030

101. **What do you know by stale cheque?**- When the cheque becomes out of date and cannot be encashed, it is termed as stale cheque. For example, the validity period of any cheque is three months and when a cheque dated: 10.01.2012 is presented for payment on 10.01.2013, it is considered as a stale cheque, since the cheque is more than three months old.
102. **What do you mean by post dated cheque?**- When the date of the cheque is beyond the date on which the cheque is presented for payment, the cheque is considered to be post dated. For example, when a cheque dated: 10.02.2013 is presented for payment on 10.01.2013, it is considered to be a post dated cheque.

103. **What do you know by current chest?** – Currency chests are operated by RBI so that they can provide good quality currency notes to the public. However, RBI has appointed commercial banks to open and monitor currency chests on behalf of RBI. The cash kept in currency chests is considered to be kept in RBI and

104. **What is meant by minimum balance to be maintained in the accounts?** In the case of savings bank and current account deposits, the banks stipulates a minimum balance to be maintained. The minimum balance varies from bank to bank and when the balance in the account falls below the minimum balance then banks debit the account with some penal charges. Some banks insist quarterly average minimum balance to be maintained instead of regular minimum balance to be maintained.

105. **What do you mean by tax deduction at source?** TDS means tax deducted at source. Banks must deduct tax from the interest paid on the fixed deposit when the interest paid on fixed deposits to a customer exceeds Rs. 10000/- during the accounting year. TDS is applicable to fixed deposits only and is applicable to savings bank deposits.

106. **What do you mean hindu undivided family?** – HUF means Hindu Undivided family and it is the legal entity duly recognized by the laws in India. The account of hindu undivided family is operated by Karta and karta is the senior most male member in the family. The remaining members in the family are called as coparceners. Banks can open deposit accounts and also extend loan facilities to hindu undivided family.

107. **What do you know by MICR?** – MICR means magnetic ink character recognition. Nowadays, the cheques are issued in MICR formats in metropolitan centres namely; Mumbai, Chennai, Kolkata, Bangalore etc. The micr code is readable by a reader sorter computer which helps in quick sorting of the cheques towards immediate adjustment of the amount to be received and paid by the banks in the clearing house. MICR code consists of the following namely; the cheque number, name of the city, name of the bank, name of the branch, account category etc. and banks simply type the amount of the cheque in the MICR portion using scanners so that the sorter reader is able to read the entire information in regard to the cheque instantaneously.

108. **What do you mean by cheque truncation?** – Under cheque truncation, the physical cheque is replaced by the digital image of the cheque after scanning. Once the cheque is truncated the physical cheque is cancelled and from the moment of truncation only the digital image has life. The digital image of the cheque which contains the digital signature of a bank officer as to its authenticity is processed by all banks and payment is effected. Cheque truncation helps in quick processing of the cheques drawn even on far away places since there is no necessity to physically move the cheque from one place to another place.

109. **What do you mean by ECS?** ECS means electronic clearing service and this facility is used where a large number of small value payments or receipts are to be made or received. ECS can be used for either debit transactions or credit transactions. When a company wants to pay dividends to large number of shareholders, they use ECS credit facility and by debiting the company's account, the shareholders accounts are credited with the dividend amount instantaneously. Similarly when an account holder can use ECS debit facility towards effecting payment to telephone charges each month.

110. **What do you mean by bank assurance?** Hitherto banks were dealing with acceptance of deposits and lending loans to the customers apart from undertaking certain ancillary services. Nowadays banks started selling insurance policies of prominent insurance companies by having tie up arrangements with such companies and banks earn commission for such transactions.

111. **What do you mean by Universal banking?** – Universal banking is the concept under which banks can provide various types of services namely; deposits, loans, safe deposit lockers, safe custody services, dealing with mutual fund schemes, selling insurance policies, selling gold coins, dealing with issue of shares and debentures etc. Thus at present banks are becoming like a supermarket for all kinds of financial products and such concept is called as universal banking.

112. **What do you mean by Regional Rural Banks?** – The Regional Rural Banks are relatively new banking institutions which were added to the Indian banking scene since October, 1975. The distinctive feature of a rural bank is that though it is a separate body corporate with perpetual succession and common seal, it is very closely linked with the commercial bank which has sponsored the proposal to establish it.

113. **What do you mean by National Housing Bank?**– National Housing Bank was established under the National Housing Bank act, 1987 as an apex body and the key function of National Housing Bank is the development of the housing sector and it is a wholly owned subsidiary of Reserve Bank of India. National Housing Bank undertakes the following activities namely; promotion and development of housing finance companies; regulation and supervision of housing finance companies and providing both direct finance and indirect finance to housing sector.

114. **What do you mean by NABARD?** – National Bank for agriculture and rural development was set up in 1982 as an apex development bank in the field of agricultural finance and rural development. NABARD is set up by the Government for the purpose of facilitating credit flow for promotion and development agriculture and integrated rural development. It covers supporting all other allied economic activities in rural areas, promoting sustainable rural development and ushering in prosperity in the rural areas

115. **What do you mean by EXIM Bank?** – Export and Import Bank of India was set up during the year, 1982 for the purpose of financing, promoting and facilitating foreign trade in the country. It is wholly owned by the Government of India. The bank apart from enhancing exports from the country, integrates the country's foreign trade and investment with the overall economic growth.

116. **What do you mean by SIDBI?** – SIDBI was established for the purpose of assisting and promoting small scale industry. It was established on 2.4.1990. It is the principal financial institution established for the promotion, financing and development of industry in the small scale sector and to coordinate the functions of the institutions engaged in the promotion and financing or developing industry in the small scale sector.

117. **What do you mean by NBFCs?** – Non Banking Finance Companies provide finance for small ventures but at the same time they are more customer oriented and operate at low volumes compared to the banks. They also collect deposits from customers and offer slightly higher interest rates on deposits compared to the banks.

118. **What do you mean NEFT and RTGS** – The two options namely – national electronic funds transfer and RTGS – real time gross settlement offered by Reserve Bank of India allow electronic transfer of funds from the remitter who has an account in one bank to the beneficiary who has account in any other bank/branch. The transfer can be carried out using the internet banking facility. The minimum amount that can be transferred by RTGS is Rs. 2.00 lakh and there is no such limit for transfer through NEFT. It is settled in batches at times defined by the Reserve Bank of India. RTGS transactions are settled continuously as and when they are put through. The transfer of funds through NEFT and RTGS can also be carried out by submitting the remittance form at the remitter's bank branch.

119. **What do you mean IFSC code?** – IFSC means Indian financial system code. It is a eleven digit code to identify the bank branch. IFSC code is used while transferring the funds using RTGS and NEFT payments.

120. **What do you mean by financial inclusion?** In spite of vast growth in the banking system, a large number of poor people are still not served by any bank. They are living outside the purview of any bank. Financial inclusion is delivery of financial services at an affordable cost to the vast population of disadvantaged/low incomes sections of the society

121. **What do you mean No frill accounts?** No frill accounts are accounts with very low or nil minimum balance as well as charges to be opened by the banks as targeted by Reserve Bank of India. KYC norms are relaxed for opening no frill accounts so that people living in rural and semi urban areas can open the accounts conveniently. Overdrafts upto Rs. 25000.00 are allowed in the no frill accounts

122. **What do you mean by narrow banking?** – It is the system of banking under which the bank accepts deposits from the public and places the funds accepted in 100 percent risk free assets with maturity matching for its liabilities. The bank takes no risk of lending at all.

123. **Who are business facilitators and business correspondents?** – RBI has permitted the banks to use the services of business facilitators and correspondents with effect from 2006. The services of non governmental officers, microfinance institutions and civil society organizations can be utilized by the banks. They help the banks in identifying the borrowers processing their applications etc. without involving in business transactions. No approval of RBI is necessary. Correspondents will do all the above and will also participate in business transactions in a small way.

124. **What do you mean by non performing assets?** – Non performing assets means bad loans. When the principal and interest in the account becomes overdue for more than 90 days, it is treated as non performing assets. Non performance assets are classified into sub standard assets, doubtful assets and loss assets. Banks are willing to keep the level of non performance accounts at the lowest.

125. **What are the major risks faced by banks according to Basel II norms?** – Banks are facing credit risk, market risk and operational risk. When the bank lends an advance, it faces credit risk and sometimes the banks may not be able to recover the loan amount from the borrowers. In the case of failure of any bank product, the banks face market risk and operational risk occurs on account of failure of systems available in the bank branches namely; staff unrest; striking employees; computer failure; automated teller machines out of order etc.

126. **What do you mean by merchant banking?** – Merchant banking stands for provision of various services to corporate clients by helping them to access capital market. Merchant banks help the corporate customers to approach the capital market with initial public offers for the purpose of collection of capital by way of shares.

127. **What do you mean by demat accounts?** Demat means dematerialization. During the early days, shares and debentures certificates were issued in physical form in the form of certificates. At present, they are issued in electronic form. It is the process by which paper securities are converted to electronic form so that they can be stored, sold and transferred easily.

128. **What is a depository?** – A depository holds the securities of the investors in electronic form. In our country there are two depositories namely; NSDL – National Securities Depositories Limited promoted by National Stock Exchange and CDSL – Central Depository Services Limited promoted by Bombay Stock Exchange.

129. **What do you know by consortium financing?** When a corporate is in need of huge finance – say Rs. 200 crores and above, banks join together and extend the loan facilities by sharing the loan amount between themselves. This reduces the risk for each bank. The banks jointly process the application of the borrower and sanction the advance and this is called consortium lending.

130. **What do you mean by repo rate?** – It is the rate at which RBI lends short term funds to the commercial banks against securities. In order to temporarily expand the money supply, the central bank decreases repo rates enabling the banks to swap the government securities for cash. Repo is the abbreviation of Repurchase and to contract the money supply RBI increases the repo rates.

131. **What do you mean reverse repo ?** – The reverse repo rate is the interest rate that banks receive if they deposit money with the central bank. This reverse repo rate is always lower than the repo rate. Increases or decreases in the repo and reverse repo rate have an effect on the interest rate on banking products such as loans, mortgages and savings.

132. **What do you mean by CRR?** – CRR means Cash Reserve Ratio and as per the stipulations by Reserve Bank of India, all banks are in a position to maintain a certain percentage of their deposits (technically called as net demand and time liabilities) in their account with the RBI. CRR ranges from 5 percent to 15 percent. By increasing CRR by merely 0.25 percent, an amount of Rs. 15000 crores of liquid funds can be transferred from the commercial banks to the coffers of RBI. When CRR is reduced, the liquid funds are transferred from RBI to commercial banks.

133. **What do you mean by SLR?** – Statutory Liquidity Ratio refers to the stipulation by RBI that approximately 25 percent of the banks deposits is to be kept in the form of government securities, gold and cash. Primarily SLR refers to the amount invested by the banks in Government of India securities. RBI has the right to change the statutory liquidity

ratio from time to time. On reduction of SLR, the availability of funds for the banks moves up and banks tend to more loans to the common public. In the case of increase in SLR, banks reduce bank lending.

134. **What do you mean by PLR?** – Prime lending rate is the rate at which commercial banks are willing to lend to their triple A rated No 1 borrowers. The lending rates by the bank for other borrowers whose credit worthiness is low will be more than prime lending rate. RBI has deregulated the lending rates that are to be charged by the banks for advance above Rs. 2 lakhs.

135. **What do you mean by BPLR?** – It is the rate at which commercial banks must charge to all their advances less than Rs. 2 lakhs.

136. **Who is a non resident Indian?** – Non resident Indian is the person who is the Indian citizen who is residing in abroad for more than 182 days and has gone for abroad for the purposes namely; business, studies and employment.

137. **What are the different types of accounts that can be opened by Non Resident Indians?** – Non resident ordinary account, Non resident External account, FCNR account and RFC account.

138. **What are the different currencies in which FCNR accounts can be opened?** – FCNR accounts can be opened in the following currencies namely; US dollar, pound sterling, Euro, Australian dollar, Japanese Yen and Canadian dollar. FCNR accounts can be opened for a minimum period of one year and maximum period of three years

139. **What are the traditional functions of RBI?** – The traditional functions of RBI are – issue of currency, forex management, export assistance, clearing house functions, change of currency, transfer of currency, publication of statistics and other information and training in banking.

140. **What are the developmental functions of RBI?** – The developmental functions of RBI are – agriculture development, promotion of industrial finance, promotion of export through refinance, development of bill market, development and regulation of banking system.

141. **What are the regulatory functions of RBI?** – The regulatory functions of RBI are – qualitative credit control, bank rate, differential rate of interest, open market operations, Maintenance of CRR and SLR, direct action, credit authorization scheme and moral persuasion

142. **What are the different types of financial institutions in our country?** – The various financial institutions in our country are – RBI – Reserve Bank of India; SEBI – Securities and Exchange Board of India and IRDA – Insurance Regulatory and Development Authority of India. RBI monitors the various banks in the country; SEBI monitors and regulates capital markets and IRDA monitors the functions of insurance companies.

143. **What are the different types of banks in our country?** – In our country the following banks are available – savings banks; commercial banks; industrial banks; development banks; land development banks; indigenous banks; central bank; cooperative banks; exchange banks and consumer banks

144. **What are the different types of secondary functions of any bank?** – They are agency or representative functions; general utility services and social development functions.

145. **What do you mean by agency or representative functions of any bank?** – They are collection and payment of various items; purchase and sale of securities; trustee and executor; remitting money; purchase and sale of financial exchange; letter of references and other agency functions.

146. **What are the general utility services offered by the banks?** – They are locker facilities; business information; help in transportation of goods; acting as a referee; issuing of letters of credit; acting as underwriters; issue of traveler cheques; issue of gift cheques and dealing in merchant banking activities

147. **What are the social development functions of a bank ?** – They are capital formation; inducement to innovations; impact on the rate of interest; role on the development of rural sector; helping in pushing up the demand

148. **Can you name some items which are covered under negotiable instruments act?** – They are promissory notes, bills of exchanges; cheques, exchequer bills; circular notes; dividend warrants; share warrants; bearer debentures; bank notes and bank drafts

149. **What do you mean by priority sector advance?** – In order to boost development of agriculture and industries, Government of India has stipulated certain norms under which banks are in a position to allocate 40 percent of their

advances exclusively to certain categories of borrowers called as priority sector advances. The following are classified into priority sector advances namely – retail traders, small business, professional and self employed; agriculture; small scale industries, self help groups, differential rate of interest and SC/ST beneficiaries

150. **What do you mean by weaker sections?** – The following categories are termed as weaker sections namely – small business enterprises; marginal farmers; artisans/village and cottage industries for whom loans are granted upto Rs. 50000.00; SGSY beneficiaries; SC/ST beneficiaries; DIR beneficiaries; SJSRY beneficiaries; SLRS; self help groups and people belonging to minority community.

COMMITTEES/PROGRAMMES/PLANNING COMMISSION

BULLET POINTS = PART 031

1. **COMMITTEES ON VARIOUS SECTORS OF INDIAN ECONOMY**

01	A C SHAH	NON BANKING FINANCIAL COMPANY
02	BIMAN JALAN	MARKET INFRASTRUCTURE INSTRNMENTS
03	MALEGAM	FUNCTIONING OF MICRO FINANCE
04	BIRLA	CORPORATE GOVERNANCE
05	KIRITH PARIKH	RATIONALISATION OF PETROLEUM PRODUCTS
06	CHATURVEDI	IMRPOVING NATIONAL HIGHWAYS
07	SR HASHIM	URBAN POVERTY
08	ABHIJIT SEN	WHOLESALE PRICE INDEX
09	C RANGARAJAN	SERVICES PRICES INDEX AND FINANCIAL INSTITUTION
10	ABID HUSSAIN	DEVELOPMENT OF CAPITAL MARKETS
11	DAMADORAN	CUSTOMER SERVICE IN BANKS
12	KHANDELWAL	HUMAN RESOURCE IN COMMERCIAL BANKS
13	PATIL	CORPORATE DEBT
14	V K SHARMA	CREDIT TO MARGINAL FARMERS
15	SARANGI	NON PERFORMING ASSETS
16	KHANNA	REGIONAL RURAL BANKS
17	DANTAWALA	LEAD BANK SCHEME
18	GADGIL	FINANCIAL INCLUSION

19	THORAT	DEREGULATION OF SMALL SAVING DEPOSIT RATES
20	DEEPAK MOHANTY	MONETARY SYSTEM IN INDIA
21	RAGHURAM RAJAN	FINANCIAL SECTOR REFORMS
22	NARESH CHANDRA	CIVIL AVIATION
23	RAKESH MOHAN	RAILWAYS
24	KAKODKAR	RAIL SAFETY
25	PITRODA	RAIL MODERNISATION

2. PLANNING COMMISSION MEMBERS

01	DR MANMOHAN SINGH	CHAIRMAN
02	MONTEK SINGH AHUWALIA	DEPUTY CHAIRMAN
03	SOUMITRA CHOUDHARY	MEMBER
04	MIHIR SHAH	MEMBER
05	K KASTURI RENGAN	MEMBER
06	AMAN MAIRA	MEMBER
07	ABHIJIT SEN	MEMBER
08	SYEDA HAMEED	MEMBER
09	NARENDRA JADHAV	MEMBER
10	B K CHATURVEDI	MEMBER

3. FLAGSHIP PROGRAMMES OF GOVERNMENT OF INDIA

01	SSA	SARVA SHIKSHA ABHIYAN	2001
02	NRHM	NATIONAL RURAL HEALTH MISSION	2005
03	ICDS	INTEGRATED CHILD DEVELOPMENT SCHEME	1975
04	MDM	MID DAY MEAL	1995

05	NRDWP	NATIONAL RURAL DRINKING WATER PROGRAMME	2009
06	TSP	TOTAL SANITATION PROGRAMME	
07	NSAP	NATIONAL SOCIAL ASSISTANCE PROGRAMME	
08	MGNREGA	MAHATMA GANDHI RURAL EMPLOYMENT GUARANTEE ACT	2006
09	IAY	INDIRA AWAS YOJANA	1999
10	RGVY	RAJIV GANDHI VIDYUTIKARAN YOJANA	2005
11	JNNURM	JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION	2005
12	BNY	BHARAT NIRMAN YOJANA	

4. **EMPLOYMENT, POVERTY, RURAL AND URBAN DEVELOPMENT PROGRAMMES**

01	EGSM	EMPLOYMENT GUARANTEE SCHEME OF MAHARASHTRA	1972
02	TRYSEM	TRAINING RURAL YOUTH FOR SELF EMPLOYMENT	1979
03	IRDP	INTEGRATED RURAL DEVELOPMENT PROGRAMME	1980
04	NREP	NATIONAL RURAL EMPLOYMENT PROGRAMME	1980
05	RLEGP	RURAL LANDLESS EMPLOYMENT GUARANTEE PROGRAMME	1983
06	JRY	JAWAHAR ROZGAR YOJANA	1989
07	NRY	NEHRU ROZGAR YOJANA	1989
08	SUWE	SCHEME OF URBAN WAGE EMPLOYMENT	1990
09	EAS	EMPLOYMENT ASSURANCE SCHEME	1990
10	SJSRY	SWARNA JAYANTHI SHAHARI ROZGAR YOJANA	1997
11	SJGSY	SWARNA JAYANTHI GRAM SWAROZGAR YOJANA	1999
12	JPNRGY	JAI PRAKASH NARAYAN ROZGAR GUARANTEE YOJANA	2002-2003
13	PMGY	PRADHAN MANTRI GRAMODAYA YOJANA	2000
14	SGRY	SAMPOORNA GRAMEEN ROZGAR YOJANA	2001
15	FWP	FOOD FOR WORK PROGRAMME	2001

16	PMEGP	PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME	2008
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5. **RURAL EMPLOYMENT PROGRAMMES**

01	CDP	COMMUNITY DEVELOPMENT PROGRAMME	1952
02	NPRD	NATIONAL FUND FOR RURAL DEVELOPMENT	1984
03	CAPART	COUNCIL FOR ADVANCEMENT OF PEOPLE'S ACTIONS AND RURAL TECHNOLOGY	1986
04	DRDA	DISTRICT RURAL DEVELOPMENT AGENCY	1993
05	PMGSY	PRADHAN MANTRI GRAM SADAK YOJANA	2000
06		TWENTY POINT PROGRAMME	1975
07	DPAP	DROUGHT PRONE AREAS PROGRAMME	1973-1974
08		ANNAPURNA SCHEME	2000
09	TSC	TOTAL SANITATION CAMPAIGN	1999
10	NGP	NIRMAL GRAM PURASKAR	2003
11	DDP	DESERT DEVELOPMENT PROGRAMME	1977-1978
12	IWDP	INTEGRATED WASTELAND DEVELOPMENT PROGRAMME	1989-1990
13	VAAY	VALMIKI AMBEDKAR AWAS YOJANA	2001
14	MPLADP	MEMBER OF PARLIAMENT LOCAL AREA DEVELOPMENT PROGRAMME	1993
15	AHIP	AFFORDABLE HOUSING IN PARTNERSHIP(PART OF JNNURM)	2009
16	RAY	RAJIV AWAS YOJANA	2010

6. **WOMEN EMPOWERMENT PROGRAMMES**

01	STEPW	SUPPORT TO TRAINING AND EMPLOYMENT PROGRAMME FOR WOMEN	2003-2004
02	RGSEAG	RAJIV GANDHI SCHEME FOR EMPOWERMENT OF	2010

		ADOLESCENT GIRLS	
03		RASHITRIYA MAHILA KOSH – NATIONAL CREDIT FUND FOR WOMEN	1993
04	IGMSY	INDIRA GANDHI MATRITVA SAHYOG YOJANA	
05		SWAYAM SIDDHA	2001
06		SWADHAR	1995
07	STEP	SUPPORT TO TRAINING AND EMPLOYMENT PROGRAMME FOR WOMEN	1986
08	DWCRA	DEVELOPMENT OF WOMEN AND CHILDREN IN RURAL AREAS	1982
09		DHAN LAXMI	2008
10		UJJWALA	2007
11	GBS	GENDER BUDGETING SCHEME	2004
12	NMEW	NATIONAL MISSION FOR EMPOWERMENT OF WOMEN	2010

7. EDUCATION ORIENTED PROGRAMMES

01	NPEGEL	NATIONAL PROGRAMME FOR EDUCATION OF GIRLS AT ELEMENTARY LEVEL	2003
02	KGBVS	KASTURBA GANDHI BALIKA VIDYALAYAS	2004
03	IEDSS	INCLUSIVE EDUCATION FOR THE DISABLED AT SECONDARY STAGE	2009-2010
04	RMSA	RASHTRIIYA MADHYAMIK SHIKSHA ABHIYAAN OR	2009
	SUCCESS	SCHEME FOR UNIVERSALISATION OF ACCESS FOR SECONDARY EDUCATION	
05		SAAKSHAR BHARAT	2009

8. HEALTH ORIENTED PROGRAMMES

01	NRHM	NATIONAL RURAL HEALTH MISSION	2005
02	JSY	JANANI SURAKSHA YOJANA	2005

9. **MAJOR AGRICULTURAL REVOLUTIONS**

01	BLACK REVOLUTION	PETROLEUM PRODUCTION
02	BLUE REVOLUTION	FISH PRODUCTION
03	BROWN REVOLUTION	LEATHER/NON CONVENTIONAL(INDIA)/COCOA PRODUCTION
04	GOLDEN FIBRE REVOLUTION	JUTE PRODUCTION
05	GREEN REVOLUTION	FOODGRAIN/CEREALS, WHEAT ETC
06	GREY REVOLUTION	FERTILISER REVOLUTION
07	PINK REVOLUTION	ONION PRODUCTION/PHARMACEUTICAL/PRAWN PRODUCTION
08	RAINBOW REVOLUTION	HOLISTIC DEVELOPMENT OF AGRICULTURE SECTOR
09	RED REVOLUTION	MEAT AND TOMATO PRODUCTION
10	ROUND REVOLUTION	POTATO REVOLUTION
11	SILVER FIBER REVOLUTION	COTTON REVOLUTION
12	SILVER REVOLUTION	EGG/POULTRY PRODUCTION
13	WHITE REVOLUTION	MILK/DAIRY PRODUCTION
14	YELLOW REVOLUTION	OIL SEEDS PRODUCTION
15	EVERGREEN REVOLUTION	INCREASE IN PRODUCTIVITY AND PROSPERITY WITHOUT ECOLOGICAL HARM

10. **NAVRATNAS**

01	BHARAT ELECTRONICS LIMITED
02	BHARAT HEAVY ELECTRICALS LIMITED
03	BHARAT PETROLEUM CORPORATION LIMITED
04	GAS AUTHORITY OF INDIA LIMITED
05	HINDUSTAN AERONAUTICS LIMITED

06	HINDUSTAN PETROLEUM CORPORATION LIMITED
07	MAHANAGAR TELEPHONE NIGAM LIMITED
08	NATIONAL ALUMINUM COMPANY LIMITED
09	NATIONAL MINERAL DEVELOPMENT CORPORATION
10	NEYVELI LIGNITE CORPORATION LIMITED
11	OIL INDIA LIMITED
12	POWER FINANCE CORPORATION LIMITED
13	POWER GRID CORPORATION OF INDIA LIMITED
14	RASHTRIYA ISPAT NIGAM LIMITED
15	RURAL ELECTRIFICATION CORPORATION LIMITED
16	SHIPPING CORPORATION OF INDIA LIMITED

11. FINANCE COMMISSION

FINANCE COMMISSION	ESTD ON	CHAIRMAN	OPERATIONAL DURATION
I	1951	K C NYOGI	1952-1957
II	1956	K SANTHANAM	1957-1962
III	1960	A K CHANDA	1962-1966
IV	1964	P V RAJAMANNAR	1966-1969
V	1968	MAHAVEER TYAGI	1969-1974
VI	1972	BRAHMANAND REDDY	1974-1979
VII	1977	J M SHELLET	1979-1984
VIII	1983	Y B CHAVAN	1984-1989
IX	1987	N K P SALVE	1989-1995
X	1992	K C PANT	1995-2000
XI	1998	A M KHUSRO	2000-2005

XII	2003	C RANGARAJAN
XIII	2007	VIJAY L KELKAR

2005-2010

2010-2015

12. POPULATION TREND IN INDIA

01	1891 TO	1921	PERIOD OF STAGNANT POPULATION
02	1921 TO	1951	PERIOD OF STEADY GROWTH
03	1951 TO	1981	PERIOD OF HIGH GROWTH
04	1981 TO	2011	PERIOD OF DECLINING RATE
05	YEAR 1921		THE YEAR OF GREAT DIVIDE

- There are two structures of taxes namely – direct tax and indirect tax
- Direct tax are – personal income tax, corporation tax, wealth tax, gift tax, land revenue, profession tax, stamp duty and registration charges, securities transaction tax, banking cash transaction tax
- Excise tax are – excise duty, custom duty, sales tax, service tax, value added tax, passenger tax, entertainment tax, electricity duty, motor vehicles tax
- Types of planning are – planning by direction, planning by inducement, financial planning, physical planning, perspective planning, indicative planning, imperative planning, rolling plan, core plan.

BULLET POINTS - PART: 032

151. **Arbitrate** is the practice of switching short term funds from one investment to another in order to obtain the best returns. Also the act of buying all the lower price and reselling at the higher price
152. **Arbitration** is referring a dispute to a third, unbiased party for settlement.
153. **Bench marking** is a management methodology based on the principle that an efficient practice in one industry should be applicable to other industries
154. **Base period** is the time period used as the base from which to calculate an index number or a growth rate
155. **Black economy** is that part of a country's economic activity which is next recorded in the national income accounts; although it does involve the production of goods and services
156. **Black market** is a secret sale of goods or currency violating government rules related to pricing, quota, rationing, property, welfare etc.
157. **Black nationalism** is a movement advocating the establishment of a separate black nation with the United States
158. **Bottom line** is the most important tact in a situation
159. **Brain storming** is the technique used for idea generation in which a team of persons put forward new ideas freely and spontaneously

160. **Brainwashing** is the technique of changing a person's ideas, beliefs and attitudes by force, ranging from physical torture to psychological pressure
161. **Branch loyalty** is the repeated purchase of a particular branch of a product by the combination of quality and price
162. **Bullion** means gold, silver or other precious metals in bulk; i.e. in the form of ingots or bars rather than in coin
163. **Capitation fee** is the money arbitrarily collected by professional colleges and self financing educational institutions for admitting students to their courses
164. **Collateral** is the money or property which is used as a guarantee that someone will repay a loan
165. **Communication gap** is a situation in the process of communication when no meaningful exchange of ideas or information takes place. This may be due to the physical or mental differences between the parties involved in the communication
166. **Credit is** granting the use or possession of goods and services without immediate payment.
167. **Curtain raiser** is a journalistic term to denote background stories and features of a forthcoming event published in order to create enthusiasm
168. **Cybernetics** is the study of communication and control of machines and animals. Norbert Weiner, an American mathematician introduced the term cybernetics in 1948
169. **Dear money** mean high rates of interest and a dear money policy carried out by a monetary authority would be one of restricting the money supply in the interest of reducing inflation
170. **Devaluation** is the reduction of the official rate at which one currency is exchanged for another
171. **Disposable income** is the personal income including transfer payment after all direct taxes have been deducted
172. **Drug holiday** is a medical term denoting the discontinuance of a drug for limited period of time for evaluating the effect or side effect
173. **Dry dock** is a dock in which a ship can lie out of water for repairing the parts below its waterline
174. **Dry farming** is the process of growing crops in semi arid regions without irrigation and sufficient rainfall
175. **Dumping** is the sale of a commodity on a foreign market at a price below marginal cost
176. **Embezzlement** is the offence committed when someone entrusted with another's money or property illegally takes it for personal use. It is different from robbery
177. **Embossing** is the process by which a raised design is stamped or pressed on the surface of materials like metal, leather, wood, paper etc.
178. **E publishing** is the production and distribution of different media products in digital format
179. **Floor crossing** is changing one's allegiance from one party to another especially in legislatures. The expression originated in the context that in most of the legislatures the ruling party and opposition sit facing each other in the floor of the house
180. **Flow chart** is a diagram which shows the sequence of steps to be followed for solving a particular problem, usually in algorithm
181. **Free lunch** is something that costs nothing. The expression comes from the old practice of offering free lunches to those who brought drinks. This is often used in negative constructions
182. **Fringe benefits** mean the rewards for employment over and above the wages paid e.g. goods at a discount, subsidized meals, arrangements etc.
183. **Giffen goods** are goods which do not obey the law of demand viz. that less is bought as price rises

184. **Global warming** is an increase over a period of the average temperature of earth's atmosphere and oceans. The greenhouse effect is attributed as the main reason for the phenomenon. Average global temperature since the late 19th century is taken (plus or minus) for assessing the effect of global warming
185. **Gold ETF** is gold exchange traded funds and they are the instruments that trade like shares and are backed by physical gold holdings
186. **Mail merge** is the process of linking a document or letter with a required data file in such a way that different people will get letters with appropriate details
187. **Moratorium** is the temporarily stopping of an activity or postponement or the time for payment of debts or financial obligations
188. **Netizen** is a new term coined by linking the terms – internet and citizen. In the modern age of information technology, any citizen who regularly uses the internet can be called as a netizen.
189. **Outsourcing** is the system of contracting information technology related jobs like translation, transcription, digitization, data conversion, software development , call centre services etc. to outside agencies. The work may be done by the agencies within the country or outside
190. **Per capita income** is the total income of a group divided by the number of people in the group
191. **Personal property** is the temporary or movable property as distinguished from real property
192. **Plagiarism** is the act of illegally copying and using another person's writings, ideas, inventories etc., and presenting it as one's own.
193. **Portfolio** is the collection of securities held by an investor
194. **Recession** is a downturn in the business cycle characterized by two successive quarters of negative rates of growth in the real gross national product
195. **Soft currency** is a currency whose exchange rate is tending to fall because of persistent balance of payment deficits or because of the building up of speculative selling of the currency in expectation of a change in its exchange rate
196. **Soft loan** is a loan bearing either no rate of interest or an interest rate which is below the true cost of the capital lent.
197. **Straight time** is the number of working hours fixed as a standard for given work period
198. **Tax avoidance** is arranging one's financial affairs within the law so as to minimize taxation liabilities
199. **Tax evasion** is failing to meet actual tax liabilities
200. **Truck system** is a system in which wages are paid in goods or kind rather than money
201. **Watermark** is a design applied to paper when it is made. It can be seen by holding the paper up to the light. Currency notes and postage stamps carry a watermark to prevent forgery

BULLET POINTS - PART: 033

BUDGET TERMS

1. **Appropriation bill** is a bill that enables withdrawal of money from the consolidated fund to pay off expenses. These are instruments that Parliament clears after the demand for grants has been voted by the Lok Sabha
2. **Bank credit** includes loans, cash credit and overdrafts and inland bills and foreign bills purchased and discounted
3. **Bill** is a draft legislative proposal which becomes an act when passed by both houses of Parliament and assented to by the President
4. **Budget deficit** is a part of the fiscal deficit and it represents the borrowing requirement of the centre
5. **Budget estimates** – The estimates of government spending on various sectors during the year plus income in the form of tax revenues
6. **Capital revenues** – Expenses incurred on acquisition of assets by the government

7. **Capital receipts** – Include loans raised by center from the market, government borrowings from Reserve Bank of India and proceeds from disinvestment
8. **Consolidated fund** – includes all revenues received by Government, loans raised and receipts from recoveries of loans granted by it.
9. **Consumer Price Index** – is a price index covering the prices of consumer goods
10. **Contingency fund** – is used by the government in emergencies to meet unforeseen expenditures, that cannot wait for Parliament authorization
11. **Corporate tax** – is levied on the profits of firms, as distinct from taxation of the incomes of their owners
12. **Current account deficit** – excess of expenditure over receipts on current account in a country's balance of payments
13. **Current account surplus** – excess or receipts over expenditure on current account in a country's balance of payments
14. **Direct taxes** – are levied on the consumers directly. These include income tax, corporate tax and capital gains tax
15. **Disposable income** – Income minus income tax. This is income available in your hands for expenditure
16. **Disinvestment** – The dilution or selling of the government stake (ownership) in public sector undertakings
17. **Excise duties** – are levied on items manufactured within the country and are paid by the manufacturers.
18. **Finance bill**- Government's plans for imposing new taxes, modifying of the existing tax structure or continuing the existing tax structure beyond the period approved by the Parliament
19. **Fiscal deficit** – difference between the revenue receipts and total expenditure
20. **Foreign direct investment** – is made in India by a company incorporated abroad, through a branch or a subsidiary company set up in India
21. **Foreign Institutional Investor** – an institution established outside India which proposes to invest in India
22. **GDP** – Total market value of finished goods and services produced in the country in a given year
23. **Gross National Product** – GDP plus income of residents from investments made abroad minus income earned by foreigners in domestic market
24. **Indirect taxes** – are charged on goods produced, imported or exported in the country. These taxes include excise and customs duties
25. **Inflation** – Inflation rate is the percentage rate of change in the price level
26. **National debt** – Total outstanding borrowings of the central government exchequer
27. **Peak rate** – the higher rate of customs duty applicable on an item
28. **Per capita income** – the national income of a country, or region, divided by its population
29. **Progressive tax structure** – a tax structure in which the marginal tax rate increases as the level of income increases
30. **Revenue expenditure** – expenses incurred for functioning of government departments, interest on debt, subsidies etc
31. **Revenue receipts** – include tax and duties collected by government and interest and dividend on investments made by government
32. **Revised estimates** – difference between budget estimates and the actual figures pertaining to the economy
33. **Sales tax** – a tax levied at a percentage of retail sales
34. **Vote on account** – it is a sort of interim budget where the government presents accounts required to keep the machinery running until the next government takes over
35. **Wholesale price index** – Prices of goods that are dealt with wholesale (mostly inputs to production, rather than finished commodities)

BULLET POINTS - PART: 034

UNION BUDGET HIGHLIGHTS

- Compliance of Public sector banks with Basel III regulations to be ensured; Rs. 14000 crore provided in BE 2013-2014 for infusing capital
- All branches of Public sector banks to have automated teller machines by 31.03.2014
- Proposal to set up India's first women's bank as a public sector bank. Provision of Rs. 1000 crore as initial capital
- Foreign investment is imperative in view of the high current account deficit, FII, FDI and ECB are three main sources of CAD financing. Foreign investment that is consistent with our economic objectives to be encouraged
- Interest subvention scheme for short term crop loans to be continued; scheme extended for crop loans borrowed from private sector scheduled commercial banks
- Benefits or preferences enjoyed by MSME to continue upto three years after they grow out of this category
- Rs. 6000 crore to Rural Housing Fund in 2013-2014
- National Housing Bank to set up Urban Housing Fund
- A multi pronged approach to increase the penetration of insurance, both life and general, in the country.
- Number of proposals finalized in consultation with Insurance Regulatory Development Authority such as empowering insurance companies to open branches in Tier II cities and below without prior approval of IRDA; KYC of banks to be sufficient to acquire insurance policies, banks to be permitted to act as insurance brokers, banking correspondent allowed to sell micro insurance products.
- Rashtriya Swasthya Bima Yojana to be extended to other categories such as rikshaw, auto rikshaw and taxi drivers, sanitation workers, rag pickers and mine workers
- A comprehensive social security package to be evolved for unorganized sector by facilitating convergence among different schemes; Rs. 2000 crore to be provided in the fund in 2013-2014
- FIIs will be permitted to participate in the exchange traded currency derivate segment to the extent of their Indian rupee exposure in India
- FIIs will also be permitted to use their investment in corporate bonds and Government securities as collateral to meet their margin requirements
- Small and medium enterprises to be permitted to list on the SME exchange without being required to make an initial public offer
- An ambitious IT driven project to modernize the postal network at a cost of Rs. 4909 crore. Post offices to become part of the core banking solution and offer real time banking services.

Reserve Bank of India issues final guidelines for new bank licences and the norms are as furnished below

Eligible promoters:

- Companies, Non Banking Finance Companies and public sector entities
- Broking and real estate firms
- Promoters need to be financially sound with a track record of 10 years
- Positive feedback from other regulators and investigative agencies crucial

Risk fenced structure:

- Promoters must set up banks through wholly owned non operative financial holding companies
- Holding company and bank not permitted to lend or invest in any entity belonging to the promoter group
- Shares of holding companies cannot be transferred to entities outside the promoter group

Shareholding in the bank:

- Holding company to hold 40% stake in the bank for five years
- Holding company to reduce stake in the bank to 20 % in ten years, 15% in 12 years
- Foreign shareholding capped at 49% for five years

Other conditions:

- At least 25 percent of new branches must be in unbanked rural centres
- At least 50 percent of the directors of holding company must be independent directors
- The bank's board must have a majority of independent directors

Application process:

- Applications for banking licences need to be sent by July 1
- RBI to issue in principle approval after considering the recommendations from a high level advisory committee
- The in principle approval will be valid for a year

News in brief

- Syndicate Bank had tied up with Maruti Suzuki for financing cars under Syndvahan scheme
- IDBI Bank Limited had tied up with EXIM Bank to co finance, co arrange syndicate rupee and foreign currency loans; jointly finance export oriented projects in India; and provide and avail refinance facility in Indian rupees and foreign currency for extending short term export credit and long term Capex loans to eligible export oriented companies, particulars in the SME sector
- HDFC bank in association with Times Internet had a launched a credit card that will enable customers to enjoy discounts as high as 25% in restaurants and movie halls
- ICICI bank has tied up with Aircel and VISA to offer mobile banking service for its customers across the country.
- Mr T S Vijayan took over as the Chairman of the Insurance Regulatory and Development Authority

What do you mean by Federal Discount Rate ?:

- The interest rate set by the Federal Reserve that is offered to eligible commercial banks or other depository institutions in an attempt to reduce liquidity problems and the pressures of reserve requirements
- The discount rate allows the federal reserve to control the supply of money and is used to assure stability in the financial markets.
- A decrease in the discount rate makes it cheaper for commercial banks to borrow money, which results in an increase in the supply of money in the economy
- Conversely, a raised discount rate will make it more expensive for the banks to borrow and would thereby decrease the money supply
- Funds borrowed from the fed are processed through the discount window and the rate is reviewed every 14 days

What do you mean by Priority sector lending ?:

- Some areas or fields in a country depending on its economic condition or government interest are prioritized and are called priority sectors – i.e. industry, agriculture.
- Banks are directed by RBI that loans must be given on reduced interest rates with discounts to promote these fields
- It means lending to priority sector in such a way to ensure maximum credit flow to remotest and farthest person of the country by setting up a strong network and series of financial channels. The main objective of Priority sector lending is providing finance to all those sectors which are deprived of easy access to finance and credit.
- It also includes facilitation of growth via development of healthy financial system as well as high living standards of poor living below poverty line

BULLET POINTS - PART: 035

STATE BANK OF INDIA ASSOCIATES PO EXAMINATION HELD ON 07.08.2011 – GENERAL AWARENESS, MARKETING AND COMPUTERS

1. A major Public sector bank raised interest rates in loans by 25 paise points- was news in some major financial news papers recently. This means bank has raised interest by 25 basis points of – **Base lending rate**
2. The Finance Minister of India in one of his press conferences said that inflationary pressure is likely to continue following recent increase in rates of some commodities in international markets. Which of the following commodities was he referring to as it gets frequent increase at international levels and disturbs our Home Economy substantially? – **Petroleum products**
3. Immediately prior to change in the measure of food inflation, which of the following indexes was being used for measuring it? – **Wholesale price index**
4. What is the full form of FINO – a term we see frequently in financial newspapers? – **Financial Information Network and Operations Limited**
5. Which of the following is/are commodity/ies on which subsidy is given to farmers/poor in India? – **Fertiliser; kerosene and LPG**
6. “Bhagyan oilfields” which were recently in news are located in which of the following states in India? – **Rajasthan**
7. The Finance Minister of India recently decided to review the position of bad debts in priority sector. Which of the following is/are the reason(s) owing to which FM took this decision? – **Bad debt in agriculture is still rising substantially every year despite special treatment to it**
8. Which amongst the following countries is not a member of TAPI pipe line project, which was in news recently? – **Portugal**
9. An agreement on Arms Reductions popularly known as START is one of the major issues in the way of smooth relations between which of the following two countries? – **USA and Russia**
10. The International WWW conference 2011 was organized in which of the following places in March 2011? – **Hyderabad**
11. The organization which has initiated an International Convention for the Protection of All Persons from Enforced Disappearance, which came into effect recently? – **United Nations Organisation**
12. “BRIC” which was the organization of four nations namely Brazil, Russia, India and China has now become “BRICS”. Which is the fifth nation included in it? – **South Africa**
13. The process of acquisition of agricultural land and its compensation to farmers recently came up as a major issue in which of the following states? (It also created law and order problems in the state)- **Uttar Pradesh**
14. What does the letter “L” denote in term LAF as referred every now and then in relation to monetary policy of RBI? – **Liquidity**
15. BPPIc which was in news recently is a major international company in the field of – **oil exploration and processing.**
16. Who amongst the following has been appointed as the new coach of the Indian Cricket team for a period of two years? – **Duncan Fletcher**
17. Why was Khanistha Dhanskar’s name in news recently? – **She was crowned Femina Miss India 2011**
18. K. Balachander who was awarded prestigious Dada Saheb Phalke Award 2010 is basically a/an – **director**
19. Banks and other financial institutions in India are required to maintain a certain amount of liquid assets like cash, precious metals and other short term securities as a reserve all the time. In banking world this is known – **SLR**
20. Which of the following space agencies recently launched three satellites and placed them into Polar Sun Synchronous Orbit successfully ? – **ISRO**

21. As per the decision taken by the Government of India recently “Bamboo is a liberated item now” What does it really mean? – **Bamboo henceforth will be treated as a minor forest produce only; now villagers are free to sell bamboo in their community forest areas; Gramasabha is given right to issue transport passes to legally transport the produce.**
 22. Union cabinet recently passed a Rs. 7000 crore project to clean up which of the following rivers in India? – **Ganga**
 23. As per estimates of the Planning Commission of India, the target growth rate of 12th Five year plan is set to – **9% to 9.5%**
 24. Goodluck Jonathan was recently reelected the President of – **Nigeria**
 25. The schemes which were launched by Ministry of Rural Development – Government of India are – National Old age Pension scheme; National maternity Benefit scheme; National family benefit scheme
 26. When you are likely to find an embedded operating system? – **in a PDA**
 27. An online discussion group that allows direct “live” communication is known as – **Chat group**
 28. Which of the following is a program that uses a variety of different approaches to identify and eliminate spam? – **Anti spam program**
 29. Connection or link to other documents or web pages that contain related information is called – **hyperlink**
 30. Which of the following is a programming language for creating special programme like applets? – **Java**
 31. The system unit – **is the container that houses electronic components**
 32. System software – **helps the computer manage internal resources**
 33. Computer and communication technologies such as communication links to the internet that provide help and understanding to the end user is known as - **FTP**
 34. Which of the following is contained on chips connected to the system board and is a holding area for data infrastructure and information? (**processed data waiting to be output to secondary storage**)
 35. Microsoft’s messenger allows users to – **communicate via direct live communication**
 36. Portable computer also known as laptop computer, weighing between 4 and 10 pounds is called – **notebook computer**
 37. The main circuit board of the system unit is the – **mother board**
 38. The billionth of a second is called as – **nanosecond**
 39. Online marketing is the function of – **I T department**
 40. Customisation is useful for – **designing customer specific products**
 41. The key challenge to market driven strategy is – **delivering superior value to customers**
 42. Effective selling skills depends on – **knowledge level of the sales team**
 43. Generation of sales leads can be improved by – **increasing personal and professional contacts**
 44. A market plan is – **documented marketing strategies**
 45. Marketing channels mean – **delivery outlets**
 46. Social marketing means – **marketing for a social cause**
 47. Service marketing is the same as – **relationship marketing**
 48. Market driven strategies include – **positioning the organization and its brands in the market place**
 49. Innovation in marketing is same as – **creativity**
 50. Personal loans can be canvassed among – **salaried persons**
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