

*Ph.D. Entrance Test.*  
*Faculty: Commerce*  
*Banking & Finance*

Con. 3200-12.

KK-2528

(3 Hours)

[Total Marks : 100

*28<sup>th</sup> April, 2012*

Note: 1) Figures to the **right** indicate **full** marks

2) Descriptive answers are assessed on quality as a **whole**.

**Section-I**

**All the questions are compulsory. (40 x1 =40 Marks)**

1. Which among the following body promoted Securities Trading Corporation of India Limited (STCI) jointly with the Public Sector Banks ?

- (a) SEBI (c) IDBI Ltd.  
(b) Reserve Bank of India (d) ICICI Ltd

2. Mutual funds are regulated in India by which among the following ?

- (a) RBI (c) Stock Exchanges  
(b) SEBI (d) RBI and SEBI both

3. Which among the following body authorizes the credit limit to the National Co-operative Marketing Federation ?

- (a) RBI (c) NABARD  
(b) Department of Agriculture (d) Department of Finance

4. Bring out the only incorrect statement :

- (a) Reserve Repo operation by RBI aims are injecting/increasing liquidity  
(b) SDR refers to special drawing  
(c) Rupee appreciation results in decrease in imports  
(d) Increase in inflation rate leads to decline in real interest rate

5. Christine Lagarde, is the Managing Director of -----

- (a) IMF (c) SAARC  
(b) World Bank (d) ADB

6. The Universal Service Obligation Fund (USOF) has been established under which among the following departments of Government of India ?

- (a) Department of Consumer Affairs  
(b) Department of Industrial policy and Promotion  
(c) Department of Telecommunication  
(d) Department of Economic Affairs

7. In which among the following types comes the Interest Rate Risk ?

- (a) Credit Risk (c) Operational Risk  
(b) Market Risk (d) All the above categories

8. When there is an inflationary trend in the economy what would be trend in the pricing of the Bank products ?
- Increasing trend
  - Decreasing trend
  - Constant trend
  - There is no relevance of the inflation in pricing of the Banking Products
9. Which among the following is the correct character of the Foreign Exchange Markets ?
- Foreign exchange markets are localized markets
  - Foreign exchange markets operate within a country's time zone
  - Foreign exchange markets are dynamic and round the clock markets
  - Foreign exchange markets are used only for trade related transactions
10. The term 'Round-Tripping' often appears in financial news these days. What does it mean ?
- Importing products that are not easily available in the domestic markets
  - Indian companies re-exporting imported products without any value addition
  - Bringing back illicit money hidden abroad by Indians under a different name
  - Imposing high customs duty to discourage dumping of goods in Indian market
11. Which of the following statements about economic growth forecast made by the IMF in January 2011 is/are correct ?
- Global growth forecast for 2011 is below 4%
  - Growth forecast for India 2011 is 8.4%
  - Growth forecast for china is higher than for India in 2011
- I only
  - I and II only
  - II and III only
  - III and I only
12. Which of the following was founded in 1956 by the Government of India with funding from the Ford Foundation ?
- National Institute of Public Finance and Policy
  - National Institute of Bank Management
  - National Institute of Financial Management
  - National Council of Applied Economic research
13. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) completed how many years of operation recently ?
- 3 years
  - 4 years
  - 5 years
  - 6 years
14. The State Bank of India (Amendment) Bill-2010, which was passed in the parliament in the latter half of 2010, apart from other things, reduces the statutory minimum shareholding of the Central Government in the bank from \_\_\_\_\_ to \_\_\_\_\_ %, which among the following set of figures fills the blank correctly ?
- 59, 52
  - 55, 51
  - 59, 55
  - 62, 51

15. What do we call an agreement whereby an issuing Bank at the request of the Importer (Buyer) undertakes to take payment to the Exporter (Beneficiary) against stipulated documents ?
- (a) Bill of Exchange (c) Letter of Credit  
(b) Letter of Exchange (d) Bill of Entry
16. Which among the following body finalizes the market-borrowing programmers of State Governments in India ?
- (a) State Governments (c) Union Ministry of Finance  
(b) RBI (d) Planning Commission
17. Which among the following is the only correct statement ?
- (a) Money market meets long term financing needs  
(b) Recession in industrial sector in India is normally due to fall in exports  
(c) Ways and means advances is given by RBI are nowhere related to state's revenue  
(d) Exchange rate is fixed by RBI
18. Which among the following correctly defines the Net Interest Income?
- (a) Interest earned on advances  
(b) Interest earned on investments  
(c) Total interest earned on advances on advances and investment  
(d) Difference between interest earned and interest paid
19. India announced that it was taking steps to reduce the "sensitive lists" of items for trade with SAARC countries recently. Which of the following is correct about items in "sensitive lists"?
- (a) Items which are costlier to produce in India  
(b) Items whose import leads to lower prices for Indian consumer  
(c) Items whose import reduces the market share of domestic producers  
(d) Items which are injurious to health such as tobacco and alcohol
20. 'PIN' in Smart Card is called ---
- (a) Permanent Index Number (c) Personal Index Number  
(b) Personal Identification Number (d) Permanent Identification Number
21. The usage of word "ATM" in the banks connotes --
- (a) Automated Teller Machine (c) Accounts Transacting Machine  
(b) Automated Telling Machine (d) Automated Tallying Machine
22. 'MICR' technology used for clearance of cheques by banks refers to --
- (a) Magnetic Ink Character Recognition  
(b) Magnetic Intelligence Character Recognition  
(c) Magnetic Information Cable Recognition  
(d) Magnetic Insurance Cases Recognition

23. “Buy Now – Pay Now” is commonly used for ---  
(a) Debit Cards (c) Credit Cards  
(b) Vault Cards (d) E-purse
24. Section ---- of RBI Act, 1934 gives sole power to RBI to issue currency notes  
(a) 10 (c) 22  
(b) 18 (d) 26
25. A cheque is dated 12/05/05. The due date is:  
(a) 12/08/05 (c) 12/11/05  
(b) 14/09/05 (d) None of the above
26. Bancassurance is  
(a) An insurance scheme to insure bank deposits  
(b) An insurance scheme to insure bank advances  
(c) A composite financial service offering both bank and insurance products  
(d) A bank deposit scheme exclusively for employees of insurance companies
27. Loan for fish rearing is covered under Priority Sector as ----- advances  
(a) Direct Agriculture (c) Self Employment Scheme  
(b) Indirect Agriculture (d) Allied to indirect Agriculture
28. In bank’s parlance, credit risk in lending is  
(a) Default of the banker to maintain CRR  
(b) Default of the banker to maintain SLR  
(c) Default of the banker to release credit to the customer  
(d) Default of the customer to repay the loan
29. Your bank’s customer XYZ Ltd, enjoys a credit limit of Rs.1,00,000.00. The credit account shows a credit balance of Rs, 10,205.00. The relationship between your bank and XYZ Ltd is:  
(a) Debtor/Creditor (c) Bailor/Bailee  
(b) Creditor/Debtor (d) Bailee/Bailor
30. A bank in India wants to undertake capital market activities, it should:  
(a) Obtain special license from AMFI  
(b) Obtain special license from FIMMDA  
(c) Both a and b  
(d) Register with SEBI
31. Except one of the following, others are known as Non Fund based facilities:  
(a) Letters of Credit (c) Co-acceptance of Bills  
(b) Bank Guarantees (d) Trust Receipt

