



## Professional Knowledge questions Bank for Maharashtra Generalist Officer Scale 2 and 3

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**Q.1 In the context of RBI norms for asset reconstruction companies (ARCs) to acquire financial assets, choose the correct statement?**

1. RBI has put restriction on the ARCs from buying financial assets from their sponsor firms and lenders (bank or financial institution) on a bilateral basis.
  2. As per the amendment made in the Sarfaesi Act, 2002 RBI had permitted ARCs to acquire financial assets from other ARCs.
- a) Only 1  
b) Only 2  
c) **Both 1 and 2**  
d) Neither 1 and 2  
e) None of the above

**Explanation:**

- RBI has put restriction on the ARCs from buying financial assets from its sponsor firms and lenders (bank or financial institution) on a bilateral basis.
- Asset Reconstruction Company (India) (Arcil), which is sponsored by State Bank of India (SBI), ICICI Bank, Punjab National Bank (PNB) and IDBI Bank is likely to be affected the most.
- RBI has also restricted ARCs to buy financial assets from a bank or financial institution, which is:

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- A lender to the ARC
- A subscriber to the fund raised by the ARC for its operations
- An entity in the group to which the ARC belongs

**Q.2 What is the limit on the aggregate exposure of a lender to all borrowers at any point of time, across all NBFC-P2P platforms ?**

- a) Rs. 10 lacs
- b) Rs. 25 lacs
- c) Rs. 50 lacs**
- d) Rs. 60 lacs
- e) None of these

**Explanation:**

### **Prudential norms for NBFC-P2P**

- NBFC-P2P shall maintain a Leverage Ratio not exceeding 2.
- The aggregate exposure of a lender to all borrowers at any point of time, across all P2P platforms, shall be subject to a cap of Rs.50,00,000/- provided that such investments of the lenders on P2P platforms are consistent with their net-worth. The lender investing more than Rs.10,00,000 across P2P platforms shall produce a certificate to P2P platforms from a practicing Chartered Accountant certifying minimum net-worth of Rs.50,00,000.
- The aggregate loans taken by a borrower at any point of time, across all P2Ps, shall be subject to a cap of Rs.10,00,000/-.
- The exposure of a single lender to the same borrower, across all P2Ps, shall not exceed Rs.50,000/-.
- The maturity of the loans shall not exceed 36 months.
- P2Ps shall obtain a certificate from the borrower or lender, as applicable, that the limits prescribed above are being adhered to.

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**Q.3 What is the limit on the aggregate loan taken by a borrower across all NBFC-P2P platforms ?**

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- a) Rs. 10 lacs
- b) Rs. 25 lacs
- c) Rs. 50 lacs
- d) Rs. 60 lacs
- e) None of these

### Explanation:

#### Prudential norms for NBFC-P2P

- NBFC-P2P shall maintain a Leverage Ratio not exceeding 2.
- The aggregate exposure of a lender to all borrowers at any point of time, across all P2P platforms, shall be subject to a cap of Rs.50,00,000/- provided that such investments of the lenders on P2P platforms are consistent with their net-worth. The lender investing more than Rs.10,00,000 across P2P platforms shall produce a certificate to P2P platforms from a practicing Chartered Accountant certifying minimum net-worth of Rs.50,00,000.
- The aggregate loans taken by a borrower at any point of time, across all P2Ps, shall be subject to a cap of Rs.10,00,000/-.
- The exposure of a single lender to the same borrower, across all P2Ps, shall not exceed Rs.50,000/-.
- The maturity of the loans shall not exceed 36 months.
- P2Ps shall obtain a certificate from the borrower or lender, as applicable, that the limits prescribed above are being adhered to.

#### Q.4 What is the maximum loan tenure on a NBFC-P2P platforms ?

- a) 12 months
- b) 24 months
- c) 36 months
- d) 48 months

### Explanation:

#### Prudential norms for NBFC-P2P

- NBFC-P2P shall maintain a Leverage Ratio not exceeding 2.
- The aggregate exposure of a lender to all borrowers at any point of time, across all P2P platforms, shall be subject to a cap of Rs.50,00,000/- provided that such investments of the lenders on P2P platforms are consistent with their net-worth. The lender investing more than Rs.10,00,000 across P2P platforms shall produce a certificate to P2P platforms from a practicing Chartered Accountant certifying minimum net-worth of Rs.50,00,000.
- The aggregate loans taken by a borrower at any point of time, across all P2Ps, shall be subject to a cap of Rs.10,00,000/-.
- The exposure of a single lender to the same borrower, across all P2Ps, shall not exceed Rs.50,000/-.
- The maturity of the loans shall not exceed 36 months.
- P2Ps shall obtain a certificate from the borrower or lender, as applicable, that the limits prescribed above are being adhered to.

#### Q.5 RBI has directed all (Urban) Co-operative Banks (UCBs) having total assets of \_\_\_\_\_ and above as on 31st March of the previous financial year to report exposures on all borrowers having aggregate exposures of \_\_\_\_\_ and more to the CRISIL?

- a) Rs 300 crore, Rs 3 crore

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- b) Rs 400 crore, Rs 4 crore
- c) Rs 500 crore, Rs 5 crore**
- d) Rs 600 crore, Rs 6 crore
- e) None of these

### Explanation:

- The move has been taken by RBI with the aim of early detection of financial distress.
- The Co-operative Banks (UCBs) having total assets of Rs 500 crore and above as on 31st March of the previous financial year shall report credit information, including classification of an account as Special Mention Account (SMA), on all borrowers having aggregate exposures of Rs 5 crore.
- Special Mention Account (SMA) is an account which is exhibiting signs of incipient stress resulting in the borrower defaulting in timely servicing of her debt obligations, though the account has not yet been classified as NPA as per the extant RBI guidelines.
- The RBI has created a Central Repository of Information on Large Credits (CRILC) of commercial banks, all India financial institutions and certain non-banking financial companies.

### Q.6 What is the maximum limit for the subscription of the Sovereign Gold Bond Scheme for individuals and HUFs?

- a) 4 kg**
- b) 8 kg
- c) 20 kg
- d) 1 kg
- e) None of these

**Explanation:** The **minimum investment limit** of subscription is **one gram** and the **maximum limit is 4 kg for individuals, HUFs and 20 kg for trusts.**

### Q.7 Who is the chairman of the committee set up by RBI to review the regulatory guidelines and supervisory framework of Core Investment Companies (CIC)?

- a) Rakesh Mohan
- b) Tapan Ray**
- c) Nandan Nilekani
- d) U.K. Sinha
- e) None of these

### Explanation:

#### Terms of Reference of the committee:

- To **examine the current regulatory framework** for CIC and **suggest changes** therein.
- Suggest changes to the current approach of the Reserve Bank of India towards registration of CIC.
- To strengthen **corporate governance** and **disclosure requirements** for CIC.
- For enhancing off-site and on-site **supervision** over CIC.
- The committee shall submit the report by **October 31, 2019.**

#### Core Investment Companies (CIC):

- CIC is a **Non-Banking Financial Company (NBFC)** that is indulged in the business of acquiring shares and securities.

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- The CIC holds **not less than 90%** of its net assets in the **form of investment**.
- The investment is made in equity shares, preference shares, debentures, bonds, debt or loans in group companies.
- The investments in the **equity shares** in group companies are **not less than 60 per cent** of its net assets.

**Q.8 Which of the following is not allowed to benefits of alternate composition scheme?**

- a) Service providers of turnover up to Rs 50 lakh
- b) Ice-cream manufacturers
- c) E-commerce players
- d) Traders of turnover up to Rs 1.5 crore**
- e) None of these

**Explanation:**

- **Manufacturers or traders** with a taxable business turnover of up to Rs 1.5 crore are eligible for the scheme. The turnover limit is Rs 75 Lakh for the North-Eastern States.
- For the **service provider**, the taxable business turnover is up to Rs 50 Lakh.
- Under this scheme, the person can pay tax **every quarter** at a flat percentage of turnover, instead of paying tax at a normal rate **every month**.
- The composition scheme applies tax rates at 1% (0.5% CGST and 0.5% SGST) on turnover for manufacturers and traders, 5 % on restaurants (not serving alcohol) and 6% for other service providers.
- The scheme **resists** e-commerce players, businesses with tobacco and pan masala, inter-state supplies and ice-cream manufacturers to opt for the scheme.

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**Q.9 What is the definition of a micro enterprise as per MSME act ?**

- a) Investment in plant and machinery is less than 10 lacs
- b) Turnover is less than 5 crore**
- c) Has less than 10 full-time employees
- d) Total investment in fixed assets of business is less than 25 lacs

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e) None of these

**Explanation:**

Enterprises	Annual Turnover
Micro Enterprises	Does not exceed 5 crore rupees
Small Enterprises	More than 5 crore rupees but does not exceed 75 crore rupees
Medium Enterprises	More than 75 crore rupees but does not exceed 250 crore rupees

**Q.10 What is "Priority Sector Lending" target for Small Payment banks?**

- a) 40 per cent of Adjusted Net Bank Credit
- b) 50 per cent of Adjusted Net Bank Credit
- c) 25 per cent of Adjusted Net Bank Credit
- d) 75 per cent of Adjusted Net Bank Credit**
- e) None of these

**Explanation:**

Categories	Target
Total Priority Sector	75 per cent of Adjusted Net Bank Credit
Agriculture	18 per cent of ANBC. Within the 18 per cent target for agriculture, a target of 8 percent of ANBC is prescribed for Small and Marginal Farmers.
Micro Enterprises	7.5 per cent of ANBC
Advances to Weaker Sections	10 percent of ANBC

**Q.11 What is the age-limit to be eligible as a director of a PSU bank ?**

- a) 35 to 67 years**
- b) 24 to 70 years
- c) 30 to 67 years
- d) 27 to 65 years
- e) None of these

**Explanation:**

- The Committee shall determine the 'fit and proper' status of the proposed candidates based on the broad criteria mentioned hereunder:
  - I. **Age** – The candidate's age should be between 35 to 67 years as on the cut-off date fixed for submission of nominations for election.
  - II. **Educational qualification** – The candidate should at least be a graduate.
  - III. **Experience and field of expertise** – The candidate shall have special knowledge or practical experience in respect of one or more

**Q.12 What is the maximum tenure of a PSU bank director ?**

- a) 5 years
- b) 6 years

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- c) 9 years
- d) 10 years
- e) None of these

**Explanation:** An elected director shall hold office for three years and shall be eligible for re-election: Provided that no such director shall hold office for a period exceeding six years, whether served continuously or intermittently.

**Q.13 RBI's medium-term strategy framework UTKARSH 2022 has a duration of?**

- a) 2020-2023
- b) 2019-2024
- c) 2020-2022
- d) 2019-2022**
- e) None of these

**Explanation:**

- The framework's **objective** is to achieve excellence in the performance of RBI's mandates and improve regulation, supervision of the central bank and to avoid future crisis.
- The vision document is a **3-year roadmap** to guide the RBI during the medium-term period **(2019-22)**.

**Q.14 Out of the given options, which committee is related to the surplus transfer of reserves between RBI and the government?**

- a) H.R. Khan committee
- b) Tapan Ray committee
- c) Bimal Jalan committee**
- d) TN Mahoharan committee
- e) None of these

**Explanation:**

- The **Bimal Jalan Committee on Economic Capital Framework** met on 17th July 2019 for the final time to decide on **transferring of surplus reserves to the government**.
- RBI had the total surplus cash reserve of **Rs 9.43 lakh crore** on 30th June 2018.
- According to the finance ministry, the buffer of **28 % of gross assets** maintained by the RBI is well above the **global norm of around 14 %**.

**Q.15 What is the maximum duration of time for the completion of the resolution process for corporates, allowed under the Insolvency and Bankruptcy Code (IBC)?**

- a) 330 days**
- b) 270 days
- c) 250 days
- d) 100 days
- e) None of these

**Explanation:** Amendments to The Insolvency and Bankruptcy Code (IBC) was approved. This includes **330 days deadline** for corporate resolution process and 7 other amendments. Currently, IBC allows a maximum of **270 days** for clearing a resolution plan (180 days and extended 90 days if a majority of the creditors agree).

**Q.16 Which infrastructure finance entity was proposed to be set up in Budget 2019-20?**

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- a) Credit Guarantee Bond Corporation
- b) Credit Guarantee Enhancement Corporation**
- c) Credit Bond Enhancement Corporation
- d) Credit Bond Rating Corporation
- e) None of these

### Explanation:

- The government is to set up the Credit Guarantee Enhancement Corporation (CGEC) with Rs 20K crore capital.
- The **Infrastructure finance entity- CGEC** was announced by Nirmala Sitharaman in the budget 2019-20 to increase the source of capital for **infrastructure financing**.
- The CGEC is expected to free up lending of up to **Rs 3.5 lakh crore** by the banks.
- It will be set up with a capital of **Rs 20K crore**.
- The step was taken to fulfil the need for investment as it is estimated that India requires an **average investment of 20 lakh crore** every year.
- The Finance Minister proposed to set up the CGEC in 2019-20 and the regulations have been notified by the **RBI**.
- **Credit enhancement** helps the companies to improve their **bond ratings** by ensuring guaranteed bond payment to a certain limit.
- It helps the issuer of the bond to get access to markets at **cheaper rates** than the bank's borrowings.

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**Q.17 Which is the 1st foreign bank to launch operations at IFSC GIFT City, Gujarat?**

- a) Abu Dhabi Commercial Bank
- b) Bank International Indonesia
- c) Standard Chartered**
- d) Antwerp Diamond Bank
- e) None of these

### Explanation:



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- The bank has received in-principle regulatory approvals to set up its **IFSC Banking Unit** in GIFT city, Gujarat.
- The **Gujarat International Finance Tec-City (GIFT City)** is envisaged as a hub to bring **offshore financial transactions**.
- The GIFT city is working with organisations to help build a **hub for aircraft leasing and financing** within GIFT City.
- The banking business at GIFT IFSC has already seen a **167% jump in just 2 years**.
- The cumulative banking transaction has reached **\$22 billion this year** while it was **\$6 billion in 2016-17**.
- Data shows that IFSC Banking Units (IBUs) have contributed **around 8% of total External Commercial Borrowings (ECBs)** availed by Indian corporates in 2017-18 in GIFT IFSC.

**Q.18 In the set of rules/directives given by RBI to banks in India, out of the following which option/options comes under priority sector?**

- a) Renewable energy
- b) Housing
- c) Export Credit
- d) Social infrastructure
- e) **All of them**

**Explanation:** Priority Sector includes the following categories:

- I. Agriculture
- II. Micro, Small and Medium Enterprises
- III. Export Credit**
- IV. Education
- V. Housing**
- VI. Social Infrastructure**
- VII. Renewable Energy**
- VIII. Others

**Q.19 What is the applicable limit for bank loans for building social infrastructure under priority sector?**

- a) up to a limit of Rs.5 million per borrower
- b) up to a limit of Rs.50 million per borrower**
- c) up to a limit of Rs.10 million per borrower
- d) No limit is applied for bank loans for building social infrastructure
- e) None of these

**Explanation:** Bank loans up to a limit of Rs.50 million per borrower has been put for classification under priority sector for building social infrastructure.

**Q.20 What is the prescribed limit for bank loans sanctioned to education under priority sector?**

- a) upto Rs. 1 million**
- b) upto Rs. 11 million
- c) upto Rs. 10 million
- d) upto Rs. 1 lakh
- e) None of these

**Explanation:** Loans to individuals for educational purposes including vocational courses **upto Rs. 1 million** irrespective of the sanctioned amount are eligible for classification under priority sector.

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**Q.21 What is the Target set for Domestic scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks) under priority sector?**

- a) 20 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher
- b) 60 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher
- c) 35 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher
- d) 40 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher**
- e) None of these

**Explanation:**

Categories	Domestic scheduled commercial banks (excluding Regional Rural Banks and Small Finance Banks) and Foreign banks with 20 branches and above	Foreign banks with less than 20 branches
<b>Total Priority Sector</b>	40 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.	40 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, to be achieved in a phased manner by 2020.

**Q.22 Which among the following is not included under Weaker Sections under priority sector?**

- a) Self Help Groups
- b) Overdraft limit to PMJDY account holder upto Rs.50,000/- with age limit of 18-65 years**
- c) Artisans
- d) Beneficiaries of Differential Rate of Interest (DRI) scheme
- e) None of these

**Explanation:** Priority sector loans to the following borrowers are eligible to be considered under Weaker Sections category:-

Category
Small and Marginal Farmers
Artisans, village and cottage industries where individual credit limits do not exceed Rs. 0.1 million
Beneficiaries under Government Sponsored Schemes such as National Rural Livelihoods Mission (NRLM), National Urban Livelihood Mission (NULM) and Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)

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Scheduled Castes and Scheduled Tribes

Beneficiaries of Differential Rate of Interest (DRI) scheme

Self Help Groups

Distressed farmers indebted to non-institutional lenders

Distressed persons other than farmers, with loan amount not exceeding Rs. 0.1 million per borrower to prepay their debt to non-institutional lenders

Individual women beneficiaries up to Rs. 0.1 million per borrower

Persons with disabilities

Overdraft limit to PMJDY account holder upto Rs. 10,000/- with age limit of 18-65 years.

Minority communities as may be notified by Government of India from time to time

**Q.23 Choose the wrong statement about the prescribed limit for housing loans under priority sector?**

- a) Up to Rs.4.5 million loans to individuals in metropolitan centres is prescribed
- b) Housing loans to banks' own employees are eligible for classification under priority sector
- c) Only a
- d) Only b
- e) **Both a & b**

**Explanation:**

- Loans to individuals up to **Rs.3.5 million** in metropolitan centres (with population of ten lakh and above) are allowed under PSL provided the overall cost is Rs.4.5 million.
- Loans to individuals up to **Rs.2.5 million** in non-metropolitan centres (with population of less than ten lakh) are allowed under PSL provided the overall cost is Rs.3 million.
- Housing loans to banks' own employees are **not eligible** for classification under priority sector.

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**Q.24 Bank credit to registered NBFCs for on-lending will be eligible for classification as priority sector subject to conditions. For the 'term lending' component of 'Agriculture' the limit is Rs.10 lakh per borrower. For MSE borrowers, it is \_\_\_\_\_.**

- a) Rs.10 lakh
- b) Rs.15 lakh
- c) Rs.20lakh**
- d) Rs.25 lakh
- e) None of these

**Explanation:** Bank credit to non-banking financial companies (NBFCs) for on-lending to the agriculture, micro and small enterprises (MSE) and housing categories under priority sector lending (PSL) will be allowed up to a limit of 5 per cent of the individual bank's total PSL on an ongoing basis.

### **Limits:**

- **Agriculture:** On-lending by NBFCs for 'Term lending' component under Agriculture will be allowed up to Rs.10 lakh per borrower.
- **Micro & Small enterprises:** On-lending by NBFC will be allowed up to Rs. 20 lakh per borrower.
- **Housing:** Enhancement of the existing limits for on-lending by HFCs from Rs. 10 lakh per borrower to Rs. 20 lakh per borrower.

**Q.25 The minimum credit rating required to issue "Commercial Paper" is?**

- a) A-1
- b) A-2**
- c) AAA
- d) AAAA
- e) None of these

**Explanation:** Rating requirements for issuance of CP:

- All eligible participants shall obtain the credit rating for issuance of Commercial Paper either from CRISIL, ICRA, CARE or the FITCH or such other credit rating agency (CRA) as may be specified by the Reserve Bank of India.
- The **minimum credit rating shall be A-2** [As per rating symbol and definition prescribed by Securities and Exchange Board of India (SEBI)].
- The issuers shall ensure at the time of issuance of CP that the rating so obtained is current and has not fallen due for review.

**Q.26 As per the IBBI norms, what is the timeline given for completing the liquidation process for corporate debtors?**

- a) 2 years
- b) 60 days
- c) 1 year**
- d) 5 years
- e) None of these

**Explanation:** The CoC may recommend the sale of the corporate debtor or sale of the business of the corporate debtor in the process of liquidation. IBBI has now specified to complete all the liquidation processes within one year of its commencement i.e. a model timeline for each liquidation task completion.

**Q.27 The government in budget 2019 has decided to borrow overseas sovereign bond in?**

- a) **Foreign currencies**
- b) Domestic currencies
- c) Both a and b
- d) Neither a nor b
- e) None of these

**Explanation:** The real interest rate on Indian bonds is attractive as compared to other developed countries, and attracts foreign portfolio investor's interest in Indian government bonds traded locally but they have to take the currency risk investing in rupee-denominated government bonds.

**Q.28 For which purpose DBT portal has been launched by the Ministry of tribal affairs?**

- a) For sharing beneficiary data by state for faster release of funds
- b) To enable states to raise query about welfare funds
- c) Both a and b
- d) **Only a**
- e) Only b

**Explanation:** DBT Tribal portal, is launched by the ministry of tribal affairs to bring in greater e-Governance in implementation of welfare schemes for STs. It consists of 3 modules-

- **Data Sharing module** is mainly meant for sharing beneficiary-data by States.
- In **Communication module**, the States have facility to upload documents, raise query and DBT data uploaded by States is used for faster release of funds.
- **Monitoring module** has facility of MIS (Management Information System) reports & Dashboards.

**Q.29 Relaxation for additional factor of authentication (AFA) requirement is permitted for transactions for a maximum value of \_\_\_ per transaction?**

- a) Rs 1,000
- b) **Rs 2,000**
- c) Rs 5,000
- d) Rs 10,000
- e) None of these

**Explanation:** Recently, The Reserve Bank of India (RBI) has removed the so-called two-factor authentication otherwise known as AFA (additional factor of authentication) for online card transactions involving sums up to Rs2,000, in a move aimed at simplifying and encouraging electronic payments. This led to the RBI relaxing the OTP rules for online transactions (or Card Not Present transactions) under the value of Rs.2000.

**Q.30 Which regulatory mechanism has been launched by the RBI for Fintech companies?**

- a) FinBox
- b) StartBox
- c) **SandBox**
- d) TechBox
- e) None of these

**Explanation:** A regulatory sandbox (RS) refers to live testing of new products or services in a controlled/test regulatory environment will provide the requisite regulatory guidance, so as to increase efficiency, manage risks and create new opportunities for fintech consumers.

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**Q.31 According to the disclosure norms of SEBI, all listed banks have to disclose the NPAs exceeding \_\_\_% of the reported profit before provisions and contingencies?**

- a) 15%
- b) 10%**
- c) 20%
- d) 25%
- e) None of these

**Explanation:**

- As per SEBI's new norm, if the **additional provisioning of NPAs** identified by RBI **exceeds 10%** of the reported profit before provisions and contingencies, then **all the listed banks have to disclose to the stock exchanges divergences** in the asset provisioning and classification.
- Earlier, the **threshold** for the NPAs provisioning **was 15%** of the reported profit.

**Q.32 HDFC and Common Service Centres (CSCs) launched which among the following for village-level entrepreneurs (VLEs)?**

- a) MSME Credit Card
- b) Small Business Money-Back Credit Card**
- c) All Business Money-Back Credit Card
- d) Small and Medium Business Money-Back Credit Card
- e) None of these

**Explanation:**

- The credit card has been launched for **small traders, village-level entrepreneurs (VLEs) and VLE-sourced customers**.
- The card will provide easy access to credit for **day-to-day business expenses** to them.
- HDFC Bank and CSC has signed a pact in **July 2018** in which the bank offered to provide products and services in remote locations to **VLEs that are enrolled with CSCs**.

**Common Service Centres (CSCs):**

- CSCs acts as delivery points of various **government and public utility services** across the country.
- There are about **3.6 lakh CSCs** in the country with transacting the business of about **Rs 70,000 crore**.
- The services provided **include** financial services, welfare schemes, health care, digital literacy etc.



Q.33 With respect to Basic Savings Bank Deposit (BSBD) accounts, which statement is correct?

- a) A minimum balance is required
- b) No minimum balance is required**
- c) Limit on the number of deposits
- d) Banks charge for additional services
- e) None of these

**Explanation:** Basic Savings Bank Deposit (BSBD) accounts:

- RBI has **mandated all banks** to offer BSBD accounts to those looking to open a bank account.
- In a BSBD account, **no minimum balance** is required to be maintained.
- These accounts are aimed to enhance **financial inclusion**.
- The **no-frill accounts** also come under BSBD accounts.

**Current Scenario:**

- As per the revised circular, Banks are advised to offer **basic minimum facilities free of charge** without any minimum balance requirement.
- There will be **no limit** on number and value of **deposits** made in a month.
- **4 minimum withdrawals** in a month along with ATM withdrawals are allowed.
- Banks are free to provide additional **value-added services**, like issue of cheque book.
- The customers have option of the availment of such facilities.
- **No minimum balance** would be required to avail such additional services.
- The BSBD account can be **converted** into a **normal saving** account only at the written request of the customer.
- The banks would be penalized under **RBI Banking Regulation Act,1949**, if found for non-compliance of any instruction.

Q.34 Budget 2019 announced setting up of a DD channel for which sector among the following?

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- a) Agriculture
- b) Education
- c) Start-ups**
- d) Health
- e) None of these

### Explanation:

- The channel will serve as a **platform** to discuss issues affecting the growth, funding and tax paying and matchmaking with venture capitalists and investors.
- The start-ups will design and execute the channel itself.
- In 2016, the **Department of Industrial Policy and Promotion (DIPP)** has suggested setting up a channel dedicated to startups to the **Ministry of Information and Broadcasting**.

**Q.35 RBI has constituted the a six-member committee on Development of Housing Finance Securitisation Market in India. Who is the head of this committee ?**

- a) Harsh Vardhan**
- b) UK Sinha
- c) Tapan Ray
- d) Amitabh Kant
- e) None of these

### Explanation:

#### Role of the Panel:

- **The panel will review the regulations relating to mortgage-backed securitisation (MBS) currently in place, and make specific recommendations on suitably aligning the same with international norms.**
- It will assess the role of various counterparties, including servicers, trustees, rating agencies, in the securitisation process and suggest the steps required.

#### Mortgage-Backed Security (MBS):

- **Mortgage-Backed security (MBS) is a type of asset-backed security that is secured by a mortgage or collection of mortgages.**

**Q.36 The Reserve Bank of India (RBI) announced that the time-window for using RTGS service for customer transactions will be extended from 4:30 pm to \_\_\_\_\_ on all working days?**

- a) 5 PM
- b) 6 PM**
- c) 7 PM
- d) 8 PM
- e) None of these

### Explanation:

#### Reason for this decision:

- **The decision is after a robust year-on-year increase in the number of transactions by 8% to Rs.1,335 crore in March 2019.**
- The aggregate amount of transactions rose 12% year-on-year to Rs 1,255.51 crore.



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- In the month of April, banks and customers combined used RTGS for 1.14 crore transactions worth Rs.112 lakh crore.

**Q.37 Which of the following entities are eligible to issue Differential Voting Rights shares ?**

- a) **Tech company making intensive in the use of technology**
- b) Public sector banks
- c) Infrastructure companies
- d) Oil refining companies
- e) None of these

**Explanation:** A company having superior voting rights shares (SR shares) would be permitted to do an initial public offering (IPO) of only ordinary shares subject to fulfillment of eligibility requirements of the SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2018 and the following conditions :

- The issuer company is a **tech company** (as per the definition in Innovators Growth Platform) i.e. intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value addition.
- The SR shareholder **should be a part of the promoter group whose collective net worth does not exceed Rs 500 Crores.**
- The SR shares have been issued **only to the promoters/ founders** who hold an executive position in the company.

**Q.38 In Gold Monetisation Scheme, Gold is valued at \_\_\_\_\_for Gold /USD rate with the Rupee-US Dollar reference rate announced by RBI on that day. The prevalent custom duty for import of gold will be added to the above value to arrive at the final value of gold.**

- a) **London AM fixing**
- b) London PM fixing
- c) Daily RBI gold rate
- d) World Gold Council daily rate
- e) None of these

**Explanation:**

- The London Gold Fix involves gold dealers from London's five biggest bullion banks establishing a common transaction price for a large pool of purchase and sale orders. They do this twice each business day - first at 10:30am (the Morning Fix) and then again at 3pm (the Afternoon Fix).
- The participating bullion banks will be acting both on their own behalf and for those customers of theirs who have issued limit orders for them to trade at the London Gold Fix price. No-one knows what the Gold Fix will be before it is declared.
- The Gold Fix establishes the price at which the gross amount of gold on buy orders matches the gross amount of gold on sell orders - across all the participating banks.

**Q.39 RBI has removed transaction charges levied by it for which two systems to boost digital transactions?**

- a) **Real Time Gross Settlement System (RTGS) and National Electronic Funds Transfer (NEFT)**
- b) Running Time Gross Settlement System (RTGS) and National Electronic Funds Transaction (NEFT)
- c) Real Time General Settlement System (RTGS) and Central Electronic Funds Transfer (CEFT)
- d) Real Transaction Gross Settlement System (RTGS) and National Actual Funds Transfer (NAFT)
- e) None of these

**Explanation:**

- The RBI has removed transaction charges levied by it for Real Time Gross Settlement System (RTGS) and National Electronic Funds Transfer (NEFT) systems to boost digital transactions.
- The Real Time Gross Settlement System (RTGS) is meant for large-value instantaneous fund transfers while the National Electronic Funds Transfer (NEFT) System is used for fund transfers up to Rs 2 lakh.

**Q.40 What has the Reserve Bank of India (RBI) launched on its website for facilitating its grievance redressal process?**

- a) Grievance Management System (GMS)
- b) Complaint Management System (CMS)**
- c) Grievance Redressal System (GRS)
- d) Complaint Redressal System (CRS)
- e) None of these

**Explanation:** It is a software application launched by RBI for lodging complaints against any regulated entity with public interfaces such as Commercial Banks, Urban Cooperative Banks (UCBs) and Non-Banking Financial Companies (NBFCs).



**Q.41 Which country has become the first Arab country to be granted full membership of the Financial Action Task Force (FATF)?**

- a) Oman
- b) Saudi Arabia**
- c) Qatar
- d) Egypt
- e) None of these

**Explanation: What is the FATF?**

- It was established in 1989, with headquarters in Paris, France.

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- The FATF comprises of 37-Member Jurisdictions and 2- Regional Organisations namely Gulf Cooperation Council (GCC) and European Commission (EC).
- **With the Kingdom becoming a FATF member, the number of permanent members in the group is now 39.**
- FATF Plenary is FATF's decision-making body which meets three times per year.

### What is the function of FATF?

- The Financial Action Task Force is an international group responsible for issuing international standards, policies and best practices for combating money laundering, terrorist financing and proliferation and other related threats to the integrity of the international financial system.

### Q.42 What has the Union Ministry of Statistics and Programme Implementation (MoSPI) launched in a bid to effectively track India's progress on Agenda 2030 adopted by UN?

- a) Global Development Goal (GDG) Dashboard
- b) Sustainable Development Goal (SDG) Dashboard**
- c) Human Development Goal (HDG) Dashboard
- d) Universal Development Goal (UDG) Dashboard
- e) None of these

### Explanation: About SDG Dashboard:

- It is a unique, searchable platform, which provides data and insights on how India is progressing on SDGs.
- **It is a first of its kind national platform that pulls together reliable data from more than 100 different data sets, portals and sectors on to only one easy to use and intuitive platform, to power better-informed decision making on SDGs.**
- **It will be India's official data repository of National Indicator Framework (NIF) on SDGs, which is India's largest monitoring framework with 306 statistical indicators.**
- SDG Dashboard is developed in partnership with United Nation in India, Department for International Development (DFID) India and data intelligence firm Social Cops.

### What are SDGs?

- **They are the universal call by the United Nations Development Programme (UNDP) for action towards ending poverty, improving health and education, protecting the planet and ensuring that all people enjoy peace and prosperity by 2030.**
- India has been closely monitoring its progress on SDGs through its National Indicator Framework and India SDG Index released in 2018.

### Q.43 What is the last date to obtain Legal Entity Identifier for entities with networth above Rs.10000 million?

- a) 31 December 2019**
- b) 31 March 2020
- c) 31 July 2020
- d) 30 April 2020
- e) None of these

### Explanation:

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- Legal Entity Identifier (LEI), proposed by the G20, LEI is a unique, electronic, 20-digit standard identifier used to identify the legal entities that participate in financial transactions around the world.
- Just like a passport or a car registration number, the LEI represents a common and recognisable code which can be used to connect to key reference information that enables clear and unique identification of legal entities participating in global financial transactions.

### Timelines for Implementation:

Phase	Net Worth of Entities	Current Deadline	Extended Deadline
Phase I	above Rs.10000 million	April 30, 2019	December 31, 2019
Phase II	between Rs.2000 million and Rs 10000 million	August 31, 2019	December 31, 2019
Phase III	up to Rs.2000 million	March 31, 2020	March 31, 2020

**Q.44 The sum of all the exposure values of a bank to a single counter-party must not be higher than \_\_\_\_\_ of the bank's available eligible capital base at all times.**

- a) 10 per cent
- b) 15 per cent
- c) 20 per cent**
- d) 25 per cent
- e) None of these

### Explanation:

- The sum of all the exposure values of a bank to a single counter-party must not be higher than 20 per cent of the bank's available eligible capital base at all times.
- In exceptional cases, board of banks may allow an additional 5 per cent exposure of the bank's available eligible capital base.
- In case of groups of connected counter-parties, the sum of all the exposure values of a bank to a group of connected counter-parties must not be higher than 25 per cent of the bank's available eligible capital base at all times, the revised LEF said.
- Under the LE Framework, an exposure to a counter-party will constitute both on and off-balance sheet exposures include.

**Q.45 As per Moody's rating, the current local and foreign currency issuer rating for the Indian Economy is?**

- a) Baa1
- b) Baa2
- c) Baa3**
- d) Baa4
- e) None of these

**Explanation:** Moody's rating agency upgraded local and foreign currency issuer rating to Baa2 from Baa3 for Indian Economy.

**Q.46 Section 80-IAC of the Income Tax Act, 1961 was recently in the news for which context?**

- a) Insolvency and Bankruptcy Code related norms
- b) Foreign direct investment
- c) Angel tax provisions

- d) Start-ups tax holiday eligibility
- e) None of these

**Explanation:**

- The tax holiday for small startups provides a deduction for **100% of the income** of an eligible start-up for **3 years** out of 7 years from the year of its incorporation.
- A start-up recognized by **DPIIT (Department for Promotion of Industry and Internal Trade)** has to fulfill the conditions specified in Section 80-IAC for claiming this deduction.
- **Section 80-IAC** contains a detailed definition of the eligible start-up which provides that a start-up shall be eligible for the deduction, if
  - It is incorporated on or after **1st April 2016**.
  - Its turnover **does not exceed Rs. 25 crore** in the year of deduction and
  - It holds a certificate from the **Inter-Ministerial Board of Certification**.

**Q.47 As per RBI's minimum holding period requirement, Minimum Retention Requirement (MRR) for such securitisation/assignment transactions is \_\_\_\_\_ of the book value of the loans being securitised.**

- a) 10%
- b) 15%
- c) **20%**
- d) 25%
- e) None of these

**Explanation: Minimum Holding Period Guidelines:**

- In respect of loans of original maturity above 5 years, the minimum number of instalments to be paid before securitisation is now six monthly instalments (12 earlier) or two quarterly instalments (four).
- Minimum Retention Requirement (MRR) for such securitisation/assignment transactions shall be 20% of the book value of the loans being securitised/20% of the cash flows from the assets assigned.

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**Q.48 Cash withdrawal limit at POS using debit card/credit cards is Rs.1000/- per day in Tier I and II centres and \_\_\_\_\_per day in Tier III to VI centres.**

- a) Rs.1,500/-
- b) Rs.2,000/-**
- c) Rs.2,500/-
- d) Rs.2,750/-
- e) None of these

**Explanation:** Classification of centres (tier-wise) Population(as per 2001 Census)

- Tier 1 - 1,00,000 and above
- Tier 2- 50,000 to 99,999
- Tier 3- 20,000 to 49,999
- Tier 4- 10,000 to 19,999
- Tier 5- 5,000 to 9,999
- Tier 6- Less than 5000

**Q.49 Under 'Partial Credit Guarantee offered by Government of India (GoI) to Public Sector Banks (PSBs) for purchasing high-rated pooled assets from Non-Banking Financial Companies (NBFCs), One-time guarantee provided by the GoI on the pooled assets will be valid for\_\_\_\_\_ from the date of purchase.**

- a) 12 months
- b) 18 months
- c) 24 months**
- d) 36 months
- e) None of these

**Explanation: Operational Guidance:**

- I. The assets shall be purchased by banks at fair value.
- II. Assets to be assigned by NBFCs/HFCs must be **rated by Credit Rating Agencies (CRAs)** accredited by Reserve Bank of India (RBI).
- III. One-time guarantee provided by the GoI on the pooled assets will be **valid for 24 months** from the date of purchase and **can be invoked on the occurrence of default as outlined under heading 'D' below.**
- IV. The guarantee shall cease earlier if the purchasing bank sells the pooled assets to the originating NBFC/HFC or any other entity, before the validity of the guarantee period.

**Q.50 As per the latest circular on Priority Sector Lending, what is the sanctioned limit for classification of export credit under Priority Sector Lending ?**

- a) Rs.25 cr
- b) Rs.30 cr
- c) Rs.40 cr**
- d) Rs.100 cr
- e) None of these

**Explanation:**

## Professional Knowledge Questions Bank for Maharashtra Generalist Officer Scale 2 and 3

- Enhance the sanctioned limit, for classification of export credit under PSL, from Rs.250 million per borrower to Rs.400 million per borrower.
- Remove the existing criteria of 'units having turnover of up to Rs.1 billion.

**Q.51 As per the latest circular on customer compensation for failed transactions using authorised Payment Systems, if a Customer's account debited but cash not dispensed in an ATM, the funds should be credited to his account within \_\_\_ days.**

- T + 1 days
- T + 3 days
- T + 5 days**
- T + 6 days
- None of these

**Explanation:**

Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	Rs.100/- per day of delay beyond T + 5 days, to the credit of the account holder.
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**Q.52 What is the loan limit for education under priority sector?**

- Rs. 5 lacs
- Rs. 10 lacs**
- Rs. 12 lacs
- Rs. 15 lacs
- None of these

**Explanation:** Under Priority Sector Lending (PSL), the loans and advances granted to only individuals for educational purposes up to Rs.10 lakh for studies in India and Rs. 20 lakh for studies abroad.

**Q.53 As per RBI's circulars on Customer liability in case of unauthorised electronic payment transactions through a PPI. In case of a third party breach where the deficiency lies neither with the PPI issuer nor with the customer but lies elsewhere in the system.**

**What is the liability of the customer if he/she intimated on 4<sup>th</sup> day ?**

- Zero
- Rs.5000 or transaction value whichever is lower
- Rs.10000 or transaction value whichever is lower**
- Rs.12000 or transaction value whichever is lower
- None of these

**Explanation:**

Customer liability in case of unauthorised electronic payment transactions through a PPI		
S. No.	Particulars	Maximum Liability of Customer

## Professional Knowledge Questions Bank for Maharashtra Generalist Officer Scale 2 and 3

(a)	Contributory fraud / negligence / deficiency on the part of the PPI issuer, including PPI-MTS issuer (irrespective of whether or not the transaction is reported by the customer)	Zero
(b)	Third party breach where the deficiency lies neither with the PPI issuer nor with the customer but lies elsewhere in the system, and the customer notifies the PPI issuer regarding the unauthorised payment transaction. <b>The per transaction customer liability in such cases will depend on the number of days lapsed between the receipt of transaction communication</b> by the customer from the PPI issuer and the reporting of unauthorised transaction by the customer to the PPI issuer -	
	i. Within three days#	Zero
	ii. Within four to seven days#	Transaction value or Rs. 10,000/- per transaction, whichever is lower
	iii. Beyond seven days#	As per the Board approved policy of the PPI issuer

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**Q.54 As per RBI's latest circular, what is the new limit for "Bulk deposit" ?**

- a) 1 cr
- b) **2 cr**
- c) 5 cr
- d) 10 cr
- e) None of these

**Explanation:**

- Single Rupee term deposits of Rupees two crore and above for Scheduled Commercial Banks (excluding Regional Rural banks) and Small Finance Banks.
- Single Rupee term deposits of Rupees fifteen lakhs and above for RRBs.



**Q.55 As per RBI's latest circular, What is the age limit for retired staff engaged as concurrent auditors?**

- a) 72 years
- b) 70 years**
- c) 68 years
- d) 65 years
- e) None of these

**Explanation:** The tenure of external concurrent auditors with a bank shall not be more than five years on continuous basis. Further, the age limit for retired staff engaged as concurrent auditors may be capped at 70 years. However, no concurrent auditor shall be allowed to continue with a branch/business unit for a period of more than three years.

**Q.56 The tenure of external concurrent auditors with a bank shall not be more than \_\_\_\_\_ years on continuous basis.**

- a) 3
- b) 4
- c) 5**
- d) 6
- e) 7

**Explanation:** The tenure of external concurrent auditors with a bank shall not be more than five years on continuous basis. Further, the age limit for retired staff engaged as concurrent auditors may be capped at 70 years. However, no concurrent auditor shall be allowed to continue with a branch/business unit for a period of more than three years.

**Q.57 The Reserve Bank of India (RBI) has made it mandatory for banks to link all floating personal or retail loans to external benchmark from 1 October 2019, which of the followings can be used as a benchmark ?**

- a) Reserve Bank of India policy repo rate
- b) Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Ltd (FBIL)
- c) Government of India 6-Months Treasury Bill yield published by the FBIL
- d) Any other benchmark market interest rate published by the FBIL.
- e) All of the above**

**Explanation:**

**(a)** All new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks from October 01, 2019 shall be benchmarked to one of the following:

- Reserve Bank of India policy repo rate
- Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Ltd (FBIL)
- Government of India 6-Months Treasury Bill yield published by the FBIL
- Any other benchmark market interest rate published by the FBIL.

**(b)** Banks are free to offer such external benchmark linked loans to other types of borrowers as well.

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(c) In order to ensure transparency, standardisation, and ease of understanding of loan products by borrowers, a bank must adopt a uniform external benchmark within a loan category; in other words, the adoption of multiple benchmarks by the same bank is not allowed within a loan category.

**Q.58 Recently SEBI allowed certain technology companies to issue Superior Rights shares. What is maximum voting right these can have?**

- a) 2:1
- b) 5:1
- c) 10:1**
- d) 25:1
- e) None of these

**Explanation:** A company having superior voting rights shares (SR shares) would be permitted to do an initial public offering (IPO) of only ordinary shares subject to fulfillment of eligibility requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the following conditions :

- The issuer company is a **tech company** (as per the definition in Innovators Growth Platform) i.e. intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value addition.
- The SR shareholder **should be a part of the promoter group whose collective net worth does not exceed Rs 500 Crores.**
- The SR shares have been issued **only to the promoters/ founders** who hold an executive position in the company.

**Q.59 As per Large Exposure Framework of Reserve Bank India, what is the exposure limit on lending to a single NBFC ?**

- a) 20% of Tier-I capital**
- b) 15% of Tier-I capital
- c) 15% of Tier-I & Tier-II capital
- d) 20% of of Tier-I & Tier-II capital
- e) None of these

**Explanation:** Bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 percent of that bank's eligible capital base.

**Q.60 The Finance Ministry has recently slashed the corporate tax rates to \_\_\_% for domestic companies and \_\_\_% for new domestic manufacturing companies.**

- a) 15%, 20%
- b) 22%, 20%
- c) 22%, 15%**
- d) 15%, 22%
- e) None of these

**Explanation:**

- The effective rate for **domestic companies** with inclusive surcharge and cess shall be **25.17%**.
- The effective rate for **new domestic companies** with inclusive surcharge and cess shall be **17.01%**.

**Q.61 Which document has been made mandatory under GST to be linked during the registration of taxpayers?**

- a) Personal Identification Number
- b) Aadhaar**
- c) House number
- d) Both a and c
- e) None of them

**Explanation:**

- The council has decided to link **Aadhaar with the registration of taxpayers under GST** and is in the process to make Aadhaar number mandatory for claiming refunds.
- **No GST** will be charged for **hotel rooms** having tariffs of up to **1,000 Rupees per night**.
- Hotel rooms whose tariff ranges between **1,001 to 7,500 Rupees**, will be levied with **12% GST** instead of the existing 18%.
- A hotel room will be charged with **18% GST** those having the tariff of **7,500 Rupees and above** from the existing 28%.
- **28% tax plus 12% compensation cess** will be charged on **caffeinated beverages** instead of the existing tax rate of 18%.
- A tax of 12% instead of the existing 5% has been put on railway wagon and coaches.
- 12% tax is levied on the woven/non-woven polyethene bags.
- The council has cut the tax rate to **0.25% from 3%** for cut and polished **semi-precious items**.
- GST Council **recommends** lowering 12% cess on vehicles of 1,500 cc diesel, 1,200 cc petrol having the capacity to carry up to 13 people.
- Import of specified **defence goods not being manufactured indigenously** have been **exempted** from GST/IGST till 2024.
- GST on **marine fuels** has been reduced to **5% from 18%**.
- All the above changes in the tax rates are made effective from **1st October 2019**.

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**Q.62** Recently, the government has allowed corporate social responsibility (CSR) spending on \_\_\_\_\_ for corporate companies?

- a) Waste Management Control
- b) Research and Development activities**
- c) Water conservation
- d) Afforestation
- e) None of these

**Explanation:** The Companies Act requires firms with

- net worth of Rs 500 crore
- turnover of Rs 1,000 crore or net profit of Rs 5 crore or more

to set aside 2% of their average net profit over the last 3 years towards 'approved' CSR activities.

**Q.63** RBI has expanded the scope of the Bharat Bill Payment System (BBPS) by allowing \_\_\_\_\_ payments on its platform?

- a) Recurring Payments**
- b) Insurance premium
- c) Mutual funds
- d) Both b and c
- e) None of them

**Explanation:**

- BBPS is an interoperable medium to **facilitate customers to pay bills** such as direct-to-home (DTH), telephone, water, gas and electricity **at a single location** either physical or electronic.
- After the expansion of the payment facility, municipal taxes, insurance premiums, school fees and other **recurring payments** can also be paid via BBPS.
- All categories of billers (except prepaid recharges) are permitted, who provide for recurring bill payments to participate in BBPS on a voluntary basis.
- BBPS payments can be made using cash, cheques, through digital methods including debit, credit card, internet banking.

**Q.64** RBI has recently allowed \_\_\_\_\_ to apply for Small Finance Bank (SFB) licences through the "on tap licensing"?

- a) NBFCs
- b) Payment Banks**
- c) Core Investment Companies
- d) NABARD
- e) None of these

**Explanation:**

- Under the "**on tap licensing**", the criteria that the promoter of a payment bank have to meet to set up an SFB is that both banks come under the **non-operating financial holding company (NOFHC) structure**.
- The SFB licence to the payments banks will allow them to boost deposits and lend, that is currently **capped at Rs 1 lakh per customer**.

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- The **minimum paid-up capital requirement for SFBs** is also revised by the RBI from **Rs 100 crore to now Rs 200 crore**.
- Promoter's shareholding should be a **maximum of 40% by the end of 5 years**, and within **10 years it should be down to 30%** and within **15 years it should be down to 15%** shareholding.
- Promoters could exit from the bank after the lock-in period of 5 years.

**Q.65 What is the lending cap on micro finance institutions in rural and semi-urban areas ?**

- a) Rs.75,000
- b) Rs.1 lac
- c) Rs.1.25 lac**
- d) 2 lacs
- e) None of these

**Explanation:**

- The Reserve Bank of India has raised the lending cap for microfinance institutions to Rs 1.25 lakh, against the earlier limit of Rs 1 lakh, to improve credit availability in rural and semi-urban areas.

**Q.66 As per latest RBI circular, NEFT payment system is available till ?**

- a) 4 PM
- b) 4:30 pm
- c) 7:45 PM
- d) 24x7**
- e) None of these

**Explanation:** NEFT payment system operated by RBI as a retail payment system is available for customers from 8.00 am to 7.00 pm on all working days of the week (except 2nd and 4th Saturdays of the month). The availability of NEFT on a 24x7 basis is expected to revolutionise the retail payments system of the country.

**Q.67 As per latest RBI circular, what is the maximum household limit for the borrowers of micro finance institutions (NBFC-MFIs) in urban areas?**

- a) 1.5 lacs
- b) 2 lacs**
- c) 3 lacs
- d) 5 lacs
- e) None of these

**Explanation:**

- It has also been decided to "increase the household income limit for borrowers of non-banking financial companies-micro finance institutions (NBFC-MFIs) from the current level of Rs 1 lakh for rural areas and Rs 1.60 lakh for urban/semi urban areas to Rs 1.25 lakh and Rs 2 lakh, respectively".

**Q.68 Who manages The Bharat-22 Exchange Traded Fund (ETF) ?**

- a) ICICI Prudential Mutual Fund**
- b) Aditya Birla Sun Life Mutual Fund
- c) UTI Mutual Fund
- d) Axis Mutual Fund
- e) None of these

### Explanation:

- The investors would get a **3% discount over the issue price**.
- The offer has a base issue size of Rs 2,000 crore along with a greenshoe option to retain another Rs 6,000 crore, making the **total amount to Rs 8000 crore**.
- The total sum raised through Bharat-22 ETF to the GOI amounts to Rs 35,900 crore.
- Public sector enterprises like ONGC, IOC, SBI, BPCL, Coal India and Nalco are the part of Bharat-22.
- **State Bank of India (SBI), Indian Bank and Bank of Baroda** are the only three public sector banks that figure in Bharat-22 index.
- **Private companies:** L&t, ITC, Axis bank, Bharat electronics.

**Q.69** RBI has decided to offer on-tap authorisation for Bharat Bill Payment Operating Unit, what is the minimum networth requirement for the applicants ?

- a) Rs25 cr
- b) Rs.100 cr**
- c) Rs.500 cr
- d) Rs.1000 cr
- e) None of these

**Explanation:** For entities desirous to function, operate, or provide platforms for BBPOU, the RBI said they should have a Rs 100 crore net worth and should be maintained at all times.



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**Q.70** As per RBI's "Priority Sector Lending Guidelines", Small Finance Banks will have a target of \_\_\_\_\_ for priority sector lending of their Adjusted Net Bank Credit (ANBC).

- a) 75 per cent**
- b) 40 per cent
- c) 60 per cent
- d) 80 per cent
- e) None of these

## Professional Knowledge Questions Bank for Maharashtra Generalist Officer Scale 2 and 3

**Explanation:** Small Finance Banks will have a target of 75 per cent for priority sector lending of their Adjusted Net Bank Credit (ANBC). While 40 per cent of ANBC should be allocated to different sub-sectors under PSL as mentioned below, the balance 35 per cent can be allocated to any one or more sub-sectors under the PSL, where the banks have competitive advantage.

**Q.71 SEBI has recently made it mandatory to hold at least \_\_\_% liquid assets in mutual fund liquid schemes?**

- a) 10%
- b) 15%
- c) 20%**
- d) 25%
- e) None of these

**Explanation:**

- The **liquid assets include** cash, government securities, T-Bill and repo on Government securities.
- The decision is taken in the wake of the recent credit crisis and **aimed at** ensuring sufficient liquidity and improving risk management.
- Also, **Fund houses** have to match **20% norm** before they start their investment.
- The new rule is applicable from **1st April 2020**.

**Q.72 Choose the correct option to boost the Credit flow in agriculture, as per the recommendations of RBI?**

- a) No farm waivers
- b) Setting up of management information system (MIS) for banks
- c) Interest subvention/subsidy to be replaced with DBT
- d) All of them**
- e) None of these

**Explanation:**

- To boost the Credit flow in agriculture RBI recommended the following measures:
  - Interest subvention/subsidy to be replaced with Direct transfer of subsidies or DBT (Direct Benefit Transfer).
  - No farm waivers
  - A management information system (MIS) to be developed by banks to flag loans sanctioned against gold as collateral.
  - Set up a federal institution like GST council with participation from centre and states.
  - Banks should increase credit for consumption loans to farmers and other allied farm activities up to a sanctioned limit of Rs 1 lakh.
  - The centre should complete updation and digitisation of land records in a time-bound manner.

**Q.73 Recently RBI allowed e-mandate processing on cards for recurring transactions, what is the maximum limit for recurring transactions ?**

- a) Rs.2000**
- b) Rs.2500
- c) Rs.5000
- d) Rs.10000
- e) None of these

### Explanation:

- The Reserve Bank of India (RBI) has decided to permit processing of e-mandate on cards for recurring transactions with additional factor authentication (AFA) during registration.
- This will be applicable for transactions done using all types of cards — debit and credit cards and Prepaid Payment Instruments, including wallets. The maximum limit for such a transaction will be Rs.2,000.

**Q.74 Adhering to the Bimal Jalan Committee recommendations, the RBI has decided to set the CBR level at \_\_\_\_\_ of the balance sheet?**

- a) 4.5%
- b) 5.5%**
- c) 7%
- d) 14%
- e) None of these

**Explanation:** The Reserve Bank of India has decided to transfer a sum of Rs. 1,76,051 crores to the Government of India as per the recommendations made by Bimal Jalan Committee.

### About the committee:

- RBI constituted a panel on the economic capital framework which was headed by ex-RBI governor Bimal Jalan.
- The committee has given a range of 5.5-6.5% of RBI's balance sheet for Contingent Risk Buffer while transferring the remaining excess reserves worth Rs.52,637 crore to the government.

**Q.75 The Bimal Jalan Committee on Economic Capital Framework of the RBI has proposed change in its accounting year from July-June to April-March from the financial year \_\_\_\_\_?**

- a) 2020-21**
- b) 2021-22
- c) 2022-23
- d) 2023-24
- e) None of these

**Explanation:** The Bimal Jalan Committee on Economic Capital Framework of the RBI has proposed a more transparent presentation of the RBI's annual accounts and **change in its accounting year from July to June to April to March from the financial year 2020-21.**

**Q.76 Under Interest Subvention Scheme for Kisan Credit Card (KCC) to Fisheries and Animal Husbandry farmers, the 2 per cent interest subsidy on short-term loans of up to \_\_\_\_\_ for farmers engaged in fisheries and animal husbandry through Kisan Credit Card (KCC).**

- a) Rs. 2 Lakh**
- b) Rs. 3 Lakh
- c) Rs. 5 Lakh
- d) Rs. 7 Lakh
- e) None of these

**Explanation:** The Reserve Bank of India (RBI) on Monday announced modalities for providing 2 per cent interest subsidy on short-term loans of up to Rs 2 lakh for farmers engaged in fisheries and animal husbandry through Kisan Credit Card (KCC).



**Q.77 Calculate the Interest subvention/PRI benefit that will be available to the farmer.**

Overall Kisan Credit Card limit – Rs.3 lakhs

Limit under Crop loan – Rs. 0.5 lakh

Sub-limit KCC for Animal Husbandry and / or Fisheries – Rs.2.5 lakhs

- a) Rs.2.5 lakhs
- b) Rs.2 lakhs
- c) Rs.3 lakhs
- d) Rs.3.5 lakhs

**Explanation:** Overall KCC limit – Rs.3 lakhs Limit under Crop loan – Rs.0.5 lakh Sub-limit KCC for Animal Husbandry and / or fisheries – Rs. 2.5 lakhs Interest subvention/PRI benefit will be available on overall Rs. 2.5 lakhs i.e. **Rs. 0.5 lakh crop loan + Rs.2 lakhs animal husbandry and / or fisheries.**

**Q.78 Section 80-IAC of the Income Tax Act, 1961 was recently in the news for which context?**

- a) Insolvency and Bankruptcy Code related norms
- b) Foreign direct investment
- c) Angel tax provisions
- d) Start-ups tax holiday eligibility**
- e) None of these

**Explanation:** Section 80-IAC contains a detailed definition of the eligible start-up which, provides that a start-up shall be eligible for the deduction, if

- 1) It is incorporated on or after 1st April 2016.
- 2) Its turnover does not exceed Rs. 25 crore in the year of deduction, and
- 3) It holds a certificate from the Inter-Ministerial Board of Certification.

**Q.79 As per RBI's minimum holding period requirement, the minimum number of installments to be paid before securitisation is \_\_\_\_\_monthly installments.**

- a) 6**
- b) 12
- c) 18
- d) 24
- e) None of these

**Explanation:**

- 1) RBI has relaxed the minimum holding period (MHP) requirement for originating NBFCs, in respect of loans of original maturity above 5 years, to receipt of repayment of six monthly installments or two quarterly installments.
- 2) Earlier, they had to hold these assets for at least one year.
- 3) However, relaxation on MHP will be allowed when the NBFC retains 20% of book value of these loans.
- 4) RBI has also prescribed certain Minimum Retention Requirement (MRR) for NBFCs for availing the relaxed norms.

**Q.80** In case of recovery of excess/wrong payment made to a pensioner which the pensioner had withdrawn and unable to repay back, what portion of his/her future net pension payment can be recovered every month ?

- a)  $\frac{1}{2}$
- b)  $\frac{1}{3}$**
- c)  $\frac{1}{4}$
- d)  $\frac{1}{5}$
- e) None of these

**Explanation: Recovery of excess payments made to pensioners**

- In case the pensioner expresses his inability to pay the amount, the same may be adjusted from the future pension payments to be made to the pensioners. For recovering the over-payment made to pensioner from his future pension payment in instalments  $\frac{1}{3}$ rd of net (pension + relief) payable each month may be recovered unless the pensioner concerned gives consent in writing to pay a higher installment amount.

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