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# **CBI SO 2022 MODEL PAPER**

**CREDIT OFFICER  
FINANCIAL ANALYST  
RISK MANAGER**



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# CENTRAL BANK OF INDIA SO 2022 MODEL PAPER

## CREDIT OFFICER, FINANCIAL ANALYST AND RISK MANAGER (SPECIFIC QUESTIONS)

**Ques 1. Currently, there are three separate ombudsman for banks, non-banking finance companies (NBFCs) and \_\_\_\_\_.**

- a) Non-bank prepaid payment issuers (PPIs) that are wallets
- b) Ecommerce companies
- c) Insurance companies
- d) Unorganized banking service providers
- e) None of the above

**Explanation: (a)**

Currently, there are three separate ombudsman for banks, non-banking finance companies (NBFCs) and non-bank prepaid payment issuers (PPIs) that are wallets. These are operated by the RBI from 22 ombudsman offices located across the country.

The RBI plans to integrate the three separate ombudsman under one centralised scheme to make the grievance redressal mechanism more efficient and simpler.

**Ques 2. As per recent RBI notification, what is the large exposure limit for Urban Co-operative banks for Single borrowers ?**

- a) 10 percent
- b) 15 percent
- c) 20 percent
- d) 25 percent
- e) None of the above

**Explanation: (b)**

- Primary (Urban) Co-operative Banks (UCBs) were permitted to have exposures up to 15 per cent and 40 per cent of their capital funds to a single borrower and a group of borrowers, respectively.
- **On a review**, it has been decided that, henceforth, the prudential exposure limits for UCBs for a single borrower/party and a group of connected borrowers/parties shall be 15 per cent and 25 per cent, respectively, of their tier-I capital.
- UCBs shall have at least 50 per cent of their aggregate loans and advances comprising loans of not more than Rs.25 lakh or 0.2% of their tier I capital, whichever is higher, subject to a maximum of Rs.1 crore, per borrower/party.

**Ques 3. As per a recent RBI circular, till which date On-lending by NBFC is allowed ?**

- a) 30 June 2021
- b) 30 September 2021
- c) 31 December 2021
- d) 31 March 2022
- e) None of the above

**Explanation: (b)**

- Bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories subject to the following conditions:
- **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.
- **The above dispensation shall be valid upto September 2021. However, loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity.**

**Ques 4. What is the maximum limit for lending by Small Finance Banks (SFBs) to Micro-Finance Institutions (MFIs) for on-lending for priority sector lending (PSL) classification?**

- a) 5% of the bank's total priority sector portfolio as on 31 March, 2021
- b) 10% of the bank's total priority sector portfolio as on 31 March, 2021
- c) 15% of the bank's total priority sector portfolio as on 31 March, 2021
- d) 20% of the bank's total priority sector portfolio as on 31 March, 2021
- e) None of the above

**Explanation: (b)**

- f) In view of the fresh challenges brought on by the COVID-19 pandemic and to address the emergent liquidity position of smaller MFIs, it has been decided to allow PSL classification to the fresh credit extended by SFBs to registered NBFC-MFIs and other MFIs (Societies, Trusts etc.) which are members of RBI recognised 'Self-Regulatory Organisation' of the sector and which have a 'gross loan portfolio' of upto Rs.500 crore as on 31 March 2021, for the purpose of on-lending to individuals. Bank credit as above will be permitted up to 10% of the bank's total priority sector portfolio as on 31 March, 2021.
- g) The above dispensation shall be valid upto March 31, 2022. However, loans thus disbursed will continue to be classified under Priority Sector till the date of repayment/maturity whichever is earlier.

**Ques 5. What is the maximum exposure limit for individual borrowers to take the benefit of Resolution Framework 2.0?**

- a) Rs.25 crores
- b) Rs.50 crores
- c) Rs.75 crores
- d) Rs.100 crores
- e) None of the above

**Answer B**

**Explanation**

Circular specifies the eligible borrowers who may be considered for resolution under the framework and includes the following sub-clauses:

- Individuals who have availed of loans and advances for business purposes and to whom the lending institutions have aggregate exposure of not more than Rs.25 crore as on March 31, 2021.
- Small businesses, including those engaged in retail and wholesale trade, other than those classified as MSME as on March 31, 2021, and to whom the lending institutions have aggregate exposure of not more than Rs.25 crore as on March 31, 2021.
- **Based on a review, it has been decided to enhance the above limits from Rs.25 crore to Rs.50 crore. (Threshold limit has been increased for both individuals and small businesses)**
- All other provisions of the circular remain unchanged.

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**Ques 6.** As per latest RBI guidelines, what is the threshold for personal loans granted to directors of other banks ?

- a) Rs.25 lacs
- b) Rs. 1 crore
- c) Rs.2 crores
- d) Rs.5 crores
- e) None of the above

**Explanation: (d)**

The Reserve Bank of India (RBI) has announced that for personal loans granted to any director of other banks, the threshold of Rs25 lakh stands revised to Rs5cr.

According to RBI, unless sanctioned by the Board of Directors/Management Committee, banks should not grant loans and advances aggregating Rs5cr and above to:

- a) any relative other than spouse and minor/dependent children of their own Chairmen/Managing Directors or other Directors;
- b) any relative other than spouse and minor/dependent children of the Chairman/Managing Director or other directors of other banks\*;
- c) any firm in which any of the relatives other than spouse and minor/dependent children as mentioned in (a) & (b) above is interested as a partner or guarantor; and
- d) any company in which any of the relatives other than spouse and minor/dependent children as mentioned in (a) & (b) above is interested as a major shareholder or as a director or as a guarantor or is in control.

The term "major shareholder" shall mean a person holding 10% or more of the paid-up share capital or five crore rupees in paid-up shares, whichever is less.

**Ques. 7: As per latest RBI circular, which of the following functions can not be outsourced by Licensed non-bank Payment System Operators (PSOs)?**

- a) Risk management
- b) Internal audit
- c) Compliance
- d) All of the above
- e) None of the above

**Explanation: (d)**

- The Reserve Bank of India announced the framework for outsourcing payment and settlement-related activities by payment system operators (PSO). The objective is to put in place minimum standards to manage risks in outsourcing of payment and settlement-related activities including tasks such as onboarding customers and IT-based services.
- New Framework:
  - Licensed non-bank Payment System Operators (PSOs), cannot outsource core management functions.
    - Core management functions include risk management and internal audit, compliance and decision-making functions such as determining compliance with KYC norms.
  - It will be applicable to all service providers, whether located in India or abroad.

**Ques. 8: Tokenisation is the process of replacing credit or debit card details with a unique set of characters – or a 'token' – that enables payments to be processed without exposing any sensitive account details that could potentially breach security and privacy of the consumers. From which date, RBI made it mandatory to use tokenization?**

- a) March 31, 2022
- b) January 1, 2022
- c) June 1, 2022
- d) August 31, 2022
- e) None of the above

**Explanation: (b)**

- Tokenisation is the process of replacing credit or debit card details with a unique set of characters – or a 'token' – that enables payments to be processed without exposing any sensitive account details that could potentially breach security and privacy of the consumers.



- With effect from January 1, 2022, no entity in the card transaction / payment chain, other than the card issuers and / or card networks, shall store the actual card data. Any such data stored previously shall be purged.

**Ques. 9: As per latest Priority sector guidelines by RBI, What is the target for lending to the non-corporate farmers for FY 2021-22 will be \_\_\_\_\_ of ANBC or CEOBE whichever is higher.**

- a) 10%
- b) 12.73%
- c) 13.5%
- d) 13.87%
- e) None of the above

**Explanation: (b)**

**PSL – Loan to to Non-Corporate Farmers (NCFs)**

- All domestic banks (other than UCBs) and foreign banks with more than 20 branches are directed to ensure that the overall lending to Non-Corporate Farmers (NCFs) does not fall below the system-wide average of the last three years' achievement which will be separately notified every year. The applicable target for lending to the non-corporate farmers for FY 2021-22 will be 12.73% of ANBC or CEOBE whichever is higher. All efforts should be made by banks to reach the level of 13.5 percent of ANBC (erstwhile target for direct lending to agriculture sector).

**Ques. 10: As per latest RBI circular, Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) have been extended for Regional Rural Banks (RRBs) provided, the RRB fulfills the following criteria :-**

- a) Implemented Core Banking Solution (CBS)
- b) There is a minimum CRAR of nine per cent and
- c) Fully compliant with the terms and conditions for availing LAF and MSF issued by Financial Markets Operations Department (FMOD), Reserve Bank of India.
- d) All of above
- e) None of the above

**Answer: (d)**

**Explanation:** In order to provide an additional avenue for liquidity management to Regional Rural Banks (RRBs), it has been decided that Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) will be extended to Scheduled RRBs meeting the following criteria:

- Implemented Core Banking Solution (CBS)
- There is a minimum CRAR of nine per cent and
- Fully compliant with the terms and conditions for availing LAF and MSF issued by Financial Markets Operations Department (FMOD), Reserve Bank of India.

**Ques 11. As per Amendment to Clause 32 (Cash flow Statement) of SEBI which of the following is true:-**

- a) Listed companies shall give cash flow statement along with the balance sheet and Profit and loss account in the Annual Report
- b) The cash flow statements will be prepared in accordance with the accounting standard on cash flow statement issued by ICAI
- c) The cash flow statement shall be presented only under the indirect method as given in AS-3

- d) The cash flow statement shall be presented only under the direct method as given in AS-3
- e) Only A, B & C are correct

**Answer: (E)**

**Explanation:** As per Amendment to Clause 32 (Cash flow Statement) of SEBI (January 25, 2000)

- A.** Listed companies shall give cash flow statement along with the balance sheet and Profit and loss account in the Annual Report
- B.** The cash flow statements will be prepared in accordance with the accounting standard on cash flow statement issued by ICAI
- C.** The cash flow statement shall be presented only under the indirect method as given in AS-3

**Ques: 12: Match the cash flow activities with the correct examples:-**

1. Operating Activities	1 Purchase of equipment for cash, Sale of Machinery, Dividend received
2. Investing Activities	2 Issue of share Capital, Repayment of loans , Dividend Paid
3. Financing Activities	3. Collection of cash from debtors , Payment of income tax

- a) 1-3, 2-1, 3-2
- b) 1-1, 2-3, 3-2
- c) 1-1, 2-2, 3-3
- d) 1-3, 2-2, 3-1
- e) 1-2, 2-3, 3-1

**Answer: (A)**

**Explanation: Operating Activities:** - It means cash brought by the company from its normal business activities such as manufacturing and selling of goods or providing services to the customers.

**Investing Activities:** - It means cash flow from fixed asset, Investment and incidental income.

**Financing Activities:** - It means Cash flow from capital structure and its service cost.

**Ques 13. In fund flow statement Provision for taxation can be taken as:-**

- a) Current Asset
- b) Current Liability
- c) Fixed Asset
- d) Non-Current Liability
- e) Either B or D

**Answer: (E)**

**Explanation:** Provision for Taxation can be treated either as part of change in working capital (this can be shown in statement of working capital only when this is treated as Current liability otherwise not) or as non-current Liability and adjusted in Profit and loss account. (This can be shown here only when treated as Non-current liability otherwise not)

Ques 14. The following information is taken from the financial statement of AR Mobiles Ltd. What will be the Cash Ratio of the company?

Sr. No	Particulars	Amount (in Rs Cr)
1	Accounts Receivable	250.00
2	Bills Payable	120.00
3	Inventories	100.00
4	Cash Balance	115.00
5	Tradable Securities	35.00

- a) 2.08
- b) 1.50
- c) 1.25
- d) 1.04
- e) None of the above

Answer: (C)

Explanation: Cash Ratio = Cash and cash Equivalents / Current Liability

= (Cash Balance + Tradable Security) / Bills Payable

= (115+135) / 120 = 150/120 = 1.25

Accounts Receivable and Inventory are not counted as Cash and Cash Equivalent or Liability.

Ques 15. Which of the following option shows the correct relation between Gross Profit Ratio, Pretax Profit Ratio, Net Profit Ratio, and the Operating Profit Ratio?

- a) Gross Profit Ratio > Pretax Profit Ratio > Net Profit Ratio > Operating Profit Ratio
- b) Gross Profit Ratio > Operating Profit Ratio > Pretax Profit Ratio > Net Profit Ratio
- c) Gross Profit Ratio > Operating Profit Ratio > Net Profit Ratio > Pretax Profit Ratio
- d) Gross Profit Ratio < Operating Profit Ratio < Net Profit Ratio < Pretax Profit Ratio
- e) NOTA

Answer: (B)

Explanation: Gross Profit Ratio > Operating Profit Ratio > Pretax Profit Ratio > Net Profit Ratio

Ques 16. Details from the annual statement of PRX Media Ltd. is as given below, what will be the Debt-Capital Ratio of the company?

Short Term Debt = Rs. 50 Crores, Long Term Debts = Rs. 125 Crore, Total Equity = Rs. 325 Crores

- a) 0.25
- b) 0.51
- c) 0.75
- d) 0.35
- e) NOTA

Answer: (D)



**Explanation:** Debt-Capital Ratio = Total Liability / Total Capital

= (Short term Debt + Long Term Debt) / (Total Debt + Total Equity)

= (50+125) / (50+125+325) = 175/500 = 0.35

**Ques 17. Which of the following statements are correct?**

**Statement 1:** High Working Capital Turnover Ratio indicates that the company is very efficiently using the current assets and liabilities to support its sales

**Statement 2:** Low Assets Turnover Ratio indicates that the company is utilizing its assets efficiently.

- a) Statement 1 and Statement 2 both are correct
- b) Only Statement 1 is correct
- c) Only Statement 2 is Correct
- d) None of the Statements is Correct
- e) None of the above

**Answer:** (B)

**Explanation: Working Capital Turnover Ratio = Net Sales / Average Working Capital**

High Working Capital Turnover Ratio indicates the company is very efficiently using the current assets and liabilities to support its sales

**Assets Turnover Ratio = Total Sales / Average Assets**

Low Assets Turnover Ratio indicates that the company is not utilizing its assets efficiently. The company may have invested in a few assets which are not able to generate high sales for the company.

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Ques 18. PRS Ltd. has a current ratio of 1.76 and a quick ratio of 0.88. What percent of the current assets of PRS Ltd. are liquid assets?

- a) 50%
- b) 33.33%
- c) 25%
- d) 75%
- e) 66.66%

Answer: (A)

**Explanation:** A ratio of Quick Ratio to Current Ratio gives details of how much of the Current Asset is Liquid Asset.

Hence, Quick Ratio/Current Ratio =  $0.88/1.76 = 0.5$  or 50%

Ques. 19: Which investment should be chosen, if two statements are in the scenario of Ranking Conflict between NPV and IRR?

- a. Any of them may be chosen
- b. The one with higher IRR must be chosen
- c. The one with the higher NPV must be chosen
- d. None of them must be chosen
- e. The project with the least initial investment must be chosen

Sol: c

Ques. 20: NPV considers the \_\_\_\_\_ on investment and IRR assumes the \_\_\_\_\_ on the investment. Which of the following option fills the blanks correctly?

- a. Market Rate, Rate of Return
- b. Market Rate, IRR Rate
- c. Rate of Return, Market Rate
- d. Market Rate, Inflation Rate
- e. Rate of Return, IRR Rate

**Sol: b**

**Explanation:** NPV considers the market rate of interest on investment which is realistic, and IRR assumes the IRR rate of return on the investment.

**Ques. 21: Which of the following statement is true regarding no IRR problem?**

- a. There are some cashflows whose NPV never becomes Zero
- b. There are some cashflows whose NPV is always Zero
- c. There are some cashflows whose NPV becomes Zero at various points
- d. No IRR implies that the project/investment is not profitable
- e. In the case of NO IRR, neither NPV nor IRR can be used to judge the profitability.

**Sol: a**

**Explanation:** Internal Rate of Return of cash flow is the rate at which NPV or the Net Present Value becomes Zero, however, there are some cashflows whose NPV never becomes Zero.

**Ques. 22: Which of the following is a valid reason for Multiple IRR?**

- a. The cash flow of an Investment has frequent positive and negative flows
- b. The cash flow of an Investment has negative flows in the beginning and positive at the end
- c. The cash flow of an Investment has positive flows in the beginning and negative at the end
- d. Cash Flow of an Investment has only negative cash flows
- e. Cash Flow of an Investment has only positive cash flows

**Sol: a**

**Explanation:** Cash flow of an Investment that has frequent positive and negative flows result in multiple IRR

**Ques. 23: Which of the following statement is the most accurate with respect to the Payback Period?**

- a. It is the time in which the initial investment is recovered from the future cash flows taking into consideration the time value of money.
- b. Longer Payback Periods are preferred over the shorter ones
- c. When it is combined with IRR or NPV, it gives a better clarity over the returns
- d. It is the most trusted and recommended method that calculates the future tax-free net cash flows of an investment
- e. NOTA

**Sol: c**

**Explanation:** Payback Period alone does not give full insight, but when combined with IRR or NPV gives a better clarity over the returns.

**Ques. 24.** Kalsi Machinery is investing \$400 million in new industrial equipment. The present value of the future after-tax cash flows resulting from the equipment is \$700 million. Kalsi currently has 200 million shares of common stock outstanding, with a current market price of \$36 per share. Assuming that this project is new information and is independent of other expectations about the company, what is the theoretical effect of the new equipment on Kalsi's stock price? The stock price will:

- a) decrease to \$33.50.
- b) increase to \$37.50.
- c) increase to \$39.50.
- d) decrease to \$39.50.
- e) decrease to \$37.50.

**Answer: (b)**

**Explanation:** The NPV of the new equipment is \$700 million – \$400 million = \$300 million. The value of this project is added to Kalsi's current market value. On a per-share basis, the addition is worth \$300 million / 200 million shares, for a net addition to the share price of \$1.50. \$36.00 + \$1.50 = \$37.50.

**Ques. 25: Which of the following statements about NPV and IRR is least accurate?**

- a) The IRR can be positive even if the NPV is negative.
- b) When the IRR is equal to the cost of capital, the NPV will be zero.
- c) The NPV will be positive if the IRR is less than the cost of capital.
- d) The NPV will be negative if the IRR is less than the cost of capital.
- e) The IRR can be negative if the NPV is negative.

**Answer: (c)**

**Explanation:** If IRR is less than the cost of capital, the result will be a negative NPV.

**Ques: 26. A Mutual Fund scheme gave an annualized return of 9.86% and the annualized Standard Deviation of the fund is 3.47. The current risk free return is 8%. Calculate the Sharpe Ratio.**

- a) 0.89
- b) 0.72
- c) 0.49
- d) 0.53
- e) None of the above

**Answer: (D)**

**Explanation:**

The formula for Sharpe Ratio is :  $(R_s - R_f) / \text{Standard Deviation}$   
i.e.  $(\text{Return Earned} - \text{Risk free Return}) / \text{Standard Deviation}$   
 $= (9.86 - 8) / 3.47$   
 $= 1.86 / 3.47$   
 $= 0.53$

**Ques: 27. A Mutual Fund scheme gives a return of 10 % and the beta of that scheme is 0.5. The risk free return is 7.5%. What is the Treynor Ratio of this scheme ?**

- a) 3%
- b) 5%
- c) 7.5%
- d) 10%
- e) None of the above

**Answer: (B)**

**Explanation:**

Treynor Ratio measures the returns earned in excess of that which would have earned on a riskless investment.

**Treynor Ratio Formula:** (Return earned on the Scheme - Risk Free Rate) / Beta of the Scheme

$$= (10 - 7.5) / 0.5$$

$$= 0.5 \times 100 = 5\%$$

**Ques: 28: In case of consortium advance, if account with some banks is NPA and with some bank as performing assets, then SARFAESI action can be initiated if**

- a) 60% or more banks consent for issuance of demand notice
- b) 75% or more banks consent for issuance of demand notice
- c) 80% or more banks consent for issuance of demand notice
- d) 70% or more banks consent for issuance of demand notice
- e) None of these

**Answer: (b)** In the case of security charged to a consortium of banks, once 75% of lenders (by value) agree to sell the assets to ARCs, other members do not have option to differ.

**Ques: 29: The Pecuniary Jurisdiction of DRT is Rs.**

- a) 10 lakhs
- b) 20 Lakhs
- c) 50 Lakhs
- d) 60 Lakhs
- e) None of these

**Answer: b) 20 lakhs**

**Explanation:** The central government has raised "the pecuniary limit from ₹ 10 lakh to ₹ 20 lakh for filing application for recovery of debts in the Debts Recovery Tribunals by such banks and financial institutions," said a Finance Ministry notification.

**Ques: 30: No one other than RBI and Central Government can make and issue a Promissory Note payable to bearer.**

- a) True
- b) False
- c) Partly True
- d) Partly False



- e) None of the above

**Explanation: (a)**

Bearer Promissory notes payable on demand is nothing but our currency notes. Only Reserve Bank of India is having authority to issue Bearer Promissory notes payable on Demand. Further Only Central Government is authorized to issue Rupee 1 Denomination Currency. RBI is authorized to issue all the other denomination of Currencies.

**Ques. 31: U GRO Capital, has partnered with which bank for the purpose of co-lending to the micro, small and medium enterprise (MSME) sector.**

- a) Bank of Baroda
- b) Bank of Maharashtra
- c) Punjab National Bank
- d) Ujjivan Small Finance Bank
- e) None of the above

**Answer: (B) Bank of Baroda**

**Explanation:** Bank of Baroda and U GRO Capital have launched a co-lending platform called “Pratham”, under which Rs 1,000 crore loan will be disbursed to the MSME sector in the country. The loan amount ranges from Rs 50 lakh to Rs 2.5 crore to be offered at an interest rate starting from 8%.

**Ques: 32. Which of the following is correct regarding open ended funds?**

- a) Investors cannot enter and exit the scheme any time
- b) If some unit-holders exit the scheme wholly, the scheme is discontinued
- c) The scheme has a time frame to be closed
- d) None is correct
- e) None of the above

**Answer: (d)**

**Explanation:** Open-ended funds are open for investors to enter or exit at any time, even after the NFO. When existing investors acquire additional units or new investors acquire units from the open-ended scheme, it is called a sale transaction. It happens at a sale price, which is linked to the NAV. When investors choose to return any of their units to the scheme and get back their equivalent value (in terms of units), it is called a re-purchase transaction. This happens at a re-purchase price that is linked to the NAV. Although some unit-holders may exit from the scheme, wholly or partly, the scheme continues operations with the remaining investors. The scheme does not have any kind of time frame in which it is to be closed. The on-going entry and exit of investors implies that the unit capital in an open-ended fund would keep changing on a regular basis.

**Ques.33. When existing investors acquire additional units or new investors acquire units from the open-ended scheme, it is called**

- a) Re-purchase transaction
- b) Sale transaction
- c) Purchase transaction
- d) Re-sale transaction
- e) None of the above

**Answer: (b)**

**Explanation:** When existing investors acquire additional units or new investors acquire units from the open-ended scheme, it is called a sale transaction. It happens at a sale price, which is linked to the NAV.

**Ques 34. Which of the following statement is correct regarding Close Ended Funds?**

- a) Investors can buy units of a close-ended scheme, from the fund, only during its New Fund Offer (NFO)
- b) Since post-NFO sale and purchase of units happen to or from counter-party in the stock exchange – and not to or from the scheme
- c) The fund makes arrangements for the units to be traded, post-NFO in a stock exchange.
- d) All of the above are correct
- e) None of the above

**Answer: (d)**

**Explanation:** Close-ended funds have a fixed maturity. Investors can buy units of a close-ended scheme, from the fund, only during its NFO. The fund makes arrangements for the units to be traded, post-NFO in a stock exchange. This is done through listing of the scheme in a stock exchange. Such listing is compulsory for close-ended schemes. Therefore, after the NFO, investors who want to buy units will have to find a seller for those units in the stock exchange. Similarly, investors who want to sell units will have to find a buyer for those units in the stock exchange. Since post-NFO sale and purchase of units happen to or from counter-party in the stock exchange – and not to or from the scheme – the unit capital of the scheme remains stable or fixed.

**Ques. 35. Identify the type of bias based on the following information.**

**“Mr. Ajith invests in the shares of Company X which has recently offered high dividends to its shareholders. The fact that Company X’s stocks were performing quite badly in the past, with low earnings, revenues, dividends, was ignored by Ajith”**

- a) Anchoring Bias
- b) Recency Bias
- c) Confidence Bias
- d) Either (a) or (b)
- e) None of the above

**Explanation: Recency Bias:** The impact of recent events on decision making can be very strong. This applies equally to positive and negative experiences. Investors tend to extrapolate the event into the future and expect a repeat. A bear market or a financial crisis leads people to prefer safe assets. Similarly a bull market make people allocate more than what is advised to risky assets. The recent experience overrides analysis in decision making.

**Ques. 36. \_\_\_\_\_ lead individual investors to overestimate their own investment results. They subconsciously choose results from their portfolios that match their optimistic self-perception as investors, and fail to measure the results of their entire portfolio.**

- a) Confidence Bias
- b) Anchoring Bias
- c) Recency Bias
- d) Either (b) or (c)
- e) None of the above

Ques: 37. Which of the following point is true?

- A. High current ratio always shows a good liquidity position for automobile industry
- B. Quick ratio includes long-term debt
- C. Gearing ratio = debt /debt + equity
  - a) Option A is correct
  - b) Option C is correct
  - c) Option B is correct
  - d) Only option C is correct
  - e) Option A and C are correct

Ans: 4

Solution:

A situation where total inventory of the company of is very high and cash is very low even such situation current ratio will be high but that does not indicate a good liquidity position

Quick ratio is related with short term obligation it has nothing do with long term debt

Gearing ratio = debt /debt + equity, is correct.

Ques: 38. Which of the following point is true?

- A. For firm X has Return on investment 15% and interest on debt is 8% hence for company X financial leverage is favorable
- B. Financial leverage analysis helps firms to understand and optimize financial risk
- C. Financial leverage analysis helps firms to understand and optimize business risk
  - a) Option A is correct
  - b) Option C is correct
  - c) Option B is correct
  - d) Option A and B are correct
  - e) Option A and C are correct

Ans: 4 is correct

Solution

Since ROI > interest % then financial leverage is favorable for firm

Financial leverage is related with financial risk which is related which capital structure it has nothing do with business risk.

Ques: 39. From the following information calculate the asset turnover ratio:

Net profit	10000
Income tax	2000
Cost of goods sold	500
Interest on debenture	200
Operating expense	300

Total assets	26000
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- a) 0.1
- b) 0.2
- c) 0.3
- d) 0.4
- e) 0.5

Ans. 5

Solution:

Asset turnover ratio = sales/ total assets

We have to calculate sales before finding the required ratio

Net profit = Sales – cost of goods sold – interest – operating ex – income tax

10000 = sales – (2000 + 500 + 200 + 300)

Sales = 13000

Required ratio

= sales/ total assets

= 13000/26000

= 0.5

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Ques: 40: Which of the following is the condition that is considered suitable for investment while using the PI (Profitability Index) method?

- a)  $PI > \text{Expected Returns}$
- b)  $PI < \text{Expected Returns}$

- c)  $PI = \text{Expected Returns}$
- d)  $PI = 0$
- e)  $PI > 1$

**Sol: e**

**Explanation:** Profitability Index measures the ratio between the present value of future cash flows to the initial investment. A project is said to be profitable if  $PI > 1$

**Ques: 41. Net Present Value is the difference between the \_\_\_\_ investment and the \_\_\_\_ value of all \_\_\_\_ tax-free cash flows. Which of the following options fills in the blanks correctly?**

- a. Initial, Present, Future
- b. Initial, Present, Present
- c. Total, Present, Future
- d. Total, Present, Present
- e. Net, Future, Future

**Sol: a**

**Explanation:** Net Present Value is the difference between the initial amount of an investment and the present value of all future tax-free cash flows.

**Ques: 42: As per the Elasticities Approach, the sum of elasticities of demand for a country's exports and its demand for imports should be \_\_\_\_\_ 1 for devaluation to have a \_\_\_\_\_ impact on the trade of the country. Choose the correct option.**

- a. More than, Negative
- b. Less than, Positive
- c. More Than, Stable
- d. Less than, Negative
- e. Less Than, Stable

**Sol: d**

**Explanation:** As per the Elasticities Approach, the sum of elasticities of demand for a country's exports and its demand for imports should be less than 1 for devaluation to have a negative impact on the trade of the country.

**Ques: 43. As per the Absorption theory, a devaluation is considered to have a positive impact on the economy if \_\_\_\_\_ in Income exceeds the Domestic Expenditure. Choose the correct Option.**

- a. Decrease
- b. Increase
- c. Fluctuation
- d. Inflation
- e. Deflation

**Sol: b**

**Explanation:** As per the Absorption theory, a devaluation is considered to have a positive impact on the economy if an Increase in Income exceeds the Domestic Expenditure.



**Ques: 44. Which of these items is recorded in Capital account of Balance of Payments?**

- a) Income from Exports of goods
- b) External commercial borrowings
- c) Unilateral transfers
- d) Income from Invisibles (Services)
- e) None of the above

**Answer: (B)** External commercial borrowings - Concept Involved: Balance of Payments

**Explanation:** The capital account records the transactions that affect nations net assets & liabilities. The current account records transactions involving movement of goods & services between countries. It comprises of Export-Import transactions of Goods & Services, Unilateral transfers & net Investment Income.

A, C & D are recorded in Current account of BOP.

**Ques. 45. Which of the following is false with respect to NBFCs?**

- a) NBFCs cannot accept demand deposits
- b) NBFCs cannot issue cheques drawn on itself
- c) The deposit insurance facility (of DICGC) is available to depositors.
- d) NBFCs should have minimum net owned fund of ₹ 200 lakh.
- e) None of the above

**Answer: (C)** The deposit insurance facility (of DICGC) is available to depositors.

Concept Involved: Non-Banking Financial Companies (NBFC)

Explanation: C is false, since the facility extended by Deposit Insurance and Credit Guarantee Corporation (DICGC) is not available for depositors of NBFCs.

**Ques 46: As per Union Budget 2021, what is the budgetary allocation for Covid-19 vaccination?**

- a) Rs.30,000 crore
- b) Rs.35,000 crore
- c) Rs.40,000 crore
- d) Rs.37,000 crore
- e) Rs. 42,000 crore

**Answer: (b)**

**Explanation:**

Rs. 35,000 crore for COVID-19 vaccine in BE 2021-22

The Made-in-India Pneumococcal Vaccine to be rolled out across the country, from present 5 states – to avert 50,000 child deaths annually.

**Ques. 47. As per the Union Budget 2021, what is the budgetary allocation for Urban Swachh Bharat Mission 2.0?**

- a) Rs. 1,42,679 crore
- b) Rs. 1,43,575 crore
- c) Rs. 1,41,678 crore
- d) Rs. 1,40,000 crore
- e) Rs. 1,41,390 crore

Answer: (c)

Explanation:

Rs. 1,41,678 crore over 5 years for Urban Swachh Bharat Mission 2.0

Main interventions under Swachh Bharat Mission (Urban) 2.0:

- Complete faecal sludge management and waste water treatment
- Source segregation of garbage
- Reduction in single-use plastic
- Reduction in air pollution by effectively managing waste from construction-and-demolition activities
- Bio-remediation of all legacy dump sites.

Ques. 48: As per the Union Budget 2021, what is the budgetary allocation for setting up and capitalizing a Development Financial Institution(DFI)?

- a) Rs. 10,000 crore
- b) Rs. 15,000 crore
- c) Rs. 20,000 crore
- d) Rs. 25,000 crore
- e) Rs. 30,000 crore

Answer: (c)

Explanation:

- **Rs. 20,000 crore** to set up and capitalise a **Development Financial Institution(DFI)** – to act as a provider, enabler and catalyst for infrastructure financing
- **Rs. 5 lakh crore** lending portfolio to be created under the proposed DFI in 3 years
- **Debt Financing** by Foreign Portfolio Investors to be enabled by amending InvITS' and REITs' legislations.

Ques. 49: As per the Union Budget 2021, what is the budgetary allocation for a new scheme to augment the public bus transport?

- a) Rs. 16,000 crore
- b) Rs. 18,000 crore
- c) Rs. 17,000 crore
- d) Rs. 20,000 crore
- e) Rs. 19,000 crore

Answer: (b)

Explanation: **Rs. 18,000 crore** for a new scheme, to augment public bus transport:

- Innovative **PPP** models to run more than **20,000 buses**
- To boost automobile sector, provide fillip to economic growth, create employment opportunities for our youth
- A total of 702 km of conventional metro is operational and another 1,016 km of metro and RRTS is under construction in 27 cities

- 'MetroLite' and 'MetroNeo' technologies to provide metro rail systems at much lesser cost with similar experience in Tier-2 cities and peripheral areas of Tier-1 cities.

**Ques. 50. Which of the below statements is not correct?**

- a) A firm can be dissolved by the death of a partner.
- b) Surviving partner cannot purchase shares of a deceased partner.**
- c) A firm can be dissolved voluntarily with the consent of all the partners.
- d) either (a) or (b)
- e) None of the above

**Answer: B**

**Explanation:** Surviving partner can buy shares of deceased.

**Liability of outgoing partner (Section 36-37)**

1. Should not enter into new agreement or business which carries out similar business for a specified period of time. He/she can carry on the same business once the specified period is over.
2. Outgoing partner should not use the name of the firm or represent himself as a partner.
3. The outgoing partner is liable to get a share from the profit earned by the firm since the date he ceases to be a partner. The share is in proportion to the use of a share of his/her property or 6% interest per annum on the amount of share in his property. (Section 37)
4. In case of death of a partner surviving partner can purchase shares of deceased partner.

**Ques. 51. The dishonour of Cheque considered as which offence?**

- a) Civil Offence
- b) Criminal Offence
- c) Both**
- d) None

**Explanation:**

Section 138 casts a criminal liability punishable with imprisonment or fine or with both on a person who issues a cheque towards discharge of a debt or liability as a whole or in part and the cheque is dishonoured by the bank on presentation. Section 138 was enacted to punish unscrupulous drawers of cheques who, though purport to discharge their liability by issuing cheque, have no intention of really doing so. Apart from civil liability, criminal liability is sought to be imposed by the said provision on such unscrupulous drawers of cheques.

**Ques. 52. The Negotiation of instrument to any person receiving it by paying consideration, before maturity & in good faith is termed as\_\_\_\_\_.**

- a) Holder
- b) Holder in Due Course
- c) (a) & (b)
- d) None of them

**Explanation:**

**As per Section 9**

**“Holder in due course”.**—“Holder in due course” means any person who for consideration became the possessor of a promissory note, bill of exchange or cheque if payable to bearer, or the payee or indorsee thereof, if payable to order, before the amount mentioned in it became payable, and without having sufficient cause to believe that any defect existed in the title of the person from whom he derived his title.

**Ques. 53. A money market instrument of face value of rs 100 at an yield of 6% will mature in 45 days. You are required to calculate Bond equivalent yield?**

- a) 6.045
- b) 6.8
- c) 4.56
- d) 9.86
- e) 10.36

**ANSWER: 1)**

**Current price of the instrument:**

**Discount:**  $100 * 6\% * 45/360 = \text{Rs. } 0.75$

Price of the instrument:  $\text{FV} - \text{Discount} = 99.25$

**BOND EQUIVALENT YIELD:**

This involves simple compounding

Yield:  $(\text{Redemption price} - \text{current price}) / \text{current price} * 360 = 6.045\%$

**Ques. 54. What is the value of a deep discount bond issued by a financial institution for a maturity period of 15 years and having a par value of Rs 100000 if the required rate of return is 12%?**

- a) 18130
- b) 15160
- c) 13700
- d) 17400
- e) None of the above

**Answer: 1)**

The value of the bond is the present value of Rs 100000 for 15 years discounted at 12% =  $100000 * 0.183 = \text{Rs } 18130$ .

**Ques. 55. Return from a fund is 9% and the risk free rate is 5%, the Standard deviation is 3 & Beta is 1.6. What will be the numerator for calculating the Sharpe ratio?**

- a) 3
- b) 6
- c) 1.6
- d) 4
- e) None of the above

**Answer: (d)**

**Explanation:**

- The formula for Sharpe Ratio is : ( Return Earned - Risk free Return ) / Standard Deviation
- Here the Numerator is 'Return Earned - Risk free Return' and the Denominator is 'Standard Deviation'
- Numerator = Return Earned - Risk free Return
- = 9 – 5 = 4

**Ques. 56. What is the name of the 2-wheeler loan scheme launched by SBI?**

- a) 'SBI Go Ride'
- b) 'SBI Easy Travel'
- c) 'SBI Travel'
- d) 'SBI Easy Ride'
- e) None of these

**Answer (d):** The State Bank of India (SBI) has launched a 2-wheeler loan scheme. The name of the pre-approved 2-wheeler loan scheme is 'SBI Easy Ride'. It is launched through YONO.

- Under the 'SBI Easy Ride' scheme, customers can opt for loans upto Rs 3 lakh at a competitive interest rate of 10.5% per annum onwards for a maximum tenure of 4 years.
- The minimum loan amount is Rs 20,000.
- Using the scheme, the loan of up to 85% of the on-road price of the vehicle can be opted.

**Ques. 57: What is the theme of 'HARBINGER 2021 – Innovation for Transformation', the first global hackathon launched by RBI?**

- a) Trust the Digital Payment Transactions
- b) Safe and Secure Digital Payment
- c) Promote Digital Payment Transactions
- d) Smarter Digital Payments
- e) None of these

**Answer (d):** The Reserve Bank of India launched 'HARBINGER 2021 – Innovation for Transformation' which is the first global hackathon.

The theme of the hackathon: 'Smarter Digital Payments'.

- Under the hackathon, the participants are invited to identify and develop solutions to enhance access to digital payments to the under-served communities.
- It aims to enhance ease of payments and user experience in digital payment methodology.
- It will also strengthen the security of digital payments and promote customer protection.
- The winner of the hackathon will be given a cash price of Rs 40 lakh and the runner-up will be given a cash price of Rs 20 lakh.

**Ques.58. As per RBI, deposit-taking NBFCs with 10 or more branches and non-deposit-taking NBFCs having an assets size of \_\_\_\_ and above should have an Internal Ombudsman (IO)?**

- a) Rs 1,000 crore
- b) Rs 5,000 crore



- c) Rs 7,000 crore
- d) Rs 3,000 crore
- e) None of these

**Answer (b):** The Reserve Bank of India (RBI) has introduced an internal Ombudsman mechanism for select Non-Banking Financial Companies (NBFCs).

As per this mechanism, the deposit-taking NBFCs with 10 or more branches and non-deposit-taking NBFCs having an assets size of Rs 5,000 crore and above should have an Internal Ombudsman (IO).

For this, the central bank has given 6 months duration to such NBFCs to appoint IO.

**Ques. 59: Which digital payment firm launched the 'SafeCard' tokenization solution?**

- a) Paytm
- b) PayU
- c) PhonePe
- d) CCAvenue
- e) None of these

**Answer (c):** PhonePe, which is the Walmart-owned digital payments firm has launched a tokenization solution to perform online debit and credit card transactions.

The name of the tokenization solution by PhonePe is 'SafeCard'.

- Due to 'SafeCard' the users of PhonePe and merchant partners can experience the convenience of saved card transactions in a secured manner.
- The solution supports all major card networks like Mastercard, Rupay, and Visa.

**Ques: 60. Which insurance company offers motor insurance on the PhonePe platform?**

- a) Liberty General Insurance Ltd
- b) Bajaj Allianz General Insurance
- c) Cholamandalam MS General Insurance Company Ltd
- d) SBI General Insurance
- e) None of these

**Answer (a):** Liberty General Insurance Ltd has partnered with PhonePe.

They have partnered to offer motor insurance via a digital platform.

Liberty General Insurance's motor insurance policy will be provided through the PhonePe platform.

The users of PhonePe can select motor insurance cover from multiple options from the platform and purchase the proper insurance cover as per their choice from multiple options.

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## COMPUTER AWARENESS

Q: 61: Office LAN's that are spread geographically apart on a large scale can be connected using a corporate \_\_\_\_\_

- a) CAN
- b) LAN
- c) DAN
- d) WAN
- e) MAN

**Explanation:** WAN is a geographically dispersed collection of LAN's. A WAN like the internet spans most of the world. A network device called a ROUTER connects LAN's to a WAN.

Q: 62: Computer programs are written in high-level programming language however the human-readable version of a program is called

- a) Cache
- b) Instruction Set
- c) Source Code
- d) Word Size
- e) None of these

**Explanation:** Source Code is the Human Readable Instructions given to the Computer while developing a program and with the help of Compiler Computer Converts this Into Object code.

Q.63: Computers send and receive data in the form of \_\_\_\_\_ signals.

- a) Analog
- b) Digital
- c) Modulated
- d) Demodulated
- e) All of these

**Explanation:** A digital signal is a signal that is being used to represent data as a sequence of discrete values; at any given time it can only take on one of a finite number of values

**Q. 64: Checking that a pin code number is valid before it is entered into the system in an examples of**

- a) Error Correction
- b) Backup and Recovery
- c) Data Preparation
- d) Data Validation
- e) None of these

**Explanation:** Validation is about checking the input data to ensure it conforms with the data requirements of the system to avoid data errors.

**Q. 65: A compiler translates higher level programs into a machines languages program, which is called**

- a) Source Code
- b) Object Code
- c) Compiled Code
- d) Beta Code
- e) None of these

**Explanation:** Source Code is the Human Readable Instructions given to the Computer while developing a program and with the help of compiler computer converts this into Object code.

**Q. 66: Java is an example of an**

- a) Machine Language
- b) Assembly Language
- c) High-Level Language
- d) Fourth Generation Language
- e) None of these

**Explanation:** JAVA is an example of high-level language developed by Sun Microsystems. It was originally designed for developing programs for set-top boxes and handheld devices, but later became a popular choice for creating web applications.

**Q. 67: Specialised program designed to allow particular input or output devices to communication with the rest of the computer system is called**

- a) Compiler
- b) Device Drivers
- c) Interpreters
- d) Operating System
- e) None of these

**Explanation:** A device driver, often called a driver for short, is a computer program that enables another program, typically, an operating system to interact with a hardware device.

**Q. 68: A device that connects to a network without the use of cables is said to be\_\_\_\_\_**

- a) Distributed
- b) Cabled
- c) Centralized
- d) Open Source
- e) Wireless

**Explanation:** Wireless communication doesn't involve any physical link between two or more devices.

**Q. 69: When a file contains instruction that can be carried out by the computer, it is often called an\_\_\_\_\_ file.**

- a) Data
- b) Information
- c) Executable
- d) Application
- e) None of these

**Explanation:** A file with an executable file extension means that the file format supports some ability to run an automatic task.

**Q. 70: In a spreadsheet, a\_\_\_\_\_ is a number you will use in a calculation.**

- a) Label
- b) Cell
- c) Field
- d) Value
- e) None of these

**Explanation:** All words describing the values (numbers) are called labels. The numbers, which can later be used in formulas, are called values.

**Q: 71. The purpose of an application program is to**

- a) convert program written in high-level language to machine language
- b) meet specific user needs
- c) allow the operating system to control resources better
- d) make off-line equipment run better.
- e) None of these

**Explanation:** The purpose of an application program is to meet specific user needs.

**Q. 72: Which of the Following is not the type of Firewall ?**

- a) Packet Filtering Firewall
- b) Application Level Firewall
- c) Circuit Level Firewall
- d) Client level Firewall

- e) None of these

**Explanation:** There are three types of Firewalls:

1. Packet Filtering Firewall
2. Application Level Firewall
3. Circuit Level Firewall

**Q. 73: What is the Fullform of ARPANET?**

- a) Advanced Research Projects Agency Network
- b) Automatic Research Projects Agency Network
- c) Autonomous Research Projects Agency Network
- d) Application Research Projects Agency Network
- e) None of these

**Explanation:** ARPANET - Advanced Research Projects Agency Network

**Q. 74: A two-or-three character code used in teletypewriter systems to activate a particular machine is known as**

- a) Gray code
- b) barcode
- c) Call-directing code
- d) mnemonics.
- e) None of these

**Explanation:** A two-or-three character code used in teletypewriter systems to activate a particular machine is known as Call-directing code

**Q. 75: Which of the following methods is of reading the characters and providing input to a computer?**

- a) Optical character reader
- b) Punched paper tape
- c) Card punch
- d) Magnetic ink character.
- e) None of these

**Explanation:** A punch card is a simple piece of paper stock that can hold data in the form of small punched holes, which are strategically positioned to be read by computers or machines.

**Q. 76. A binary digit, which can have a value of 0 to 1 is**

- a) byte
- b) bit
- c) Decimal
- d) Laser printer
- e) None of these

**Explanation:** Bit, One bit contains a single binary value — either a 0 or a 1.

**Q: 77: A program that converts computer data into some code system other than the normal one is known as**

- a) encoder
- b) simulation
- c) emulator
- d) coding
- e) None of these

**Explanation:** A program that converts computer data into some code system other than the normal one is known as Encoder.

**Q: 78. The time for which a process has been receiving services from the processor is**

- a) Access time
- b) CPU time
- c) Down time
- d) CPU cycle
- e) None of these

**Explanation:** CPU time is the amount of time for which a central processing unit was used for processing instructions of a computer program or operating system, as opposed to, for example, waiting for input/output operations or entering low-power mode.

**Q:79. The examination and changing of single bit or small group of these within a word is called**

- a) Bit
- b) Byte
- c) Bit manipulation
- d) Bit slice
- e) None of these

**Explanation:** Bit manipulation is the act of algorithmically manipulating bits or other pieces of data shorter than a word.

**Q: 80. The invention of the slide rule is attributed to**

- a) Babbage
- b) Oughtred
- c) Pascal
- d) Napier
- e) None of the above

**Explanation:** Oughtred, William Oughtred simplified things with the slide rule by taking the two Gunter's lines and sliding them relative to each other thus eliminating the dividers



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## BANKING, PRESENT ECONOMIC SCENARIO & GENERAL AWARENESS

**Ques.81** With which financial entity has Stellapps partnered to enable cashless transactions to the small dairy farmers?

- a) PhonePe
- b) Airtel Payments Bank
- c) Paytm
- d) Jio Payment Bank
- e) None of these

**Answer (b):** Stellapps which is the dairy tech startup has partnered with Airtel Payments Bank. They have partnered to enable cashless transactions to the small dairy farmers in India.

**Ques.82:** RBI has removed \_\_\_\_ from Prompt Corrective Action Framework (PCAF), which was applied in Oct 2015?

- a) Union Bank of India
- b) Indian Overseas Bank
- c) Punjab National Bank
- d) Bank of Baroda
- e) None of these

**Answer (b):** The Reserve Bank of India (RBI) has removed Indian Overseas Bank (IOB) from the Prompt Corrective Action Framework (PCAF).

- The reason behind taking out of PCAF was that the bank has performed in compliance with PCA parameters and features.

- The performance overview of the IOB was made and hence the decision was taken by the central ban.

**Ques.83: From 1st \_\_\_ 2021, RBI commenced the new auto-debit rules in order to strengthen the safety and security of card transactions?**

- a) December
- b) October
- c) November
- d) January
- e) None of these

**Answer (b):** The Reserve Bank of India (RBI) has set and mandated new auto-debit rules. The new auto-debit rules have commenced from 1st Oct 2021.

The rules aim to strengthen the safety and security of card transactions and protect the customers from fraudulent transactions. This will enhance the customer experience.

**Ques.84: Which financial organization to support Chennai's Sustainable Urban Services through \$150 million?**

- a) Asian Development Bank
- b) World Bank
- c) Asian Infrastructure Investment Bank
- d) New Development Bank
- e) None of these

**Answer (b):** The World Bank has announced to support Chennai's Sustainable Urban Services. It will help to make Chennai a 'world-class city'.

- In this regard, the World Bank has approved about \$150 million programs for Chennai.
- It will help Tamil Nadu to transform Chennai into green, liveable, and resilient towards climate change.

**Ques.85: With which bank has the Indian Navy launched NAV-eCash Card onboard INS Vikramaditya?**

- a) Bank of Baroda
- b) Axis Bank
- c) Punjab National Bank
- d) State Bank of India
- e) None of these

**Answer (d):** The Indian Navy and State Bank of India (SBI) collaborated to launch SBI's NAV-eCash Card onboard INS Vikramaditya, which is India's largest Naval Aircraft Carrier.

- The NAV-eCash Card is based on dual-chip technology which will enable it to be used in both online and offline transactions methods.
- It will also eradicate the difficulty faced by the officer to handle physical cash during deployment of the ship at high seas.

**Ques. 86: With which bank has BharatPe entered into a partnership to enhance merchant acquiring business in India?**

- a) ICICI Bank
- b) Axis Bank

- c) Punjab National Bank
- d) Bank of Baroda
- e) None of these

**Answer (b):** The BharatPe has entered into a partnership with India's private sector bank, Axis Bank. The partnership was made to advance the merchant acquiring business in India.

- Under this partnership, Axis bank will be playing the role of acquiring a bank for BharatPe's point of sale (PoS) business named as BharatSwipe.
- It will provide acceptance of credit and debit cards for merchants which are associated with BharatPe.

**Ques.87: Who among the following to head the committee set up by RBI to suggest recommendations on New Umbrella Entity (NUE) licenses?**

- a) Kamal P Patnaik
- b) P. Vasudevan
- c) P. Shimrah
- d) A B Dutta
- e) None of these

**Answer (b):** The Reserve Bank of India (RBI) will be setting up a 5 members committee to scrutinize applications and suggest recommendations on New Umbrella Entity (NUE) licenses. The committee will be headed by P. Vasudevan, RBI chief general manager.

**Ques.88: What is the name of the store management tool launched by PayNearby in association with the Retailers Association's Skill Council of India?**

- a) PayNearby NeoSahitya
- b) PayNearby NeoBhandar
- c) PayNearby NeoShop
- d) PayNearby NeoDukaan
- e) None of these

**Answer (d):** India's leading branchless banking and digital payments network PayNearby launched 'PayNearby NeoDukaan'. The 'PayNearby NeoDukaan' was launched in association with the Retailers Association's Skill Council of India (RASCI).

- The 'PayNearby NeoDukaan' will help in the digital upgradation of retail partners.
- It is the first-of-its-kind store management tool that gives a digital touch to the retail stores.

**Ques.89: Which financial entity extended a USD 100 million loan to Africa Finance Corporation (AFC) to conduct infra development activities in the continent?**

- a) New Development Bank
- b) Exim Bank
- c) Asian Development Bank
- d) European Bank for Reconstruction and Development
- e) None of these

**Answer (b):** The Exim Bank has extended a line of credit (LoC) support from the side of GOI to the Africa Finance Corporation (AFC), which is an infrastructure solutions provider in the African continent.

- The Exim Bank has provided an LoC of USD 100 million (Rs 730 crore) to the Africa Finance Corporation (AFC).
- The loan support was provided for the development of infrastructure in the Africa continent.

**Ques. 90: With which entity has EarlySalary entered into a partnership to develop momentum in impact categories of skill upgradation, education loans, and healthcare finance?**

- Muthoot Finance Ltd
- Mahindra & Mahindra Financial Services Limited
- Bajaj Finserv
- HDB Financial Services Ltd
- None of these

**Answer (d):** The consumer lending platform 'EarlySalary' has joined hands with HDB Financial Services Ltd (HDBFS). The HDBFS is an NBFC and subsidiary of HDFC Bank.

- They have partnered to enhance the Digital Lending mechanism in order to give the best experience to their customers.
- Under the partnership, both the entities will develop momentum in impact categories of skill upgradation, education loans, and healthcare finance.

**Ques.91 In partnership with which bank, has LIC Cards Services Limited (LIC-CSL) launched 'Lumine' Platinum Credit Card and 'Eclat' Select Credit Card?**

- Bandhan Bank
- Karnataka Bank
- IDBI Bank
- Axis Bank
- None of these

**Explanation:** The LIC Cards Services Limited (LIC-CSL) collaborated with IDBI Bank to launch RuPay credit cards. The names of the credit cards are: 'Lumine' Platinum Credit Card and 'Eclat' Select Credit Card. Also, 'Welcome Bonus Delight Points' of 1,000 and 1,500 on Lumine and Eclat credit cards respectively will be earned on spending Rs 10,000 within 60 days of card issuance.

**Ques .92 Which bank launched 'SIM Binding' on its app in order to offer security to its customers from online frauds?**

- HDFC Bank
- IDBI Bank
- Yes Bank
- State Bank of India
- None of the above

**Explanation:** The State Bank of India (SBI) launched a new feature named 'SIM Binding' on its YONO and YONO Lite apps.

The 'SIM Binding' is an enhanced security feature which will protect customers from various digital frauds and offer them a safe online banking experience.

**Ques.93 The IMF has approved the allocation of \_\_\_ in Special Drawing Rights (SDR), being the largest allocation made by IMF considering the history of the organisation?**

- a) \$750 billion
- b) \$550 billion
- c) \$450 billion
- d) \$650 billion
- e) None of the above

**Explanation:** The International Monetary Fund (IMF) has approved the allocation of \$650 billion in Special Drawing Rights (SDR). It is the largest allocation made by IMF considering the history of the organization.

The allocation is made to help the countries to tackle pandemic COVID-19 and boost global liquidity.

The allocation will come into effect from 23rd Aug 2021.

The SDR will be credited to IMF member countries in proportion to their existing quotas in the Fund.

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**Ques.94:** In Aug 2021, RBI empanelled which bank to act as an 'Agency Bank'?

- a) City Union Bank
- b) Federal Bank
- c) IndusInd Bank
- d) Kotak Mahindra Bank
- e) None of the above

**Explanation:** The Reserve Bank of India (RBI) has empanelled the IndusInd Bank to act as an 'Agency Bank'. Therefore, the IndusInd Bank is now capable to perform transactions pertaining to all kinds of government-led businesses.

- This decision by RBI is based on norms that allow scheduled private sector banks as agency banks of the regulator for the conduction of government business.

**Ques.95: Which financial organisation approved a loan of \$250 million for India to enhance its dam safety in various states?**

- a) World Bank
- b) Asian Development Bank
- c) International Monetary Fund
- d) Asian Infrastructure Investment Bank
- e) None of the above

**Explanation:** The World Bank, GOI, Central Water Commission, government representatives from 10 participating states approved loans for India to make its existing dams safe and resilient.

The World Bank has approved a loan of \$250 million for India so that the country can make efforts to have a long-term dam safety program to enhance the safety and performance of existing dams across various states.

**Ques.96. Which SFB entered into a partnership with LoanTap Financial Technologies Pvt Ltd. to grant personal loans to the salaried professionals?**

- a) A U SFB
- b) Janalakshmi SFB
- c) Ujjivan SFB
- d) Utkarsh SFB
- e) None of the above

**Explanation:** The Ujjivan Small Finance Bank (SFB) has entered into a partnership with LoanTap Financial Technologies Pvt Ltd. They have collaborated to grant personal loans to salaried professionals.

- They have collaborated to grant personal loans to salaried professionals.
- This partnership is a part of Ujjivan SFB's API (Application Programming Interface) initiative.
- Under this partnership, the bank service will be extended to its customers via LoanTap's platform which is fast and secure.
- The Ujjivan SFB will offer personal loans from Rs 1 lakh to Rs 10 lakh with a tenure of 48 months through LoanTap's platform.

**Ques.97: Which bank launched the 'Salute Doctors' banking solution?**

- a) SBI
- b) ICICI Bank
- c) HDFC Bank
- d) Bandhan Bank
- e) None of the above

**Explanation:** The ICICI Bank has launched 'Salute Doctors' which is a comprehensive banking solution for medical doctors. This solution grants customized banking as well as value-added services to the doctors. It grants loans for homes, auto, personal, education, medical equipment, setting up clinics or hospitals and business to the doctors.

**Ques.98: What is the interest rate charged on the Public Provident Fund (PPF), as per the announcement made by GOI for the interest rate charged in the second quarter of 2021-22?**

- a) 7.2%
- b) 7.1%



- c) 7.3%
- d) 7.4%
- e) None of the above

**Explanation:** To grant the relief to savers, the GOI announced to keep interest rates on small savings schemes including NSC and PPF unchanged for the second quarter of 2021-22. The decision was taken amidst the COVID-19 pandemic. The Public Provident Fund (PPF) will continue to carry an annual interest rate of 7.1%. The National Savings Certificate (NSC) will continue to carry an annual interest rate of 6.8%.

**Ques.99: Which of the following organisation launched the 'Salaam Dil Sey Initiative' to pay tribute and gratitude to the doctors?**

- a) HDFC Bank
- b) Reliance Industries
- c) Art of Living Foundation
- d) Bank of Baroda
- e) None of the above

**Explanation:** The HDFC bank launched the 'Salaam Dil Sey Initiative'. The initiative shows gratitude to the doctors for their tireless service during the pandemic and are fighting bravely with the pandemic by risking their lives. It pays a tribute to the doctors of India.

**Ques.100: Which entity offered financial assistance of Rs 388 crore to Odisha to set up four mega piped drinking water supply projects and upgrading 20 village roads across 15 districts in the state?**

- a) New Development Bank
- b) EXIM Bank
- c) NABARD
- d) SBI
- e) None of the above

**Explanation:** The NABARD has sanctioned an amount of Rs 388 crore for the drinking water and road projects in Odisha. The state will use the amount to set up four mega piped drinking water supply projects and upgrading 20 village roads across 15 districts in the state.

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