

RBI GRADE B FINANCE CURRENT AFFAIRS QUIZ: AUGUST 2019

Q.1 What is the rank of India in Global Democracy index 2019 ?

- a) 40
- b) 41**
- c) 73
- d) 91

Explanation:

- India has been ranked **41st** in the Global Democracy index 2019 with a score of **7.23**.
- India has been termed as **“Flawed Democracy”** in the index. The index has always classified India as Flawed Democracy since the beginning i.e. 2006.
- A Flawed Democracy is a country where elections are fair and free. Other than this, basic civil liberties are also honored in such countries but these countries have some issues like media freedom infringement.
- India has performed **worst in political culture**, out of all the five parameters.

Q.2 Who releases the Global Democracy Index?

- a) Economist Intelligence Unit (EIU) by The Economist**
- b) World Bank
- c) Democracy International
- d) International Federation of Red Cross and Red Crescent Societies

Explanation:

- The Economist Intelligence Unit (EIU) is **the research and analysis division** of a British multinational media company **"The Economist Group"**.
- EIU is headquartered in **London, UK**.
- The EIU is the world leader in global business intelligence and produce high quality research and data.
- First Global Democracy Index was released in the year **2006**.

Q.3 Who has been appointed as MD and CFO of World Bank?

- a) Anshula Kant**
- b) Amitabh Kant
- c) Raghuram Rajan
- d) Arundhati Bhattacharya

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Explanation:

- She will be the 1st women Chief Financial Officer(CFO) of the World Bank Group
- She is presently the managing director of SBI (state bank of India)
- She has more than 35 years of expertise in banking, finance and technology
- She is an Economic Honours graduate from Lady Shri Ram College for Women and post-graduate from Delhi school of Economics

Q.4 Under which Act SEBI has acquired the power to invest regulatory data leaks and unauthorised access of data?

- a) RBI Act, 1934
- b) Income Tax Act,1961
- c) **SEBI Act,1992**
- d) Banking Regulation Act, 1949

Explanation:

- As per the **Finance Bill**, a new section- **15HAA** has been added in the **SEBI Act**.
- According to the bill, if a person tampers with information, destroys regulatory data, access data in an unauthorised manner then a penalty of up to **Rs 10 crore or 3 times the unlawful gains**, whichever is higher would be imposed on the entity
- The step has been taken as SEBI was in the midst of probing sensitive data leak through social media platforms, **Whatsapp and National Stock Exchange (NSE)** case
- It is not yet clear whether 'regulatory data' and 'database' as mentioned in the bill refers only to SEBI data or even those maintained by depositories, exchanges and clearing corporations,"

Q.5 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

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.6 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

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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-sight and on-site **supervision** over CIC
- The committee shall submit the report by **October31, 2019**

Core Investment Companies (CIC):

- CIC is a **Non-Banking Financial Company (NBFC)** that is indulged in the business of acquiring shares and securities
- 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.7 Zero Budget Natural Farming is based on which method?

- a) Using a limited amount of chemical fertilizer
- b) Use of only nitrogen fertilizer
- c) **No use of chemical fertilizer**
- d) High production cost based farming



Explanation:

- **“Zero budget”** stands for no production cost in farming and **“Natural Farming”** stands for doing farming without any aided chemical fertilizer or external seed and only using natural resources
- **Aim** to pull farmers out of the debt trap, cutting production cost and make small scale farming a viable option
- ZBNF involves **no use of chemical** fertilizers and assures zero credit for agriculture
- This type of farming was successfully initiated in **Karnataka** and was replicated as a role model in other states
- It cut down the farming expenditure and ends farmer’s reliance on loans

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**

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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

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

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**

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

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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

Explanation:

- The Committee shall determine the 'fit and proper' status of the proposed candidates based on the broad criteria mentioned hereunder:
 - **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.
 - **Educational qualification** – The candidate should at least be a graduate.
 - **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**
- c) 9 years
- d) 10 years

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 Which among the following report is published by the International Monetary Fund (IMF)?

- a) World Development Report
- b) **World Economic Outlook Report**
- c) Ease of doing business
- d) World Economic Situation and Prospects Report

Explanation:

Current scenario

- The IMF's **World Economic Outlook** July update has also cut India's growth forecast in **2020-21 to 7.2%**
 - **World Development Report:** International Bank for Reconstruction and Development (IBRD)
 - **Ease of doing business – World Bank**
 - **World Economic Situation and Prospects Report** : United Nations Department of Economic and Social Affairs (UN/DESA), the United Nations Conference on Trade and Development (UNCTAD) and the five United Nations regional commissions (Africa, Europe, Latin America and the Caribbean, Asia and the Pacific, and Western Asia).

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Q.14 The Income Tax Day is celebrated in India on?

- a) 21st July
- b) 23rd August
- c) **24th July**
- d) 25th July

Explanation:

- Income Tax was **first introduced** on 24th July 1860 in India **by Sir James Wilson**.
- It was to compensate for the losses incurred by the British regime during the **first war of independence i.e. Revolt of 1857** against British Rule.
- From that day **24th July** is observed as the Income Tax Day every year.

Q.15 RBI's medium-term strategy framework UTKARSH 2022 has a duration of?

- a) 2020-2023
- b) 2019-2024
- c) 2020-2022
- d) **2019-2022**

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.16 Who has released Working on a warmer Planet Report 2019 ?

- a) **International Labour Organization (ILO)**
- b) International Monetary Fund
- c) World Bank
- d) International Bank for Reconstruction and Development (IBRD)

Explanation:

- Working on a warmer Planet Report 2019 has been released by the **International Labour Organization (ILO)**.
- The report highlights the impact of heat stress on labour productivity and decent work.
- By the year 2030, it is projected that there will be a **loss equivalent to more than two per cent of total working hours worldwide every year**. This loss will be due to either too much heat or slower pace of workers.
- The report founded that **India will be the most affected** country due to global warming with **agriculture and construction sectors** being most affected sectors.
- The report further stated that **India is estimated to lose 5.8 per cent of working hours in 2030** due to global warming.

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Q.17 Which statement is correct about the legality of cryptocurrency in India?

- a) It is considered as a legal tender money
- b) It is accepted in financial transactions and banks
- c) Both a & b
- d) **No statement is correct**

Explanation:

- **Current context:** Government's inter-ministerial committee on virtual currencies has proposed banning of private cryptocurrencies in India
- The committee was **headed by** finance secretary **Subhash Chandra Garg**, MEITY secretary Ajay Prakash Sawhney, SEBI chairman Ajay Tyagi and RBI deputy governor B.P. Kanungo as its members
- The committee proposed a **draft bill "Banning of Cryptocurrency & Regulation of Official Digital Currency Bill, 2019"**
- The group has proposed that the government may establish a **standing committee** to revisit the issues addressed in the report

Q.18 The government has announced revamping of Indian Development Assistance Scheme (IDEAS) in the Budget 2019, choose the correct statement about the scheme?

- a) The scheme provides concessional line of credit to developing countries
- b) The first extension to the scheme was made in 2011-12
- c) The scheme is implemented under the Ministry of commerce and Industry
- d) The LOC is operated through Export Import Bank of India (Exim Bank)
- e) **Both a and d are correct**

Explanation:

- **Developing countries** are provided with Concessional **Line of Credits (LoCs)** through **Exim Bank or any other suitable lending agency** for support of such projects as recommended by MEA in those countries
- The Government of India has been extending Lines of Credit to African and other developing countries under this Scheme **since 2005-06**. The **first extension** to the scheme was granted in **2009-2010**. **Second extension** to the Scheme was given for another five years i.e. **from 2015-16 to 2019-20**
- The scheme is implemented through the Department of Economic Affairs (DEA) in the **Ministry of Finance**
- The LoC will be operated through **Export Import Bank of India** or any other willing bank/ lending agency decided by the Finance Minister
- The IDEA Scheme initially known as the **India Development Initiative** was announcement by the Finance Minister in **the Union Budget for 2003-04**, as an initiative to provide grants or project assistance to developing countries in the Africa, South Asia and other parts of the developing world and with a view to promote **strategic economic interests abroad**

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Q.19 Budget 2019 allowed one woman in every SHG to take loan under the MUDRA scheme upto an amount of _____?

- a) Rs. 5 lakh
- b) Rs. 1 lakh**
- c) Rs. 50,000
- d) Rs. 2 lakh

Explanation: The finance minister has announced that **one woman in every SHG** will also be made eligible for a loan up to **Rs.1 lakh under the MUDRA scheme**

- Also, **every verified woman SHG** member having a Jan Dhan account, an overdraft of **Rs.5,000** will be allowed

Q.20 The government has proposed in the Budget 2019 to continue Stand-Up India Scheme for the period of?

- a) 2019-2022
- b) 2020-2022
- c) 2020-2025**
- d) 2019-2025

Explanation: The finance Minister proposed to further extend the 'Stand up India' scheme, **launched in 2016**, to **support entrepreneurship** among women and marginalized segment (SC/ST) of the society

- She also announced that the **Banks will provide financial assistance** for demand based businesses

Q.21 Which statement is correct regarding new commercial arm for space, as proposed in the Budget 2019?

- a) It is launched under the Ministry of commerce and industries
- b) The commercial arm is named as New Space ISRO Limited
- c) It will be the second commercial arm of ISRO**
- d) It will include commercialisation of launch vehicle only

Explanation:

- **New Space India Limited (NSIL)**, the commercial arm of Indian Space Research Organisation (ISRO), was announced to be set up in Budget 2019
- It is launched under the **Department of Science**
- The commercial arm is named as **New Space India Limited (NSIL)**
- It is the second commercial arm of ISRO, **first is Antrix Limited**
- Commercialization **include** launch vehicles, transfer to technologies and marketing of space products etc.

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