

Expected Indian Banking System Questions (MCQs) For SSC, Railway and UPSC Exams



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Expected Indian Banking System Questions (MCQs) For SSC, Railway and UPSC Exams

1) Which of the following was the first bank established in India in the year 1770?

- a) General Bank of India
- b) Bank of Calcutta
- c) Bank of Hindustan
- d) Imperial Bank of India

2) Three banks were merged in the year 1921 to form the Imperial Bank of India. Which of the following is not one of them?

- a) Bank of Bengal
- b) Bank of Madras
- c) Bank of Bombay
- d) Bank of Hindustan

3) Which among the following is the largest and the oldest bank, which is still in existence in India?

- a) Reserve Bank of India
- b) Allahabad Bank
- c) State Bank of India
- d) Punjab National Bank

4) RBI, India's central banking institution was nationalised in the year 1935 under which of the following act?

- a) RBI Act, 1938
- b) RBI Act, 1935
- c) RBI Act, 1934
- d) RBI Act, 1932

5) SBI was given control of 8 state associated banks under the State Bank of India (Subsidiary Banks) Act, 1959 in which year?

- a) 1967
- b) 1965
- c) 1970
- d) 1960

6) Which of the following was the first bank with limited liability to be managed by Indians?

- a) Punjab National Bank
- b) State Bank of India
- c) Oudh Commercial Bank
- d) Allahabad Bank



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7) Which among the following bank is called as India's first truly Swadeshi Bank?

- a) Punjab National Bank
- b) Bank of India
- c) Allahabad Bank
- d) Central Bank of India

8) Which among the following was the first Indian Bank to open its branch outside India in foreign location?

- a) Bank of India
- b) Punjab National Bank
- c) State Bank of India
- d) Bank of Baroda

9) RBI which is an independent apex monetary authority in India was nationalized in which year?

- a) 1945
- b) 1948
- c) 1950
- d) 1949

10) The first phase of Nationalisation of 14 major private banks was done in which of the following year?

- a) 1969
- b) 1970
- c) 1965
- d) 1972

11) How many banks were nationalized in the second phase of nationalisation in April, 1980?

- a) Seven
- b) Ten
- c) Six
- d) Nine

12) Which of the following bank was set up on the recommendations of 1926 Royal Commission on Indian Currency and Finance?

- a) State Bank of India
- b) Reserve Bank of India
- c) Bank of India
- d) Central Bank of India



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13) The Original Headquarter of RBI was first of all set up in which of the following location?

- a) Mumbai
- b) Chennai
- c) Kolkata
- d) New-Delhi

14) The Banking Regulation Act that regulates all the banking firms in India was passed in which year?

- a) 1956
- b) 1950
- c) 1960
- d) 1949

15) Which one of the following is the oldest joint-stock bank and is still functioning in India?

- a) Punjab National Bank
- b) Central Bank of India
- c) Allahabad Bank
- d) Union Bank of India

16) Which of the following was the first Joint Stock Bank of India established in the year 1863?

- a) Bank of Bengal
- b) Bank of Madras
- c) Bank of India
- d) Bank of Upper India

17) Who among the following personality was the first Indian Governor of the Reserve Bank of India?

- a) P.C Bhattacharya
- b) C.D Deshmukh
- c) N.C Sen Gupta
- d) M. Narasimham

18) Which of the following act empowered the Reserve Bank of India to regulate, control and inspect the banks in India?

- a) Reserve Bank of India Act, 1934
- b) Banking Regulation Act, 1991
- c) Banking Regulation Act, 1949
- d) Public Debt Act, 1944



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19) New Bank of India was merged with Punjab National Bank in which of the following year?

- a) 1991
- b) 1995
- c) 1990
- d) 1993

20) How many members are there in the central board of directors in Reserve Bank of India?

- a) Twenty one
- b) Twenty five
- c) Thirty two
- d) Thirty Eight

21) Which of the following committee was set up by the Reserve Bank of India to lay the road map to capital account convertibility?

- a) Narasimham committee
- b) Tarapore committee
- c) Deepak Mohanty committee
- d) Sudarshan Sen committee

22) The Central office of the Reserve bank of India was permanently moved to Mumbai in which of the following year?

- a) 1937
- b) 1935
- c) 1940
- d) 1938

23) National Housing Bank, government owned entity was set up on July 9, 1988 under which of the following act?

- a) National Housing Bank, 1988
- b) National Housing Bank, 1987
- c) National Housing Bank, 1990
- d) National Housing Bank, 1992

24) Which among the following is an objective of National Housing Bank of India?

- a) Promoting inclusive expansion with stability in housing finance market
- b) To augment resources for the sector and channelise them for housing
- c) Making housing credit more affordable



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d) All of the above

25) Consider the following statements. Which among the following are the functions of Reserve Bank of India?

a) Regulator and Supervisor of the financial system

b) Banker and Debt Manager to Government

c) Regulator and Supervisor of Payment and Settlement System

d) All of the above

26) Which among the following bank was inaugurated by Mahatma Gandhi in the year 1919?

a) Bank of Hindustan

b) Union Bank of India

c) Central Bank of India

d) Allahabad Bank

27) Which among the following was the first bank in India to provide Internet Banking Facility?

a) ICICI Bank

b) Bank of Baroda

c) Kotak Mahindra Bank

d) Union Bank of India

28) Which one of the following public sector bank has maximum number of overseas branches?

a) Bank of India

b) Bank of Baroda

c) Punjab National Bank

d) State Bank of India

29) Which one of the following is the first bank in India to provide Mobile ATM facility to the people?

a) Kotak Mahindra Bank

b) ICICI Bank

c) HDFC Bank

d) Union Bank of India

30) Which among the following is India's first small finance bank that started its operations in the year 2016?

a) Utkarsh small finance bank

b) Equitas small finance bank

c) Capital small finance bank

d) Ujjivan small finance bank



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31) Which among the following banks are created to primary serve banking services to the rural areas of India?

- a) Scheduled Commercial Banks
- b) Non-Scheduled Commercial Banks
- c) Regional Rural Banks
- d) Payment Banks

32) Regional Rural banks were created on the recommendation of the Narasimham committee in which of the following year?

- a) 1980
- b) 1975
- c) 1988
- d) 1990

33) Prathama Bank, first regional rural bank in India was set up at which of the following location?

- a) Lucknow
- b) Allahabad
- c) Faizabad
- d) Moradabad

34) Gour Gramin bank, first regional rural bank eastern region of India was set up in which of the following state?

- a) West Bengal
- b) Jharkhand
- c) Bihar
- d) Odisha

35) What is the percentage stake of the Central Government and State Government in Regional Rural Banks of India?

- a) 50%, 35%
- b) 45%, 55%
- c) 50%, 15%
- d) 35%, 55%

36) NABARD, apex development financial institution in India was set up on the recommendation of which of the following committee?

- a) Tarapore committee
- b) Narasimham committee
- c) Sivaraman committee



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d) K Basu committee

37) NABARD, India's specialised bank for Agricultural and Rural Development in India is headquartered at.....?

- a) Chennai
- b) Jaipur
- c) Lucknow
- d) Mumbai

38) EXIM Bank which is a major finance institution in India was established in which of the following year?

- a) 1980
- b) 1985
- c) 1982
- d) 1983

39) Which among the following banking organisation acts as a catalyst and a key player in the promotion of cross border trade and investment?

- a) NABARD
- b) EXIM Bank

c) NHB

d) SIDBI

40) Which of the following entity is the apex financial institution for housing in India?

- a) NHB
- b) SIDBI
- c) EXIM
- d) NABARD

41) NHB, which operates as a principal agency to promote housing finance institutions in India is headquartered at.....?

- a) Mumbai
- b) New-Delhi
- c) Kolkata
- d) Bangalore

42) NHB, an autonomous housing finance institution was set up on the recommendation of a committee under the chairmanship of

- a) Abid Hussain



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b) B Sivaraman

c) Dr. C Rangarajan

d) G. Sundaram

43) Which among the following entity serves as the principal financial institution in MSME Sector?

a) NHB

b) RRB

c) NABARD

d) SIDBI

44) SIDBI, development financial institution in India was established through an act of the Parliament on.....?

a) July 3, 1990

b) April 2, 1990

c) May 5, 1995

d) Oct 2, 1988

45) Which of the following public sector bank is the largest individual shareholder of SIDBI?

a) Union Bank of India

b) Punjab National Bank

c) Allahabad Bank

d) State Bank of India

46) RBI gave in-principle approval to how many entities in 2015 to launch payment banks in India?

a) Eleven

b) Nineteen

c) Eighteen

d) Twenty-one

47) Reserve bank of India granted in-principle approval to how many entities to set up small finance banks in India?

a) Ten

b) Twelve

c) Fifteen

d) Eleven

48) Reserve bank of India does not transact the business of which of the following state government?

a) Madhya Pradesh



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b) Tamil Nadu

c) Sikkim

d) West-Bengal

49) Which among the following is the first Indian bank touch a market capitalisation of Rs.100000 Crore in India?

a) State bank of India

b) Bank of Baroda

c) ICICI Bank

d) HDFC Bank

50) Which among the following is the first payment bank of India commenced in the year 2016?

a) Fino Payment bank

b) Paytm Payment bank

c) Airtel Payment bank

d) India Post Payment bank

51) Which of the following bank sponsored Prathama Bank, first regional rural bank of India?

a) Bank of Baroda

b) Syndicate bank

c) Bank of Maharashtra

d) Punjab National bank

52) What was the share capital of the Reserve bank of India when it was established in the year 1935?

a) 40 crore

b) 20 crore

c) 5 crore

d) 10 crore

53) Which among the following is the subsidiary of the Reserve bank of India?

a) National Housing Bank

b) Deposit Insurance and Credit Guarantee Corporation

c) Bharatiya Reserve Bank Note Mudran Private Limited

d) All of the above

54) Board of financial supervision, working as the main guiding force behind RBI's regulatory and supervisory initiatives was established in which year?

a) 1991



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b) 1995

c) 1990

d) 1994

55) BPSS which regulates and supervises the payment and the settlement system was established in which year?

a) 2000

b) 2005

c) 2009

d) 2002

56) The branches of how many foreign banks are operational in India as of November, 2018?

a) 45

b) 50

c) 35

d) 20

57) Which among the following was the first bank to introduce cheque system in India?

a) State bank of India

b) Central bank of India

c) Bengal Bank

d) ICICI Bank

58) Which among the following was the first bank to introduce mutual funds in India?

a) State Bank of India

b) Punjab National Bank

c) Bank of Baroda

d) Bank of Maharashtra

59) Which one of the following is the first bank to introduce credit card system in India?

a) Canara bank

b) State bank of India

c) Central bank of India

d) Bank of Baroda

60) Name the micro finance company that becomes the first to start operation as a commercial bank?

a) Yes bank

b) ICICI bank

c) Bandhan bank



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d) Axis bank

61) The liberalization of Indian Banking and Regulation was done based on recommendation of which of the following committee?

a) Narasimham committee

b) Sivaraman committee

c) Tarapore committee

d) Deepak Mohanty committee

62) Which of the following banks were declared as Domestic Systemically Important Banks (D-SIBs) by the RBI in the year 2015?

a) SBI and PNB

b) PNB and ICICI

c) SBI and HDFC

d) SBI and ICICI

63) Which of the following movement encouraged the formation of commercial banks in India?

a) Quit India movement

b) Swadeshi movement

c) Non-cooperation movement

d) Civil Disobedience movement

64) Five associate bank and Bharatiya mahila bank were merged with SBI on.....?

a) 1 June, 2017

b) 12 May, 2017

c) 1 April, 2017

d) 1 December, 2017

65) Consider the following statement regarding Payment banks. Which of the following statement is not correct?

a) They can issue ATM cards

b) They can issue net-banking and mobile banking services

c) They can operate current account and savings account

d) They can issue loan and credit cards

66) What is the minimum capital requirement in order to establish payment bank in India?

a) 150 crore

b) 200 crore



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c) 100 crore

d) 50 crore

67) What percentage of branches of payment banks should be opened in the unbanked rural areas?

a) 30%

b) 25%

c) 20%

d) 50%

68) The promoter's minimum initial contribution to the paid-up equity capital of such small finance bank shall at least be.....?

a) 50%

b) 30%

c) 40%

d) 60%

69) ICICI Bank Ltd, indian banking and financial services company launched internet banking operations in which year?

a) 1998

b) 1995

c) 2000

d) 2002

70) Which of the following is the largest private sector bank in India in terms of market capitalization?

a) Kotak Mahindra bank

b) ICICI Bank

c) Axis Bank

d) Yes Bank

71) Bank of Rajasthan was acquired by ICICI Bank in which of the following year?

a) 2009

b) 2007

c) 2005

d) 2010

72) Which of the following private sector firm played an important role in the establishment of CIBIL in the year 2000?

a) Axis Bank

b) Yes Bank



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c) HDFC Bank

d) ICICI Bank

73) Which among the following is the first nationalized banks to establish a fully computerized branch and ATM facility in 1989?

a) Bank of Baroda

b) Bank of India

c) Canara Bank

d) Union Bank of India

74) Which among the following bank is the founding member of SWIFT?

a) Andhra Bank

b) Allahabad bank

c) Punjab National bank

d) Bank of India

75) Which one of the following is India's third largest lender behind SBI and ICICI after merger?

a) Bank of Baroda

b) Punjab National Bank

c) Syndicate Bank

d) Oriental Bank of Commerce

76) Which among the following is the first Indian private sector bank to open a branch in China?

a) Kotak Mahindra bank

b) ICICI Bank

c) Axis Bank

d) IndusInd bank

77) Which of the following bank has largest ATM networks among private banks in India?

a) City Union bank

b) Federal bank

c) Karur Vysya bank

d) Axis bank

78) Who among the following has the sole right to mint the coins in India?

a) Reserve bank of India

b) Government of India

c) India Post Payment Bank

d) State bank of India



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79) Which bank has distinction of being the first Indian bank to have been started solely with Indian capital that has survived to the present?

- a) State bank of India
- b) Central bank of India
- c) Allahabad bank
- d) Punjab National bank

80) Who among the following was the first chairman and the founder of Oriental bank of commerce?

- a) Bahadur Lala Sohan Lal ji
- b) Karam Chand Thapar
- c) Lala Rai Bahadur Singh
- d) Rai Chand Ram Bahadur

81) Which of the following bank was acquired by Oriental bank of commerce in the year 1997?

- a) Bari Doab Bank
- b) Punjab Cooperative bank
- c) Both a and b
- d) Neither a nor b

82) Which of the following bank was merged with Allahabad bank in the year 1989?

- a) New India Bank
- b) Bank of Hindustan
- c) United Trust of India Bank
- d) United Industrial Bank Ltd.

83) The Government of India controlled how much percentage of banking business in India with the second round of nationalisation?

- a) 95%
- b) 80%
- c) 88%
- d) 91%

84) Payment banks are licensed under which of the following section of the Banking Regulation act, 1949?

- a) Section 22
- b) Section 29
- c) Section 21
- d) Section 12



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85) The procedure of amalgamation of two banking companies is laid under which section of Banking Regulation act, 1949?

- a) Section 23
- b) Section 29
- c) Section 22
- d) Section 44A

86) Which bank is ranked as 216th in the Fortune Global 500 list of the world's biggest corporations of 2018?

- a) Union Bank of India
- b) Indian Overseas bank
- c) Punjab National bank
- d) State bank of India

87) Which among the following authority issues one rupee notes in India?

- a) Government of India
- b) Reserve Bank of India
- c) Ministry of Finance
- d) NABARD

88) Consider the following statements regarding RBI. Which one of the following statement is not correct?

- a) RBI is the custodian of foreign currency in India
- b) It was established on 1 April, 1935
- c) The headquarter of RBI is in Kolkata
- d) It was nationalized in the year 1949

89) How many public sector banks are working in India as per the current statistics?

- a) 19
- b) 22
- c) 20
- d) 12

90) Which of the following was the first paper currency issued by the Reserve bank of India?

- a) Rs. 100 note
- b) Rs. 50 note
- c) Rs. 10 note
- d) Rs. 5 note



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91) Which among the following banks play an important role in rural cooperative financing?

- a) Public sector banks
- b) Private sector banks
- c) Co-operative banks
- d) Foreign banks

92) Which among the following type of co-operative bank is present at the village or the local level?

- a) Primary co-operative banks
- b) Central co-operative banks
- c) State co-operative banks
- d) None of these

93) The objective of which bank is to promote the development of land, agriculture and increase the agricultural production?

- a) Regional rural banks
- b) Investment banks
- c) Co-operative banks
- d) Land Development banks

94) The first Land Development bank in India was set up at which of the following location?

- a) Madhya Pradesh
- b) Uttar Pradesh
- c) Punjab
- d) Bihar

95) National Institute of Bank Management, an Indian institution for research, training and consultancy in banking and finance is located in.....?

- a) New-Delhi
- b) Pune
- c) Bangalore
- d) Chennai

96) Which among the following entity manages the forex and the gold reserves of the nation?

- a) Government of Bank
- b) Reserve bank of India
- c) Export Import bank of India
- d) NABARD



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97) Security Printing and Minting Corporation of India Limited is located in which of the following location?

- a) Nashik
- b) Dewas
- c) mysore
- d) Both a and b

98) The Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) has set up printing presses in which of the following location?

- a) Nashik
- b) Mysore
- c) Salboni
- d) Both b and c

99) Anyonya Co-operative Bank Limited (ACBL) is the first co-operative bank in India located in.....?

- a) Madhya Pradesh
- b) Bihar
- c) Uttar Pradesh
- d) Gujarat

100) Which bank was featured in Limca Book of Records 2015 for creating a National Record for its campaign 'Plant a Sapling'?

- a) Kotak Mahindra bank
- b) ICICI Bank
- c) Karur Vysya bank
- d) Axis Bank

ANSWERS

1) Answer: c)

Bank of Hindustan was the first bank of India, It was established in 1770 and liquidated in 1829–32 and the second bank was General Bank of India, established in 1786. This bank was established at Calcutta under European management.

2) Answer: d)

The Bank of Madras merged into the other two "presidency banks" in British India, the Bank of Calcutta and the Bank of Bombay, to form the Imperial



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Bank of India, which in turn became the State Bank of India in 1955.

3) Answer: c)

The largest bank, and the oldest still in existence, is the State Bank of India. It originated and started working as the Bank of Calcutta in mid-June 1806. The three presidency banks Bank of Bengal, Bank of Bombay and Bank of Madras were merged in 1921 to form the Imperial Bank of India, which upon India's independence, became the State Bank of India in 1955.

4) Answer: c)

The Reserve Bank of India (RBI) is India's central banking institution, which controls the issuance and supply of the Indian rupee. It commenced its operations on 1 April 1935 in accordance with the Reserve Bank of India Act, 1934.

5) Answer: d)

SBI was given control of 8 state associated banks under the State Bank of India (Subsidiary Banks) Act, 1959 in the year 1960 which were called as its associate bank.

6) Answer: c)

The first Bank with Limited Liability to be managed by Indian Board was Oudh Commercial Bank. It was established in 1881 at Faizabad but this bank failed in the year 1958.

7) Answer: d)

The first Indian commercial bank which was wholly owned and managed by Indians was Central Bank of India which was established in 1911. So, Central Bank of India is called India's First Truly Swadeshi bank. Its founder was Sir Sorabji Pochkhanawala and its first chairman was Sir Pheroza Shah Mehta.

8) Answer: a)

Bank of India was the first Indian Bank to open a branch outside the country, at London, in 1946, and also the first to open a branch in Europe, Paris in 1974. The Bank has sizable presence abroad, with a network of 23 branches at key banking and financial centres like London, New York, Paris, Tokyo, Hong-Kong, and Singapore.

9) Answer: d)

The Reserve Bank of India (RBI) is India's central banking institution, which controls the monetary policy of the Indian rupee. It commenced its operations on 1 April 1935 during the British Rule in accordance with the provisions of the Reserve Bank of India Act, 1934. Following India's independence on 15 August 1947, the RBI was nationalised on 1 January 1949.

10) Answer: a)

Nationalisation is a process by which the government takes over private assets and brings them under public ownership. On July 19, 1969 Bank Nationalised Day Came into existence, where 14 banks are nationalised by the government of India. Most of the nationalised banks in India are also referred to 'public sector banks'.



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11) Answer: c)

In the year 1980, the second phase of nationalisation of Indian banks took place, in which 6 more banks were nationalised with deposits over 200 crores. After the second phase of nationalization, the Government of India controlled around 91% of the banking business of India.

12) Answer: b)

Reserve bank of India was set up based on the recommendations of the 1926 Royal Commission on Indian Currency and Finance, also known as the Hilton-Young Commission. Hilton-Young Commission was set up by British Government of India in 1920s. In 1926, this commission had recommended to the government to create a central bank in the country. On the basis of mainly this commission, the RBI act was passed.

13) Answer: c)

The Reserve Bank of India was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The Central Office of the Reserve Bank was initially established in Calcutta but was permanently moved to Mumbai in 1937.

14) Answer: d)

The Banking Regulation Act, 1949 is legislation in India that regulates all banking firms in India. It was Passed as the Banking Companies Act 1949. It came into force from 16 March 1949 and changed to Banking Regulation Act 1949 from 1 March 1966.

15) Answer: c)

The Allahabad Bank established in 1865 and still functioning today is the oldest Joint Stock bank in India. The bank has its headquarters in Kolkata, and said to consist of 2402 branches all over the country.

16) Answer: d)

Bank of Upper India was the oldest Joint Stock Bank of India which was established in 1863. However, bank failed in 1913 and with its failure some of its assets and liabilities were being transferred to the Alliance Bank of Simla.

17) Answer: b)

Sir Chintaman Dwarakanath Deshmukh was an Indian civil servant and the first Indian to be appointed as the Governor of the Reserve Bank of India in 1943 by the British Raj authorities. He subsequently served as the Finance Minister in the Union Cabinet (1950–1956).

18) Answer: c)

The Banking Regulation Act, 1949 is legislation in India that regulates all banking firms in India. In 1949, the Banking Regulation Act was enacted, which empowered the Reserve Bank of India (RBI) to regulate, control, and inspect the banks in India.

19) Answer: d)

Government of India merged New Bank of India with Punjab National Bank in the year 1993. It was the only merger between nationalised banks and resulted in the



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reduction of the number of nationalised banks from 20 to 19.

20) Answer: a)

The Reserve Bank's affairs are governed by a Central Board of Directors (CBD). Members of the board are appointed by the Government of India in accordance with Section 8 of the Reserve Bank of India Act. The general superintendence and direction of the RBI is entrusted with the 21-member central board of directors: the governor; four deputy governors; two finance ministry representatives, ten government-nominated directors to represent important elements of India's economy; and four directors to represent local boards headquartered at Mumbai, Kolkata, Chennai and the capital New Delhi.

21) Answer: b)

The Tarapore committee was set up by the Reserve Bank of India under the chairmanship of former RBI deputy governor S. S. Tarapore to "lay the road map" to capital account convertibility. The five-member committee recommended a three-year time frame for complete convertibility by 1999–2000.

22) Answer: a)

The Reserve Bank of India was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The Central Office of the Reserve Bank was initially established in Calcutta but was permanently moved to Mumbai in 1937.

23) Answer: b)

National Housing Bank (NHB), a Government of India owned entity was set up on 9 July 1988 under the National Housing Bank Act, 1987. NHB is an apex financial institution for housing in India.

24) Answer: d)

The objectives of the National Housing Bank is to promote a sound, healthy, viable and cost effective housing finance system to cater to all segments of the population and to integrate the housing finance system with the overall financial system. To augment resources for the sector and channelise them for housing and to make housing credit more affordable.

25) Answer: d)

All the statements above are the functions of RBI. RBI is the regulator and supervisor of the financial system and prescribes broad parameters of banking operations within which the country's banking and financial system functions. Payment and settlement systems which plays an important role in improving overall economic efficiency and is regulated by RBI. Just like individuals need a bank to carry out their financial transactions effectively & efficiently, Governments also need a bank to carry out their financial transactions. RBI serves this purpose for the Government of India.

26) Answer: b)

Union Bank of India is a government – owned bank and is one of the largest banks in India. It is listed in Forbes 2000. Union Bank was inaugurated by Mahatma Gandhi in 1919 in Mumbai.



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27) Answer: a)

ICICI Bank Limited (Industrial Credit and Investment Corporation of India) is an Indian multinational banking and financial services company headquartered in Mumbai, Maharashtra. It was the first bank in India to provide Internet Banking facility to the people.

28) Answer: d)

The State Bank of India (SBI) is an Indian multinational, public sector banking and financial services statutory body. It is a government corporation statutory body headquartered in Mumbai, Maharashtra. As of 2014–15, the bank had 191 overseas offices spread over 36 countries having the largest presence in foreign markets among Indian banks.

29) Answer: b)

The first ATM in India was introduced by the HSBC bank at Mumbai in the year 1987 and ICICI was the first bank to introduce mobile ATM in India in the year 2002.

30) Answer: c)

Capital Small Finance Bank Limited started operations as India's 1st Small Finance Bank on April 24, 2016 after conversion from Capital Local Area Bank. Prior to conversion to a Small Finance Bank, Capital Local Area Bank was operating as India's largest local area bank since January 14, 2000.

31) Answer: c)

Regional Rural Banks (RRBs) are Indian Scheduled Commercial banks operating at regional level in different States of India. They have been created with a view of serving primarily the rural areas of India with basic banking and financial services.

32) Answer: b)

Regional Rural banks were formed on October 2, 1975 on the recommendation of Narasimham committee under the provisions of an Ordinance passed on 26th September, 1975 and the RRB Act 1976 to provide sufficient banking and credit facility for agriculture and other rural sectors.

33) Answer: d)

The first RRB to be set up was the Prathama Bank, sponsored by Syndicate Bank on October 2, 1975 in Uttar Pradesh. The head office of this bank is at Moradabad, UP.

34) Answer: a)

The Development process of RRBs started on 2nd October, 1975, Gandhi Jayanti with the forming of the first RRB, the Prathama Bank, and Head Office at Moradabad (U.P.). As on 2nd October, 1975 Out of the remaining four RRBs in the country one was Set up at Malda in West Bengal under the name of Gour Gramin Bank, which was the first RRB in the Eastern Region of India.

35) Answer: c)



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The Regional Rural Banks were owned by the Central Government, the State Government and the Sponsor Bank who held shares in the regional rural banks in the ratios as follows Central Government – 50%, State Government – 15% and Sponsor Banks – 35%.

36) Answer: c)

National Bank for Agriculture and Rural Development (NABARD) is an apex development financial institution in India. NABARD was established on the recommendations of B. Sivaraman Committee on 12 July 1982 to implement the National Bank for Agriculture and Rural Development Act 1981.

37) Answer: d)

NABARD is India's specialised bank for Agriculture and Rural Development in India. It is one of the premier agencies providing developmental credit in rural areas. It is headquartered at Mumbai with regional offices all over India.

38) Answer: c)

Export-Import Bank of India is a finance institution in India, established in 1982 under Export-Import Bank of India Act 1981. It performs the role of commencing operations as a purveyor of export credit, like other export credit agencies in the world.

39) Answer: b)

Export-Import Bank of India is a finance institution in India, established in 1982 under Export-Import Bank of India Act 1981. Since its inception, Exim Bank of

India has been both a catalyst and a key player in the promotion of cross border trade and investment. Exim Bank plays a major role in partnering Indian industries, particularly the Small and Medium Enterprises, in their globalisation efforts, through a wide range of products and services.

40) Answer: a)

National Housing Bank (NHB), a Government of India owned entity was set up on 9 July 1988 under the National Housing Bank Act, 1987. NHB is an apex financial institution for housing in India.

41) Answer: b)

National Housing Bank is a Government of India owned entity. NHB has been established with an objective to operate as a principal agency to promote housing finance institutions both at local and regional levels. It is headquartered at New-Delhi, India.

42) Answer: c)

NHB was set up by a recommendation of committee headed by Dr. C Rangarajan. The Committee of Secretaries considered the recommendation and set up the High Level Group under the Chairmanship of Dr. C. Rangarajan, the then Deputy Governor, RBI to examine the proposal and recommended the setting up of National Housing Bank as an autonomous housing finance institution which were also accepted by the Government of India.

43) Answer: d)



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Small Industries Development Bank of India (SIDBI) is a development financial institution in India whose purpose is to provide refinance facilities and short term lending to industries, and serves as the principal financial institution in the Micro, Small and Medium Enterprises (MSME) sector.

44) Answer: b)

Small Industries Development Bank of India (SIDBI) is a development financial institution in India, headquartered at Lucknow and having its offices all over the country. It was established on April 2, 1990, through an Act of Parliament and operates under the Department of Financial Services, Government of India.

45) Answer: d)

State Bank of India is the largest individual shareholder of SIDBI with holding of 16.73% shares, followed by Government of India and Life Insurance Corporation of India.

46) Answer: a)

The Reserve Bank of India granted “in-principle” approval to 11 applicants in the year 2015 to set up payments banks under the Guidelines for Licensing of Payments Banks issued on November 27, 2014.

47) Answer: a)

The Reserve Bank of India (RBI) granted “in-principle” approval to 10 applicants to set up small finance banks under the “Guidelines for Licensing of Small Finance Banks in the private sector” issued on November 27, 2014.

48) Answer: c)

The Reserve Bank of India Act, 1934 requires the Central Government to entrust the Reserve Bank with all its money, remittance, exchange and banking transactions in India and the management of its public debt. The Reserve Bank may also, by agreement, act as the banker to a State Government. Currently, the Reserve Bank acts as banker to all the State Governments in India, except Sikkim.

49) Answer: a)

State Bank of India, the country’s biggest lender is the first public sector bank to touch a market capitalisation of Rs 1,00,000 crore.

50) Answer: c)

Airtel Payments Bank is a public limited company with its headquarters in New Delhi, India. The company is a subsidiary of Bharti Airtel. It is the first company in India to receive a payments bank license from the Reserve Bank of India (RBI) and it became the first live payments bank in the country.

51) Answer: b)

Prathama Bank is the First Regional Rural Bank of India, sponsored by Syndicate Bank established on



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2nd October, 1975, with its Head Office at Moradabad in accordance with Regional Rural Bank Ordinance 1975 issued on 26th September, 1975.

52) Answer: c)

The Reserve Bank of India was established on April 1, 1935 in accordance with the provisions of the reserve bank of India Act, 1934. RBI was established with 5 crore as its capital as private shareholders bank.

53) Answer: d)

The Reserve Bank of India has three fully owned subsidiaries, i.e., the entire paid-up capital is contributed by the RBI. They are:

Deposit Insurance and Credit Guarantee Corporation of India (DICGC)

National Housing Bank (NHB)

Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL)

54) Answer: d)

Board of Financial Supervision (BFS) is one of the two assistive bodies for Central Board of Directors of RBI, other being Board for Payment and Settlements system. It was established in 1994 and its main function is to undertake consolidated supervision of the financial sector comprising commercial banks, financial institutions and non-banking finance companies.

55) Answer: b)

BPSS was established in 2005 to regulate and supervise the payment and settlement systems. It is one of the two assistive bodies to Central Board of Directors in RBI. This is chaired by the Governor of RBI and its members are all the four Deputy Governors and two non-official directors of the central board.

56) Answer: a)

Foreign Bank is a bank of some other country which invests in India by opening its office here and grows its customer base. The Number of Foreign Banks in India in 2018 as per Branch Form of Presence in India is 45 along with the 286 No of banking branches.

57) Answer: c)

Bengal Bank which was established in the year 1784 was the first bank to introduce the cheque system in India.

58) Answer: a)

The first introduction of a mutual fund in India occurred in 1963, when the Government of India launched Unit Trust of India (UTI). State bank of India was the first public sector bank to introduce mutual funds in India followed by Canara bank and Punjab National bank.

59) Answer: c)

Central Bank of India, a government-owned bank, is one of the oldest and largest commercial banks in India. It is the first bank to introduce the credit card system in India.



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60) Answer: c)

Bandhan Bank Ltd. is an Indian banking and financial services company headquartered in Kolkata, West Bengal. Bandhan, which started as a micro-finance company in 2001. Bandhan received the in-principle approval of the (RBI) for setting up a universal bank in April 2014.

61) Answer: a)

Liberalization in Indian banking sector was begun since 1992, following the Narasimham Committee Report (December 1991). The 1991 report of the Narasimham Committee served as the basis for the initial banking sector reforms.

62) Answer: d)

The Reserve Bank of India announced today the designation of State Bank of India and ICICI Bank Ltd. as Domestic Systemically Important Banks (D-SIBs). The Reserve Bank had issued the Framework for dealing with Domestic Systemically Important Banks (D-SIBs) on July 22, 2014.

63) Answer: b)

The period between 1906 and 1911 saw the establishment of banks inspired by the Swadeshi movement. The Swadeshi movement inspired local businessmen and political figures to found banks of and for the Indian community. A number of banks established then have survived to the present such as

Catholic Syrian Bank, The South Indian Bank, Bank of India, Corporation Bank, Indian Bank, Bank of Baroda, Canara Bank and Central Bank of India.

64) Answer: c)

Five associate banks of SBI State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore and the Bharatiya Mahila Bank (BMB) were on 1 April 2017 merged with the State Bank of India (SBI).

65) Answer: d)

All the above statements are true except d). A payments bank is a new model of banks conceptualised by the Reserve Bank of India (RBI). These banks cannot issue loans and credit cards. Both current account and savings accounts can be operated by such banks. Payments banks can issue services like ATM cards, debit cards, net-banking and mobile-banking.

66) Answer: c)

The minimum paid up capital requirement of payments bank has been fixed as Rs. 100 crores. The payments bank will have to invest in government securities with a maturity of upto one year.

67) Answer: b)

Payments banks are a new model of banks conceptualised by the Reserve Bank of India. At least 25% of its branches must be in the unbanked rural area



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in order to provide the basic banking services to the needy people.

68) Answer: c)

The promoter's minimum initial contribution to the paid-up equity capital of such small finance bank shall at least be 40 per cent. Further, the promoter's stake should be brought down to 30 per cent of the paid-up equity capital of the bank within a period of 10 years, and to 26 per cent within 12 years from the date of commencement of business of the bank.

69) Answer: a)

ICICI Bank Limited (Industrial Credit and Investment Corporation of India) is an Indian multinational banking and financial services company headquartered in Mumbai, Maharashtra. It launched its internet banking operations in the year 1998.

70) Answer: b)

ICICI Bank Limited (Industrial Credit and Investment Corporation of India) is an Indian multinational banking and financial services company. ICICI Bank is the largest private sector bank in India in terms of market capitalization.

71) Answer: d)

The Bank of Rajasthan (BOR) was acquired by the ICICI Bank in 2010 for ₹ 30 billion. RBI was critical of BOR's promoters not reducing their holdings in the

company. BOR has since been merged with ICICI Bank.

72) Answer: d)

ICICI Bank has helped in setting up Credit Information Bureau of India Limited (CIBIL), India's first national credit bureau in 2000. CIBIL provides a repository of information which contains the credit history of commercial and consumer borrowers to its members in the form of credit information reports.

73) Answer: b)

The Bank of India has been the first among the nationalized banks to establish a fully computerized branch and ATM facility at the Mahalaxmi Branch at Mumbai way back in 1989.

74) Answer: d)

Bank of India (BOI) is commercial bank with headquarters at Bandra Kurla complex, Mumbai and it is one of the top 5 banks in India. BoI is a founder member of SWIFT (Society for Worldwide Interbank Financial Telecommunications), which facilitates provision of cost-effective financial processing and communication services.

75) Answer: a)

After the merger of Dena bank and Vijaya Bank with Bank of Baroda effective April 1, 2019 BOB has become the India's third largest lender behind SBI and ICICI bank.



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76) Answer: c)

Axis Bank is the third-largest of the private-sector banks in India offering a comprehensive suite of financial products. The Bank has nine international offices with branches at Singapore, Hong Kong, Dubai Shanghai, Colombo and representative offices at Dhaka, Dubai, Sharjah and Abu Dhabi. It is the first private bank to open a branch in China.

77) Answer: d)

Axis Bank Limited (formerly UTI Bank) was the first of the new private banks to have begun operations in 1994, after the Government of India allowed new private banks to be established. The Bank has a wide network of approximately 2,590 offices and 12,900 ATMs, one of the largest ATM networks in the country.

78) Answer: b)

The Government of India has the power to mint or print One Rupee coins / notes which are an asset and define the unit of currency.

79) Answer: d)

Punjab National Bank (PNB) is an Indian multinational banking and financial services company. It is a state-owned corporation based in New Delhi, India. PNB has the distinction of being the first Indian bank to have been started solely with Indian capital that has survived to the present.

80) Answer: a)

Oriental Bank of Commerce is an India-based bank established in Lahore, is one of the public sector banks in India. Bahadur Lala Sohan Lal ji the first Chairman of the Bank, founded OBC in 1943 in Lahore.

81) Answer: c)

In 1997, Oriental Bank of Commerce acquired two banks: Bari Doab Bank and Punjab Cooperative Bank but the acquisition of these two banks brought with it no additional branches.

82) Answer: d)

Allahabad Bank is a nationalised bank with its headquarters in Kolkata, India. It is the oldest joint stock bank in India. In the month of October in the year 1989, Allahabad Bank attained the United Industrial Bank, a Calcutta based bank that had been well-known since the year 1940.

83) Answer: d)

A second round of nationalisations of six more commercial banks followed in 1980. The stated reason for the nationalisation was to give the government more control of credit delivery. With the second round of nationalisations, the Government of India controlled around 91% of the banking business of India.

84) Answer: a)

Payments bank is a new model of banks conceptualised by the Reserve bank of India. The banks will be



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licensed as payments banks under Section 22 of the Banking Regulation Act, 1949, and will be registered as public limited company under the Companies Act, 2013 the Reserve Bank of India (RBI).

85) Answer: d)

Amalgamation of two banking companies is under the provisions of Section 44A of the Banking Regulation Act, 1949.

86) Answer: d)

The State Bank of India (SBI) is an Indian multinational, public sector banking and financial services statutory body. SBI is ranked as 216th in the Fortune Global 500 list of the world's biggest corporations of 2018.

87) Answer: c)

One rupee notes in India are printed by the Ministry of Finance while other notes are printed by the Reserve Bank of India.

88) Answer: c)

All the above statements are true except c). The Reserve Bank of India (RBI) is India's central banking institution, which controls the issuance and supply of the Indian rupee established in 1935 and nationalized in the year 1949. It is headquartered in Mumbai, Maharashtra.

89) Answer: d)

Public Sector Banks (PSBs) are a major type of bank in India, where a majority stake (i.e. more than 50%) is held by a government. The shares of these banks are listed on stock exchanges. There are a total of 12 Public Sector Banks alongside 1 state-owned Payments Bank in India.

90) Answer: d)

The Reserve Bank of India (RBI) is India's central banking institution, which controls the monetary policy of the Indian rupee. The Rs 5-note was the first paper currency issued by RBI in January 1938.

91) Answer: c)

Co-operative bank was set up by passing a co-operative act in 1904. They are organised and managed on the principal of cooperation and mutual help. The cooperative banks in India play an important role even today in rural cooperative financing.

92) Answer: a)

Co-operative banks are divided into three tier structures. At the apex is the State Co-operative Bank (SCB), at the intermediate (district) level are the Central Cooperative Banks (CCBs) and at the village level are Primary Agricultural Credit Societies (PACs).

93) Answer: d)

A land development bank is a special kind of bank in India, and is of quasi-commercial type that provides services such as accepting deposits, making business

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loans, and offering basic investment products. The main objective of the LDB is to promote the development of land, agriculture and increase the agricultural production.

94) Answer: c)

The first Land Development Bank was started at Jhang in Punjab in 1920. Even though the first LDB was started in Punjab, the real progress began when the land development bank was established in Chennai in 1929.

95) Answer: b)

National Institute of Bank Management (NIBM) is an Indian institution for research, training and consultancy in banking and finance. It is located in Pune. The campus is self-contained, with residential and educational facilities.

96) Answer: b)

Foreign-exchange reserves is money or other assets held by a central bank or other monetary authority so that it can pay its liabilities if needed, such as the currency issued by the central bank, as well as the various bank reserves deposited with the central bank by the government and other financial institutions. RBI manages forex and gold reserves of the nation.

97) Answer: d)

For printing of notes, the Security Printing and Minting Corporation of India Limited (SPMCIL), a wholly owned company of the Government of India, has set up printing presses at Nashik, Maharashtra and Dewas, Madhya Pradesh.

98) Answer: d)

Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) is a wholly owned subsidiary of Reserve Bank of India which prints bank notes (Indian rupees) for the Reserve Bank of India (RBI). It was established in 1995 to address the demand of bank notes. The Bharatiya Reserve Bank Note Mudran Private Limited also has set up printing presses in Mysore in Karnataka and Salboni in West Bengal.

99) Answer: d)

Anyonya Co-operative Bank Limited (ACBL) is the first co-operative bank in India located in the city of Vadodara in Gujarat. The Reserve Bank of India ordered the bank to stop most of its operations under Section 35 of the Banking Regulation Act, on September 14, 2007, and ABCL closed in March 2008.

100) Answer: d)

Axis Bank, India's third largest private sector bank has been featured in Limca Book of Records 2015 for creating a National Record for its campaign - 'Plant a Sapling'.



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