

❖ Interview questions might be asked in IBPS Clerk Interview:

✓ What is the Importance Monetary Policy in Indian Economy?

Monetary policy is the process by which the monetary authority of a currency controls the supply of money, often targeting an inflation rate or interest rate to ensure price stability and general trust in the currency.

✓ Who is the Governor of RBI?

Raghuram Govind Rajan

✓ Total number and names of Deputy Governors of RBI?

At present, RBI has provision for four deputy governors. To be considered for the **post** of deputy governor, a candidate needs to be below 60 years. A deputy governor could be appointed for up to five years or till the age of 62, whichever is earlier. **H R Khan, S S Mundra, Dr. Urjit Patel** and **R Gandhi** are deputy governors of RBI at present.

✓ What are the functions of RBI?

- Regulator and supervisor of the financial system
- Managerial of exchange control
- Issuer of currency
- Banker's bank

✓ CBS-full form and its meaning.

Core banking (stand for "centralized online real-time exchange") is a banking services provided by a group of networked bank branches where customers may access their bank account and perform basic transactions from any of the member branch offices. The group of banks which provide online network with each other and with customer.

✓ **Difference between RTGS & NEFT.**

The fundamental difference between RTGS and NEFT, is that while RTGS is based on gross settlement, NEFT is based on net-settlement. Gross settlement is where a transaction is completed on a one-to-one basis without bunching with other transactions. On the other hand a Deferred Net Basis (DNS), or net-settlement means that the transactions are completed in batches at specific times. Here, all transfers will be held up until a specific time. RTGS transactions are processed throughout the working hours of the system.

RTGS transactions involve large amounts of cash, basically only funds above Rs 200,000 may be transferred using this system. For NEFT, any amount below Rs 200,000 may be transferred, and this system is generally for smaller value transactions involving smaller amounts of money.

✓ **What is Plastic Currency?**

Plastic money is a term that is used predominantly in reference to the hard plastic cards we use everyday in place of actual bank notes. They can come in many different forms such as cash cards, credit cards, debit cards, pre-paid cash cards and store cards.

✓ **What is Debit card and Credit card?**

A debit card also known as a bank card or check card is a plastic payment card that provides the cardholder electronic access to their bank account(s) at a financial institution.

A credit card is a payment card issued to users as a system of payment. It allows the cardholder to pay for goods and services based on the holder's promise to pay for them.

✓ **What is Balance Sheet?**

A financial statement that summarizes a company's assets, liabilities and shareholders' equity at a specific point in time. These three balance sheet segments give investors an idea as to what the company owns and owes, as well as the amount invested by the shareholders.

The balance sheet must follow the following formula:

Assets = Liabilities + Shareholders' Equity

✓ What is ATM? Full form of PIN?

ATM(Automated teller Machine) is an *electro-mechanical machine* that is used for making financial transactions from a bank account. These machines are used to withdraw money from personal bank accounts. This makes banking process very easy because these machines are automatic and there is no need of human cashier for transaction.

Postal Index Number is a 6 digit post office numbering system used by India Post. Every city and their areas have been assigned different codes known as Postal Index Number. It helps in fast sorting of letter according to a particular area in all the cities of India.

✓ Types of Bank Accounts and their Utilities?

Traditionally banks in India have four types of deposit accounts, namely Saving Banking Accounts, Current Accounts, Recurring Deposits and, Fixed Deposits.

1. Saving Account -

Saving accounts are opened to encourage the people to save money and collect their savings. The saving account holder is allowed to withdraw money from the account as and when required. The interest on Saving Bank Accounts was fixed by RBI and it was fixed at 4.00% on daily balance basis. RBI has deregulated Saving Fund account interest rates and now banks are free to decide the same within certain conditions imposed by RBI.

Features of Saving Accounts –

1. There is no restriction on the number and amount of deposits. However, in India, mandatory PAN (Permanent Account Number) details are required to be furnished for doing cash transactions exceeding ₹50,000.
2. Withdrawals are allowed subject to certain restrictions.
3. A minimum amount has to be kept on saving account to keep it functioning.

2. Current Account –

Current Accounts are basically meant for businessmen and are never used for the purpose of investment or savings.

Features of Current Accounts –

- (1) The main objective of Current Account holders in opening these account is to enable them (mostly businessmen) to conduct their business transactions smoothly.
- (2) There are no restrictions on the number of times deposit in cash / cheque can be made or the amount of such deposits;
- (3) Usually banks do not pay any interest on such current accounts.
- (4) The current accounts do not have any fixed maturity as these are on continuous basis accounts.
- (5) Cheque book facility is provided and the account holder can deposit all types of the cheques and drafts in their name or endorsed in their favor by third parties.

3.Recurring Desposit Account-

Recurring Deposit is a special kind of Term Deposit offered by banks in India popularly known as RD accounts which help people with regular incomes to deposit a fixed amount every month into their Recurring Deposit account and earn interest at the rate applicable to Fixed Deposits.

Features of RD Accounts –

1. Recurring Deposit accounts are normally allowed for maturities ranging from 6 months to 120 months
2. These accounts can be opened in single or joint names. Nomination facility is also available.
3. Rate of Interest offered is similar to that in Fixed Deposits.
4. Interest is compounded on quarterly basis in recurring deposits.

5. Fixed Deposit Account (FD)

The account which is opened for a particular fixed period (time) by depositing particular amount (money) is known as Fixed (Term) Deposit Account. The term 'fixed deposit' means that the deposit is fixed and is repayable only after a specific period is over. Under fixed deposit account, money is deposited for a fixed period say six months, one year, five years or even ten years. The money deposited in this account can not be withdrawn before the expiry of period.

Features of FD Accounts –

1. The main purpose of fixed deposit account is to enable the individuals to earn a higher rate of interest on their surplus funds (extra money).
2. The amount can be deposited only once. For further such deposits, separate accounts need to be opened.
3. Fixed Deposit Account may be opened for a minimum period of 15 days and maximum period of 10 years.
4. The minimum amount required to open a Fixed Deposit is Rs.1000.
5. Withdrawals are not allowed. However, in case of emergency, banks allow to close the fixed account prior to maturity date. In such cases, the bank deducts 1% (deduction percentage may vary) from the interest payable as on that date.

✓ What is TDS?

Tax Deducted at Source is one of the modes of collecting income tax in India. This tax has to be deposited in the Government treasury within the specified time. There is no uniform rate for deducting a tax. It can range from 1% to 30% or more, depending on the entity on which it is applicable.

✓ What is REPO/ REVERSE REPO/SLR/CRR? Their current status?

At present in the month of January RBI rates are as following :-

CRR - 4%

SLR - 22%

Bank Rate- 8.75%

Repo Rate :- 7.75%

Reverse Repo- 6.75%

Marginal Standing Ratio- 8.75%

Term Deposit Rate :- 8% - 9.0% -

✓ **What is Inflation?**

The rate at which the general level of prices for goods and services is rising, and, subsequently, purchasing power is falling. Central banks attempt to stop severe inflation, along with severe deflation, in an attempt to keep the excessive growth of prices to a minimum.

✓ **What is Bank Rate?**

Bank Rate is the rate at which central bank of the country (in India it is RBI) allows finance to commercial banks. Bank Rate is a tool, which central bank uses for short-term purposes. Any upward revision in Bank Rate by central bank is an indication that banks should also increase deposit rates as well as Base Rate / Benchmark Prime Lending Rate.

✓ **What is NPA?**

A Non-performing asset (NPA) is defined as a credit facility in respect of which the interest and/or installment of principal has remained 'past due' for a specified period of time.

✓ **What is NBFCs?**

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company)

✓ **BASEL Norms?**

A set of international banking regulations put forth by the Basel Committee on Bank Supervision, which set out the minimum capital requirements of financial institutions with the goal of minimizing credit risk. Banks that operate internationally are required to maintain a minimum amount (8%) of capital based

on a percent of risk-weighted assets. The committee comprises representatives from central banks and regulatory authorities.

Basel-I

In 1988, the Basel Committee on Banking Supervision (BCBS) in Basel, Switzerland, published a set of minimum capital requirements for banks. These were known as Basel I. It focused almost entirely on credit risk (default risk) - the risk of counter party failure. It defined capital requirement and structure of risk weights for banks.

Under these norms: Assets of banks were classified and grouped in five categories according to credit risk, carrying risk weights of 0% (Cash, Bullion, Home Country Debt Like Treasuries), 10, 20, 50 and 100% and no rating. Banks with an international presence are required to hold capital equal to 8% of their risk-weighted assets (RWA) - At least, 4% in Tier I Capital (Equity Capital + retained earnings) and more than 8% in Tier I and Tier II Capital. Target - By 1992.

One of the major role of Basel norms is to standardize the banking practice across all countries. However, there are major problems with definition of Capital and Differential Risk Weights to Assets across countries, like Basel standards are computed on the basis of book-value accounting measures of capital, not market values. Accounting practices vary significantly across the G-10 countries and often produce results that differ markedly from market assessments.

Other problem was that the risk weights do not attempt to take account of risks other than credit risk, viz., market risks, liquidity risk and operational risks that may be important sources of insolvency exposure for banks.

Basel-II

Basel II was introduced in 2004, laid down guidelines for capital adequacy (with more refined definitions), risk management (Market Risk and Operational Risk) and disclosure requirements.

- use of external ratings agencies to set the risk weights for corporate, bank and sovereign claims.

- Operational risk has been defined as the risk of loss resulting from inadequate

or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk, whereby legal risk includes exposures to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements. There are complex methods to calculate this risk.

- disclosure requirements allow market participants assess the capital adequacy of the institution based on information on the scope of application, capital, risk exposures, risk assessment processes, etc.

Basel III

It is widely felt that the shortcoming in Basel II norms is what led to the global financial crisis of 2008. That is because Basel II did not have any explicit regulation on the debt that banks could take on their books, and focused more on individual financial institutions, while ignoring systemic risk.

- The guidelines aim to promote a more resilient banking system by focusing on four vital banking parameters viz. capital, leverage, funding and liquidity.

- Requirements for common equity and Tier 1 capital will be 4.5% and 6%, respectively.

- The liquidity coverage ratio(LCR) will require banks to hold a buffer of high quality liquid assets sufficient to deal with the cash outflows encountered in an acute short term stress scenario as specified by supervisors. The minimum LCR requirement will be to reach 100% on 1 January 2019. This is to prevent situations like "Bank Run".

- Leverage Ratio > 3%:The leverage ratio was calculated by dividing Tier 1 capital by the bank's average total consolidated assets;.

✓ **Difference between Current assets and Fixed Assets?**

Assets are resources owned by a company as the result of transactions. Examples of assets are cash, accounts receivable, inventory, prepaid insurance, land, buildings, equipment, trademarks and customer lists purchased from another company, and certain deferred charges.

The term *fixed assets* generally refers to the long term assets tangible assets used in a business that are classified as property and plant equipment. Examples of fixed assets are land, buildings, manufacturing equipment, office equipment, furniture, fixtures, and vehicles. Except for land, the fixed assets are depreciated over their useful lives.

✓ **Difference between Current liabilities and Current Assets?**

Current assets can be defined as an asset on the balance sheet which is expected to be sold or otherwise used up in the near future, usually within one year, or one operating cycle – whichever is longer. Current assets include cash, accounts receivable, inventory, marketable securities, prepaid expenses and other liquid assets that can be readily converted to cash. Current assets are important to businesses because they are the assets that are used to fund day-to-day operations and pay ongoing expenses.

Current liabilities can be defined as those liabilities that are to be paid or settled in cash within a year. Examples of current liability are accounts payable for goods, outstanding expenses etc

✓ **What are Mobile Banking and Internet Banking?**

Mobile Banking is a service that allows you to access your accounts using your internet enabled mobile phone. Mobile banking is available to all customers who are registered for Internet Banking.

The performance of banking activities via the Internet. Online banking is also known as "Internet banking" or "Web banking." A good online bank will offer customers just about every service traditionally available through a local branch, including accepting deposits (which is done online or through the mail), paying interest on savings and providing an online bill payment system.

✓ **What is Call money? Its rate?**

Call Money' is the borrowing or lending of funds for 1day.The interest rate on a type of short-term loan that banks give to brokers who in turn lend the money to investors to fund margin accounts Current Rate of Call money is 2

✓ **What is Prime Lending Rate?**

The interest rate that commercial banks charge their most credit-worthy customers. Generally a bank's best customers consist of large corporations. The prime interest rate, or prime lending rate, is largely determined by the federal funds rate, which is the overnight rate which banks lend to one another. The prime rate is also important for retail customers, as the prime rate directly affects the lending rates which are available for mortgage, small business and personal loans

✓ **Full form of CORE?**

Centralized Online Real-time Exchange

✓ **What is CTS?**

Truncation is the process of stopping the flow of the physical cheque issued by a drawer at some point by the presenting bank en-route to the drawee bank branch. In its place an electronic image of the cheque is transmitted to the drawee branch through the clearing house, along with relevant information like data on the MICR band, date of presentation, presenting bank, etc. Cheque truncation thus obviates the need to move the physical instruments across branches, other than in exceptional circumstances for clearing purposes. This effectively eliminates the associated cost of movement of the physical cheques, reduces the time required for their collection and brings elegance to the entire activity of cheque processing.

✓ **Meaning of SWIFT?**

The **Society for Worldwide Interbank Financial Telecommunication (SWIFT)** provides a network that enables [financial institutions](#) worldwide to send and receive information about financial transactions in a secure, standardized and reliable environment. Swift also sells [software](#) and services to financial institutions, much of it for use on the SWIFTNet Network, and [ISO 9362](#). Business Identifier Codes (BICs) are popularly known as "SWIFT codes".

✓ **What is CASA?**

The CASA (current and savings account) ratio is the ratio of deposits in the current and savings accounts of a bank to its total deposits. A high CASA ratio indicates that a higher portion of the banks deposits come from current and savings accounts.

✓ **RUPAY Card platform developed by?**

✓ National Payments Corporation of India (NPCI)

Meaning of POS?

Point of sale (also called POS or checkout, during computerization later becoming electronic point of sale or EPOS) is the place where a retail transaction is completed. It is the point at which a customer makes a payment to the merchant in exchange for goods or services.

✓ **What is Financial Inclusion?**

Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable.

✓ **What is Money Laundering?**

The process of creating the appearance that large amounts of money obtained from serious crimes, such as drug trafficking or terrorist activity, originated from a legitimate source.

✓ **What is SEBI? And its Functions?**

Security and Exchange Board of India was established in 1992 by passing of the Security and Exchange Board Act. This board was established to protect the interest of investors in securities and to promote the development and regulation of securities market.

Functions

SEBI has three important functions. These are:

- i. Protective functions
- ii. Developmental functions
- iii. Regulatory functions.

✓ **What is SENSEX/NIFTY?**

The SENSEX and Nifty are both stock market indexes. A stock market index, also known as a stock index is a method of measuring the value of a section of the stock market. The stock index consists of a selected number of stocks, which represent the strength of the stock market exchange as a whole. The stock index is calculated by taking an average, usually weighted of the selected number of stocks as included in the index.

✓ **Chairman of BSE/NSE?**

Chitra Ramkrishna is the first woman managing director and chief executive officer of the National Stock Exchange

Ashish Kumar Chauhan (Ashishkumar Chauhan) is an Indian business executive and administrator. He is the current Managing Director & Chief Executive Officer of the Bombay Stock Exchange.

✓ **Who is chief justice of India?**

Justice Handyala Lakshminarayanawamy Dattu

Name of Cabinet Ministers and Ministers of States?

Prime Minister Narendra Modi: Personnel, Public Grievances and Pensions; Department of Atomic Energy Department of Space; All important policy issues and all other portfolios not allocated to any Minister CABINET MINISTERS

Rajnath Singh: Home Affairs

Sushma Swaraj: External Affairs, Overseas Indian Affairs

Arun Jaitley Finance, Corporate Affairs, Information & Broadcasting

M. Venkaiah Naidu: Urban Development, Housing and Urban Poverty Alleviation, Parliamentary Affairs

Nitin Gadkari: Road Transport and Highways, Shipping

Manohar Parrikar: Defence

Suresh Prabhu: Railways

D.V. Sadananda Gowda: Law & Justice

Uma Bharati: Water Resources, River Development and Ganga Rejuvenation

Dr. Najma A. Heptulla: Minority Affairs

Ramvilas Paswan: Consumer Affairs, Food and Public Distribution

Kalraj Mishra: Micro, Small and Medium Enterprises

Maneka Gandhi: Women and Child Development

Ananthkumar: Chemicals and Fertilizers

Ravi Shankar Prasad: Communications and Information Technology

Jagat Prakash Nadda: Health & Family Welfare

Ashok Gajapathi Raju: Civil Aviation

Anant Geete: Heavy Industries and Public Enterprises

Harsimrat Kaur Badal: Food Processing Industries

Narendra Singh Tomar: Mines, Steel

Chaudhary Birender Singh: Rural Development, Panchayati Raj, Drinking Water and Sanitation

Jual Oram: Tribal Affairs

Radha Mohan Singh: Agriculture

Thaawar Chand Gehlot: Social Justice and Empowerment

Smriti Irani: Human Resource Development

Dr. Harsh Vardhan: Science and Technology, Earth Sciences

MINISTERS OF STATE (Independent Charge)

General V.K. Singh: Statistics and Programme Implementation (Independent Charge), External Affairs, Overseas Indian Affairs

Inderjit Singh Rao: Planning (Independent Charge), Defence

Santosh Kumar Gangwar: Textiles (Independent Charge)

Bandaru Dattatreya: Labour and Employment (Independent Charge)

Rajiv Pratap Rudy: Skill Development & Entrepreneurship (Independent Charge), Parliamentary Affairs

Shripad Yesso Naik: AAYUSH (Independent Charge), Health & Family Welfare

Dharmendra Pradhan: Petroleum and Natural Gas (Independent Charge)

Sarbananda Sonowal: Youth Affairs and Sports (Independent Charge)

Prakash Javadekar: Environment, Forest and Climate Change (Independent Charge)

Piyush Goyal: Power (Independent Charge), Coal (Independent Charge), New and Renewable Energy (Independent Charge)

Jitendra Singh: Development of North Eastern Region (Independent Charge), Prime Minister's Office, Personnel, Public Grievances & Pensions, Department of Atomic Energy, Department of Space

Nirmala Sitharaman: Commerce and Industry (Independent Charge)

Dr. Mahesh Sharma: Culture (Independent Charge), Tourism (Independent Charge), Civil Aviation

*******MINISTERS OF STATE*******

Mukhtar Abbas Naqvi: Minority Affairs, Parliamentary Affairs

Ram Kripal Yadav: Drinking Water & Sanitation

Haribhai Parthibhai Chaudhary: Home Affairs

Sanwar Lal Jat: Water Resources, River Development & Ganga Rejuvenation

Mohanbhai Kalyanjibhai Kundariya: Agriculture

Giriraj Singh: Micro, Small & Medium Enterprises

Hansraj Gangaram Ahir: Chemicals & Fertilizers

G.M. Siddeshwara: Heavy Industries & Public Enterprises

Manoj Sinha: Railways

Nihalchand: Panchayati Raj

Upendra Kushwaha: Human Resource Development

Radhakrishnan P.: Road Transport & Highways, Shipping

Kiren Rijju: Home Affairs

Krishan Pal: Social Justice & Empowerment

Dr. Sanjeev Kumar Balyan: Agriculture

Manuskhbhai Dhanjibhai Vasava: Tribal Affairs

Raosaheb Dadarao Danve: Consumer Affairs, Food and Public Distribution

Vishnu Deo Sai: Mines, Steel

Sudarshan Bhagat: Rural Development

Prof. (Dr.) Ram Shankar Katheria: Human Resource Development

Y.S. Chowdary: Science and Technology, Earth Science

Jayant Sinha: Finance

Col. Rajyavardhan Singh Rathore: Information & Broadcasting

Babul Supriyo: Urban Development, Housing and Urban Poverty Alleviation

Sadhvi Niranjana Jyoti: Food Processing Industries

Vijay Sampla: Social Justice & Empowerment

✓ **Functions of EXIM bank?**

The main functions of the EXIM Bank are as follows:

- (i) Financing of exports and imports of goods and services, not only of India but also of the third world countries;
- (ii) Financing of exports and imports of machinery and equipment on lease basis;
- (iii) Financing of joint ventures in foreign countries
- (iv) Providing loans to Indian parties to enable them to contribute to the share capital of joint ventures in foreign countries;
- (v) to undertake limited merchant banking functions such as underwriting of stocks, shares, bonds or debentures of Indian companies engaged in export or import; and
- (vi) To provide technical, administrative and financial assistance to parties in connection with export and import.

✓ **Difference between SHARES and DEBENTURES?**

- A person having the debentures is called debenture holder whereas a person holding the shares is called shareholder.
- Debenture holder is a creditor of the company and cannot take part in the management of the company while a shareholder is the owner of the company. It is the basic distinction between a debenture and a share.
- Debenture holders will get interest on debentures and will be paid in all circumstances, whether there is profit or loss will not affect the payment of interest on debentures. Shareholder will get a portion of the profits called dividend which is dependent on the profits of the company. It can be declared by the directors of the company out of profits only.
- Shares cannot be converted into debentures whereas debentures can be converted into shares.
- Debentures will get priority in getting the money back as compared to shareholder in case of liquidation of a company.
- There are no restriction on issue of debentures at a discount, whereas shares at discount can be issued only after observing certain legal formalities.
- Convertible debentures which can be converted into shares at the option of debenture holder can be issued whereas shares convertible into debentures cannot be issued.
- There can be mortgage debentures i.e. assets of the company can be mortgaged in favor of debenture holders. But there can be no mortgage shares. Assets of the company cannot be mortgaged in favor of shareholders.

✓ **RBI's plan for launching Plastic Notes?**

The Reserve Bank of India (RBI) is planning to introduce plastic currency notes next year on a pilot basis and improve security features to defeat the efforts of counterfeiters. It also aims to set up a national bill payments system that could eliminate middlemen and bring in efficiencies.

"The Reserve Bank of India is also looking at other alternatives for improving the life of bank notes," the central bank said in its annual report for 2013-14. The central bank floated a tender for plastic currency notes in January after years of

deliberation. Depending on the trial, the notes should be introduced widely next year.

"Plastic notes are coming... Tender bids have come for 1 billion notes. In five cities, pilot testing would be done, including Shimla," RBI governor Raghuram Rajan said in May after a board meeting in Shimla. "In 2015, it would be launched based on the results of pilot testing."

Plastic notes are stain proof and don't tear easily. Several countries have tried using polymer-based currency notes, although these are costlier than cotton-fibre based paper currency.

The plastic notes may be introduced in Kochi, Mysore, Jaipur, Bhubaneswar and Shimla - centres with different weather conditions. Notes of low denomination will be used in the pilot project.

To further the cause of financial inclusion and protect consumers, the central bank is also planning to review Know Your Customer (KYC) norms without weakening anti-money laundering requirements. It will also review priority sector guidelines, according to changing economic priorities.

✓ **How many PSBs are there in India?**

There are a total of 27 PSBs in India [19 Nationalized banks + 6 State bank group (SBI + 5 associates) + 1 IDBI bank (Other Public Sector-Indian Bank) = 26 PSBs + 1 recent Bhartiya Mahila Bank].

✓ **What is Balance of Trade and Balance of Payment?**

Balance of Trade:-

The difference between the value of goods and services exported out of a country and the value of goods and services imported into the country. The balance of trade is the official term for net exports that makes up the balance of payments. The balance of trade can be a "favorable" surplus (exports exceed imports) or an "unfavorable" deficit (imports exceed exports).

Balance of Payment:-

The balance of payments accounts of a country record the payments and receipts of the residents of the country in their transactions with residents of other

countries. If all transactions are included, the payments and receipts of each country are, and must be, equal. Any apparent inequality simply leaves one country acquiring assets in the others. For example, if Americans buy automobiles from Japan, and have no other transactions with Japan, the Japanese must end up holding dollars, which they may hold in the form of bank deposits in the United States or in some other U.S. investment.

✓ **Difference between GDP and GNP?**

Gross Domestic Product(GDP) and Gross National Product(GNP) measure the size and strength of an economy but are calculated and used in different ways.

GDP is an estimated value of the total worth of a country's production and services, within its boundary, by its nationals and foreigners, calculated over the course on one year.

GNP is an estimated value of the total worth of production and services, by citizens of a country, on its land or on foreign land, calculated over the course on one year.

✓ **Total numbers of listed stock exchanges in India?**

✓ **Stock Exchanges In India**

Stock Exchanges are an organised marketplace, either corporation or mutual organisation, where members of the organisation gather to trade company stocks and other securities. The members may act either as agents for their customers, or as principals for their own accounts.

Stock exchanges also facilitate for the issue and redemption of securities and other financial instruments including the payment of income and dividends. The record keeping is central but trade is linked to such physical place because modern markets are computerised. The trade on an exchange is only by members and stock broker do have a seat on the exchange.

List of Stock Exchanges In India

- » Bombay Stock Exchange
- » National Stock Exchange
- » Regional Stock Exchanges
- » Ahmedabad

- » Bangalore
- » Bhubaneshwar
- » Calcutta
- » Cochin
- » Coimbatore
- » Delhi
- » Guwahati
- » Hyderabad
- » Jaipur
- » Ludhiana
- » Madhya Pradesh
- » Madras
- » Magadh
- » Mangalore
- » Meerut
- » OTC Exchange Of India
- » Pune
- » Saurashtra Kutch
- » UttarPradesh
- »Vadodara

✓ **What is the meaning of SEZ?**

Special Economic Zone (SEZ) is mainly introduced to attract the foreign investment and technology. SEZ has its own laws for trade and other business apart from the country's law. SEZ covers the following zones:

- Free Trade Zone (FTZ)
- Export Processing Zones (EPZ)
- Free Zones (FZ)
- Industrial parks

- Free Ports
- Urban Enterprise Zones

✓ **What is FMCG?**

Fast-moving consumer goods (FMCG) or consumer packaged goods (CPG) are products that are sold quickly and at relatively low cost. Examples include non-durable goods such as soft drinks, toiletries, over-the-counter drugs, toys, processed foods and many other consumables.

✓ **Meaning of EMI?**

Equated Monthly Installment - EMI' A fixed payment amount made by a borrower to a lender at a specified date each calendar month. Equated monthly installments are used to pay off both interest and principal each month, so that over a specified number of years, the loan is paid off in full.

✓ **Examples of Current Assets/Current Liabilities of Business?**

Current Assets

Cash
Inventory
Suppliers
Prepaid Insurance

Current Liabilities

Notes Payable
Accounts Payable
Wages Payable
Taxas Payables

✓ **What is the meaning of Over Draft?**

'Overdraft' An extension of credit from a lending institution when an account reaches zero. An overdraft allows the individual to continue withdrawing money even if the account has no funds in it. Basically the bank allows people to borrow a set amount of money.

✓ **What is DD(Demand Draft)?**

A demand draft is a negotiable instrument similar to a bill of exchange. A bank issues a demand draft to a client (drawer), directing another bank (drawee) or one its own branches to pay a certain sum to the specified party (payee). A demand draft can also be compared to a cheque.

✓ **Difference between cheque and demand draft.**

The following are the main differences between a cheque and a demand draft:

1. A cheque is issued by an individual, whereas a demand draft is issued by a bank.
2. A cheque is drawn by an account holder of a bank, whereas a draft is drawn by one branch of a bank on another branch of the same bank.
3. In a cheque, the drawer and the drawee are different persons. But in a draft both the drawer and the drawee are the same bank.
4. A Cheque can be dishonored for want of sufficient balance in the account. Whereas a draft cannot be dishonored. Hence there is certainty of the payment in the case of a demand draft.
5. Payment of a cheque can be stopped by the drawer of the cheque, whereas, the payment of a draft cannot be stopped.
6. A cheque is defined in the Negotiable Instrument Act, 1881, whereas a demand draft has not be precisely defined in the NI Act.
7. A cheque can be made payable either to a bearer or order. But a demand draft is always payable to order of a certain person

✓ **What is CAR?**

Capital Adequacy Ratio is a ratio used to protect depositors and promote the stability and efficiency of financial systems around the world.

Two types of capital are measured: tier one capital, which can absorb losses without a bank being required to cease trading, and tier two capital, which can absorb losses in the event of a winding-up and so provides a lesser degree of protection to depositors.

✓ **How bank earns profit?**

Making Profit from Money. Banks are businesses: they need to make money and they do this in a number of different ways. Commercial and retails banks raise funds by lending money at a higher rate of interest than they borrow it. This money is borrowed from other banks or from customers who deposit money with them.

✓ **What do you know about Bancassurance?**

Bancassurance is a French term referring to the selling of insurance through a bank's established distribution channels. In other words, we can say Bancassurance is the provision of insurance (assurance) products by a bank. The usage of the word picked up as banks and insurance companies merged and banks sought to provide insurance, especially in markets that have been liberalised recently. It is a controversial idea, and many feel it gives banks too great a control over the financial industry.

An arrangement in which a bank and an insurance company form a partnership so that the insurance company can sell its products to the bank's client base. This partnership arrangement can be profitable for both companies. Banks can earn additional revenue by selling the insurance products, while insurance companies are able to expand their customer base without having to expand their sales forces or pay commissions to insurance agents or brokers.

✓ **What is Negotiable Instruments?**

A negotiable instrument is a document guaranteeing the payment of a specific amount of money, either on demand, or at a set time, with the payer named on the document.

✓ **What do you mean by KYC?**

KYC means “Know Your Customer”. It is a process by which banks obtain information about the identity and address of the customers. This process helps to ensure that banks’ services are not misused. The KYC procedure is to be completed by the banks while opening accounts and also periodically update the same.

To open a bank account, one needs to submit a ‘proof of identity and proof of address’ together with a recent photograph.

✓ **What is NABARD? Its Role?**

NABARD is a Development Bank with a mandate for providing and regulating credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto

Role:.

1. Serves as an apex financing agency for the institutions providing investment and production credit for promoting the various developmental activities in rural areas
2. Takes measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc.
3. Co-ordinates the rural financing activities of all institutions engaged in developmental work at the field level and maintains liaison

with Government of India, State Governments, (RBI) and other national level institutions concerned with policy formulation

4. Undertakes monitoring and evaluation of projects refinanced by it.
5. NABARD refinances the financial institutions which finances the rural sector.
6. The institutions which help the rural economy, NABARD helps develop.
7. NABARD also keeps a check on its client institutes.
8. It regulates the institution which provides financial help to the rural economy.
9. It provides training facilities to the institutions working the field of rural upliftment.
10. It regulates the cooperative banks and the RRB's, and manages talent acquisition through IBPS CWE.

✓ **What is ombudsman?**

An ombudsman or public advocate is usually appointed by the government or by parliament, but with a significant degree of independence, who is charged with representing the interests of the public by investigating and addressing complaints of maladministration or a violation of rights.

✓ **Types of loans and Advances?**

The term 'loan' refers to the amount borrowed by one person from another. The amount is in the nature of loan and refers to the sum paid to the borrower. Thus, from the view point of borrower, it is 'borrowing' and from the view point of bank, it is 'lending'. Loan may be regarded as 'credit' granted where the money is disbursed and its recovery is made on a later date. It is a debt for the borrower.