

Chapter 3 - Banking

Level - I

1. Which of the following was the first public banking institution?
(A) Bank of Hamburg (B) Bank of Amsterdam
(C) Bank of Venice (D) Bank of Barcelona
2. Which the first modern bank of India?
(A) Bank of Hindustan (B) Bank of Bengal
(C) New Bank of India (D) Imperial Bank of India
3. How many scheduled commercial banks were initially nationalised in 1969?
(A) 20 (B) 6 (C) 19 (D) 14
4. Which is the first state-owned commercial- bank in India?
(A) Imperial Bank of India (B) Punjab National Bank
(C) Bank of Bengal (D) Bank of Hindustan
5. When did the RBI introduce the scheme Money Market Mutual Funds?
(A) 1990 (B) 1999 (C) 1992 (D) 1995

Level – II

6. Consider the following:
 1. A commercial bank is the constituent unit of the banking system, a subordinate to the Central Bank.
 2. Commercial banks do not possess the monopoly of note-issue.
 3. Commercial banks aim to promote the economic policy of the government.
 4. Commercial banks maintain the foreign exchange reserves apart from matters relating to foreign exchange deals. Which of the statements is/are incorrect?

(A) 3 and 4 only (B) 1 and 3 only
(C) 2 and 4 only (D) None of the above
7. Match the following:
List - I
A. State of Bank of India (Associate Bank) Act
B. Foreign Exchange Management Act
C. Kisan Credit Scheme

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15. Identify the incorrect statements:
- (A) Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI) is a non-deposit taking NBFC.
 - (B) The SARFAESI Act, 2002 allows banks and other financial institutions to auction properties when the borrowers fail to repay their loans.
 - (C) NBFC-Factor is a deposit taking NBFC.
 - (D) A merchant bank is a financial institution that provides capital to companies in the form of share ownership, instead of loans.

Answer Key

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|---------|---------|---------|---------|---------|---------|
| 1. (C) | 2. (A) | 3. (D) | 4. (A) | 5. (C) | 6. (A) |
| 7. (D) | 8. (A) | 9. (B) | 10. (C) | 11. (A) | 12. (D) |
| 13. (A) | 14. (C) | 15. (C) | | | |