

## Top 40 Banking Awareness Questions For IDBI JAM Exam

**Q.1** According to the Priority Sector Lending (PSL) guidelines of the Reserve Bank of India (RBI), which of the following defines a Small Farmer?

- A. Farmers with a landholding of less than 1 hectare
- B. Farmers with a landholding of more than 1 hectare and up to 2 hectares
- C. Farmers with a landholding of more than 2 hectares and up to 5 hectares
- D. Farmers with a landholding of more than 5 hectares
- E. Farmers with a landholding of exactly 1 hectare

**Answer:** B

**Sol:** According to the PSL guidelines of the RBI, Small Farmers are defined as those with a landholding of **more than 1 hectare and up to 2 hectares**. Farmers with landholding of **up to 1 hectare are considered as Marginal Farmers**.

These farmers are given priority in the allocation of credit by banks to ensure they have adequate access to financial resources.

The Priority Sector guidelines mandate that a specific percentage of adjusted net bank credit (ANBC) or credit equivalent amount of off-balance sheet exposure (OBE), whichever is higher, must be directed towards these farmers to support agricultural productivity and rural development.

This priority sector lending aims to promote financial inclusion and sustainable agricultural growth.

**Q.2** Kotak Mahindra Bank recently acquired a 100% stake in which microfinance institution for Rs 537 crore, making it a wholly-owned subsidiary? (March 2024)

- A. Bharat Financial Inclusion Limited
- B. Bandhan Bank
- C. Arohan Financial Services Limited
- D. Sonata Finance Private Limited
- E. Equitas Small Finance Bank

**Answer:** D

**Sol:** Kotak Mahindra Bank acquired 100% stake in **Sonata Finance Private Limited** for Rs 537 crore.

**Additional details-**

- Kotak Mahindra Bank has acquired 100% of the issued and paid-up capital of Sonata Finance Pvt Ltd.
- Sonata Finance Pvt Ltd is a Non-Banking Finance Company (NBFC) and a microfinance institution registered with the RBI.
- Following this acquisition, Sonata Finance Pvt Ltd has become a wholly-owned subsidiary of Kotak Mahindra Bank.

**Q.3** For how many years has the Life Insurance Corporation (LIC) of India been granted an extension by the Securities and Exchange Board of India (Sebi) to achieve a 10 per cent public shareholding? (May 2024)

- A. 1 year
- B. 2 years
- C. 3 years
- D. 4 years
- E. 5 years

**Answer:** C

**Sol:** The Securities and Exchange Board of India (Sebi) has granted the Life Insurance Corporation (LIC) of India a **three-year extension** to achieve a 10 per cent public shareholding.

**Details-**

According to SEBI regulations, a company must achieve a public shareholding of 10 percent within three years of its listing date.

LIC, which was listed on May 17, 2022, is subject to this requirement.

LIC is required to increase its public shareholding to 10 per cent on or before May 16, 2027.

**Q.4** What is the minimum amount required to open a National Savings Certificate (NSC) account, an investment scheme initiated by the Government of India to encourage small to mid-income investors to save and benefit from income tax savings?

- A. Rs.500
- B. Rs.1,000
- C. Rs.1,500
- D. Rs.2,000
- E. Rs.5,000

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**Answer:** B

**Sol:** The minimum amount required to open an NSC account is Rs.1,000.

**National Savings Certificate (NSC) account**

- This scheme is designed to encourage small to mid-income investors to save and invest while also benefiting from income tax savings.
- The deposits can be made in multiples of Rs.100 for amounts above the minimum.
- The scheme is open only for individual Indian residents.
- NSC comes with a fixed maturity period of five years.
- Tax Benefit- Up to Rs.1.5 lakh under Section 80C of the Income Tax Act.

**Q.5** Which Indian bank became the first to execute an export finance transaction on the International Trade Financing Services Platform (ITFS) of RXIL Global IFSC Limited? (January 2024)

- A. ICICI Bank
- B. State Bank of India
- C. HDFC Bank
- D. Axis Bank
- E. Yes Bank

**Answer:** E

**Sol:** Yes Bank became the first Indian bank to execute an export finance transaction on the International Trade Financing Services Platform (ITFS) of RXIL Global IFSC Limited.

This strategic partnership will enable the arrangement of credit for exporters and importers from both Indian and global institutions. This will be accomplished through Factoring, Forfaiting, and other trade financing services.

**Q.6** Foreign Direct Investment (FDI) refers to an investment made by a firm or individual in one country into business interests located in another country. According to the Reserve Bank of India, what is the maximum FDI limit under the automatic route for investors whose ownership is well diversified in credit information companies?

- A. 26%
- B. 49%
- C. 51%
- D. 74%
- E. 100%

**Answer:** E

**Sol:** The Reserve Bank of India allows up to 100% Foreign Direct Investment (FDI) under the automatic route for credit information companies if the ownership of the investor company is well diversified and the investor has an established track record of running a credit information bureau in a well-regulated environment.

**Q.7** Which of the following schemes were integrated into the Reserve Bank - Integrated Ombudsman Scheme, 2021?

- (1) The Banking Ombudsman Scheme, 2006
- (2) The Ombudsman Scheme for Non-Banking Financial Companies, 2018
- (3) The Ombudsman Scheme for Digital Transactions, 2019
- (4) The Ombudsman Scheme for Insurance Companies, 2020

Choose the correct option-

- A. Only 1 and 2
- B. Only 1, 2 and 3
- C. Only 1 and 4
- D. Only 1,3 and 4
- E. Only 1 and 3

**Answer:** B

**Sol:** The Ombudsman Scheme for Insurance Companies, 2020, is not included in Reserve Bank - Integrated Ombudsman Scheme, 2021 (RB-IOS, 2021). The Reserve Bank - Integrated Ombudsman Scheme, 2021 (RB-IOS, 2021) was launched on November 12, 2021. This scheme integrates the following three previous Ombudsman schemes of RBI-

- (i) The Banking Ombudsman Scheme, 2006
- (ii) The Ombudsman Scheme for Non-Banking Financial Companies, 2018
- (iii) The Ombudsman Scheme for Digital Transactions, 2019

These schemes had limitations regarding the grounds of complaints and coverage of Regulated Entities (REs), and there were also jurisdiction-related restrictions. The RB-IOS, 2021 aims to provide cost-free redress of customer complaints regarding deficiencies in services rendered by entities regulated by RBI. If the complaints are not resolved to the satisfaction of the customers or not replied to within 30 days by the RE, they can be addressed under this scheme.

**Q.8** According to the Stand-Up India scheme, what is the minimum and maximum loan amount that can be facilitated to at least one SC or ST borrower and at least one woman borrower per bank branch?

- A. Rs. 50,000 to Rs. 5 lakh
- B. Rs. 5 lakh to Rs. 50 lakh
- C. Rs. 10 lakh to Rs. 1 crore
- D. Rs. 1 crore to Rs. 10 crore
- E. Rs. 1 lakh to Rs. 10 lakh

**Answer:** C

**Sol:** The Stand-Up India scheme facilitates bank loans ranging from **Rs. 10 lakh to Rs. 1 crore** to at least one SC or ST borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise.

**Stand Up India Scheme-**

**Objective:** To facilitate bank loans to SC, ST, and women entrepreneurs for setting up greenfield enterprises in various sectors.

**Loan Amount:** Between Rs. 10 lakh and Rs. 1 crore.

**Target Group:** At least one SC or ST borrower and at least one woman borrower per bank branch.

**Eligibility:**

For non-individual enterprises, at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

**Sectors Covered:** Manufacturing, services, trading, and activities allied to agriculture.

**Type of Projects:** Greenfield projects (new ventures).

**Q.9** According to the Union Budget 2024-25, up to what amount will the Direct Benefit Transfer of one month's wage be provided in three installments to first-time employees? (July 2024)

- A. ₹10,000
- B. ₹15,000
- C. ₹20,000
- D. ₹30,000
- E. ₹40,000

**Answer:** B

**Sol:** The Direct Benefit Transfer of one month's wage will be provided up to **₹15,000** in three installments to first-time employees under the government's new scheme announced in the Budget 2024-25.

**Scheme Details-**

The government will provide one month's wage as a provident fund contribution to new employees in all formal sectors. The amount will be transferred directly to the employees in three installments.

**Eligibility-**

The scheme is for first-time employees registered in the Employees' Provident Fund Organization (EPFO) with a salary up to ₹1 lakh per month.

**Target Beneficiaries-**

The scheme aims to benefit 210 lakh youth entering the formal workforce, promoting formal employment and financial inclusion.

**Q.10** What is the new eligible size of loans for high-end skilling courses under the revised Model Skill Loan Scheme launched in July 2024 in Budget 2024-25?

- A. ₹2.5 lakh
- B. ₹3.5 lakh
- C. ₹5 lakh
- D. ₹7.5 lakh
- E. ₹10 lakh

**Answer:** D

**Sol:** The revised Model Skill Loan Scheme launched in July 2024 has increased the eligible size of loans for high-end skilling courses from **₹1.5 lakh to ₹7.5 lakh**.

**Details-**

**Initial Scheme:** The Skill Loan Scheme was originally launched in July 2015 to provide institutional credit for skill development courses.

**Low Utilisation:** The previous loan limit of ₹1.5 lakh was insufficient for high-end skilling courses.

**Revised Scheme:** In July 2024, the Ministry of Skill Development & Entrepreneurship launched the revised Model Skill Loan Scheme.

**Increased Loan Limit:** The eligible loan size for high-end skilling courses has been increased to ₹7.5 lakh.

**Objective:** The scheme aims to provide access to high-end skilling courses without financial constraints, empowering India's youth to become a future-ready workforce.

**Q.11** In June 2024, Karnataka Vikas Grameena Bank (KVGB) received a national award for significant enrolment under the Atal Pension Yojana (APY) by the PFRDA. Which bank is the sponsor of KVGB?

- A. Canara Bank
- B. Union Bank of India
- C. State Bank of India
- D. Punjab National Bank
- E. Bank of Baroda

**Answer:** A

**Sol:** Karnataka Vikas Grameena Bank (KVGB) is sponsored by Canara Bank. In June 2024, KVGB was honored with a national award by the Pension Fund Regulatory and Development Authority (PFRDA) for its significant enrolment efforts under the Atal Pension Yojana (APY), showcasing the bank's commitment to promoting social security schemes.

**Overview - Sponsor Bank concept:**

1. Established under the Regional Rural Banks Act, 1976, RRBs aim to enhance banking penetration in underserved rural regions.
2. The sponsor bank typically holds a 35% stake in the RRB, with the Central Government owning 50% and the respective State Government holding 15%.
3. The sponsor bank is responsible for managing the RRB, ensuring it adheres to regulatory guidelines, providing technical and managerial expertise, and facilitating its smooth functioning.
4. RRBs focus on agricultural financing, rural development, and financial inclusion, while sponsor banks support them in achieving these goals.

**Q.12** What is the name of the digital platform launched by IRDAI to serve as a one-stop marketplace for insurance services in India, providing customers with easy access to compare, buy, and service various insurance policies?

- A. Insurance Bazaar
- B. Bima Sugam
- C. Policy Mart
- D. Insure Hub
- E. Bharat Insurance Portal

**Answer:** B

**Sol:** The Insurance Regulatory and Development Authority of India (IRDAI) launched Bima Sugam as a unified digital platform for insurance services.

**Key Features:**

**One-stop solution:** Bima Sugam allows customers to compare, purchase, and manage various insurance policies.

**Seamless process:** The platform integrates insurance companies, intermediaries, and policyholders for hassle-free insurance transactions.

**Paperless:** It supports digital documentation and e-KYC for smooth onboarding.

**Regulator's initiative:** Bima Sugam is part of IRDAI's initiative to promote digital transformation in the insurance sector.

**Q.13** Which leading consumer payments and lending company recently received approval from the National Company Law Tribunal (NCLT) for its merger with North East Small Finance Bank (NESFB)? (August 2024)

- A. slice
- B. DigiPay Finance
- C. PhonePe
- D. Razorpay
- E. FinEdge

**Answer:** A

**Sol:** slice, India's leading consumer payments and lending company, received approval from the National Company Law Tribunal (NCLT) for its merger with North East Small Finance Bank (NESFB).

**Entities involved in the merger:** Garagepreneurs Internet Private Limited, Quadrillion Finance Private Limited, Intergalactory Foundry Private Limited, RGVN (North East) Microfinance Limited, and NESFB.

**Approvals obtained from:** Competition Commission of India (CCI), Registrar of Companies (RoC), RBI, and Income Tax Department.

**Objective:** Leverage digital technology and grassroots banking to promote financial inclusion across India.

**Q.14** Shaji K V is the current Chairman of which financial institution?

- A. National Housing Bank (NHB)
- B. Small Industries Development Bank of India (SIDBI)
- C. National Bank for Agriculture and Rural Development (NABARD)
- D. Securities and Exchange Board of India (SEBI)
- E. Export-Import Bank of India (EXIM Bank)

**Answer:** C

**Sol:** Shaji K V is the current Chairman of the National Bank for Agriculture and Rural Development (NABARD).

**Detailed Overview of National Bank for Agriculture and Rural Development (NABARD):**

- Established: 12 July 1982

- Headquarters: Mumbai, Maharashtra
- Chairman (as of 2024): Shaji K V
- Ownership: 100% owned by the Government of India
- Objective:
  - NABARD is primarily focused on promoting and financing agriculture and rural development in India.
  - It supports various rural infrastructure projects and provides financial assistance to cooperatives, banks, and other financial institutions that support rural development.
- Key Initiatives:
  - Kisan Credit Card (KCC): A scheme that helps farmers access affordable credit.
  - Self-Help Group (SHG) Bank Linkage Program: Encourages savings and lending through SHGs.
  - RIDF (Rural Infrastructure Development Fund): Funds rural infrastructure projects.

**Q.15** What is the new minimum capital requirement for Foreign Reinsurance Business (FRBs) in India after the amendment by IRDAI in August 2023?

- A. Rs 100 crore
- B. Rs 50 crore
- C. Rs 75 crore
- D. Rs 150 crore
- E. Rs 200 crore

**Answer:** B

**Sol:** The new minimum capital requirement for Foreign Reinsurance Business (FRBs) in India was reduced to Rs 50 crore in August 2023.

**Previous requirement:** The minimum capital requirement was Rs 100 crore.

**Amendment:** The change was made through the Insurance Regulatory and Development Authority of India (Insurance) (Amendment) Regulation 2023.

**Objective:** The reduction aims to attract more foreign reinsurers and establish India as a global insurance hub.

**Impact:** This change addresses a long-standing demand from the insurance industry for more foreign reinsurance players.

**Q.16** According to the IRDAI Annual Report 2022-23, what was the insurance penetration in India as a percentage of its GDP for FY23?

- A. 4.2%
- B. 4%
- C. 3.2%
- D. 6.8%
- E. 1%

**Answer:** B

**Sol:** The insurance penetration in India was 4% of its GDP for FY23.

**Decline in penetration:** The insurance penetration decreased from 4.2% in FY22 to 4% in FY23.

**Segment-wise details:**

- Life insurance penetration decreased from 3.2% to 3%.
- Non-life insurance penetration remained flat at 1%.

**Global comparison:** India's penetration is lower than the global average of 6.8%.

**Insurance penetration definition:** It refers to the percentage of insurance premiums to GDP.

**Q.17** In May 2024, the Reserve Bank allowed Quant Mutual Fund to increase its stake in which private sector bank to 9.98 percent, as per a regulatory filing?

- A. ICICI Bank
- B. HDFC Bank
- C. Axis Bank
- D. RBL Bank
- E. Yes Bank

**Answer:** D

**Sol:** The Reserve Bank has allowed Quant Mutual Fund to hike its stake in RBL Bank to 9.98 percent. As of May 10, Quant MF, through its various schemes, owned 4.68 percent equity share capital in the private sector lender.

**Q.18** Under the Reserve Bank of India's framework, which of the following entities are eligible to accept green deposits?

- A. All Scheduled Commercial Banks, including Regional Rural Banks
- B. Small Finance Banks and Deposit-taking NBFCs, including HFCS
- C. Only Private Sector Banks

- D. Only Regional Rural Banks and Cooperative Banks
- E. Microfinance Institutions

**Answer:** B

**Sol:** According to the framework, **Small Finance Banks** and **Deposit-taking Non-Banking Financial Companies (NBFCs)**, including **Housing Finance Companies (HFCs)**, are eligible to accept green deposits. This is in addition to all Scheduled Commercial Banks, excluding Regional Rural Banks.

**Detailed Overview on the RBI's Circular: Framework for Acceptance of Green Deposits:**

**1. Purpose:**

- To promote environmentally sustainable projects through green deposits.

**2. Eligible Entities:**

- Scheduled Commercial Banks (excluding Regional Rural Banks), Small Finance Banks, and Deposit-taking NBFCs, including HFCs.

**3. Green Deposits:**

- Funds used specifically for eco-friendly projects like renewable energy and green buildings.

**4. Verification:**

- Annual third-party verification required to ensure proper use of funds.

**5. Disclosures:**

- Details of green deposits and their impact must be publicly disclosed.

**6. Significance:**

- Supports India's climate goals and promotes sustainable finance.

**Q.19** The Insurance Regulatory and Development Authority of India (IRDAI) recently (In March 2024) released its list of Domestic Systemically Important Insurers (D-SIIs) for the financial year 2023-24. Which of the following insurers continues to hold the title of D-SIIs due to its significant market importance and interconnectedness?

- A. Max Life Insurance
- B. General Insurance Corporation of India
- C. Bajaj Allianz General Insurance
- D. ICICI Prudential Life Insurance
- E. Oriental Insurance Company

**Answer:** B

**Sol:** The **General Insurance Corporation of India (GIC Re)**, along with **Life Insurance Corporation of India (LIC)** and **New India Assurance Co Ltd**, continues to hold the title of **Domestic Systemically Important Insurers (D-SIIs)** for the year 2023-24.

These insurers have such a large market presence and domestic/global interconnectedness that their failure would pose risks to the financial system.

**Detailed Overview of Domestic Systemically Important Insurers (D-SIIs):**

- **Definition:** D-SIIs refer to insurance companies whose size, market significance, and interconnectedness are such that their distress or failure would pose a serious risk to the stability of the domestic financial system.

- **Regulatory Body:** The Insurance Regulatory and Development Authority of India (IRDAI) identifies and regulates D-SIIs in India.

**Characteristics:**

- Large in size
- Highly interconnected with other financial institutions and markets
- Critical to the overall functioning and stability of the domestic economy

- **Enhanced Regulation:** D-SIIs are subject to additional regulatory oversight, including higher capital requirements and closer supervision, to mitigate risks to the financial system.

**2023-24 List:**

- Life Insurance Corporation of India (LIC)
- General Insurance Corporation of India (GIC Re)
- New India Assurance Co Ltd

**Q.20** The Ministry of Corporate Affairs (MCA) has notified which new accounting standard for insurance contracts, to be applicable from April 1, 2024, aligning Indian standards with global practices?

- A. Ind AS 104
- B. Ind AS 116
- C. Ind AS 117
- D. Ind AS 115
- E. Ind AS 112

**Answer:** C

**Sol:** The Ministry of Corporate Affairs (MCA) has notified the new accounting standard '**Ind AS 117**' for insurance contracts.

**Applicability:** Ind AS 117 would be applicable from April 1, 2024, replacing Ind AS 104.

**Global Alignment:** It aligns Indian accounting standards with IFRS 17, adopted by over 140 countries from January 1, 2023.

**Regulator:** The standard was notified based on recommendations from the National Financial Reporting Authority (NFRA), India's independent audit regulator.

**Objective:** It is designed to help users better understand insurers' risk exposure, profitability, and financial position.

**Q.1** In February 2024, which financial company completed the acquisition of Aegon Life Insurance from Aegon India Holding B.V. and Bennett, Coleman & Company Limited, marking a strategic move into the insurance market?

- A. HDFC Life Insurance
- B. ICICI Prudential Life Insurance
- C. SBI Life Insurance
- D. Bandhan Financial Holdings
- E. Max Life Insurance

**Answer:** D

**Sol:** Bandhan Financial Holdings (BFHL), the holding company of Bandhan Bank, recently completed the acquisition of Aegon Life Insurance from Aegon India Holding B.V. and Bennett, Coleman & Company Limited.

**Additional Details-**

- This acquisition received final approval from the Insurance Regulatory & Development Authority (IRDAI), marking BFHL's strategic move into the insurance market.
- Aegon Life Insurance will now be known as Bandhan Life. The brand also revealed a new tagline, 'Bharat Ki Udaan, Bandhan Se' as a part of its transition to Bandhan Group.

**Q.2** The Reserve Bank of India (RBI) has announced an adjustment to the qualifying criteria for the inclusion of urban co-operative banks (UCBs) in the second schedule of the Reserve Bank of India Act, 1934. Which of the following statements are correct regarding the updated criteria? (January 2024)

1. UCBs must maintain a Capital to Risk Weighted Asset Ratio (CRAR) that is at least 3% higher than the minimum required CRAR.
2. There should be no substantial regulatory or supervisory problems.
3. UCBs must have a minimum of 10 years of operational history.

- A. 1 and 2 only
- B. 2 and 3 only
- C. 1 and 3 only
- D. 1, 2 and 3
- E. 1 only

**Answer:** A

**Sol:** There is **no mention of a minimum operational history requirement** for UCBs in the updated criteria.

The Reserve Bank of India (RBI) has updated the criteria for including urban co-operative banks (UCBs) in the second schedule of the Reserve Bank of India Act, 1934. The requirements include maintaining a Capital to Risk Weighted Asset Ratio (CRAR) that is **at least 3% higher than the minimum required CRAR** and ensuring there are no substantial regulatory or supervisory problems.

**Scheduled Banks-**

Scheduled banks are those banks that are listed under Schedule II of the Reserve Bank of India Act, 1934. The bank's paid-up capital and raised funds must be at least Rs. 5 lakh to qualify as a scheduled bank. Inclusion in the Second Schedule grants these banks access to RBI's financial assistance, membership of the clearinghouse, and other facilities.

**Q.3** Which of the following is NOT a characteristic of commercial paper?

- A. Commercial Paper can be issued in denominations of Rs. 1 lakh or multiples thereof.
- B. It is issued by corporations to meet short-term financial needs.
- C. It is typically unsecured and backed only by the issuer's creditworthiness.
- D. Can be issued for a maturity for a maximum up to one year from the date of issue.
- E. It is usually issued at a discount to its face value.

**Answer:** A

**Sol:** Commercial paper can be issued in denominations of **Rs.5 lakh** or multiple thereof and amount invested by a single investor should not be less than Rs.5 lakh (face value).

- Commercial paper (CP) is a short-term, unsecured promissory note issued by corporations, primary dealers, and financial institutions to meet their short-term funding needs.
- They are issued at a discount to face value.
- CP can be issued for a maturity period of maximum up to one year from the date of issue.
- All eligible participants are required to obtain credit rating for issuance of CP.

**Q.4** According to Securities and Exchange Board of India law, what is the maximum value for which a retail individual investor can apply or bid for securities in an Initial Public Offering?

- A. Rs. 50,000
- B. Rs. 1,00,000
- C. Rs. 2,00,000
- D. Rs. 3,00,000
- E. Rs. 5,00,000

**Answer:** C

**Sol:** SEBI law defines a retail individual investor as one who applies or bids for securities of or for a value of not more than **Rs. 2,00,000** in an IPO and buys or holds shares worth less than Rs. 2,00,000 in a stock.  
Retail investors purchase securities for personal accounts and generally trade in smaller amounts compared to institutional investors. This characteristic has several implications, including higher transaction costs and limited influence on market prices.

**Q.5** Which of the following statements accurately describes the focus of RBI's 'HaRBInger 2024 – Innovation for Transformation' hackathon? (June 2024)

1. The hackathon aims to predict, detect, and prevent financial frauds in real-time.
  2. It includes a prize of Rs 30 lakh for the winners.
  3. One of the themes aims to develop technology for the visually impaired to identify banknotes accurately.
- Choose the correct option-

- A. Only 1
- B. Only 2
- C. Only 3
- D. Both 1 and 3
- E. Both 2 and 3

**Answer:** D

**Sol:** The prize for the winners is **Rs 40 lakh**, not Rs 30 lakh. The hackathon aims to predict, detect, and prevent financial frauds in real-time and includes a theme to develop technology for the visually impaired to identify banknotes accurately.

**About RBI's 'HaRBInger 2024 – Innovation for Transformation' hackathon-**

- The Reserve Bank of India (RBI) has launched its third global hackathon, HaRBInger 2024 – Innovation for Transformation, to foster the development of cutting-edge technology solutions for real-time prediction, detection, and prevention of financial fraud.
- The hackathon focuses on two main themes: 'Zero Financial Frauds' and 'Being Divyang Friendly'.
- Winners in each problem statement category will receive prize money of INR 40 lakh.
- Additionally, there is a special prize of INR 20 lakh awarded to the best 'all-woman team'.

**Q.6** How much dividend payout did the Reserve Bank of India approve for the central government for the 2023-24 financial year? (May 2024)

- A. Rs. 87,416 crore
- B. Rs. 1.5 lakh crore
- C. Rs. 2.11 lakh crore
- D. Rs. 1.25 lakh crore
- E. Rs. 1.75 lakh crore

**Answer:** C

**Sol:** The Reserve Bank of India approved a **Rs 2.11 lakh crore** dividend payout to the central government for the 2023-24 financial year, more than double the amount it paid for the previous 2022-23 financial year, which was Rs. 87,416 crore.

**About the Reserve Bank of India-**

**Establishment-** April 1, 1935, under the Reserve Bank of India Act, 1934.

**Nationalization-** January 1, 1949.

**Headquarters-** Mumbai, Maharashtra.

**Functions-** The RBI's primary functions include regulating the issue and supply of the Indian rupee, managing the country's main payment systems, working to promote economic development, and overseeing the monetary policy of India.

**Governor-** Shaktikanta Das

**Q.7** What is the minimum Capital to Risk-weighted Assets Ratio (CRAR) that Regional Rural Banks (RRBs) are required to maintain on an ongoing basis according to the Reserve Bank of India?

- A. 7%
- B. 8%
- C. 9%
- D. 10%
- E. 11%

**Answer:** C

**Sol:** Regional Rural Banks (RRBs) are required to maintain a minimum Capital to Risk-weighted Assets Ratio (CRAR) of **9 per cent** on an ongoing basis. This requirement ensures that RRBs have enough capital to absorb a reasonable amount of loss and protects depositors and promotes the stability and efficiency of financial systems.

**Capital to Risk-weighted Assets Ratio-**

The Capital to Risk-weighted Assets Ratio (CRAR), also known as the Capital Adequacy Ratio (CAR), is a measure of a bank's capital. It is expressed as a percentage of a bank's risk-weighted credit exposures. CRAR is calculated by dividing a bank's capital by its risk-weighted assets. The formula is:  $CRAR = \frac{\text{Tier 1 Capital} + \text{Tier 2 Capital}}{\text{Risk-Weighted Assets}}$

**Q.8 Under which section of the RBI Act, 1934 does the Central Government, in consultation with the RBI, determine the inflation target in terms of the Consumer Price Index (CPI), once in five years?**

- A. Section 35LA
- B. Section 45ZA
- C. Section 22ZC
- D. Section 21ZB
- E. Section 45LA

**Answer:** B

**Sol:** Under sub-section (1) of **section 45ZA** of the RBI Act, the Central Government, in consultation with the RBI, determines the inflation target in terms of the Consumer Price Index (CPI), once in every five years. This target would be notified in the Official Gazette.

The key advantage of a range around a target is that it allows MPC to recognise the short run trade-offs between inflation and growth but enables it to pursue the inflation target in long run over the course of business cycle.

**Q.9 What is the minimum investment required to open an account under the Sukanya Samriddhi Yojana (SSY) scheme, a welfare initiative designed to promote financial savings for the girl child in India?**

- A. Rs. 100
- B. Rs. 250
- C. Rs. 500
- D. Rs. 1,000
- E. Rs. 5,000

**Answer:** B

**Sol:** The minimum investment required to open an account under the Sukanya Samriddhi Yojana (SSY) scheme is **Rs. 250**.

**Sukanya Samriddhi Yojana (SSY)** is a government-backed savings scheme in India aimed at securing the financial future of the girl child. The account can be opened by the parents or legal guardians of a girl child **aged below 10 years**. A minimum deposit of Rs.250 is required to open the account. The maximum deposit limit is **Rs.1,50,000 per financial year**.

**Q.10 What is the maximum amount insured by the Deposit Insurance and Credit Guarantee Corporation (DICGC) for deposits in Indian banks?**

- A. Rs. 2 lakh
- B. Rs. 1 lakh
- C. Rs. 10 lakh
- D. Rs. 3 lakh
- E. Rs. 5 lakh

**Answer:** E

**Sol:** The maximum insured amount per depositor per bank is **Rs. 5 lakh (5,00,000 INR)**. The Deposit Insurance and Credit Guarantee Corporation (DICGC) in India provides insurance coverage for deposits in banks. This insurance covers all types of deposits such as savings, fixed, current, and recurring deposits.

**Deposit Insurance and Credit Guarantee Corporation (DICGC)-**

The Deposit Insurance and Credit Guarantee Corporation (DICGC) is a subsidiary of the Reserve Bank of India, established in 1978 to provide insurance coverage for bank deposits. It insures deposits up to Rs. 5 lakh per depositor in case of bank failure. The DICGC aims to enhance public confidence in the banking system by offering financial protection to depositors.

**Q.11 The Asha Scholarship programme by the State Bank of India (SBI) aims to support how many meritorious students from underprivileged backgrounds nationwide in its third edition (September 2024)?**

- A. 5,000

- B. 7,500
- C. 10,000
- D. 15,000
- E. 20,000

**Answer:** C

**Sol:** The correct answer is (c) 10,000.

**Key Details About the Asha Scholarship Programme:**

1. **Organizer:**

· The **State Bank of India (SBI)** launched the **third edition** of its flagship **Asha Scholarship Programme**.

2. **Target Beneficiaries:**

· The programme aims to support **10,000 meritorious students** from **underprivileged backgrounds** across India.

3. **Eligibility:**

· The scholarship is available for students from **Class 6 to postgraduate level**, including those studying in **IITs and IIMs**.

4. **Scholarship Amount:**

· The financial aid ranges from **₹15,000 to ₹20 lakh** per year, depending on the student's academic level and category.

5. **Significance:**

· The programme seeks to provide equal educational opportunities and help students achieve academic success irrespective of their financial circumstances.

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**Q.12** Which Indian private sector bank recently (In September 2024) collaborated with Mastercard to launch the MyBiz business credit card, tailored specifically for sole proprietors and small business owners?

- A. HDFC Bank
- B. ICICI Bank
- C. Axis Bank
- D. Kotak Mahindra Bank
- E. Yes Bank

**Answer:** C

**Sol:** **Axis Bank**, in partnership with **Mastercard**, recently introduced the **MyBiz business credit card**, aimed at meeting the unique financial needs of **sole proprietors and small business owners**.

This card provides a range of benefits specifically designed for small businesses, such as enhanced expense management and reward opportunities.

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**Q.13** Kotak General Insurance recently rebranded itself after Zurich Insurance Group acquired a majority stake. What is the new name of the company following this acquisition?

- A. Zurich Kotak General Insurance Company (India) Limited
- B. Kotak Zurich Insurance Company Limited
- C. Zurich Kotak Insurance Services Limited
- D. Kotak Zurich General Insurance Company Limited
- E. Zurich General Insurance Limited

**Answer:** A

**Sol:** After Zurich Insurance Group's acquisition of a majority stake in **Kotak General Insurance** on June 18, 2024, the company has rebranded itself as **Zurich Kotak General Insurance Company (India) Limited**, marking a new chapter in its operations.

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**Q.14** Who recommends candidates for the positions of Managing Director (MD) and other key roles in public sector banks and financial institutions in India?

- A. Reserve Bank of India (RBI)
- B. Ministry of Finance
- C. Financial Services Institutions Bureau (FSIB)
- D. Securities and Exchange Board of India (SEBI)
- E. Indian Banks' Association (IBA)

**Answer:** C

**Sol:** The Financial Services Institutions Bureau (FSIB) recommends candidates for the positions of Managing Director (MD) and other key roles in public sector banks and financial institutions in India.

· **Final Approval:**

· The Appointments Committee of the Cabinet, chaired by Prime Minister reviews and makes the final decisions on these recommendations.

· **Role of FSIB:**

· FSIB is responsible for identifying, interviewing, and shortlisting suitable candidates to ensure leadership stability and efficiency within India's public banking sector.

**Q.15** Which bank launched the Inori RuPay Platinum Credit Card, in collaboration with the National Payments Corporation of India (NPCI), offering premium benefits to its cardholders? (August 2024)

- A. ESAF Small Finance Bank
- B. Equitas Small Finance Bank
- C. AU Small Finance Bank
- D. Ujjivan Small Finance Bank
- E. Suryoday Small Finance Bank

**Answer:** A

**Sol:** ESAF Small Finance Bank launched the Inori RuPay Platinum Credit Card, developed in partnership with the NPCI to provide exclusive benefits and privileges to customers.

**Details-**

· **Card Name and Meaning:** "Inori" is derived from the Japanese word for "wish," symbolizing the bank's goal to fulfill customer aspirations.

· **Partnership:** This card is launched in collaboration with the National Payments Corporation of India (NPCI) and uses the RuPay platform.

· **Card Features:** Being a RuPay Platinum card, it offers premium benefits, exclusive access, and various privileges tailored for customer satisfaction.

**Q.16** Which bank has become the first trading-cum-clearing (TCM) Member of India International Bullion Exchange at GIFT City in Gujarat? (May 2024)

- A. HDFC Bank
- B. ICICI Bank
- C. Axis Bank
- D. State Bank of India
- E. Bank of Baroda

**Answer:** D

**Sol:** State Bank of India (SBI) has secured the distinction of being the first bank to become a trading-cum-clearing (TCM) Member of India International Bullion Exchange at GIFT City in Gujarat.

This milestone enables SBI IBU Gift City to conduct trades on the IIBX platform and settle them on behalf of its clients.

The central bank also allowed special category clients (SCC) which are nominated banks in India to import gold through IIBX.

**IIBX-**

· India's first International Bullion Exchange set up at the GIFT City, Gandhinagar.

· **Launch Date-** 29th of July 2022

· Facilitates efficient price discovery with the assurance of responsible sourcing and quality.

· Gives impetus to the financialization of gold in India.

· Offers a diversified portfolio of products and technology services at a more competitive cost compared to Indian and global exchanges in Hong Kong, Singapore, Dubai, London, and New York.

**Q.17** Which state-owned bank emerged as the top performer among public sector banks (PSBs) in the fiscal year 2023-24 (FY24), achieving the highest growth rate in both total business and deposit mobilisation? (May 2024)

- A. State Bank of India (SBI)
- B. Punjab National Bank (PNB)
- C. Canara Bank
- D. Bank of Baroda (BoB)
- E. Bank of Maharashtra (BoM)

**Answer:** E

**Sol:** State-owned Bank of Maharashtra (BoM) emerged as the top performer among public sector banks (PSBs) in FY24, recording the highest growth rate in total business and deposit mobilisation.

· BoM posted a 15.94 per cent rise in its total domestic business, outpacing all other PSBs.

· The State Bank of India (SBI), the nation's largest lender, followed with a 13.12 per cent growth.

· SBI's total business in absolute terms was significantly higher at Rs 79,52,784 crore, compared to BoM's Rs 4,74,411 crore.

**Q.18** Setu, owned by Pine Labs, launched a UPI-based payments platform in partnership with Axis Bank (In August 2024). What is the name of this platform that supports various UPI products and services?

- A. UPIPay
- B. UPISetu
- C. SetuPay
- D. AxisUPI
- E. PaySetu

**Answer:** B

**Sol:** The platform is named **UPISetu**, launched by **Setu**, an API infrastructure provider owned by **Pine Labs**, in collaboration with **Axis Bank**.

UPISetu supports a wide range of **UPI products**, including **QR code payments**, **UPI Autopay**, **EMIs**, and advanced features like **instant cashback** and **dispute resolution** via APIs.

**Static Facts about Axis Bank:**

- **Established:** 1993, initially under the name **UTI Bank**.
- **Headquarters:** Mumbai, Maharashtra, India.
- **Tagline:** "Badhti Ka Naam Zindagi",

**Q.19** In April 2024, which private sector bank became the first to open a branch on Kavaratti Island, making it the only private sector bank to have a presence in the Union Territory of Lakshadweep?

- A. ICICI Bank
- B. Axis Bank
- C. HDFC Bank
- D. Kotak Mahindra Bank
- E. Yes Bank

**Answer:** C

**Sol:** In **April 2024**, **HDFC Bank** became the first and only private sector bank to open a branch on **Kavaratti Island, Lakshadweep**.

The branch aims to enhance the banking infrastructure in the Union Territory by offering a wide range of services with a focus on **personal banking** and **digital banking** solutions, including **QR-based transactions** for retailers.

HDFC Bank's presence on the island is a significant step in improving financial inclusion and accessibility in **Lakshadweep**.

**Static facts of HDFC Bank:**

- **Full Name:** Housing Development Finance Corporation Bank
- **Founded:** August 1994
- **Headquarters:** Mumbai, Maharashtra
- **Founder:** Hasmukhbhai Parekh
- **Tagline:** *We understand your world*
- **Parent Company:** HDFC Ltd. (before merger with HDFC Bank in 2023)
- **Type:** Private Sector Bank
- **Regulator:** Reserve Bank of India (RBI)

**Q.20** According to IRDAI's new corporate governance guidelines outlined in the 'Corporate Governance for Insurers 2024' Master Circular, what is the revised engagement period for statutory auditors with insurance companies, followed by a mandatory cooling-off period?

- A. 4 years engagement, 3 years cooling-off
- B. 6 years engagement, 1 year cooling-off
- C. 5 years engagement, 2 years cooling-off
- D. 10 years engagement, 5 years cooling-off
- E. 3 years engagement, 2 years cooling-off

**Answer:** A

**Sol:** As per the IRDAI's updated corporate governance guidelines for insurers in 2024, statutory auditors can serve for a **four-year term** and must observe a **three-year cooling-off period** thereafter.

During this cooling-off period, auditors and their affiliates are barred from certain roles, such as investment risk management audits, to ensure independence and enhance audit quality.

**Detailed Overview-**

The **Insurance Regulatory and Development Authority of India (IRDAI)**, in its **2024 Master Circular on Corporate Governance for Insurers**, introduced new rules to strengthen audit practices and ensure greater transparency in financial reviews.

- The new guidelines **limit the tenure of statutory auditors to four years**. After serving for four years, the audit firm must observe a **mandatory cooling-off period of three years**.
- During the cooling-off period, the outgoing auditors and their affiliates are barred from performing tasks such as **investment risk management or concurrent audits** for the insurer. This ensures that auditors are rotated regularly, reducing the risk of complacency and fostering a fresh review of financial statements.
- In contrast, under the old guidelines, audit firms could serve for up to **ten years**, which could lead to familiarity and potential conflicts of interest. The new rule emphasizes periodic auditor rotation to maintain independence and enhance the quality of audits, especially in a critical sector like insurance.