



Bank of Baroda Probationary Officers Exam., 2008

(Held on 5-10-2008)

General Socio-Economic & Banking Awareness:

Solved Paper

1. RBI's open market operation transactions are carried out with a view to regulate—
 - (A) Liquidity in the economy
 - (B) Prices of essential commodities
 - (C) Inflation
 - (D) Borrowing power of the banks
 - (E) All the above

2. When more than one banks are allowing credit facilities to one party in coordination with each other under a formal arrangement, the arrangement is generally known as—
 - (A) Participation
 - (B) Consortium
 - (C) Syndication
 - (D) Multiple banking
 - (E) None of these

3. Open market operations, one of the measures taken by RBI in order to control credit expansion in the economy means —
 - (A) Sale or purchase of Govt. securities
 - (B) Issuance of different types of bonds
 - (C) Auction of gold
 - (D) To make available direct finance to borrowers
 - (E) None of these

4. The bank rate means—
 - (A) Rate of interest charged by commercial banks from borrowers
 - (B) Rate of interest at which commercial banks discounted bills of their borrowers
 - (C) Rate of interest allowed by commercial banks on their deposits
 - (D) Rate at which RBI purchases or rediscounts bills of exchange of commercial banks
 - (E) None of these

5. What is an Indian Depository Receipt ?
 - (A) A deposit account with a Public Sector Bank

- (B) A depository account with any of Depositories in India
 - (C) An instrument in the form of depository receipt created by an Indian depository against underlying equity shares of the issuing company
 - (D) An instrument in the form of deposit receipt issued by Indian depositories
 - (E) None of these
6. An instrument that derives its value from a specified underlying (currency, gold, stocks etc.) is known as—
- (A) Derivative
 - (B) Securitisation Receipts
 - (C) Hedge Fund
 - (D) Factoring
 - (E) Venture Capital Funding
7. Fiscal deficit is—
- (A) total income less Govt. borrowing
 - (B) total payments less total receipts
 - (C) total payments less capital receipts
 - (D) total expenditure less total receipts excluding borrowing
 - (E) None of these
8. In the Capital Market, the term arbitrage is used with reference to—
- (A) purchase of securities to cover the sale
 - (B) sale of securities to reduce the loss on purchase
 - (C) simultaneous purchase and sale of securities to make profits from price
 - (D) variation in different markets
 - (E) Any of the above
9. Reverse repo means—
- (A) Injecting liquidity by the Central Bank of a country through purchase of Govt. securities
 - (B) Absorption of liquidity from the market by sale of Govt. securities
 - (C) Balancing liquidity with a view to enhancing economic growth rate
 - (D) Improving the position of availability of the securities in the market
 - (E) Any of the above
10. The stance of RBI monetary policy is—
- (A) inflation control with adequate liquidity for growth
 - (B) improving credit quality of the Banks
 - (C) strengthening credit delivery mechanism
 - (D) supporting investment demand in the economy
 - (E) Any of the above
11. Currency Swap is an instrument to manage—
- (A) Currency risk
 - (B) interest rate risk

- (C) currency and interest rate risk
- (D) cash flows in different currencies
- (E) All of the above

12. 'Sub-prime' refers to—

- (A) lending done by banks at rates below PLR
- (B) funds raised by the banks at sub-Libor rates
- (C) Group of banks which are not rated as prime banks as per Banker's Almanac
- (D) lending done by financing institutions including banks to customers not meeting with normally required credit appraisal standards
- (E) All of the above

13. Euro Bond is an instrument—

- (A) issued in the European market
- (B) issued in Euro Currency
- (C) issued in a country other than the country of the currency of the Bond
- (D) All of the above
- (E) None of these

14. Money Laundering normally involves—

- (A) placement of funds
- (B) layering of funds
- (C) integration of funds
- (D) All of (A), (B) and (C)
- (E) None of (A), (B) and (C)

15. The IMF and the World Bank were conceived as institutions to—

- (A) strengthen international economic co-operation and to help create a more stable and prosperous global economy
- (B) IMF promotes international monetary cooperation
- (C) The World Bank promotes long term economic development and poverty reduction
- (D) All of (A), (B) and (C)
- (E) None of (A), (B) and (C)

16. Capital Market Regulator is—

- (A) RBI
- (B) IRDA
- (C) NSE
- (D) BSE
- (E) SEBI

17. In the term BRIC, R stands for—

- (A) Romania
- (B) Rajithan
- (C) Russia
- (D) Regulation

(E) None of these

18. FDI refers to—

- (A) Fixed Deposit Interest
- (B) Fixed Deposit Investment
- (C) Foreign Direct Investment
- (D) Future Derivative Investment
- (E) None of these

19. What is Call Money ?

- (A) Money borrowed or lent for a day or over night
- (B) Money borrowed for more than one day but upto 3 days
- (C) Money borrowed for more than one day but upto 7 days
- (D) Money borrowed for more than one day but upto 14 days
- (E) None of these

20. Which is the first Indian company to be listed in NASDAQ ?

- (A) Reliance
- (B) TCS
- (C) HCL
- (D) Infosys
- (E) None of these

21. Which of the following is the Regulator of the credit rating agencies in India ?

- (A) RBI
- (B) SBI
- (C) SIDBI
- (D) SEBI
- (E) None of these

22. Who is Brand Endorsing Personality of Bank of Baroda ?

- (A) Juhi Chawla
- (B) Kiran Bedi
- (C) Amitabh Bachchan
- (D) Kapil Dev
- (E) None of these

23. The branding line of Bank of Baroda is—

- (A) International Bank of India
- (B) India's International Bank
- (C) India's Multinational Bank
- (D) World's local Bank
- (E) None of these

24. The logo of Bank of Baroda is known as—

- (A) Sun of Bank of Baroda

- (B) Baroda Sun
- (C) Bank of Baroda's Rays
- (D) Sunlight of Bank of Baroda
- (E) None of these

25. Which of the following statements(s) is/are **True** about the exports of China which is a close competitor of India ?

(i) China's economic success is basically on the fact that it exports cheaper goods to rich nations like the USA, etc.

(ii) In the year 2007 China's exports became almost 40% of its GDP.

(iii) When compared to India China's share in the World Exports is more than 30% whereas India's share is mere 6% of the global exports.

- (A) Only (i)
- (B) Only (ii)
- (C) Both (i) and (ii)
- (D) All (i), (ii) and (iii)
- (E) None of these

26. One of the major challenges banking industry is facing these days is money laundering. Which of the following acts/norms are launched by the banks to prevent money laundering in general ?

- (A) Know Your Customer Norms
- (B) Banking Regulation Act
- (C) Negotiable Instrument Act
- (D) Narcotics and Psychotropic Substance Act
- (E) None of these

27. Lot of Banks in India these days are offering M-Banking Facility to their customers. What is the full form of 'M' in 'M-Banking' ?

- (A) Money
- (B) Marginal
- (C) Message
- (D) Mutual Fund
- (E) Mobile Phone

28. Which of the following is/are **true** about the 'Sub-Prime Crisis' ? (The term was very much in news recently.)

(i) It is a mortgage crisis referring to credit default by the borrowers.

(ii) Sub-Prime borrowers were those borrowers who were rated low and were high risk borrowers.

(iii) This crisis originated because of negligence in credit rating of the borrowers.

- (A) Only (i)
- (B) Only (ii)
- (C) Only (iii)
- (D) All (i), (ii) and (iii)
- (E) None of these

29. Which of the following is **not** the part of the structure of the Financial System in India ?

- (A) Industrial Finance
- (B) Agricultural Finance
- (C) Government Finance
- (D) Development Finance
- (E) Personal Finance

30. Which of the following is **not** the part of the scheduled banking structure in India ?

- (A) Money Lenders
- (B) Public Sector Banks
- (C) Private Sector Banks
- (D) Regional Rural Banks
- (E) State Co-operative Banks

31. As we all know Govt. of India collects tax revenue on various activities in the country. Which of the following is a part of the tax revenue of the Govt. ?

- (i) Tax on Income
 - (ii) Tax on Expenditure
 - (iii) Tax on Property or Capital Asset
 - (iv) Tax on Goods and Services
- (A) Both (i) and (iii) only
 - (B) Both (ii) and (iv) only
 - (C) All (i), (ii), (iii) and (iv)
 - (D) Only (ii), (iii) and (iv)
 - (E) None of these

32. We very frequently read about Special Economic Zones (SEZs) in newspapers. These SEZs were established with which of the following objectives ?

- (i) To attract foreign investment directly.
 - (ii) To protect domestic market from direct competition from multinationals.
 - (iii) To provide more capital to agricultural and allied activities.
- (A) Only (i)
 - (B) Only (ii)
 - (C) Only (iii)
 - (D) All (i), (ii) and (iii)
 - (E) None of these

33. Which of the following groups of countries has almost 50% share in global emission of carbon every year ?

- (A) US, China, India, South Africa
- (B) India, China, Russia, Britain
- (C) South Africa, Nepal, Myanmar
- (D) US, Russia, China & India
- (E) None of these

34. Which of the following correctly describes the concept of 'Nuclear Bank' floated by International Atomic Energy Agency ?

- (i) It is a nuclear fuel bank to be shared by all the nations jointly.
- (ii) It is a facility to help nations in enrichment of uranium.
- (iii) It is an agency which will keep a close vigil on the nuclear programme of all the nations.

- (A) Only (i)
- (B) Only (ii)
- (C) Both (i) and (iii) only
- (D) Only (iii)
- (E) Both (i) and (ii) only

35. Many times we read about Future Trading in newspapers. What is 'Future Trading' ?

- (i) It is nothing but a trade between any two stock exchanges wherein it is decided to purchase the stocks of each other on a fixed price throughout the year.
- (ii) It is an agreement between two parties to buy or sell an underlying asset in the future at a predetermined price.
- (iii) It is an agreement between stock exchanges that they will not trade the stocks of each other under any circumstances in future or for a given period of time.

- (A) Only (i)
- (B) Only (ii)
- (C) Only (iii)
- (D) All (i), (ii) and (iii)
- (E) None of these

36. Inflation in India is measured on which of the following indexes/indicators ?

- (A) Cost of Living Index (COLI)
- (B) Consumer Price Index (CPI)
- (C) Gross Domestic Product
- (D) Wholesale Price Index (WPI)
- (E) None of these

37. As per the reports published in the newspapers a section of society staged a demonstration at the venue of the G-8 Summit recently. What was/were the issues towards which these demonstrators were trying to draw the attention of G-8 leaders ?

- (i) Food shortage which has taken 50 million people in its grip.
- (ii) Inflation which has gone up substantially across the Globe.
- (iii) USA's consistent presence in Iraq.

- (A) Only (i)
- (B) Only (ii)
- (C) Only (iii)
- (D) Both (i) and (ii) only
- (E) None of these

38. Hillary Clinton formally suspended her campaign to ensure election of who amongst

the following for the next President of USA ?

- (A) George Bush
- (B) Barack Obama
- (C) John McCain
- (D) Bill Clinton
- (E) None of these

39. Hugo Chavez whose name was recently in news is the—

- (A) President of Congo
- (B) Prime Minister of Uganda
- (C) President of Venezuela
- (D) Prime Minister of Brazil
- (E) None of these

40. The Govt. of India has raised the amount of the Loan Waiver to the farmers by 20%. Now the amount is nearly—

- (A) Rs. 60,000 crore
- (B) Rs. 65,000 crore
- (C) Rs. 72,000 crore
- (D) Rs. 76,000 crore
- (E) Rs. 80,000 crore

41. Delimitation Commission has made a recommendation that next Census should be Panchayat-wise. When is the next Census due ?

- (A) 2010
- (B) 2011
- (C) 2012
- (D) 2013
- (E) 2015

42. The World Health Organisation has urged that advertisements of which of the following should be banned to protect youth from bad effects of the same ?

- (A) Tobacco
- (B) Alcoholic drinks
- (C) Junk Food
- (D) Soft drinks with chemical preservatives
- (E) None of these

43. Which of the following countries has allocated a huge amount of US \$ 10 billion to provide relief to its earthquake victims ?

- (A) Japan
- (B) South Korea
- (C) China
- (D) South Africa
- (E) None of these

44. India and Nepal have many agreements on sharing of the water of various rivers. Which of the following rivers is not covered under these agreements ?

- (A) Kosi
- (B) Gandak
- (C) Ganga
- (D) Mahakali
- (E) All these rivers are covered

45. Which of the following names is not closely associated with space programme of India or any other country ?

- (A) CARTOSAT
- (B) NLS - 5
- (C) RUBIN - 8
- (D) GSLV
- (E) SCOPE

46. Vijay Hazare Trophy is associated with the game of—

- (A) Hockey
- (B) Cricket
- (C) Badminton
- (D) Football
- (E) Golf

47. Which of the following was the theme of the Olympic Torch ?

- (A) Journey of Harmony
- (B) Green World Clean World
- (C) Journey of Peace
- (D) Journey for Hunger-free World
- (E) None of these

48. Which of the following schemes is not a social development Scheme ?

- (A) Indira Awas Yojana
- (B) Mid Day Meal
- (C) Bharat Nirman Yojana
- (D) Sarva Shiksha Abhiyan
- (E) All are social schemes

49. Which of the following is not a member of the ASEAN ?

- (A) Malaysia
- (B) Indonesia
- (C) Vietnam
- (D) Britain
- (E) Singapore

50. Which of the following Awards are given for excellence in the field of Sports ?

- (A) Kalinga Prize

- (B) Shanti Swarup Bhatnagar Award
- (C) Arjun Award
- (D) Pulitzer Prize
- (E) None of these

Answers :

1. (E) 2. (B) 3. (A) 4. (D) 5. (C) 6. (C) 7. (D) 8. (C) 9. (A) 10. (E)
11. (D) 12. (D) 13. (C) 14. (D) 15. (D) 16. (E) 17. (C) 18. (C) 19. (A) 20. (D)
21. (D) 22. (E) 23. (B) 24. (B) 25. (C) 26. (E) 27. (E) 28. (D) 29. (E) 30. (A)
31. (C) 32. (A) 33. (D) 34. (B) 35. (B) 36. (D) 37. (B) 38. (B) 39. (C) 40. (A)
41. (B) 42. (A) 43. (C) 44. (C) 45. (E) 46. (B) 47. (A) 48. (C) 49. (D) 50. (C)