

PROMOTION MATERIAL

ECONOMICS **MULTIPLE CHOICE QUESTIONS**

1. Microeconomics is also known as
 - a. Product theory
 - b. Price theory
 - c. Process theory
 - d. Projection theory
2. In which type of economic system has the government no control over price fluctuations?
 - a. Market economy
 - b. Command economy
 - c. Mixed economy
 - d. Regulated economy
3. If a point falls inside the production possibility curve, what does it indicate?
 - a. Resources overutilized
 - b. Resources are underutilized
 - c. There is unemployment in the economy
 - d. Both b and c
4. The production possibility curve is not used for which of the following purposes?
 - a. Knowledge of economic efficiency
 - b. Distribution of nature's resources
 - c. Choice of nature's resources
 - d. Demand supply analysis
5. For a want to become a demand, it must be backed by the
 - a. Ability to buy the product
 - b. Necessity to buy the product

- c. Desire to buy the product
- d. Utility of the product

6. What type of relationship exists between the price and quantity demand?
- a. Direct
 - b. Inverse
 - c. Positive
 - d. Both b and c

7. What effect does an increase in the price of a product have on the purchasing power of the consumer?
- a. Increases
 - b. Decreases
 - c. No effect
 - d. Decreases initially, but increases over a period of time

8. When the price of petrol goes up, demand for automobiles decreases. It implies that petrol and automobile are
- a. Complementary goods
 - b. Substitute goods
 - c. Inferior goods
 - d. Normal goods

9. In normal circumstances, if the government increases tax on any product, the demand for the product _____ in the short run.
- a. Increases
 - b. Decreases
 - c. Remains unchanged
 - d. Tax has nothing to do with the demand for any product

10. If the demand for petrol remains the same even after the increase in petrol prices, it means petrol is a
- a. Normal good
 - b. Necessity
 - c. Luxury good
 - d. Inferior good

11. What would be the value of elasticity of demand, if the demand for the good is perfectly elastic?
- a. 0

- b. 1
- c. Infinity
- d. Less than 0

12. Usually, the demand for necessities is generally

- a. Highly elastic
- b. Highly inelastic
- c. Slightly elastic
- d. Slightly inelastic

13. For which of the following products, is elasticity of demand highly elastic?

- a. Salt
- b. Water
- c. Jewellery
- d. Life saving drugs

14. Which of the following products has highly inelastic demand?

- a. Jewellery
- b. Imported sofa
- c. Salt
- d. Sports car

15. If the demand for cricket balls increases from 50 to 55 because of fall in price from Rs. 25 to Rs. 24, what is the price elasticity of demand for cricket balls?

- a. 1.5
- b. 2.5
- c. 2
- d. 5

16. The price elasticity of demand would be higher for those products which have

- a. A larger number of substitutes
- b. Fewer substitutes
- c. No substitutes
- d. Fewer complementary goods

17. Ceteris paribus, what would be the impact on foreign exchange earnings for a given fall in export prices, if the demand for the country's exports is inelastic?

- a. Foreign exchange earnings decreases
- b. Foreign exchange earnings increases
- c. No effect will be felt on foreign exchange earnings
- d. Foreign exchange earnings increases for a brief period and decreases drastically later on

18. If the demand for a commodity is _____, the entire burden of indirect tax will fall on the consumer.

- a. Relatively inelastic
- b. Perfectly inelastic
- c. Perfectly elastic
- d. Relatively elastic

19. For what type of goods does demand fall with a rise in income levels of households?

- a. Inferior goods
- b. Substitutes
- c. Necessities
- d. Luxuries

20. When change in the quantity supplied is proportionate to the change in the price, the product is said to have

- a. Unitary elastic supply
- b. Perfectly elastic supply
- c. Relatively elastic supply
- d. Perfectly inelastic supply

21. If both the demand and supply curves shift to the right by the same amount, the equilibrium point shifts to the right. What effect it would have on the equilibrium price?

- a. Equilibrium price increases
- b. Equilibrium price falls
- c. Equilibrium price remains unaffected
- d. Indeterminable

22. Which of the following laws says: “ if a person has a product which can be put to several uses, he will distribute it among these uses in such a way that it has the same marginal utility”?

- a. Law of equi-marginal utility
- b. Law of diminishing marginal utility
- c. Law of total utility
- d. Law of diminishing marginal returns

23. Which of the following is not a property of an isoquant?

- a. An isoquant is a downward sloping curve
- b. A higher isoquant represents a higher level of output
- c. No two isoquants intersect each other
- d. Isoquants are concave to the origin

24. An entrepreneur who manages his firm has to forgo his salary, which he could have earned if he had worked elsewhere. The foregone cost is known as

- a. Implicit costs
- b. Explicit costs
- c. Hidden costs
- d. Actual costs

25. In a perfectly competitive market,

- a. There are large number of buyers and a small number of buyers
- b. There are large number of sellers and buyers
- c. There are a small number of sellers and buyers
- d. There are a large number of buyers and sellers

26. In a perfectly competitive market, the demand curve is

- a. Relatively inelastic
- b. Unitary elastic
- c. Relatively elastic
- d. Infinitely elastic

27. Which of the following statements regarding perfect competition is false?

- a. Supply and demand side forces determine the price of a commodity
- b. All buyers in the market are always in position to influence the market
- c. In the short run, the firm takes the market price as given

d. Considering the market price, firm adjusts the level of output to maximize profits

28. _____ is the measure of market value of all final goods and services produced by factors of production located within the boundaries of a country, during a specified period of time.

- a. GDP
- b. GNP
- c. National income
- d. Personal income

29. Net National Product at factor cost is also known as

- a. National income
- b. Real income
- c. Real product
- d. Personal income

30. Which of the following statements is false?

- a. The minimization of the unemployment rate is an accepted goal of macroeconomic policy
- b. Business cycles have no effect on unemployment rates
- c. During a recession, when output falls, the demand for labor falls and the unemployment rate increases
- d. During a boom, the unemployment rate falls as the demand for labor increases

31. When the value of currency falls, people prefer to hold

- a. Real assets
- b. Cash
- c. Securities
- d. Both b and c

32. Which of the following fiscal policy instruments has a direct impact on people's disposable income?

- a. Government spending
- b. Taxation
- c. Government savings
- d. Interest rates

33. Which of the following policies is usually formulated and implemented by the central bank of a country?

- a. Monetary policy
- b. Fiscal policy
- c. Export import policy
- d. Prices and incomes policy

34. Which of the following economic policies influences the total quantity of money, interest rates and total volume of credit in the economy?

- a. Fiscal policy
- b. International trade policy
- c. Prices and incomes policy
- d. Monetary policy

35. In India, exports and imports come under the purview of the

- a. Ministry of commerce
- b. Reserve bank of India
- c. Ministry of finance
- d. EXIM bank

36. Which of the following policies forms a part of the monetary policy?

- a. International trade policy
- b. Exchange rate policy
- c. Prices and incomes policy
- d. Export import policy

37. Which of the following macro economic variables is not a stock variable?

- a. Money supply
- b. Consumer price index
- c. Foreign exchange reserves
- d. Inflation

38. Expenditure on goods that are not directly consumed but help in the production process is called

- a. Investment
- b. Disinvestment
- c. Divestment
- d. Income distribution

39. If there is an increase in the prices of goods and services, what effect would this have on the real GDP?

- a. Real GDP falls marginally
- b. Real GDP grows
- c. Real GDP falls drastically
- d. There is no relationship increase in prices and real GDP

40. Nominal GDP grows faster than the real GDP because of

- a. Inflation
- b. Low production in the economy
- c. Lack of resources in the economy
- d. Rise in the quality of goods produced

41. What measures can a government take to reduce unemployment levels?

- a. Fiscal measures
- b. Monetary measures
- c. Increase the imports
- d. Decrease government spending

42. In a recessionary situation, to reach full employment, government has to

- a. Decrease spending
- b. Increase spending
- c. Adopt a zero spending policy
- d. Stop development activities for a short period of time

43. In an inflationary situation, which of the following measures can the government take to reduce the inflationary gap?

- a. Impose higher taxes
- b. Reduce government expenditure
- c. Increase government expenditure
- d. Both a and b

44. Which of the following statements is not true about lump sum tax?

- a. When a lump sum tax is introduced, consumption increases
- b. When a lump sum tax is introduced, consumption decreases
- c. When a lump sum tax is introduced, consumption remains constant
- d. Both a and b

45. Which of the following statement is true, according to Say's law?

- a. Over production is impossible

- b. Demand creates its own supply
- c. Workers cannot afford to consume whatever the factories produce
- d. Over production is always possible

46. Which of the following policies, do the authorities maintain control over the supply of money for the realization of general economic objectives?

- a. Fiscal policy
- b. Monetary policy
- c. EXIM policy
- d. Trade policy

47. In India, the three major objectives of economic policy are growth, social justice and price stability. Which of the above objectives can be pursued most effectively by the monetary authorities of the country?

- a. Growth
- b. Social justice
- c. Price stability
- d. Both a and b

48. Which of the following is not an instrument of monetary policy?

- a. Open market operations
- b. Bank rate policy
- c. Reserve requirement changes
- d. Government spending

49. In the context of monetary policy, what does the term 'open market operations' refer to?

- a. Buying or selling of government securities by the central bank
- b. Buying or selling of foreign exchange by the central bank
- c. Buying or selling of commodities like gold and silver in the international market, by the central bank
- d. Buying or selling of securities by the state owned banks

50. When the central bank sells securities, deposits with commercial banks

- a. Decline
- b. Increases marginally
- c. Remains unchanged
- d. Increases drastically

51. Which of the following could be the results of the central bank selling government securities?

- a. It increases the quantity of money and credit
- b. It reduces the quantity of money and credit
- c. It increases the quantity of credit and increases money
- d. It reduces the quantity of money and increases credit

52. What effect would the buying of securities by the central bank have on the money supply?

- a. Money supply decreases
- b. Money supply increases
- c. Money supply may increase or decrease
- d. Money circulation is not affected by the buying or selling of securities

53. When the central bank buys securities, deposits with commercial banks

- a. Declines marginally
- b. Increases
- c. Remains unchanged
- d. Becomes almost nil

54. _____ rate is the rate of interest at which the central bank rediscounts approved bills of exchange.

- a. Lending
- b. Bank
- c. Debt
- d. Forwarding

55. When the bank rate increases, the demand for loans

- a. Reduces
- b. Increases marginally
- c. Remains unchanged
- d. Increases drastically

56. Insulation of domestic money supply from international disturbances is called

- a. Decentralization
- b. Domestication
- c. Immunization
- d. Sterilization

57. Which of the following types of exchange rate system is determined by the market forces?

- a. Fixed
- b. Floating
- c. Pegged
- d. Both a and b

58. When deficit financing increases, the RBI _____ to curb the excess liquidity.

- a. Increases CRR
- b. Decreases bank rate
- c. Resorts to open market operations
- d. Raises tax rate

59. _____ is also called the credit market.

- a. Financial market
- b. Money market
- c. Cooperative market
- d. Investment companies

60. _____ is the difference between the interest rate on deposits and on loans.

- a. Spread
- b. Profit
- c. Lending rate
- d. Narrow money

61. Which of the following will not come under narrow money?

- a. Currency in circulation
- b. Demand deposit
- c. Time deposit
- d. None of the above

62. When a bank holds reserves over and above the statutory minimum, then it is called as

- a. Cash reserves
- b. Excess reserves
- c. Demand reserves
- d. Deposit reserves

63. Which of the following increases the demand for money?
- a. Increase in interest rate
 - b. Increase in the frequency of income received
 - c. Increase in income
 - d. None of the above
64. Which of the following is not a factor for demand push inflation?
- a. Increase in the price of raw materials?
 - b. Increase in money supply
 - c. Budget deficit
 - d. Trade surplus
65. Under which type of inflation does unemployment remain at the minimum in the economy?
- a. Cost push inflation
 - d. Demand pull inflation
 - c. Demand push inflation
 - d. Both b and c
66. Which type of inflation increases the level of unemployment to the maximum in the economy?
- a. Demand pull inflation
 - b. Cost push inflation
 - c. Both a and b
 - d. Demand push inflation
67. Which of the following is most frequently used to measure the variations in the retail prices of goods consumed by group of people?
- a. Wholesale price index
 - b. Consumer price index
 - c. Aggregate demand
 - d. Aggregate supply
68. In India, which price index is used to formulate economic policies?
- a. Wholesale price index
 - b. Retail price index
 - c. Both a and b
 - d. Consumer price index

69. Which of the following sectors is not included in the wholesale price index?

- a. Primary articles
- b. Manufactured products
- c. Fuel, light and lubricants
- d. Services and non-tradable commodities

70. An increase in the salaries of the people is followed by a rise in the general price level. Which type of inflation takes place in this situation?

- a. Demand pull inflation
- b. Profit push inflation
- c. Wage push inflation
- d. Supply shock inflation

71. Inflation has its positive and negative impact on the economy. Which class(es) of people is/are going to be badly affected by the running inflation?

- a. Creditors
- b. Fixed-income security investors
- c. Pensioners
- d. All the above

72. In an economy, when do people have the tendency to hoard and indulge in black marketing?

- a. When there is deflation in the economy
- b. When there is creeping inflation in the economy
- c. When there is moderate inflation in the economy
- d. When there is hyper inflation in the economy

73. Which shape does the Philips curve take in the long run?

- a. Vertical
- b. Horizontal
- c. Upward sloping
- d. Downward sloping

74. _____ is the rate of unemployment below which inflation increases and above which the inflation tends to reduce?

- a. Disguised unemployment
- b. Natural unemployment
- c. Frictional unemployment
- d. Structural unemployment

75. Which of the following fiscal policy measures may lead to cost push inflation in the economy?

- a. Indirect tax
- b. Public expenditure
- c. Public borrowing
- d. Direct tax

76. When an economy faces a situation of high inflation along with a high rate of unemployment, then it is called

- a. Hyper inflation
- b. Stagflation
- c. Running inflation
- d. Cyclical unemployment

77. When the value of Indian rupee falls against the US \$, then it is called

- a. Devaluation
- b. Deflation
- c. Depreciation
- d. Appreciation

78. When there is an official increase in the exchange rate of the Indian rupee, then it is called

- a. Appreciation
- b. Deflation
- c. Depreciation
- d. Revaluation

79. How can a country rectify disequilibrium in the balance of payment?

- a. Through the exchange rate movement
- b. By controlling the capital markets
- c. By raising interest rates
- d. By controlling inflation rates

80. _____ exists when the aggregate demand for products exceeds the productive capacity of the economy?

- a. Cost pull inflation
- b. Demand pull inflation
- c. Cost push inflation
- d. Demand push inflation

81. What does the short run Philips curve indicate?
- a. Relationship between prices and quantity demanded
 - b. Trade off between inflation and unemployment
 - c. Trade off between unemployment and wage rate
 - d. None of the above
82. In the short run _____ explains the inverse relationship between unemployment and inflation.
- a. Cost push inflation
 - b. Philips curve
 - c. Lorenz curve
 - d. Engel's curve
83. A tight money policy leads to
- a. Increase in money supply
 - b. Fall in investment spending
 - c. Fall in interest rates
 - d. Reduction in inflation
84. The slope of the long run Philips curve is
- a. Negative
 - b. Zero
 - c. One
 - d. Infinity
85. Which of the following is/are an example(s) of supply side policy?
- a. Tax policies designed to stimulate saving, investment, etc
 - b. Technology policy
 - c. Industrial policy
 - d. All the above
86. The RBI, during a high inflationary period, would
- a. Sell government securities through open market operations
 - b. Reduce reserve ratio
 - c. Encourage commercial banks to increase lending
 - d. Lower bank rate to encourage usage of refinance facility by the banks
87. When market forces reduce the external value of a currency, then the process is called

- a. Deflation
- b. Devaluation
- c. Exchange rate depreciation
- d. Depreciation

88. What refers to a country's trade in visible items with other countries?

- a. Capital account
- b. Balance of payment
- c. Balance of trade
- d. Current account

89. Which of the following theories proposes that exchange rates be determined in such a way that the price of goods in different countries is same when measured in same currency?

- a. Purchasing power parity theory
- b. Comparative advantage theory
- c. Absolute advantage theory
- d. Relative advantage theory

90. In which phase of the business cycle does the government in developed countries provide unemployment compensation?

- a. Boom
- b. Recession
- c. Peak
- d. Recovery

91. How can the government of a country reduce its deficit in the balance of payment by arresting imports and stimulating exports?

- a. Depreciation
- b. Devaluation
- c. Deflation
- d. Inflation

92. When there is an unanticipated deflation in a country, which of the following sections of the economy are losers?

- a. Borrowers
- b. Fixed income earners
- c. Pensioners
- d. Lenders

93. Why does an economy experience inflation during prosperity?

- a. Due to increase in GDP
- b. Due to rise in employment level
- c. Due to increase in real income
- d. All the above

94. Which type of unemployment takes place in the economy when there is a business downturn?

- a. Frictional unemployment
- b. Structural unemployment
- c. Cyclical unemployment
- d. Unstructural unemployment

95. When does the actual rate of unemployment fall below the natural rate of unemployment?

- a. Recession
- b. Prosperity
- c. Contraction
- d. Depression

96. In which phase of business cycle, do banks lending activity decline?

- a. Recovery
- b. Boom
- c. Recession
- d. Prosperity

97. During which period of business cycle does an economy tries to regain its normal price level?

- a. Recession
- b. Depression
- c. Trough
- d. Recovery

98. In which type of unemployment would a shift in surplus labor from one sector to another, will lead to an increase in productivity and the national output?

- a. Structural unemployment
- b. Frictional unemployment
- c. Disguised unemployment

d. Cyclical unemployment

99. In India, which of the following sector has the highest rate of disguised unemployment?

- a. Manufacturing sector
- b. Construction sector
- c. Agriculture sector
- d. Service sector

IT & IT PRODUCTS

- 1) Which of the following service is not provided to a Internet Banking service-Retail user:--
 - a. Booking of air tickets
 - b. Payment of mobile bill
 - c. Remit funds to his friend account in STATE BANK OF INDIA Mumbai
 - d. None of these
 - e. All of these
- 2) Which of the following is a corporate IBS user:→
 - a. Joint account holders
 - b. Partnership account holders
 - c. Sole proprietorship account holder
 - d. All of above
 - e. None of above
- 3) Which of the following statement is not true about corporate IBS user:→
 - a. Application is to be submitted on PNB1085
 - b. Request for transaction password is to be given on Form “B”
 - c. Request for duplicate password is to be submitted directly to HO
 - d. CUSER is to be created for transaction password.
 - e. None of these
- 4) RTGS funds transfer mechanism is controlled, monitored and settled by
 - a. Bo PNB house Mumbai
 - b. Ho accounts deptt. New Delhi
 - c. RBI
 - d. All branches of the Bank
 - e. Any of these
- 5) For outward and inward RTGS, transactions charges for customers are:→
 - a. Above Rs.5 Lacs –Rs.50/ & free
 - b. Above Rs.5 Lacs –Rs.250/ & free
 - c. Above Rs.5 Lacs –Rs.50/ & Rs.25/
 - d. Upto Rs.5 Lacs –Rs.50/ & flat Rs.50/
 - e. None of these
- 6) IFSC code which is allotted to all RTGS / NEFT enabled Bank branches is
Digit alpha numeric code:→
 - a. 10
 - b. 16
 - c. 11
 - d. 12
 - e. None of these
- 7) In case of delay in returning of funds due to any reason, the originating member Bank is entitled to receive compensation at
 - a. That day's MIBOR rate
 - b. Any other rate as accepted by the Member banks
 - c. BPLR

- d. BPLR + 2%
- i. a & b (ii) b (iii) c (iv) a or c (v) None of these
- 8) Menu option RTGSPNB can be used for
- a. Sending RTGS remittance of PUNJAB NATIONAL BANK
 - b. Remitting funds of a Bank to its HO
 - c. Issuing system generated printed receipt for a RTGS customer
 - d. Knowing IFSC code of a PUNJAB NATIONAL BANK branch.
 - e. None of these
- 9) Which of the following statements is not correct for NEFT mode of remittance of funds:→
- a. There is no limit for maximum amount that can be remitted
 - b. The settlement takes place in batches
 - c. There are no charges for local remittance up to Rs. One lac.
 - d. HRTGS is the menu option for NEFT remittance in Finacle.
 - e. None of these
- 10) Our Banks ATM / Debit cards have a serial number, which has:→
- a. 16 digits
 - b. 18 digits
 - c. 19 digits
 - d. 20 digits
 - e. None of these
- 11) Which of the following statements is Not correct for signature based Debit cards:→
- a. At POS terminal it can be used without PIN
 - b. PIN is required for cash withdrawal at ATM
 - c. These are internationally acceptable cards
 - d. These cards have no validity period
 - e. None of these
- 12) Debit cards can not be issued to:→
- a. Sole proprietor
 - b. Karta of HUF
 - c. In accounts having E/S mandate
 - d. Accounts opened under Vidhyarthi scheme
 - e. None of the above (Can be issued to all above)
- 13) The maximum limit for transfer of funds through ATM is:→
- a. Maximum Rs.1 Lac for own accounts
 - b. Maximum Rs. 1 lac for 3rd party accounts
 - c. No limit for own accounts
 - d. Maximum Rs.50000/ for 3rd party accounts.
 - e. None of these
- 14) **PNBTRAC** software is available on Banks intranet which can be used for :→
- a. On line tracking of loan proposals
 - b. On line submission of education loan requests
 - c. On line submission of complaints

- d. On line risk rating of borrowal accounts.
 - e. None of these.
- 15) Whenever a customer makes a complaint about a branch on toll free number, how the branch concerned gets the details:→
- a. By e-mail from call centre
 - b. By logging in PNB Sparsh
 - c. By e-mail from Head office
 - d. By logging in PNB CRM
 - e. None of the above.
- 16) PNB Parivar a computer system adopted by the Bank for all HRD requirements has been designed by:→
- a. INFOYSIS
 - b. TCS
 - c. People soft
 - d. IT Div. HO.
 - e. None of the above
- 17) In HRMS software, for release of annual graded increment to an employee of the branch the main link is :→
- a. Salary Package
 - b. Employee information system
 - c. Manager self service
 - d. Establishment
 - e. None of the above
- 18) For drawing CIR from CIBIL site, which of the following information is mandatory under “Personal information” head:→
- a. Gender
 - b. Date of Birth
 - c. PIN code of the city
 - d. All of these
 - e. None of these
- 19) Which of the following statements is In-correct relating to drawing of CIR from CIBIL
- a. In partnership accounts CIR of each partner is to be drawn
 - b. In company’s account, CIR for all directors should also be drawn
 - c. CIR should also be drawn at the time of renewal of the facility
 - d. CIR should also be drawn at the time of granting of advance against Shares.
 - e. None of the above
- 20) For the purpose of applying to public issue by an intending investor which of the following link is made available in Finacle main screen:→
- a. SCSB
 - b. ASBA
 - c. CMS
 - d. CRM
 - e. No such link

- 21) The maximum limit and validity period of Drafts drawn under RDA issued by exchange houses is:→
- Rs.1 lac and 6 months
 - Rs.10 lac and 3 months
 - Rs.1 lac and 3 months
 - Rs.10 lac and 6 months.
 - None of the above
- 22) For Finacle and other applications, sharing of password is
- Permissible if circumstances so warrant
 - Allowed with the permission of Incumbent of in-charge
 - Treated as malafied action / misconduct
 - To be documented when permitted
 - Allowed with the permission of Circle Head.
- 23) Such software which are used to detect malicious codes and prevent it from infecting the system, are called:→
- Application software
 - Malicious softwares
 - Drivers
 - Antivirus softwares
 - None of these.
- 24) The process by which physical movement of cheques is eliminated by electronic records, is called:→
- Cache
 - Imaging
 - Cheque truncation
 - Convergence
 - None of these
- 25) The type of electronic clearing in which one account is debited and number of accounts are debited, is called:→
- Electronic data interchange
 - Credit ECS
 - Debit ECS
 - Data Re-engineering
 - None of these
- 26) IDRBT stands for:→
- Institute for Development and Research in Banking Technology.
 - Institute for Development of Rural Banking Technology.
 - Institute for Development and Remission in Banking Technology.
 - Institute for Digital Registry for Banking Technology.
 - None of the above
- 27) On the bottom of a cheque, MICR code is printed, it consists of
- 6 digits
 - 9 digits

- c. 10 digits
 - d. 16 digits
 - e. None of the above.
- 28) A computer or Network device that transfers data packets from one computer network to another is called: →
- a. Modem
 - b. Router
 - c. Switch
 - d. ISDN line
 - e. None of the above
- 29) What type of card is provided to the Card issuing branch for issuing Bio-metric ATM card, so that the customer details and their finger prints can be registered in Bio-metric authentication server: →
- a. Bio-Metric ATM card
 - b. Debit card
 - c. Smart Card
 - d. Admin card
 - e. None of the above
- 30) For third party transfer of funds through ATM, charges are: →
- a. Rs.25/ per transaction
 - b. Rs.50/ per transaction
 - c. Rs.75/ per transaction
 - d. Rs.100/ per transaction
 - e. None of the above
- 31) In mobile Banking services if Bank sends a SMS on mobile of a customer informing status of an inward clearing cheque, it is called: →
- a. Push
 - b. Pull
 - c. SMS Banking
 - d. Single window concept
 - e. None of the above
- 32) Any modification done in CBS data by an user can be tracked and viewed by using Finacle Menu option: →
- a. ACI
 - b. AFI
 - c. CUMI
 - d. RAUDIT
 - e. None of the above
- 33) A technique to reveal the strategic information hidden in data which automatically finds patterns and relations in large database is called: →
- a. Data Integrity
 - b. Data Mining
 - c. Data Warehousing
 - d. Data decryption
 - e. None of the above

- 34) For compliance of KYC/AML norms, menu option enabled recently for adding / modifying / verifying the customer information is:→
- a. ACFRM
 - b. ACKYC
 - c. KYCRC
 - d. ACAML
 - e. NONE OF THE ABOVE
- 35) By using which of the following Menu options you can issue Interest certificate to education loan / staff housing loan account holders:→
- a. PHINQ
 - b. DCQRY
 - c. INTCERT
 - d. PNBREP 2/8
 - e. None of the above
- 36) In case of Clean OD sanctioned to staff members as per their entitlements, which date is to filled up in the field “Expiry date of sanction limit” (OAAC—H details / ACLHM – S details):→
- a. One year from date of sanction
 - b. Three years from date of sanction
 - c. Date of retirement of staff member
 - d. Field to be left blank
 - e. None of the above
- 37) Total 30 sensitive reports in Finacle which can lead to data piracy are now clubbed in a single menu option:→
- a. SENSREP
 - b. SENSRPT
 - c. SENTREP
 - d. SENTRYPT
 - e. None of the above
- 38) Up to what extent Inter-SOL cash payment to third parties are allowed:→
- a. Rs.50000/
 - b. Rs.5 Lacs
 - c. Rs.1 Lac
 - d. No Limit
 - e. None of the above
- 39) The menu option for transfer of PRDEM type of scheme to EIDEM (After completion of moratorium period):→
- a. LAIDC
 - b. TLEDU
 - c. EDUEMI
 - d. TLRED
 - e. NONE OF THE ABOVE
- 40) Menu option “PRELAX” is used for:→
- a. Transfer of loan accounts to other branches
 - b. Transfer of interest in loan account to office account
 - c. Transfer of interest from office account to loan account

- d. Preview of loan interest details
 - e. None of the above
- 41) By using which of the following option Holiday can be marked:→
- a. HUPM
 - b. CTM
 - c. HOLIDAY
 - d. HDAY
 - e. NONE OF THE ABOVE
- 42) Issuance of debit card to Blind persons:→
- a. Allowed to branches if they are literate
 - b. Allowed to branches in all the cases
 - c. Allowed to the branches with permission of circle head.
 - d. Not allowed to the branches.
 - e. None of the above
- 43) In retail or corporate modules of Internet banking, if the user gives either wrong user ID or password for times, the password is automatically disabled:→
- a. Three times b) Five times c) Four times d) Six times e)None of the above
- 44) Minimum ... characters of alphabet, special characters and numbers make a valid password for Internet Banking service:→
- a. EIGHT b) TWELVE c) SIX d) TEN e) NONE OF THE ABOVE
- 45) Which of the following is a form of virtual Banking:→
- a. Cash payment through CTO(Counter)
 - b. Cash withdrawal through ATM
 - c. Payment to third party by CTO of a branch
 - d. Payment on the door of a customer by a Bank
 - e. None of the above
- 46) PUNJAB NATIONAL BANK Global credit card is acceptable at all merchant establishments having logo of:→
- a. MASTER CARD b) VISA c) V-SIGN d) PNB e)None of the above
- 47) Interest free credit period available to PUNJAB NATIONAL BANK Gold credit card holders is :→
- a. For 20 to 50 days
 - b. For 20 days
 - c. For 30 to 50 days
 - d. For 15 days
 - e. None of the above.
- 48) What charges are payable by a PNB Gold Credit Card holder for withdrawing Cash from PNB ATM:→
- a. 2% of cash withdrawal or Rs.50/ whichever is Higher
 - b. 2% of cash withdrawal or Rs.50/ whichever is less

- c. 1% of cash withdrawal or Rs.100/ whichever is Higher
- d. 1% of cash withdrawal or Rs.100/ whichever is less
- e. NONE OF THE ABOVE

49) As per RBI directives reimbursement to a customer should be given within how many days for wrongful debits in his account of a transaction through ATM:→

- a. Three days
- b. Seven Days
- c. Twelve days
- d. Fifteen days
- e. None of the above.

50) As per electronic waste policy of the Bank, ATMs which are more than ... years old and PCs which are more than ... years old having book value of Rs.1/ are to be disposed off:→

- a. 5 & 5 b. 7 & 5 c. 5 & 7 d. 3 & 5 years e. None of the above

CURRENT TRENDS IN BANKING & ECONOMICS

- 51) Which of the following banks was recently excluded from second schedule of RBI act 1934:→
- a. Bombay Mercantile coop. Bank. Ltd.
 - b. UCO Bank
 - c. State Bank of Saurashtra
 - d. IDBI Bank Ltd.
 - e. None of the above
- 52) Which of the following can not become a business facilitator:→
- a. Insurance Agent
 - b. School Teacher
 - c. Self Help Group
 - d. Student
 - e. None of the above
- 53) Who is Public information officer under “Right to Information act 2005”:→
- a. A person who seeks the information
 - b. The advocate through which the application under RTI Act is moved.
 - c. A designated officer in all Administrative units to provide information.
 - d. A public attorney
 - e. None of the above
- 54) Under RBI’s KYC norms, which of the following current account customers will be classified under “Low Risk” category:→
- a. When customer declares to keep balance not above Rs.50000/
 - b. When credit / debit summations does not exceed Rs. 10 Lacs p.a
 - c. When the customers has availed a loan where due diligence is done.
 - d. When the account holder lives in USA
 - e. None of these
- 55) Trading advance against the security of Book debts can be granted to a trader which are not older than :→
- a. Three months
 - b. Six months
 - c. Twelve Months
 - d. Four Months
 - e. None of these
- 56) Reputation Risk is a type of
- a. Credit Risk
 - b. Operational Risk
 - c. Legal Risk
 - d. Liquidity Risk
 - e. None of these
- 57) If decision of Banking Ombudsman is not acceptable to the Bank, it can appeal against it only with prior sanction ofwithindays of date of receipt of the award:→

- a. Circle Head & 30 Days
 - b. CMD and 30 days
 - c. General manager(INSP) & 15 days
 - d. Circle Head & 15 days
 - e. None of these
- 58) The auto reversal limit of command reject ATM transactions from 07/03/2009 is:→
- a. Rs.7500/
 - b. Rs.5000/
 - c. Rs.25000/
 - d. Rs.15000/
 - e. None of these
- 59) All advances to Medium enterprises (Under MSME Development act 2006) are to be classified under:--
- a. Non-Priority sector
 - b. Priority Sector
 - c. Weaker sector
 - d. Govt. sector
 - e. None of these
- 60) The Maximum spread of 4% over BPLR (The reference Rate for advances) is allowed in case of following category of advances:→
- a. Advances to commercial real estate over Rs.20 Lacs having credit risk rating as "B","C","D"
 - b. Advances for Film Production over Rs.20 Lacs having credit risk rating as "D"
 - c. Advances for construction of godowns over Rs.20 Lacs having credit risk rating as "D"
 - d. Any advance over Rs.20 Lacs having credit risk rating as "D"
 - e. None of these
- 61) In all borrowal accounts having aggregate limit of Rs.1.00 Cr. And above, the valuation of IP charged to the bank should be done:→
- a. Once in three years at Banks cost
 - b. Once in three years at Borrowers cost
 - c. Once in a year at Bank's cost
 - d. Once in a year at Borrowers cost
 - e. None of these
- 62) What rate of interest shall be charged on advances to third parties against Bulk deposits standing in the name of an individual:→
- a. 2% above rate allowed on deposit OR BPLR whichever is higher,
 - b. 3% above rate allowed on deposit OR BPLR whichever is higher
 - c. 2% above rate allowed on deposit OR BPLR whichever is lower
 - d. 3% above rate allowed on deposit OR BPLR whichever is lower
 - e. Such advances are not allowed.
- 63) What is the Lock-in period for lodging claim under Credit Guarantee Fund scheme for MSE's:→

- a. 18 Months
 - b. 24 Months
 - c. 36 Months
 - d. 48 Months
 - e. None of the above
- 64) The Bank has permitted immediate credit of all USD cheques on lines of instant credit of domestic cheques, the cheque amount should be up to:→
- a. USD 100
 - b. USD 200
 - c. USD 500
 - d. USD 300
 - e. None of the above
- 65) What will be the periodicity of visit to the site of IP by the branch for an Immovable Property valued at Rs.50 Lacs kept under EM against which a housing loan of Rs.25 Lacs was granted:→
- a. Once in a half year
 - b. Once in a year
 - c. Once in three year
 - d. Only before granting of advance
- 66) As per PNB's IT initiatives, on-line submission of loan application to the following category of advances is not available:→
- a. Car loan
 - b. Personal loan
 - c. Education loan
 - d. Trading advances
 - e. None of these
- 67) For un-rated exposure of the Bank, what is the Risk weight on Capital charge for the purpose of calculation of CRAR:→
- a. 150%
 - b. 125%
 - c. 100%
 - d. 75%
 - e. None of the above.
- 68) Under standardised approach for credit risk measurement which of the following securities are not eligible for treatment as credit risk mitigants:→
- a. NSCs with no lock-in period
 - b. Gold bullion with 99.99 purity
 - c. Debt securities issued by a Bank not rated by CRA
 - d. Securities issued by State Govt.
 - e. None of the above
- 69) As per Bank's credit Policy, the sum total of all exposures to a single borrower enjoying credit facilities in excess of 10% of capital funds of the Bank as on 31-03-2009 is called:→
- a. Prudential exposure
 - b. Substantial exposure

- c. Discretionary exposure
 - d. Unsecured exposure
 - e. None of the above
- 70) For Bank's exposures of Rs.10 Cr. & above what is the frequency of separate credit audit if the account is "B" rated showing moderate risk:→
- a. Half yearly
 - b. Yearly
 - c. Quarterly
 - d. Monthly
 - e. None of the above.
- 71) Which of the following credit risk ratings signify "investment Grade":→
- a. AAA,AA,A
 - b. AAA & AA
 - c. AAA,AA,A,BB
 - d. AAA,AA,ABB,B
 - e. NONE OF THESE
- 72) An approach to finance a large project in which there are several Banks who are free to negotiate on margin, rate of interest etc. with the borrowing party is called :→
- a. Consortium Financing
 - b. Loan syndication
 - c. Multiple Banking arrangement
 - d. Group approach
 - e. None of these
- 73) The maximum permissible repayment period for a housing loan on restructuring can be:→
- a. 30 Years or till the borrower attains age of 65 years.
 - b. 25 Years or till the borrower attains age of 65 years.
 - c. 30 Years or till the borrower attains age of 60 years.
 - d. 25 Years or till the borrower attains age of 65 years.
 - e. None of these.
- 74) The An economic situation in which there is decrease in demand, production and prices is called:→
- a. De-valuation
 - b. Recession
 - c. Deflation
 - d. Reflation
 - e. None of the above
- 75) Which of the following is not a commonly used technique by the Bank at the transaction level for credit Risk Mitigation:→
- a. Collateralization of exposure
 - b. Obtaining third party guarantee
 - c. Buying a credit derivative
 - d. Asset securitization
 - e. None of the above

- 76) WEF 01/04/2009 all the branches of PNB has been re-classified into various business groups. Which of the following is Not one of them:→
- a. MSME Branches
 - b. Rural branches
 - c. Corporate branches
 - d. Retail branches
 - e. None of the above
- 77) Which of the following factors can Not lead to a operational Risk:→
- a. Custody of ATM Cards
 - b. Late reporting of currency chest transactions to RBI
 - c. Non-reconciliation of clearing entries
 - d. None of these
 - e. All of these
- 78) Cash retention limit of ATM for ATM machines having 400 average transactions per day is:→
- a. Rs. 25 Lacs
 - b. Rs.15 Lacs
 - c. Rs.30 Lacs
 - d. Rs.40 Lacs
 - e. None of these
- 79) A currency note in two pieces having numbers intact is classified as:→
- a. Mutilated Note
 - b. Imperfect Note
 - c. Half Note
 - d. Soiled Note
 - e. None of the above
- 80) Which of the following is Not authorized to impound a counterfeit currency Note:→
- a. All Branches of Public Sector Banks,
 - b. All Branches of Cooperative Banks
 - c. All Branches of Private Sector Banks
 - d. All Treasuries
 - e. None of the above
- 81) Where a credit card holder customer of a Bank can lodge his complaint if he suffered loss due to negligent working of the Bank and within what time period?
- a. To Banking Ombudsman, Within 60 days from date of lodgment of complaint to bank,
 - b. To Banking Ombudsman, Within 30 days from date of lodgment of complaint to bank
 - c. To Grievance redressal officer , Within 30 days from date of lodgment of complaint to the bank
 - d. To Grievance redressal officer, Within 60 days from date of lodgment of complaint to the bank,
 - e. None of the above.
- 82) Which of the following statements relating to NEFT is false:→

- a. NEFT is an account to account fund transfer system
 - b. Foreign remittances can also be received through NEFT.
 - c. There is no value limit for NEFT transactions
 - d. The remitting transaction can be traced through remitting branch only.
 - e. None of the above.
- 83) Which of the following statements is not a benefit of cheque truncation:→
- a. No geographical dependence
 - b. Minimizes transaction cost
 - c. Reduces operations risk
 - d. Better customer service
 - e. None of the above
- 84) The facility of Residential telephone to an officer can be retained by him after his retirement for a maximum period of Subject to the condition that all charges shall be borne by the retired officer:→
- a. Two months
 - b. Three months
 - c. Six months
 - d. Twelve months
 - e. None of the above
- 85) As per the latest guidelines for reimbursement of Entertainment expenses, the I/IC is entitled to additional entertainment limit of 50% for achievement of budget on some parameters. Which of the following is NOT one of those parameters:→
- a. CORE DEPOSIT
 - b. ADVANCES
 - c. REDUCTION IN NPA
 - d. FEE BASED INCOME
 - e. NONE OF THE ABOVE.
- 86) Which one of the following is not a method for valuation of IP while granting IP related loans:→
- a. Net yield method
 - b. Net internal return method
 - c. Enquiries through brokers and neighbors
 - d. Certificate issued by local authorities for taxation purpose
 - e. None of the above.
- 87) Requests by customers for issuing bulk cheque books should be entertained by the bank only if his account is conducted satisfactorily and it is more thanold
- a. Three months
 - b. Six months
 - c. Twelve months
 - d. One month
 - e. None of the above.
- 88) A phase of business cycle in which economic activity is at low end and there is un-employment / under-employment of resources; prices, profits & consumption is also low, is called:→

- a. Deflation
 - b. Depression
 - c. Diminishing return
 - d. Devaluation
 - e. None of these
- 89) If there is frequent dishonoring of cheques in an account due to in-sufficient balance in the account, it is stipulated that such accounts should be closed after serving proper notices. These guidelines are applicable for
- a. Cheques below Rs.25 Lacs
 - b. Cheques below Rs.10 Lacs
 - c. Accounts having balance below Rs.10 Lacs
 - d. Accounts having balance below Rs.25 Lacs
 - e. None of these
- 90) A sale of security that isn't owned by the seller, but that is promised to be delivered is called:→
- a. Short Position
 - b. Short Hedge
 - c. Short put
 - d. Short Selling
 - e. None of the above
- 91) The type of Risk that a foreign Govt. will default on a loan because of a change in national Policy is called:→
- a. Default Risk
 - b. Credit Risk
 - c. Sovereign Risk
 - d. Specific Risk
 - e. None of the above
- 92) The Prime Ministers Employment generation Program scheme stipulates some activities which are not to be undertaken. Which of the following activity is not in the negative list:→
- a. Any industry connected with cultivation of crops
 - b. Any business / industry connected with meat.
 - c. Manufacturing of Polythene carry bags of more than 20 microns
 - d. Processing of Pashmina wool
 - e. None of the above.
- 93) Which of the following is difference between long term sources and long term uses of a business firm which is considered as margin by the Banker:→
- a. Current ration
 - b. Net Working Capital
 - c. Working capital Gap
 - d. Tangible net-worth
 - e. None of the above

- 94) A ratio which is, if lower represents higher stake of promoters in the business and so considered favorable by the Banker, if higher speaks of firms large dependence on outside long term liabilities:→
- a. Total indebttness ratio
 - b. Debt service Coverage Ratio
 - c. Debt equity Ratio
 - d. Return on Equity
 - e. None of these
- 95) A person taking an investment decision for equities is interested in which of the following Ratio in a company's Balance Sheet, for his wealth maximization by keeping in view the opportunity cost of his investment:→
- a. Return on Assets
 - b. Return on Capital employed
 - c. Net profit ratio
 - d. Return on equity
 - e. None of the above
- 96) In Operations Risk calculations, what an incident would be called which could have resulted in a loss had it not been discovered and corrected in time:→
- a. Foregone revenue
 - b. Direct Loss
 - c. Near miss event
 - d. Residual Risk
 - e. None of the above.
- 97) Which of the following is not a financial guarantee:→
- a. Guarantee issued towards disputed liabilities
 - b. Guarantee issued for payment of determined Income tax liabilities.
 - c. Guarantee issued for payment of determined Octroi liabilities.
 - d. Guarantee issued in place of security deposit
 - e. None of the above.
- 98) What is the entitlement of a MMG-III Manager for leased accommodation who is posted at a state capital:→
- a. Rs.7000
 - b. Rs.6500/
 - c. Rs.6000/
 - d. Rs.5000/
 - e. None of these

99) Up to what extent residential furniture is admissible for a MMG-II Manager posted in a urban branch

- a. Rs.30000/
- b. Rs.42000/
- c. Rs.70000/
- d. Rs.55000/
- e. None of these

100) What is the minimum qualifying marks in Written Test for Promotion from MMG-II to MMG-III in channel-II for being considered for Promotion:→

- a. 40% Marks in individual paper and 50% in aggregate for General candidates
- b. 30% Marks in individual paper and 40% in aggregate for General candidates
- c. 40% Marks in individual paper and 40% in aggregate for General candidates
- d. 30% Marks in individual paper and 50% in aggregate for General candidates
- e. None of these.

IMPORTANT TERMS

- ❖ Accelerator: the relationship between the amount of net or INDUCED INVESTMENT and the rate of change of NATIONAL INCOME. A rapid rise in income and consumption spending will put pressure on existing capacity and encourage businesses to invest, not only to replace existing capital as it wears out but also to invest in new plant and equipment to meet the increase in demand.
- ❖ Administered price: a price for a product that is set by an individual producer or group of producers. In perfect competition, characterized by many very small producers, the price charged is determined by the interaction of market demand and market supply, and the individual producer has no control over the price.
- ❖ Ad valorem tax: a tax that is levied as a percentage of the price of a unit of output.
- ❖ Aggregate demand or aggregate supply: the total amount of expenditure on domestic goods and services.
- ❖ Aggregate supply: the total amount of domestic goods and services supplied by businesses and government, including both consumer products and capital goods.
- ❖ Applied economics: the application of economic analysis to the real world economics situations. Applied economics seeks to employ the predictions emanating from ECONOMIC THEORY in offering advice on the formulation of ECONOMIC POLICY.
- ❖ Appreciation: an increase in the value of a currency against other currencies under a FLOATING EXCHANGE RATE SYSTEM.
- ❖ Arbitrage: the buying and selling of products, FINANCIAL SECURITIES or FOREIGN CURRENCIES between two or more markets in order to take profitable advantage of any differences in the prices quoted in these markets.
- ❖ Asian Pacific Economic Cooperation (APEC): a regional alliance formed in 1990 with the general objective of establishing a FREE

TRADE AREA, specifically creating a free trade zone for industrialized country members by 2010 and for developing country members by 2020.

- ❖ Automatic teller machine: a cash point facility in which a banker's card can be used by a customer of a COMMERCIAL BANK or BUILDING SOCIETY to withdraw cash both inside and outside banking hours.
- ❖ Autonomous investment: that part of real investment that is independent of the level of, and changes in, NATIONAL INCOME. Autonomous investment is mainly dependent on competitive factors.
- ❖ Average propensity to consume (APC): the fraction of a given level of NATIONAL INCOME that is spent on consumption:
 $APC = \text{consumption} / \text{income}$
- ❖ ETF (Exchange trade funds): A security that tracks an underlying asset that can be a index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange.
- ❖ SIP (Systematic investment planning): It is a method of investing in mutual fund. It's also known as "Rupee cost averaging"- a strategy in which a fixed rupee amount is invested on regular basis.
- ❖ Hedge: It is a position established in one market in an attempt to offset exposure to the price risk of an equal but opposite obligation or position in another market.
- ❖ Deflation: It is a sustained decrease in the general price level of goods and services. It occurs when the inflation rate falls below zero percent, resulting in an increase in the real value of money.
- ❖ Stagflation: It's an economic situation in which inflation and economic stagnation occur simultaneously and remain unchecked for a period of time.
- ❖ EPS (Earning per share): It is the ratio of net profit after tax less the preference dividend to the number of equity shares (annualized).

- ❖ ROE (Return on equity): It is the ratio of net profit after tax less the preference dividend to the share holder's equity.
- ❖ Market cap: It is the product of the current market price and the number of the equity shares.
- ❖ Roce (Return on the capital employed): It is the ratio of the earnings before interest and tax to the total assets less the current liabilities.
- ❖ Average propensity to save (APS): the fraction of a given level of national income that is saved: $APS = \text{saving} / \text{income}$
- ❖ Balanced budget: a situation where government expenditure is equal to taxation and other receipts.
- ❖ Bear: a person who expects future prices in a stock exchange or commodity market to fall and who seeks to make money by selling shares or commodities.
- ❖ Bear market: a situation where the prices of financial securities (stocks, shares, etc) or commodities are tending to fall as a result of persistent selling and only limited buying.
- ❖ Benchmarking: the process of measuring aspects of a firm's performance and comparing this measured performance with that of other firms.
- ❖ Bid price: the price at which a dealer in a financial security, foreign currency, or commodity is prepared to buy a security, currency or commodity.
- ❖ Break even: the short-run rate of output and sales at which a supplier generates just enough revenue to cover his fixed and variable costs, earning neither a profit nor a loss.
- ❖ Buffer stock: a stock of a commodity that is held by a trade body or government as a means of regulating the price of that commodity.
- ❖ Bull: a person who expects future prices in a stock exchange or commodity market to rise and who seeks to make money by buying shares or commodities.

- ❖ Bullion: precious metals that are traded commercially in the form of bars and coins for investment purposes and are used to produce Jewellery and as industrial base metals.
- ❖ Bull market: a situation where the prices of financial securities or commodities are tending to rise as a result of persistent buying and only limited selling.
- ❖ Business cycle or trade cycle: fluctuations in the level of economic activity, alternating between periods of depression and boom conditions.
- ❖ Buyer's market: a short run market situation in which there is excess supply of goods or services at current prices, which forces prices down to the advantage of the buyer.
- ❖ By product: a product that is secondary to the main product emerging from a production process.
- ❖ Cartel: a form of collusion between a group of suppliers aimed at suppressing competition between themselves, wholly or in part. Cartels can take a number of forms.
- ❖ Ceteris paribus: a Latin term meaning 'other things being equal' that is widely used in economic analyses as an expository technique.
- ❖ Cheap money: a government policy whereby the central bank is authorized to purchase government bonds on the open market to facilitate an increase in the money supply.
- ❖ Chinese wall: the segregation of the stockbroking, jobbing, fund management, etc. activities of a financial institution in order to protect the interest of its clients.
- ❖ Closed economy: an economy that is not influenced by any form of international trade, that is, there are no exports or imports of any kinds.
- ❖ Complementary goods: goods or services whose demands are interrelated so that an increase in the price of one of the goods results in a fall in the demand for the other.

- ❖ Consumer's surplus: the extra satisfaction or utility gained by consumers from paying an actual price for a good that is lower than that which they would have been prepared to pay.
- ❖ Convertibility: the extent to which one foreign currency or international reserve asset can be exchanged for some other foreign currency or international reserve asset.
- ❖ Core competence: a key resource, process or system possessed by a firm that allows it to gain a competitive advantage over rivals.
- ❖ Cost benefit analyses: a technique for enumerating and evaluating the total social costs and total social benefits associated with an economic project.
- ❖ Coupon: a means of promoting the sale of a product by offering buyers of the product coupons that can be redeemed for cash, gifts or other goods.
- ❖ Creeping inflation: small increases in the general level of prices in an economy.
- ❖ Cross-subsidization: the practice by firms of offering internal subsidies to certain products or departments within the firm financed from the profits generated by other products or departments.
- ❖ Customs and excise: a government agency for the collection of indirect taxes levied in accordance with appropriate rates, rules and regulations.
- ❖ Deflation: a reduction in the level of national income and output usually accompanied by a fall in the general price level.
- ❖ Demand pull inflation: a general increase in prices caused by a level of aggregate demand in excess of the supply potential of the economy.
- ❖ Disguised unemployment: a form of unemployment in which people able and willing to work do not register as unemployed and seeking work, which results in their absence from the official unemployment figures.
- ❖ Disposable income: the amount of current income available to households after payment of personal income taxes and national

insurance contributions.

- ❖ Dow-Jones index: a US share price index that monitors and records the share price movements of all companies listed on the New York stock exchange, with the exception of high-tech companies listed separately on the NASDAQ stock exchange.
- ❖ Dumping: the export of a good at a price below that charged for the good in the domestic market. Dumping may occur as a short-term response to a domestic recession or as a longer-term strategic means of penetrating export markets.
- ❖ Earning per share: net profit after tax accruing to the ordinary shareholders in a joint stock company, divided by the number of ordinary shares.
- ❖ Elasticity of demand: a measure of the degree of responsiveness of quantity demanded of a particular product to a given change in one of the independent variables that affect demand for that product.
- ❖ Elasticity of supply: the degree of responsiveness of quantity supplied of a particular product.
- ❖ Forward integration: the joining together in one firm of two or more successive stages in a vertically related production/distribution process.
- ❖ Giffen goods: A good for which quantity demanded increases as its price increases rather than falls, as predicted by the general theory of demand.
- ❖ Greenfield investment: the establishment of a new manufacturing plant, workshop, office, etc. by a firm. Greenfield investment is undertaken by a 'start up' business and by existing firms as a means of expanding their activities.
- ❖ Inferior product: a good or service for which the income elasticity of demand is negative; i.e. as income rises, buyers purchase less of the product. Consequently, when the price of such a product falls, thereby effectively increasing consumer's real income, then that price cut will have the income effect of tending to decrease the

quantity demanded. This will tend to partially offset the substitution effect of a price cut, which causes consumers to buy more of the product because it is now relatively cheaper. This applies to a very limited range of products.

- ❖ Initial public offering: the first sale of the shares/stock to investors in a firm that has newly obtained a stock exchange listing.
- ❖ Insider trading: any transaction in securities such as stocks and shares by persons having access to privileged information not as yet available to the general investing public, and who in consequence stand to gain financially from this knowledge.
- ❖ Laffer curve: a curve depicting the possible relationship between income tax rates and total tax revenue received by the government.
- ❖ NASDAQ: the US stock exchange, based in NEW YORK that specializes in the high tech companies such as Microsoft, dell and Amazon. The NASDAQ share price index monitors and records the share price movements of the companies listed in the exchange.
- ❖ Near money: any easily saleable (liquid) asset that performs the function of money as a store of value but not that of a universally acceptable medium of exchange. Currency serves as a store of value and, being the most liquid of all assets, is universally accepted as a means of payment.
- ❖ Opportunity cost: a measure of the economic cost of using scarce resources to produce one particular good or service in terms of the alternative thereby foregone.
- ❖ Paradox of thrift: the proposition that there is an inconsistency between the apparently virtuous nature of household saving and the potentially undesirable consequences of such saving.
- ❖ Penetrating policy: a pricing policy that involves charging a comparatively low price for a product in order to secure growing sales and a high price market share. This policy will be adopted by a firm where consumers are expected to be price sensitive i.e. demand is price elastic.

- ❖ Philips curve: a curve depicting an empirical observation between the level of unemployment and the rate of change of money wages and, by inference, the rate of change of prices (inflation).
- ❖ Predatory pricing: a pricing policy pursued by a firm with the express purpose of harming rival suppliers or exploiting the consumer.
- ❖ Price discrimination: the ability of a supplier to sell the same product in a number of separate markets at different prices.
- ❖ Price elasticity of demand: a measure of the degree of responsiveness of demand to a given change.
- ❖ Price elasticity of supply: a measure of the degree of responsiveness of supply to a given change in price.
- ❖ Product differentiation: an element of market conduct that denotes the ways in which suppliers attempt to distinguish their own products from those of competitors. Product differentiation is a form of non price competition.
- ❖ Profit maximization: the objective of the firm in the traditional theory of the firm and the theory of markets. Firms seek to establish the price-output combination that yields the maximum amount of profit.
- ❖ Progressive taxation: a structure of taxation in which tax is levied at an increasing rate as taxation rises. This form of taxation takes a greater proportion of tax from the high income taxpayer than from the low income taxpayer.
- ❖ Real balance effect or Pigou effect: the mechanism by which a change in the real value of money balances leads to a change in aggregate demand. If prices are flexible in an economy, a decrease in prices, for example, will increase the real value of a household's cash holdings. The increase in a household's money wealth increases its purchasing power, thereby stimulating consumption.
- ❖ Recession: a phase of business cycle characterized by a modest downturn in the level of economic activity.

- ❖ Recovery: a phase of the business cycle characterized by an upturn in the level of business activity.
- ❖ Risk aversion: the tendency for managers, consumers and other decision makers to avoid undertaking risks and to choose less risky alternatives.
- ❖ Share buyback: the purchase by a company of its own shares, thereby reducing the amount of its issued capital. Share buybacks are undertaken to return 'surplus' cash reserves to shareholders; more particularly, they are undertaken to increase earnings per share and dividend per share and thus lead to a rise in the company's share price.
- ❖ Shell company: a company that is not actively trading but that is still listed on the stock exchange.
- ❖ Strategic business unit: a fully or semi-autonomous division of a diversified firm or multinational company that operates in a particular market or business area with its own management team.
- ❖ Substitute products: any goods or services that are considered to be economically interchangeable by buyers.
- ❖ Tax heaven: a country that imposes low rates of personal and corporate taxes, and as a result attracts wealthy individuals and multinational companies seeking to minimize their taxation liabilities.
- ❖ Treasury bill: a financial security issued by a country's central bank as a means for the government to borrow money for short periods of time.
- ❖ Underwriting: the acceptance by a financial institution of the financial risks involved in a particular transaction for an agreed fee.
- ❖ Veblen effect: a theory of consumption that suggests that consumers may have an upwards-sloping demand curve as opposed to a downward sloping demand curve because they practice conspicuous consumption. A downward sloping demand curve implies that the quantity demanded of a particular good varies inversely with its price. The Veblen effect suggests that quantity demanded of a particular good varies directly with a

change in price.

- ❖ Sweet shares: shares which are issued in exchange of providing technical know-how or intellectual rights to a company or for promotion in values, without any cash payments is known as sweat shares.
- ❖ Underwriter: a person who guarantees the company that he will buy all unsold shares if these are not bought by subscribers.
- ❖ Forwards: a forward contract is a customized contract between two identities, where settlement takes place on a specific date in the future at today's pre-agreed price.
- ❖ Futures: a future's contract is an agreement between two parties to buy or sell an asset at a certain time in the future at a certain price. Futures contracts are special types of forward contracts in the sense that the former are standardized exchange-traded contracts.
- ❖ Options: options are of two types- calls and puts. Calls give the buyer the right but not the obligation to buy a given quantity of the underlying asset, at a given price on or before a given future date. Puts give the buyer the right, but not the obligation to sell a given quantity of the underlying asset at a given price on or before a given date.
- ❖ Warrants: options generally have lives of up to one year, the majority of options traded on options exchanges having a maximum maturity of nine months. Longer-dated options are called warrants and are generally traded over the counter.
- ❖ Leaps: the acronym LEAPS means Long Term Equity Anticipation Securities. These are options having a maturity of up to three years.
- ❖ Baskets: basket options are options on portfolios of underlying assets. The underlying asset is usually a moving average of a basket of assets. Equity index options are a form of basket options.
- ❖ Swaps: swaps are private agreements between two parties to exchange cash flows in the future according to a prearranged formula. They can be regarded as portfolios of forward contracts. The two commonly used swaps are:

- Interest rate swaps: these entail swapping only the interest related cash flows between the parties in the same currency.
 - Currency swaps: these entail swapping both principal and interest between the parties, with the cash flows in one direction being in a different currency than those in the opposite direction.
- ❖ Swaptions: Swaptions are options to buy or sell a swap that will become operative at the expiry of the options. Thus a swaption is an option on a forward swap. Rather than have calls and puts, the Swaptions market has receiver swaptions and payer swaptions. A receiver swaption is an option to receive fixed and pay floating. A payer swaption is an option to pay fixed and receive floating.
 - ❖ Option price/premium: option price is the price which the option buyer pays to the option seller. It is also referred to as option premium.
 - ❖ Expiration date: the date specified in the options contract is known as the expiration date, the exercise date, the strike date or the maturity.
 - ❖ Strike price: the price specified in the options contract is known as the strike price or the exercise price.
 - ❖ American options: American options are options that can be exercised at any time upto the expiration date. Most exchange traded options are American.
 - ❖ European options: European options are options that can be exercised only on the expiration date itself. European options are easier to analyze than American options, and properties of an American option are frequently deduced from those of its European counterpart.
 - ❖ DEPOSITORIES A Depository is an entity where the securities of an investor are held in electronic form. The person who holds a Demat account is a Beneficiary Owner. Depository is just like a Bank.
 - ❖ At present there are two Depositories functioning in India
 - 1 .NSDL and
 2. CDSL.


- ❖ Minimum net worth required for a company who wants to establish a depository is Rs100 crores.
- ❖ Features of NSE (NATIONAL STOCK EXCHANGE)
 1. Holds the first rank in the country in terms of total TURNOVER.
 2. It has no trading RING.
 3. It functions under the guidance from SEBI (SECURITIES EXCHANGE BOARD OF INDIA).
 4. It is an institution for screen based dealing in securities.
 5. It provides the facility of sale and purchase of securities on national level.
 6. It was established on the Recommendations of PHERWANI COMMITTEE.
 7. PNB was one of the promoters.
- ❖ NEW YORK STOCK EXCHANGE IS THE LARGEST STOCK EXC IN TERMS OF MARKET CAPITALIZATION.
- ❖ Dollex is the share price index of Mumbai share market in Dollar value.
- ❖ MIDDAX is the share price index of GERMANY.
- ❖ NIKKEI is the share price index of TOKYO STOCK EXCHANGE.
- ❖ NASDAQ is the second largest stock exchange of USA.-
***INFOSIS is a first Indian company listed in this exchange
- ❖ Bombay stock exchange was established in 1875 as Native share and stock brokers association.
- ❖ DOW JONES is share market index of NEW YORK STOCK EXCHANGE.
- ❖ NETHERLAND was the first country to establish share market.

- ❖ **BANKEX** is the name of new banking index which includes market capitalization of stock of 12 banks of India.
- ❖ One basis point is one hundredth of a percent. When you see on TV that CRR or Repo reduced by 50 basis point it means 0.5 percent.
- ❖ **SENSEX** is based on the value of top 30 shares of Indian Blue Chip Companies. Sensex was introduced in the year 1986. **NIFTY** is based on the value of top 50 shares of the Indian Blue Chip Companies.
- ❖ **BUYBACK OF SHARES** is when a company buys its shares either from the secondary market or through the open offer to the shareholders normally at a premium to the market price. A company can buy back its shares from any or all of these a. free reserves b. share premium account c. sinking fund. Buy back shares cannot be reissued by the company.

EFFECT OF BUY BACK.

1. Equity capital of the company will be reduced.
 2. **DEBT EQUITY RATIO** of the company will be increased.
 3. Liquidity of the company will be reduced and it will effect capacity to realize debts.
 4. There may be rise in the price of the share of the company.
- ❖ In Indian financial system derivative has been defined in securities contrast (regulation) act 1956.
 - ❖ Derivative include-1) a security derived from a debt investment, share, loan whether secured or unsecured, risk investment or contract for differences or any other form of security, -2) a contract which derives the value from the prices or index of prices, of underlying securities.
 - ❖ Exchange traded funds (ETF) are innovative products which came into existence in USA in 1993.

Important Recent Developments

<div style="text-align: center;">  <p>RESERVE BANK OF INDIA</p> </div> <p>The Reserve Bank of India (RBI) is the central bank of India, and was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. The Central Office of the Reserve Bank was initially established in Calcutta but was permanently moved to Mumbai in 1937. The Central Office is where the Governor sits and where policies are formulated. . Though originally privately owned, RBI has been fully owned by the Government of India since nationalization in 1949.</p>	<p style="text-align: center;">Current Rates</p> <p><u>Policy Rates</u></p> <table border="1"> <tr> <td>Bank Rate</td><td>6.00%</td></tr> <tr> <td>Repo Rate</td><td>4.75%</td></tr> <tr> <td>Reverse Repo Rate</td><td>3.25%</td></tr> </table> <p><u>Reserve Ratios</u></p> <table border="1"> <tr> <td>CRR</td><td>5.00%</td></tr> <tr> <td>SLR</td><td>24.0%</td></tr> </table> <p><u>Exchange Rates</u></p> <table border="1"> <tr> <td colspan="2"><i>RBI Reference Rate</i></td></tr> <tr> <td>INR/ 1 USD</td><td>47.08</td></tr> <tr> <td>INR/ 1 Euro</td><td>66.86</td></tr> </table> <p><u>Lending/ Deposit Rates</u></p> <table border="1"> <tr> <td>PLR</td><td>12.75% - 13.25%</td></tr> <tr> <td>Savings Bank Rate</td><td>3.50%</td></tr> <tr> <td>Deposit Rate</td><td>7.50% - 9.60%</td></tr> </table>	Bank Rate	6.00%	Repo Rate	4.75%	Reverse Repo Rate	3.25%	CRR	5.00%	SLR	24.0%	<i>RBI Reference Rate</i>		INR/ 1 USD	47.08	INR/ 1 Euro	66.86	PLR	12.75% - 13.25%	Savings Bank Rate	3.50%	Deposit Rate	7.50% - 9.60%
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As on 22.09.2009

- As per annual policy statement of RBI, repo rate is 4.75% and reverse repo rate is 3.25%.
- Reduction in repo and reverse repo rates gives an indication to the market that RBI wants to reduce the interest rate structure of the system, besides it wants to increase the liquidity in the system.
- From 1st April 2010 saving account holders in commercial banks will get interest on daily product basis (instead of the earlier system of minimum balance between 10th and last day of the month. This will increase the cost of funds to banks.
- In a recent development SEBI has decided to raise margins that promoters of any company are required to pay to buy optionally convertible warranty, from 10% to 25%. That has been done to increase their seriousness in this matter and to avoid the default which has occurred in many cases due to declining share prices.

- SEBI has decided that promoters will mandatorily disclose to the stock exchange the number of share pledged by them.
- Recent big ticket acquisitions by Indians abroad: Jaguar and land rover—Tata Motors, Corus—Tata steel, Alcoa—Hindalco
- Changes in Exposure norms. In order to give a boost to the sagging REAL ESTATE SECTOR RBI has decided that loans granted by BANKS to HOTELS AND HOSPITALS may no longer be treated as COMMERCIAL REAL ESTATE EXPOSURE.
- In order to Centralized the ECS System RBI has inaugurated the NATIONAL ELECTRONIC CLEARING SERVICE NECS. This is being done to bring in Uniformity and efficiency in the system.
- RBI Has widened the scope of BANKING OMBUDSMAN scheme 2006 to include two more areas namely complaints related to internet banking and complaints on non-adherence of the provisions of the FAIR PRACTICE CODE FOR BANKS can also be lodged now.
- The Supreme Court has held that a creditor bank can not attach the fixed deposits of a Guarantor who had received the money from his pension, gratuity etc (i.e. the retirement benefits)
- New timings for RTGS Transactions for customers
Normal days 9 a m to 4.30 p m
On Saturday 9 a m to 12.30 p m
and for inter bank transactions normal days 9 a m to 6.00 p m and on SATURDAY 9.00a m to 2.30 p m
- To give boost to the export sector GOI has decided to extend the interest subvention of 2% for a further period of six months. Now it has been extended till September 2009.
- RBI in its recent instructions has asked banks NOT to force customers to drop the cheques in the drop box. If the customer insists on manual receipt, Bank is bound to accede to his request.
- The trustees of EPFO has decided to retain the interest @8.5% for the current year.

- PNB has achieved 100% CBS implementation.
- Three public sector banks which will receive capital infusion from GOI are UCI\O BANK, CENTRAL BANK OF INDIA, VIJAYA BANK.
- RBI has instructed all banks to disclose clearly to the loan seekers about all the charges and processing fees, to be paid by the loanee. IN CASE THE BANK FAILS TO PROVIDE THIS INFORMATION, it should not charge that from the customer.
- WEF 5TH Feb 2009 THE CEILING Rate on Export credit in FOREIGN CURRENCY by banks is LIBOR plus 350basis points.
- In case of post-shipment credit, concessional rate of interest of BPLR minus(-) 2.5% is allowed upto 180 days.
- The Limit for Direct Receipt of IMPORT BILL/ DOCUMENTS has been fixed at US\$ 300000.
- FII's have been allowed to invest upto US\$15 billion in corporate bonds, earlier this ceiling was US\$6 billion.

IMPORTANT HOT TOPICS YOU MUST GO THROUGH THOROUGHLY

1. Prime Minister employment generation program
2. Guidelines on Credit exposure ceilings
3. Guidelines on Mobile banking
4. Latest guidelines on Authorized money chargers
5. Credit Guarantee Trust for Medium and Small Enterprises
6. Limited liability Partnership (Passed by parliament in 2008)
7. RBI guidelines on prudential norms and guidelines on restructuring of loans

8. RBI guidelines on statement of account and pass books
9. CIBIL
10. Guidelines on rehabilitation of sick SME- Dr K.C. Chakrabarty report
11. Customer service guidelines
12. Guidelines on application supported by blocked amount in respect of subscription to IPO
13. Pre-paid instruments- as per payments and settlements systems act 2007
14. Satyam saga (Satyam computer Ltd case)
15. RBI guidelines on unclaimed deposits
16. Restrictions on bank lending
17. Latest guidelines on locker and safe custody of articles
18. Bank's code for micro and small enterprises as proposed by Banking Codes and Standards Board of India (BCSBI)
19. Agriculture debt waiver scheme-2008
20. Foreign trade policy 2008-09 and annual policy statement 2009-10

GENERAL KNOWLEDGE

1. Inflation rate dropped to 0.17 %- the lowest in 30 years.
2. Tata motors recent launch Nano-is also known as "People's car".
3. Second IPL (Indian Premier League) is being held in South Africa, due to security reasons on account of clash with general election in country.
4. The Union Cabinet has approved the 20 percent hike in emoluments for officers of all public sector enterprises.
5. Ms Ekta Chowdhary, a girl hailing from Delhi won Miss India Universe 2009, at the FEMINA and Miss Pooja

Chopra is Miss India world and Ms Shriya Kishore crowned Miss India earth.

6. As per the International Labour Organisation report, the number of unemployed people is estimated to surpass the figure of 5 crore in 2009.
7. A term used in economics-Ceteris Paribus (A Latin term) which means “other things being equal”.
8. WEF June 1, 2009 Air Marshal Pradeep Vasant Naik will take over charge as Air Chief Marshal of the Air staff, from Air Chief Marshal Fali Homi major.
9. India has received the first supply of 30 tones of uranium pellets from Russia under a Multi-million dollar Nuclear Deal Supply with Russia.
10. As a part of reforms in the International Monetary System, China has proposed to create a Super Sovereign Currency to replace the supremacy of US dollar.
11. Mr. Charles Simonyi becomes the first person to travel twice to space as tourist.
12. Leaders of G-20 agreed to pledge additional 1.1 trillion in resources for the International Monetary Fund (IMF) to boost global growth.
13. G-20 summit was held in London.
14. PPP-Public Private Partnership
15. PPP-Purchasing Power Parity- this theory is related with exchange rate.
16. Five year plan in India is finally approved by Union Cabinet.
17. Dilip Kumar has been conferred the Dada Saheb Phalke Award for the year 2007.
18. Prime Minister of Great Britain- Gordon Brown.
19. Tech Mahindra, the Mahindra group IT company has acquired SATYAM computers, with the highest bid price of Rs 58 per share, outbidding the other main bidder Larson and Toubro. Tech Mahindra will get controlling stake by acquiring 51% stake- 31% by direct bidding

amounting to 1750 crores and balance 20% by open offer to share holders amounting to 1133 crores.

20. Norway is the facilitator for peace talks between LTTE and Sri Lankan government.
21. Swine flue, officially named influenza A (HINI) by the WHO is a contagious respiratory disease that affects pigs. It has started spreading from Mexico and USA.
22. Gobar Gas (Biogas) mainly contains Methane and Butane.
23. India recently did a joint Naval exercise VARUNA in association with France.
24. Author of “We The People”- Nani Palkiwala
25. Author of “Sea of Poppies”- Amitav Ghosh
26. Author of “Goodbye Shahzadi” –Shyam Bhatia
27. The 2010 world cup of Football tournament will be held in South Africa.
28. Spain won the EURO cup Football Tournament of 2008.
29. India has won the Azlan Shah cup after a gap of 13 years, defeating Malaysia in the final by margin of 3-1.
30. Nirupam Sen is the Indian who has been appointed the Special Senior Advisor to the president of UN general assembly.
31. G-20 represents 85% of the global economy.
32. Britain chairs the G-20 at present.
33. An organization which is a part of G-20 – European Union.
34. Pascal Lamy has been re-appointed the director general of WTO.
35. Indonesia has decided to opt out of Organisation of Oil Exporting Countries (OPEC).
36. “Guide” an Indian movie was screened at the Cannes Film festival.
37. India and China have resumed border trade via Nathu La after 44 years-which is situated in Sikkim.

38. Navin Chawla is the new Chief election commissioner.
39. New election commissioner of India- VS Sampath.
40. Speaker of the Lok Sabha is elected by the members of parliament.
41. In USA the president is elected by an Electoral College where members are elected from different states.
42. USA based software company Oracle corporation acquired another major software giant Sun-Microsystems Inc. for US\$ 7.4 billion.
43. Newly appointed managing director and CEO of ICICI bank-Chanda Kochhar.
44. The newly appointed MD and CEO of Axis Bank- Shikha Sharma.
45. ISRO- Indian Space Research Organization has successfully launched a revolutionary spy satellite named RISAT-2 (Radar Imaging Satellite). It has an all weather capability to take images of earth.
46. Attorney General of India- Milon Banerjee.
47. Najib Abdul Razak is the newly elected Prime Minister of Malaysia.
48. The costliest city in world- Moscow.
49. Anju Bhargav- American women of Indian origin have been elected a member of Barack Obama's FAITH COUNCIL.
50. FIJI- The South Pacific nation which recently underwent a coup.
51. Patibha Patil- The President of India to visit Spain.
52. The world's largest producer of diamond-Botswana.
53. Ratan Tata has been awarded the Sir Jehangir Medal for the year 2008.
54. Raja J Chellaiya, a famous economist who expired recently, headed the Tax Reformer Commission in 1990's, is the author of "The Aspects of the Black Economy in India".

55. Chairman of TRAI-(Telecom Regulatory Authority of India) – Nripendra Mishra.
56. Newly appointed chairman of Air India- Arvind Jhadav.
57. Newly elected chairman of NASSCOM- Promod Bhasin.
58. Newly elected chairperson of confederation of Indian Industries (CII) - Venu Srinivasan-chairperson of TVS group.
59. LIC is the first insurance company to launch its credit card.
60. Bollywood actress Aishwarya Rai will soon join the ranks of Hollywood beauties by becoming the first Indian face of the legendary doll BARBIE.
61. Helen Clark is to become the new head of the United Nations Development Programme.
62. Robert Mugabe has taken over as the President of Zimbabwe.
63. Yash Chopra was recently honored by the French government for his Life time remarkable contribution to Indian film industry.
64. The proceeds from the disinvestments of governments stake in various public sector units are parked in –National Investment Fund.
65. LIBOR stands for **London INTER Bank offered Rate.**
66. Purpose of Bharat Nirman Programme- to bring an additional one crore hectares of land under assured irrigation and to provide road connectivity to all the villages having a population of 1000.
67. Sunil Bharti Mittal CEO of Bharti Airtel has become the first Indian to join the board of trustees of the Carnegie Endowment for International Peace.
68. Mohan Bhagat is the new chief of RSS.
69. Meera Shankar is the New ambassador of India in USA.

70. Sharat Sabharwal has been appointed as India's High commissioner in Pakistan.
71. E Shreedhar, who is the chairman of Delhi Metro Rail Corporation Ltd. Has been awarded the Lal Bahadur Shastri Award for excellence in Public Administration.
72. PN'S the popular name for participatory notes, a term associated with foreign institutional investors.
73. As per the Monetary and Credit policy of the RBI for 2008-09, all money transactions of Rs 1 crore and above are to be mandatorily routed through electronic payment mechanism.
74. As per the estimates given by International Monetary fund the world economy will grow at 1.5% rate in 2009.
75. SWAYAM is a micro finance company operating in may states of India.
76. GRAMEEN is a micro finance company operating in eastern region of India. Company is providing loan in the range of Rs 1000-10000.
77. BRIC (Brazil, Russia, India, and China) is the organization of four fastest developing economies.
78. China and India are two nations in BRIC which are stronger in manufacturing activities whereas Russia and Brazil are stronger in supply of Raw materials.
79. T.S. Vijayan is the chairman of the 13th Finance Commission.
80. In the Forbes list of Billionaire blow up of 2008, Anil Ambani is the biggest loser of 2008.
81. Tarapore committee is on full convertibility of rupee in capital account.
82. Asian development bank has approved an additional \$ 71 million to Madhya Pradesh for water project.
83. International Finance Corporation (IFC) has decided to fund the TATA group project in Gujarat for an ultra power project.

84. 12th Finance Commission headed by C. Rangarajan has recommended that 30.5% of the central taxes should be transferred to states.
85. SAARC University will have its head office in New Delhi.
86. Tata steel has been declared as the company of the year in Economic Times Corporate Excellence Awards 2007-08.
87. Pradhan Mantri Bharat Jodo Yojna is related to development of highways.
88. Only states which have not established RRB- Goa and Sikkim.
89. City having the highest population in the world is Tokyo.
90. Sangam Yojna is to ensure welfare of handicapped.
91. Kanya Vidhyadan Yojna is operational in U.P.
92. Project Sankalp is associated with AIDS/HIV.
93. Tax collected by Panchayats- Tax on Local Fairs.
94. Sagarmala is a name associated with a project associated with port development.
95. NREGP- National Rural Employment Guarantee Programme- a central Govt. scheme had covered all the districts of the country till 31st march 2008.
96. Kutir Jyoti scheme is associated with providing electricity to rural families below the poverty line.
97. The main objective of TRYSEM was to train rural youth for self employment.
98. Pratibha Kiran Yojna, a new scheme to promote higher education among girls is implemented in Madhya Pradesh.
99. Cenvat is related to Excise duty.
100. In its fiscal stimulus package to reduce the impact of recession on the economy the government has reduced Cenvat rate from 14% to 10%.
101. New name of UTI bank is Axis bank.

102. VAT is imposed on all stages between production and final sale.
103. Super 301-realties to American trade law.
104. Share of the road transport in total transport of the country is 80%.
105. RIDF XV, allocation in interim budget 2009-10 is Rs 14000 crore.
106. Nobel Price for Economics has been given to Paul Krugman.
107. Rajasthan has adopted the concept of 5days-week on the lines of central government.
108. Foundation of a new rail coach factory has been laid at Rai Bareilly.
109. India holds the first rank in milk production with highest production from the state of Uttar Pradesh.
110. America is the largest oil producing nation in the world.
111. Karnataka gives the maximum production of coffee in India.
112. Uttar Pradesh has the highest production of potatoes.
113. India rank's first in sugar production as well as sugarcane production.
114. China produces the maximum silk in the world.
115. Cotton industry is the most intense in India.
116. Gujarat is the leader in groundnut production.
117. India produces maximum tea in the world.
118. Bihar is the leading producer of mica.
119. Tea is also known as Green Gold.
120. Madhya Pradesh is the leading producer of soya bean in India.
121. West Bengal produces maximum rice in India.
122. Madhya Pradesh produces maximum pulses in India.
123. Orissa has the maximum production of graphite.
124. Rajasthan has maximum copper ore reserves in India.
125. According to 2001 census-
-India's urban rural population ratio is about 28:72

-Maharashtra has the highest urban population.
-Kerela has the highest literacy rate among women in India.

- Per 1000 male female number is 933.
- Orissa has literacy rate lower than in India.
- Bihar had the lowest literacy rate in India.
- Mumbai is the city with highest population.

126. Madhya Pradesh has implemented a scheme known as Laadli Laxmi Yojna, to support girls of all religion upto their marriage age.

127. Unification of European countries has been completed under the 'Maastricht treaty'.

128. Mauritius has replaced USA and has become India's biggest investment partner.

129. Sensitive sector as defined by RBI consists of Capital Market, Real estate and commodities.

130. PIN-Postal Index Number, which at present consists of 6 digits is to be 8 digits from 2009.

131. China is the largest emitter of CO₂ in the world.

132. PNB has started its first Micro Finance branch in New Delhi.

133. Karnataka has the maximum branches of Public Sector Banks.

134. ECOMARC is a symbol related to goods safe for environment.

135. CST will be abolished altogether by the central government by 31st May.

136. The first BRIC summit is scheduled to be held in Russia.
137. State bank of India has become the first bank to open a branch in China.
138. Bangalore is known as City of Gardens and also Electronic City.
139. World Environment Day is celebrated on 5th June.
140. Work place smoke free policy has been implemented wef October 2, 2008.
141. Mid day scheme of the Govt. has been extended upto 8th class students.
142. India's first energy exchange known as Indian Energy Exchange (IEE) has started functioning wef June 27, 2008.
143. State Bank of Saurashtra has been merged with SBI.
144. Out of Corporate tax, Income tax, Wealth tax and Gift tax-Corporate tax gives the maximum revenue to the government.
145. D Subbarao is the new governor of RBI.

146. National income in India is estimated by Central Statistical Organisation.
147. Chaturvedi Committee has suggested to raise the prices of petrol and diesel every month.
148. Air Deccan has been renamed as Kingfisher Red after merger with Kingfisher Airlines.
149. Hawala means illegal transaction of foreign exchange.
150. The new name of the airlines after merger of Air India and Indian Airlines is AIR INDIA.
151. Golden handshake scheme is associated with voluntary retirement.
152. Smart money is a term used for credit card.
153. “Pure Banking Nothing Else” is a slogan raised by State Bank of India.
154. Rural women can avail the benefit of Mahila Samridhi Yojna if they open their account in Rural Post office.
155. December 9-Every year has been declared as Balika Diwas (Girl day).

156. The Base of the Consumer Price Index is being shifted from 1982 to 2001.
157. Headquarters of SIDBI is in Lucknow.
158. The period of the 11th five year plan is 2007-12.
159. SDR the currency of IMF is book keeping entry only.
160. TIN-Tax Information Network is a term associated with Income Tax.
161. In the Annual Policy announcement on April 21, RBI has offered both Repo Rate and Reverse Repo.
162. In December 2008, the government a cut of Rs 5 per liter in petrol and Rs 2 per liter in diesel.
163. Chelliah Committee was constituted for reforms in tax structure.
164. Nano car project has been shifted from West Bengal to Gujarat.
165. When the net RBI credit to government is increased it means Monetized Deficit.

166. SEBI (Stock Exchange Board of India) is a statutory body and it was established in 1988. its functions are a). To regulate the dealings of share market b). To check the foul dealings in share market c). To control the inside trading of shares.

Insider trading is related to share market. SEBI has reduced the process duration limit for Right issue from 109 days to 43 days.

167. In the recently taken decision by CCEA (Cabinet Committee on Economic Affairs) has decided to allow Navratna and Mini Navratna PSV to invest upto 30% of their cash balance in Mutual Funds.

168. Govt. has decided to provide interest subsidy of 5% on housing loan upto Rs one lac to urban poor, during the 11th Five year plan.

169. Deflation occurs when supply of money is less in comparison to supply of goods and services.

170. RBI was nationalized in 1949.

171. Classical vocalist Pandit Bhimsen Joshi received the Bharat Ratna, India's highest civilian honour.
172. Abhinav Bindra won the first ever individual Olympic gold medal for India- in the 50m air rifle category at the Beijing Olympics, Sushil Kumar won a bronze in wrestling, while Vijender Kumar won a bronze for India in boxing.
173. Prakash and Mandakini Amte won the Ramon Magsaysay Award in 2008 for Community leadership. The son and daughter-in-law of the Great Gandhian Baba Amte are doctors. They made a huge sacrifice of giving up their practice in a big city and chose to devote their lives to the welfare of the deprived people in remote villages near the border of Maharashtra and Chhattisgarh. They also set up a hospital and built a school in the village of Hemalkasa.

174. India and USA signed an agreement which would allow India to acquire nuclear energy from the US and many other countries.

175. Barack Obama became the 44th President of US; the Vice President is Joe Biden. They belong to the Democratic Party. Obama defeated Republican candidate John McCain in a landslide victory on 4 November 2008 and entered the White House as President on 20 January 2009. He created history by becoming the first African-American President of US.

Answers (Economics)

1.B 2.A 3.D 4.D 5.A 6.B 7.B 8.A 9.B 10.B 11.C 12.B
13.C 14.C 15.B 16.A 17.A 18.B 19.A 20.A 21.C 22.A 23.D 24.A
25.D 26.D 27.B 28.A 29.A 30.B 31.A 32.B 33.A 34.D 35.A 36.B
37.D 38.A 39.D 40.A 41.A 42.B 43.D 44.A 45.A 46.B 47.C 48.D
49.A 50.A 51.B 52.B 53.B 54.B 55.A 56.D 57.B 58.A 59.B 60.A

61.C 62.B 63.C 64.A 65.D 66.B 67.B 68.A 69.D 70.C 71.D 72.D
 73.A 74.B 75.A 76.B 77.C 78.D 79.A 80.B 81.B 82.B 83.B 84.D
 85.D 86.A 87.D 88.C 89.A 90.B 91.B 92.A 93.D 94.C 95.B 96.C
 97.D 98.C 99.C

ANSWERS (IT AND IT PRODUCTS, CURRENT BANKING)

NO.	ANSWER	NO.	ANSWER	NO.	ANSWER	NO.	ANSWER
1	D	26	A	51	C	76	E
2	C	27	B	52	C	77	D
3	C	28	B	53	C	78	D
4	B	29	D	54	C	79	D
5	A	30	E	55	D	80	E
6	C	31	A	56	B	81	B
7	A	32	B	57	B	82	B
8	C	33	B	58	D	83	E

9	C	34	C	59	A	84	A
10	C	35	C	60	A	85	E
11	D	36	C	61	B	86	B
12	D	37	B	62	A	87	C
13	A	38	C	63	A	88	B
14	D	39	C	64	C	89	A
15	B	40	C	65	A	90	D
16	C	41	B	66	D	91	C
17	B	42	C	67	C	92	C
18	D	43	B	68	E	93	B
19	d	44	C	69	B	94	C
20	B	45	B	70	A	95	D
21	B	46	B	71	D	96	C
22	C	47	A	72	C	97	D
23	D	48	A	73	A	98	A
24	C	49	C	74	C	99	C
25	B	50	B	75	D	100	A