

Interview Questions for Banking

Bank interviews are basically based on four areas.

1. **Bio-data**
2. **Subject**
3. **Bank Terms**
4. **GK (Current Affairs)**
5. **Computers (Basics)**

1. **Bio-data:** About your family, About your town, About your studies, About your achievements, About your father's working department, About your hobby, and any past work experience if you have.
2. **Subject:** Candidate must have complete knowledge of the subject what he has studied. Any question can be asked in the subject. Prepare your subject especially basics.
3. **Bank Terms:** If you are going for bank interviews basic banking knowledge is necessary. The following basic banking terms will help the candidate.
4. **GK:** Be thorough with current affairs from past three months.
Recent awards, Major issues, Sports related questions, State Governors and Chief ministers, Countries, Capitals, Currencies etc...,
5. **Computers:** Be thorough with basic computer terminology.
Example: What is DOS, What is WWW, What is LAN, etc...,
If you have any certificate, it will be an added advantage to the candidate.

1. **What is bank?**

Ans. Bank is financial institution which accepts deposits from the public for the purpose of lending.

2. **Types of banks?**

Ans. Nationalized banks

Private Banks

Foreign banks

Regional rural banks

Co-operative banks

Industrial banks etc.,

3. What is a nationalized bank?

Banks which are owned and run by government of India are called as nationalized banks.

Example: Canara bank, syndicate bank, Vijaya bank, etc.,

There are total 20 nationalized banks.

State bank of India has got 7 subsidiaries they are State bank of Hyderabad, State bank of Mysore, State bank of Travancore, State bank of Indore, State bank of Sourashtra, State bank of Bikaner, state bank of Jaipur.

4. When banks are nationalized?

Ans. In 1969 : 14 banks were nationalized.

In 1980: 6 banks were nationalized.

5. What is a Private bank?

Ans. Banks which are owned and run by individuals are called private banks.

Example: karnataka bank, karurvysya bank, lakshmivilas bank etc.,

6. What are foreign banks?

Ans. Banks which are foreign originated [based] are called foreign banks

Example: Citi bank, YES bank etc.,

7. What is RBI [Reserve Bank of India], when it is established and what are its functions?

Ans: RBI established in 1935, its head office in Mumbai. Present Governor of RBI “ D. Subba Rao”.

Its functions:

1. Issues currency notes
2. Acts as bankers bank
3. Maintains foreign exchange reserves
4. Maintains CRR and SLR

Current account: It's a running and active account. No interest is paid on current a/c. Current accounts can be opened on firm names. Even individuals can also open current a/cs. But on firm names you cannot open SB a/c.

Fixed Deposit account: Amount is kept for a fixed period. Higher rate of interest will be paid on this a/c.

Recurring deposit [RD a/c]: A fixed amount can be deposited in monthly installments. Interest rate is same as fixed deposits.

12. What is Cheque?

Ans. Cheque is a negotiable instrument containing conditional order to pay sum of money to the person mentioned on it or to the bearer of the instrument.

13. What is crossing?

Ans. Two parallel lines drawn on the top left corner of the cheque.

14. What is account payee cheque?

Ans. Account payee cheques can be routed only through accounts.

15. What is a post dated cheque?

Ans. The date on the cheque beyond today's date then cheque becomes post dated.

16. What is stale cheque?

Ans. Cheque is valid for six months. If the date on the cheque is before six months, then the cheque becomes stale cheque.

17. What is a mutilated cheque?

Ans. It is a damaged cheque.

18. What is At Par cheque?

Ans. It is payable anywhere in India.

19. What is Multi city cheque?

Ans. A cheque which is payable in any branch of a particular bank.

20. What is Repo rate?

Ans. The rate at which RBI lends money to other banks.

Present repo rate 7.25 percentage.

21. What is Reverse Repo rate?

Ans. The rate at which RBI pays interest to the banks.

Present Reverse Repo rate 6.25 percentage.

22. Which bank is called as Central bank?

Ans. RBI is also called as Central bank.

23. What is Internet banking?

Ans. Banking through internet.

24. What is Inflation?

Ans. It is a state where money loses the value hence prices will go up (or) Decreasing the value of money.

25. What is Deflation?

Ans. It is opposite to inflation. Money will have more value. Here the products loses the value.

26. What is Debit cum ATM card?

Ans. The customer can deposit and withdraw cash by means of magnetic ATM card.

27. What is ATM?

Ans. Automatic Teller Machine.

28. What is PLR and BPLR?

Ans. PLR - Prime Lending Rate.

BPLR - Basic Prime Lending Rate.

29. What is Credit card?

Ans. Credit card is a plastic instrument that can be used for the purchase of goods and services. You can buy the services and then pay the cash to the bank. Limits will be fixed based on the net worth of the customer.

Leading credit cards: VISA, MASTER.

30. What is an NRI a/c?

Ans. NRI stands for “Non Resident Indian”. An Indian who is residing in abroad can open an SB a/c in Indian banks. These accounts are called NRI a/cs.

31. What is CRR and SLR?

Ans. CRR: Cash Reserve Ratio – It is the ratio of physical cash that every bank has to keep with RBI.

SLR: Statutory Liquidity Ratio – It is the ratio of liquid assets that every bank has to keep with RBI.

32. What is RTGS and NEFT?

Ans. RTGS: Real Time Gross Settlement.

NEFT: National Electronic Fund Transfer.

These two are the two methods through which funds can be transferred from one bank to another bank.

33. What is NPA?

Ans. NPA: Non Performing Asset: When a loan becomes bad then it becomes NPA.

34. What is online banking?

Ans. Nothing but any where banking. A customer can operate his account from any branch of a particular bank.

“Know about the bank for which you are attending the interview”

Some general questions:

1. Why do you choose banking as your career?
2. Are you ready to work in rural place?
3. What are your strengths and weaknesses?
4. Ten years down the line where would you see yourself?
5. Do you read news paper? What is today’s news?
6. Why should we give this job to you?