

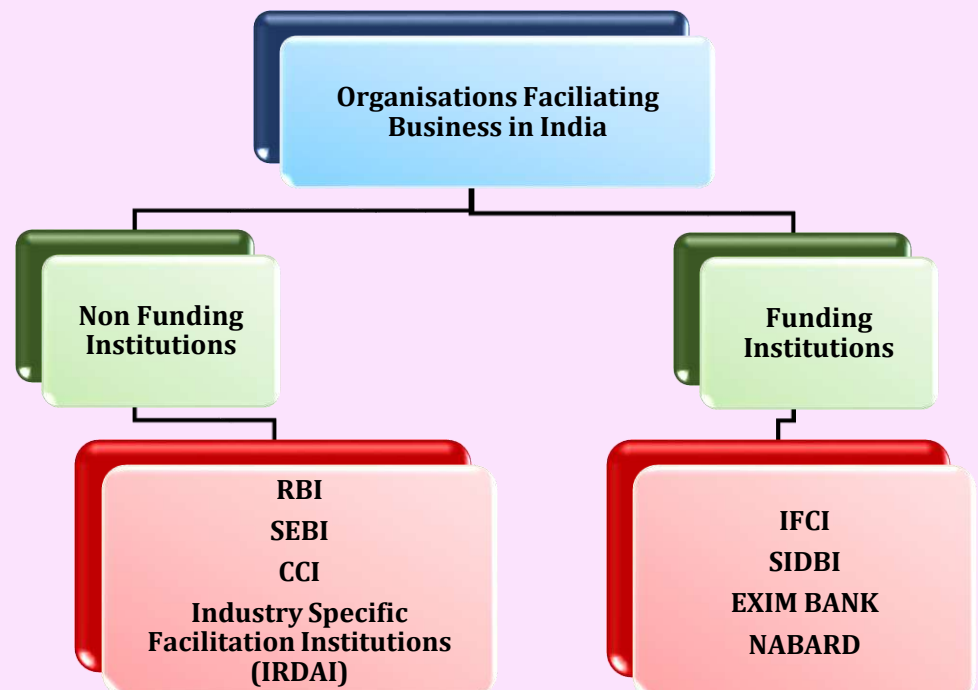
CH:5- ORGANIZATIONS FACILITATING BUSINESS

INTRODUCTION

Business facilitators as a system of arrangements that sees the doing of business.

Business facilitators help the business in several ways:

- 
freight forwarder i.e. a person or company who organizes shipments for the business firms to get goods from the manufacturer or producer to a market, customer or final point of distribution.
- 
business incubator helps create and grow young businesses by providing them with necessary support and financial and technical services
- 
 a **financial consultant** who advises the business on the various sources of finance- domestic as well as foreign; debt as well as equity; short-term as well as long-term
- 
merchandiser who helps the business e.g. a fashion house obtains its supplies- fabrics, accessories, etc.



**NON- FUNDING
INSTITUTION
FOR BUSINESS
FACILITATION
IN INDIA**

Reserve Bank of India (RBI) –

RBI's Role in business Facilitation –

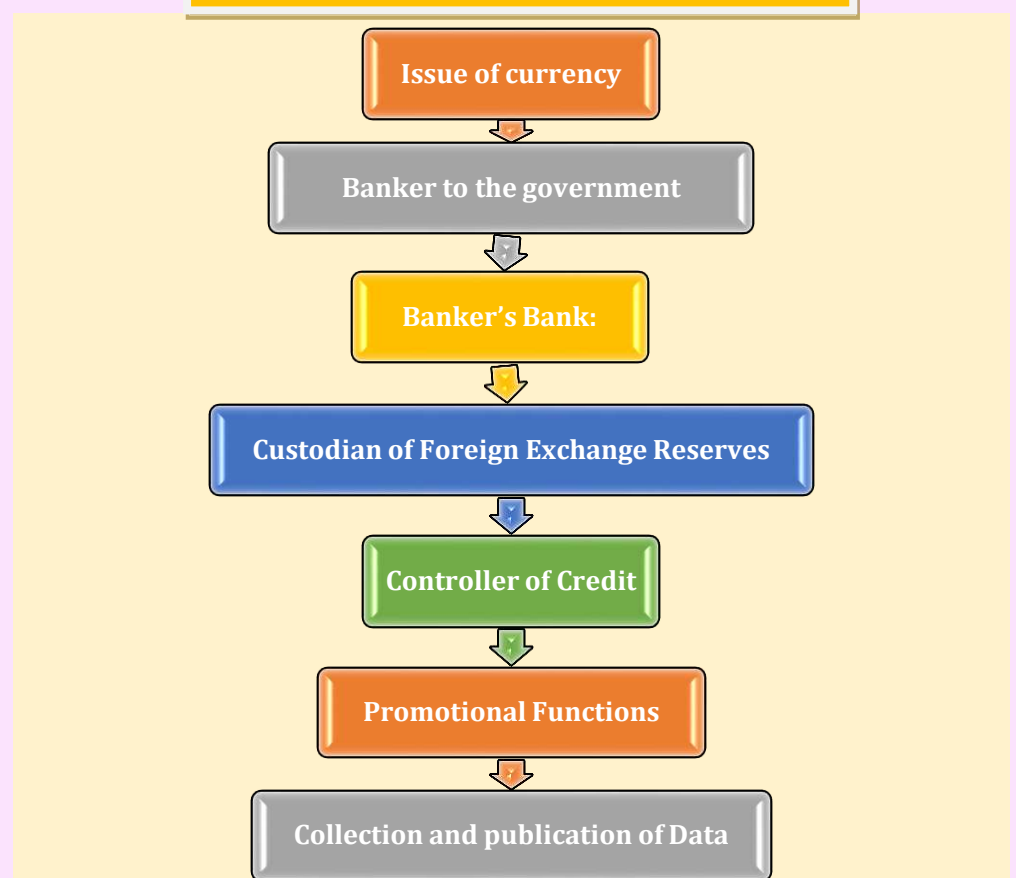
Currency Policy:The RBI is responsible for the monetization of the economy (and in the recent context of demonetization or Remonetisation too)

Credit policy:The RBI does not fund the business or for that matter any activity.However, its policies have a major on channelization of the banking resources for business.

Development of the Financial System:Finance is said to be the life blood of business. And a well-developed financial system is regard as the sine qua non (an absolute imperative) for economic development.

Funds Transfer and Payment Mechanism:Making and receiving payment is an integral part of any economic transaction. In a modern economy one may envisage

FUNCTION OF RBI...



Paper based and digital payment and funds transfer mechanisms.

Power of SEBI

For the discharge of its function efficiently, SEBI has been with the following powers:

- I. To approve by – laws of scale exchanges
- II. To require the books stock exchange to amend their by – low
- III. To inspect the books of accounts and call for periodical returns form recognized stock exchange.
- IV. To inspect the books of accounts of a financial intermediary.
- V. To complete certain companies to list their shares in one or more stock exchange.

SEBI's Role in Business Facilitation

SEBI is responsible for the development of India's capital market i.e. market for the corporate issues of capital.

Competition Commission of India (CCI)

Competition is a contest between organism, animals individual, group, etc. in the context of business, competition is the best means of ensuring that the 'Common Man' has access to the broadest range of goods and services at the most competitive prices.

Role of CCI As a Business Facilitator

Fair competition is key to a thriving business sector. CCI protects businesses from other businesses' unfair practices and penalises the erring entities too. It promotes competition by preventing abuse of dominance by a market player to the detriment of other competitors and the consumers. As such it ensures the co- existence of large and small enterprises.

Insurance Regulatory Development Authority of India (IRDAI)

Insurance Regulatory Development Authority of India (IRDAI) is an autonomous apex statutory body which regulates and develops the insurance industry in India. It was constituted under Insurance Regulatory and Development Authority Act, 1999 and duly passed by the parliament.

FUNDING INSTITUTION (INDIAN DEVELOPMENT BANK)

Industrial Finance Corporation of India (IFCI)

IFCI's economic contribution can be measured from the following:

- IFCI has played a key role in the development of cooperative in the sugar and textile sector, besides acting as a nodal agency in both sectors. 371 cooperative societies in these sector have been assisted by IFCI.
- IFCI has promoted Technical Consultancy Organization (TCOs), primarily in less developed states to provide necessary services to the promoters of small and medium – sized industrial in collaboration with other bank and institution.
- IFCI has also provided assistance to self-Employed youth and women entrepreneurs under its benevolent Reserve Fund (BRF) and the Interest Different Fund (IDF)

Small Industries Development Bank of India (SIDBI)-

FUNDING INSTITUTIONS (INDIAN DEVELOPMENT BANKS)

Function of SIDBI

The important function of SIDBI are as follows: -

- It refinances loans and advances given the primary lending institution to small units for domestic sale and exports.
- It discounts and rediscount bills resulting from sale of machinery to or manufactured by industrial units in the small scale sector.
- It provides leasing and factoring services to the small

units.

- It extends seed, capital and soft loan assistance to special schemes such as National Equity Fund, Mahila Udyam Nidhi etc.
- It provides financial help to national small Industries Corporation for providing leasing, hire- purchase and marketing support to small units.
- It also financially supports state small Industries Development Corporation in its efforts to provide scare raw materials and marketing facilities to small units.

Export and Important of India (EXIM) Bank

Functions of EXIM Bank

The EXIM bank performs the following functions:

It finances exports and imports of goods and services of India

It finances exports and imports of goods and services of third world countries.

It finances exports and imports of machinery on lease basis.

It finances joint ventures abroad.

It gives loan to Indian parties to enable them to contribute to the share capital of joint venture abroad.

It also provides technical, administrative, financial assistance to parties engaged in exports and imports.

National Bank for Agriculture and Rural Development (NABARD)

Role of NABARD

NABARD has been instrumental in grounding rural, social innovations and social enterprises in the rural hinterlands

NABARD is the most important institution in the country which looks after the development of the cottage industry, small industry and village industry, and other rural industries.

- **Co-ordinates the rural financing activities of all institutions engaged in developmental work at the field level and maintains liaison with Government of India, state governments, Reserve Bank of India (RBI) and other national level institutions concerned with policy formulation**

NABARD also reaches out to allied economies and supports and promotes integrated development.

- **Undertakes monitoring and evaluation of projects refinanced by it.**
- **NABARD refinances the financial institutions which finances the rural sector.**

**NABARD discharge its duty by undertaking the following roles:
Serves as an apex financing agency for the institutions providing investment and production credit for promoting the various developmental activities in rural areas.**

- **It regulates the institutions which provide financial help to the rural economy.**
- **It provides training facilities to the institutions working in the field of rural upliftment.**

Takes measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc.

**Question 1**

NABARD is the most in the country which looks after the development of the important institution

- (a) Cottage industry (b) Small industries
(c) Village industry (c) All of these

Answer: d

Explanation:

NABARD is the most important institution in the country which looks after the development of the cottage industry, small scale industry and village industry and other rural industries.

Question 2

Which helps a budding business quickly launch a product and put it in the fast lane of commercial success?

- (a) Business Incubator (b) Merchandiser
(c) Forwarder (d) Both a & b

Answer: a

Explanation:

A business incubator helps and grows young business by providing them with necessary support and financial and technical services; and a business accelerator helps a budding business quickly launch a product and put it in the fast lane of commercial success.

Question 3

NABARD has its head office at

- (a) New Delhi (b) Kolkata
(c) Mumbai (d) Chennai

Answer: c

Explanation:

National Bank for Agriculture and Rural Development (NABARD) is an apex development financial institution in India headquartered at Mumbai with regional offices all over India the bank has been entrusted with “matters concerning policy, planning and operations in the field of credit for agriculture other economic activities in rural areas in India”

Question 4**EXIM Bank was set up in**

- (a) 1982 (b) 1983
(c) 1988 (d) None

Answer: a**Explanation:**

Export – Import Bank of India (EXIM Bank) 1982 is a specialized financial institution, wholly by Government of India, set up

Question 5**IFCO was established in**

- (a) 1945 (b) 1948
(c) 1951 (d) 1953

Answer: b**Explanation:**

IFCI Ltd. was set up in 1948 as Industrial Finance Corporation of India, a Stationary Corporation through the “The Industrial Finance Corporation of India Act, 1948’ of Parliament to provide medium and long term finance to industry.

Question 6**The Reserve Bank of India being the Central Bank of India performs all the central banking functions. Which one of the following is not the function of RBI?**

- (a) Issue of currency (b) Banker to the government
(c) Watch dog of the unethical competition in the market (d) Custodian of the nation`s foreign exchange reserves

Answer: c**Explanation:**

Function of the RBI is as follows:

- ✚ Issue of Bank Notes
- ✚ Banker to Government
- ✚ Custodian of Cash Reserves of Commercial Bank
- ✚ Custodian of Country`s Foreign Currency Reserves
- ✚ Lender of Last Resort
- ✚ Central Clearance and Account Settlement
- ✚ Controller of Credit

Question 7**Who is the custodian of the nation`s foreign exchange reserves?**

- (a) Plan of Communication (b) President of India

(c) Reserve Bank of India

(d) State Bank of India

Answer: c**Explanation:**

Functions of the RBI are as follows:

- ✚ Issue of Bank Notes
- ✚ Banker to Government
- ✚ Custodian of cash Reserve of Commercial Bank
- ✚ Custodian of Country's Foreign Currency Reserves
- ✚ Lender of Last Resort
- ✚ Central clearance and Accounts Settlement
- ✚ Controller of Credit

Question 8**POC stand for**

(a) Plan of Communication

(b) Plan of contract

(c) Point of Contract

(d) None of these

Answer: c**Explanation:**

A point of contact (POC) or single point of contact (SPOC) is a person or a department serving as the focal point of information concerning an activity or program. A POC is used in many cases where information is time – sensitive and accuracy is important.

Question 9**SIDBI does not function as a Nodal / Implement Agency to which ministry of the Government:**

(a) Ministry of textiles

(b) Ministry of Food Processing and Industry

(c) Ministry of Commerce and Industry

(d) Ministry of External Affairs

Answer: d**Explanation:**

- I. Small Industries Development Bank of India refines loans that are extended by the PLIs to small – scale industrial units and also offers resources assistance to them.
- II. It discount and rediscount bill.
- III. It also helps in expanding marketing channels for the product of SSI (Small Scale Industrial) sector both in the domestic as well as international markets.
- IV. It offers services like factoring leasing etc. to the industrial concern in the small –scale sector ,

- V. It promotes employment oriented industries particularly in semi-urban areas for creating employment opportunities and thus checking relocation of people to the urban areas.
- VI. It also initiates step for modernization and technological up-graduation of current units.
- VII. It also enables timely flow of credit for working capital as well as term loans to small scale Industries in cooperation with commercial banks.
- VIII. It also co- promotes state level venture funds.

Question 10

__is responsible for monetization of economy in India

- (a) Central Government
- (b) RBI
- (c) SBI
- (d) World Bank

Answer: b

Explanation:

The reserve Bank of India may soon start money tiding the country`s bulging fiscal deficit a move that could help contain a sharp bond market sell- off would stir doubts about the central bank`s shaky independence

Question 11

SLR & CAR are __measures of credit policy

- (a) Qualitative
- (b) Quantitative
- (c) Backward
- (d) Forward

Answer: b

Explanation:

The bank rate is the official rate at which RBI rediscount the approved bills held by commercial bank. For controlling the credit inflation and money supply RBI will increase the bank rate.

Question 12

SEBI has it western regional office in:

- (a) Pune
- (b) Mumbai
- (c) Ahmedabad
- (d) Surat

Answer: c

Explanation:

The Securities and Exchange Board of India (SEBI) was established by the Government of India on 12th April 1988 and given statutory power of 1992 with SEBI Act, come being passed in parliament the SEBI Act 1992 has come into force with effect from 30th January 1992 SEBI has its headquarters at the business district of Bandra Kurla complex Mumbai and has northan Eastern, Southern

and Western regional offices in New Delhi, Kolkata, Chennai and Ahmedabad respectively.

Question 13

SEBI has several functions rolled into one body which one of the following is not a function of SEBI?

- | | |
|-------------------------|-----------------------|
| (a) Quasi – legislative | (b) Quasi- judicial |
| (c) Quasi- Professional | (d) Quasi - executive |

Answer: c

Explanation:

SEBI has three functions rolled into one body which are as follows:

- I. Quasi – legislative: SEBI drafts regulations in its legislative capacity.
- II. Quasi-judicial: SEBI passes rulings and orders in its judicial capacity
- III. Quasi- executive: SEBI conducts investigation and enforcement action in its executive function.

Question 14

The RBI has been with extensive power to control and supervise commercial banking under the:

- | | |
|-------------------------------------|--------------------------------------|
| (a) Reserve Bank of India Act, 1934 | (b) The Banking Regulation Act, 1949 |
| (c) Both (a) and (b) | (d) None of the above |

Answer: c

Explanation:

The Banking Regulation Act, 1949 is legislation in India that regulates all banking firms in India passed as the Banking companies Act 1949; it came into force from 16 march 1949 and changed to Banking Regulation Act 1949 from 1 march 1966 It is applicable in Jammu and Kahmir from 1956. Initially the law was applicable only to banking companies but, 1965 it was amended to make it applicable to corporative bank and to introduce other changes

Question 15

Who is the custodian of the nation`s foreign exchange reserves?

- | | |
|---------------------------------|-------------------------|
| (a) Central Government of India | (b) President of India |
| (c) Reserve Bank of India | (d) State Bank of India |

Answer: c

Explanation:

The RBI acts the custodian of the country foreign exchange reserves manages exchanges control and acts as the agent of the government in respect of India`s membership of the IMF Exchange control was first imposed in India in September 1939 at the outbreak of world war II and has been continued since

Question 16

Who was the regulatory body for controlling financial affairs in India before SEBI?

- (a) Controller of Capital Issues
(b) Reserve Bank of India
(c) Insurance Regulatory and Development Authority of India
(d) Government of India

Answer: a

Explanation:

Controller of Capital Issue was the regulatory authority before SEBI came into existence; it derived authority the Capital Issues (Control) In April 1988 the SEBI was constituted as the regulator of capital markets in India under a resolution of the Government of India.

Question 17

How many members of SEBI should be from RBI?

- (a) 4
(b) 3
(c) 1
(d) 2

Answer: c

Explanation:

SEBI's management is composed of its own members Its management team consist of a chairman nominated by the Union Government of India two members who are officers from the Union finance Ministry one member from the Reserve Bank of India five other member who are also nominated by union Government of India.

Question 18

Where can the first appeal against SEBI be made?

- (a) High Court
(b) Supreme Court
(c) Securities Appellate Tribunal
(d) RBI

Answer: c

Explanation:

Securities Appellate tribunal is a statutory body established under the provision of section 15k of the securities and Exchange Board of India Act 1992 to hear and dispose of appeals against orders passed by the securities and Exchange Board of India or by an Adjudicating officer under the Act and to exercise jurisdiction power and authority conferred on the Tribunal by or under this Act or any other Law for the time being in force.

Question 19

A business ___helps a budding business to quickly launched a product and put it in lane of commercial success

- (a) Accelerator
(b) Consulting

(c) Incubator

(d) Manager

Answer: b

Explanation;

A business CONSULTNAT helps a budding business to quickly launch a product and put it in fast lane of commercial success.

Question 20

SEBI Act came into force from

(a) 1. 1. 1992

(b) 1. 4. 1992

(c) 30. 1. 1992

(d) 0.4.1992

Answer: c

Explanation:

The SEBI was established in 1988 but was only given regulatory powers on April 12, 1992 through the securities and exchange board of India act, 1992 It play a key role in ensuring the stability of the financial market in India by attracting foreign investors and protecting Indian investor.

Question 21

RBI was established on

(a) 01. 04. 0134

(b) 01. 04. 1936

(c) 01. 04. 1935

(d) 01. 04. 1937

Answer: c

Explanation:

The Reserve Bank of India was established in April 1, 1935 in accordance with the provision of the Reserve Bank of India Act, 1934 The Central office of the Reserve Bank was initially established in Calcutta bus was permanently moved to Mumbai in 1937.

Question 22

RBI provides the ways and means advances to whom?

(a) Central Government

(b) State Government

(c) Commercial Bank

(d) All of the above

Answer: c

Explanation:

RBI provides the ways and means advances to commercial bank.

Question 23

Which of the following factors is/ are considered by the RBI to determine the number of notes to be issued by it?

(a) GDP Growth

(b) Inflation

(c) Replacement of soiled
banknotes

(d) All of these

Answer d

Explanation:

All of the above factors important and consider by RBI to determine the number of notes to be issued by it.

Question 24**Who had the longest tenure as the Governor of RBI?**

- | | |
|-------------------------|-----------------------|
| (a) Raghuram Rajan | (b) Dr. Manohan Singh |
| (c) Sir Bengal Rama Rau | (d) R Gandhi |

Answer: c**Explanation:**

The correct answer is Sir Bengal Rama Rau. Was at the helm of the Reserve Bank of India from 1, 1949 to January 14, 1957.

Question 25**Which of the following bank note is not issued by the RBI?**

- | | |
|----------|-----------|
| (a) Rs 1 | (b) Rs 2 |
| (c) Rs 5 | (d) Rs 10 |

Answer: a**Explanation:**

RBI as per section 24 of the RBI Act, 1934 is not empowered to issued bank note of denomination one rupee.....Moreover One rupee note is signed by the finance secretary of India and it does not have the words “ I promise to pay the bearer it is already an asset as it is considered as a coin.

Question 26**Reverse Repo Rate is a tool used by RBI to?**

- | | |
|------------------------------------|----------------------|
| (a) Absord Liquidity | (b) Inject Liquidity |
| (c) To keep liquidity at one level | (d) None of these |

Answer: a**Explanation:**

Reserve Repo Rate: The rate at which the RBI is willing to borrow from the commercial bank is called reverse repo rate. If the RBI increases the reverse repo, it means that the RBI is willing to offer lucrative interest rate to commercial bank to park their money with the RBI. This result in a reduction in the amount of money available for the bank's customers as banks prefers to park their money with RBI as it involves higher safely. This naturally leads to a higher rate of interest which the banks will demand from their customer for lending money to them there by causing reduction in liquidity.

Question 27**Which statement is not true regarding RBI?**

- (a) It is the Central Bank of India
(c) It can issue currency notes
- (b) It was established in 1935
(d) Personal account can be opened in RBI

Answer: d

Explanation:

A normal individual cannot open an account with the Reserve Bank of India (RBI) only bank can open an account with the RBI. RBI is not exactly “Merchant Bank” or a “Saving Bank” it is a Central bank which regulates the Banking Industry and control is monetary policy by fixing interest rate.

Question 28

In context of Indian economy. ‘Open Marketing Operation’ refers to?

- (a) Borrowing by Scheduled banks from RBI
(c) Purchase and sale of govt. securities By the RBI.
- (b) Lending by Commercial bank to industry and trade
(d) None of the above

Answer: c

Explanation:

Purchase and sale of govt. securities by RBI OMOs are conducted by the RBI via the sale/ purchase aim of modulating rupee liquidity condition in the market.

Question 29

Which of the following is also known as Internal Bank for Reconstruction and Development?

- (a) IMF
(c) WTO
- (b) RBI
(d) World Bank

Answer: d

Explanation:

The International Bank of Reconstruction and Development (IBRD) is a global development cooperative owned by 189 member countries created in 1944 to help Europe rebuild World War II IBRD joins with IDA, our for the poorest countries, to form the World Bank.

Question 30

Full Form of NABARD

- (a) National Board for Agriculture and Rural Development
(c) National Board for Animal and Rural Development
- (b) National Bank for Agriculture and Rural Development
(d) None

Answer: b

Explanation:

National Bank for Agriculture & Rural Development (NABARD) is set up as an apex Development Bank by the Government of India with a mandate for facilitating credit flow for promotion and Development of agriculture, cottage and village industries.

Question 31

SIDBI Stand for

- | | |
|---|---|
| (a) Small Industries Development Bank of India | (b) Sick Industries Development Bank of India |
| (c) State Industries Development Bank of Industries | (d) None |

Answer: a

Explanation:

The small Industries Development Bank of India (SIDBI) was established under a special act of the Parliament in 1990 as a wholly owned subsidiary of IDBI.

Question 32

Stock Holding Corporation of India Ltd is full from of (SHCIL)

- | | |
|---------------|-----------|
| (a) True | (b) False |
| (c) Can't Say | (d) None |

Answer: a

Explanation:

(SHCIL) Stock Holding Corporation of India Limited is India's largest custodian and depository participant, based in Mumbai, Maharashtra, SHCIL was established in 1986 and it is subsidiary of IFCI.

Question 33

_____ is an Indian Development Bank.

- | | |
|-----------|-----------|
| (a) RBI | (b) SEBI |
| (c) SIDBI | (d) IRDAI |

Answer: c

Explanation:

The small Industries Development Bank of India (SIDBI) was established under a special act of the Parliament in 1990 as a wholly owned subsidiary of IDBI.

Question 34

It represents the ratio of liquid assets of the bank to their deposit liabilities.

- | | |
|---------------|-----------------------|
| (a) Bank Rate | (b) SLR |
| (c) CRR | (d) Reverse Repo Rate |

Answer: b

Explanation:

SLR: It represents the ratio of liquid assets of the bank to their deposit liability – the liquid assets include among other things, government securities whose issuer is the Reserve Bank of India.

Question 35

Who under writes shares and debenture of the industrial concerns.

- | | |
|-----------|----------|
| (a) SIDBI | (b) BCIL |
| (c) IFCI | (d) MDI |

Answer: c

Explanation:

The corporation performs the following function:

- I. It gives loans and advance to industrial concerns and subscriber to the debenture Floated by them.
- II. It guarantees loans raised by the industrial concerns
- III. It under write shares and debenture of the industrial concern
- IV. It guarantees deferred payment in respect of import of machinery, foreign currency loans raised from scheduled banks or state cooperative bank by Industrial concerns.

Question 36

The SEBI Act 1992 has come into force with effect from

- | | |
|----------------|----------------|
| (a) Feb 1990 | (b) March 1994 |
| (c) April 1993 | (d) Jan 1992 |

Answer: d

Explanation:

The Securities Exchange Board of India (SEBI) was established by the Government of India on 12th April 1988 and given statutory powers in 1992 with SEBI Act, 1992 being passed in the Parliament. The SEBI Act, 1992 has come into force with effect from 30th January 1992.

Question 37

To protect the interest of investor in securities are Function of Whom

- | | |
|----------|----------|
| (a) IFCI | (b) RBI |
| (c) CCI | (d) SEBI |

Answer: d

Explanation:

Securities and Exchange Board of India describe the basic functions of the securities and Exchange Board of India as “...to protect the interest of investor in securities and to promote the development of, and to regulate the securities market and matters connected there with or incidental there to”.

Question 38

Which section of IRDAI Act, 1999 lays down the duties powers and functions of IRDAI?

- (a) Section 10
(b) Section 12
(c) Section 14
(d) Section 5

Answer: b

Explanation:

Section 12 of IRDAI Act, 1999 lays down the duties, power and function of IRDAI.

Question 39

The rate which bank borrow money from the RBI against pledging or sale of government securities is

- (a) Repo Rate
(b) Reverse Repo Rate
(c) Discounted Rate
(d) None

Answer: a

Explanation:

Repo rate, the rate at which banks borrow money from the RBI against pledging or sale of Government securities to RBI is known as "Repo Rate". Repo Rate is short of Repurchase Rate.

Question 40

SEBI has to be responsive to the needs of how many group?

- (a) 1
(b) 2
(c) 3
(d) 4

Answer: c

Explanation:

SEBI has to be responsive to the needs of three group which constitute the market:

- the issues of securities
- the investor
- the market intermediaries

Question 41

Product that they perform the same function compete against each other in -

- (a) Similar Competition
(b) Indirect Competition
(c) Direct Competition
(d) None

Answer: c

Explanation:

Direct competition : Products that perform the same function compete against each other: Example: Fast- food restaurants McDonald's and Burger King, Coca-Cola Pepsi, Pizza Hut and Dominos etc have competition which each other.

Question 46**Which of the following statement about IFCI is not true?**

- (a) It guarantees loans raised by the Industrial concern
- (b) It under writes shares and debenture of The industrial concerns.
- (c) IFCI has been a Private Financial Institution since its inception
- (d) Fin is a subsidiary of IFCI...

Answer: c**Explanation:**

All the above Statement except C is true Regarding IFCI therefore the correct answer is c.

Question 47**Which is the apex monetary institution of the highest authority in India?**

- (a) SEBI
- (b) IFCI
- (c) RBI
- (d) NABARD

Answer: c**Explanation;**

The RBI is the monetary institution of the highest authority in India. Consequently it plays role in strengthening, developing and diversifying the country`s and financial structure.

Question 48**Which of the known as the LPG or GPL policy**

- (a) Development Policies
- (b) Reforms
- (c) Economic policy
- (d) None

Answer: c**Explanation:**

The new economic policy of 1991 which is better known as the LPG or GPL policy i.e. the policy of liberalization, privatization and globalization is regarded as the watershed development in business facilities in India.

Question 49**What does the acronym IFCI mean?**

- (a) International Finance Corporation of India
- (b) Industrial Finance Corporation of India
- (c) Institute of Financial Consultants of India
- (b) Industrial Finance Council of India

Answer: c

Explanation:

The Industrial Finance Corporation of India Act, 1948' of Parliament to provides medium and long term finance to industry.

Question 50

Agriculture Bank of China is one of the `big four 'bank in China. Which bank is Apex body India for Agriculture Development?

- (a) RRB (b) NHB
(c) NABARD (d) RBI

Answer: c

Explanation:

NABARD stand for National Bank for Agriculture and Rural Development. NABARD is set up as apex Development Bank by the Government of India with a mandate for facilitating credit flow for promotion and development of agriculture cottage and village industries.

Question 51

Who regulates the Mutual Funds in India?

- (a) FRBI (b) SEBI
(c) SIDNI (d) RBI

Answer: b

Explanation:

The securities and Exchange Board of India (SEBI) is the regulator for the securities Controller of Capital Issues was the regulatory authority before SEBI came into exists it derived authority from the Capital Issue (Control) Act, 1947

Question 52

What is the full form of CRR?

- (a) Cash Reserve Rate (b) Cash Reserve Ratio
(c) Cash Recession Ratio (d) Core Reserve Rate

Answer: a

Explanation:

Cash Reserve Ratio is a certain percentage of bank deposit which bank are required to keep with RBI in the form of reserve or balance. Higher the CRR with the RBI, lower will be the liquidity in the system and vice versa.

PAST EXAMINATION QUESTION

MAY - 2018

Question 1**BRICS stand for:**

- | | |
|--|--|
| (a) Brazil, Russia, India, China, South, Africa | (b) Britain, Russia, India, China, Sweden |
| (c) Brazil, Russia, India, Columbia, South America | (d) Britain, Russia, India, Columbia, Sweden |

Answer: a**Explanation:**

BRIGS are the acronym for an association of five major emerging economics. Brazil, Russia, India, China, South, Africa, BRICS member are known for their significant influence on regional affairs

Question 2**which of the following a development bank:**

- | | |
|------------|---------------|
| (a) NABARD | (b) EXIN bank |
| (c) SIDBI | (d) SEBI |

Answer: a**Explanation:**

National Bank for Agriculture and Rural Development (NABARD) is an apex development bank in India, headquarters at Mumbai with branches all over India.

Question 3**Business facilitator is/are:**

- | | |
|--|---|
| (a) Who helps the business | (b) Who advise the business on various sources of finance –domestic as wellas foreign |
| (b) who create and grow young business | (d) All of these |

Answer: d**Explanation:**

Business facilitators are professional who help the business and help create young business and grow them and who advice the business on various sources both domestic as well as foreign.

Question 4**Which of the following is a direct beneficiary of IFCI?**

- | | |
|---|----------------------|
| (a) Agro Based Industry | (b) Service Industry |
| (c) Capital & Intermediate Goods Industry | (d) All of these |

Answer: d**Explanation:**

Some sectors that have directly benefitted from IFCI include:

- (a) Agro – based Industry (textiles, paper, sugar,)
- (b) Service Industry (hotel, hospital)
- (c) Basic Industry (Iron- steel ,etc)
- (d) Capital and Intermediate goods Industry (Electronics, Fibers, etc.)

Question 5

The RBI has been vested with extensive power to control and supervise commercial banking system the under the:

- (a) Reserve Bank of India Act, 1934
- (b) The Banking Regulating Act, 1949
- (c) Both (a) & (b)
- (d) None of the above

Answer: c

Explanation:

RBI is a banker`s bank. It has been vested with extensive power to control and supervise commercial banking system under the Reserve Bank of India Act, 1934 and the Banking Regulation Act 1949. RBI also provides financial assistance to the bank.

Question 6

NABARD is the most important institution in the country which looks after the development of the:

- (a) Cottage Industry
- (b) Small Industry
- (c) Village Industry
- (d) All of these

Answer: d

Explanation:

NABARD has been instrumental in grounding rural, social innovations and social enterprises in the rural hinter lands NABARD is the most important institution in the country which looks after the development of the cottage industry small industry and village industry and other rural Industries.

NOV-2018

Question 1

Which condition, or which is not true out of option about bank rate:

- (a) It is called discounted rate
- (b) It is also Repo Rate
- (c) SEBI influence Interest Rate through Bank rate
- (d) Higher bank rate will translate to higher Lending rates by the bank

Answer: c

Explanation:

RBI influence Interest Rate through Bank Rate.

Question 2

Which one of the following is the funding institution?

- (a) RDI (b) IRDAI
(c) IFCI (d) CCI

Answer: b

Explanation:

Funding Institutions

- IFCI
- SIDBI
- EXIM
- NABARD

Question 3

SIDBI includes small, micro or enterprises

- (a) Tiny (b) Medium
(c) Large (d) Macro

Answer: b

Explanation:

The business sphere of SIDBI consist of Micro, Small and Medium enterprise (MSME), of which contribute significantly to the National Economy.

Question 4

Represents the ratio of liquid assets of the banks to their deposit liabilities.

- (a) SLR (b) CRR
(c) CLR (d) None

Answer: a

Explanation:

Salutory liquidity ratio represents the ratio of the banks to their deposit liabilities

Question 5

Which institution includes money market and for ex market.

- (a) SEBI (b) IFCI
(c) SIDBI (d) RBI

Answer: d

Explanation:

Reserve Bank of India Includes money market and for ex market as it is the sole authority of issue of currency and custodian of foreign exchange reserve.

Question 6

Permission to NRI to investment up to in high priority areas.

- (a) 27% (b) 51%
(c) 76% (d) 100%

Answer: d

Explanation:

Permission to NRI to Investment up to 100% in high priority areas.

MAY – 2019

Question 1

which of the following is funding institute:

- | | |
|----------|----------|
| (a) IFCI | (b) RBI |
| (c) IRDA | (d) SEBI |

Answer: a

Explanation;

IFCI Ltd. was set up in 1948 as Industrial Finance Corporation of India. Development Institute (MDI) and Institute of Leadership Development (ILD)IFCI venture capital funds Ltd., is the Investment Manager of the Fund.

Question 2

Which of the following is not regulatory institution:

- | | |
|-----------|----------|
| (a) IRDIA | (b) MIGA |
| (c) RBI | (d) SEBI |

Answer: b

Explanation:

All are Regularity Institution Except MIGA.

Question 3

The business sphere of SIDBI consists of Macro, small &enterprises

- | | |
|-------------|------------|
| (a) Tiny | (b) Large |
| (c) Cottage | (d) Medium |

Answer: d

Explanation:

The business sphere of SIDBI consists of Micro, Small & Medium enterprises.

Question 4

___ Represent the ratio of liquid Assets of Bank to meet liabilities & deposits

- | | |
|---------------|-------------------|
| (a) SLR | (a) CRR |
| (c) Bank rate | (d) None of these |

Answer: a

Explanation:

SLR represents the ratio of liquid assets of bank to meet liabilities & deposits

Question 5

Which is not True About Bank Rate?

- | | |
|--------------------------------|--------------------------------|
| (a) Bank Rate is also Known as | (b) It is Quantitative Measure |
|--------------------------------|--------------------------------|

discount

(c) Its Differ From Repo Rate

(d) It Influence to Particular sector

Answer: a

Explanation:

Bank Rate & Discount Rate Art Different. Therefore, this Statement is wrong about Bank Rate.

JULY – 2021

Question1

Who from the following helps a budding business to quick launch a product and put it in lane of commercial success.

(a) Freight forwarder

(b) Business incubator

(c) Business accelerator

(d) Merchandiser.

Answer: c

Explanation:

Once you identify your timeline, follow these six steps to successfully launch your new product:

- Test thoroughly before your launch. ...
- Invigorate your team. ...
- Prepare for an increase in sales. ...
- Remember your core business. ...
- Establish metrics as you go. ...
- Gather feedback after your launch

Question 2

The Competition Commission of Lnoja so established on

(a) 14th August, 2003

(b) 14th September 2006

(c) 14th October, 2003

(d) 14th November, 2003

Answer: c

Explanation:

14th October, 2003



Question 3

M RTP act 1969 stands repealed with the enforcement of the following act?

(a) FEMA 1999

(b) FERA 1973

(c) Competition act 2002

(d) IRADAI 1999

Answer: c

Explanation:

The Ministry of Corporate Affairs, Government of India has issued a Notification dated 28th August 2009, whereby the most controversial the Monopolies and Restrictive Trade Practices Act, 1969 (“the MRTP Act”) stands repealed and is replaced by the Competition Act, 2002, with effect from September 1, 200

Question 4

Which of the following Institution has a portfolio of Natural Resource Management Programs involving diverse fields like Water shed Development ,Tribal Development etc., through dedicated funds set up for the purpose?

(a) SEBI

(b) RBI

(c) SBI

(d) NABARD

Answer: d

Explanation:

NABARD also has a portfolio of Natural Resource Management Programmes involving diverse fields like Watershed Development, Tribal Development and Farm Innovation through dedicated funds set up for the purpose

Question 5

A company who organizes shipments for the business firm stogel goods from the manufacturer to final point of distributions is called as:

(a) A merchandiser

(b) A freight forward

(c) A financial consultant

(d) A business incubator

Answer: d

Explanation:

Business incubator is an organization that helps startup companies and individual entrepreneurs to develop their businesses by providing a full-scale range of services starting with management training and office space and ending with venture capital financing.

Question 6

Which authority regulates and develops Indian capital market and protects interest of investors in the capital market?

(a) National Stock Exchange (NSE)

(b) SEBI

(c) RBI

(d) Bombay Stock Exchange (BSE)

Answer: d

Explanation:

SEBI is a statutory regulatory body established on the 12th of April, 1992. It monitors and regulates the Indian capital and securities market while ensuring to protect the interests of the investors, formulating regulations and guidelines

DEC – 2021

Question 1

Triple bottom line known as

- (a) people, planet and profits (b) place, planet and profits
(c) people, plant and profits (d) none

Answer: a

Explanation: people, planet and profits

Question 2

The Government monopoly through BSNL and MTNL has been taken away by the private sector plays

- (a) Displacement (b) De-Centralization
(c) Delegation (d) Ownership pattern policy

Answer: a

Explanation: Displacement

Question 3

Full form of NABARD is.

- (a) National Association for Agricultural Rural Development. (b) National Bank for Agricultural and Rural Development.
(c) National Association for Agricultural Development. (d) National Association of Banks for Agricultural and Rural Development.

Answer: b

Explanation:

National Bank for Agriculture and Rural Development (NABARD) is an apex development bank in India, headquartered at Mumbai with branches all over India. The Bank has been entrusted with "matters concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural areas in India". NABARD is active in developing financial inclusion policy and is a member of the Alliance for Financial inclusion.

Question 4

Which of the following is the oldest non-funding institution?

- (a) RBI (b) SEBI
(c) CCI (d) IRDAI

Answer: a

Explanation:

The Reserve Bank of India (RBI) was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. Though originally privately

owned, since nationalisation in 1949, the Reserve Bank is fully owned by the Government of India. The Central Office of the Reserve Bank was initially established in Calcutta but was permanently moved to Mumbai in 1937. The Reserve Bank's affairs are governed by a central board of directors. The board is appointed by the Government of India in keeping with the RBI Act.

Question 5

The constitution of CCI has chairperson and _____ members appointed by the Central Government.

- (a) Five (b) Four
(c) Six (d) Three

Answer: b

Explanation:

The Competition Commission of India (CCI) was established by the Central Government on 14th October, 2003. The Commission is a body corporate having perpetual succession and common seal. CCI consists of a Chairperson and Six Members appointed by the Central Government. It is the duty of the Commission to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India. The Commission is also required to give opinion on competition issues on a reference received from a statutory authority established under any law and to undertake competition advocacy, create public awareness and impart training on competition issues.

Question 6

Headquarter of NABARD is at

- (a) Delhi (b) Mumbai
(c) Indore (d) Kolkata

Answer: b

Explanation:

NABARD, with its Head office at Mumbai, has 31 Regional Offices located in States and Union Territory, a cell at Srinagar, 04 Training Establishments in the Northern, Eastern & Southern parts of India and 414 District Development Managers functioning at district level.

Question 7

M RTP Act of the government to check on the concentration of wealth among individual is an example of

- (a) Regulatory Policy (b) Protective Policy
(c) Restrictive Policy (d) Progressive Policy

Answer: c

Explanation:

M RTP Act (Replaces the Monopolies Commission under and repeals the Monopolies and Restrictive Trade Practices (MRTP) Act 1969) of government to check on the concentration of wealth among individuals is an example of Restrictive policy.

Question 8

Which of the following is a function of RBI?

- (a) Fiscal Policy (b) Credit creation
(c) Custodian of foreign exchange reserves (d) Money supplements

Answer:

Explanation:

The RBI is required to maintain the external value of the rupee. For this purpose it functions as the custodian of nation's foreign exchange reserves. It has to ensure that normal short-term fluctuations in trade do not affect the exchange rate. When foreign exchange reserves are inadequate for meeting balance of payments problem, it borrows from the IMF. The RBI has the authority to enter into exchange transactions on its own account and on account of government. It also administers exchange control of the country and enforces the provisions of Foreign Exchange Management Act.

Question 9

After four decades of independence, special funding institutions were set up for industrial development, they were.

- (a) Development Banks (b) Regional Rural Banks
(c) Industrial Banks (d) Commercial Banks

Answer:

Explanation:

In the first four decades since independence when the Indian capital market was rather underdeveloped the fulling of industrial development was entrusted to a battery of special purpose financial institutions created toward this purpose. These special purpose financial institutions were called 'development banks.' In India, the genesis of development banking may be traced to the setting up of the Industrial Finance Corporation of India (IFCI) in 1948.

Question

In India, monetary policy is implemented by.

- (a) RBI (b) SEBI
(c) SBI (d) ICICI

Answer:

Explanation:

The Reserve Bank of India (RBI) was established on April 1, 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. Though originally privately owned, since nationalisation in 1949, the Reserve Bank is fully owned by the

Explanation:

SEBI is an apex authority for setting rules of the game for capital market and protection of investor's interest.

Question 5**SHG is Linked with**

- (a) NBARD (b) SEBI
(c) SIBDI (d) RBI

Answer: a**Explanation:**

NABARD is also known for its 'SHG Bank Linkage Programme' which encourage India's banks to lend to self-Help Groups (SHGs). Largely because SHGs are composed mainly of poor women, this has evolved into an important Indian tool for microfinance.

Question 6**Which of the following is not function of RBI?**

- (a) Issue of currency (b) Banker's Bank
(c) Maintaining foreign exchange reserve (d) Refinancing financial institution

Answer: d**Explanation:**

The RBI is the apex monetary institution of the highest authority in India. Some of the function of RBI are

- (a) Issue of Currency
(b) Banker's Bank
(c) Maintaining foreign exchange reserve

Question 7**Which is not the characteristic feature of expansion phase in Business Cycle?**

- (a) Increase in national output (b) Unemployment
(c) Rise in price and cost (d) Boost in business confidence

Answer: b**Explanation:**

The expansion phase is characterized by increase in national output, employment aggregate demand, capital and consumer. Involuntary unemployment is almost zero.