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Indian Economy & Indian Financial System

OCTOBER–NOVEMBER 2023

MEMORY–BASED QUESTIONS

Bilingual Questions | Detailed Explanations



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Indian Economy & Indian Financial System

JAIIIB • October–November 2023 • Shift 1 • 100 Questions

Q1. If one US dollar equals Rs.75, what is the reciprocal quotation in US dollars per rupee, rounded to four decimals?

यदि 1 अमेरिकी डॉलर 75 रुपये के बराबर है, तो प्रति रुपये अमेरिकी डॉलर में व्युत्क्रम विनिमय दर चार दशमलव तक कितनी होगी?

- A. USD 0.0133 per INR
- B. USD 75 per INR
- C. USD 0.1333 per INR
- D. USD 1.3333 per INR

Correct answer: A. USD 0.0133 per INR

Explanation

1. The starting quotation is Rs.75 per US dollar. Its reciprocal is $1 / 75 = 0.013333...$, or approximately USD 0.0133 for one rupee.
2. A direct quotation from an Indian perspective states domestic currency per unit of foreign currency. The reciprocal expresses foreign currency per unit of domestic currency.
3. Keep the units visible in every step. Reversing a quote without reversing the units can produce a numerically plausible but economically incorrect answer.
4. This example assumes a single mid-rate and ignores bid-ask spreads. With actual two-way quotes, the reciprocal bid and ask must also be inverted and exchanged appropriately.

Q2. What benefit did PMSBY provide for accidental death or total permanent disability in the 2023 scheme context?

2023 की योजना के संदर्भ में PMSBY दुर्घटनावश मृत्यु या पूर्ण स्थायी दिव्यांगता पर कितना लाभ देती थी?

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

Correct answer: B. Rs.2 lakh

Explanation

1. Pradhan Mantri Suraksha Bima Yojana is an accident-insurance scheme. The specified benefit for accidental death or total permanent disability is Rs.2 lakh.
2. Partial permanent disability of the specified kind carries a lower benefit of Rs.1 lakh. The exact disability conditions in the scheme documents determine entitlement.
3. This is not the same as a comprehensive medical insurance policy. Ordinary illness or hospital expenditure is not automatically covered merely because a person enrolled in PMSBY.
4. Use the risk covered to distinguish schemes: PMSBY concerns accidental death and disability, while PMJJBY provides life cover for death subject to its terms and eligibility.

Q3. For an applicable company, what is the treatment of unspent CSR funds not relating to an ongoing project?

लागू कंपनी में चालू परियोजना से संबंधित न होने वाली अव्ययित CSR राशि का क्या व्यवहार होता है?

- A. Treat it as a government refund
- B. Automatically pay it as dividend
- C. Transfer it to a Schedule VII fund within the prescribed six-month period
- D. Keep it indefinitely without an obligation

Correct answer: C. Transfer it to a Schedule VII fund within the prescribed six-month period

Explanation

1. Unspent CSR amounts not relating to an ongoing project must be transferred to a fund specified in Schedule VII within six months of the end of the financial year, under the applicable provision.
2. Ongoing-project amounts follow a different mechanism: transfer to a designated Unspent CSR Account within the specified period and use within the allowed project window.
3. Excess spending, unspent funds and surplus from CSR activities are three different concepts. Excess eligible spending may qualify for set-off; unspent funds cannot be treated as if already spent.
4. The rewritten question tests the actual unspent-fund rule. Naming any charity or a shareholder distribution would ignore the statutory routing and timing requirements.

Q4. Which industry association develops standards and promotes good practices among India's mutual funds?

भारत के म्यूचुअल फंड उद्योग में मानक और अच्छी कार्यप्रथाओं को बढ़ावा देने वाला उद्योग संघ कौन-सा है?

- A. AMFI
- B. IRDAI
- C. PFRDA
- D. RBI

Correct answer: A. AMFI

Explanation

1. AMFI is the Association of Mutual Funds in India. It represents the mutual fund industry and promotes professional standards, investor awareness and ethical practices.
2. SEBI is the statutory securities-market regulator and regulates mutual funds. Calling AMFI an industry body helps avoid confusing its role with SEBI's legal powers.
3. RBI deals with monetary policy and banking within its mandate. IRDAI oversees insurance, while PFRDA regulates the pension sector under its governing law.
4. For an examination, distinguish an industry association from a statutory regulator. Industry standards supplement regulatory requirements and do not replace legally binding SEBI regulations.

Q5. Under the 2021 New Public Sector Enterprise Policy, what was envisaged for CPSEs in non-strategic sectors?

2021 की नई सार्वजनिक क्षेत्र उद्यम नीति में गैर-रणनीतिक क्षेत्रों के CPSEs के लिए क्या व्यवस्था परिकल्पित थी?

- A. Mandatory nationalisation of every private firm
- B. Privatisation or closure under the policy process
- C. Automatic doubling of all employees' salaries
- D. A uniform 15% FDI target for every CPSE

Correct answer: B. Privatisation or closure under the policy process

Explanation

1. The 2021 policy distinguishes strategic and non-strategic sectors. For non-strategic sectors, it envisages identifying CPSEs for privatisation or closure through the prescribed process.
2. The policy aims to rationalise the government's commercial presence rather than impose the same action on every public enterprise regardless of sector.
3. Strategic disinvestment may involve transfer of management control. Sale of a minority holding without such transfer is conceptually different from privatisation.
4. The New Public Sector Enterprise Policy distinguishes strategic and non-strategic sectors. Implementation follows the applicable government policy process.

Q6. What is the lowest turning point of a conventional business cycle called?

सामान्य व्यापार चक्र के सबसे निचले मोड़ को क्या कहते हैं?

- A. Expansion
- B. Trough
- C. Peak
- D. Boom

Correct answer: B. Trough

Explanation

1. A trough is the point at which economic activity stops declining and begins to recover. Output and employment are depressed relative to their preceding peak.
2. Contraction is the downward phase leading towards that turning point. Recovery and expansion follow when production, spending and employment improve.
3. Prices may face weak demand pressure around a trough, but falling prices are not an absolute requirement. Supply shocks can produce inflation even during weak economic activity.
4. To identify the phase, focus on the direction and level of real economic activity. The highest turning point is the peak; the lowest turning point is the trough.

Q7. What does CCFU stand for in India's climate-finance policy context?

भारत की जलवायु वित्त नीति के संदर्भ में CCFU का पूरा नाम क्या है?

- A. Central Currency Forecasting Unit
- B. Climate Change Finance Unit
- C. Climate Commodity Futures Undertaking
- D. Corporate Credit Facilitation Union

Correct answer: B. Climate Change Finance Unit

Explanation

1. CCFU stands for Climate Change Finance Unit in the Department of Economic Affairs, Ministry of Finance. Its work concerns climate-finance policy and resource mobilisation.
2. Climate finance supports mitigation and adaptation. Mitigation reduces emissions, while adaptation improves resilience to the effects of climate change.
3. The unit's policy work can involve India's position in international climate-finance discussions and analysis of financing requirements. It is not a retail bank or an exchange-traded commodity product.
4. The word finance is essential in the expansion. Similar-sounding alternatives such as facilitation or forecasting describe different ideas and should not replace the official institutional name.

Q8. A national-income estimate adds each producer's output value minus intermediate inputs. Which method is being used?

राष्ट्रीय आय के अनुमान में प्रत्येक उत्पादक के उत्पादन मूल्य से मध्यवर्ती आगत घटाकर जोड़ दिया जाता है। कौन-सी पद्धति उपयोग हो रही है?

- A. Value-added or production method
- B. Transfer-payment method
- C. Only the income-tax method
- D. Only the expenditure method

Correct answer: A. Value-added or production method

Explanation

1. The production or value-added method measures the contribution of producers by deducting intermediate consumption from their output value. Adding these contributions avoids double counting.
2. If a mill buys grain for Rs.100 and sells flour for Rs. 150, its value added is Rs.50. Counting both the grain and flour at full sale value would duplicate the intermediate input.
3. The income method adds factor incomes, while the expenditure method adds final expenditures under the relevant national-accounts definitions. They approach the same production process from different sides.
4. Use a consistent geographical boundary and accounting period. Gross versus net and domestic versus national adjustments must still be handled after selecting the method.

Q9. Which statement correctly describes the rights of an option buyer?

विकल्प खरीदने वाले के अधिकारों का सही वर्णन कौन-सा कथन करता है?

- A. A call gives the right to sell and a put the right to buy
- B. Both contracts give the right to receive a dividend
- C. A call gives the right to buy and a put the right to sell
- D. Both contracts compel the buyer to exercise

Correct answer: C. A call gives the right to buy and a put the right to sell

Explanation

1. A call buyer obtains the right to buy the underlying asset at the agreed strike price under the contract. A put buyer obtains the corresponding right to sell.
2. The buyer pays a premium for this right and may decide not to exercise when doing so is unattractive. The writer has the contractual obligation if exercise or settlement requires performance.
3. For a call with strike Rs.100, an underlying price of Rs. 120 makes exercise valuable before considering the premium. A put becomes valuable when the underlying falls below its strike.
4. Distinguish the exercise payoff from net profit. Premium and transaction costs must be considered when calculating the final gain or loss from an option position.

Q10. Which item is not by itself a statutory condition for inclusion as a scheduled bank under Section 42 of the RBI Act?

RBI अधिनियम की धारा 42 के अंतर्गत अनुसूचित बैंक बनने की वैधानिक शर्त कौन-सी बात अपने-आप नहीं है?

- A. RBI satisfaction that affairs do not prejudice depositors
- B. Annual income must exceed expenditure in every single year
- C. Inclusion in the Second Schedule
- D. Required capital and reserves

Correct answer: B. Annual income must exceed expenditure in every single year

Explanation

1. A scheduled bank is included in the Second Schedule to the RBI Act, subject to the statutory requirements. The classification is not merely a label chosen by the bank.
2. Section 42 includes a capital-and-reserves requirement and RBI's satisfaction concerning the conduct of the bank's affairs in relation to depositors' interests.
3. A requirement to earn an accounting profit in every single year is not the stated standalone criterion. Temporary losses do not by themselves explain the full legal classification.
4. Do not confuse scheduled status with whether a bank is public-sector, private-sector or foreign. Ownership categories and statutory scheduling describe different aspects of an institution.

Q11. Under the 2022 microfinance directions relevant to October 2023, microfinance loans of an NBFC other than an NBFC-MFI could be up to what share of total assets?

अक्टूबर 2023 के लिए प्रासंगिक 2022 निर्देशों में NBFC-MFI के अतिरिक्त अन्य NBFC के माइक्रोफाइनेंस ऋण कुल परिसंपत्तियों के कितने प्रतिशत तक हो सकते थे?

- A. 75%
- B. 10%
- C. 60%
- D. 25%

Correct answer: D. 25%

Explanation

1. The maximum share was revised to 25% of total assets for NBFCs that did not qualify as NBFC-MFIs. This question refers to the 2022 framework.
2. The separate qualifying-asset requirement for classification as an NBFC-MFI was 75% in that historical context. A maximum for other NBFCs and a minimum for NBFC-MFIs serve different purposes.
3. A microfinance loan is defined by the collateral-free nature of the loan and the household-income condition, rather than merely by a small rupee amount.
4. For an NBFC with Rs.200 crore of total assets, the tested 25% limit equals Rs.50 crore. Read both the institution category and the applicable date before choosing a percentage.

Q12. Which activity belongs primarily to securities-market regulation rather than being a core objective of fiscal policy?

कौन-सी गतिविधि राजकोषीय नीति के मुख्य उद्देश्य के बजाय मुख्यतः प्रतिभूति बाजार नियमन से संबंधित है?

- A. Reducing income inequality
- B. Supporting employment
- C. Managing aggregate demand through public spending
- D. Regulating stock-market intermediaries

Correct answer: D. Regulating stock-market intermediaries

Explanation

1. Fiscal policy uses taxation, public expenditure and borrowing to influence economic activity. Its objectives can include stabilisation, growth, employment and distribution.
2. Government spending can support demand during a slowdown, while taxes and transfers influence disposable incomes and distribution. The effectiveness depends on design and financing.
3. Regulating securities-market intermediaries is principally a securities-regulatory function, carried out in India by SEBI within its mandate.
4. Fiscal measures can affect stock prices indirectly, but an economic effect on markets does not make licensing or supervising market intermediaries a core fiscal-policy function.

Q13. In the October 2023 IPO framework, an individual applicant was in the retail category when the application value did not exceed what amount?

अक्टूबर 2023 के IPO ढाँचे में आवेदन राशि कितनी होने तक व्यक्तिगत आवेदक खुदरा श्रेणी में आता था?

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

Correct answer: B. Rs.2 lakh

Explanation

1. The retail individual investor category used an application-value limit of Rs.2 lakh. An individual applying above that threshold falls into the applicable non-institutional category.
2. The amount concerns the application value, not simply the number of shares. Multiply the bid quantity by the relevant bid price to assess the value.
3. For example, 1,000 shares at Rs.150 have an application value of Rs.1.5 lakh and fit within the tested retail threshold.
4. Retail-category status does not guarantee allotment. Subscription levels, allocation rules and the final basis of allotment determine how many shares an applicant receives.

Q14. Which Sustainable Development Goal specifically addresses climate change and its impacts?

कौन-सा सतत विकास लक्ष्य विशेष रूप से जलवायु परिवर्तन और उसके प्रभावों से संबंधित है?

- A. SDG 13
- B. SDG 7
- C. SDG 16
- D. SDG 3

Correct answer: A. SDG 13

Explanation

1. SDG 13 is Climate Action. It calls for urgent action to combat climate change and its impacts through resilience, adaptation and integration into planning.
2. SDG 7 concerns affordable and clean energy. It contributes to climate outcomes but has a distinct primary focus on energy access and sustainability.
3. SDG 3 concerns health and well-being, while SDG 16 concerns peace, justice and strong institutions. These objectives can interact without becoming interchangeable.
4. In sustainable finance, examine both climate risks to borrowers and the environmental impact of financed activities. Merely identifying a project as green does not eliminate credit or implementation risk.

Q15. Which NBFC category is associated with a substantial deployment of assets in infrastructure loans?

कौन-सी NBFC श्रेणी परिसंपत्तियों के बड़े हिस्से को अवसंरचना ऋणों में लगाने से संबंधित है?

- A. An insurance broker
- B. NBFC-MFI
- C. A payment bank
- D. NBFC-IFC

Correct answer: D. NBFC-IFC

Explanation

1. An Infrastructure Finance Company is an NBFC category associated with lending to infrastructure projects, subject to its regulatory asset-composition, capital and other conditions.
2. Infrastructure lending often involves large exposures, long project lives and construction or operating risks. The financing structure must match the project's cash-generation profile.
3. This IFC abbreviation is different from the International Finance Corporation of the World Bank Group. The context NBFC-IFC indicates the domestic regulatory category.
4. Calling the entity a hosting agency does not adequately define its function. Focus on infrastructure financing rather than confusing it with a project contractor, a microfinance lender or a payment-service provider.

Q16. Which authority regulates the pension framework within which Atal Pension Yojana operates?

अटल पेंशन योजना जिस पेंशन ढाँचे के अंतर्गत संचालित होती है, उसका नियमन कौन करता है?

- A. Competition Commission of India
- B. IRDAI
- C. PFRDA
- D. SEBI

Correct answer: C. PFRDA

Explanation

1. PFRDA means Pension Fund Regulatory and Development Authority. Atal Pension Yojana operates under the pension framework administered through PFRDA.
2. APY is designed around contributions towards a specified pension benefit at the prescribed age, subject to the scheme's eligibility and conditions. Contributions depend on age and chosen pension level.
3. RBI regulates banks used for collection and servicing, but being connected to a bank account does not make APY a banking deposit product regulated solely by RBI.
4. IRDAI regulates insurers, and SEBI regulates securities markets. Identify the underlying product first: a pension arrangement points to PFRDA rather than an insurance or securities regulator.

Q17. Which two banks amalgamated with Bank of Baroda with effect from 1 April 2019?

1 अप्रैल 2019 से किन दो बैंकों का बैंक ऑफ़ बड़ौदा में विलय हुआ?

- A. Syndicate Bank and Allahabad Bank
- B. Vijaya Bank and Dena Bank
- C. Andhra Bank and Corporation Bank
- D. Oriental Bank of Commerce and United Bank of India

Correct answer: B. Vijaya Bank and Dena Bank

Explanation

1. Vijaya Bank and Dena Bank amalgamated with Bank of Baroda from 1 April 2019. Bank of Baroda was the continuing bank in that combination.
2. Andhra Bank and Corporation Bank later merged with Union Bank of India. Oriental Bank of Commerce and United Bank of India merged with Punjab National Bank.
3. Syndicate Bank merged with Canara Bank, and Allahabad Bank merged with Indian Bank. These later combinations should not be mixed into the 2019 Bank of Baroda question.
4. For merger questions, remember the merging institutions, the continuing bank and the effective date together. Knowing only one name can still lead to an incorrect pairing.

Q18. Which committee advocated the eventual conversion of development financial institutions into banks or NBFCs, supporting the move towards universal banking?

किस समिति ने विकास वित्तीय संस्थाओं को अंततः बैंक या NBFC में बदलने की सिफारिश की, जिससे सार्वभौमिक बैंकिंग की दिशा को समर्थन मिला?

- A. Radhakrishnan Commission
- B. Tarapore Committee
- C. Nachiket Mor Committee
- D. Narasimham Committee II

Correct answer: D. Narasimham Committee II

Explanation

1. The Narasimham Committee II recommended that development financial institutions ultimately become commercial banks or non-bank finance companies. This was an important part of the universal-banking debate.
2. The Khan Working Group also favoured allowing DFIs to become banks. RBI's subsequent discussion addressed the transition and the prudential requirements institutions would need to meet.
3. Universal banking combines a wider range of financial services within a banking organisation or group, rather than limiting it to a narrow deposit-and-loan model.
4. Do not confuse these committees: Tarapore concerned capital-account convertibility, while Nachiket Mor addressed financial inclusion. The exact recommendation stated in the question identifies Narasimham II.

Q19. In October 2023, which rates formed the floor and ceiling of the LAF corridor?

अक्टूबर 2023 में LAF कॉरिडोर की निचली और ऊपरी सीमाएँ किन दरों से बनती थीं?

- A. CRR floor and SLR ceiling
- B. Repo floor and savings-deposit ceiling
- C. Reverse repo floor and bank rate ceiling
- D. SDF floor and MSF ceiling

Correct answer: D. SDF floor and MSF ceiling

Explanation

1. The Standing Deposit Facility rate formed the floor and the Marginal Standing Facility rate formed the ceiling. The policy repo rate lay between them.
2. SDF replaced the fixed reverse repo rate as the corridor floor in April 2022. Using the reverse repo as the floor without a historical qualification is outdated for October 2023.
3. SDF absorbs liquidity without requiring RBI to provide collateral. MSF gives eligible banks a backstop for overnight liquidity under prescribed conditions.
4. CRR and SLR are reserve requirements expressed as ratios, not the two interest-rate boundaries of the LAF corridor. Identify whether the question concerns liquidity quantities or policy rates.

Q20. Which maturity is not one of India's regular Treasury-bill tenors?

कौन-सी अवधि भारत की नियमित ट्रेजरी बिल अवधियों में शामिल नहीं है?

- A. 364 days
- B. 91 days
- C. 182 days
- D. 273 days

Correct answer: D. 273 days

Explanation

1. The standard regular Treasury-bill tenors are 91 days, 182 days and 364 days. A 273-day tenor is not part of that regular set.
2. Treasury bills are short-term Government of India debt instruments issued at a discount and redeemed at face value. They ordinarily do not pay periodic coupon interest.
3. An investor's return arises from the difference between the purchase price and redemption value. Longer-dated government securities may instead have coupon payments.
4. Cash-management bills may have other short maturities and should not be confused with the regular Treasury-bill tenors. The question tests the standard auction categories.

Q21. What is the principal area addressed by PM eVIDYA?

PM eVIDYA का प्रमुख कार्यक्षेत्र क्या है?

- A. Oil exploration
- B. Export-credit insurance
- C. Multimode digital and distance education
- D. Urban land acquisition

Correct answer: C. Multimode digital and distance education

Explanation

1. PM eVIDYA integrates initiatives for digital, online and broadcast education to widen learning access. Its multimode approach recognises that students do not have identical internet access.
2. Educational television, digital content and other delivery channels can complement classroom teaching. The objective is continuity and inclusion in learning opportunities.
3. It is not a farm-input subsidy, infrastructure borrowing scheme or insurance contract. Identify the service being delivered rather than assuming every government initiative is financial assistance.
4. Digital education also requires accessible content, teacher support and usable devices or broadcast access. Merely launching a website does not ensure that every learner can participate effectively.

Q22. What does a wholly owned subsidiary mean in ownership terms?

स्वामित्व की दृष्टि से पूर्ण स्वामित्व वाली सहायक कंपनी का क्या अर्थ है?

- A. The parent holds exactly 26%
- B. It is merely a branch with no separate entity
- C. The parent owns all its equity ownership interests
- D. It is always owned jointly by two governments

Correct answer: C. The parent owns all its equity ownership interests

Explanation

1. A wholly owned subsidiary is a separate entity wholly owned by its parent, subject to legal arrangements such as permitted nominee holdings where relevant.
2. A subsidiary can have its own assets, liabilities and governance obligations. Ownership by a bank does not turn it into the same legal entity as a branch.
3. A branch is an extension of the existing bank rather than a separately incorporated subsidiary. This difference matters for capital, liability and regulatory treatment.
4. In foreign-bank discussions, WOS describes a local subsidiary structure. Do not confuse the 100% ownership concept with the separate permissions governing which activities that subsidiary may conduct.

Q23. Who operates the RBI-owned NDS-OM platform on RBI's behalf?

RBI के स्वामित्व वाले NDS-OM प्लेटफॉर्म का RBI की ओर से संचालन कौन करता है?

- A. CCIL
- B. SEBI
- C. LIC
- D. AMFI

Correct answer: A. CCIL

Explanation

1. NDS-OM is the Negotiated Dealing System Order Matching platform for government securities. RBI owns it, while CCIL operates it on RBI's behalf.
2. This distinction matters because ownership and day-to-day operation are different roles. Answering RBI to an operator question overlooks the explicit operating arrangement.
3. The platform supports electronic order matching and contributes to transparent price discovery in the secondary market for government securities.
4. CCIL also performs specified clearing and settlement functions in financial markets. Do not confuse NDS-OM with NDS-Call, which concerns the short-term interbank money market.

Q24. In the 2023 deposit-account framework, an ordinary savings account with no customer-induced transaction for more than two years would generally be treated as what?

2023 के जमा खाता ढाँचे में साधारण बचत खाते में दो वर्ष से अधिक समय तक ग्राहक-प्रेरित लेनदेन न होने पर उसे सामान्यतः क्या माना जाता था?

- A. Automatically confiscated
- B. A new loan account
- C. Inoperative or dormant
- D. An insurance policy

Correct answer: C. Inoperative or dormant

Explanation

1. An ordinary savings or current account can be classified as inoperative when the relevant period passes without customer-induced transactions under the applicable framework.
2. A bank's interest credit alone does not show active customer operation in the same way as a customer-initiated transaction. Classification and reactivation follow the relevant rules.
3. Inoperative status does not mean the bank may confiscate the customer's money. Verification and safeguards help prevent unauthorised withdrawals when the customer seeks reactivation.
4. An inoperative account remains a deposit liability. The customer can seek activation by following the bank's prescribed identification and verification procedure.

Q25. A commodity-focused fund would primarily seek exposure to which assets?

कमोडिटी केंद्रित फंड मुख्यतः किन परिसंपत्तियों में निवेश का अवसर तलाशता है?

- A. Only bank fixed deposits
- B. Only government tax receivables
- C. Commodities or permitted commodity-linked instruments
- D. Only residential apartments

Correct answer: C. Commodities or permitted commodity-linked instruments

Explanation

1. A commodity-focused investment strategy seeks exposure to goods such as metals, energy products or agricultural commodities through permitted holdings or linked instruments.
2. The fund's actual instruments depend on its structure and regulatory permissions. Commodity futures, exchange-traded exposures and commodity-related securities do not all have identical risk characteristics.
3. Returns may respond to global demand, supply disruptions, weather, inventories and exchange rates. The drivers differ from a pure fixed-income or diversified equity portfolio.
4. Futures exposure can involve roll costs, basis risk and leverage-related effects. The label commodity fund should not be interpreted as a guaranteed hedge or permission to hold any physical commodity without restrictions.

Q26. Which action is an aggregate monetary-policy tool?

कौन-सी कार्रवाई समष्टिगत मौद्रिक नीति का साधन है?

- A. Choosing a company's directors
- B. Open market purchase or sale of securities by the central bank
- C. Setting corporate income-tax slabs
- D. Fixing each shop's retail price

Correct answer: B. Open market purchase or sale of securities by the central bank

Explanation

1. Open market operations involve outright purchases or sales of securities by the central bank. Purchases generally inject liquidity into the banking system; sales generally absorb it.
2. A securities purchase credits funds to the banking system, while a sale withdraws funds against the securities delivered. The effects depend on the full policy and liquidity context.
3. Tax rates are fiscal-policy instruments, and company governance belongs to a different policy area. They are not open market monetary operations.
4. Distinguish an outright OMO from a repo, which includes a repurchase arrangement. Both can affect liquidity, but their contractual structures and intended duration differ.

Q27. A dealer quotes a price for a transaction with immediate delivery under market settlement conventions. What is this price called?

बाजार की निपटान परंपराओं के अनुसार तत्काल सुपुर्दगी वाले सौदे की कीमत क्या कहलाती है?

- A. Forward price
- B. Strike price
- C. Exercise premium
- D. Spot price

Correct answer: D. Spot price

Explanation

1. The spot price is the prevailing price for a transaction intended for prompt delivery and settlement. The exact settlement lag depends on the market and instrument.
2. A forward price applies to delivery on an agreed future date. It may differ from the spot price because financing costs, storage costs or interest differentials affect pricing.
3. The strike price is the contractual exercise price of an option. The option premium is the price paid for the right represented by that option.
4. If gold is quoted for prompt purchase today, that is a spot quotation. A contract fixing the price for delivery several months later is a forward or futures transaction.

Q28. Where was India's first IFSC established?

भारत का पहला अंतरराष्ट्रीय वित्तीय सेवा केंद्र कहाँ स्थापित किया गया था?

- A. New Delhi Connaught Place
- B. Bengaluru Electronic City
- C. GIFT City, Gandhinagar
- D. Mumbai Nariman Point

Correct answer: C. GIFT City, Gandhinagar

Explanation

1. India's first International Financial Services Centre was established at GIFT City in Gandhinagar, Gujarat. It provides a designated framework for international financial services.
2. An IFSC can host eligible banking, insurance, capital-market and other financial activities under its applicable regulatory arrangements. It is not simply any city with many bank branches.
3. IFSCA is the unified regulatory authority for the IFSC framework. Domestic financial-sector regulators remain relevant outside the particular IFSC mandate.
4. Gandhinagar identifies the city and GIFT City the development in which the centre is located. Distinguish geographical location from the name of the regulator or the type of financial institution.

Q29. Which objective best represents a fair or equitable economy?

कौन-सा उद्देश्य निष्पक्ष या न्यायसंगत अर्थव्यवस्था को सबसे बेहतर दर्शाता है?

- A. Equal opportunity and a fair distribution of economic benefits
- B. Complete concentration of wealth
- C. A ban on all private employment
- D. Only higher share prices

Correct answer: A. Equal opportunity and a fair distribution of economic benefits

Explanation

1. Equity concerns how opportunities, resources and the gains from economic activity are distributed. A fair economy considers participation and the position of disadvantaged groups.
2. Equal opportunity can involve access to education, health, finance and employment. It does not necessarily require every person to have an identical income regardless of circumstances.
3. Efficiency asks how well resources are used; equity asks how benefits and burdens are shared. A policy can improve one dimension without automatically improving the other.
4. For example, growth accompanied by better basic services and access to productive work can be more inclusive than growth whose gains reach only a narrow group.

Q30. Subject to prescribed conditions, how may a company use CSR spending above its required amount?

निर्धारित शर्तों के अधीन, कंपनी अपनी आवश्यक राशि से अधिक किए गए CSR व्यय का उपयोग कैसे कर सकती है?

- A. Set it off against CSR obligations in the next three financial years
- B. Claim an automatic government refund
- C. Treat every excess amount as an unrestricted business expense
- D. Distribute it as dividend

Correct answer: A. Set it off against CSR obligations in the next three financial years

Explanation

1. Section 135 of the Companies Act links the prescribed CSR expenditure to the average net profits of the immediately preceding three financial years, subject to applicability and statutory computation.
2. Eligible excess expenditure may be set off against the CSR requirement of the immediately succeeding three financial years. The board must pass the necessary resolution.
3. The amount available for set-off cannot include surplus arising from CSR activities. A surplus generated by a project and fresh excess CSR spending are different concepts.
4. For example, if the obligation is Rs.20 lakh and eligible expenditure is Rs.25 lakh, the excess Rs.5 lakh may be used within the allowed period. It does not create an automatic government refund.

Q31. Why might a bank quote a higher guarantee commission for an unusually risky transaction?

असामान्य रूप से जोखिमपूर्ण लेनदेन की बैंक गारंटी के लिए बैंक अधिक कमीशन क्यों ले सकता है?

- A. Because every shorter guarantee must cost more
- B. Because multiple savings accounts prohibit normal pricing
- C. Because risk assessment and potential exposure are higher
- D. Because guarantee commission is always fixed by the stock exchange

Correct answer: C. Because risk assessment and potential exposure are higher

Explanation

1. A bank guarantee creates a contingent obligation: the bank may have to pay if the guarantee is invoked in accordance with its terms. The expected exposure affects pricing.
2. Higher risk may arise from the customer's credit quality, guarantee wording, transaction complexity, tenure or inadequate security. Banks assess these factors under their approved policies.
3. Commission can compensate for risk, capital use, administration and monitoring. A higher fee is not a substitute for determining whether the guarantee is permissible or appropriately sanctioned.
4. The question does not imply that banks may disregard contractual disclosures or applicable rules. Exceptional risk explains risk-based pricing; it is not an automatic surcharge triggered by having several accounts.

Q32. What is the main function of a valid nominee for an individual bank deposit when the depositor dies?

व्यक्तिगत बैंक जमा के जमाकर्ता की मृत्यु होने पर वैध नामित व्यक्ति की मुख्य भूमिका क्या होती है?

- A. Receive the deposit under the nomination procedure, subject to succession rights
- B. Automatically become the sole legal heir in every case
- C. Audit the bank's balance sheet
- D. Approve RBI's monetary policy

Correct answer: A. Receive the deposit under the nomination procedure, subject to succession rights

Explanation

1. A valid nominee provides a route for the bank to settle the deposit after the depositor's death, subject to due verification and the applicable nomination rules.
2. Payment to the nominee can discharge the bank's liability when the required conditions are fulfilled. It does not necessarily determine who ultimately inherits the money under succession law.
3. The nominee may receive the funds as trustee for persons legally entitled to them. A nomination should therefore not be confused with a will or a universal declaration of ownership.
4. An authorised account operator acts during the account holder's lifetime under a mandate. Nomination primarily concerns settlement following death, so the two roles must be distinguished.

Q33. Which set contains factors that can all influence India's economic performance?

किस समूह के सभी कारक भारत के आर्थिक प्रदर्शन को प्रभावित कर सकते हैं?

- A. Only the number of bank holidays
- B. Inflation, population dynamics and trade balance
- C. None of the listed economic variables
- D. Only the colour of currency notes

Correct answer: B. Inflation, population dynamics and trade balance

Explanation

1. Inflation affects purchasing power, costs and the response of monetary policy. Both persistently high inflation and disruptive price instability can influence growth decisions.
2. Population dynamics affect labour supply, consumption and demand for education, health and infrastructure. Their impact depends on employment opportunities and human-capital development.
3. The trade balance reflects the difference between exports and imports of goods under the relevant definition. It connects domestic production with external demand and import dependence.
4. These factors interact with productivity, investment, institutions and policy. No single variable completely explains economic performance, so the question asks for a relevant set rather than one exclusive cause.

Q34. Which outcome conflicts with the usual reasons for promoting smaller enterprises?

कौन-सा परिणाम छोटे उद्यमों को बढ़ावा देने के सामान्य उद्देश्यों के विपरीत है?

- A. Local entrepreneurship
- B. Regional diversification
- C. Concentration of all economic power in a few firms
- D. Employment generation

Correct answer: C. Concentration of all economic power in a few firms

Explanation

1. Smaller enterprises can generate employment, enable entrepreneurship and distribute production across regions. These are common development-policy reasons for supporting the sector.
2. They can connect local skills and resources to supply chains and may reduce dependence on a small number of large employers. Their effectiveness depends on viability and access to markets.
3. Concentrating economic power in a few firms is not the intended rationale. Competition and a wider enterprise base are generally more consistent with broad participation.
4. Support should address concrete constraints such as finance, technology, skills and market access. Merely increasing the number of registered enterprises does not ensure productivity or sustainable employment.

Q35. Which description most closely matches the economic idea of laissez-faire?

आर्थिक विचार लेसे-फेयर का सबसे उपयुक्त वर्णन कौन-सा है?

- A. A ban on all international trade
- B. Mandatory public ownership of every business
- C. Minimal government intervention in market decisions
- D. Detailed central direction of all output

Correct answer: C. Minimal government intervention in market decisions

Explanation

1. Laissez-faire emphasises leaving production, exchange and pricing largely to private decisions and market forces. The central idea is limited intervention in economic activity.
2. It is an ideal-type concept. Actual market economies generally retain laws concerning property, contracts, public safety and competition.
3. A command economy allocates resources primarily through administrative decisions. That model contrasts with the market coordination associated with laissez-faire.
4. Minimal intervention should not be confused with the absence of all institutions. Enforceable contracts and property rights can support market transactions without the government directing every quantity produced.

Q36. Which authority issues the principal banking and foreign-exchange directions relevant to an Indian bank's guarantee in an FDI-related transaction?

FDI-संबंधित लेनदेन में भारतीय बैंक की गारंटी के लिए प्रमुख बैंकिंग और विदेशी मुद्रा निर्देश कौन जारी करता है?

- A. RBI
- B. A stock broker association
- C. A municipal corporation
- D. AMFI

Correct answer: A. RBI

Explanation

1. RBI's banking and foreign-exchange directions are central to determining whether a bank can issue the proposed guarantee and under what conditions.
2. FDI policy also involves the government and the applicable non-debt investment framework. Identifying RBI here does not mean every aspect of foreign investment is regulated by one institution alone.
3. Banks must examine the parties, underlying obligation, purpose and relevant FEMA conditions. The words FDI-related do not provide unconditional permission to issue a guarantee.
4. A guarantee creates a contingent exposure and can have cross-border implications. Sanction, pricing, reporting and enforceability therefore require a transaction-specific assessment.

Q37. In an eligible financial contract, what does bilateral netting primarily achieve?

पात्र वित्तीय अनुबंध में द्विपक्षीय नेटिंग का मुख्य परिणाम क्या होता है?

- A. It abolishes all counterparty risk
- B. It offsets mutual obligations between two parties into a net obligation under an enforceable framework
- C. It converts all losses into government grants
- D. It permits unlimited borrowing without collateral

Correct answer: B. It offsets mutual obligations between two parties into a net obligation under an enforceable framework

Explanation

1. Bilateral netting offsets obligations between the same two counterparties so that the payable amount can be expressed on a net basis under the contract and governing law.
2. For example, if A owes B Rs.100 and B owes A Rs.70 under eligible nettable obligations, the net amount is Rs.30 from A to B.
3. Close-out netting addresses termination and valuation of covered transactions after a specified event, such as default. Its enforceability matters for managing counterparty exposure.
4. Netting is not a blanket permission for every market transaction. India's qualified financial-contract framework and the terms of the eligible arrangement must be considered; a vague claim that SEBI allows only institutional trades is insufficient.

Q38. Which sequence lists the six SEBI mutual-fund Risk-o-meter levels from lowest to highest?

कौन-सा क्रम SEBI म्यूचुअल फंड रिस्कोमीटर के छह स्तरों को सबसे कम से सबसे अधिक जोखिम तक दिखाता है?

- A. Low; Moderate; Zero; High; Guaranteed; Very High
- B. Low; High; Moderate; Very High; Low to Moderate; Zero
- C. Very High; High; Low; Moderate; Zero; Guaranteed
- D. Low; Low to Moderate; Moderate; Moderately High; High; Very High

Correct answer: D. Low; Low to Moderate; Moderate; Moderately High; High; Very High

Explanation

1. The six levels progress from Low through Low to Moderate, Moderate, Moderately High and High to Very High. The ordering communicates increasing portfolio risk.
2. The label is based on the prescribed assessment framework and can change as the portfolio changes. It should not be treated as a permanent description unrelated to current holdings.
3. Low risk does not mean zero risk or a guaranteed return. Credit, interest-rate and liquidity risks can still affect debt-oriented schemes.
4. Investors should compare the scheme's Risk-o-meter with their own horizon, loss tolerance and objectives. The category does not promise that a high-risk scheme will always earn a higher realised return.

Q39. A household in Channarayapatna earns mainly from crop cultivation. In which economic sector should this activity be classified?

चन्नारायपटना में एक परिवार की मुख्य आय फसल उत्पादन से है। इस गतिविधि को किस आर्थिक क्षेत्र में रखा जाएगा?

- A. Financial intermediation only
- B. Tertiary sector
- C. Primary sector
- D. Secondary sector

Correct answer: C. Primary sector

Explanation

1. Crop cultivation belongs to the primary sector because it directly uses land and natural resources to produce agricultural output. The classification follows the activity, not the town's name.
2. Manufacturing and processing belong to the secondary sector. Turning agricultural produce into packaged food can therefore shift the classification of the processing activity.
3. Transport, retailing, banking and advisory services belong to the tertiary sector. A rural location does not make every service activity part of the primary sector.
4. Agriculture belongs to the primary sector. Manufacturing is secondary, while trade, banking and other services are tertiary activities.

Q40. A table lists the quantities consumers would buy at different prices, other things equal. What is this table called?

अन्य बातें समान रहते हुए अलग-अलग कीमतों पर उपभोक्ता द्वारा खरीदी जाने वाली मात्रा की तालिका क्या कहलाती है?

- A. Fiscal calendar
- B. Supply schedule
- C. Production account
- D. Demand schedule

Correct answer: D. Demand schedule

Explanation

1. A demand schedule records price-quantity combinations showing how much buyers are willing and able to purchase at each price, holding relevant other influences constant.
2. For an ordinary good, a higher price generally corresponds to a lower quantity demanded. Plotting the schedule gives a demand curve.
3. A movement along the demand curve results from a change in the good's own price. Changes in income, tastes or related-goods prices can shift the entire demand relationship.
4. A supply schedule describes sellers' quantities at different prices. Do not identify the table merely by its numerical form; determine whether it represents buyers or sellers.

Q41. For a standard EPS-eligible employee in 2023, how was the employer's 12% contribution ordinarily split, subject to the pensionable-wage ceiling?

2023 में सामान्य EPS-पात्र कर्मचारी के लिए, पेंशन योग्य वेतन की सीमा के अधीन नियोक्ता के 12% योगदान का सामान्य विभाजन क्या था?

- A. EPF 6% and EPS 6%
- B. EPF 12% and EPS 12%
- C. EPF 3.67% and EPS 8.33%
- D. EPF 8.33% and EPS 3.67%

Correct answer: C. EPF 3.67% and EPS 8.33%

Explanation

1. The employee's ordinary 12% contribution goes to EPF. For an EPS-eligible member, the employer's ordinary 12% is split between EPS and EPF under the applicable rules.
2. The commonly tested split is 8.33% to EPS and the balance 3.67% to EPF, subject to the pensionable-wage ceiling and the member's actual eligibility.
3. For a pensionable wage of Rs.15,000, 8.33% is approximately Rs.1,250 monthly. When actual wages exceed the ceiling, the employer's EPF balance need not remain exactly 3.67% of actual wages.
4. Do not apply this split blindly to employees who are not EPS members or to exceptional contribution arrangements. The question deliberately specifies an eligible standard case.

Q42. CPI rises from 118 to 124.6. What is the percentage inflation rate, rounded to two decimals?

CPI 118 से बढ़कर 124.6 हो जाता है। दो दशमलव तक मुद्रास्फीति दर कितनी है?

- A. 6.60%
- B. 5.93%
- C. 6.00%
- D. 5.59%

Correct answer: D. 5.59%

Explanation

1. The percentage change is $[(\text{new CPI} - \text{old CPI}) / \text{old CPI}] \times 100$. The denominator must be the previous period's index, because that is the comparison base.
2. The increase is $124.6 - 118 = 6.6$ index points. Dividing by 118 and multiplying by 100 gives 5.5932...%, or 5.59%.
3. An index-point increase and a percentage increase are different measures. Writing 6.6% merely because the index rose by 6.6 points is incorrect.
4. The numerical result follows from the difference between the two index values divided by the initial index, multiplied by 100.

Q43. An infrastructure debt fund established in trust form belongs to which broad structure?

ट्रस्ट के रूप में स्थापित अवसंरचना ऋण फंड किस व्यापक संरचना से संबंधित है?

- A. A mutual fund structure regulated by SEBI
- B. A life insurance policy
- C. A currency-printing authority
- D. A retail savings deposit

Correct answer: A. A mutual fund structure regulated by SEBI

Explanation

1. An Infrastructure Debt Fund can be structured as a mutual fund in trust form or as an NBFC in company form, with the applicable regulator and rules following that structure.
2. The trust-based IDF is associated with the mutual-fund route and SEBI regulation. The NBFC route belongs to RBI's regulatory framework.
3. The purpose is to channel longer-term investment into eligible infrastructure debt. A fund structure pools investors' resources rather than acting as an ordinary construction contractor.
4. Infrastructure cash flows can involve long maturities, concession terms and refinancing risk. A specialised fund does not make every financed project risk-free or remove the need for due diligence.

Q44. Subject to the RBI Act's specified exceptions, which act is prohibited for RBI under Section 19?

RBI अधिनियम के निर्दिष्ट अपवादों के अधीन धारा 19 में RBI के लिए कौन-सा कार्य निषिद्ध है?

- A. Acting as banker to banks
- B. Issuing banknotes under its mandate
- C. Drawing or accepting bills payable otherwise than on demand
- D. Conducting permitted foreign-exchange operations

Correct answer: C. Drawing or accepting bills payable otherwise than on demand

Explanation

1. Section 19 lists business that RBI may not transact, subject to statutory exceptions. Drawing or accepting bills payable otherwise than on demand is among the tested prohibitions.
2. Banknote issuance, permitted central-banking services and authorised foreign-exchange transactions belong to RBI's lawful functions under the relevant provisions.
3. A central bank has a statutory mandate and cannot act as an unrestricted commercial enterprise. Its powers must be located in the governing law.
4. The phrase subject to exceptions matters because the Act contains specific qualifications. Do not turn a statutory rule into a broader claim that RBI can never undertake any transaction involving bills.

Q45. Which country was not an Asian Clearing Union member in the October 2023 context?

अक्टूबर 2023 के संदर्भ में कौन-सा देश एशियाई समाशोधन संघ का सदस्य नहीं था?

- A. Iran
- B. Japan
- C. India
- D. Nepal

Correct answer: B. Japan

Explanation

1. Japan was not a member of the Asian Clearing Union in the stated context. India, Nepal and Iran were among its members.
2. ACU is a regional payments arrangement that facilitates settlement of eligible transactions among member economies. It is not a customs union creating one common external tariff.
3. Netting and periodic settlement can reduce the need for repeated gross payments, subject to operational rules and permitted transactions.
4. Membership does not imply that every transaction with a member must always use the same channel. Applicable restrictions, exemptions and transaction-specific directions can affect settlement arrangements.

Q46. Which label is not a recognised NBFC category in the 2023 classification context?

2023 के वर्गीकरण संदर्भ में कौन-सा नाम मान्य NBFC श्रेणी नहीं है?

- A. NBFC-MFI
- B. Infrastructure Finance Company
- C. Wholesale Deposit-taking NBFC as a distinct category
- D. Infrastructure Debt Fund NBFC

Correct answer: C. Wholesale Deposit-taking NBFC as a distinct category

Explanation

1. NBFC-MFI, IDFC-BNFC and Infrastructure Finance Company are recognised categories in the relevant regulatory context. Their asset composition and business models differ.
2. Wholesale Deposit-taking NBFC is not a distinct category merely created by that phrase. A plausible combination of financial words does not establish a recognised regulatory classification.
3. Deposit-taking permission is a separate issue. Most NBFCs are non-deposit-taking, and an eligible deposit-taking entity must comply with specific conditions and authorisation.
4. Older categories may be merged or reorganised through regulatory changes. For this historical question, use the 2023 context and avoid treating every descriptive business label as an official category.

Q47. What pricing information is typically not finalised in a red herring prospectus for a book-built issue?

बुक-बिल्ट निर्गम के रेड हेरिंग प्रॉस्पेक्टस में सामान्यतः कौन-सी मूल्य संबंधी जानकारी अंतिम नहीं होती?

- A. The final issue price
- B. The issuer's identity
- C. The fact that equity is being offered
- D. All risk factors

Correct answer: A. The final issue price

Explanation

1. A red herring prospectus is issued before the final pricing of the offer under the applicable process. It contains material company and risk disclosures while the final offer price is determined subsequently.
2. Book building collects bids within the offer process to assist price discovery. The final prospectus incorporates the pricing and other final particulars required by law.
3. The absence of a final price does not mean the document may omit risk factors or the issuer's background. Investors need those disclosures to evaluate the offer.
4. A price band, where applicable, and a final issue price serve different functions. Do not treat a preliminary range as proof that the final price is already fixed.

Q48. Why are funds held in an escrow account during a transaction?

लेनदेन के दौरान धन एस्करो खाते में क्यों रखा जाता है?

- A. To erase tax liabilities
- B. To provide an automatic pension at retirement
- C. To guarantee speculative profits
- D. To hold funds under agreed control until specified release conditions are met

Correct answer: D. To hold funds under agreed control until specified release conditions are met

Explanation

1. An escrow arrangement places money under agreed control so that it is released only when contractual conditions are satisfied. It helps manage performance and payment risk between parties.
2. For example, payment for an asset may be released after specified documents or milestones are verified. The arrangement sets who checks the conditions and who can authorise release.
3. The account's terms, legal documentation and permitted purpose matter. Merely calling an account escrow does not protect every party against all types of fraud or default.
4. Escrow is different from a normal personal savings account, an investment fund or a pension product. Its defining function is conditional custody and controlled release of transaction funds.

Q49. Which entity is not governed by the REIT/InvIT requirement to distribute at least 90% of applicable net distributable cash flows?

कौन-सी संस्था REIT/InvIT के लागू शुद्ध वितरण योग्य नकदी प्रवाह का कम-से-कम 90% वितरित करने वाले नियम के अधीन नहीं है?

- A. An ordinary NBFC merely because it is an NBFC
- B. REIT
- C. Both REIT and InvIT
- D. InvIT

Correct answer: A. An ordinary NBFC merely because it is an NBFC

Explanation

1. REITs and InvITs have prescribed distribution obligations linked to net distributable cash flows under their regulatory frameworks. The commonly tested minimum is 90% of the applicable amount.
2. An ordinary NBFC is not subject to that rule merely because it carries on financial business. Its dividends and capital management follow its own applicable legal and prudential requirements.
3. Distributions are payments to investors from applicable net distributable cash flows. They are different from repayment of outstanding borrowing.
4. NDCF is calculated using the relevant framework and adjustments. Do not substitute gross revenue or accounting profit for distributable cash without considering those adjustments.

Q50. Assume all three companies are subject to CSR and the figures are Section 198 net profits.

1. Company A: three-year profits (Rs.crore) -3, 12, 11; eligible CSR spending Rs.0.30 crore.

2. Company B: profits 0, 8, 7; spending Rs.0.18 crore.

3. Company C: profits 5, 6, 5.5; spending Rs.0.14 crore.

Which companies meet the 2% requirement?

मान लें कि तीनों कंपनियों पर CSR लागू है और लाभ धारा 198 के अनुसार हैं।

1. कंपनी A: तीन वर्षों का लाभ (करोड़ रुपये) -3, 12, 11; पात्र CSR खर्च 0.30 करोड़ रुपये।

2. कंपनी B: लाभ 0, 8, 7; खर्च 0.18 करोड़ रुपये।

3. कंपनी C: लाभ 5, 6, 5.5; खर्च 0.14 करोड़ रुपये।

कौन-सी कंपनियां 2% की आवश्यकता पूरी करती हैं?

- A. A only
- B. A, B and C
- C. A and B only
- D. B and C only

Correct answer: B. A, B and C

Explanation

1. Company A's average profit is $(-3 + 12 + 11) / 3 = \text{Rs. } 6.6667$ crore. Its minimum expenditure is approximately Rs.0.1333 crore, which is below the actual Rs.0.30 crore.
2. Company B's average is $(0 + 8 + 7) / 3 = \text{Rs. } 5$ crore. Two per cent is Rs.0.10 crore, and its actual expenditure of Rs.0.18 crore exceeds that amount.
3. Company C's average is $(5 + 6 + 5.5) / 3 = \text{Rs. } 5.5$ crore. Two per cent is Rs.0.11 crore, compared with actual expenditure of Rs.0.14 crore.
4. All three therefore meet the assumed requirement. Include the loss when computing A's three-year average; do not incorrectly convert the sum of Rs.20 crore into an average of Rs.10 crore.

Q51. Does a person obtain an automatic right to a fresh bank loan merely by being named as nominee of a deceased depositor?

क्या मृत जमाकर्ता का नामित व्यक्ति होने मात्र से किसी व्यक्ति को नया बैंक ऋण पाने का स्वतः अधिकार मिल जाता है?

- A. No; a new loan requires its own eligibility and credit assessment
- B. Yes, but only in rural branches
- C. Yes, without appraisal
- D. Yes, because nomination is a loan sanction

Correct answer: A. No; a new loan requires its own eligibility and credit assessment

Explanation

1. Deposit nomination concerns settlement of the deceased customer's deposit according to the applicable procedure. It is not a sanction for a new credit facility.
2. A fresh loan requires the lender to assess repayment capacity, purpose, credit history, documents and applicable policy conditions. A nominee must meet those conditions like another applicant.
3. A nominee can receive a deceased depositor's balance through the nomination procedure. This does not constitute approval of a new credit facility.
4. Receiving a deposit and taking responsibility for a separate debt are different transactions. Liability under an existing deceased borrower's loan also depends on contracts, estate and succession principles, not nomination alone.

Q52. Which action is inconsistent with the aim of achieving insurance inclusion while protecting policyholders?

पॉलिसीधारकों की सुरक्षा के साथ बीमा समावेशन बढ़ाने के उद्देश्य से कौन-सा कदम असंगत है?

- A. Strengthen claims servicing
- B. Remove all prudential and consumer-protection conditions
- C. Improve access in underserved areas
- D. Design affordable products

Correct answer: B. Remove all prudential and consumer-protection conditions

Explanation

1. Insurance inclusion requires access to suitable protection, affordability and reliable claims settlement. Increasing the number of policies without ensuring their suitability is insufficient.
2. Innovative products and wider distribution may help households and businesses cover risks. Clear disclosures and grievance handling support confidence in insurance.
3. Removing every prudential or consumer-protection condition would expose policyholders to avoidable risks. Solvency supervision helps insurers maintain resources to meet future claims.
4. Insurance for All by 2047 is a sectoral vision; it should not be interpreted as an unconditional foreign-investment rule. Investment limits and ownership conditions are separate legal policy decisions.

Q53. Under the Coinage Act rule, coins of denomination Re.1 or above are legal tender for a payment up to what aggregate amount?

सिक्का अधिनियम के नियम के अनुसार 1 रुपये या अधिक मूल्यवर्ग के सिक्के कितनी कुल राशि तक भुगतान के लिए वैध मुद्रा हैं?

- A. Any amount without a statutory limit
- B. Rs.100
- C. Rs.5,000
- D. Rs.1,000

Correct answer: D. Rs.1,000

Explanation

1. Coins of denomination Re.1 or above are legal tender for a sum not exceeding Rs.1,000. The question specifies the denomination because the rule is not identical for all coins.
2. A half-rupee coin has a lower aggregate legal-tender limit of Rs.10. Coins of 25 paise and below ceased to be legal tender from the notified date.
3. Legal tender determines the statutory acceptance limit for a payment. It should not be confused with the maximum denomination that the government may authorise for coin issuance.
4. Banks' operational obligations concerning receipt and exchange of coins are a separate issue. A transaction's legal-tender limit does not mean every denomination is invalid beyond ordinary retail use.

Q54. Do banks receive interest from RBI on their mandatory CRR balances in the 2023 framework?

2023 के ढाँचे में क्या बैंकों को RBI के पास रखी अनिवार्य CRR राशि पर ब्याज मिलता था?

- A. Yes, at the savings rate
- B. No
- C. Yes, at the repo rate
- D. Only on weekends

Correct answer: B. No

Explanation

1. RBI does not pay interest on the mandatory CRR balances. CRR is a reserve requirement maintained in cash with RBI against the prescribed liability base.
2. Holding these reserves reduces the funds immediately available for lending or other investment. The absence of interest makes CRR different from many earning assets on a bank's balance sheet.
3. SLR may be met through eligible assets such as government securities that can earn income. CRR and SLR therefore differ in both the location and nature of the reserve.
4. Do not confuse CRR with money placed in RBI's liquidity-absorption facilities. Deposits under a remunerated facility are subject to that facility's rules, not automatically treated as interest-bearing CRR.

Q55. Which group originally promoted NSDL in India?

भारत में NSDL की स्थापना को मूल रूप से किस समूह ने प्रोत्साहित किया था?

- A. BSE, LIC and RBI
- B. IDBI, UTI and NSE
- C. NSE, RBI and SEBI
- D. UTI, BSE and SBI

Correct answer: B. IDBI, UTI and NSE

Explanation

1. NSDL is a securities depository: it holds securities electronically and supports transfers through depository participants. Its original promoters included IDBI, UTI and NSE.
2. A depository reduces the risks of lost certificates, forged documents and delays in transferring ownership. Investors normally access its services through a registered participant.
3. NSE is the relevant stock exchange in this promoter group. BSE should not replace UTI merely because both exchanges operate in the securities market.
4. Keep the functions separate: SEBI regulates the securities market, exchanges provide trading facilities, and depositories maintain electronic holdings. A regulator is not automatically a promoter of every market institution.

Q56. What was the sum assured on death under PMJJBY in the 2023 scheme context?

2023 की योजना के संदर्भ में PMJJBY में मृत्यु पर बीमित राशि कितनी थी?

- A. Rs.1 lakh
- B. Rs.2 lakh
- C. Rs.4 lakh
- D. Rs.50,000

Correct answer: B. Rs.2 lakh

Explanation

1. Pradhan Mantri Jeevan Jyoti Bima Yojana provides life insurance of Rs.2 lakh for death due to any cause, subject to the scheme's terms, eligibility and applicable waiting-period rules.
2. The scheme is renewable annually and linked to a participating bank or post-office account. Premium collection ordinarily uses the prescribed auto-debit arrangement.
3. PMJJBY should not be confused with PMSBY, which is accident cover. An accidental death can fall within life cover, but the two schemes have different coverage definitions.
4. A life-insurance sum assured is a contractual benefit on a covered event. It is not an investment maturity amount or a guaranteed annual return on the premium paid.

Q57. In the October 2023 framework, what was a primary dealer's call/notice-money borrowing ceiling on a daily-average basis over a reporting fortnight, relative to prior-year NOF?

अक्टूबर 2023 के ढाँचे में रिपोर्टिंग पखवाड़े के दैनिक औसत आधार पर प्राथमिक डीलर की कॉल/नोटिस मनी उधारी सीमा पिछले वर्ष की NOF के कितने प्रतिशत थी?

- A. 225%
- B. 300%
- C. 150%
- D. 100%

Correct answer: A. 225%

Explanation

1. The applicable ceiling was 225% of net owned funds as at the end of the previous financial year, measured on a daily-average basis in a reporting fortnight.
2. Call money is unsecured overnight borrowing; notice money extends beyond overnight within the prescribed short-term range. These markets help institutions manage temporary liquidity mismatches.
3. If the relevant NOF is Rs.100 crore, the tested average borrowing ceiling is Rs.225 crore. This does not make every unrelated borrowing category subject to the same limit.
4. Regulatory limits and internally approved limits must be distinguished. A dealer can maintain a tighter internal limit, while its actual activities remain subject to the applicable RBI framework.

Q58. A previously unlisted company offers its equity shares to the public for the first time. What is this transaction called?

पहले असूचीबद्ध कंपनी पहली बार जनता को अपने इक्विटी शेयरों की पेशकश करती है। इसे क्या कहते हैं?

- A. Initial public offering
- B. Buyback
- C. Bonus issue
- D. Rights issue only

Correct answer: A. Initial public offering

Explanation

1. An initial public offering is the first public offer of a company's shares. It may contain a fresh issue, an offer for sale by existing holders, or a combination.
2. A fresh issue brings funds into the company. In an offer for sale, proceeds normally go to the selling shareholders, so every IPO does not raise fresh corporate capital.
3. A rights issue offers securities to existing shareholders according to the applicable entitlement. A bonus issue capitalises reserves without collecting fresh cash from recipients.
4. A buyback involves the company purchasing its own shares. It is the reverse direction of a public issue and should not be confused with a company's first sale to the public.

Q59. Under RBI's 2017 CP directions relevant to October 2023, an eligible other entity such as a trust or LLP needed at least what net worth?

अक्टूबर 2023 के लिए प्रासंगिक RBI के 2017 CP निर्देशों में ट्रस्ट या LLP जैसी पात्र अन्य संस्था की न्यूनतम नेटवर्थ कितनी थी?

- A. Rs.500 crore
- B. Rs.4 crore
- C. Rs.100 crore
- D. Rs.25 crore

Correct answer: C. Rs.100 crore

Explanation

1. The 2017 directions specified a net worth of Rs.100 crore or higher for the relevant other-entity category, including entities such as trusts or LLPs, subject to the prescribed conditions.
2. The question specifies that category because the threshold should not be casually described as a uniform Rs.100 crore requirement for every company issuing CP.
3. Eligible issuers also had to satisfy other conditions, including the treatment of applicable fund-based facilities as standard assets and the relevant rating requirements.
4. Net worth is a balance-sheet measure, not annual sales or the face value of one CP issue. Read the issuer category and issue-date directions together before applying an eligibility figure.

Q60. Using the traditional national-income convention, how is NDP at factor cost obtained from NDP at market prices?

राष्ट्रीय आय की पारंपरिक पद्धति में बाजार कीमत पर NDP से साधन लागत पर NDP कैसे प्राप्त होता है?

- A. Add net factor income from abroad only
- B. Subtract indirect taxes and add subsidies
- C. Subtract depreciation again
- D. Add indirect taxes and subtract subsidies

Correct answer: B. Subtract indirect taxes and add subsidies

Explanation

1. Market prices include indirect taxes and reflect the effect of subsidies. Factor cost measures the income attributable to the factors of production under the traditional convention.
2. The conversion is $\text{NDP at factor cost} = \text{NDP at market prices} - \text{indirect taxes} + \text{subsidies}$. Equivalently, subtract net indirect taxes.
3. Depreciation has already been deducted when GDP becomes NDP. Deducting it again would understate the result and confuse the gross-to-net conversion with the price-basis conversion.
4. Net factor income from abroad changes a domestic aggregate into a national aggregate. It is not the adjustment needed to move from market prices to factor cost.

Q61. How can a large domestic insurer such as LIC help stabilise an equity market during a financial crisis?

वित्तीय संकट के दौरान LIC जैसी बड़ी घरेलू बीमा संस्था शेयर बाजार को स्थिर करने में कैसे सहायता कर सकती है?

- A. By guaranteeing every investor's profit
- B. By banning all share trading
- C. By supplying patient long-term investment demand within its mandate
- D. By replacing SEBI as the regulator

Correct answer: C. By supplying patient long-term investment demand within its mandate

Explanation

1. A large insurer pools long-term funds and invests to support its liabilities. Its investment horizon can differ from that of investors responding to short-term market panic.
2. Purchases by domestic institutional investors may support demand when other investors sell sharply. This is the economic stabilising role being tested in the crisis context.
3. Such activity must remain consistent with solvency, investment limits and obligations to policyholders. Stabilising demand does not justify ignoring the insurer's own risk controls.
4. Neither LIC nor any insurer guarantees that share prices cannot fall. Market support, market regulation and a contractual guarantee of investment returns are different concepts.

Q62. Which instrument is short-term government debt rather than a long-term bond?

कौन-सा साधन दीर्घकालीन बॉन्ड के बजाय अल्पकालीन सरकारी ऋण है?

- A. A fifteen-year corporate bond
- B. A Treasury bill
- C. A municipal infrastructure bond
- D. A ten-year government bond

Correct answer: B. A Treasury bill

Explanation

1. A Treasury bill is a short-term government instrument with a regular maturity of up to one year. It is normally issued at a discount and redeemed at face value.
2. Long-term government, corporate and municipal bonds generally fund needs over a longer horizon. Their issuer risk and market structure can differ substantially.
3. Short maturity often reduces interest-rate sensitivity relative to a comparable long-duration instrument, but it does not make every short-term security free of all risks.
4. The expression Regulatory Debt Entities is not needed to classify maturity. The corrected question tests the underlying distinction between short-term bills and long-term bonds directly.

Q63. Which activity is least consistent with the specialised role of a merchant banker?

कौन-सी गतिविधि मर्चेंट बैंकर की विशेष भूमिका से सबसे कम मेल खाती है?

- A. Issue management
- B. Operating ordinary retail savings accounts as its defining function
- C. Underwriting arrangements
- D. Corporate financial advisory

Correct answer: B. Operating ordinary retail savings accounts as its defining function

Explanation

1. Merchant banking focuses on capital-market and corporate-finance services such as issue management, due diligence, structuring and advisory work under the applicable registration framework.
2. Underwriting arrangements can help an issuer address subscription risk. Corporate advisory may include restructuring or fund-raising advice, depending on permissions and services offered.
3. Operating ordinary household savings accounts is characteristic of deposit banking. It is not the defining merchant-banking service being tested here.
4. A financial group may contain several licensed businesses. The existence of a banking affiliate does not erase the distinction between a merchant banker's mandate and a deposit-taking bank's functions.

Q64. What is the main liquidity purpose of issuing securities under the Market Stabilisation Scheme?

बाजार स्थिरीकरण योजना के अंतर्गत प्रतिभूतियाँ जारी करने का प्रमुख तरलता उद्देश्य क्या है?

- A. Finance every new welfare scheme from unrestricted receipts
- B. Absorb excess liquidity
- C. Set all corporate bond coupons
- D. Increase household currency holdings automatically

Correct answer: B. Absorb excess liquidity

Explanation

1. The Market Stabilisation Scheme uses government securities to absorb surplus liquidity, including liquidity arising from large foreign-exchange inflows and related intervention.
2. Investors pay for the securities, which withdraws funds from the system. The proceeds are maintained in the specified separate account rather than treated as freely available budget financing.
3. This sterilisation function distinguishes MSS from ordinary borrowing used to fund government expenditure. Both involve securities, but the use of proceeds differs.
4. Do not confuse MSS with a central-bank purchase of securities, which normally injects liquidity. The direction of the transaction helps identify whether liquidity is being absorbed or supplied.

Q65. The University Education Commission chaired by Dr. S. Radhakrishnan was associated with which area?

डॉ. एस. राधाकृष्णन की अध्यक्षता वाला विश्वविद्यालय शिक्षा आयोग किस क्षेत्र से संबंधित था?

- A. Insurance solvency
- B. Higher-education reform
- C. Foreign-exchange trading
- D. Bank capital adequacy

Correct answer: B. Higher-education reform

Explanation

1. The Radhakrishnan Commission of 1948-49 examined university education and made recommendations concerning higher education in independent India.
2. Education affects economic development through skills, productivity, research and the capacity to adopt technology. This explains its relevance to the broader economy syllabus.
3. It should not be confused with committees on banking reforms or capital-account convertibility. Those belong to different policy histories and have different chairpersons.
4. The question explicitly identifies the University Education Commission to avoid ambiguity from surnames shared by different committees. Use the commission's subject and date as identification aids.

Q66. Which planning instrument mainly guided India's organised post-independence development before the transition to NITI Aayog?

नीति आयोग की ओर परिवर्तन से पहले स्वतंत्रता के बाद भारत के संगठित विकास को मुख्यतः किस नियोजन साधन ने निर्देशित किया?

- A. Quarterly currency auctions
- B. Five-Year Plans
- C. Individual banks' annual reports
- D. Daily stock-exchange reports

Correct answer: B. Five-Year Plans

Explanation

1. Five-Year Plans provided a multi-year framework for development priorities, sectoral allocation and public investment. The first plan began in 1951.
2. Different plans placed emphasis on agriculture, industrialisation, infrastructure or other objectives according to prevailing conditions. Planning operated alongside annual budgets and policy instruments.
3. Annual budgets authorise expenditure and taxation for a particular year. Their role is important, but a one-year budget is not identical to a five-year development framework.
4. NITI Aayog replaced the Planning Commission in 2015. For historical examination questions, retain the distinction between the earlier Five-Year Plan system and the subsequent policy institution.

Q67. Who chairs India's Monetary Policy Committee?

भारत की मौद्रिक नीति समिति की अध्यक्षता कौन करता है?

- A. Any Deputy Governor by automatic rotation
- B. The SEBI Chairperson
- C. The RBI Governor
- D. The Finance Minister

Correct answer: C. The RBI Governor

Explanation

1. The RBI Governor chairs the Monetary Policy Committee. The committee decides the policy rate required to achieve the statutory inflation objective within its mandate.
2. A Deputy Governor in charge of monetary policy is an RBI member of the committee, but that position does not make the Deputy Governor its chair.
3. The committee includes RBI members and externally appointed members. Its statutory composition is different from the RBI central board or a government budget committee.
4. The Governor has a casting vote in the event of a tie under the governing framework. Fiscal decisions remain with the government; MPC decisions concern monetary policy.

Q68. Which rate is set by an individual commercial bank for its own customers rather than being the central bank's bank rate?

कौन-सी दर केंद्रीय बैंक की बैंक दर के बजाय वाणिज्यिक बैंक द्वारा अपने ग्राहकों के लिए तय की जाती है?

- A. The bank's savings-deposit interest rate
- B. The RBI MSF rate
- C. The RBI policy repo rate
- D. The notified RBI bank rate

Correct answer: A. The bank's savings-deposit interest rate

Explanation

1. A savings-deposit interest rate concerns what a commercial bank pays its customers on an eligible deposit product. It is different from the central bank's bank rate.
2. Traditionally, the bank rate is associated with RBI's readiness to buy or rediscount eligible bills. In the operating framework it is aligned with MSF and can serve regulatory reference purposes.
3. Repo and MSF are central-bank liquidity-facility rates. A commercial bank considers policy conditions and its funding needs when setting customer rates, but the rates need not be identical.
4. Avoid treating every interest rate in the economy as one centrally prescribed figure. Deposit rates, loan rates, policy rates and penal reference rates have different purposes.

Q69. What is the principal purpose of the FX-Retail platform?

FX-Retail प्लेटफॉर्म का प्रमुख उद्देश्य क्या है?

- A. Collecting income tax returns
- B. Retail participation in foreign exchange transactions through an electronic platform
- C. Trading only in corporate shares
- D. Issuing life insurance policies

Correct answer: B. Retail participation in foreign exchange transactions through an electronic platform

Explanation

1. FX-Retail is designed to improve access and price discovery for retail foreign-exchange customers through an electronic trading arrangement linked to authorised banks.
2. A customer may obtain more transparent market quotations for eligible foreign-exchange requirements. The transaction still operates through the applicable banking and foreign-exchange framework.
3. The platform does not remove FEMA requirements or permit unrestricted currency speculation by every person. Product eligibility and permitted purpose must still be respected.
4. Government-securities retail platforms, mutual fund platforms and foreign-exchange platforms should be kept separate. The letters FX refer to foreign exchange, which identifies the relevant market.

Q70. Which comparison of white-label and brown-label ATM arrangements is correct?

व्हाइट-लेबल और ब्राउन-लेबल ATM व्यवस्थाओं की कौन-सी तुलना सही है?

- A. White-label ATMs are always owned by RBI
- B. Both labels mean that cash withdrawals are legally prohibited
- C. White-label ATMs are owned and operated by authorised non-bank entities; brown-label arrangements outsource equipment or site services while the bank retains specified banking responsibilities
- D. Brown-label ATMs are stock exchanges

Correct answer: C. White-label ATMs are owned and operated by authorised non-bank entities; brown-label arrangements outsource equipment or site services while the bank retains specified banking responsibilities

Explanation

1. White-label ATM operators are authorised non-bank entities that set up, own and operate ATMs under RBI's framework. Customers can use eligible bank cards subject to the network arrangements.
2. In a brown-label arrangement, a service provider may supply equipment, premises or maintenance while the bank retains branding and specified responsibilities such as cash or connectivity arrangements.
3. Ownership of hardware should not be casually assigned to the bank in every outsourced model. The actual agreement determines which functions are outsourced.
4. Colour labels such as green or orange are informal teaching descriptions rather than equivalent statutory licences. The corrected question focuses on the operational distinction between the two principal models.

Q71. Revenue deficit is Rs.120 crore and grants for creation of capital assets are Rs.35 crore. What is the effective revenue deficit?

राजस्व घाटा 120 करोड़ रुपये और पूंजीगत परिसंपत्तियों के सृजन के लिए अनुदान 35 करोड़ रुपये है। प्रभावी राजस्व घाटा कितना होगा?

- A. Rs.155 crore
- B. Rs.35 crore
- C. Rs.120 crore
- D. Rs.85 crore

Correct answer: D. Rs.85 crore

Explanation

1. Effective revenue deficit equals revenue deficit minus grants for creation of capital assets. Here the calculation is Rs.120 crore - Rs.35 crore = Rs.85 crore.
2. Such grants are booked as revenue expenditure by the granting government even though the recipient uses them to create capital assets. The adjustment recognises this distinction.
3. Revenue deficit compares revenue expenditure with revenue receipts. Fiscal deficit instead measures the overall financing gap, excluding borrowings from receipts.
4. Primary deficit is fiscal deficit minus interest payments. Neither primary deficit nor fiscal deficit can be calculated from the two figures supplied in this question.

Q72. Which pairing of a long-term credit rating and its broad interpretation is correct?

दीर्घकालीन साख रेटिंग और उसके सामान्य अर्थ का कौन-सा मिलान सही है?

- A. AAA - highest safety; A - adequate safety; BBB - moderate safety; C - very high default risk
- B. AAA - default; A - highest safety; BBB - no risk; C - moderate safety
- C. AAA - moderate safety; A - no risk; BBB - default; C - highest safety
- D. AAA - speculative; A - default; BBB - highest safety; C - adequate safety

Correct answer: A. AAA - highest safety; A - adequate safety; BBB - moderate safety; C - very high default risk

Explanation

1. AAA indicates the highest degree of safety regarding timely servicing of financial obligations. It does not guarantee that losses or adverse changes can never occur.
2. A denotes adequate safety, while BBB denotes moderate safety. BBB is commonly the lowest broad investment-grade category; it should not automatically be described as speculative grade.
3. C indicates a very high degree of risk concerning timely servicing. D is the category associated with default or an expectation of imminent default under the applicable rating scale.
4. A credit rating is an opinion on credit risk. It does not measure every investment risk: market price movements, liquidity constraints and interest-rate changes can still affect a rated security.

Q73. Which enterprise category falls outside the MSE focus of CGTMSE?

CGTMSE के सूक्ष्म और लघु उद्यमों वाले दायरे से कौन-सी उद्यम श्रेणी बाहर है?

- A. Micro enterprises
- B. Medium enterprises
- C. Both micro and small enterprises
- D. Small enterprises

Correct answer: B. Medium enterprises

Explanation

1. CGTMSE means Credit Guarantee Fund Trust for Micro and Small Enterprises. The scheme supports eligible credit extended by member lending institutions to micro and small enterprises.
2. Its guarantee helps address the collateral problem faced by viable smaller businesses. The lender still appraises the borrower and follows applicable eligibility and claim conditions.
3. Medium enterprises do not become eligible merely because the wider expression MSME includes them. The name and scope of this particular guarantee scheme focus on MSEs.
4. A credit guarantee protects the lender against a specified eligible loss; it is not an unconditional grant to the borrower or a cancellation of the borrower's repayment obligation.

Q74. Which organisation is a securities regulator rather than a credit information company?

कौन-सी संस्था साख सूचना कंपनी के बजाय प्रतिभूति नियामक है?

- A. TransUnion CIBIL
- B. Equifax
- C. SEBI
- D. CRIF High Mark

Correct answer: C. SEBI

Explanation

1. SEBI regulates India's securities market within its statutory mandate. It is not a credit information company supplying borrowers' credit reports to lenders.
2. Credit information companies collect and process information from member institutions and provide credit histories and scores under the applicable legal framework.
3. TransUnion CIBIL, Equifax and CRIF High Mark are examples of such companies in India. Experian is another relevant name to remember.
4. A credit report assists appraisal but does not automatically sanction or reject every loan. Lenders combine credit history with income, obligations, purpose and their policies.

Q75. Which description correctly distinguishes factoring, forfaiting, TReDS and bill discounting?

फैक्टरिंग, फॉरफेटींग, TReDS और बिल डिस्काउंटिंग का सही अंतर कौन-सा है?

- A. All four are life-insurance contracts
- B. Forfaiting always means accepting household savings deposits
- C. Factoring buys receivables; forfaiting commonly purchases export receivables without recourse; TReDS facilitates MSME receivables financing; bill discounting provides funds before bill maturity
- D. TReDS is a physical currency denomination

Correct answer: C. Factoring buys receivables; forfaiting commonly purchases export receivables without recourse; TReDS facilitates MSME receivables financing; bill discounting provides funds before bill maturity

Explanation

1. Factoring involves purchase or financing of receivables and may also include collection and credit-management services. Recourse depends on the agreement.
2. Forfaiting commonly involves purchase of export receivables without recourse to the exporter, often represented by bills or notes and supported by acceptable guarantees.
3. TReDS is an electronic platform facilitating financing of MSME trade receivables from buyers through multiple financiers. The platform is not itself simply a bilateral deposit account.
4. Bill discounting gives the holder funds before maturity after deducting the discount or charges. Compare the transaction structure, service bundle and allocation of debtor-default risk rather than treating the four terms as interchangeable.

Q76. Why can an underdeveloped commercial-bill market weaken the traditional effectiveness of the bank rate?

अविकसित वाणिज्यिक बिल बाजार बैंक दर की पारंपरिक प्रभावशीलता को क्यों कमजोर कर सकता है?

- A. It limits the use of rediscounting as a policy transmission channel
- B. It makes the bank rate identical to CRR
- C. It abolishes all RBI lending powers
- D. It prevents every bank from accepting deposits

Correct answer: A. It limits the use of rediscounting as a policy transmission channel

Explanation

1. The traditional bank-rate mechanism relies partly on the central bank's willingness to discount or rediscount eligible bills. A shallow bill market reduces the practical importance of that channel.
2. If banks rarely fund themselves by rediscounting such bills, a change in the quoted rate may have less direct influence on their marginal funding costs.
3. This does not mean the bank rate has no legal or administrative significance. It can still be relevant for specified penal rates and other references in the regulatory framework.
4. Modern monetary-policy transmission also uses the repo rate, liquidity operations and expectations. The question asks why one traditional channel may be weak, rather than declaring all monetary policy ineffective.

Q77. Under the CP framework applicable in October 2023, commercial paper was issued in denominations of Rs.5 lakh and multiples of what amount?

अक्टूबर 2023 में लागू CP ढाँचे के अनुसार वाणिज्यिक पत्र 5 लाख रुपये के मूल्यवर्ग और किस राशि के गुणकों में जारी होते थे?

- A. Rs.1 lakh
- B. Rs.25 lakh
- C. Rs.50,000
- D. Rs.5 lakh

Correct answer: D. Rs.5 lakh

Explanation

1. Commercial paper is an unsecured money-market instrument issued by eligible entities. Under the relevant 2017 directions, its denomination was Rs.5 lakh and multiples thereof.
2. A subscription of Rs.15 lakh represents three units of Rs.5 lakh. A figure such as Rs.12 lakh would not satisfy this denomination rule for that issue.
3. CP differs from a certificate of deposit: the issuer category and regulatory provisions differ even though both belong to the money market.
4. Denomination is separate from maturity, credit rating and issuer eligibility. Remembering the unit size does not remove the need to check the other conditions or the issue-date framework.

Q78. Which feature is a benefit of the FRBM framework rather than a limitation?

कौन-सी विशेषता FRBM ढाँचे की सीमा के बजाय उसका लाभ है?

- A. Possible emphasis on numerical targets over expenditure quality
- B. Potentially reduced room for counter-cyclical spending
- C. Greater fiscal transparency and reporting
- D. Pressure for adjustment during a weak economy

Correct answer: C. Greater fiscal transparency and reporting

Explanation

1. The Fiscal Responsibility and Budget Management framework seeks more disciplined fiscal management and improved transparency. Reporting obligations make the government's fiscal position easier to assess.
2. A possible limitation is that rigid numerical targets can constrain counter-cyclical policy if applied without appropriate flexibility during a downturn.
3. Another concern is the quality of adjustment: cutting productive capital spending may meet a short-term deficit target while harming future growth.
4. Greater transparency is therefore a benefit, not the limitation being asked for. Fiscal discipline should be assessed alongside economic conditions, the composition of spending and permitted escape provisions.

Q79. What was the general minimum InvIT sponsor holding associated with the first three years after initial listing in the 2023 framework, subject to regulatory exceptions?

नियामकीय अपवादों के अधीन 2023 के ढाँचे में प्रारंभिक सूचीबद्धता के बाद पहले तीन वर्षों से संबंधित InvIT प्रायोजक की सामान्य न्यूनतम इकाई हिस्सेदारी कितनी थी?

- A. 10%
- B. 15%
- C. 5%
- D. 40%

Correct answer: B. 15%

Explanation

1. The general minimum tested for InvIT sponsors was 15% of the applicable total units for the first three years after initial listing, subject to the framework's qualifications.
2. Sponsor holding aligns the sponsor's economic interest with the trust's investors. Lock-in requirements help maintain that commitment during the initial period.
3. The regulations contain exceptions, transitional treatment and additional holding conditions, including cases affected by project or concession arrangements. The simplified percentage is not the complete rule.
4. InvIT units represent investment in the trust, not direct ownership of every physical project asset. Apply the percentage to the specified unit base and consult the relevant version of the regulations for detailed compliance.

Q80. In October 2023, what was the permitted FDI ceiling for Indian insurance companies under the amended framework, subject to conditions?

संशोधित ढाँचे और शर्तों के अधीन अक्टूबर 2023 में भारतीय बीमा कंपनियों के लिए FDI की अधिकतम सीमा कितनी थी?

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

Correct answer: C. 74%

Explanation

1. The insurance-company FDI ceiling in the October 2023 context was 74%, following the 2021 amendment. The question is expressly historical rather than a statement of the current ceiling.
2. Foreign investment remains subject to the relevant law, rules and conditions. A numerical ceiling alone does not mean every proposed transaction is automatically permissible.
3. Insurance companies and insurance intermediaries can have different investment frameworks. Do not import the limit for one category into a question about another.
4. When practising an older paper, record the date attached to a regulatory figure. Later changes should be studied separately for a current examination rather than retroactively altering the historical question.

Q81. In the basic IS-LM model, what identifies simultaneous equilibrium in the goods and money markets?

मूल IS-LM मॉडल में वस्तु और मुद्रा बाजारों का एक साथ संतुलन किससे पहचाना जाता है?

- A. The intersection of IS and LM curves
- B. The maximum money supply alone
- C. A vertical supply curve for one commodity
- D. Any point on the IS curve regardless of LM

Correct answer: A. The intersection of IS and LM curves

Explanation

1. The IS curve represents income-interest-rate combinations consistent with goods-market equilibrium. The LM curve represents combinations consistent with money-market equilibrium.
2. Their intersection satisfies both conditions simultaneously. The corresponding coordinates give the model's equilibrium level of income and interest rate.
3. Higher government spending can shift IS to the right, while an increase in real money supply can shift LM to the right or down in the standard framework.
4. A change in interest rates can cause movement along an existing IS curve. A change in autonomous expenditure can shift the curve.

Q82. Which description correctly distinguishes an index fund, a fund of funds, ELSS and a liquid fund?

इंडेक्स फंड, फंड ऑफ फंड्स, ELSS और लिक्विड फंड का सही अंतर कौन-सा है?

- A. A liquid fund must invest only in equity shares
- B. Index fund tracks an index; fund of funds invests in funds; ELSS offers eligible tax benefits; liquid fund holds short-term debt
- C. All four invest only in physical property
- D. ELSS is an overnight borrowing facility

Correct answer: B. Index fund tracks an index; fund of funds invests in funds; ELSS offers eligible tax benefits; liquid fund holds short-term debt

Explanation

1. An index fund seeks to track a specified market index and generally follows a passive investment approach. Tracking error measures how closely its performance follows that index.
2. A fund of funds invests in units of other funds. Its costs and risks depend on both its own structure and the underlying funds in which it invests.
3. ELSS is an equity-linked savings scheme with a statutory lock-in. Eligible Section 80C deductions depend on the investor using a tax regime that permits that deduction.
4. A liquid fund invests in short-term debt and money-market instruments within its regulatory maturity limits. It may offer convenient liquidity, but it is not a guaranteed-return bank deposit.

Q83. Which intermediary commonly earns a fee for helping a company manage a public securities issue?

कंपनी की सार्वजनिक प्रतिभूति निर्गम प्रक्रिया के प्रबंधन में सहायता देने के लिए सामान्यतः कौन-सा मध्यस्थ शुल्क लेता है?

- A. The currency-printing press
- B. Merchant banker or lead manager
- C. Every retail savings-account customer
- D. A village land registrar

Correct answer: B. Merchant banker or lead manager

Explanation

1. A merchant banker acting as lead manager assists with the issue process, due diligence, documentation and coordination under the applicable securities framework.
2. The issuer pays agreed professional fees for these services. The exact responsibilities follow the engagement and regulatory requirements; the intermediary does not simply guarantee every investor a profit.
3. Registrars, bankers to the issue and other intermediaries can have distinct roles and fees. A public issue typically requires coordination rather than a single organisation performing every task.
4. SEBI regulates the process within its mandate, while RBI performs a different regulatory role. A regulator should not be confused with the hired issue-management adviser.

Q84. What does a higher CRR generally do to banks' funds available for lending, other things equal?

अन्य बातें समान रहने पर CRR बढ़ने से बैंकों के ऋण देने के लिए उपलब्ध धन पर सामान्यतः क्या प्रभाव पड़ता है?

- A. It reduces the amount available outside mandatory RBI cash reserves
- B. It makes CRR balances earn coupon interest
- C. It eliminates deposit liabilities
- D. It automatically increases every bank's profit

Correct answer: A. It reduces the amount available outside mandatory RBI cash reserves

Explanation

1. A higher CRR requires banks to keep a larger prescribed share of the relevant liabilities as cash balances with RBI. This leaves less immediately available for lending or other deployment.
2. For a simplified liability base of Rs.1,000 crore, increasing the ratio by one percentage point raises the required reserve by Rs.10 crore.
3. CRR helps monetary and liquidity management, but the overall effect depends on other RBI operations and banks' balance-sheet conditions. A single ratio does not determine the entire credit outcome.
4. CRR balances do not earn interest. Maintaining a statutory cash reserve should be distinguished from investing in interest-bearing securities or placing money under a remunerated liquidity facility.

Q85. Which distinction between hire purchase and leasing is generally valid?

किराया खरीद और पट्टे के बीच सामान्यतः कौन-सा अंतर सही है?

- A. Every lease automatically transfers ownership
- B. Hire purchase transfers title before any payment in every case
- C. Every lease requires the lessor to maintain the asset
- D. Hire purchase may transfer title after contractual conditions are fulfilled; leasing normally grants use while title remains with the lessor

Correct answer: D. Hire purchase may transfer title after contractual conditions are fulfilled; leasing normally grants use while title remains with the lessor

Explanation

1. Hire purchase allows the hirer to possess and use an asset while paying instalments. Ownership generally passes when the required conditions are fulfilled and the purchase option is exercised.
2. A lease grants the lessee a right to use an asset for a contractual period. Legal ownership usually remains with the lessor unless a separate contractual transfer occurs.
3. Maintenance cannot be assigned to the lessor in every lease. Operating leases and finance leases may allocate servicing, insurance and operating costs differently.
4. Read the agreement instead of treating payment of the final instalment as a universal rule for all contracts. Possession, use, risk allocation and legal title are distinct concepts.

Q86. What is the main financing purpose of an Infrastructure Debt Fund?

अवसंरचना ऋण फंड का प्रमुख वित्तपोषण उद्देश्य क्या है?

- A. Selling crop seeds directly
- B. Printing currency notes
- C. Daily consumer cash withdrawals
- D. Long-term funding or refinancing of eligible infrastructure debt

Correct answer: D. Long-term funding or refinancing of eligible infrastructure debt

Explanation

1. An Infrastructure Debt Fund channels investment towards eligible infrastructure debt and can support longer-term financing or refinancing of projects under its structure's rules.
2. Infrastructure projects often require repayment horizons longer than ordinary working-capital loans. Financing must be assessed against expected project revenues and debt-service capacity.
3. Refinancing can help release existing lenders' funds and bring investors whose horizons suit infrastructure assets. It does not erase construction, operating or counterparty risks.
4. An IDF may use an NBFC or mutual-fund structure. The structure determines the regulatory conditions, while the broad economic purpose remains infrastructure debt financing.

Q87. How many regional local boards are provided for in RBI's institutional structure?

RBI की संस्थागत संरचना में कितने क्षेत्रीय स्थानीय बोर्डों का प्रावधान है?

- A. Six
- B. Four
- C. Eight
- D. Two

Correct answer: B. Four

Explanation

1. RBI has four local boards representing the western, eastern, northern and southern areas. Their locations are Mumbai, Kolkata, New Delhi and Chennai respectively.
2. These boards advise the central board on local matters and perform duties delegated to them. They are not four independent central banks with separate national monetary policies.
3. The central board is responsible for the overall governance framework under the RBI Act. The Monetary Policy Committee has a separate statutory policy role.
4. Do not confuse local boards with RBI regional offices or the number of Deputy Governors. Organisational questions often place these different counts among the distractors.

Q88. What minimum initial paid-up voting equity capital was specified for a new universal bank in RBI's 2016 on-tap licensing guidelines?

RBI के 2016 के ऑन-टैप लाइसेंसिंग दिशानिर्देशों में नए सार्वभौमिक बैंक की न्यूनतम प्रारंभिक चुकता वोटिंग इक्विटी पूंजी कितनी निर्धारित थी?

- A. Rs.500 crore
- B. Rs.200 crore
- C. Rs.100 crore
- D. Rs.5,000 crore

Correct answer: A. Rs.500 crore

Explanation

1. The 2016 on-tap guidelines specified Rs.500 crore as the minimum initial paid-up voting equity capital for a universal bank. The historical guideline is expressly named here.
2. A licensing capital requirement is a threshold for establishing a bank. It differs from ongoing capital-adequacy requirements expressed relative to risk-weighted assets.
3. Different bank categories have different entry conditions. A figure for a payments bank or a small finance bank cannot be used automatically for a universal bank.
4. A committee recommendation to increase a threshold and the operative licensing guideline are not identical. For a current licensing decision, consult the latest applicable RBI requirements separately.

Q89. In which year was FIMMDA incorporated?

FIMMDA का निगमित गठन किस वर्ष हुआ था?

- A. 1997
- B. 1998
- C. 1995
- D. 2000

Correct answer: B. 1998

Explanation

1. FIMMDA was incorporated on 4 May 1998. Its full name is the Fixed Income Money Market and Derivatives Association of India.
2. It is a voluntary market body representing participants such as banks, financial institutions, primary dealers and insurance companies in relevant financial markets.
3. Its work includes market conventions, documentation and standards within its role. It is not India's central bank or the statutory regulator for every derivative transaction.
4. FIMMDA focuses on the fixed-income, money and derivatives markets. Its incorporation year should be distinguished from the establishment dates of other financial-market associations.

Q90. What age group was eligible to enrol in PMSBY in the 2023 scheme framework?

2023 के योजना नियमों में PMSBY में नामांकन के लिए पात्र आयु समूह क्या था?

- A. 18-50 years
- B. 18-55 years
- C. 18-70 years
- D. 21-60 years

Correct answer: C. 18-70 years

Explanation

1. PMSBY is available to eligible bank-account holders aged 18 to 70 years, subject to the scheme conditions and enrolment consent.
2. It provides accident-insurance protection. PMJJBY is a separate life-insurance scheme with a different entry-age range.
3. The age condition, benefit amount and annual premium are different scheme features. They should be checked separately when comparing social-insurance schemes.

Q91. Which statement about financial institutions is incorrect?

वित्तीय संस्थाओं के बारे में कौन-सा कथन गलत है?

- A. IFC is a subsidiary of RBI
- B. IFC belongs to the World Bank Group
- C. A mortgage guarantee can support an eligible housing loan
- D. An NBFC cannot accept demand deposits

Correct answer: A. IFC is a subsidiary of RBI

Explanation

1. The International Finance Corporation is a member of the World Bank Group and focuses on private-sector development. It is not a subsidiary of India's central bank.
2. RBI is India's monetary authority and supervises regulated financial institutions within its mandate. An international development institution has a different ownership and governance structure.
3. NBFCs cannot accept demand deposits. Only specifically authorised deposit-taking NBFCs may accept permitted public deposits subject to regulations; all NBFCs do not enjoy that permission.
4. A mortgage guarantee covers specified lender losses under an eligible mortgage arrangement. It does not itself transfer ownership of the property or remove the borrower's repayment duty.

Q92. Which authority regulated housing finance companies in the October 2023 context?

अक्टूबर 2023 के संदर्भ में आवास वित्त कंपनियों का नियमन कौन करता था?

- A. The stock exchange alone
- B. RBI
- C. SEBI
- D. A municipal housing board

Correct answer: B. RBI

Explanation

1. Regulatory responsibility for housing finance companies transferred to RBI in 2019. RBI was therefore the regulator in the October 2023 context.
2. NHB continues to have an important role in housing finance, but older statements describing it as the regulator must be read in their historical setting.
3. An HFC is a specialised financial institution subject to applicable registration, capital, asset-composition and conduct requirements. It is not automatically a deposit-taking commercial bank.
4. Questions on institutional regulators are date-sensitive. Distinguish development or refinancing functions from regulatory authority rather than choosing an institution solely because its name contains housing.

Q93. Under the 2022 RBI microfinance framework applicable in October 2023, what annual household-income ceiling defined the eligible low-income household?

अक्टूबर 2023 में लागू RBI के 2022 माइक्रोफाइनेंस ढाँचे में पात्र कम आय वाले परिवार की वार्षिक घरेलू आय सीमा कितनी थी?

- A. Rs.1 lakh in all areas
- B. No household-income criterion
- C. Rs.1.25 lakh rural and Rs.2 lakh urban
- D. Rs.3 lakh in both rural and urban areas

Correct answer: D. Rs.3 lakh in both rural and urban areas

Explanation

1. The 2022 framework defines a microfinance loan as a collateral-free loan to a household with annual household income up to Rs.3 lakh. The definition applies to both rural and urban households.
2. The earlier separate rural and urban ceilings should not be used for an October 2023 question. Those figures belong to the previous framework.
3. Income and indebtedness are assessed at the household level. Under the framework, monthly loan repayment obligations are limited relative to monthly household income.
4. For a household earning Rs.24,000 monthly, annual income is Rs.2.88 lakh, which satisfies the tested income condition. Other requirements, including the collateral-free nature of the loan, must still be checked.

Q94. Which expression correctly converts national income into personal income in a simplified macroeconomic framework?

सरल समष्टि आर्थिक ढाँचे में राष्ट्रीय आय से व्यक्तिगत आय प्राप्त करने का सही सूत्र कौन-सा है?

- A. NI - corporate taxes - retained profits - social-security contributions + transfer payments
- B. NI + all indirect taxes only
- C. NI - personal income tax only
- D. GDP + depreciation

Correct answer: A. NI - corporate taxes - retained profits - social-security contributions + transfer payments

Explanation

1. Personal income measures income actually received by households before personal direct taxes. National income includes some earned income that is not distributed to households.
2. Subtract corporate income taxes, undistributed corporate profits and social-security contributions in the simplified textbook conversion. Add transfer payments received by households.
3. Transfers such as pensions or eligible benefits are received without a corresponding current production contribution by the recipient. They affect personal receipts without being current factor income.
4. Personal disposable income is obtained by deducting personal direct taxes from personal income. Confusing these two stages gives an incorrect formula and can double-count tax deductions.

Q95. Which organisation operates IMPS in India?

भारत में IMPS का संचालन कौन-सी संस्था करती है?

- A. IRDAI
- B. NPCI
- C. SEBI
- D. FIMMDA

Correct answer: B. NPCI

Explanation

1. The National Payments Corporation of India operates the Immediate Payment Service. IMPS supports instant interbank electronic fund transfers on a 24-hour basis through supported channels.
2. Participating banks provide customer access and maintain the customer's account. The system operator and the customer's bank therefore perform distinct roles.
3. RBI oversees payment systems within its statutory mandate, but oversight is different from operating IMPS. Do not select the regulator merely because the service concerns banking.
4. Instant transfer capability does not eliminate the need to verify beneficiary details or comply with applicable limits and security checks. A wrong beneficiary can still create recovery difficulties.

Q96. What is the name of RBI's core banking solution used for banking services to its account holders?

RBI के खाताधारकों को बैंकिंग सेवाएँ देने वाले कोर बैंकिंग समाधान का नाम क्या है?

- A. UPI
- B. e-Kuber
- C. BHIM
- D. e-RUPI

Correct answer: B. e-Kuber

Explanation

1. e-Kuber is RBI's core banking solution. It supports banking operations and services for eligible institutions and government account holders maintaining accounts with RBI.
2. It should not be described simply as a universal central database of every retail financial transaction. Its purpose is RBI's banking and account-processing infrastructure.
3. UPI is a retail instant-payment framework operated by NPCI, and BHIM is an application using that framework. e-RUPI is a digital voucher arrangement.
4. In platform questions, identify the operator and the use case together. A central-bank core banking system, a payment application and a voucher mechanism perform different functions.

Q97. An economy collects insurance premiums of Rs.2 trillion and has 100 million residents. What is insurance density expressed in rupees per person?

किसी अर्थव्यवस्था में बीमा प्रीमियम 2 ट्रिलियन रुपये और जनसंख्या 100 मिलियन है। प्रति व्यक्ति रुपये में बीमा घनत्व कितना है?

- A. Rs.25,000
- B. Rs.20,000
- C. Rs.15,000
- D. Rs.10,000

Correct answer: B. Rs.20,000

Explanation

1. Insurance density is premium collected divided by population. It expresses average premium per person, whereas insurance penetration expresses premium as a share of GDP.
2. Rs.2 trillion equals Rs.2,000,000,000,000, and 100 million equals 100,000,000 people. Dividing gives Rs. 20,000 per person.
3. GDP and GVA are unnecessary for this calculation. Their presence in a question should not distract from selecting the denominator required by the definition.
4. Published international comparisons often express density in US dollars. This question explicitly asks for rupees, so no currency conversion is required; density does not mean every resident actually bought insurance.

Q98. Which description captures the emphasis of the EASE 4.0 public-sector bank reform agenda?

सार्वजनिक क्षेत्र बैंकों के EASE 4.0 सुधार एजेंडे का मुख्य जोर कौन-सा वर्णन बताता है?

- A. Digital, technology-enabled and contactless banking
- B. Only private-sector bank ownership changes
- C. Replacing all customer service with paper vouchers
- D. A complete ban on digital transactions

Correct answer: A. Digital, technology-enabled and contactless banking

Explanation

1. EASE refers to Enhanced Access and Service Excellence. EASE 4.0 emphasised technology-enabled banking and better customer access in the post-pandemic environment.
2. Digital and contactless channels can improve convenience and support faster service. Their usefulness depends on reliability, security and effective assistance when customers face problems.
3. The reform agenda concerned public-sector banks, so describing it as a programme designed only for private banks would misidentify its institutional focus.
4. Technology adoption is a means of improving banking outcomes. It must be accompanied by sound credit processes, customer protection and operational controls rather than measured solely by the number of applications launched.

Q99. Which statement about annual percentage rate (APR) is incorrect?

वार्षिक प्रतिशत दर (APR) के बारे में कौन-सा कथन गलत है?

- A. It is necessarily equal to RBI's policy repo rate
- B. It expresses an annualised borrowing cost
- C. It helps compare credit offers on a consistent basis
- D. It can incorporate interest and applicable charges under its calculation rules

Correct answer: A. It is necessarily equal to RBI's policy repo rate

Explanation

1. APR expresses the annualised cost of credit using the applicable calculation method. It can capture charges beyond the quoted nominal interest rate, allowing a more informative comparison.
2. Two loans with the same stated interest rate may have different APRs if their fees or repayment timing differ. Examine what costs the quoted APR includes.
3. The repo rate is a central-bank policy rate. An individual loan's APR reflects its own interest, charges and cash-flow structure and need not equal the repo rate.
4. APR should not be confused with a REIT's distribution yield or total investor return. Borrowing cost and investment performance are different measurements even when both are annual percentages.

Q100. In the October 2023 framework, what was the overall PSL target for small finance banks as a share of ANBC or CEOBE, whichever was higher?

अक्टूबर 2023 के ढाँचे में छोटे वित्त बैंकों का कुल PSL लक्ष्य ANBC या CEOBE, जो अधिक हो, का कितना प्रतिशत था?

- A. 40%
- B. 75%
- C. 60%
- D. 50%

Correct answer: B. 75%

Explanation

1. The overall priority-sector lending target for small finance banks in the stated historical framework was 75% of the relevant base.
2. The base used ANBC or the credit-equivalent amount of off-balance-sheet exposure, whichever was higher. Applying the percentage only to ordinary loans can give an incorrect result.
3. For a relevant base of Rs.1,000 crore, the tested overall target is Rs.750 crore. Sub-targets and eligibility rules determine which exposures qualify within the total.
4. Regulatory targets can change over time. This is an October 2023 question, so its answer should not be presented as an undated instruction for a current-year banking decision.