

Study Circle Career Development Institute

100 Important Points : SSP



(58) Banking - Credit and Monetary policies

(4) Economic and Social Development (15)

- 1) **Sustainable Development (2)**
- 2) **Poverty (2)**
- 3) **Inclusion (2)**
- 4) **Demographics (2)**
- 5) **Social Sector Initiatives (2)**
- 6) **Indian Economy - Public Finance (1)**
- 7) **Extrenal Trade (1)**
- 8) **Banking, Inflation (1)**
- 9) **Industry (1)**
- 10) **Agriculture (1)**

- 46) Growth and Development - MDG, SDG, Macro Economics
- 47) Economic reforms - Sectoral growth in education, health, social security
- 48) Concepts, Measurement and estimates of poverty, Alleviation programs
- 49) Factors determining employment, Generation programs
- 50) Inclusive growth with respect to various underprivileged groups
- 51) Programs with respect to women, children, senior citizens
- 52) Population - quantitative & qualitative
- 53) Demographic cycle, Population Policies
- 54) Sectoral growth in education, health, social security
- 55) Inflation - causes, effects, control, measures
- 56) Public Finance and Financial Institutions - Taxes, budgets, fiscal policies
- 57) International Economics & International Capital Movements
- 58) Banking - Credit and Monetary policies**
- 59) Indian Industry, Infrastructure and Services Sector
- 60) Agriculture and Rural Development - Co-operative sector

General Studies Paper I

- 1) **History of India and Indian National Movement (15)**
- 2) **Maharashtra, India and World Geography (15)**
- 3) **Maharashtra and India - Indian Polity and Governance (15)**
- 4) **Economic and Social development (15)**
- 5) **Environmental Ecology, Bio-diversity & Climate Change (10)**
- 6) **General Science (15)**
- 7) **Current Events of State, National and International Importance (15)**

1) History of India and Indian National Movement (15)

- 1) History of Ancient India (4)
- 2) History of Mediavel India (3)
- 3) History of Modern India (4)
- 4) Indian National Movement (4)

2) Maharashtra, India and World Geography (15)

- 1) Physical Geography of World (3)
- 2) Social Geography of World (1)
- 3) Economical Geography of World (1)
- 4) Physical Geography of India (2)
- 5) Social Geography of India (1)
- 6) Economical Geography of India (2)
- 7) Physical Geography of Maharashtra (2)
- 8) Social Geography of Maharashtra (1)
- 9) Economical Geography of Maharashtra (1)

3) Maharashtra and India - Indian Polity and Governance (15)

- 1) Constitution (3)
- 2) Political System (3)
- 3) Panchayati Raj & Urban Governance (3)
- 4) Public Policy (3)
- 5) Humana Rights Issues (3)

4) Economic and Social development (15)

- 1) Sustainable Development (2)
- 2) Poverty (2)
- 3) Inclusion (2)
- 4) Demographics (2)
- 5) Social Sector Initiatives (2)
- 6) Indian Economy - Public Finance (1)
- 7) Extrenal Trade (1)

- 8) Banking, Inflation (1)
- 9) Industry (1)
- 10) Agriculture (1)

5) Environmental Ecology, Bio-diversity & Climate Change (6)

- 1) Environmental Ecology (2)
- 2) Bio-diversity (2)
- 3) Climate Change (2)

6) General Science (19)

- 1) Physics (3)
- 2) Chemistry (3)
- 3) Biology and Zoology (2)
- 4) Botany (2)
- 5) Agriculture Science (2)
- 6) Human Biology and (2)
- 7) Health, Hygeine, Food and Nutrition (3)
- 8) ST development & its applications to Infrastructure development (2)

7) Current Events of State, National and International Importance (15)

- 1) Political events (2)
- 2) Organisations (2)
- 3) Economical events (2)
- 4) S & T events (2)
- 5) Geographical events, Places (2)
- 6) Sociocultural events (1)
- 7) Sports events (1)
- 8) Litearature and Days (1)
- 9) Appointments, Personalities (1)
- 10) Prizes and Honours (1)

State Service Preliminary Examination 2024

Preparation & Guidance : Topics & Subtopics of the Syllabus

100 Important Points Economy : 58

- 1) Consider the following statements regarding Reserve Bank of India :
- It is a banker to the Central Government.
 - It formulates and administers monetary policy.
 - It acts as an agent of the Government in respect of India's membership of IMF
 - It handles the borrowing programme of Government of India.
- Answer Options :**
- 1) (a) and (b) only 2) (a), (b) and (c) 3) (a), (c) and (d) 4) (a), (b), (c), (d)
- 2) The accounting year of the Reserve Bank of India is :
- 1) April-March 2) July-June 3) October-September 4) January-December
- 3) Which of the following statements is/are correct regarding the Monetary Policy Committee (MPC)?
- It decides the RBI's benchmark interest rates.
 - It is a 12-member body including the Governor of RBI and is reconstituted every year.
 - It functions under the chairmanship of the Union Finance Minister.
- Select the correct answer using the code given below :
- 1) (a) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)
- 4) The Reserve Bank of India (RBI) acts as a bankers' bank. This would imply which of the following?
- Other banks retain their deposits with the RBI.
 - The RBI lends funds to the commercial banks in times of need.
 - The RBI advises the commercial banks on monetary matters.
- Answer Options :**
- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)
- 5) Arrange the following development finance institution according to the order in which they were established :
- Industrial Development Bank of India, IDBI
 - Industrial Investment Bank of India, IIBI
 - Industrial Credit and Investment Corporation of India, ICICI
 - Industrial Finance Corporation of India, IFCI
- Answer Options :**
- 1) d, a, b, c 2) d, c, b, a 3) d, c, a, b 4) d, b, a, c
- 6) When partial convertibility obtains the exchange rate is :
- 1) a weighted average 2) a simple average 3) fully floating 4) fully administered

- 7) Which of the following measures would result in an increase in the money supply in the economy?
- Purchase of government securities from the public by the Central Bank
 - Deposit of currency in commercial banks by the public
 - Borrowing by the government from the Central Bank
 - Sale of government securities to the public by the Central Bank

Answer Options :

- 1) (a) and (b) only 2) (a) and (c) only 3) (b), (c) and (d) 4) (a), (b), (c), (d)

- 8) Consider the following statements :
- The price of any currency in international market is decided by the
- World Bank.
 - demand for goods/services provided by the country concerned.
 - stability of the government of the concerned country.
 - economic potential of the country in question.

Answer Options :

- 1) (a) and (b) only 2) (b) and (c) 3) (a), (c) and (d) 4) (a), (b), (c), (d)

- 9) Consider the following financial institution of India :
- Industrial Finance Corporation of India (IFCI).
 - Industrial Credit and Investment Corporation of India (ICICI).
 - Industrial Development Bank of India (IDBI).
 - National Bank for Agriculture and Rural Development (NABARD).
- The correct chronological sequence of the establishment of these institutions is
- a, b, c, d 2) d, c, b, a 3) d, c, a, b 4) d, b, a, c

- 10) Which one of the following schemes was intended to tap the black money?
- UTI Bonds 2) Indian Development Bonds
 - Long term operations scheme 4) SBI Deposit scheme
- 11) Which one of the following is the correct sequence of decreasing order of the given currencies in terms of their value in Indian Rupees ?
- US dollar, Canadian dollar, New Zealand dollar, Hong Kong dollar
 - US dollar, New Zealand dollar, Canadian dollar, Hong Kong dollar
 - US dollar, Hong Kong dollar, New Zealand dollar, Canadian dollar
 - US dollar, Hong Kong dollar, Canadian dollar, New Zealand dollar

- 12) The rate of exchange of Indian rupees is linked with :
- Dinar 2) Dollar 3) Sterling Pound 4) A basket of foreign currencies

- 13) Resurgent India Bonds were issued in US dollar, Pound Sterling and
- Japanese Yen 2) Deutsche Mark 3) Euro 4) French Franc

- 14) Note issuing department of RBI should always possess a minimum gold stock worth
- ₹ 85 crores 2) ₹ 115 crores 3) ₹ 200 crores 4) None of the above

- 15) **Assertion (A)** : Devaluation of a currency may promote export.
Reason (R) : Price of the country's products in the international market may fall due to devaluation.
1) Both A and R are true and R is the correct explanation of A
2) Both A and R true but R is *not* a correct explanation of A
3) A is true but R is false
4) A is false but R is true
- 16) The banks are required to maintain a certain ratio between their cash in hand & total assets. This is called
1) SBR (Statutory Bank Ratio)
2) SLR (Statutory Liquid Ratio)
3) CBR (Central Bank Reserve)
4) CLR (Central Liquid Reserve)
- 17) The Narsimhan Committee for Financial Sector Reforms has suggested reduction in
1) SLR and CRR
2) SLR, CRR and priority Sector Financing
3) SLR and Financing to capital goods sector
4) CRR < Priority Sector Financing and Financing to capital goods sector
- 18) **Assertion (A)** : Ceiling on foreign exchange for a host of current account transaction heads was lowered in the year 2000.
Reason (R) : There was a fall in foreign currency assets also.
1) Both A and R are individually *true* and R is the *correct* explanation of A.
2) Both A and R are individually *true* but R is NOT a *correct* explanation of A.
3) A is *true* but R is *false*.
4) A is *false* but R is *true*.
- 19) With reference to Indian economy, consider the following
a) Bank rate b) Open market operations c) Public debt d) Public revenue
Which of the above is/are component / components of **Monetary Policy**?
1) (a) and (b) only 2) (a) and (c) only 3) (a), (c) and (d) 4) (a), (b), (c), (d)
- 20) When the Reserve Bank of India reduces the Statutory Liquidity Ratio by 50 basis points, which of the following is likely to happen?
1) India's GDP growth rate increases drastically
2) Foreign Institutional Investors may bring more capital into our country
3) Scheduled Commercial Banks may cut their lending rates
4) It may drastically reduce the liquidity to the banking system
- 21) The lowering of Bank Rate by the Reserve Bank of India leads to
1) More liquidity in the market 2) Less liquidity in the market
3) No change in the liquidity in the market 4) Mobilization of more deposits by commercial banks
- 22) If the interest rate is decreased in an economy, it will
1) decrease the consumption expenditure in the economy.
2) increase the tax collection of the Government.
3) increase the investment expenditure in the economy.
4) increase the total savings in the economy.

- 23) What is/are the purpose/purposes of Government's 'Sovereign Gold Bond Scheme' and 'Gold Monetization Scheme'?
- a) To bring the idle gold lying with Indian households into the economy
 - b) To promote FDI in the gold and jewellery sector
 - c) To reduce India's dependence on gold imports

Answer Options :

- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)

- 24) With reference to 'IFC Masala Bonds', sometimes seen in the news, which of the statements given below is/are correct?

- a) The International Finance Corporation, which offers these bonds, is an arm of the World Bank.
- b) They are the rupee-denominated bonds and are a source of debt financing for the public and private sector.

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

- 25) Consider the following :

- a) Currency with the public
 - b) Demand deposits with banks
 - c) Time deposits with banks
- Which of these are included in Broad Money (M3) in India ?

- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)

- 26) The sum of which of the following constitutes Broad Money in India ?

- a) Currency with the public
- b) Demand deposits with banks
- c) Time deposits with banks
- d) Other deposits with RBI

Answer Options :

- 1) (a) and (b) only 2) (a), (b) and (c) 3) (a), (c) and (d) 4) (a), (b), (c), (d)

- 27) Whose signatures are found on a hundred rupee note?

- 1) President of India
- 2) Governor of Reserve Bank of India
- 3) Prime Minister
- 4) Finance Minister

- 28) The Financial year of a Co-operative organization is.....

- 1) 1st April to 31st March
- 2) 1st January to 31st December
- 3) 1st July to 30th June
- 4) 1st May to 30th April

- 29) Which one of the following statements correctly describes the meaning of legal tender money?

- 1) The money which is tendered in courts of law to defray the fee of legal cases
- 2) The money which a creditor is under compulsion to accept in settlement of his claims
- 3) The bank money in the form of cheques, drafts, bills of exchange, etc.
- 4) The metallic money in circulation in a country

- 30) With reference to the governance of public sector banking in India, consider the following statements:

- a) Capital infusion into public sector banks by the Government of India has steadily increased in the last decade.

b) To put the public sector banks in order, the merger of associate banks with the parent State Bank of India has been affected.

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

31) Consider the following statements : (CSP 2004)

a) The loans disbursed to farmers under Kisan Credit Card Scheme are covered under Rashtriya Krishi Beema Yojna

b) The Kisan Credit Card holders are provided personal accident insurance of Rs 50,000 for accidental death and Rs 25,000 for permanent disability.

WAnswer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

32) Consider the following statements :

a) The National Housing Bank, the apex institution of housing finance in India, was set up as a wholly-owned subsidiary of the Reserve Bank of India.

b) The Small Industries Development Bank of India was established as a wholly-owned subsidiary of the Industrial Development Bank of India.

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

33) What is/are the purpose/purposes of the 'Marginal Cost of Funds based Lending Rate (MCLR)' announced by RBI?

a) These guidelines help improve the transparency in the methodology followed by banks for determining the interest rates on advances.

b) These guidelines help ensure availability of bank credit at interest rates which are fair to the borrowers as well as the banks.

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

34) The term 'Core Banking Solutions' is sometimes seen in the news. Which of the following statements best describes/describe this term?

a) It is a networking of a bank's branches which enables customers to operate their accounts from any branch of the bank on its network regardless of where they open their accounts.

b) It is an effort to increase RBI's control over commercial banks through computerization.

c) It is a detailed procedure by which a bank with huge non-performing assets is taken over by another bank.

Answer Options :

- 1) (a) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)

35) The establishment of 'Payment Banks' is being allowed in India to promote financial inclusion. Which of the following statements is/are correct in this context?

a) Mobile telephone companies and supermarket chains that are owned and controlled by residents are eligible to be promoters of Payment Banks.

b) Payment Banks can issue both credit cards and debit cards.

c) Payment Banks cannot undertake lending activities.

Answer Options :

- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)

- 36) 'Basel III Accord' or simply 'Basel III', often seen in the news, seeks to
- 1) develop national strategies for the conservation and sustainable use of biological diversity
 - 2) improve banking sector's ability to deal with financial and economic stress and improve risk management
 - 3) reduce the greenhouse gas emissions but places a heavier burden on developed countries
 - 4) transfer technology from developed Countries to poor countries to enable them to replace the use of chlorofluorocarbons in refrigeration with harmless chemicals

- 37) Why is the offering of "teaser loans" by commercial banks a cause of economic concern ?
- a) The teaser loans are considered to be an aspect of sub-prime lending and banks may be exposed to the risk of defaulters in future.
 - b) In India, the teaser loans are mostly given to inexperienced entrepreneurs to set up manufacturing or export units.

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

- 38) Consider the following statements:
- a) The Reserve Bank of India manages and services Government of India Securities but not any State Government Securities.
 - b) Treasury bills are issued by the Government of India and there are no treasury bills issued by the State Governments.
 - c) Treasury bills offer are issued at a discount from the par value.

Answer Options :

- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)

- 39) With reference to India, consider the following:
- a) Nationalization of Banks
 - b) Formation of Regional Rural Banks
 - c) Adoption of villages by Bank Branches
- Which of the above can be considered as steps taken to achieve the "financial inclusion" in India?
- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)

- 40) In India, which of the following have the highest share in the disbursement of credit to agriculture and allied activities ?
- 1) Commercial Bank
 - 2) Cooperative Banks
 - 3) Regional Rural Banks
 - 4) Microfinance Institutions

- 41) The basic aim of Lead Bank Scheme is that
- 1) big banks should try to open offices in each district
 - 2) there should be stiff competition among the various nationalized banks
 - 3) individual banks should adopt particular districts for intensive development
 - 4) all the banks should make intensive efforts to mobilize deposits

- 42) What is/are the facility/facilities the beneficiaries can get from the services of Business Correspondent (Bank Saathi) in branchless areas?
- It enables the beneficiaries to draw their subsidies and social security benefits in their villages.
 - It enables the beneficiaries in the rural areas to make deposits and withdrawals.

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)
- 43) Which one of the following best describes the term “Merchant Discount Rate” sometimes seen news?
- The incentive given by a bank to a merchant for accepting payments through debit cards pertaining to that bank.
 - The amount paid back by banks to their customers when they use debit cards for financial transactions for purchasing goods or services.
 - The charge to a merchant by a bank for accepting payments from his customers through the bank’s debit card.
 - The incentive given by the Government to merchants for promoting digital payments by their customers through Point of sale (PoS) machines and debit cards.
- 44) Consider the following statements :
- Reserve Bank of India was nationalized on 26 January, 1950.
 - The borrowing programme of the Government of India is handled by the Department of Expenditure, Ministry of Finance.

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)
- 45) Consider the following statements :
Full convertibility of the rupee may mean
- its free float with other international currencies.
 - its direct exchange with any other international currency at any prescribed place inside and outside the country.
 - it acts just like any other international currency.

Answer Options :

- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)
- 46) The rupee exchange rate is currently linked with
- Pound sterling 2) Dollar 3) Franc 4) Basket of currencies
- 47) "Interest Rate Policy' is a component of :
- Fiscal Policy 2) Monetary Policy 3) Trade Policy 4) Direct Control
- 48) To prevent recurrence of scams in Indian Capital Market, the Government of India has assigned regulatory powers to.....
- SEBI 2) RBI 3) SBI 4) ICICI

- 49) The price fluctuations of 4 scrips in a stock market in the four quarters of a year are shown in the table below. Four different investors had the following portfolios of investment in the four companies throughout the year :

Portfolios

Investor 1	10 of A, 20 of B, 30 of C and 40 of D
Investor 2	40 of A, 10 of B, 20 of C and 30 of D
Investor 3	30 of A, 40 of B, 10 of C and 20 of D
Investor 4	20 of A, 30 of B, 40 of C and 10 of D

Stock Market Performance

	I Quarter	II Quarter	III Quarter	IV Quarter
Scrip A	Up 10%	Down 15%	Up 10%	Down 10%
Scrip B	Up 2%	Up 1%	Up 2%	Up 2%
Scrip C	Up 1%	Up 1%	Down 5%	Down 1%
Scrip D	Up 20%	Down 15%	Up 30%	Down 10%

In the light of the above which one of the following statements is correct ?

- 1) Investor 2 has made the best investment 2) Investor 1 has made the best investment
3) Investor 2 suffered a net loss during the year 4) Investor 3 suffered a net loss during the year
- 50) NABARD, which is set up to provide loans for rural development, is a
1) Bank 2) Board 3) Block 4) Department