

# Finance and Management Question Asked in RBI GRADE B 2019



***Year - 2019***

**60 Questions out of  
64 Questions directly  
asked from the course.  
1 Question Untraceable**

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**RBI, SEBI AND NABARD**



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# RBI, SEBI AND NABARD

# TOPPERS



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1. Which theory says that in an organization, employees compare themselves on the basis of input and output of their colleagues?

- a. Valence Theory
- b. Equity Theory
- c. Theory X & Y
- d. Self-efficacy Theory

Answer: Equity Theory

**Covered in Organization Behavior.**

2. A council which governs all the issues related to GST is headed by?

- a. Prime Minister
- b. Finance Minister
- c. Finance Secretary
- d. Revenue Secretary

Answer: Finance Minister

**Covered in GST council PDF under GST**

3. In India, Fiscal Policy is implemented through a budget. Which government body is responsible for it?

- a. RBI
- b. Finance Ministry
- c. PMO
- d. RBI & Finance Ministry

Answer: Finance Ministry

**Covered in Fiscal policy Video and PDF (Government Expenditure and Revenues)**

4. Geneva based, Basel committee on Banking supervision has come up with Basel Norms, which have been formed to address which issues?

- a. Market risk
- b. Political risk
- c. Bank risk
- d. Systemic risk

Answer: Bank Risk

**Covered in BASEL Norms**

5. Derivatives are financial instruments to hedge risk. It derives its value from which of the following?

- a. Exchange determined
- b. Fixed by SEBI

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- c. Underlying
  - d. Market determined
- Answer: Underlying

### Covered in Derivatives Theory Videos and PDF

6. Which of the following risk can be eliminated by derivatives?
- a. Market risk
  - b. Systemic risk
  - c. Unsystemic risk
  - d. Interest rate risk
- Answer: Interest Rate risk

### Covered in Derivatives Theory Videos and PDF

7. Treasury Bills is a financial instrument, which is a:
- a. Corporate issued securities
  - b. RBI securities
  - c. Government securities issued by RBI for managing short term funding requirements
  - d. Security issued and managed by government
- Answer: a government security issued by RBI for managing short term funding requirements

### Covered in Short term instruments issued by RBI

8. Commercial papers are issued for what purpose?
- a. By banks for managing liquidity requirement
  - b. By government for managing short term requirements
  - c. By companies for short term
  - d. By local government bodies
- Answer: By companies for short term

### Covered in money market instruments

9. Who gave the management principle of 'MBO'?
- a. Philip Kotler
  - b. Michael Porter
  - c. Henri Fayol
  - d. Peter Ducker
- Answer: Peter Ducker

### Covered in MBO Video and PDF

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10. Alderfer has condensed 5 needs of Maslow's theory into 3 categories of human needs in which theory?

- a. Expectancy Theory
- b. Hygiene Theory
- c. Reduction Theory
- d. ERG Theory

Answer: ERG Theory

**Covered in Motivation PDF and Video**

11. Recently, AI robot named 'Lakshmi' has been deployed by which bank in its Mumbai branch?

- a. ICICI Bank
- b. HDFC Bank
- c. City Union Bank
- d. SBI Bank

Answer: City Union Bank

**Question from 2016 current affairs**

12. For the first time, which of the following companies formally practiced the 360-degree feedback appraisal?

- a. ESSO- Exxon Mobil
- b. General Electric
- c. Tech Mahindra
- d. Infosys

Answer: General Electric

**Covered in 360 degree appraisal Video in Training and development**

13. A person moves through various organizational roles through his career in an organization. This process as \_\_\_\_\_

- a. Career travel
- b. Career Path
- c. Career Hierarchy
- d. Career Progress

Answer: Career Path

**Covered in career development video**

14. Operational Risk in an organization arises from which of the following reasons?

- a. New regulatory norms
- b. Inadequate internal control process

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- c. Inadequate external control process
  - d. Strict internal control process
- Answer: Inadequate internal control process

### Covered in Risk Management Video and PDF

15. Which of the following assessment process analyses an employee's personality traits & psychological process to assess his future potential?
- a. Emotional Appraisal
  - b. Counselling
  - c. Career review
  - d. Psychological Appraisal
- Answer: Psychological Appraisal

### Covered in performance appraisal

16. Which of the following is a 4 – stage training evaluation model?
- a. Daniel Goleman
  - b. Clayton
  - c. Kirkpatric
  - d. Joseph Shumpeter
- Answer: Kirkpatric model

### Not covered

17. In hypothecation \_\_\_\_\_?
- a) only value of asset is transferred
  - b) Only ownership is transferred
  - c) Both value & ownership is transferred
  - d) Neither value & ownership is transferred
  - e) None of the above options
- Answer: d) Neither value & ownership is transferred

### Covered in Finance current affairs

18. Which of the following phenomenon includes High inflation & high unemployment?
- a. Hyperinflation
  - b. Deflation
  - c. Disinflation
  - d. None of the above
- Answer: None of the above (Stagflation is the answer which was not in options)

### Covered in basics of Inflation

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19. If Reserve Bank decreases cash reserve requirements for the banks, then banks will be able to?

- a. Lend less credit
- b. Increase interest rate
- c. Lend more credit
- d. Decrease interest rate

Answer: Lend more credit

**Covered in monetary policy**

20. A leadership theory in which dyadic relationship between leaders & followers are formed is known as \_\_\_\_\_?

- a. CRT Theory
- b. LMX Theory
- c. Vroom Model
- d. Path Goal Theory

Answer: LMX Theory

**Not covered**

21. A leadership style in which rewards are given for contingent Performance.

- a. Transformational
- b. Managerial
- c. Transactional
- d. Bureaucratic

Answer: Transactional Leadership

**Covered in transformational vs transactional leadership**

22. Which of the following is the indicator of 'Low Morale' in team?

- a. High Output
- b. Low level of the motivation of some employee
- c. High labor turnover
- d. High level of motivation

Answer: High Labor Turnover

**Can be covered by basic understanding of motivation and morale**

23. A description was given regarding a person's intellectual abilities.

A person's intellectual abilities, decision making capabilities, his behavior under high stress situations can be termed as \_\_\_\_\_

- a. Intellectual Traits

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- b. Personality Types
  - c. Personality Traits
  - d. Personality Variables
- Answer: Personality trait

### Covered in Personality

24. Which of the following items doesn't come under GST?
- a. Gold
  - b. Petroleum Products
  - c. Salt
  - d. Milk

Answer: Petroleum Products

### Covered in GST

25. In Banking Sector, Market risk arises mainly due to \_\_\_\_
- a. Political factors
  - b. External factors
  - c. Natural calamities
  - d. Internal factors

Answer: External Factors

### Covered in Risk Management

26. Which of the following is not a fund-based transaction?
- a) Recurring Deposit
  - b) Fixed credit
  - c) Cash credit
  - d) Letter of credit

Answer: Letter of credit

### Covered in banking instruments (short term or money market instruments)

27. Which of the following a characteristic of Bond and not a characteristic of Equity?
- a. Dilution of ownership
  - b. Fixed income
  - c. variable income
  - d. Dividend

Answer: Fixed Income

### Covered in basics of equity and bonds

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28. Which of the following type of banks, act as government of India agent for financial inclusion in rural area?

- a. BCs
- b. Private Banks
- c. PSBs
- d. RRBs

Answer: RRB

### Covered in RRBs

29. Description was given about the Reddin's 3D Leadership model featuring 4 types of leadership style –

- 1. Integrated 2. Related
- 3. Separated 4. Dedicated

Leader enjoys involving team members & creating social bond & allows more freedom. Which leadership style is described above?

- a. Integrated b. Separated c. Related
- d. Dedicated

Answer: Related

### Reddin's 3D model covered in Leadership

30. A manager retains the cooperative nature of the group and encourages 2-way communication. Which leadership is described above?

- a. Integrated b. Separated c. Related
- d. Dedicated

Answer: Integrated

### covered in Leadership

31. The managerial grid theory on which Reddin's model is based, was given by

- a. Tannenbaum and Schmidt
- b. Blake & Mouton
- c. Heryager and Heckman
- d. Hersey & Blanchard

Answer: Blake & Mouton

### covered in Leadership

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32. A paragraph was given describing the importance of corporate governance & its two mechanisms of control- Internal & external. Corporate governance practices in small & large organizations were also discussed.

Which of the following is related to external mechanism of corporate governance?

- a. Company policy
- b. Internal audit
- c. Reporting to Industry body
- d. All of the above

Answer: Reporting to industry governing body

### Covered in Corporate Governance

33. Which of the following objectives are achieved through internal corporate governance mechanism?

- a. Avoid customer Dissatisfaction
- b. Compliance to avoid legal complications
- c. Improved employee performance
- d. To curb malpractices across industry

Answer: Compliance to avoid legal complications

### Covered in corporate governance

34. Which of the following is a secondary stakeholder in corporate governance.

- a. Customers
- b. Employee
- c. Shareholders
- b. Government bodies

Answer: Government Bodies

### Covered in stakeholders of Corporate Governance

35. Paragraph was given in which 'PJ Nayak' committee was mentioned and how a body has been created as per its recommendations. It further went on to describe the recent RBI fit and proper guidelines regarding corporate governance for banking sector.

Which of the following body was created in 2017 as per 'PJ Nayak' committee recommendations?

- a. IBBI
- b. IBC
- c. Payment Banks
- d. Bank Board Bureau

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Answer: Banks Board Bureau

### Covered in PJ Nayak Report under Corporate Governance

36. As per the recent RBI guidelines, Fit and proper guidelines are applicable to:

- a. RRBs
- b. Cooperative banks
- c. Private banks
- d. PSBs

Answer: Only PSBs (Public Sector Bank)

### RBI FAQs and Corporate Governance Report

37. As per the recent RBI guidelines, maximum number of non-executive directors in NRC committee will be? **(it should be minimum)**

- a. 5
- b. 3
- c. 6
- d. 10

Answer: 3

### Covered in Remuneration committee in corporate governance

38. Reforms introduced in 90's was also Known as

- a. Globalization, Industrialization and Liberalization
- b. Industrialization, Privatization and Liberalization
- c. Globalization, Privatization and Industrialization
- d. Globalization, Privatization and Liberalization

Answer: GPL (Globalization, Privatization and Liberalization)

### Covered in Indian Economy after 1991 in ESI section

39. Which of the following sectors have been exempted from the disinvestment process? a.

- a. Power & Railway
- b. Atomic power & Railway with certain exceptions
- c. Atomic power & Railway
- d. Defense & Power

Answer: Atomic power & Railway with certain exceptions

### Covered in Indian Economy after 1991 in ESI section

40. Which bank was merged with Bank of Baroda?

- a. Dena Bank & UCO Bank

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- b. Vijaya Bank & UCO Bank
  - c. Dena Bank & Vijaya Bank
  - d. OBC & Vijaya Bank
- Answer: Dena Bank and Vijaya Bank

**Covered in Spotlight**

41. In an organization, employee's morale can be boosted by providing
- a. High incentives to best performer
  - b. Higher bonus
  - c. Incentives to best performer
  - d. Equal opportunities to earn incentives
- Answer: Equal opportunities to earn incentives

**Covered in basics of morale**

42. The best strategy to boost morale of a team is
- a. To provide incentives immediately after target is achieved
  - b. To provide incentives to all the employees at same time
  - c. To provide higher bonuses
  - d. To reward select few employee
- Answer: To provide incentives to all the employees at same time

**Covered in basics of morale**

43. An organization uses incentives to motivate employee along with
- a. Minimizing operational challenges
  - b. Taking leading position in industry
  - c. Achieving business goals
  - d. Attracting more talented employee
- Answer: Achieving business goals

**Covered in organizational goals**

44. Written communication is preferred in formal communication, because
- a. It is instantaneous
  - b. It require less effort and can be conveyed to large number of people
  - c. It can be stored & documented for legal validation
  - d. It is cost effective
- Answer: It can be stored & documented for legal validation

**Covered in Communication**

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45. Which of the following is an advantage of written communication?

- a. It is fastest mode of communication
- b. It can be conveyed to large number of people at the same time
- c. It can be presented as legal proof
- d. It can be presented as legal proof

Answer: Written communication can be presented as legal proof

#### Covered in Communication

46. Which of the following is true about oral communication?

- a. Oral communication is not prone to distortion
- b. Oral communication is free of error of interpretation
- c. Oral communication is not useful in addressing large number of people
- d. Oral communication retains same aspect of social relationship as cue

Answer: Oral communication retains same aspect of social relationship as cue

#### Covered in Communication

47. A leader who shares information with team members is an example of

- a. Spokesperson
- b. Liaison
- c. Disseminator
- d. Disturbance Handler

Answer: Disseminator Role

#### Covered in roles of a leader

48. A leader who on the behalf of the company addresses a meeting organized by industry body is playing the role of

- a. Spokesperson
- b. Liaison
- c. Disseminator
- d. Disturbance Handler

Answer: Spokesperson

#### Covered in roles of a leader

49. A leader who states a plan and allocates the resources is playing a role of

- a. Resource Allocator
- b. Planner

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- c. Entrepreneurship
  - d. Figure Head
- Answer: Resource Allocator

### Covered in roles of a leader

50. Capital market facilitates issuance of new securities & their trading. Which type of capital market facilitates IPO?
- a. Primary
  - b. Secondary
  - c. Primary and Secondary
  - d. Primary and Forex
- Answer: Primary

### Covered in Primary and Secondary markets in Finance theory

51. Which type of buyer has the right to sell the security before maturity?
- a. Call Buyer
  - b. Put Buyer
  - c. Put Seller
  - d Call Seller
- Answer: Put buyer

### Covered in call and put options

52. A bond which matures multiple time over a period of time and can also be redeemed multiple time
- a. Series Bond
  - b. Multiple Bond
  - c. Multi Bond
  - d. Serial Bond
- Answer: Serial bond

### Not covered

53. If we deduct interest payment from Fiscal deficit, it known as:
- a. Revenue Deficit
  - b. Primary Deficit
  - c. Budget Deficit
  - d. Secondary Deficit
- Answer: Primary Deficit

### Covered in Macroeconomics

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54. Which of the following is not the mode of deficit financing?

- a. Borrowings
- b. Issuing more government securities
- c. Increasing tax rate
- d. Issuing treasury securities

Answer: Increasing tax rate

#### Covered in Macroeconomics

55. Government measures to manage its finance by fiscal consolidation leads to

- a. Reduce government expenditure
- b. Increased borrowings
- c. Reduced tax collection
- d. Decreasing tax rates

Answer: Reduce government EXPENDITURE

#### Covered in fiscal policy

56. A process in which a person seeks guidance & advance from his mentor is:

- a. Career Planning
- b. Career Counselling
- c. Career Target
- d. Career Path

Answer: Career counselling

#### Covered in career development

57. Throughout his career, a person moves across various positions travelling through horizontal, lateral hierarchy is known as:

- a. Career Progress
- b. Career Goal
- c. Career Target
- d. Career Path

Answer: Career path

#### Covered in career development

58. A person's vertical movement across the organization hierarchy is termed as:

- a. Career Hierarchy
- b. Career Ladders
- c. Career Target
- d. Career Path

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Answer: Career Ladders

### Covered in career development

59. Which of the following is of Micro- Finance institution is a universal bank now?

- a. ESAF Finance Bank
- b. Bandhan Financial service
- B. Ujjivan Finance Bank
- c. AU Small Finance Bank

Answer: Bandhan Financial service Ltd

### Covered in Finance current affairs and spotlight

60. Which of the following is not a scheme related to financial inclusion?

- a. Jan Dhan Scheme
- b. Easy KYC norms
- c. MUDRA Scheme
- d. Banking Correspondence

Answer: mudra scheme

### Covered in MUDRA

61. Which of the following acts as agent of Micro- Financial institutions?

- a. Insurance Companies
- b NBFCs
- c. Self-Help Groups
- d. Regional Rural Banks

Answer: Self-help group

### Covered in features of MFIs

62. GDP is measured on the basis of which base year?

- a. 2005-06
- b. 2011-12
- c. 2001-02
- d. 2014-15

Answer: 2011-12

### Covered in Growth and development

63. Which of the following is not an example of developmental expenditure?

- a. Grants to states
- b. Developing Infrastructure Project

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MUHAMMAD ALI



AIR 11 RBI  
ABHISHEK



AIR 1 SEBI  
RAJENDRAN S



AIR 6 RBI  
ADITYA



AIR 10 RBI  
SAMEER



- c. Defense Expenditure
- d. Developing Railways

Answer: Defense Expenditure

**Covered in expenditures and revenues of the government**

64. What's the term for giving authority or responsibility to a group or people?

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