

**1. \*\*Question:\*\* What is the meaning of financial literacy?**

- A. Budgeting skills**
- B. Understanding and managing money effectively**
- C. Investment in stocks**
- D. Credit card usage**

**\*\*Answer:\*\* B. Understanding and managing money effectively**

**2. \*\*Question:\*\* Why is financial literacy important in India?**

- A. To increase taxes**
- B. To reduce inflation**
- C. To empower individuals with financial knowledge**
- D. To control government spending**

**\*\*Answer:\*\* C. To empower individuals with financial knowledge**

**3. \*\*Question:\*\* Which of the following is a benefit of financial literacy?**

- A. Increased debt**
- B. Higher risk of bankruptcy**
- C. Improved financial decision-making**
- D. Dependence on loans**

**\*\*Answer:\*\* C. Improved financial decision-making**

**4. \*\*Question:\*\* What does the term "budgeting" refer to in financial literacy?**

- A. Spending money without limits
- B. Planning and managing income and expenses
- C. Investing in stocks
- D. Taking loans without repayment plans

**\*\*Answer:\*\* B. Planning and managing income and expenses**

**5. \*\*Question:\*\* In the context of financial literacy, what is the role of investments?**

- A. Accumulating debt
- B. Growing wealth over time
- C. Ignoring savings
- D. Relying solely on fixed deposits

**\*\*Answer:\*\* B. Growing wealth over time**

**6. \*\*Question:\*\* How does financial literacy contribute to economic growth?**

- A. By encouraging overspending
- B. By promoting informed financial choices
- C. By discouraging entrepreneurship
- D. By increasing inflation rates

**\*\*Answer:\*\* B. By promoting informed financial choices**

**7. \*\*Question:\*\* Which aspect is NOT covered under financial literacy?**

- A. Retirement planning

- B. Understanding credit scores
- C. Predicting stock market fluctuations with certainty
- D. Managing debt responsibly

**\*\*Answer:\*\* C. Predicting stock market fluctuations with certainty**

**8. \*\*Question:\*\* What is the primary focus of financial literacy education in schools?**

- A. Encouraging impulsive spending
- B. Ignoring the importance of savings
- C. Equipping students with financial skills
- D. Promoting excessive borrowing

**\*\*Answer:\*\* C. Equipping students with financial skills**

**9. \*\*Question:\*\* How does financial literacy contribute to poverty reduction?**

- A. By promoting financial dependency
- B. By encouraging excessive spending
- C. By empowering individuals to make informed financial decisions
- D. By avoiding investments altogether

**\*\*Answer:\*\* C. By empowering individuals to make informed financial decisions**

**10. \*\*Question:\*\* Which financial tool helps in establishing a good credit history?**

- **A. Maxing out credit cards**
- **B. Regularly paying bills on time**
- **C. Avoiding any financial transactions**
- **D. Accumulating high-interest debt**

**\*\*Answer:\*\* B. Regularly paying bills on time**

**11. \*\*Question:\*\* What is the primary purpose of a emergency fund?**

- **A. Investing in high-risk stocks**
- **B. Covering unexpected expenses**
- **C. Ignoring financial planning**
- **D. Accumulating debt**

**\*\*Answer:\*\* B. Covering unexpected expenses**

**12. \*\*Question:\*\* How can financial literacy impact long-term financial goals?**

- **A. By hindering goal achievement**
- **B. By promoting short-term thinking only**
- **C. By helping in effective goal planning and saving**
- **D. By encouraging reliance on credit cards**

**\*\*Answer:\*\* C. By helping in effective goal planning and saving**

**13. \*\*Question:\*\* What does the term "compounding" mean in the context of financial literacy?**

- A. Decreasing value over time
- B. Earning interest on both the initial principal and the accumulated interest
- C. Ignoring interest rates
- D. Avoiding investments

**\*\*Answer:\*\* B. Earning interest on both the initial principal and the accumulated interest**

**14. \*\*Question:\*\* How does financial literacy impact entrepreneurship?**

- A. By discouraging innovation
- B. By promoting informed business decisions
- C. By increasing bankruptcy rates
- D. By relying solely on loans

**\*\*Answer:\*\* B. By promoting informed business decisions**

**15. \*\*Question:\*\* In the context of financial literacy, what is the significance of a credit score?**

- A. It has no impact on financial decisions
- B. It determines borrowing capacity and interest rates
- C. It reflects spending habits only
- D. It's irrelevant for long-term financial planning

**\*\*Answer:\*\* B. It determines borrowing capacity and interest rates**

**16.- Question: What was one of the earliest forms of money used in ancient civilizations?**

- A) Gold coins
- B) Barter system
- C) Paper currency
- D) Cryptocurrency
- Answer: B) Barter system

**17.Question: Which function of money refers to its ability to serve as a standard measure of value?**

- A) Medium of exchange
- B) Unit of account
- C) Store of value
- D) Legal tender
- Answer: B) Unit of account

**18. Question: What concept of the value of money is associated with its ability to maintain purchasing power over time?**

- A) Nominal value
- B) Real value
- C) Intrinsic value
- D) Face value
- Answer: B) Real value

**19.Question: In the evolution of money, what commodity served as a common medium of exchange in various cultures?**

- A) Salt
- B) Diamonds
- C) Seashells

**- D) Leather**

**- Answer: A) Salt**

**20. Question: Which function of money allows individuals to postpone consumption to a future date?**

**- A) Medium of exchange**

**- B) Unit of account**

**- C) Store of value**

**- D) Standard of deferred payment**

**- Answer: C) Store of value**

**21. Question: What concept of the value of money is linked to its perceived worth by society and users?**

**- A) Nominal value**

**- B) Real value**

**- C) Face value**

**- D) Perception value**

**- Answer: A) Nominal value**

**22. Question: Which civilization is credited with the use of the first known coins around 600 BCE?**

**- A) Roman**

**- B) Greek**

**- C) Chinese**

**- D) Egyptian**

**- Answer: B) Greek**

**23. Question: What function of money facilitates the process of buying and selling goods and services?**

**- A) Medium of exchange**

**- B) Unit of account**

- C) Store of value
- D) Standard of deferred payment
- Answer: A) Medium of exchange

**24. Question: In the context of the value of money, what does inflation primarily affect?**

- A) Nominal value
- B) Real value
- C) Face value
- D) Intrinsic value
- Answer: B) Real value

**25. Question: What marked the transition from commodity money to representative money in history?**

- A) Gold standard
- B) Barter system
- C) Silver coins
- D) Paper currency
- Answer: A) Gold standard

**26. Question: Which function of money ensures that debts and credits can be settled in the future?**

- A) Medium of exchange
- B) Unit of account
- C) Store of value
- D) Standard of deferred payment
- Answer: D) Standard of deferred payment

**27. Question: What concept of the value of money relates to its acceptance as a means of payment by law?**

- A) Nominal value



- B) Legal value
- C) Face value
- D) Intrinsic value
- Answer: B) Legal value

**28. Question: In the Middle Ages, what type of money was commonly used in trade fairs and markets?**

- A) Cowrie shells
- B) Gold coins
- C) Silver bars
- D) Tally sticks
- Answer: D) Tally sticks

**29. Question: Which function of money enables individuals to compare the value of different goods and services?**

- A) Medium of exchange
- B) Unit of account
- C) Store of value
- D) Standard of deferred payment
- Answer: B) Unit of account

**30. Question: What concept of the value of money is associated with its physical characteristics, like weight and size?**

- A) Nominal value
- B) Real value
- C) Face value
- D) Intrinsic value
- Answer: D) Intrinsic value

**31. Question: In the 17th century, what type of money gained prominence as a form of representative money?**

- A) Banknotes
- B) Gold coins
- C) Cowrie shells
- D) Barter tokens
- Answer: A) Banknotes

**32. Question: Which function of money helps in preserving wealth across time periods?**

- A) Medium of exchange
- B) Unit of account
- C) Store of value
- D) Standard of deferred payment
- Answer: C) Store of value

**33. Question: What concept of the value of money is associated with its face value on currency notes?**

- A) Nominal value
- B) Real value
- C) Face value
- D) Legal value
- Answer: C) Face value

**34. Question: Which region saw the earliest use of metal coins as a medium of exchange?**

- A) Africa
- B) Asia
- C) Europe
- D) Americas
- Answer: B) Asia

**35. Question: What function of money is crucial for individuals to plan for the future and make informed decisions?**

- A) Medium of exchange
- B) Unit of account
- C) Store of value
- D) Standard of deferred payment
- Answer: B) Unit of account

**36. \*\*Question:\*\* What is the primary purpose of savings?**

- A) Immediate spending
- B) Long-term investment
- C) Debt accumulation
- D) Charity donations
- \*\*Answer: B) Long-term investment\*\*

**37. \*\*Question:\*\* Savings can be defined as:**

- A) Expenditure
- B) Income
- C) Residual income after consumption
- D) Taxes
- \*\*Answer: C) Residual income after consumption\*\*

**38. \*\*Question:\*\* Which of the following is a determinant of savings?**

- A) High consumer debt
- B) Low interest rates
- C) Increased government spending
- D) Inflation

- **\*\*Answer: B) Low interest rates\*\***

**39. \*\*Question:\*\* What role does income play in savings?**

- A) Negative determinant

- B) No impact

- C) Positive determinant

- D) Indirect impact

- **\*\*Answer: C) Positive determinant\*\***

**40. \*\*Question:\*\* In the context of savings, what does liquidity refer to?**

- A) Ease of converting assets to cash

- B) Fixed-term investments

- C) Long-term financial goals

- D) Rate of inflation

- **\*\*Answer: A) Ease of converting assets to cash\*\***

**41. \*\*Question:\*\* Which economic factor can negatively affect savings by reducing purchasing power?**

- A) Deflation

- B) Recession

- C) Boom

- D) Stagflation

- **\*\*Answer: A) Deflation\*\***

**42. \*\*Question:\*\* What is the impact of consumer confidence on savings?**

- A) Decreases savings

- B) No impact
- C) Increases savings
- D) Increases debt
- **\*\*Answer: C) Increases savings\*\***

**43. \*\*Question:\*\* How does age typically influence savings behavior?**

- A) Older individuals save less
- B) Younger individuals save more
- C) No correlation with age
- D) Older individuals save more
- **\*\*Answer: D) Older individuals save more\*\***

**44. \*\*Question:\*\* Which type of account is commonly used for short-term savings?**

- A) Certificate of Deposit (CD)
- B) 401(k)
- C) Checking account
- D) Individual Retirement Account (IRA)
- **\*\*Answer: C) Checking account\*\***

**45. \*\*Question:\*\* What is the primary purpose of an emergency fund?**

- A) Long-term investment
- B) Short-term savings
- C) Speculative trading
- D) Daily expenses
- **\*\*Answer: B) Short-term savings\*\***

**46. \*\*Question:\*\* How does inflation impact the real value of savings?**

- A) Increases real value
- B) No impact
- C) Decreases real value
- D) Converts savings into investments
- **\*\*Answer: C) Decreases real value\*\***

**47. \*\*Question:\*\* Which factor motivates individuals to save for retirement?**

- A) Short-term financial goals
- B) Social pressure
- C) Long-term financial security
- D) Tax evasion
- **\*\*Answer: C) Long-term financial security\*\***

**48. \*\*Question:\*\* What is the purpose of a savings rate?**

- A) Measure of spending
- B) Measure of debt
- C) Measure of how much income is saved
- D) Measure of inflation
- **\*\*Answer: C) Measure of how much income is saved\*\***

**49. \*\*Question:\*\* How does financial literacy impact savings behavior?**

- A) Increases savings
- B) Decreases savings

- C) No impact
- D) Increases debt
- **\*\*Answer: A) Increases savings\*\***

**50. \*\*Question:\*\* Which of the following is a form of automatic savings?**

- A) Payday loans
- B) Credit cards
- C) Direct deposit into a savings account
- D) Impulse buying
- **\*\*Answer: C) Direct deposit into a savings account\*\***

**51. \*\*Question:\*\* How does the availability of credit impact savings?**

- A) Increases savings
- B) No impact
- C) Decreases savings
- D) Converts savings to investments
- **\*\*Answer: C) Decreases savings\*\***

**52. \*\*Question:\*\* What is the significance of compounding in savings?**

- A) Decreases savings over time
- B) No impact
- C) Increases savings over time
- D) Converts savings into investments
- **\*\*Answer: C) Increases savings over time\*\***

**53. \*\*Question:\*\* Which of the following is an example of a long-term savings instrument?**

- A) Savings account
- B) Money market account
- C) Treasury bond
- D) Certificate of deposit (CD)
- **\*\*Answer: C) Treasury bond\*\***

**54. \*\*Question:\*\* How does risk tolerance influence savings decisions?**

- A) Low risk tolerance leads to more aggressive savings
- B) No impact
- C) High risk tolerance leads to more conservative savings
- D) Risk tolerance doesn't affect savings
- **\*\*Answer: A) Low risk tolerance leads to more aggressive savings\*\***

**55. \*\*Question:\*\* Which economic condition is conducive to high savings rates?**

- A) High unemployment
- B) Economic recession
- C) Economic growth and stability
- D) Hyperinflation
- **\*\*Answer: C) Economic growth and stability\*\***

**56. \*\*What is the primary purpose of investment?\*\***

- a) Entertainment
- b) Wealth creation
- c) Socializing



- d) Education

- **\*\*Answer: b) Wealth creation\*\***

**57. \*\*Which of the following is a type of financial investment?\*\***

- a) Buying a car

- b) Purchasing gold jewelry

- c) Investing in stocks

- d) Renting a house

- **\*\*Answer: c) Investing in stocks\*\***

**58. \*\*What does ROI stand for in the context of investment?\*\***

- a) Return on Investment

- b) Rate of Inflation

- c) Risk of Investment

- d) Revenue from Investment

- **\*\*Answer: a) Return on Investment\*\***

**59. \*\*Which type of investment carries the highest risk?\*\***

- a) Government bonds

- b) Blue-chip stocks

- c) Real estate

- d) Cryptocurrency

- **\*\*Answer: d) Cryptocurrency\*\***

**60. \*\*What is the role of diversification in investment?\*\***

- a) Concentrating investments in one asset
- b) Spreading investments across different assets
- c) Timing the market for maximum returns
- d) Ignoring market trends
- **\*\*Answer: b) Spreading investments across different assets\*\***

**61. \*\*Which determinant of investment is influenced by interest rates?\*\***

- a) Government policies
- b) Technological advancements
- c) Cost of capital
- d) Consumer preferences
- **\*\*Answer: c) Cost of capital\*\***

**62. \*\*What is the key factor in determining the risk tolerance of an investor?\*\***

- a) Age
- b) Gender
- c) Occupation
- d) Income level
- **\*\*Answer: a) Age\*\***

**63. \*\*Which investment type provides a fixed interest over a specified period?\*\***

- a) Mutual funds
- b) Savings account
- c) Stocks

- d) Real estate
- **\*\*Answer: b) Savings account\*\***

**64. \*\*What is liquidity in the context of investments?\*\***

- a) Ability to quickly convert an asset into cash
- b) Long-term growth potential
- c) Level of risk associated with an investment
- d) Predictability of returns
- **\*\*Answer: a) Ability to quickly convert an asset into cash\*\***

**65. \*\*Which economic factor influences investment decisions based on future expectations?\*\***

- a) Current inflation rate
- b) Gross Domestic Product (GDP)
- c) Consumer spending
- d) Anticipated interest rates
- **\*\*Answer: d) Anticipated interest rates\*\***

**66. \*\*What role does market research play in investment decision-making?\*\***

- a) Determines the type of investment
- b) Predicts stock market crashes
- c) Identifies consumer preferences
- d) Evaluates historical investment performance
- **\*\*Answer: c) Identifies consumer preferences\*\***

**67. \*\*Which investment is considered a safe haven during economic downturns?\*\***

- a) Precious metals
- b) Venture capital
- c) High-yield bonds
- d) Small-cap stocks
- \*\*Answer: a) Precious metals\*\*

**68. \*\*What is the time horizon in investment planning?\*\***

- a) Total investment amount
- b) Duration of holding an investment
- c) Expected rate of return
- d) Portfolio diversification
- \*\*Answer: b) Duration of holding an investment\*\*

**69. \*\*What is the primary purpose of a 401(k) or similar retirement accounts?\*\***

- a) Short-term savings
- b) Education funding
- c) Long-term retirement planning
- d) Emergency fund
- \*\*Answer: c) Long-term retirement planning\*\*

**70. \*\*What is the impact of inflation on the real return of an investment?\*\***

- a) Increases real return
- b) No impact on real return

- c) Decreases real return
- d) Reduces risk
- **\*\*Answer: c) Decreases real return\*\***

**71. \*\*Which investment type is associated with ownership in a company?\*\***

- a) Bonds
- b) Real estate
- c) Stocks
- d) Mutual funds
- **\*\*Answer: c) Stocks\*\***

**72. \*\*What does the term "bull market" refer to in investment?\*\***

- a) Rising market prices
- b) Falling market prices
- c) Stable market conditions
- d) Market correction
- **\*\*Answer: a) Rising market prices\*\***

**73. \*\*What is the primary purpose of a risk assessment in investment planning?\*\***

- a) Maximize returns
- b) Minimize taxes
- c) Understand potential losses
- d) Time the market
- **\*\*Answer: c) Understand potential losses\*\***

**74. \*\*Which factor is crucial in determining the value of real estate investments?\*\***

- a) Political stability
- b) Location
- c) Current interest rates
- d) Corporate profits
- **\*\*Answer: b) Location\*\***

**75. \*\*What role does compounding play in long-term investments?\*\***

- a) Increases risk
- b) Accelerates wealth growth
- c) Stabilizes returns
- d) Reduces investment volatility
- **\*\*Answer: b) Accelerates wealth growth\*\***

**76. \*\*Question:\*\* What is the primary ownership structure of Public Sector Banks in India?**

- A) Private ownership
- B) Government ownership
- C) Foreign ownership
- D) Cooperative ownership
- **\*\*Answer: B) Government ownership\*\***

**77. \*\*Question:\*\* Which regulatory body is responsible for overseeing the functioning of banks in India?**

- A) SEBI
- B) RBI

- C) NABARD
- D) IRDAI
- **\*\*Answer: B) RBI\*\***

**78. \*\*Question:\*\* HDFC Bank is an example of which type of bank in India?**

- A) Public Sector Bank
- B) Private Sector Bank
- C) Cooperative Bank
- D) Regional Rural Bank
- **\*\*Answer: B) Private Sector Bank\*\***

**79. \*\*Question:\*\* What is the main focus of Cooperative Banks in India?**

- A) Profit maximization
- B) Serving the agricultural and rural sector
- C) Catering to urban commercial needs
- D) Foreign exchange services
- **\*\*Answer: B) Serving the agricultural and rural sector\*\***

**80. \*\*Question:\*\* Which committee recommended the establishment of Regional Rural Banks (RRBs) in India?**

- A) Narasimham Committee
- B) Rangarajan Committee
- C) Gadgil Committee
- D) Malhotra Committee
- **\*\*Answer: C) Gadgil Committee\*\***

**81. \*\*Question:\*\* ICICI Bank is an example of which type of bank?**

- A) Public Sector Bank
- B) Private Sector Bank
- C) Cooperative Bank
- D) Foreign Bank
- **\*\*Answer: B) Private Sector Bank\*\***

**82. \*\*Question:\*\* What is the minimum voting right percentage that the government typically holds in Public Sector Banks?**

- A) 26%
- B) 51%
- C) 75%
- D) 100%
- **\*\*Answer: B) 51%\*\***

**83. \*\*Question:\*\* NABARD primarily focuses on the development of which sector in India?**

- A) Education
- B) Agriculture
- C) Information Technology
- D) Healthcare
- **\*\*Answer: B) Agriculture\*\***

**84. \*\*Question:\*\* Which bank is known as the "Banker to the Banks" in India?**

- A) State Bank of India
- B) Punjab National Bank



- C) Reserve Bank of India
- D) HDFC Bank
- **\*\*Answer: C) Reserve Bank of India\*\***

**85. \*\*Question:\*\* What is the main objective of Priority Sector Lending in India?**

- A) Promoting large industries
- B) Focusing on profitable sectors
- C) Ensuring credit flow to specified sectors like agriculture and small enterprises
- D) Encouraging foreign investments
- **\*\*Answer: C) Ensuring credit flow to specified sectors like agriculture and small enterprises\*\***

**86. \*\*Question:\*\* Which of the following is the oldest Public Sector Bank in India?**

- A) State Bank of India
- B) Punjab National Bank
- C) Bank of Baroda
- D) Canara Bank
- **\*\*Answer: A) State Bank of India\*\***

**87. \*\*Question:\*\* Cooperative Banks in India operate based on the principles of:**

- A) Profit maximization
- B) Social service
- C) Government control

- D) Foreign investments
- **\*\*Answer: B) Social service\*\***

**88. \*\*Question:\*\* Who is the regulator for Cooperative Banks in India?**

- A) RBI
- B) NABARD
- C) SEBI
- D) Ministry of Finance
- **\*\*Answer: A) RBI\*\***

**89. \*\*Question:\*\* Which private sector bank is headquartered in Mumbai?**

- A) Axis Bank
- B) ICICI Bank
- C) YES Bank
- D) Kotak Mahindra Bank
- **\*\*Answer: D) Kotak Mahindra Bank\*\***

**90. \*\*Question:\*\* The concept of "Lead Bank" was introduced on the recommendation of which committee?**

- A) Narasimham Committee
- B) Rangarajan Committee
- C) Gadgil Committee
- D) Malhotra Committee
- **\*\*Answer: B) Rangarajan Committee\*\***

**91. \*\*Question:\*\* Which Public Sector Bank was merged with Punjab National Bank in 2020 to become the second-largest PSB in India?**

- A) Bank of Baroda
- B) Union Bank of India
- C) Oriental Bank of Commerce
- D) State Bank of Bikaner & Jaipur
- **\*\*Answer: C) Oriental Bank of Commerce\*\***

**92. \*\*Question:\*\* What is the primary function of Payments Banks in India?**

- A) Providing loans
- B) Accepting demand deposits
- C) Issuing credit cards
- D) Facilitating digital transactions and payments
- **\*\*Answer: D) Facilitating digital transactions and payments\*\***

**93. \*\*Question:\*\* Which committee recommended the establishment of Small Finance Banks in India?**

- A) Rangarajan Committee
- B) Nachiket Mor Committee
- C) Malhotra Committee
- D) Gadgil Committee
- **\*\*Answer: B) Nachiket Mor Committee\*\***

**94. \*\*Question:\*\* What is the minimum capital requirement for Small Finance Banks in India?**

- A) Rs. 100 crore

- B) Rs. 200 crore
- C) Rs. 500 crore
- D) Rs. 1000 crore
- **\*\*Answer: B) Rs. 200 crore\*\***

**95 \*\*Question:\*\* Which of the following is a cooperative bank primarily catering to the needs of the urban and semi-urban population?**

- A) NABARD
- B) SIDBI
- C) Urban Cooperative Bank
- D) Gramin Bank
- **\*\*Answer: C) Urban Cooperative Bank\*\***

**96. \*\*Which account is primarily used for daily transactions and is suitable for business operations?\*\***

- A. Savings account
- B. Current account
- C. Recurring deposit account
- D. Fixed deposit account
- **\*\*Answer: B. Current account\*\***

**97. \*\*Which account is designed for accumulating savings over a specified period with regular deposits?\*\***

- A. Savings account
- B. Current account
- C. Recurring deposit account
- D. Fixed deposit account

- **\*\*Answer: C. Recurring deposit account\*\***

**98. \*\*What type of account offers higher interest rates and has a fixed maturity period?\*\***

- **A. Savings account**
- **B. Current account**
- **C. Recurring deposit account**
- **D. Fixed deposit account**

- **\*\*Answer: D. Fixed deposit account\*\***

**99. \*\*Which account is suitable for individuals who want to earn interest on their idle money?\*\***

- **A. Savings account**
- **B. Current account**
- **C. Recurring deposit account**
- **D. Fixed deposit account**

- **\*\*Answer: A. Savings account\*\***

**100. \*\*What is the primary purpose of a current account?\*\***

- **A. Long-term savings**
- **B. Daily transactions**
- **C. Regular deposits**
- **D. Fixed maturity period**

- **\*\*Answer: B. Daily transactions\*\***

**101. \*\*Which account provides the flexibility to withdraw money at any time without any penalty?\*\***

- **A. Savings account**
- **B. Current account**
- **C. Recurring deposit account**
- **D. Fixed deposit account**
- **\*\*Answer: A. Savings account\*\***

**102. \*\*What is the primary characteristic of a recurring deposit account?\*\***

- **A. Fixed maturity period**
- **B. Regular deposits at intervals**
- **C. Withdrawals anytime**
- **D. Suitable for business transactions**
- **\*\*Answer: B. Regular deposits at intervals\*\***

**103. \*\*Which account is known for offering a higher interest rate compared to regular savings accounts?\*\***

- **A. Savings account**
- **B. Current account**
- **C. Recurring deposit account**
- **D. Fixed deposit account**
- **\*\*Answer: D. Fixed deposit account\*\***

**104. \*\*What is the minimum balance requirement typically associated with a current account?\*\***

- **A. No minimum balance**

- B. Fixed minimum balance
- C. Variable minimum balance
- D. Minimum balance not applicable
- **\*\*Answer: B. Fixed minimum balance\*\***

**105. \*\*Which account is commonly used by individuals for emergency funds and short-term savings?\*\***

- A. Savings account
- B. Current account
- C. Recurring deposit account
- D. Fixed deposit account
- **\*\*Answer: A. Savings account\*\***

**106. \*\*What happens if you withdraw money from a fixed deposit account before its maturity date?\*\***

- A. No penalty
- B. Partial interest loss
- C. Full interest loss
- D. Higher interest earned
- **\*\*Answer: C. Full interest loss\*\***

**107. \*\*Which account is ideal for individuals who want to save regularly but in smaller amounts?\*\***

- A. Savings account
- B. Current account
- C. Recurring deposit account

- **D. Fixed deposit account**
- **\*\*Answer: C. Recurring deposit account\*\***

**108. \*\*What type of account is considered a demand deposit account?\*\***

- **A. Savings account**
- **B. Current account**
- **C. Recurring deposit account**
- **D. Fixed deposit account**
- **\*\*Answer: B. Current account\*\***

**109. \*\*Which account offers a higher degree of liquidity for the account holder?\*\***

- **A. Savings account**
- **B. Current account**
- **C. Recurring deposit account**
- **D. Fixed deposit account**
- **\*\*Answer: A. Savings account\*\***

**110. \*\*What is the primary purpose of a fixed deposit account?\*\***

- **A. Daily transactions**
- **B. Regular deposits at intervals**
- **C. Higher interest earnings**
- **D. Fixed maturity period**
- **\*\*Answer: D. Fixed maturity period\*\***



**111. \*\*Which account is suitable for long-term savings with a fixed interest rate?\*\***

- A. Savings account
- B. Current account
- C. Recurring deposit account
- D. Fixed deposit account
- **\*\*Answer: D. Fixed deposit account\*\***

**112. \*\*What distinguishes a savings account from a current account in terms of interest earnings?\*\***

- A. Savings account earns higher interest
- B. Current account earns higher interest
- C. Both earn the same interest
- D. Neither earns interest
- **\*\*Answer: A. Savings account earns higher interest\*\***

**113. \*\*Which account is primarily used for short-term financial goals?\*\***

- A. Savings account
- B. Current account
- C. Recurring deposit account
- D. Fixed deposit account
- **\*\*Answer: A. Savings account\*\***

**114. \*\*In which account is the interest typically calculated on a quarterly basis?\*\***

- A. Savings account

- B. Current account
- C. Recurring deposit account
- D. Fixed deposit account
- **\*\*Answer: A. Savings account\*\***

**115. \*\*What is the usual tenure range for a fixed deposit account?\*\***

- A. Up to 1 year
- B. 1 to 5 years
- C. 5 to 10 years
- D. No fixed tenure
- **\*\*Answer: B. 1 to 5 years\*\***

**Certainly! Here are 25 objective type questions on the Reserve Bank of India (RBI):**

**116. \*\*Question:\*\* What is the primary function of the Reserve Bank of India (RBI)?**

- A) Fiscal Policy
- B) Monetary Policy
- C) Trade Policy
- D) Industrial Policy
- **\*\*Answer: B) Monetary Policy\*\***

**117. \*\*Question:\*\* In which year was the Reserve Bank of India established?**

- A) 1935
- B) 1947
- C) 1950

- D) 1969

- **\*\*Answer: A) 1935\*\***

**118. \*\*Question:\*\* The Reserve Bank of India issues currency notes under the authority of which act?**

- A) RBI Act, 1934

- B) Banking Regulation Act, 1949

- C) Companies Act, 1956

- D) Negotiable Instruments Act, 1881

- **\*\*Answer: A) RBI Act, 1934\*\***

**119. \*\*Question:\*\* What is the main objective of the monetary policy of the RBI?**

- A) Price Stability

- B) Full Employment

- C) Industrial Growth

- D) Social Equality

- **\*\*Answer: A) Price Stability\*\***

**120. \*\*Question:\*\* Which committee recommended the establishment of the Reserve Bank of India?**

- A) Hilton Young Commission

- B) Fazal Ali Committee

- C) Royal Commission on Indian Currency and Finance

- D) Jalan Committee

- **\*\*Answer: C) Royal Commission on Indian Currency and Finance\*\***

**121. \*\*Question:\*\* Who is the ex-officio governor of the Reserve Bank of India?**

- A) Prime Minister**
- B) Finance Minister**
- C) President of India**
- D) Chief Justice of India**
- \*\*Answer: B) Finance Minister\*\***

**122. \*\*Question:\*\* What is the minimum reserve system for scheduled banks as per the RBI Act?**

- A) CRR**
- B) SLR**
- C) Repo Rate**
- D) Reverse Repo Rate**
- \*\*Answer: A) CRR\*\***

**123. \*\*Question:\*\* Which department of the RBI is responsible for regulating and supervising banks and financial institutions?**

- A) Department of Currency Management**
- B) Department of Banking Supervision**
- C) Department of Economic and Policy Research**
- D) Department of Government and Bank Accounts**
- \*\*Answer: B) Department of Banking Supervision\*\***

**124. \*\*Question:\*\* The Nationalization of banks in India took place in which year?**

- A) 1947
- B) 1955
- C) 1969
- D) 1980
- **\*\*Answer: C) 1969\*\***

**125. \*\*Question:\*\* What is the purpose of the Reserve Bank of India's Open Market Operations (OMO)?**

- A) Control Inflation
- B) Promote Exports
- C) Encourage Foreign Direct Investment
- D) Regulate Agricultural Prices
- **\*\*Answer: A) Control Inflation\*\***

**126. \*\*Question:\*\* Who appoints the Governor of the Reserve Bank of India?**

- A) President of India
- B) Prime Minister
- C) Finance Minister
- D) RBI Board of Directors
- **\*\*Answer: A) President of India\*\***

**127. \*\*Question:\*\* The RBI's note issue function is centralized in which cities?**

- A) Mumbai and Delhi
- B) Mumbai and Kolkata
- C) Mumbai and Chennai

- D) Mumbai and Hyderabad
- **\*\*Answer: C) Mumbai and Chennai\*\***

**128. \*\*Question:\*\* The Financial Stability and Development Council (FSDC) is chaired by:**

- A) Finance Minister
- B) Prime Minister
- C) RBI Governor
- D) SEBI Chairman
- **\*\*Answer: A) Finance Minister\*\***

**129 \*\*Question:\*\* What is the minimum capital requirement for new banks to be licensed in India, as per the RBI guidelines?**

- A) Rs. 500 crore
- B) Rs. 1000 crore
- C) Rs. 2000 crore
- D) Rs. 5000 crore
- **\*\*Answer: C) Rs. 2000 crore\*\***

**130. \*\*Question:\*\* The RBI has the sole authority to issue and manage which type of currency notes?**

- A) High Denomination Notes
- B) Small Denomination Notes
- C) One Rupee Notes
- D) Two Thousand Rupee Notes
- **\*\*Answer: C) One Rupee Notes\*\***

**131. \*\*Question:\*\* Who regulates the money market in India?**

- A) SEBI
- B) RBI
- C) NABARD
- D) IRDAI
- **\*\*Answer: B) RBI\*\***

**132. \*\*Question:\*\* The Reserve Bank of India was nationalized in which year?**

- A) 1947
- B) 1955
- C) 1969
- D) 1980
- **\*\*Answer: D) 1980\*\***

**133. \*\*Question:\*\* What is the primary purpose of the RBI's Cash Reserve Ratio (CRR)?**

- A) Ensure Liquidity in the Market
- B) Control Inflation
- C) Promote Exports
- D) Regulate Foreign Exchange Reserves
- **\*\*Answer: B) Control Inflation\*\***

**134. \*\*Question:\*\* The RBI issues guidelines for which of the following financial entities?**

- A) Mutual Funds
- B) Cooperative Banks
- C) Insurance Companies
- D) All of the above
- **\*\*Answer: D) All of the above\*\***

**135. \*\*Question:\*\* What is the primary role of the RBI's Board of Financial Supervision (BFS)?**

- A) Monetary Policy Formulation
- B) Bank Regulation and Supervision
- C) Exchange Rate Management
- D) Public Debt Management
- **\*\*Answer: B) Bank Regulation and Supervision\*\***

**136. \*\*Question:\*\* The first woman Deputy Governor of the Reserve Bank of India is:**

- A) Shikha Sharma
- B) Arundhati Bhattacharya
- C) Nirmala Sitharaman
- D) Shyamala Gopinath
- **\*\*Answer: D) Shyamala Gopinath\*\***

**137. \*\*Question:\*\* Who is responsible for appointing the Deputy Governors of the RBI?**

- A) RBI Governor
- B) President of India



- C) Prime Minister
- D) Finance Minister
- **\*\*Answer: A) RBI Governor\*\***

**138. \*\*Question:\*\* The Banking Ombudsman scheme is administered by:**

- A) RBI
- B) SEBI
- C) IRDAI
- D) NABARD
- **\*\*Answer: A) RBI\*\***

**139. \*\*Question:\*\* Which committee recommended the establishment of the Monetary Policy Committee (MPC)?**

- A) Rangarajan Committee
- B) Chakravarty Committee
- C) Urjit Patel Committee
- D) Bimal Jalan Committee
- **\*\*Answer: C) Urjit Patel Committee\*\***

**140. \*\*Question:\*\* The Reserve Bank of India acts as a banker to:**

- A) Central Government
- B) State Governments
- C) Scheduled Banks
- D) All of the above
- **\*\*Answer: D) All of the above\*\***

**Q141. What is the primary purpose of budgeting in financial planning?**

- a) Limiting income**
- b) Controlling expenses**
- c) Maximizing debt**
- d) Ignoring financial goals**

**\*\*Answer: b) Controlling expenses\*\***

**Q142. Emergency funds are typically recommended to cover how many months of living expenses?**

- a) One month**
- b) Three months**
- c) Six months**
- d) Twelve months**

**\*\*Answer: c) Six months\*\***

**Q143. Which of the following is a key benefit of tracking daily expenses?**

- a) Increasing debt**
- b) Unpredictable financial outcomes**
- c) Better control over spending**
- d) Ignoring financial goals**

**\*\*Answer: c) Better control over spending\*\***

**Q144. How does the debt-to-income ratio impact financial planning?**

- a) It has no impact**
- b) Lower ratio is better**
- c) Higher ratio is better**
- d) Only relevant for businesses**

**\*\*Answer: b) Lower ratio is better\*\***

**Q145. What is the primary purpose of diversification in investment portfolios?**

- a) Concentrating risk**
- b) Minimizing risk**
- c) Ignoring risk**
- d) Timing the market**

**\*\*Answer: b) Minimizing risk\***

**Q146. What is the general relationship between risk and return in investments?**

- a) No relationship**
- b) Inverse relationship**

- c) Direct relationship**
- d) Random relationship**

**\*\*Answer: c) Direct relationship\*\***

**Q147. What is the term for investments that are easily converted to cash?**

- a) Illiquid assets**
- b) Tangible assets**
- c) Liquid assets**
- d) Intangible assets**

**\*\*Answer: c) Liquid assets\*\***

**Q148. What does the acronym "IRA" stand for in the context of retirement planning?**

- a) Individual Retirement Account**
- b) Investment Return Assessment**
- c) International Retirement Agreement**
- d) Inflation Rate Analysis**

**\*\*Answer: a) Individual Retirement Account\*\***

**Q149. How does creating a will contribute to financial planning?**

- a) Increases taxes**
- b) Simplifies estate distribution**

- c) Excludes beneficiaries
- d) Limits financial control

**\*\*Answer: b) Simplifies estate distribution\*\***

**Q150. What is the purpose of an HSA (Health Savings Account) in financial planning?**

- a) Maximizing debt
- b) Funding vacations
- c) Covering medical expenses with tax advantages
- d) Ignoring healthcare costs

**\*\*Answer: c) Covering medical expenses with tax advantages\*\***

**Q151. What is the concept of "compounding" in the context of investments?**

- a) Adding investments together
- b) Calculating taxes
- c) Earning returns on both principal and accumulated interest
- d) Ignoring interest rates

**\*\*Answer: c) Earning returns on both principal and accumulated interest\***

**Q152. What is the primary purpose of a 401(k) retirement account?**

- a) Funding short-term goals
- b) Tax-free withdrawals

- c) Employer-sponsored retirement savings**
- d) Ignoring retirement**

**\*\*Answer: c) Employer-sponsored retirement savings\*\***

**Q153. How does inflation impact the purchasing power of money over time?**

- a) Increases it**
- b) Decreases it**
- c) No impact**
- d) Unpredictable impact**

**\*\*Answer: b) Decreases it**

**Q154. What does the term "risk tolerance" refer to in investment planning?**

- a) Willingness to take on financial debt**
- b) Ability to tolerate market fluctuations**
- c) Ignoring investment goals**
- d) Predicting market trends**

**\*\*Answer: b) Ability to tolerate market fluctuations\*\***

**Q155. How does a credit score influence financial planning?**

- a) No impact**
- b) Higher score leads to higher interest rates**
- c) Lower score is favorable for loans**
- d) Reflects investment performance**

**\*\*Answer: b) Higher score leads to higher interest rates\*\***