



## **Reserve Bank of India (RBI)**

1. When did Reserve Bank of India (RBI) formed?

Answer: 1935 april 1

2. When did Reserve Bank of India (RBI) Nationalised ?

Answer: 1949

3. Where was the first Headquarters of Reserve Bank of India (RBI) ?

Answer: Kolkata

4. When did the Headquarters of Reserve Bank of India (RBI) moved to Mumbai ?

Answer: 1937

5. Who was the First Reserve Bank of India (RBI) Governor ?

Answer: Sir Osborne Smith

## **RBI Governors List**

Sir Osborne Smith (01-04-1935 to 30-06-1937)

Sir James Taylor (01-07-1937 to 17-02-1943)

Sir C D Deshmukh (11-08-1943 to 30-06-1949)

Sir Benegal Rama Rau (01-07-1949 to 14-01-1957)

K G Ambegaonkar (14-01-1957 to 28-02-1957)

H V R Iengar (01-03-1957 to 28-02-1962)

P C Bhattacharya (01-03-1962 to 30-06-1967)

L K Jha (01-07-1967 to 03-05-1970)

B N Adarkar (04-05-1970 to 15-06-1970)

S Jagannathan (16-06-1970 to 19-05-1975)

N C Sen Gupta (19-05-1975 to 19-08-1975)

K R Puri (20-08-1975 to 02-05-1977)

M Narasimham (02-05-1977 to 30-11-1977)

Dr. I G Patel (01-12-1977 to 15-09-1982)  
Dr. Manmohan Singh (16-09-1982 to 14-01-1985)  
A Ghosh (15-01-1985 to 04-02-1985)  
R N Malhotra (04-02-1985 to 22-12-1990)  
S Venkitaramanan(22-12-1990 to 21-12-1992)  
Dr. C Rangarajan (22-12-1992 to 21-11-1997)  
Dr. Bimal Jalan (22-11-1997 to 06-09-2003)  
Dr. Y V Reddy (06-09-2003 to 05-09-2008)  
Dr. D. Subbarao (05-09-2008 to date)

6. Who was the first Indian RBI Governor ?  
Answer: C.D.Deshmukh

7. Which Commission recommended the formation of Reserve Bank of India (RBI) ?  
Answer: Hilton Young Commission (Royal commission)

8. Which is the central bank in India ?  
Answer: RBI

9. Which bank is known as Banker's Bank ?  
Answer: Reserve Bank of India (RBI)

10. Who is the present Governor of RBI ?  
Answer: Dr. Raghuram Rajan

11. Who introduced the Banking Ombudsman Scheme ?  
Answer: Reserve Bank of India

12. What's the purpose of demat account ?

Demat account is a safe and convenient means of holding securities just like a bank account is for funds. Today, practically 99.9% settlement (of shares) takes place on demat mode only. Thus, it is advisable to have a Beneficiary Owner (BO) account to trade at the exchanges.

13. How does the Reserve Bank estimate the demand for banknotes?

The Reserve Bank estimates the demand for banknotes on the basis of the growth rate of the economy, the replacement demand and reserve stock requirements by using statistical models/techniques.

14. What is the role of the Reserve Bank of India in currency management?

The Reserve Bank derives its role in currency management from the Reserve Bank of India Act, 1934. The Reserve Bank manages currency in India. The Government, on the advice of the Reserve Bank, decides on various denominations of banknotes to be issued. The Reserve Bank also co-ordinates with the Government in the designing of banknotes, including the security features. The Reserve Bank estimates the quantity of banknotes that are likely to be needed denomination-wise and accordingly, places indent with the various printing presses. Banknotes received from banks and currency chests are examined and those fit for circulation are reissued and the others (soiled and mutilated) are destroyed so as to maintain the quality of banknotes in circulation.

15. What is CRR?

Cash reserve Ratio (CRR) is the amount of funds that the banks have to keep with the RBI. If the central bank decides to increase the CRR, the available amount with the banks comes down. The RBI uses the CRR to drain out excessive money from the system. Scheduled banks are required to maintain with the RBI an average cash balance, the amount of which shall not be less than 4% of the total of the Net Demand and Time Liabilities (NDTL), on a fortnightly basis.

16. What is Reverse Repo rate?

Reverse Repo rate is the rate at which the RBI borrows money from commercial banks. Banks are always happy to lend money to the RBI since their money are in safe hands with a good interest. An increase in reverse repo rate can prompt banks to park more funds with the RBI to earn higher returns on idle cash. It is also a tool which can be used by the RBI to drain excess money out of the banking system.

17. What is a Repo Rate?

The rate at which the RBI lends money to commercial banks is called repo rate. It is an instrument of monetary policy. Whenever banks have any shortage of funds they can borrow from the RBI. A reduction in the repo rate helps banks get money at a cheaper rate and vice versa. The repo rate in India is similar to the discount rate in the US.

18. What is SLR Rate?

Statutory liquidity ratio refers to the amount that the commercial banks require to maintain in the form of gold or govt. approved securities before providing credit to the customers. Here by approved securities we mean, bond and shares of different companies. Statutory Liquidity Ratio is determined and maintained by the Reserve Bank of India in order to

control the expansion of bank credit. It is determined as percentage of total demand and time liabilities.

19. What is a white-label ATM?

Most automated teller machines (ATMs), or machines that dispense cash, are owned by banks. But ones that are owned and operated by non-banking companies are called while-label ATMs (WLAs). They function just the same way as any other bank-run ATM. Tata Communications Payment Solutions Ltd. (TCPSL), a subsidiary of Tata Communications on June 2013, rolled out the first-ever white label Automated Teller Machines (ATMs) network under the brand Indicash.

20. How inflation effect on money and price?

In economics, inflation is a rise in the general level of prices of goods and services in an economy over a period of time.[1] When the general price level rises, each unit of currency buys fewer goods and services. Consequently, inflation reflects a reduction in the purchasing power per unit of money □ a loss of real value in the medium of exchange and unit of account within the economy. A chief measure of price inflation is the inflation rate, the annualized percentage change in a general price index (normally the consumer price index) over time.

Inflation's effects on an economy are various and can be simultaneously positive and negative. Negative effects of inflation include an increase in the opportunity cost of holding money, uncertainty over future inflation which may discourage investment and savings, and if inflation is rapid enough, shortages of goods as consumers begin hoarding out of concern that prices will increase in the future. Positive effects include ensuring that central banks can adjust real interest rates (to mitigate recessions),[5] and encouraging investment in non-monetary capital projects.

### **General Knowledge questions on Indian Economy**

1. Which state in India is the major producer of mulberry silk?

Ans : Karnataka

2. Which one of the following Indian states leads in the production of rubber ?

Ans : Kerala

3. Nagda is well known as a centre of production of □

Ans : Viscose staple fibre

4. In which state is the hydel power project Nathpa Jhakari located ?  
Ans : Himachal Pradesh

5. Where is the college of defence management Located ?  
Ans : Secunderabad

6. Highest production of coffee in India ?  
Ans : Karnataka

7. Which state of India has the highest population density ?  
Ans : West Bengal

8. Who is known as "Father of white Revolution" in India ?  
Ans : V. Kurien

9. Which state in country has the largest number of districts ?  
Ans : Uttar Pradesh

10. What is the name of the major base of Indian Navy at Karwar ?  
Ans : INS Kadamba

11. What is the median age (approximate) of the Indian population ?  
Ans : 32 years

12. Which is the largest electricity producing state in India ?  
Ans : Maharashtra

13. Which state is the largest producer of Tobacco ?  
Ans : Andhra Pradesh

14. Which state is the first largest Producer of rice ?  
Ans : West Bengal

15. Which Indian state is the largest producer of Hydro electricity ?  
Answer: Andhra Pradesh

1. The census in India is done after a gap of every  
Ans : 10 yrs.

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2. Insurance service provided by various banks is commonly known as

Ans : Bancassurance

3. National Sample Survey Organisation (NSSO) was established in?

Ans : 1950

4. What is the full form of FCCBs?

Ans : Foreign Currency Convertible bonds

5. Which state stands first in the length of roads in the country?

Ans : Maharashtra

6. When was Focus Market Scheme introduced?

Ans : 2006-07

7. What is the full form of 'NBFC' as used in the financial sector?

Ans : New Banking and Finance Corporation

8. The central banking functions in India are performed by the?

Ans : Reserve Bank of India

9. Which among the following body promoted Securities Trading Corporation of India Limited (STCI) jointly with the Public sector Banks?

Ans : Reserve bank Of India

10. Gilt-edged market means

Ans : market of government securities

11. In the last one decade, which one among the following sectors has attracted the highest foreign direct investment inflows into India?

Ans : Telecommunication

12. Devaluation of a currency means

Ans : Reduction in the value of a currency vis-a-vis major internationally traded currencies

13. The chairman of the 14th Finance Commission is  
Ans : Y.V. Reddy

14. When there is an inflationary trend in the economy what would be trend in the pricing of the Bank products?  
Ans : Increasing trend

15. Decimal coinage was introduced in India in the year  
Ans : 1957

16. Recently, government approved levying of Rs 650 crore penalty, on which of the following telecommunication company for violating roaming norms?  
Ans : Bharati Airtel

17. The Tenth Plan period was from  
Ans : 2002□2007

18. National Rural Development Institute is situated at  
Ans : Hyderabad

19. In commodity exchange in India, Index Futures are not permitted, as some of the provision of the FCRA do not allow the same. What is the full form of FCRA?  
Ans : Foreign Contribution Regulation Act.

20. Who introduced cooperative society in India?  
Ans : Lord Curzon

21. Which Indian got Nobel Prize for Economics?  
Ans : Amarthiya Sen

22. The Headquarter of RBI is in  
Ans : Mumbai

23. National Income estimates in India is prepared by  
C.S.O.(Central Statistics Office)

24. Dalal street is situated at  
Ans : Mumbai

25. What is the full form of the term 'NPA' as used in banking environment?

Ans : Non-performing assets

26. On July 12, 1982, the ARDC was merged into

Ans : NABARD

27. The first wholly Indian Bank was set up in

Ans : 1894

28. Which of the following is the first Indian private company to sign an accord with Government of Myanmar for oil exploration in two offshore blocks in that country?

Ans : Essar Oil

29. Which among the following correctly defines the Net Interest Income (NII) for banks?

Ans : Difference between interest earned and interest paid

30. The former name of State Bank of India was

Ans : Imperial Bank of India

31. The value of Gold is determined in

Ans : London

32. Deficit financing means that the government borrows money from the

Ans : RBI

33. The Board of Industrial and Financial Reconstruction (BIFR) came into existence in

Ans : 1987

34. The currency notes are printed in

Ans : Nasik

35. The banks are required to maintain a certain ratio between their cash in the hand and totals assets. This is called

Statutory Liquid Ratio (SLR)

36. Reserve Bank of India was nationalized in the year

Ans : 1949



37. How many banks were nationalized in 1969?

Ans : 14

38. In India, the first bank of limited liability managed by Indians and founded in 1881 was

Ans : Oudh Commercial Bank

39. Subsidies mean

Ans : payment made by the government to business enterprises, without buying any goods and services

40. In India, which one among the following formulates the fiscal policy?

Ans : Ministry of Finance

41. Paper currency first started in India in

Ans : 1542

42. The ARDC is now a branch of the

Ans : NABARD

43. Since 1983, the RBI's responsibility with respect to regional rural banks was transferred to

Ans : NABARD

44. MRTP Act was implemented in

Ans : 1970

45. Regional Rural Banks were established in

Ans : 1975

46. Consumer Protection Act (CORPA) was implemented in

Ans : 1987

49. Foreign currency which has a tendency of quick migration is called

Ans : Hot currency

50. Which institution is known as Soft loan window of World Bank?

Ans : IFC

51. The New Symbol of Indian Rupee is a blend of  
Ans : Devanagiri Ra and Roman

52. Which is the most important source of income for Government of India?  
Ans : Excise duty

53. In India, barter exchange is still in practice in  
Ans : Calcutta

54. The planning Commission was reconstituted in  
Ans : March 1950

55. The state which has the highest sugarcane production in India is  
Uttar Pradesh

56. The currency Deutsche Mark belongs to  
Germany

57. In which of the following the first Mutual funds in India were  
Ans : 1964

58. Which of the following organization publishes the "World Investment Report" annually?  
UNCTAD

59. Who declares the Credit Policy of India?  
Ans : Reserve Bank of India

60. Bajaj Auto announced its tie-up with which bank to offer inventory finance to its  
dealers?  
Ans : State Bank of India