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1) FATCA stands for
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a. Foreign Account Tax Compliance Act
b. Foreign Account Trade Company Act
c. Financial Account Tax Compliance Act
d. Fiscal Account Tax Compliance Act

Answer Explanation

ANSWER: Foreign Account Tax Compliance Act

Explanation:

The Foreign Account Tax Compliance Act (FATCA) is a 2010 United States federal law to enforce the requirement for United States persons including those living outside the U.S. to file yearly reports on their non-U.S. financial accounts to the Financial Crimes Enforcement Network (FINCEN).

It requires all non-U.S. (foreign) financial institutions (FFIs) to search their records for indicia indicating U.S. person-status and to report the assets and identities of such persons to the U.S. Department of the Treasury

(It is intended to detect and deter the evasion of US tax by US persons who hide money outside the US. FATCA creates greater transparency by strengthening information reporting and compliance by providing rules around the processes of documenting, reporting and withholding on a payee.)

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2) Which of the following gives consumers the right to see their credit records and correct mistakes?
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a. FACTA
b. FCRA
c. FDCPA
d. FOIA

Answer Explanation

ANSWER: FCRA

Explanation:

The Fair Credit Reporting Act (FCRA) is a Federal law established in 1971 and revised in 1997.

The Fair Credit Reporting Act (FCRA) is a federal law that regulates how consumer reporting agencies use your information.

It also restricts who has access to your sensitive credit information and how that information can be used.

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3) As per the provisions of which act all financial institutions have to maintain a record for all form of transactions?
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a. Companies Act, 1956
b. Credit Information (Companies Regulation Act, 2005)
c. Information Technology Act, 2000
d. PMLA Act, 2002

Answer Explanation

ANSWER: PMLA Act, 2002

Explanation:

As per the provisions of **Prevention of Money laundering Act (PMLA Act, 2002)** all financial institutions (Ex: NBFC, Co-operative Bank etc.,) and intermediary which includes a stock broker, sub broker etc., have to maintain a record for all form of transactions.

4) Which of the following Act refers to the acquisition and transfer of the undertakings of certain banking companies?
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a. Companies Act, 1956
b. Credit Information (Companies Regulation Act, 2005)
c. Banking Companies (acquisition and transfer of undertakings), 1970
d. Banking Regulation Act, 1949

Answer Explanation

ANSWER: Banking Companies (acquisition and transfer of undertakings), 1970

Explanation:

Banking Companies (acquisition and transfer of undertakings) Act, provides provisions for the acquisition and transfer of the undertakings of certain banking companies having regard to their size, resources, coverage and organization in order to control the heights of the economy and to meet progressively.

Amendment :

The Banking Companies (Acquisition And Transfer Of Undertakings) And Financial Institutions Laws (Amendment) Act, 2006.

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5) Which of the following was/were established under the Recovery of Debts Due to Banks and Financial Institutions Act (RDDBFI Act), 1993?
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a. DRTs
b. DRATs
c. Both (A) and (B)
d. None of the Above

Answer Explanation

ANSWER: Both (A) and (B)

Explanation:

The **Debts Recovery Tribunals (DRTs)** and **Debts Recovery Appellate Tribunal (DRATs)** were established under the **Recovery of Debts Due to Banks and Financial Institutions Act (RDDBFI Act), 1993**.

With the specific objective to provide expeditious adjudication and recovery of debts due to Banks and Financial Institution.

Government of India has constituted **thirty three Debts Recovery Tribunals** and **five Debts Recovery Appellate Tribunals** across the country.

Under the Recovery of Debts Due to Banks and Financial Institutions (RDDBFI) Act, 1993 banks approach the Debts Recovery Tribunal (DRT) whereas,

Under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests (SARFAESI) Act, 2002 borrowers, guarantors, and other any other person aggrieved by any action of the bank can approach the Debts Recovery Tribunal (DRT).

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6) Which act allows banks and other financial institution to auction residential or commercial properties to recover loans?
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a. Industrial Disputes Act 1947
b. Foreign Exchange Management Act, 1999
c. Banking Regulation Act, 1949
d. SARFAESI Act, 2002

Answer Explanation

ANSWER: SARFAESI Act, 2002

Explanation:

The **Securitization And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002** (also k/as SARFAESI Act).

It allows banks and other financial institution to auction residential or commercial properties to recover loans.

The first asset reconstruction company (ARC) of India, ARCIL, was set up under this act.

The act was amended by "Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016", passed by Lok Sabha on 2 August 2016.

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7) Which of the following is the clearing agency for Government securities?

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a. GOI
b. RBI
c. CCIL
d. SEBI

Answer Explanation

ANSWER: CCIL

Explanation:

The CCIL is the clearing agency for Government securities.

It acts as a Central Counter Party (CCP) for all transactions in Government securities by interposing itself between two counter parties.

The Clearing Corporation of India limited (CCIL) was set up in April 2001.

The CCIL clears all transactions in government securities, and repurchase agreements (repos) reported on the Negotiated Dealing System.

CCIL

Founded : April 2001
Headquarter : Mumbai, India
Current Head : Mr. R Sridharan (MD)

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8) Banks are required to maintain SLR under which act?

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a. Section 24 of the Banking Regulation Act
b. Section 35 of the Negotiable Instrument Act, 1881
c. Section 24 of RBI Act
d. Section 40 of Indian Contract Act, 1872

Answer Explanation

ANSWER: Section 24 of the Banking Regulation Act

Explanation:

SLR is governed by the provisions of Section 24 of the Banking Regulation Act.

There is no minimum stipulation on SLR (earlier there used to be a minimum stipulated SLR of 25% - but this was removed with an amendment to the Banking Regulation Act in 2007).

However, SLR cannot exceed 40%.

9) Which of the following is governed by the provisions of Section 42 of the Reserve Bank of India Act, 1934?
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a. Bank rate
b. Reverse Repo Rate
c. SLR
d. CRR

Answer Explanation

ANSWER: CRR

Explanation:

CRR – Cash Reserve Ratio

CRR is governed by the provisions of Section 42 of the Reserve Bank of India Act, 1934.

Please note that earlier RBI was empowered to fix CRR between 3-20% by notification.

However, from 2006 onwards the RBI is empowered to fix the CRR on its discretion without any ceiling.

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10) When did the Reserve Bank of India notify the draft regulations relating to the Credit Information Companies (Regulation) Act, 2005?
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a. April 5, 2006
b. May 26, 2006
c. June 29, 2007
d. September 30, 2005

Answer Explanation

ANSWER: April 5, 2006

Explanation:

The Reserve Bank of India (RBI) notified the draft regulations relating to the Credit Information Companies (Regulation) Act, 2005 on April 5, 2006.

Among the major features of the regulations is the inclusion of stock brokers and telecommunication companies in the category of 'specified users' of services of credit information companies.