



## Competitive Exam Preparation BANKING AWARENESS

**MASTER KIT :**  
RBI & MONETARY POLICY






### Understand Banking Concepts That Appear Repeatedly in SBI & IBPS Exams

Topics Covered:

- ✓ RBI Functions
- ✓ Monetary Policy Committee (MPC)
- ✓ Repo Rate
- ✓ Reverse Repo
- ✓ SDF
- ✓ CRR
- ✓ SLR
- ✓ Bank Rate
- ✓ Banking Awareness MCQs

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### Exams Covered

-  SBI Clerk
-  SBI PO
-  IBPS Clerk
-  IBPS PO
-  RBI Assistant



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### RBI AT A GLANCE

#### Reserve Bank of India

Established: 1935

Nationalised: 1949

Headquarters: Mumbai

Governor: (Update when issuing PDF)

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### Main Functions

- ✓ Issue Currency
- ✓ Banker to Government
- ✓ Banker to Banks
- ✓ Regulate Banking System
- ✓ Manage Monetary Policy
- ✓ Maintain Financial Stability

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### Exam Tip

Whenever asked:

"Who controls Monetary Policy?"

Answer:

RBI through MPC.

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### MONETARY POLICY TOOLS

Tool	Purpose
Repo Rate	RBI lends to banks
Reverse Repo	Banks park money with RBI
SDF	Deposit facility without collateral
CRR	Cash maintained with RBI
SLR	Liquid assets maintained by banks
MSF	Emergency borrowing by banks
Bank Rate	Long-term RBI lending rate



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### Memory Trick

Repo ↑

Borrowing cost ↑

Loans become expensive

Inflation ↓

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### COMPARISON TABLE

#### Tool    Liquidity Impact

Repo ↑    Liquidity ↓

Repo ↓    Liquidity ↑

CRR ↑    Liquidity ↓

SLR ↑    Liquidity ↓

SDF ↑    Liquidity ↓

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### Frequently Asked Exam Question

Which body decides Repo Rate?

Answer:

Monetary Policy Committee (MPC)

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### BANKING AWARENESS MCQs

#### Q1

RBI was established in:

A. 1932

B. 1933

C. 1935

D. 1947

E. 1949

Answer \_\_\_\_\_



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### Q2

Repo Rate means:

- A. RBI borrowing from banks
- B. RBI lending to banks
- C. Customer deposits
- D. Government borrowing
- E. Foreign borrowing

Answer \_\_\_\_\_

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### Q3

CRR is maintained with:

- A. Government
- B. RBI
- C. NABARD
- D. SIDBI
- E. SEBI

Answer \_\_\_\_\_

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### Q4

Who decides monetary policy?

- A. SEBI
- B. NABARD
- C. RBI through MPC
- D. Ministry of Finance
- E. SBI

Answer \_\_\_\_\_

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### Q5

SLR consists of:

- A. Cash only
- B. Gold only
- C. Approved liquid assets
- D. Foreign currency
- E. Bonds only

Answer \_\_\_\_\_

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### ANSWER KEY & QUICK REVISION

#### Q Ans

- 1 C
- 2 B
- 3 B
- 4 C
- 5 C

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#### Quick Revision

- ✓ RBI established: 1935
- ✓ Nationalised: 1949
- ✓ HQ: Mumbai
- ✓ Repo = RBI lends to banks
- ✓ CRR = Cash with RBI
- ✓ SLR = Liquid Assets
- ✓ MPC decides Repo Rate



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### CURRENT AFFAIRS MASTER KIT

#### Banking & Economy Current Affairs Sample Module

**Stay Updated. Stay Competitive.**

Includes:

- ✓ Banking Updates
- ✓ RBI News
- ✓ Economy
- ✓ Government Schemes
- ✓ Exam-Oriented MCQs

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### TOP BANKING & ECONOMY UPDATES

#### Update 1

Latest RBI Policy Review

(Insert current update when publishing)

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#### Update 2

Digital Payments Growth

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#### Update 3

UPI Expansion

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#### Update 4

Financial Inclusion Initiatives

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#### Update 5

Banking Sector Developments

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### GOVERNMENT SCHEMES SNAPSHOT

#### PM Jan Dhan Yojana

Purpose:

Financial Inclusion

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#### PM Mudra Yojana

Purpose:

Micro Business Loans

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#### Stand-Up India

Purpose:

Entrepreneurship Support

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#### PM Vishwakarma

Purpose:

Traditional Artisan Support

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### ECONOMY QUICK REVISION

#### GDP

Measures total economic output.

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#### Inflation

Rise in prices over time.

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#### Fiscal Deficit

Government expenditure exceeds revenue.

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#### Current Account Deficit

Imports exceed exports.

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### Foreign Exchange Reserves

Held by RBI.

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### CURRENT AFFAIRS MCQs

#### Q1

UPI stands for:

- A. Unified Payment Interface
- B. Unified Payments Interface
- C. Universal Payments Interface
- D. Unified Public Interface
- E. None

Answer \_\_\_\_\_

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#### Q2

PMJDY relates to:

- A. Housing
- B. Education
- C. Financial Inclusion
- D. Health
- E. Agriculture

Answer \_\_\_\_\_

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#### Q3

Who manages India's foreign exchange reserves?

- A. SBI
- B. RBI
- C. NABARD
- D. SEBI
- E. SIDBI

Answer \_\_\_\_\_

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**Q4**

GDP measures:

- A. Inflation
- B. Employment
- C. Economic Output
- D. Trade
- E. Tax

Answer \_\_\_\_\_

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**Q5**

MUDRA loans support:

- A. Large Corporates
- B. MSMEs and Small Businesses
- C. Foreign Companies
- D. Banks
- E. Government Departments

Answer \_\_\_\_\_

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**ANSWER KEY & EXAM STRATEGY**

<b>Q</b>	<b>Ans</b>
1	B
2	C
3	B
4	C
5	B



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### Current Affairs Strategy

- ✓ Read daily
- ✓ Revise weekly
- ✓ Focus on Banking & Economy
- ✓ Attempt monthly quizzes
- ✓ Maintain a short notebook

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### About Amrit Academy

- ✓ Banking Coaching
- ✓ SSC Coaching
- ✓ OSSC Coaching
- ✓ OSSSC Coaching
- ✓ Railway Coaching
- ✓ Weekly Mock Tests
- ✓ Small Batch Learning