



MCQs Booklet 2024-25

Strategy & Finance



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100 MCQs from Strategy and Finance for Promotion Exams

1. What is the term for the total value of all goods and services produced within a country's borders in a specific period?
 - a. **GDP**
 - b. GNP
 - c. CPI
 - d. PPI
 - e. WPI
2. Which economic system relies on supply and demand to determine prices and allocate resources?
 - a. **Capitalism**
 - b. Socialism
 - c. Communism
 - d. Feudalism
 - e. Communalism
3. In economics, the study of how people make choices to satisfy their needs and wants is called:
 - a. **Microeconomics**
 - b. Macroeconomics
 - c. Marginal Analysis
 - d. Utility Theory
 - e. Marginal Cost Analysis
4. What does the abbreviation "CPI" stand for in economics?
 - a. **Consumer Price Index**
 - b. Central Planning Initiative
 - c. Cost-Per-Income
 - d. Currency Production Index
 - e. WPI
5. Which of the following is considered a regressive tax?
 - a. Income tax
 - b. Property tax
 - c. **Sales tax**
 - d. Corporate tax
 - e. Estate tax
6. What is the term for a situation where a single firm dominates a market and controls the supply of a product or service?
 - a. Oligopoly
 - b. **Monopoly**
 - c. Duopoly
 - d. Monopsony
 - e. Market dominance

7. In economics, the term "inflation" refers to:
 - a. A decrease in the overall price level
 - b. **An increase in the overall price level**
 - c. Stable prices over time
 - d. A decrease in the money supply
 - e. Fluctuating prices

8. Which economic indicator measures the percentage of people who are willing and able to work but are unemployed and actively seeking employment?
 - a. GDP
 - b. GNP
 - c. CPI
 - d. **Unemployment rate**
 - e. WPI

9. What is the economic term for the total value of a company's outstanding shares of stock?
 - a. **Market capitalization**
 - b. Gross profit
 - c. Net income
 - d. Dividend yield
 - e. Gross income

10. Which economic concept refers to the idea that the next best alternative must be given up to obtain something?
 - a. **Opportunity cost**
 - b. Marginal cost
 - c. Sunk cost
 - d. Explicit cost
 - e. Economic cost

11. Which of the following is NOT a factor of production in economics?
 - a. Land
 - b. Labor
 - c. **Money**
 - d. Capital
 - e. Service

12. What is the term for a sustained period of economic decline with falling GDP, high unemployment, and reduced consumer spending?
 - a. **Recession**
 - b. Inflation
 - c. Expansion
 - d. Stagflation
 - e. Depression

13. In the context of international trade, what does "protectionism" refer to?
 - a. Promoting free trade
 - b. Removing trade barriers
 - c. **Restricting imports through tariffs and quotas**
 - d. Currency stabilization
 - e. Improving imports through tariffs and quotas

14. What one of the following is the primary function of the Reserve Bank of India?
- Fiscal policy
 - Monetary policy**
 - Trade regulation
 - Social welfare
 - Agency functions
15. Which term describes a situation in which there are limited resources to meet unlimited wants and needs?
- Scarcity**
 - Surplus
 - Abundance
 - Equilibrium
 - Demand
16. What does the term "deflation" mean in economics?
- An increase in the overall price level
 - A decrease in the overall price level**
 - Stable prices over time
 - A decrease in the money supply
 - Fluctuating prices
17. Which economic theory emphasizes the role of government in managing the economy through taxation and spending policies?
- Keynesian economics**
 - Classical economics
 - Austrian economics
 - Supply-side economics
 - Smithian economics
18. Which type of unemployment occurs when people are temporarily between jobs or transitioning from one job to another?
- Cyclical unemployment
 - Frictional unemployment**
 - Structural unemployment
 - Seasonal unemployment
 - Industrial unemployment
19. What does the term "tariff" refer to in international trade?
- A tax on imported goods**
 - A subsidy for domestic producers
 - A trade agreement between countries
 - A ban on certain imports
 - A ban on certain exports
20. Which economic term represents the maximum amount of a good or service that consumers are willing and able to purchase at a given price level?
- Supply
 - Demand**
 - Equilibrium
 - Elasticity
 - Consumption

21. In economics, the "invisible hand" is a concept associated with which economist?
- Karl Marx
 - John Maynard Keynes
 - Adam Smith**
 - Milton Friedman
 - Friedrich Hayek
22. Which economic concept refers to the ability of an individual, company, or country to produce a good or service more efficiently than others?
- Absolute advantage**
 - Comparative advantage
 - Diminishing returns
 - Price elasticity
 - Purchasing power
23. What is the term for a sudden and severe drop in the value of a country's currency relative to other currencies?
- Inflation
 - Deflation
 - Hyperinflation
 - Currency depreciation**
 - Depression
24. Which of the following is NOT a component of the aggregate demand (AD) equation in macroeconomics?
- Consumption
 - Investment
 - Government spending
 - Wage levels**
 - Net Exports
25. Which economic theory argues that government intervention in the economy should be minimal, and markets should be allowed to operate freely?
- Keynesian economics
 - Monetarism
 - Classical economics**
 - Neo-Keynesianism
 - Smithian economics
26. What is the term for a market structure characterized by a large number of small firms producing similar but slightly differentiated products?
- Monopoly
 - Oligopoly
 - Perfect competition
 - Monopolistic competition**
 - Market dominance

27. What is the primary purpose of antitrust laws in economics?
- To encourage monopolies
 - To regulate interest rates
 - To prevent unfair business practices and promote competition**
 - To control government spending
 - To increase interest rates
28. Which economic term represents the increase in total output or income that results from an additional unit of input, such as labor or capital?
- Marginal cost
 - Marginal revenue
 - Marginal utility
 - Marginal productivity**
 - Marginal profit
29. In international trade, which theory suggests that a country should specialize in producing goods in which it has a comparative advantage?
- Mercantilism
 - Protectionism
 - Absolute advantage
 - Comparative advantage**
 - Factor Endowment
30. What is the term for the total market value of all final goods and services produced by the residents of a country in a given time period, regardless of where they are located?
- GNP**
 - GDP
 - NNP
 - National income
 - WPI
31. What is the name of App launched by RBI for aiding visually impaired persons to identify the denomination of Indian Banknotes.
- MANI**
 - MONEY
 - E-RUPI
 - I-RUPEE
 - MONI
32. RBI has launched a portal for providing information on Unclaimed Deposit. The name of the portal is _____
- Retail Direct
 - UDGAM**
 - RBI Kehta Hai
 - DEAF Portal
 - UDYAM

33. BRICS will add six new Nations/Candidates as members on Jan 1, 2024. Which one of the following will not be a member ?
- Saudi Arabia
 - Iran
 - Egypt
 - Nigeria**
 - UAE
34. India has handed over the G20 Presidency to which country ?
- Argentina
 - Italy
 - Brazil**
 - South Africa
 - Spain
35. Which of the following country is invited as Permanent Guest in G20 Summit?
- Italy
 - Japan
 - Mexico
 - Spain**
 - Maldives
36. Who is the current (17th) Chief Economic Advisor of India?
- Mr V Anantha Nageswaran**
 - Mr Krishnamurthy Subramanian
 - Mr Arvind Subramanian
 - Mr S Ramakrishnan
 - Mr Arvind Virmani
37. The RBI Monetary Policy Committee (MPC) consists of ____ members.
- 5
 - 6**
 - 7
 - 8
 - 9
38. PMI Stands for Purchasing _____ Index .
- Manufacturing
 - Money
 - Managers'**
 - Monetary
 - Market
39. Who is the President of World Bank ?
- Mr David Malpass
 - Ms Gita Gopinath
 - Mr Ajay Banga**
 - Ms Kristalina Georgieva
 - Mr Jim Yong Kim

40. The headquarter of IMF is situated at _____
- Washington D.C**
 - New York
 - Geneva
 - Mexico
 - Netherlands
41. What is the primary agricultural crop of India?
- Wheat
 - Rice**
 - Cotton
 - Sugarcane
 - Jowar
42. Which government agency is responsible for the collection and publication of economic data in India?
- Ministry of Finance
 - Reserve Bank of India (RBI)
 - Ministry of Statistics and Programme Implementation (MoSPI)**
 - Securities and Exchange Board of India (SEBI)
 - None of the Above
43. What does the term "GDP" stand for?
- General Domestic Product
 - Gross Domestic Profit
 - Gross Domestic Product**
 - General Development Program
 - None of the Above
44. Which economic sector contributes the most to India's GDP?
- Agriculture
 - Manufacturing
 - Services**
 - Mining
 - None of the Above
45. What is the primary component of the money supply known as M1?
- Currency in circulation**
 - Currency held by banks
 - Savings deposits
 - Time deposits
 - None of the Above
46. Which entity has the authority to control the money supply in an economy?
- Commercial banks
 - Central bank**
 - Ministry of Finance
 - Stock exchanges
 - None of the Above

47. The process by which the central bank increases the money supply by purchasing government securities from the open market is known as:
- Contractionary monetary policy
 - Reserve requirement adjustment
 - Open market operations**
 - Discount rate change
 - None of the Above
48. What does "incremental CRR" refer to in monetary policy?
- The additional interest rate charged on loans during a recession
 - The extra reserve requirement imposed by the central bank on incremental deposits**
 - The increase in government spending during an economic expansion
 - The adjustment of exchange rates in response to inflation
 - None of the Above
49. What is the measure of national income that represents the total income earned by residents and businesses within a country's borders, regardless of their nationality or origin?
- Gross National Income (GNI)
 - Gross Domestic Product (GDP)**
 - Net National Income (NNI)
 - Gross National Product (GNP)
 - None of the Above
50. In the context of national income accounting, what does "GDP at market prices" refer to?
- GDP adjusted for inflation
 - GDP excluding the value of exports
 - GDP including taxes on products and excluding subsidies
 - GDP measured at current market prices without adjustments**
 - None of the Above
51. Which of the following is considered a transfer payment and is excluded from the calculation of national income?
- Social security benefits**
 - Wages and salaries
 - Corporate profits
 - Rental income
 - None of the Above
52. Net National Product (NNP) is calculated by subtracting which of the following from Gross National Product (GNP)?
- Depreciation (or capital consumption allowance)**
 - Indirect taxes
 - Net exports
 - Personal savings
 - None of the Above

53. What is the primary purpose of a country's balance of payments (BoP) account?
- To track government expenditures
 - To measure the level of national debt
 - To monitor the inflow and outflow of foreign exchange**
 - To assess the distribution of income within the country
 - None of the Above
54. Which component of the balance of payments accounts for transactions related to goods and services between a country and the rest of the world?
- Current account**
 - Capital account
 - Financial account
 - Reserve account
 - None of the Above
55. A trade deficit occurs when:
- Exports exceed imports
 - Imports exceed exports**
 - Both imports and exports are zero
 - The current account balance is zero
 - None of the Above
56. Which of the following is considered a capital account transaction in the balance of payments?
- Export of goods
 - Import of services
 - Foreign direct investment (FDI)**
 - Income from foreign investments
 - None of the Above
57. What is the main goal of a country's trade policy?
- To achieve a trade surplus
 - To promote domestic production and employment**
 - To minimize foreign exchange reserves
 - To eliminate all trade barriers
 - None of the Above
58. Which of the following terms describes a situation where a country's exports are more expensive for foreign buyers due to an increase in its currency's value?
- Trade surplus
 - Trade deficit
 - Appreciation of the currency**
 - Depreciation of the currency
 - None of the Above

59. The concept of "comparative advantage" in international trade suggests that countries should specialize in producing goods and services in which they have:
- The highest production costs
 - No experience
 - The lowest opportunity costs**
 - The largest labour forces
 - None of the Above
60. Which international organization promotes global economic stability and cooperation, facilitates international trade, and provides financial assistance to member countries in need?
- United Nations (UN)
 - International Monetary Fund (IMF)**
 - World Trade Organization (WTO)
 - World Bank
 - None of the Above
61. What term is used to describe a situation where a country intentionally keeps its currency's exchange rate fixed at a specific level relative to another currency?
- Exchange rate appreciation
 - Exchange rate depreciation
 - Exchange rate flexibility
 - Exchange rate pegging**
 - None of the Above
62. What is inflation?
- A period of economic recession
 - A continuous decrease in the price level
 - A sustained increase in the general price level of goods and services**
 - A situation where the supply of money exceeds the demand for money
 - None of the Above
63. Which of the following is a common measure of inflation that tracks the average change in prices of a basket of goods and services typically purchased by households?
- Gross Domestic Product (GDP)
 - Consumer Price Index (CPI)**
 - Producer Price Index (PPI)
 - Balance of Payments (BoP)
 - None of the Above
64. Cost-push inflation occurs when:
- An increase in consumer demand drives up prices
 - Businesses raise prices to increase their profit margins
 - Production costs, such as wages and raw materials, rise, leading to higher prices**
 - The central bank prints more money, causing prices to rise
 - None of the Above

65. What is demand-pull inflation?
- a. Inflation caused by a decrease in consumer demand
 - b. Inflation caused by a decrease in the money supply
 - c. Inflation caused by excessive aggregate demand, typically associated with a strong economy**
 - d. Inflation caused by a decrease in government spending
 - e. None of the Above
66. Hyperinflation is characterized by:
- a. Inflation rates that are moderate and controlled
 - b. Extremely high and rapidly accelerating inflation rates**
 - c. A situation where prices remain constant over an extended period
 - d. Deflation, with falling price levels
 - e. None of the Above
67. What is stagflation?
- a. A period of high economic growth with low inflation
 - b. A period of low economic growth with low inflation
 - c. A period of high economic growth with high inflation
 - d. A period of low economic growth with high inflation**
 - e. None of the Above
68. What is the primary goal of monetary policy?
- a. Reducing income inequality
 - b. Maximizing government revenue
 - c. Maintaining price stability and controlling inflation**
 - d. Promoting international trade
 - e. None of the Above
69. When the central bank decreases the interest rate to stimulate borrowing and spending, it is implementing:
- a. Expansionary monetary policy**
 - b. Contractionary monetary policy
 - c. Fiscal policy
 - d. Trade policy
 - e. None of the Above
70. What is the tool used by central banks to control the money supply and influence interest rates in the economy?
- a. Fiscal policy
 - b. Exchange rate policy
 - c. Open market operations**
 - d. Industrial policy
 - e. None of the Above

71. When the central bank sells government securities in the open market, what effect does it have on the money supply and interest rates?
- a. Increases the money supply; lowers interest rates
 - b. Increases the money supply; raises interest rates
 - c. Decreases the money supply; lowers interest rates
 - d. Decreases the money supply; raises interest rates**
 - e. None of the Above
72. Who determines the rate of interest applicable for transfer pricing?
- a. Asset Liability Committee
 - b. Risk Management Department
 - c. Central Funding Unit**
 - d. Deposit Mobilization Vertical
 - e. Retail Assets Vertical
73. Transfer pricing is applicable for
- a. Off balance sheet assets
 - b. Restructured assets
 - c. Strategic assets
 - d. HTM portfolio**
 - e. Joint Ventures
74. Coupons and income from the HTM portfolio is booked to
- a. CFU**
 - b. Treasury
 - c. Will be shared in 50:50 ratio
 - d. Not applicable as HTM is not part of the Banking Book.
 - e. Will be shared in 25:75 ratio
75. Which is not the component of Net Margin?
- a. Credit Spread
 - b. Funding Spread
 - c. Rate Risk Profit
 - d. Variable Spread**
 - e. lending profit
76. Interest rate risk is centralized at
- a. RMD
 - b. Treasury
 - c. ALCO
 - d. CFU**
 - e. Performance Measurement Wing

77. In Flexi Deposits, which method of transfer pricing is being used?

- a. Redemption curve method
- b. **Redemption curve method for SB/CD portion and Straight term method for TD portion**
- c. Straight term method
- d. Spread from Note Rate method
- e. Spread from Interest Rate Code

78. Under Transfer Price Mechanism, Which of the following is not a component of Bid Rate?

- a. Interbank Rate
- b. Credit Spread
- c. Liquidity Compensation Credit
- d. **Transfer Rate**
- e. CRR cost

79. Under Transfer Price Mechanism, Which of the following is not a component of Offer Rate?

- a. Bid Rate
- b. CRR
- c. SLR Cost
- d. **Repo Rate**
- e. Operating cost

80. Which of the following cash flow methods are not supported by OFSAA?

- a. Average Life
- b. Duration
- c. Weighted Term
- d. **Maturity**
- e. Zero Discount Factors

81. To incentivize retail lending for the purpose of transfer pricing, is offered to the offer rate.

- a. **a negative spread of 200 basis points**
- b. a negative spread of 100 basis points
- c. a positive spread of 200 basis points
- d. a positive spread of 100 basis points
- e. a positive spread of 50 basis points

82. Which of the following Non-Cash Flow transfer pricing is not supported by Oracle Financial Services Analytical Application (OFSAA)?

- a. Moving Averages
- b. Straight Term
- c. Redemption Curve
- d. **Duration**
- e. Caterpillar

83. Which of the following is not correct with respect to Certificate of Deposit?

- a. Certificate of deposit is a time deposit issued by a bank that pays interest periodically or at a specific maturity date.
- b. CD will be transfer priced on the Bid curve based on its term to maturity.
- c. **CDs are insured by DICGC**
- d. The straight term method in OFSAA will be used for transfer pricing
- e. The deposit insurance cost is not factored in the transfer pricing

84. Which one of the following is not included in Union PERFORM?

- a. **Business performance of the Bank**
- b. Value Creation
- c. Budgeting & Planning
- d. Measuring & Benchmarking
- e. Strategic & Tactical Initiatives

85. Profitability will be measured on various dimensions under PERFORM. Which of the following is not applicable?

- a. **Employee level**
- b. Account level
- c. Product level
- d. Customer Level
- e. Vertical level

86. The transfer pricing process is run on basis.

- a. Daily
- b. **Monthly**
- c. Quarterly
- d. Half yearly
- e. Fortnightly

87. Posting of transfer pricing entries is done to the SOL-ids of branches every

- a. Month
- b. Quarter
- c. **Half Year**
- d. Year
- e. Day

88. The Securities in Held for Trading Category can be held for a maximum period of

- a. 30 days
- b. 60 days
- c. **90 days**
- d. 120 days
- e. 180 days

89. For managing HTM portfolio, a fee of per annum is paid to the Treasury on the balances.

- a. **25 bps**
- b. 50 bps
- c. 75 bps
- d. 100 bps
- e. 200 bps

90. In Transfer Pricing, to incentivize priority sector and the rural branches,is offered over the offer rate.

- a. **an incentive of 100 basis points**
- b. an incentive of 50 basis points
- c. an incentive of 150 basis points
- d. an incentive of 200 basis points
- e. an incentive of 250 basis points

91. Expected Credit Loss is

- a. Product of Probability of Default & Loss Given Default
- b. **Product of Probability of Default, Exposure at Default, Loss Given Default**
- c. Product of Probability of Default & Exposure at Default
- d. Sum of Probability of Default, Exposure at Default & Loss Given Default
- e. Sum of Probability of Default & Loss Given Default

92. Tax has to be deducted where the total value of supply (base value without GST and Cess value), under a contract exceeds

- a. **Rs 2,50,000/-**
- b. Rs 2,00,000/-
- c. Rs 3,00,000/-
- d. Rs 2,40,000/-
- e. Rs 3,50,000/-

93. Bank must remit the GST collected from customer to Government of India by declaring liability in

- a. **GSTR-1**
- b. GSTR-3B
- c. GSTR 9
- d. GSTR 9C
- e. GSTR 2

94. is a monthly Statement of Outward Supplies to be furnished by 11th of subsequent month to which transaction pertains.

- a. **GSTR-1**
- b. GSTR-3B
- c. GSTR 9
- d. GSTR 9C
- e. GSTR 2

95. is a self-declared summary of GST return filed every month by 20th of subsequent month to which transactions pertains.

- a. GSTR-1
- b. **GSTR-3B**
- c. GSTR 9
- d. GSTR 9C
- e. GSTR 2

96. Branch has to mandatorily ensure that the GSTIN is properly updated in the Menu for ease in passing of GST Credit.

- a. **GSTMM**
- b. GSTTDS
- c. GSTIRM
- d. GSTMTR
- e. GSTAUCT

97. For income reversal ,..... Menu is used.

- a. GSTMM
- b. GSTTDS
- c. **GSTIRM**
- d. GSTMTR
- e. GSTAUCT

98. menu helps in generation of report with the details of all the customers of branch where GST Number has been updated through GSTMM.

- a. AIR
- b. GSTTDS
- c. GSTIRM
- d. **GSTMTR**
- e. GSTAUCT

99. Menu for over counter GST collection.....

- a. GSTMM
- b. GSTTDS
- c. **GSTNS**
- d. GSTMTR
- e. GSTAUCT

100. In which type of payment, TDS is not deductible under GST Act?

- a. Regular payment
- b. Capital Goods
- c. **RCM**
- d. Capital Goods & RCM
- e. Regular payment and Capital Goods

101. Menu used for LC/BG commission reversal is

- a. GSTIRMN
- b. GSTIRM
- c. HTM
- d. **AIR**
- e. GSTTDS



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