

Topic- Gold Monetization

1. What is the primary goal of the Gold Monetization Scheme (GMS)?

- a) To increase gold imports
- b) To mobilize gold held by households and institutions for productive purposes
- c) To decrease the value of gold
- d) To promote gold trading
- e) To standardize gold prices

Answer To mobilize gold held by households and institutions for productive purposes

2. Which organization certifies the Collection and Purity Testing Centres (CPTCs)?

- a) RBI
- b) NABL
- c) BIS
- d) SEBI
- e) IBA

Answer BIS

3. What is the minimum deposit required under the Gold Monetization Scheme?

- a) 5 grams of gold
- b) 10 grams of gold
- c) 15 grams of gold
- d) 20 grams of gold
- e) 25 grams of gold

Answer 10 grams of gold

4. Who can make deposits under the Gold Monetization Scheme?

- a) Non-resident Indians
- b) Foreigners
- c) Resident Indians including individuals, HUFs and trusts

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- d) Companies based outside India
- e) International gold traders

Answer Resident Indians including individuals, HUFs and trusts

5. What is the duration range for Short Term Bank Deposits (STB under the Gold Monetization Scheme?

- a) 6 months to 1 year
- b) 1 to 3 years
- c) 2 to 5 years
- d) 3 to 7 years
- e) 5 to 10 years

Answer 1 to 3 years

6. What is the minimum lock-in period for a Short Term Bank Deposit (STB)?

- a) 6 months
- b) 9 months
- c) 1 year
- d) 2 years
- e) 3 years

Answer 1 year

7. How is the interest rate for Short Term Bank Deposits (STB) under the Gold Monetization Scheme determined?

- a) Based on local market conditions
- b) By the Ministry of Finance
- c) By the bank on the basis of prevailing international lease rates and other costs
- d) By the Bureau of Indian Standards (BIS)
- e) By the World Gold Council

Answer By the bank on the basis of prevailing international lease rates and other costs

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8. How often is interest credited in Short Term Bank Deposit (STB) accounts?

- a) Monthly
- b) Quarterly
- c) Annually
- d) Semi-annually
- e) At maturity

Answer **Annually**

9. Which entity decides the interest rate for Medium and Long-Term Government Deposits (MLTG)?

- a) The respective banks
- b) The Ministry of Finance
- c) The Bureau of Indian Standards (BIS)
- d) Government in consultation with the RBI from time to time
- e) The World Gold Council

Answer **Government in consultation with the RBI from time to time.**

10. What is the rate of interest for Medium Term Government Deposit (MTG) as notified by the RBI?

- a) 1.75 percent
- b) 2.00 percent
- c) 2.25 percent
- d) 2.50 percent
- e) 3.00 percent

Answer **2.25 percent**

11. What is the minimum lock-in period for a Long Term Government Deposit (LTG)?

- a) 2 years
- b) 3 years
- c) 4 years
- d) 5 years
- e) 6 years

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Answer **5 years**

12. Under the Gold Monetization Scheme, what option does a depositor have for the redemption of principal and interest at maturity for STBD?

- a) Only in gold
- b) Only in Indian Rupee
- c) Either in Indian Rupee equivalent or in gold
- d) Only in US Dollars
- e) Only in Euros

Answer **Either in Indian Rupee equivalent or in gold**

13. What is the periodicity of interest payment for Medium and Long-Term Government Deposits (MLTG)?

- a) Monthly
- b) Quarterly
- c) Semi-annually
- d) Annually
- e) At maturity

Answer **Annually**

14. What is the administrative charge for redemption in gold for deposits made from August 04, 2022?

- a) 0.2 percent
- b) 0.25 percent
- c) 0.5 percent
- d) 1 percent
- e) 1.5 percent

Answer **0.5 percent**

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15. What is the handling charge rate for banks for MLTGD as decided by the Central Government?

- a) 0.5 percent
- b) 1 percent
- c) 1.5 percent
- d) 2 percent
- e) 2.5 percent

Answer 1.5 percent

16. Which entity reimburses banks for payments made relating to MLTGD?

- a) Ministry of Finance
- b) Central Account Section (CAS) of RBI, Nagpur
- c) Bureau of Indian Standards
- d) World Gold Council
- e) Government of India

Answer Central Account Section (CAS) of RBI, Nagpur

17. What should banks do if a deposit is not redeemed on the due date?

- a) Continue accruing interest
- b) Redeem with a penalty
- c) No interest will be paid on the outstanding deposit for the period overdue
- d) Transfer the amount to a government account
- e) Charge an additional administrative fee

Answer No interest will be paid on the outstanding deposit for the period overdue

18. How will the designated banks maintain the Gold Deposit Accounts?

- a) In the name of the Central Government
- b) In the name of individual depositors
- c) Denominated in US dollars
- d) Denominated in Indian Rupees
- e) Denominated in gold.

Answer Denominated in gold

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19. What is the lock-in period for a Medium Term Gold Deposit (MTG)?

- a) 1 year
- b) 2 years
- c) 3 years
- d) 5 years
- e) 7 years

Answer 3 years

20. For redemption in gold, what is the minimum quantity of gold payable to the depositor?

- a) 1 gram
- b) 5 grams
- c) 10 grams
- d) 50 grams
- e) 100 grams

Answer 10 grams

21. If a depositor does not redeem the gold within 60 days after maturity, what happens to the redemption amount?

- a) It is forfeited.
- b) It is automatically renewed.
- c) It is converted to INR and credited to the depositor's account.
- d) It accrues additional interest.
- e) It is transferred to a government account.

Answer It is converted to INR and credited to the depositor's account

22. Which of the following is not a responsibility of the Collection and Purity Testing Centres (CPTCs)?

- a) Issuing a certificate showing the standard gold of 995 fineness.
- b) Refining the gold.
- c) Sending an advice to the designated bank regarding the acceptance of deposit.

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- d) Assaying the gold.
- e) Issuing the final deposit certificate.

Answer Issuing the final deposit certificate

23. What is the rate of commission paid to designated banks for mobilizing gold deposits under the scheme?

- a) 0.5 percent
- b) 1.0 percent
- c) 1.25 percent
- d) 1.5 percent
- e) 2.0 percent

Answer 1.0 percent

24. How soon before redemption must banks notify depositors about the upcoming maturity of their gold deposit?

- a) 30 days
- b) 60 days
- c) 90 days
- d) 120 days
- e) 150 days

Answer 120 days

25. What must a depositor produce for redemption or renewal of their gold deposit?

- a) Bank account statement
- b) Identity proof
- c) Original deposit certificate
- d) Gold receipt from CPTC
- e) A notarized affidavit

Answer Original deposit certificate

26. Who is responsible for the final draft approval of the tripartite agreement between banks, refiners, and CPTCs?

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- a) Ministry of Finance
- b) Reserve Bank of India
- c) Indian Banks Association
- d) Central Government
- e) State Bank of India

Answer Indian Banks Association

27. Which entity will decide the fee paid to refiners by designated banks for their services?

- a) Ministry of Finance
- b) Reserve Bank of India
- c) Central Government
- d) Mutual agreement between banks and refiners
- e) Indian Banks Association

Answer Mutual agreement between banks and refiners

28. For what purpose may banks sell gold mobilized under the Short Term Bank Deposit (STB)?

- a) To international investors
- b) To private individuals
- c) To MMTC for minting India Gold Coins
- d) To foreign banks
- e) To central banks of other countries

Answer To MMTC for minting India Gold Coins

29. What is the main purpose of dematerializing MTGD and LTGD deposit certificates?

- a) To increase physical storage security
- b) To make them tradable and mortgageable
- c) To reduce transaction fees
- d) To limit access to authorized personnel
- e) To improve physical handling processes

Answer To make them tradable and mortgageable

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30. What type of gold deposits can be auctioned by MMTC or other authorized agencies under MLTGD?

- a) Only gold jewellery
- b) Only gold coins
- c) All gold deposited under MLTGD
- d) Only gold bars
- e) Only gold bullion

Answer All gold deposited under MLTGD