

Banking Transactions

I. Four alternatives are given for each of the following questions / incomplete statements. Only one of them is correct or most appropriate. Choose the correct alternative and write the complete answer along with its letter of alphabet.

1. The recent development in banking system is.

- a) Nationalization of Banks
- b) Privatization of Banks
- c) Globalization
- d) Banking services in Post offices**

2. Businessmen and Traders usually open this account in Bank.

- a) Saving Bank Account
- b) Current Bank Account**
- c) Recurring Deposit Account
- d) Fixed Deposit Account

3. Banks do not give any interest on this bank account.

- a) Saving Bank Account
- b) Current Bank Account
- c) Recurring Deposit Account
- d) Fixed Deposit Account

4. Overdraft facility is available for this bank account.

- a) Saving Bank Account
- b) Current Bank Account**
- c) Recurring Deposit Account
- d) Fixed Deposit Account

5. RBI belongs to this group.

- a) Central Bank**
- b) Commercial Banks

- c) Industrial Development Banks
- d) Co-operative Banks

6. These deposit accounts are generally opened for a purpose to be saved for a future date.

- a) Saving Bank Account
- b) Current Bank Account
- c) Recurring Deposit Account**
- d) Fixed Deposit Account

7. This type of account is opened for a fixed period by depositing a particular sum of money.

- a) Saving Bank Account
- b) Current Bank Account
- c) Recurring Deposit Account
- d) Fixed Deposit Account**

8. DCC bank of our city is a good example for this Bank.

- a) Central Bank
- b) Commercial Banks
- c) Industrial Development Banks
- d) Co-operative Banks**

9. Usually Banks offer more rate of interest to...

- a) Saving Bank Account
- b) Current Bank Account
- c) Recurring Deposit Account
- d) Fixed Deposit Account**

10. The account can be dealt any number of transaction in a day is.

- a) Saving Bank Account
- b) Current Bank Account**
- c) Recurring Deposit Account
- d) Fixed Deposit Account

11. A person has to regularly save money to purchase car. The type of account he has to open in the bank is.

- a) Saving Bank Account
- b) Current Bank Account
- c) Recurring Deposit Account**
- d) Fixed Deposit Account

12. Ramu wants to save money for his daughter's marriage in future. The type of Bank account you suggest him to open is.

- a) Saving Bank Account
- b) Current Bank Account
- c) Recurring Deposit Account**
- d) Fixed Deposit Account

13. The type of bank account in which the deposited amount cannot be withdrawn before the maturity of the term is.

- a) Saving Bank Account
- b) Current Bank Account
- c) Recurring Deposit Account
- d) Fixed Deposit Account**

14. The mother of all banks is...

- a) State Bank of India
- b) Reserve Bank of India**
- c) Co-operative Bank
- d) Land Development Bank

15. The National Saving Certificates are issued by...

- a) Central bank
- b) Post Office**
- c) Co-operative Bank
- d) Commercial Bank

16. The Expanded form of ATM is....

- a) **Automatic Teller Machine**
- b) Automatic Money Machine
- c) Automatics Technical Machine
- d) Automatic Price Machine

II. Fill in the blanks with suitable answers:

1. The word "Bank" has been derived from the French word _____ ("Banque")
2. The Banker's Bank is _____ (The Reserve Bank of India (RBI))
3. An example for Nationalised bank is _____. (SBI)
4. The National saving certificates are issued by _____ (Post Offices)
5. The type of account where any number of transactions can be made in a day with Bank is _____ (Savings Bank Account)
6. The deposits for a fixed term can be deposited in _____ account. (Term or Fixed Deposit Account)

II. Answer the following questions in one sentence each:

1. How the term bank is derived?

The term bank is derived from Italian word "Banco" or from a French word "Banque", both mean a "Bench" or money exchange table.

2. What is a Bank?

A banking company may be defined as a company which transacts the business with finance

3. What is banking?

The services of banks are called Banking

4. What is bank transaction?

Any sort of activity involving in money or exchange of money in an account is viewed as bank transaction.

5. Which Bank is known as Mother of Banks or Bankers Bank or Central Bank of India?

The Reserve Bank of India (RBI) is known as Mother of Banks or Bankers Bank or Central Bank of India.

6. Why The Reserve Bank of India (RBI) is known as Mother of Banks or Bankers Bank or Central Bank of India?

All the banking transactions in India are controlled by The Reserve Bank of India (RBI).So it is known as Mother of Banks or Bankers Bank or Central Bank of India.

7. Which is the the recent development in banking industry?

The recent development in banking industry is the inclusion of Post Offices into its fold.

8. Which type of account is generally opened in banks by salaried persons or by the persons who have a fixed regular income?

Savings Bank Account

9. In which type of bank accounts there is no restriction on the number and amount of deposits?

Savings Bank Account

10. Which type of bank account is opened by businessmen who have a large number of regular transactions with the Bank?

Current Account

11. In which type of bank accounts generally banks do not give any interest on these deposits but collect service charges or bank charges on such account?

Current Account

12. Which type of bank accounts are generally opened for a purpose to be saved for a future date?

Recurring Deposit Account

13. Which type of bank accounts are used for the purposes of Wedding expenses of children to buy costly items like land, car etc.?

Recurring Deposit Account

14. In which type of bank accounts the Deposit amount cannot be withdrawn before the expiry of the term?

Term or Fixed Deposit Account