EXAM GENIUS

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EXAM Genius

UPSC SSC BANK RAILWAY STATE EXAMS

Ques: Under RBI's proposed framework, which entities will be allowed to participate in the term money market as both borrowers and lenders?

A) Only Commercial Banks
B) NBFCs, HFCs and Financial Institutions
C) Only Corporate Companies
D) Mutual Funds and Insurance Companies
E) Foreign Banks Only

Answer: Option B

Explanation :

• The Reserve Bank of India (RBI) has proposed expanding the term money market to include Non-Banking Financial Companies (NBFCs) and other financial institutions.
• Under the proposed framework, all Indian Financial Institutions, NBFCs and Housing Finance Companies (HFCs) will be allowed to participate as both borrowers and lenders.
• Companies will be permitted to participate only as lenders in the term money market.
• At present, only banks and standalone primary dealers are allowed to participate in the term money market.
• The RBI has invited stakeholder comments and feedback on the proposal until 17 July 2026.
• The move aims to improve liquidity conditions and provide an alternative source of short-term funding to market participants.
• RBI stated that a more active term money market would strengthen monetary policy transmission by linking overnight interest rates with longer-term interest rates.

About Term Money Market

• The Term Money Market is a segment of the money market where funds are borrowed and lent for periods exceeding 14 days and up to one year.
• It helps financial institutions manage short-term liquidity requirements.

Ques: According to NPCI BHIM Services Limited (NBSL), BHIM is set to evolve into which type of platform?

A) Digital Financial Services Platform
B) Digital Banking Platform
C) E-commerce Platform
D) Digital Investment Exchange
E) Cryptocurrency Payment Platform

Answer: Option A

Explanation :

• BHIM (Bharat Interface for Money), developed by NPCI BHIM Services Limited (NBSL), is set to evolve from a UPI payment app into a Digital Financial Services Platform.
• According to Lalitha Nataraj, Managing Director & CEO of NBSL, BHIM will soon offer products such as credit cards, loans, pension schemes, insurance, and investments in partnership with banks and NBFCs.
• In May 2026, BHIM recorded 244 million monthly transactions.
• The total transaction value on BHIM during May 2026 was ₹26,952 crore.
• BHIM was developed by the National Payments Corporation of India (NPCI) and was launched on 30 December 2016.

Static Part :

• BHIM stands for Bharat Interface for Money.
• BHIM Launch Date – 30 December 2016
• National Payments Corporation of India (NPCI) Established – 2008
• NPCI Headquarters – Mumbai, Maharashtra
• UPI (Unified Payments Interface) is an instant real-time payment system developed by NPCI.

Ques: RBI's holdings of Government Securities (G-Secs) rose to the highest level in how many years as of March 2026?

A) 5 Years

B) 8 Years
C) 10 Years
D) 13 Years
E) 15 Years

Answer: Option D

Explanation :

• The Reserve Bank of India (RBI) increased its holdings of Government Securities (G-Secs) after conducting large-scale bond purchases, taking its share to a multi-year high.
• RBI’s share in outstanding Government Securities increased from 14.5% at the end of December 2025 to 17.6% by the end of March 2026.
• This is the highest level of RBI’s ownership of Government Securities in the last 13 years.
• RBI carried out large-scale Open Market Operations (OMOs) to inject durable liquidity into the banking system.
• During the March quarter, RBI purchased Government Securities worth about ₹3.5 lakh crore through OMOs and around ₹90,000 crore through secondary market operations.
• In FY26, RBI purchased a record ₹8.56 lakh crore worth of Government Securities, accounting for more than 80% of the government's net borrowing.
• Falling crude oil prices and expected foreign capital inflows are likely to improve liquidity conditions, reducing the need for further large-scale bond purchases.

Ques: As per the RBI's final directions on the Trade Receivables Discounting System (TReDS), what is the minimum net worth required for entities providing discounting services?

A) ₹10 crore
B) ₹15 crore
C) ₹20 crore
D) ₹25 crore
E) ₹50 crore

Answer: Option D

Explanation :

• The Reserve Bank of India (RBI) issued its final directions on the Trade Receivables Discounting System (TReDS) to simplify the system and improve access to working capital for MSMEs.
• RBI has prescribed a minimum net worth of ₹25 crore for entities providing discounting services under TReDS.
• The minimum net worth must be certified by a statutory auditor.
• Existing entities providing TReDS services have been given time until 31 March 2028 to comply with the prescribed net worth criterion.
• Trade Receivables Discounting System (TReDS) is an online platform that enables MSMEs to auction their invoices or trade receivables to banks and financial institutions for faster realization of working capital.

Static Part:

• Trade Receivables Discounting System (TReDS) was introduced by RBI in 2014.
• TReDS is an electronic platform for financing the trade receivables of Micro, Small and Medium Enterprises (MSMEs).
• MSME stands for Micro, Small and Medium Enterprises.

Ques: Which city is likely to host the 57th meeting of the GST Council in July 2026?

A) Mumbai
B) New Delhi
C) Bengaluru
D) Kolkata
E) Hyderabad

Answer: Option D

Explanation :

• Kolkata is likely to host the 57th meeting of the GST Council in the second half of July 2026.
• The meeting is expected to discuss the next phase of GST reforms following the rollout of GST 2.0.
• The previous GST Council meeting was held on 3 September 2025 after a gap of nearly nine months.
• GST 2.0 introduced rate rationalisation and several measures aimed at easing tax compliance.
• Experts expect the Council to address issues related to Input Tax Credit (ITC) under the inverted duty structure.
• Discussions may also focus on reducing tax cascading, improving competitiveness and strengthening India's manufacturing sector.
• A proposal has been made to reduce GST on autism care centres and allied services from 18% to 5%.
• The meeting would be one of the first major constitutional body meetings in West Bengal after the Assembly elections.

Static GK

• GST was launched in India on – 1 July 2017
• GST stands for – Goods and Services Tax
• GST Council is constituted under – Article 279A of the Constitution
• Chairperson of GST Council – Union Finance Minister
• Union Finance Minister – Nirmala Sitharaman
• Headquarters of GST Council Secretariat – New Delhi

Ques: Under the RBI's new compensation framework for small-value digital banking frauds, what is the maximum compensation a customer can receive?

A) ₹10,000
B) ₹20,000
C) ₹25,000
D) ₹50,000
E) ₹75,000

Answer: Option C

Explanation :

• The Reserve Bank of India (RBI) has finalized the compensation framework for victims of small-value digital banking frauds.
• The framework will come into effect from 1 January 2027.
• It introduces a structured compensation mechanism, defines the responsibilities of banks, and strengthens safeguards against cyber fraud.
• Customers suffering losses of up to ₹50,000 are eligible for compensation, subject to specified conditions.
• The maximum compensation under the scheme is ₹25,000. Victims will receive 85% of the net loss or ₹25,000, whichever is lower.
• Customers must report the fraud to both the bank and the National Cyber Crime Reporting Portal or Cyber Crime Helpline 1930 within five calendar days of the incident.
• The compensation can be availed only once in a lifetime and is applicable only to electronic banking transactions occurring on or after 1 January 2027.
• Complaint resolution timelines are 45 calendar days for domestic frauds and 60 calendar days for cross-border frauds.

The RBI has created the shared responsibility model:

- For Losses Below Amount ₹29,412 - RBI: 65%, Customer's Bank: 10%, Beneficiary Bank: 10%
- For Losses Above ₹29,412 - RBI Contribution: ₹19,118, Customer's Bank: ₹2,941, Beneficiary Bank: ₹2,941
- Cross-Border Fraud Cases - RBI Contribution: ₹19,118, Customer's Bank Contribution: ₹5,882

Static Part:

• National Cyber Crime Helpline Number – 1930
• National Cyber Crime Reporting Portal is the Government of India's official platform for reporting cyber crimes.
• The new RBI compensation framework will be effective from 1 January 2027.

Ques: The Asian Development Bank (ADB) approved a USD 42.2 million Small Expenditure Financing Facility (SEFF) to support the development of which sector in Northeast India?

A) Tea Industry
B) Bamboo Industry
C) Handloom Industry
D) Rubber Industry
E) Horticulture Sector

Answer: Option B

Explanation :

• The Asian Development Bank (ADB) has approved a USD 42.2 million Small Expenditure Financing Facility (SEFF) to support the development of the bamboo industry in Northeast India.
• The project will be implemented in six Northeastern States—Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.
• The initiative aims to strengthen the bamboo value chain, promote sustainable livelihoods and enhance economic opportunities in the region.
• SEFF (Small Expenditure Financing Facility) is a financing instrument of the Asian Development Bank (ADB).

Static Part :

• Asian Development Bank (ADB) Established – 1966
• ADB Headquarters – Manila, Philippines
• ADB Members – 69 (49 from Asia and the Pacific, 20 from outside the region)
• Bamboo is known as "Green Gold" due to its economic and environmental importance.
• North Eastern Region (NER) comprises 8 States—Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

Ques: Who has decided not to seek reappointment as MD & CEO of Kotak Mahindra Bank after the completion of his current term?

A) Uday Kotak
B) Shanti Ekambaram
C) Ashok Vaswani
D) Dipak Gupta
E) Nitin Chugh

Answer: Option C

Explanation :

• Kotak Mahindra Bank MD & CEO Ashok Vaswani has decided not to seek reappointment after the completion of his three-year term.
• His current term is scheduled to end on 31 December 2026.
• Vaswani cited personal reasons for stepping down from the position.
• Kotak Mahindra Bank has initiated the process of appointing a new MD & CEO within the prescribed regulatory timeline.
• Ashok Vaswani took charge as MD & CEO on 1 January 2024, succeeding founder Uday Kotak.
• During his tenure, the bank focused on inorganic growth strategies, retail expansion and technology upgrades.
• Under his leadership, Kotak Mahindra Bank acquired Standard Chartered Bank India's personal loan portfolio.
• He also oversaw the resolution of technology-related issues following RBI restrictions imposed in 2024.

Static GK

• Kotak Mahindra Bank Headquarters – Mumbai, Maharashtra
• Kotak Mahindra Bank Founded – 1985
• Founder – Uday Kotak
• Ashok Vaswani assumed charge as MD & CEO on 1 January 2024.

Ques: Paisabazaar, in partnership with SBM Bank (India) Limited, has launched which Fixed Deposit (FD)-backed secured credit card?

A) SBM Paisabazaar Smart Credit Card
B) SBM Paisabazaar Paisa+ Credit Card

C) SBM Paisabazaar Secure Card
D) Paisabazaar FD Credit Card
E) SBM Digital Credit Card

Answer: Option B

Explanation :

• **Paisabazaar**, India's largest financial marketplace, in partnership with **SBM Bank (India) Limited**, has launched the **"SBM Paisabazaar Paisa+ Credit Card"**, a **Fixed Deposit (FD)-backed secured credit card**.
• The card can be obtained with a **Fixed Deposit starting from ₹2,000**.
• Customers can earn **interest up to 7% per annum (p.a.)** on their Fixed Deposits.
• The card is designed to help users build their credit history while keeping their deposits secure.

Static Part :

• **SBM Bank (India) Limited** Established – **2018**
• **SBM Bank (India) Headquarters** – **Mumbai, Maharashtra**
• **MD & CEO of SBM Bank (India) Limited** – **Ashish Vijayakar**
• **A Secured Credit Card** is issued against collateral, such as a **Fixed Deposit (FD)**, making it easier for first-time users to access credit.

Ques: Under the RBI's revised Scale-Based Regulation (SBR) framework, NBFCs with an asset size of ₹1 lakh crore and above will automatically be classified under which layer?

A) Base Layer (NBFC-BL)
B) Middle Layer (NBFC-ML)
C) Upper Layer (NBFC-UL)
D) Top Layer (NBFC-TL)
E) Core Investment Layer

Answer: Option C

Explanation :

• The **Reserve Bank of India (RBI)** has introduced the revised **Scale-Based Regulation (SBR)** framework for **Non-Banking Financial Companies (NBFCs)** to strengthen **financial stability** and improve **regulatory oversight**.
• Under the **SBR framework**, NBFCs are regulated based on their **size, complexity, interconnectedness and risk profile**.

The framework classifies NBFCs into **four layers**:

- **Base Layer (NBFC-BL)**
- **Middle Layer (NBFC-ML)**
- **Upper Layer (NBFC-UL)**
- **Top Layer (NBFC-TL)**

• Under the revised framework, **NBFCs with an asset size of ₹1 lakh crore and above**, based on their latest audited balance sheet, will **automatically be classified as NBFC-Upper Layer (NBFC-UL)** entities.
• The amendments **come into force immediately** from the date of issuance.
• Earlier, the **₹1 lakh crore threshold** for identifying Upper Layer NBFCs was reviewed **every five years**. Under the revised framework, it will now be **reviewed every three years**.
• **All bank-owned NBFCs** will be subject to **Upper Layer norms**, irrespective of their size, except for **stock exchange listing requirements**.
• RBI has also increased the **large exposure limit** for **Infrastructure Finance Companies (IFCs)** in the **Upper Layer** from **35% to 45% of Tier 1 capital**.

Static Part :

• **Scale-Based Regulation (SBR)** for NBFCs was **introduced by RBI in 2021**.
• **NBFC** stands for **Non-Banking Financial Company**.
• **Tier 1 Capital** represents a bank or financial institution's **core capital**, which is used to absorb losses and maintain financial stability.

Ques: By how much did India's Net External Liabilities decline during the January–March quarter (Q4) of FY 2025–26?

A) USD 32.4 Billion
B) USD 40.1 Billion
C) USD 45.8 Billion
D) USD 52.4 Billion
E) USD 60.2 Billion

Answer: Option D

Explanation :

• India's Net External Liabilities declined by USD 52.4 billion during the January–March quarter (Q4) of FY 2025–26.
• At the end of March 2026, India's Net External Liabilities stood at USD 209.9 billion.
• The decline reflected both a reduction in foreign-owned assets (foreign liabilities) in India and an increase in overseas financial assets held by Indian residents.
• According to RBI data, foreign liabilities decreased by USD 40.1 billion during Q4 FY26.
• Overseas financial assets of Indian residents increased by USD 12.3 billion during the same period.
• Exchange rate movements also contributed to the decline in liabilities when measured in US dollar terms.
• The data indicates an improvement in India's external sector position and International Investment Position (IIP).

Static GK

• Reserve Bank of India (RBI) Established – 1935
• RBI Headquarters – Mumbai, Maharashtra
• Net External Liabilities = External Liabilities − External Financial Assets
• International Investment Position (IIP) measures a country's external financial assets and liabilities.
• Foreign Liabilities refer to claims of non-residents on domestic entities.
• External Financial Assets include overseas investments, deposits, loans and reserve assets held by residents.

Ques: In which year was the Goods and Services Tax (GST) implemented in India?

A) 2014
B) 2015
C) 2016
D) 2017
E) 2018

Answer: Option D

Explanation :

• Goods and Services Tax (GST) completed 9 years since its implementation on 1 July 2017.
• GST introduced the concept of "One Nation, One Tax" by replacing multiple indirect taxes with a unified tax system.
• More than 1.65 crore taxpayers are currently registered under the GST regime.
• GST has significantly improved tax compliance and increased transparency in the taxation system.
• The reform has simplified business operations by creating a common national market.
• GST collections have consistently reached record levels, reflecting stronger economic activity and better compliance.
• The tax reform is regarded as a major step towards building a Viksit Bharat.

Static GK

• GST Implemented in India – 1 July 2017
• Constitutional Amendment for GST – 101st Constitutional Amendment Act, 2016
• GST Council Constituted under – Article 279A of the Constitution
• GST Council Chairman – Union Finance Minister
• GST Council Headquarters – New Delhi
• GST is a Destination-Based Indirect Tax.

Ques: During Prime Minister Narendra Modi's State Visit to Seychelles, India signed an Umbrella Line of Credit Agreement worth how much to support priority development projects?

A) ₹500 crore
B) ₹750 crore
C) ₹1,000 crore
D) ₹1,250 crore
E) ₹1,500 crore

Answer: Option D

Explanation :

• India and **Seychelles** signed an **Umbrella Line of Credit Agreement** worth **₹1,250 crore**.
• The agreement aims to **support priority development projects** in Seychelles.
• During the visit, both countries also signed a **Memorandum of Understanding (MoU)** for the implementation of the **Unified Payments Interface (UPI)** in Seychelles.
• The **UPI** is targeted to become **operational in Seychelles by the end of 2026**.

Static Part:

• **Seychelles Capital** – **Victoria**.
• **Seychelles Currency** – **Seychellois Rupee (SCR)**.
• **President of Seychelles** – **Patrick Herminie**.
• **Unified Payments Interface (UPI)** was launched by the **National Payments Corporation of India (NPCI)** in **2016**.

Ques: What is the total amount of Senior Unsecured Floating Rate Notes (FRNs) issued by the State Bank of India (SBI) through its London Branch?

A) US$100 million
B) US$200 million
C) US$300 million

D) US$500 million
E) US$1 billion

Answer: Option C

Explanation :

• State Bank of India (SBI) has successfully completed the issuance of US$300 million Senior Unsecured Floating Rate Notes (FRNs).
• The Floating Rate Notes (FRNs) have a maturity period of three years.
• The notes have been issued at a coupon rate of SOFR + 100 basis points (bps) per annum, payable quarterly in arrears.
• The bonds have been issued through SBI's London Branch.
• A Floating Rate Note (FRN) is a bond whose interest rate changes periodically based on a benchmark interest rate.
• SOFR (Secured Overnight Financing Rate) is the benchmark interest rate in the United States.

Static Part:

• State Bank of India (SBI) Established – 1955.
• SBI Headquarters – Mumbai, Maharashtra.
• Chairman of SBI – C. S. Setty.
• SOFR (Secured Overnight Financing Rate) is administered by the Federal Reserve Bank of New York.

Ques: Through the partnership between Eurobank and NPCI International Payments Limited (NIPL), UPI has recently gone live in which country?

A) Italy
B) Greece
C) Spain
D) Portugal
E) Cyprus

Answer: Option B

Explanation :

• Unified Payments Interface (UPI) has gone live in Greece, expanding India's global digital payments network.
• The launch was enabled through a partnership between Eurobank and NPCI International Payments Limited (NIPL).
• The announcement was made during Union Commerce and Industry Minister Piyush Goyal's visit to Athens, Greece.
• With Greece joining the network, UPI is now available in 10 countries in different forms.

Static Part :

• Greece Capital – Athens.
• Greece Currency – Euro (€)
• Eurobank Headquarters – Athens, Greece.
• NPCI International Payments Limited (NIPL) is the international arm of the National Payments Corporation of India (NPCI).
• Unified Payments Interface (UPI) was launched in 2016 by NPCI.

Ques: According to the Reserve Bank of India (RBI), what was India's total external debt at the end of March 2026?

A) US$ 712.8 billion
B) US$ 726.5 billion
C) US$ 762.8 billion
D) US$ 782.6 billion
E) US$ 806.4 billion

Answer: Option C

Explanation :

• According to the **Reserve Bank of India (RBI)**, **India's external debt increased by US$26.3 billion** to **US$762.8 billion** at the end of **March 2026** compared to the previous year.

• India's **external debt-to-GDP ratio** increased to **20.8%** from **19.8%** a year earlier.
• The **US Dollar** remained the dominant currency in India's external debt, accounting for **55.5%** of the outstanding stock.
• Debt denominated in the **Indian Rupee** accounted for **29.4%**, followed by the **Japanese Yen (6.4%)**, **Special Drawing Rights (SDR) (4.3%)**, and the **Euro (3.7%)**.
• The **valuation impact** during the year amounted to **US$24.6 billion**. Excluding this effect, external debt would have increased by **US$51 billion**.
• **Long-term external debt** (original maturity of more than one year) stood at **US$613.5 billion**, while **short-term debt** accounted for **19.6%** of the total external debt.
• **Special Drawing Rights (SDR)** is an international reserve asset created by the **International Monetary Fund (IMF)**.

Ques: Kakinada Cooperative Town Bank of Andhra Pradesh secured which Tier status under the RBI norms after its total deposits crossed ₹2,000 crore?

A) Tier-I
B) Tier-II
C) Tier-III
D) Tier-IV
E) Tier-V

Answer: Option C

Explanation :

• Andhra Pradesh's Kakinada Cooperative Town Bank, an Urban Cooperative Bank (UCB), secured Tier-III status under the Reserve Bank of India (RBI) norms.
• The bank achieved this milestone after its total deposits surpassed ₹2,000 crore, while maintaining zero Net Non-Performing Assets (NPAs).
• Following this achievement, the bank became the second-largest among the 46 Urban Cooperative Banks (UCBs) in Andhra Pradesh, with its total business exceeding ₹2,040 crore.

Static Part :

• Classification of Urban Cooperative Banks (UCBs) under RBI:

• Tier-I – Deposits below ₹100 crore.
• Tier-II – Deposits up to ₹1,000 crore.
• Tier-III – Deposits between ₹1,000 crore and ₹10,000 crore.
• Tier-IV – Deposits above ₹10,000 crore.