

Indian Overseas Bank Probationary Officers Exam., 2008 Solved Paper

1. As we all know rise of the 'BRICs' has left a vast impact on almost all aspects of the global economy. However, which of the following cannot be called as the direct effect(s) of 'Rise of the BRICs' on global/other powerful economy/economies ?

1. Countries like China wish to learn more about outsourcing from India.
2. It has made countries to suffer from Sub-prime Crisis.
3. EURO has become a powerful currency and many non-Euro countries are in 'Swap Agreement' with various nations.

- (A) Only 1
(B) Only 2
(C) Only 3
(D) All 1, 2 and 3
(E) None of these

2. As per the reports published in the newspapers/journals how much amount the Govt. of India is planning to infuse in Public Sector Banks to make them competitive and strong globally ?
About—

- (A) Rs. 10,000 crore
(B) Rs. 15,000 crore
(C) Rs. 20,000 crore
(D) Rs. 25,000 crore
(E) Rs. 30,000 crore

3. What is the maximum stake the Govt. of India has in any public sector bank at present ?

- (A) 40%
(B) 49%
(C) 50%
(D) 64%
(E) 74%

4. Which of the following is not a major highlight of the Union Budget 2008-09 ?

1. A target of Rs. 2•80 lakhs crore is fixed for providing credit to agriculture sector.
2. Limit of the **Banking** Cash Transaction Tax is raised from present 1% to 1•5%.
3. PAN requirement is not mandatory for financial transactions. Other Ids are also acceptable.

- (A) Only 1
(B) Only 2
(C) Only 3
(D) Both 2 and 3
(E) All 1, 2 and 3

5. As per the news in major financial newspapers a 'Rashtriya Swasthya Bima Yojana' is launched in Delhi and Haryana States for members of unorganized sectors. Under the scheme each family is likely to get the benefit of Rs.....

- (A) 15,000
- (B) 20,000
- (C) 25,000
- (D) 30,000
- (E) 50,000

6. As proposed in the Union Budget 2008-09 a 'Risk Capital Fund' is set up by the Govt. of India. Who amongst the following will maintain and operate that fund ?

- (A) NABARD
- (B) SIDBI
- (C) ECGC
- (D) RBI
- (E) None of these

7. As per the Economic Survey 2007-08 presented in the Lok Sabha in February 2008, what has been the percentage growth in Bank credit ? About—

- (A) 10%
- (B) 15%
- (C) 18%
- (D) 21%
- (E) 26%

8. As per the budget of the Indian Railways for 2008-09 the operating ratio of the railways has—

- (A) Improved only by 0.5%
- (B) Decreased by 0.5%
- (C) Remained at the same level on which it was in 2007-08
- (D) Reached at the level of 81%
- (E) Reduced to the level of 63% which was the level of 2000-01

9. The government of India has launched a new scheme for the 'Girl Child'. What is the name of the scheme ?

- (A) Raj Lakshmi
- (B) Rani Bitia
- (C) Dhan Lakshmi
- (D) Aanandita
- (E) None of these

10. The President of India recently signed the much-awaited notification for the implementation of the suggestions made by the 'Delimitation Commission'.

What will be the effect of this notification ?

- (A) Parliamentary and Assembly constituencies will be redefined
- (B) Candidates from SC/ST categories will get all benefits for another 15 years' time
- (C) The boundaries of the National Capital, New Delhi will be extended further
- (D) Operations of the Cooperative Banks and Societies will not be limited to the state of their origin. They will also be like Public Sector Banks
- (E) None of these

11. As per the new policy the number of Judges in the Supreme Court would be now—

- (A) 21
- (B) 25
- (C) 26
- (D) 30
- (E) 31

12. As per the reports published in the newspapers the banks, particularly public sector banks are tying up with various rating agencies for providing a qualitative assessment of the credit needs of the borrowers. Which amongst the following is/are such credit rating agencies in India ?

- 1. CARE
 - 2. CRISIL
 - 3. ULIP
- (A) Only 1
 - (B) Only 2
 - (C) 1 and 2 only
 - (D) Only 3
 - (E) All 1, 2 and 3

13. As per the newspaper reports the RBI is planning to introduce 'Plastic Currency Notes'. What is/are the benefits of 'Plastic Notes' ?

- 1. Their Shelf life will be longer.
 - 2. It will replace plastic money or credit, debit cards which are giving birth to many fraudulent practices.
 - 3. Printing will be cheaper.
- (A) Only 3
 - (B) Only 2
 - (C) Only 1
 - (D) All 1, 2 and 3
 - (E) None of these

14. 'Sub Prime Lending' is a term applied to the loans made to—

- (A) Those borrowers who do not have a good credit history
- (B) Those who wish to take loan against the mortgage of tangible assets
- (C) Those who have a good credit history and are known to bank since 10 years
- (D) Those borrowers who are most preferred customers of the Bank
- (E) None of these

15. As per the reports published in various journals and newspapers the 'small borrowers' in rural areas still prefer to take informal route for their credit needs. Which of the following is the 'informal route' of credit in financial sector ?

- (A) Credit cards
- (B) Loan against gold from financial institute
- (C) Debit cards
- (D) Money lender
- (E) None of these

16. The Planning Commission of India has set up a 12 member committee on financial sector reforms. Who is the Chairman of the Committee ?

- (A) Janki Raman
- (B) Raghuram Rajan
- (C) Rakesh Mohan
- (D) K. V. Kamath
- (E) None of these

17. Basel-II norms are associated with which of the following aspects of the banking industry ?

- (A) Risk management
- (B) Manpower planning
- (C) Retirement benefits for the employees
- (D) Corporate Governance
- (E) None of these

18. What is meant by 'Underwriting' the term frequently used in financial sector ?

- (A) Under valuation of the assets
- (B) The Act of taking on a risk for a fee
- (C) Giving a Guarantee that a loan will not become a bad loan
- (D) The act of permission to float an IPO
- (E) None of these

19. The government of India recently constituted the New [Finance](#) Commission (13th). What are its major functions ? To decide—

1. The salary structure of the employees of the Central Government.
2. The distribution of the net proceeds of taxes between states and Central Govt.
3. Rate of Income Tax and other taxes collected by the Union Govt.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) All 1, 2 and 3
- (E) None of these

20. Who amongst the following was the Captain of the Indian cricket team which registered its victory in tri-series ODI matches against Australia played in March 2008 ?

- (A) M.S. Dhoni
- (B) Anil Kumble
- (C) Rahul Dravid
- (D) Saurav Ganguly
- (E) Sachin Tendulkar

21. Mr. Nicolas Sarkozy who was the chief guest during the Republic Day Function 2008 is the—

- (A) President of Brazil
- (B) Prime Minister of Brazil
- (C) President of France

- (D) Prime Minister of France
- (E) Foreign Secretary of USA

22. Who amongst the following has taken over as the President of Serbia after the General elections held there in February 2008 ?

- (A) Boris Tadic
- (B) Tomislav Nikolic
- (C) Samak Sundaravej
- (D) Novak Djokovic
- (E) None of these

23. Indra K. Nooyi who was elected as the Chairperson of the US-India Business Council is the CEO of which of the following Companies ?

- (A) Pepsi Co.
- (B) Infosys
- (C) Tata Consultancy Services
- (D) NIIT
- (E) None of these

24. Maria Sharapova won the Australian Open 2008 Women's singles by defeating—

- (A) Shahar Peer
- (B) Kateryna Bondarenko
- (C) Sania Mirza
- (D) Victoria Azarenka
- (E) Ana Ivanovic

25. Saina Nehwal won the Seniors' Championship match of which of the following games held in Goa in January 2008 ?

- (A) Golf
- (B) Tennis
- (C) Table tennis
- (D) Archery
- (E) Badminton

26. As per the news published in some newspapers magazines two PSUs National Thermal Power Corporation and Coal India Ltd. are going to float a joint venture 'SPV'. What is the full form of 'SPV' ?

- (A) Small Power Venture
- (B) Special Purpose Vehicle
- (C) Special Power Venture
- (D) Small Purpose Vehicle
- (E) None of these

27. The Telecom Regulatory Authority of India (TRAI) recently agreed to allow foreign direct investment in the field of mobile television services. Upto what extent FDI is allowed in this field ?

- (A) 50%
- (B) 60%
- (C) 64%
- (D) 70%
- (E) 74%

28. As per the performance assessment data released by the Economic Advisory Council (EAC) in January 2008. Which of the following sectors registered a growth of 3.6 per cent ?

- (A) Agriculture Sector
- (B) Banking Sector
- (C) Tourism Sector
- (D) Aviation Services Sector
- (E) None of these

29. Which of the following is the name of very violent and serious types of winds which bring lot of disaster ?

- (A) Trade winds
- (B) Hurricane
- (C) Cirrus
- (D) Stratus
- (E) None of these

30. The Global Employment Trends Report 2008 published by the International Labour Organization has indicated that there may be increase in global unemployment. What according to them is/are the major reasons of this possibility ?

1. Turmoil in Credit Markets all over the world.
2. Rise in oil prices in international market.
3. Civil unrest in some under and undeveloped nations.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) Only 1 and 2
- (E) None of these

31. As we have noticed many banks of Indian origin are opening offices/branches in foreign countries. Why is this trend emerging at a very fast pace ?

1. These Banks wish to provide banking facilities to foreigners as banking facilities are not plenty in many foreign countries. India wants to take an advantage of the situation.
2. These banks wish to help Indian firms to acquire funds at internationally competitive rates.
3. These banks wish to promote trade and investment between India and other countries.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) All 1, 2 and 3
- (E) Only 2 and 3

32. Many economists, bankers and researchers in India often advocate that banks should equip themselves for new challenges. These challenges are in which of the following shapes/forms ?

1. As Indian economy is getting increasingly integrated with the rest of the world the demand of the Corporate banking is likely to change in terms of size, composition of services and also the quality.

2. The growing foreign trade in India will have to be financed by the local banks.

3. Foreigners are habitual of the comforts provided by the technology. India has to do a lot in this reference.

(A) Only 1 is correct

(B) Only 2 is correct

(C) Only 3 is correct

(D) All 1, 2 and 3 are correct

(E) None of these

33. As per the reports published in the newspapers Indian Rupee is now fully accepted in Asian countries like, Singapore, Hong Kong, Malaysia etc. What does it really mean ?

1. Anybody from Asian country can purchase Indian Rupee and keep it in his/her bank account in his/her country without any restrictions.

2. Now people in these nations are not required to go for a double conversion first in dollar and then in rupee.

3. People travelling European/Asian countries can make their payments in rupee anywhere without any problem.

(A) Only 1 is correct

(B) Only 2 is correct

(C) Only 3 is correct

(D) All 1, 2 and 3 are correct

(E) None of these

34. Which of the following is not a banking/finance related term ?

(A) Credit wrap

(B) EMI

(C) Held to Maturity

(D) Exposure limit

(E) Diffusion

35. Very often we read about the Doha Ministerial Conference 2001 in reference to WTO negotiations. What were the major issues over which nations were of different opinions ?

1. Providing subsidy to agriculture.

2. Export of patented drugs/medicines by developed nations.

3. Restriction on natural movement of people from one nation to other.

(A) Only 1

(B) Only 2

(C) Only 3

(D) Both 1 and 3

(E) None of these

36. The Technology Mission on Cotton was launched during Xth plan. The scheme was designed to get increase in production of cotton by which of the following levels by the end of the plan ?

- (A) 100 lakh bales
- (B) 150 lakh bales
- (C) 175 lakh bales
- (D) 200 lakh bales
- (E) None of these

37. A National Development Fund was created by the Government of India a few years ago. What was the purpose of the fund ?

1. Boost investment in social sector projects to promote education, healthcare and employment.
2. Capital investments in selected profitable PSEs to yield adequate returns.
3. To fund revision in pay structure of Central Government employees.

- (A) Only 1
- (B) Only 2
- (C) Only 3
- (D) Both 1 and 2
- (E) None of these

38. Olympic 2008 are scheduled to be held in—

- (A) Paris
- (B) Tokyo
- (C) London
- (D) Moscow
- (E) None of these

39. The general elections took place in which of the following countries in March 2008 ?

- (A) Iran
- (B) Iraq
- (C) Afghanistan
- (D) Myanmar
- (E) Sri Lanka

40. Who amongst the following is the author of the book 'Economic Nightmare of India' ?

- (A) Morarji Desai
- (B) K. Rajeshwar Rao
- (C) Charan Singh
- (D) Jyoti Basu
- (E) None of these

41. As per the targets for 11th plan educated unemployment is to be reduced to which of the following levels ?

- (A) 5%
- (B) 6%
- (C) 7%

- (D) 8%
- (E) 9%

42. 'Long Walk' to Freedom' is a book written by—

- (A) Sonia Gandhi
- (B) L. K. Advani
- (C) Nelson Mandela
- (D) Benazir Bhutto
- (E) Nawaz Sheriff

43. India recently signed a pact with which of the following countries on solving the problems of Indian labour in that country ?

- (A) Iran
- (B) UAE
- (C) Malaysia
- (D) Kuwait
- (E) None of these

44. Which of the following countries is trying to launch a Satellite to study the sun ?

- (A) USA
- (B) India
- (C) Russia
- (D) China
- (E) None of these

45. Jang Hyun Jong who was adjudged as the 'Asian Hockey Player of the year' is from—

- (A) China
- (B) Singapore
- (C) South Korea
- (D) India
- (E) None of these

46. Who amongst the following is the winner of Padma Vibhushan Awards given away recently ?

- (A) Rahul Gandhi
- (B) Priya Dutt
- (C) Vinod Dua
- (D) Ratan Tata
- (E) None of these

47. Which of the following films was adjudged 'Best Film' in 14th Star Screen Awards given away in January 2008 ?

- (A) Om Shanti Om
- (B) Guru
- (C) Taare Zameen Par

- (D) Jab We Met
- (E) Chak De India

48. A meeting of the European Leaders was held in January 2008 at which of the following places to discuss 'Global Economic Turmoil' ?

- (A) London
- (B) New Delhi
- (C) New York
- (D) Tokyo
- (E) Milan

49. Castro Sibling is the new President of—

- (A) Romania
- (B) Cuba
- (C) Israel
- (D) Venezuela
- (E) None of these

50. Kosovo declared itself independent from which of the following countries ?

- (A) Ukraine
- (B) Croatia
- (C) Serbia
- (D) Russia
- (E) None of these

Answers with Explanations :

1. (B) 2. (C) 3. (E) 4. (A) 5. (D) 6. (B) 7. (D) According to Economic Survey 2007-08, the percentage growth in bank credit is 21.5%. 8. (D) 9. (C) 10. (A) 11. (E) 12. (A) 13. (C) 14. (A) 15. (D) 16. (B) 17. (A) 18. (A) 19. (B) 20. (A) 21. (C) 22. (A) 23. (A) 24. (E) 25. (E) 26. (B) 27. (E) 28. (A) 29. (B) 30. (D) 31. (E) 32. (A) 33. (D) 34. (E) 35. (A) 36. (D) 37. (A) 38. (E) 39. (A) 40. (C) 41. (A) 42. (C) 43. (D) 44. (A) 45. (C) 46. (D) 47. (E) 48. (A) 49. (E) 50. (E)