



## RESERVE BANK OF INDIA SERVICES BOARD

Recruitment of Officers in Grade 'B' - (General) - DR 2016 in the Reserve Bank of India

### INFORMATION HANDOUT FOR ONLINE EXAM

**PHASE-II - September 19, 2016**

#### 1. Scheme of Phase-II examination:

This examination will consist of three papers (to be held in two shifts) as under:

Shift	Paper No.	Name of Paper	Type of Paper	Time (Minutes)	Marks
Morning	Paper-I	Economic and Social Issues	Objective Type	90	100
	Paper-II	English (Writing Skills)	Descriptive, to be typed with the help of the keyboard	90	100
Afternoon	Paper-III	Finance and Management	Objective type	90	100

The Phase-II online examination will be conducted on **September 19, 2016**, only for the candidates who are shortlisted on the basis of results of Phase-I examination. This examination will be in two shifts. Candidates are required to appear in both the shifts. **SEPERATE ADMISSION LETTERS SHOULD BE DOWNLOADED FOR MORNING AND AFTERNOON SHIFTS** from RBI website. The time of Phase-II examination/shifts and venue of examinations is indicated in both the Admission Letters.

Candidates will be shortlisted for the interview, based on aggregate of marks obtained in Phase-II (Paper-I + Paper-II + Paper-III). The minimum aggregate cut off marks for being shortlisted for Interview will be decided by the Board in relation to the number of vacancies. Roll No. of the candidates shortlisted for interview will be published on RBI website at appropriate time and interview Admission Letters will be sent on registered email ID.

All papers of Phase-II (except the paper on English) will be set bilingually in Hindi and English. Candidates will have the option to choose questions in Hindi or in English. The option of language is to be chosen in the beginning of the test. However, as required, you will be able to switch/toggle between the two languages, after choosing the option for the language. Answers to the objective type Papers of Phase-II (i.e. Paper-I and Paper-III) are to be marked by mouse clicking the correct option and then 'Save and Next'.

The time for the examination in morning and afternoon shift is 180 and 90 minutes respectively; however, you may have to be at the venue for approximately 230 and 140 minutes respectively, including the time required for attendance marking, submission of admission letter with photocopy of the photo ID proof, logging in, etc.

**Paper-I and Paper-III: Objective Type Papers:** In objective type Papers all the questions will have multiple choices. The questions will carry varying marks, which will be indicated in the question papers. You can attempt any question at any point of time within the allotted time of 90 minutes. Out of the five answers to a question only one will be the correct answer. **You have to select the correct answer and 'mouse click' that alternative which you feel is correct. The alternative/ option that you have clicked on will be highlighted and will be treated as your answer to that question (after "Save and Next"). There will be penalty for wrong answers marked by you. For every wrong answer marked by you, 1/4<sup>th</sup> of the marks assigned to that question will be deducted as penalty.**

The Scores of Online Examination will be obtained by adopting the following procedure:

- (i) Number of questions answered correctly by a candidate in each objective test is considered for arriving at the Corrected Score after applying penalty for wrong answers.
- (ii) Paper wise scores are reported with decimal points upto two digits.

**Paper-II: Descriptive Type Paper (English Writing Skill):** The paper on English shall be framed in a manner to assess the writing skills including expression and understanding of the topic. The Paper may include Questions on essay writing, précis writing and comprehension etc. Candidates will have to type answers with the help of the key-board of the computer.

- 2. Sample Questions:** Please note that the types of questions in this handout are only illustrative and not exhaustive. In the actual examination you will find questions of a higher difficulty level on some or all of these types and also questions on the types not mentioned here. Some sample questions are given below.

#### **Paper-I: Economic and Social Issues**

**(There will be questions carrying 2 marks each and questions carrying 1 mark each)**

- Q.1-3.** Read the following passage and answer the given questions:

Data released earlier this year revealed a landmark event for the Indian economy that went largely unnoticed: agricultural workers now comprise less than half the workforce for the first time in the history of the Indian economy and its contribution to GDP is less than 14 percent. However in recent years even as the non-agricultural economy remains weak, overall growth has been propped up to the extent it has by the growth of the overall rural economy. And while within the rural economy itself, non-farm activities are becoming increasingly significant, close to two of three workers depend on agriculture for an important part of their income. Lower production from earlier years, higher cultivation costs and weaker yields bode ill for farm incomes and by extension for the rural economy as a whole. If rural incomes are hit, there could be bigger demand for work under the rural employment guarantee scheme. Though there is a government proposal to restrict MGNREGA to tribal districts only, if farm incomes remain weak this feeds into the rest of the economy and the intention of the government to see this policy through could well be tested.

- Q. 1.** What do the statistics regarding the agricultural sector cited in the passage indicate?

- (1) Farm incomes are likely to be hit by low global commodity prices and weak or stagnant production
- (2) Overall agricultural output will fall significantly this year despite sustained government assistance
- (3) Factors such as a weak monsoon have resulted in an agricultural deficit
- (4) The agricultural sector is very important to the economy despite its falling contribution to India's GDP
- (5) Agriculture must employ more workforce

**Q.2.** Which of the following is a welcome development?

- (1) Bigger demand for work under rural employment guarantee scheme
- (2) Non-agricultural economy remaining weak
- (3) Agriculture workforce becoming less than half of the total workforce
- (4) Higher cultivation costs
- (5) Restricting MGNREGA to tribal district

**Q.3.** Which of the following best defines MGNREGA?

- (1) Guaranteeing 100 days of wage-employment in a financial year to every rural household whose adult member volunteer to do skilled work.
- (2) Guaranteeing 100 days of wage-employment in a financial year to every rural household whose adult member volunteer to work in farm sector.
- (3) Guaranteeing 100 days of wage-employment in a financial year to an adult member of a rural household
- (4) Guaranteed regular employment of one adult member in rural areas in a farm or non-farm sector
- (5) Fixing minimum wages in the rural areas.

**Q.4-5.** Read the following paragraph and answer the given questions.

The resettlement home, where Velayudhan's mother was admitted, has limited facilities with one physically challenged old doctor to attend around 200 inmates. There are some nurses deputed by the People's Council for Social Justice, a not-for-profit organization. The care-home lacks proper provisions, medicines and accessories like bed sheets and cleaning materials. The condition of Velayudhan and his mother suggests a big gap in the much-acclaimed decentralized anti-poverty programmes of the state and local self-governments (LSG), said noted economist Prof K K George. "There is a need to go beyond the BPL and APL categorization. What we need is a micro-level intervention to identify the individual disabilities among the poor and the rich," he said.

**Q.4.** While defining the poverty line:

- (1) In 1979 based on the report of the Task Force (Y K Alagh) the Government adopted a quantitative measure of poverty by estimating the poverty line corresponding to the calorie requirements.
- (2) The Expert Group (Tendulkar) had decided to anchor the poverty line to the then available official calorie norms used in all poverty estimations since 1979.
- (3) The Expert Group (Tendulkar) did not use the all-India urban poverty line basket as the reference to derive state-level rural and urban poverty.
- (4) The new poverty line worked out by Expert Group (Tendulkar) was, for a family of five, monthly consumption expenditure of Rs.4860 in rural areas and Rs.7035 in urban areas.
- (5) The Expert Group (Rangarajan) preferred consumption expenditure estimated based on the National Accounts Statistics as against the estimates arrived by National Sample Survey Organisation.

**Q.5.** Why do we need to 'go beyond the BPL and APL categorization'?

- (1) We need to provide benefits of anti-poverty programmes to all BPL and APL population
- (2) We need to identify only individual disabilities and categorise them to get the benefit of anti-poverty programme
- (3) We need to consider individual disabilities to categorise them to get the benefit of anti-poverty programme
- (4) Anti-poverty intervention is needed by both BPL and APL and rich
- (5) Micro-level intervention is required by local self-governments.

**Q.6-7.** Read the following paragraph and answer the given questions.

The Eighth Five Year Plan (1992-97), was launched keeping in mind the necessity of implementing measures for stabilization and structural adjustment subsequent to the Balance of Payments (BOP) crisis of 1991. The Plan took into account the changes that were to be expected in the economy on account of the adoption of these reform measures, while keeping in mind the poor performance of the economy in the base year, 1991-92. In the base year the rate of inflation was in double digits, while the overall growth rate of GDP for that year was negligible.

**Q.6.** What is the unit of measurement of GDP?

- (1) Percentage or proportion
- (2) Absolute number of goods and services
- (3) Monetary terms (Rupees, Dollars etc.)
- (4) Absolute number per capita
- (5) Other than those given as options

**Q.7.** What is the role of Five Year Plans in India?

- (1) To control GDP and BOP only
- (2) To plan for overall development of different production sectors
- (3) To plan for overall development of different production sectors as well as human development
- (4) To plan for overall development of the country and approve budgetary allocation
- (5) To plan for overall agricultural development of the country and allocate resources

**Q.8.** According to Socio Economic and Caste Census (SECC) exercise that started in 2011 the total number of households in India are around \_\_\_\_\_.

- (1) 17.39 crore
- (2) 19.39 crore
- (3) 21.39 crore
- (4) 24.39 crore
- (5) 27.39 crore

- Q.9.** Which of the following types of initiatives by the Government cannot be classified as an anti-poverty programme?
- (1) Urban poverty alleviation programme
  - (2) Castes based reservation in jobs
  - (3) Self-employment programmes
  - (4) Social Security programmes
  - (5) Wage employment programme
- Q.10.** The Millennium Development Goals Report 2015 lists eight Goals numbered as 1 to 8. Which of the following is **Not** in the Goals 1 to 4 ?
- (1) Achieve Universal Primary Education
  - (2) Eradicate extreme poverty and hunger
  - (3) Global partnership for development
  - (4) Reduce child Mortality
  - (5) Promote Gender equality and an power women
- Q.11.** Which one of the following is **not** a part of 'Food Based Safety Nets' in India?
- (1) Public distribution System
  - (2) Mahatma Gandhi National Rural employment Programme (MGNREGS)
  - (3) Mid-day Meals Programme
  - (4) Integrated Child Development Programme
  - (5) Food for Work Programme
- Q.12.** Self-help groups (SHGs) are generally facilitated by NGOs, and increasingly advise and train members in a variety of on- and off-farm income-generating activities. Indeed, in a number of recent projects, NGOs were substituted by trained facilitators and animators drawn from self-help groups. Which of the following are the major issues confronting SHGs?
- (a) Inadequate number of quality agencies for capacity building
  - (b) Lack of governance and challenges
  - (c) High management information
  - (d) Consistent reporting and supervision
- (1) (a) and (d)    (2) (a) and (b)    (3) (c) and (d)    (4) (a) and (c)    (5) (b) and (c)
- Q.13.** In order to overcome the challenges faced by SHGs, IFAD has contributed to the mainstreaming and to financing programmes for promoting self-help groups in states such as Tamil Nadu and Maharashtra. Which of the following is the main objective of Maharashtra Rural Credit Project ?
- (1) To reduce rural poverty and promote rural development
  - (2) To improve financial services, including savings, among rural poor people.
  - (3) To improve their status by providing education.
  - (4) To increase marketing facilities
  - (5) To open Anganwadis and primary schools in rural areas

- Q.14.** The AD curve is downward sloping for a small economy in a fixed exchange rate system because (A) ..... weakens the country's external competitiveness which (B) ..... for domestic goods—
- (1) (A) positive domestic inflation (B) reduces domestic and foreign demand
  - (2) (A) positive domestic inflation (B) increases domestic demand
  - (3) (A) rising domestic inflation (B) reduces domestic and foreign demand
  - (4) (A) rising domestic inflation (B) increases domestic demand.
  - (5) (A) rising domestic inflation (B) increases domestic and foreign demand

### **Paper-II – English (Writing Skills) - Descriptive Paper**

**Q.1.** Write an essay on any **ONE** of the following topics in about 400 words.

- Three effective measures to eradicate illiteracy in India. Explain how the measures suggested by you will be effective.
- It is often said that computerization results in unemployment. Do you agree? Explain.
- High Rise Buildings: Infrastructural and Environmental Issues.

**Q.2.** Write a précis of the following passage in about 120 words, and give it a title.

Christian Reed, a project manager, has worked at the Tata Steel plant—Britain's biggest—for 11 years. His father worked in the local steel industry for 40 years, and his grandfather was a foundry worker. "It's very difficult to contemplate losing the plant," he says. "It would be like losing a member of the family."

The fate of his job and those of about 4,300 other Port Talbot steelworkers, as well as Britain's loss-making steel industry in general, have become the most poignant part of the political row that has erupted in Britain since Tata Steel, Britain's biggest producer, said in late March that it planned to sell or close its operations in the country. Opposition politicians have demanded that the government engineer a rescue, either by erecting high tariff walls against cheap steel imports, as America has done, or by going for some sort of nationalisation, as Italy has attempted with the ill-starred Ilva plant in the heel of the country. On April 5th a potential rescuer, Sanjeev Gupta of Liberty House, a commodity-trading company, said he was interested in buying the Port Talbot business, though he wants plenty of government sweeteners before doing so. He has called Britain's steel industry "probably the worst in the world."

There are few parts of the rich world where steel remains a good business, however. Port Talbot's woes are indicative of a global problem—especially in places where makers of unspecialised steel face competition from cheaper producers.

In the eyes of many, including the Welsh steelworkers, the main bogeyman is China, where steel output has ballooned. The country has produced more steel in two years than Britain since 1900, according to the International Steel Statistics Bureau, and is indeed awash with excess capacity. But this is part of a phenomenon that extends across the developing world. The OECD, a club mostly of rich countries, reckons that in the four years to 2017 steelmaking capacity will have grown by 50% in the Middle East, 20% in Africa and 10% in Latin America. Meanwhile, the China-led slowdown in developing economies and low oil prices, which have hit the use of steel in rigs and pipelines, mean that demand is severely lagging supply. Even in India, which is supposed to be the bright spot of the global steel market, demand growth is unlikely to recover to levels in the years before 2010 when it embarked on a debt-fuelled infrastructure construction binge.

**Q.3. English Comprehension based on a passage.**

**Read the following passage carefully and answer the questions that follows.**

In this age, when the popular involvement in day-to-day matters is mounting, it is the electronic systems that offer us a potential service infrastructure which could, with careful programming, probably take care of a very large element of what we describe as mechanical, procedural governance without all the distortions, corruptions and harassments which constitute the daily misery of the average citizen. Of course, the electronic systems will only behave to the extent that they are properly programmed. But this is no impossible task today.

Once we move our minds beyond the mere use of the electronic revolution for business efficiency and higher profitabilities and apply it to the task of reducing the routine, repetitive activities of governance, we will conserve time and energy for more important and creative tasks. In other words, the electronic revolution can make for better and more effective handling of real everyday problems, additionally to providing the basic service of computerized information banks. Even in less developed conditions, the potential of the electronic network to take over a great deal of what is called bureaucratic "paper work" has been vividly demonstrated. Licensing system involving endless form filling in endless copies; tax matters which baffle millions of citizens, particularly those who have nothing to hide; election system which require massive supervisory mobilizations or referendums based on miniscule "samples" which seldom reflect the reality at the social base. At all these points, the electronic advantage is seen and recognized. However, we must proceed further.

It is possible to foresee a situation where the citizen, with his personalized computer entry card, his "number", is able to enter the electronic network for a variety of needs now serviced by regiments of officials, high and low. Indeed, this is already happening in a number of countries. From simple needs, we will move to more complex servicing, and, ultimately, into creativity or what is called "artificial intelligence".

- Q. (i)** What does the term "bureaucratic paper work" refer to?  
**Q. (ii)** How has electronic revolution helped organisations in day-to-day activities?  
**Q. (iii)** What is "artificial intelligence"?

**Paper-III – Finance and Management**

**(There will be questions carrying 2 marks each and questions carrying 1 mark each)**

- Q.1-3.** The Indian financial system has undergone a significant transformation in 1990s. The deregulation of lending rate and free pricing of equity issues etc., have changed the financial market scenario. Investors have shied away from equity market in last few year due to capital market scams and low return. A comparative analysis of all emerging economies confirms that most of the emerging economies have a corporate bond market. However, the Bonds/debts market in India has not yet fully developed and turnover is very low. The most popular Bonds include partly convertible debentures (PCDs), fully convertible debentures (FCDs), deep discount bonds (DDBs), zero coupon bonds (ZCBs), bonds with warrants, floating rate notes (FRNs) / bonds and secured premium notes (SPNs). Of these instruments, fixed rate bonds emerge as the dominant option with maximum volume transacted.
- Q.1.** Mrs. Laxmi bought 10% p.a. Bonds of ABC Limited for Rs.105/- each, the face value being Rs.100/- each, with maturity date being exactly 3 years after the date of acquisition. Assuming market rate of return being 12% p.a., the per bond present value of the inflow will be:
- (1) Rs. 130.00
  - (2) Rs. 95.30
  - (3) Rs. 102.70
  - (4) Rs. 87.90
  - (5) Rs. 114.40

- Q.2.** Vatsal Limited is operating at an EBIT of Rs.9 lacs, depreciation already charged being Rs.2.00 lacs and Tax rate being 35%. The present borrowing is Rs.30 lacs by way of Term loan at a cost of 12% p.a. and working capital limit fully utilized being Rs.10 lacs at a cost of 10% p.a. What is the interest Coverage Ratio:
- (1) 1.54
  - (2) 2.50
  - (3) 1.67
  - (4) 0.97
  - (5) 1.36
- Q.3.** Mr. Mohan bought bonds of the face value of Rs.1000/- each at a discount of 10% on face value, bearing coupon@ 10% p.a., residual tenure for redemption at par being exactly 2 years from the date of acquisition. What is the IRR?
- (1) 11.11%
  - (2) 18.12%
  - (3) 12.12%
  - (4) 16.18%
  - (5) 15.25%
- Q.4.** Which of the following is **not** the object of Corporate Governance?
- (1) Non-acceptance of Management's own role as trustees on behalf of the shareholders
  - (2) Acceptance by management of the inalienable rights of shareholders as the true owners of the corporation
  - (3) It is about commitment to values
  - (4) It is about ethical business conduct
  - (5) It is about making a distinction between personal & corporate funds in the management of a company
- Q.5.** The halo error that tend to distort appraisals, refers to \_\_\_\_\_
- (1) The tendency to mark high on all factors due to a high impression on some specific factor
  - (2) The tendency to mark everyone high
  - (3) The tendency to give excellent ranking to those appraisee who very often wishes halo to the appraiser
  - (4) The tendency to rate people higher than they deserve in order to see that poor ratings do not harm the individual
  - (5) The tendency of the evaluator to rate high those employees who exhibit qualities which they themselves possess
- Q.6.** Which of the following is System 4 participating approach of leadership?
- (1) Under this system managers have complete trust in their subordinates and always get ideas from them and use those ideas constructively
  - (2) Under this system managers have a patronising trust in their subordinates and motivate their people with rewards and some fear and punishment
  - (3) Under this system, managers concern themselves neither with people nor production
  - (4) Under this system managers have a substantial but not complete trust in their subordinates, use rewards for motivation and use punishment only occasionally
  - (5) Under this system managers are highly autocratic and motivate people through fear and punishment



**Q.7.** Which of the following is/ are functions of financial markets?

- (1) Facilitate price discovery
- (2) Provide liquidity to financial assets
- (3) Reduce search costs
- (4) Reduce information costs
- (5) All of the above

**Q.8.** Which one of the following is **not** a function of the Reserve Bank of India?

- (1) It provides currency and operates the clearing system for the banks
- (2) It formulates and implements monetary and credit policies
- (3) It supervises the operations of Commercial Banks
- (4) It regulates foreign exchange transactions
- (5) Register and regulate the working of mutual funds

**Q.9.** The financial development of a country is commonly assessed in terms of all but one of the following ratios

- (1) Finance ratio
- (2) Cash ratio
- (3) Financial interrelations ratio
- (4) New issue ratio
- (5) Intermediation ratio

**Q.10-11.** At first, money was thought to be the only incentive and then a little later it was thought that incentives include working conditions, security and perhaps a demographic style of supervision. Subsequently the content of motivation was deemed to be the so-called higher level needs or motives such as esteem and self actualization; responsibility, recognition, achievement and advancement and finally including in its purview growth and personal development.

**Q.10.** Achievement factor of motivating an individual is the contribution of which theory and what other factor was considered along with it?

- (1) Maslow's theory and supervision factor
- (2) Alderfer's theory and recognition factor
- (3) Vroom's theory and responsibility factor
- (4) Herzberg's theory and advancement factor
- (5) Equity theory and salary factor

**Q.11.** In which of the following models, the relationships are expressed diametrically rather than mathematically, there are more variables and the cognitive process of perception plays a central role and that motivation doesn't equal satisfaction or performance ?

- (1) Vroom's model
- (2) Equity model
- (3) Porter Lawler model
- (4) Scientific model
- (5) ERG model

- Q.12.** Four major theories on motivation are: (a) Maslow's Hierarchy of Needs; (b) Herzberg's Motivation/Hygiene (two factor) Theory; (c) McGregor's X Y Theories; and (d) McClelland's Need for Assessment Theory. The study of these theories generally validate that –
- (1) McGregor's Theory Y matches much of Maslow's self-actualization level.
  - (2) Reward systems must not correspond to intrinsic factors, if employees are to be motivated.
  - (3) Satisfying extrinsic factors is not commonly attempted method for motivating workers.
  - (4) Motivation is irrelevant in management
  - (5) There is nothing common in these theories
- Q.13.** Financial Statements are analyzed and appraised with help of –
- (1) Balance Sheet
  - (2) Profit and loss statements
  - (3) Ratio analysis of Balance sheet and profit and loss statements
  - (4) All of the given options
  - (5) None of the given options
- Q.14.** DSCR ( Debt Service Coverage Ratio ) and the Debt Equity ratio respectively are based on the logic of having adequate earning to cover debt servicing that shall neither be in excess nor too meager and the leverage is in proportion, are considered to be thumb rule for the financial projection analysis. You are advised to select the optimal ratios norms for the same from the following:
- (1) Range of 2 to 3 and 1:2 respectively
  - (2) 2.5 and 3 respectively
  - (3) 1.5 to 2 and 2:1 respectively
  - (4) 1.5 and 1:1.5 respectively
  - (5) None of the given options
- Q.15.** The accounts of Government are kept in three parts viz. Consolidated Funds of India, Contingency Funds of India and Public Account. The transactions in the Public Account relate to debt other than those included in the Consolidated Fund of India and the receipts under Public Account do not constitute normal receipts of Government. Hence,
- (1) Parliamentary authorisation for payments from the Public Account is, therefore, not required
  - (2) Parliamentary authorisation for payments from the Public Account is, therefore, required.
  - (3) Parliamentary authorisation to receipts from the Public Account is, therefore, not required.
  - (4) Parliamentary authorisation to receipts from the Public Account is, therefore, required.
  - (5) Parliamentary authorisation for payments and to receipts from the Public Account is, therefore, required.

**Q.16.** There is enough anxiety over the fast eroding capital of public sector banks in India, especially that of loss-making lenders. As the rising pile of toxic assets eat away their capital, banks are struggling to do business. What could make the mess messier? Banks are mandated to keep 9% of minimum capital adequacy ratio, out of which Basel-III rules mandate a Tier-I capital ratio of 7%. A part of this Tier-I capital of lenders consists of additional Tier-1 bonds. Called AT-1 bonds in market parlance, What may be the biggest risk to the Public Sector Banks with AT-1 bonds:

- (1) These are innovative debt instruments that have equity-like perpetuity and may dilute the Government ownership in these banks.
- (2) Given the massive losses that public sector lenders have piled up in 2015-16, some banks are fast running out of distributable reserves to service these regular coupon payments on their AT-1 bonds.
- (3) May be callable at the initiative of the issuer only after a minimum of five years. To exercise a call option a bank has to receive prior supervisory approval.
- (4) Banks may find it difficult to repay these bonds (principal plus interest) at the time of maturity, owing to dearer coupon on these bonds.
- (5) Is neither secured nor covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

**Q.17.** Bond valuations are generally done in terms of valuing the cash flows: (i) coupon payment (interest payment) = (coupon rate \* principal) usually paid every 6 months and / or (ii) maturity value = principal or par value = Rs. 1000. The '9 7/8 % ABC Ltd 2020' bond pays interest annually. The face value of the bond is Rs. 1,000. 'ABC Ltd' bond as of today, if the required rate of return is seven (7) per cent, is –

- (1) Rs. 1,950.40
- (2) Rs. 1,117.88
- (3) Rs. 999.98
- (4) Rs. 1,755.44
- (5) None among the given options

**Q.18.** Consider the current government budget where —

T is today's net taxes

D is government debt at the start of today

G is today's government spending

r is the real interest rate on government debt.

All variable are positive. The Government is running a deficit today if —

- (1)  $(G - T) > 0$
- (2)  $D(1 + r) > (T - G)$
- (3)  $r D > (T - G)$
- (4)  $((G + D) r - T) > 0$ .
- (5)  $(T - G - rD) > 0$

**Q.19.** The banking sector in India is fully regulated sector. The Reserve Bank of India (RBI), established under the RBI Act, 1934 plays the role as central bank of the country and performs the function of regulating, supervising and controlling banking in India. The RBI is constituted and managed by a central board appointed by Government of India. The Reserve Bank of India derives powers from various acts/laws enacted for regulating banking in India and ensures that the banks function within the permitted frame work of laws, the main being Banking Regulation Act, 1949.

Can a commercial bank in India involve itself in a business to acquire, construct and maintain building for indefinite period?

- (1) No, it is not permitted as per Section 6(1) or any other section of the B.R. Act.
- (2) Yes, it is possible as it is not prohibited u/s 8 of B.R. Act.
- (3) Yes, this is permitted u/s 6(1) of B.R. Act
- (4) Yes, this is permitted u/s 5 of B.R. Act
- (5) Yes, it can be done with the approval of the Board of Directors of the Bank concerned.

### **3. Details of Online Exam Pattern : Operational Instructions**

#### **(A) Paper-I and Paper-III : Objective Type Papers**

- (1) A login screen will be displayed to the candidate. The candidate has to log in using Login ID and Password which will be printed on the Admission Letter. There are separate admission letter for both shifts.
- (2) The candidate's profile (name, roll no. etc.) will be displayed and the candidate has to confirm the same by clicking on the 'I Confirm' button if the profile is correct. Thereafter the instructions will be displayed on the screen. The candidate should ensure that the profile displayed on the screen is that of himself / herself. In case of any discrepancy, the same may be brought to the notice of the Test Administrator/Invigilator prior to the start of examination.
- (3) All the questions will have multiple choices. Out of the 5 answers to a question, only one will be the correct answer. The candidate has to select the correct answer and mouse click that alternative which he/she feels is correct. The alternatives/options that is clicked on will be treated as answer to that question. Answer to any question will be considered for final evaluation only when a **candidate have submitted the answers by clicking on "Save and Next" or "Marked for Review and Next"**.
- (4) A candidate should read the instructions carefully and indicate that he/she has done so by 'checking' the box at the bottom of the screen, after which the 'I am ready to begin' button is activated.
- (5) After clicking on the 'I am ready to begin' button, the actual test time will begin.
- (6) Only one question will be displayed at a time.
- (7) The clock has been set at the server and the countdown timer at the top right corner of the screen will display the time remaining to complete the exam. When the clock runs out the exam ends by default-the candidate is not required to end or submit his exam.

(8) The question palette at the right of the screen shows one of the following statuses of each of the questions numbered:



You have not visited the question yet



You have not answered the question



You have answered the question



You have NOT answered the question but have marked the question for review



You have answered the question but marked it for review

(9) To select a question to answer, the candidate can do one of the following:

- (a) Click on the question number on the question palette at the right of the screen to go to that numbered question directly. Note that using this option does NOT save the answer to the current question.
- (b) Click on 'Save and Next' to save answer to current question and to go to the next question in sequence.
- (c) Click on 'Mark for Review and Next' to save answer to current question, mark it for review, and to go to the next question in sequence.

(10) To select the answer, click on one of the option buttons.

(11) To change the answer, click another desired option button.

(12) To save the answer, the candidate MUST click on 'Save & Next'.

(13) To deselect a chosen answer, click on the chosen option again or click on the Clear Response button.

(14) To mark a question for review click on 'Mark for Review & Next'. If an answer is selected for a question that is 'Marked for Review', the answer will be considered in the final evaluation.

(15) To change an answer to a question, first select the question and then click on the new answer option followed by a click on the 'Save & Next' button.

(16) **Questions that are saved or marked for review after answering will ONLY be considered for evaluation.**

(17) Sections will be displayed on the top bar of the screen. Questions in a section can be viewed by clicking on the section name. The Section you will view will be highlighted.

(18) You can shuffle between section and questions any time during the examination of that particular paper, as per your convenience.

(19) Under no circumstances should a candidate click on any of the 'keyboard keys' once the exam starts as this will lock the exam.

(20) A candidate can only change his/her answer before submission.

(21) After the expiry of the exam duration (i.e. 90 minutes), candidates will not be able to attempt any question or check their answers. A candidate's answers would be automatically saved by the computer system even if he has not clicked the 'Submit' button.

(22) The candidates may ask the Test Administrator about their doubts or questions only before the commencement of the test. No query shall be entertained after the commencement of the examination.

(23) **Please note :**

- (a) Candidates will not be allowed to "finally submit" unless they have exhausted the actual test time.
- (b) Under no circumstances should a candidate click on any of the 'keyboard keys' once the exam starts as this will lock the exam.

## **(B) Paper-II: Descriptive Type Paper :**

No separate login is required to take the test. This test will start automatically upon auto-submission of Paper-I after 90 minutes. The questions will be in English and answers are to be typed in space provided for the same using keyboard. Only one question will be displayed at a time.

**Note: You will not be able to shuffle between objective/descriptive Papers.**

### **4. About the Submission- all papers**

- (1) Candidates are not permitted to submit their answers before the entire test time is over.
- (2) A candidate can only change his/her answer before submission.
- (3) After the expiry of the exam duration, candidates will not be able to attempt any question or check their answers. A candidate's answers would be automatically saved by the computer system even if he has not clicked the 'Submit' button.

### **5. General Instructions:**

- (1) Please note your Roll Number, Password, date, time and venue address of the examination given in the Admission Letters.

The mere fact that an Admission Letter has been issued to you does not imply that your candidature has been finally cleared by the Board or that the entries made by you in your application for examination have been accepted by the Board as true and correct. It may be noted that the Board will take up the verification of eligible candidates, i.e. age, educational qualification and category (Scheduled Caste/Tribe/OBC/PWD), etc. with reference to original documents, only at the time of interview of candidates who qualify on the basis of result of the Phase-II examination. You may, therefore, please note that if at any stage, it is found that you do not satisfy the eligibility criteria as given in the advertisement or the information furnished by you in the application is incorrect, your candidature is liable to be cancelled forthwith with such further action as the Board/RBI may like to take. You may please note that the admission letter does not constitute an offer of employment with RBI.

- (2) **You may visit the venue one day before the Phase-II online examination to confirm the location so that you are able to report on time on the day of the examination. Candidates who report late will not be allowed to take the test.**
- (3) **Both** the Admission Letters (for Morning and Afternoon shifts) should be brought with you to the examination venue along with your recent passport size photograph duly pasted on **each of them**. (Preferably the same photograph as was uploaded).
- (4) Please also bring currently valid photo identity proof in original and **two photocopies** of the same photo identity proof which you bring in original - **THIS IS ESSENTIAL. Candidates coming without these documents will not be allowed to take the test.** During each shift, please hand over the respective Admission Letter stapled with one photocopy of the photo identity proof, to the invigilator. Currently valid photo identity proof are PAN Card/Passport/Driving License/Voter's Card/Bank's Passbook with photograph/Photo Identity proof issued by a Gazetted Officer or People's Representative on official letterhead/ Valid recent Identity Card issued by a recognised College/University/Aadhar Card/e-adhaar card with a photograph/ Employee ID/ Bar Council Photo Identity card. **Photo ID should be valid as on the day of exam. Staff candidates have to bring RBI Identity Card and its photocopy.** Please note that your name (provided by you during the process of registration) as appearing on the Admission Letters should exactly match the name as appearing on the photo identity proof. Female candidates who have changed first/last/middle name post marriage must take special note of this. **If there is any mismatch between the name indicated in the Admission Letters and Photo Identity Proof, you will not be allowed to appear for the exam. In case of candidates who have changed their name will be allowed only if they produce Gazette notification/their marriage certificate/affidavit.**

- (5) Biometric data (left thumb impression) will also be captured at the examination venue. With regards to the same, please note the following:
- (a) If fingers are coated (stamped ink/mehandi/coloured, etc.), ensure to thoroughly wash them so that coating is completely removed before the exam day.
  - (b) If fingers are dirty or dusty, ensure to wash them and dry them before the finger print (biometric) is captured.
  - (c) Ensure fingers of both hands are dry. If fingers are moist, wipe each finger to dry them.
  - (d) If the primary finger (left thumb) to be captured is injured/damaged, immediately notify the concerned authority in the test centre.

(Any failure to observe these points will result in non-admittance for the examination)

- (6) You must scrupulously follow the instructions of the Test Administrator and Board Representative at the examination venue. If you violate the instructions/rules, it would be treated as a case of misconduct/ adoption of unfair means and such a candidate would be liable for debarment from appearing for examinations for a period as decided by RBISB.
- (7) During the Paper-I and Paper-II examination, use of calculators (separate or with watch), books, note books, written notes, pagers, cell phones (with or without camera facility) or any similar electronic communication devices, etc. will **not** be allowed. Candidates are advised not to bring any of the banned items including cell phones/pagers to the venue of the examination as safety arrangements cannot be assured. Candidates found resorting to any unfair means or malpractice or any misconduct while appearing for the examination including giving/ receiving help to/from any candidate during the examination will be disqualified. The candidates should be vigilant to ensure that no other candidate is able to copy from his/her answers. Use of non-programmable electronic calculator is permitted for Paper-III. However, exchange of calculators amongst candidates is strictly not permitted.
- (8) Your responses (answers) will be analysed with other candidates to detect patterns of similarity of right and wrong answers. If in the analytical procedure adopted in this regard, it is inferred/ concluded that the responses have been shared and scores obtained are not genuine/valid, your candidature may be cancelled. Any candidate who is found copying or receiving or giving assistance or engaging in any behaviour unbecoming of a candidate will not be considered for assessment. The Board may take further action against such candidates as deemed fit by it.
- (9) You should bring with you a ball-point pen. A sheet of paper will be provided which can be used for rough work or taking down the question number you would like to review at the end of the test before submitting your answers. After the test is over you **MUST** hand over this sheet(s) of paper to the Test Administrator before leaving the venue.
- (10) A candidate who is or has been declared by the Board guilty of impersonation or of submitting fabricated document/s which have been tampered with or of making statements which are incorrect or false or of suppressing material information or otherwise resorting to any other irregular or improper means of obtaining admission to examination or of using or attempting to use unfair means in the examination hall or misbehavior in the examination hall may be debarred permanently or for a specified period -
- (i) By the Board from admission to any examination or appearance at any interview held by the Board for selection of the candidates, and
  - (ii) By the Bank from employment under it, and
  - (iii) If already in the service of the Bank, be liable to disciplinary action under the appropriate rules.

(11) **Note for Person with Disability (PWD):**

- (i) The additional/compensatory time of **twenty (20) minutes for every hour of examination may be allowed to only those candidates with disabilities who have physical limitation to write/type including that of speed and who use the facility of a scribe. However, the additional/compensatory time of twenty (20) minutes for every hour of examination will be allowed to all the Visually Impaired PWD candidates, regardless of whether they opt for scribe or self-writing or with the help of assistive devices like magnifier.**
  - (ii) In objective type question Papers, Visually Impaired candidates under Blind/Low Vision may skip the questions on Table/Graph. The candidates will be awarded marks for such questions based on the overall average obtained in other questions of the respective test Paper.
  - (iii) The PWD candidates, who want to use facility of scribe, **MUST** download and carefully **READ** the instructions meant for them, which can be downloaded from RBI website.
  - (iv) Candidates using scribe are also required to submit a Joint Undertaking/Declaration form that can be downloaded from RBI website.
  - (v) The Visually Impaired candidates **will** be allowed to use the facility of on screen magnifier.
- (12) The possibility for occurrences of some problem in the administration of the examination cannot be ruled out completely, which may impact test delivery and/or result from being generated. In that event, every effort will be made to rectify such problem, which may include movement of candidates, delay in test. Conduct of re-exam is at the absolute discretion of RBI Services Board or test conducting body. Candidates will not have any claims for a re-test. Candidates not willing to move or not willing to participate in the delayed process of test delivery shall be summarily rejected from the process.
- (13) Anyone found to be disclosing, publishing, reproducing, transmitting, storing or facilitating transmission and storage of test contents in any form or any information therein in whole or part thereof or by any means verbal or written, electronic or mechanical or taking away the papers supplied in the examination hall or found to be in unauthorised possession of test content is likely to be prosecuted.
- (14) Candidates, other than staff candidates of RBI, should bear their own traveling and other expenses. Staff candidates of RBI may approach their respective offices for instructions in this regard. The Board does not make arrangements for boarding/ lodging of candidates.

**6. IMPORTANT POINTS TO REMEMBER:**

You are advised to bring with you the following:

- (i) Admission Letter with photo affixed thereon and photo ID card in **Original** and photocopy as mentioned in Point 5(4). **Staff candidates have to bring RBI Identity Card and its photocopy.**
- (ii) **Separate admission letters, for each shift.**
- (iii) One ball point pen.

**WISH YOU GOOD LUCK!!**