

**IMPORTANT OBJECTIVE TYPE QUESTION FOR PRACTICAL
EXAMINATION**

**COURSE NO.- ECON-242
(Agricultural Finance & Co-operation)**

Exercise No. 1.

- 1 Long Term loans which are characterized by **Partially liquidating nature**
- 2 **Short and medium term** loan which are characterized by Self liquidating loan
- 3 **In Partial repayment plan** the farmer is expected to settle the entire loan amount in quarterly, half-yearly or annual installments (Principal + interest)
- 4 Straight end repayment plan also called as **Single repayment plan or Lumpsum repayment plan**
- 5 **In Partial Repayment plan** the installment amount will be decreasing as the years pass by, except in the maturity year (final year)
- 6 Partial Repayment plan also called as **Balloon Repayment plan.**
- 7 **Amortized repayment plan** is an extended version of partial repayment plan.
- 8 **Amortization** means the repayment of the entire loan amount in a series of installments.
9. **Amortized decreasing repayment** plan the principal component remains constant over the entire repayment period, while the interest part decreases continuously.
10. The advance made for the purchase of machinery is one of the suitable examples **Amortize decreasing repayment**
11. Amortized Even Repayment also called **equated annual installment method.**
12. The annual installment over the entire loan period remains the same in **Amortized even repayment plan.**
13. Amortized Even Repayment method mostly adopted in **long term loan**
14. In the **Amortized even repayment** plan the principal portion of the installment increases continuously, while the interest part declines gradually.

Exercise No. 2.

1. Regional Rural Bank (RRB) was established on **2nd October 1975**
2. Regional Rural Bank was established as per recommendation of working committee under chairman ship of **Sri. M. Narasimham**
3. The main objective of **RRB** is to provide **credit and other facilities to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs, so as to develop agriculture, trade, commerce, industry and other productive activities in rural areas.**
- 4 **Syndicate bank** is a Sponsoring bank for establishment of Pratham regional rural bank at Moradabad (U.P.)

- 5 **State Bank of India** is a Sponsoring bank for establishment of Gorakhpur regional rural bank at Gorakhpur (U.P.).
- 6 **United Bank of India** is a Sponsoring bank for establishment of Gaur Grammena bank at Malda (W.B.).
- 7 **Punjab National Bank** is a Sponsoring bank for establishment of Haryana Kshetriya Grameen bank at Bhivani (Haryana).
- 8 The share capital of RRB is subscribed by the **Central Government (50%), State Government (15%) and sponsoring Commercial Bank (35%)**.
- 9 Each RRB had an authorized capital of **Rs. 1 crore** and paid up capital of **Rs. 25 lakh**.
10. Initially only **5** RRBs were set up on pilot basis with sponsorship of commercial banks on October 2nd, 1975
11. **United Commercial Bank** is a Sponsoring bank for establishment of Haryana Jaipur Nagalur Anchalik Grameena Bank at Jaipur, (Rajasthan)
12. The rate of interest charged by RRBs on the loans is same as that of **Primary Agriculture Credit Societies (PACS)**, but they are allowed to offer 0.5 per cent interest more than that of commercial banks on its deposits

Exercise No.3

- 1 Full Form of ARDC- **Agricultural Refinance and Development Corporation**
- 2 Full Form of CRAFICARD- **Committee to Review Arrangements for Institutional Credit in Agricultural and Rural Development**
- 3 Full Form NABARD- **National Bank for Agriculture and Rural Development**
- 4 Establishment of NABARD as per recommendation of Chairman **Sri. B. Sivaraman**
- 5 NABARD came into existence on **July 12th, 1982**
- 6 Full form ACD- **Agricultural Credit Department**
- 7 Full form of RPCC -**Rural Planning and Credit Cell**
- 8 Authorized Share capital of NABARD is **Rs. 500** crore are equally contributed to Central Government and RBI
- 9 Head Quarter of NABARD is **Mumbai**
- 10 Paid up capital of NABARD is **Rs.100** Crore.
- 11 Two funds have been set up in NABARD viz. **National Rural Credit (long term operations) Fund and the National Rural Credit (stabilized) Fund.**
- 12 **NABARD** is apex refinancing institution in agriculture sector.
- 13 The functions of NABARD are broadly categorized as **a) Credit activities b) Development activities, and c) Regulatory activities**
- 14 Full Form of AREIF-**Agricultural and Rural Enterprises Incubation Fund**
- 15 Full form of RPCF-**Rural Promotion Corpus Fund**
- 16 Full form of CFSF- **Credit and Financial Services Fund**
- 17 Under Banking regulation act **1949**, NABARD undertakes the inspection of RRBs and cooperative banks

Exercise No. 4.

- 1 Three tier system of co-operative society provided **Short and Medium** term of loan.
- 2 Two tier system of co-operative society provided **Long term** of loan
- 3 Primary Agril. Co-op. credit societies under **three tier system** of cooperative society.
- 4 Primary Land Development Bank worked at **Taluka** level.
- 5 **State Co-op. Bank** is apex bank of Cooperative credit society.
- 6 Central land development bank worked at **State level**.
- 7 Area of operation of primary credit societies was limited and the well known rule is “one village one society”,
- 8 The Mehta Committee on Co-operative Credit (1960) recommended that the membership should not be too large and the area too extensive
- 9 The minimum initial membership for a primary cooperative society is ten members.
- 10 The management of a cooperative society is democratic, being based on the principle of ‘**one-man-one-vote**’.
- 11 The reserve fund of primary cooperative society is meant to meet unforeseen losses and also to serve as an important asset and security in borrowings.
12. Borrowings of primary societies comes from **Central Bank, State Governments and Commercial Banks, etc.**
- 13 The agricultural Co-operative credit societies are expected to advance loans for crop production which is called the “Crop Loan”.

Exercise No.5

- 1 **DCCB** is an important link between the Apex Cooperative Bank and the Primary Cooperative Credit Societies working at village level.
- 2 **DCCB** serve as a ‘**balancing centre**’ for adjusting the surplus and deficiency of working capital of the primary credit societies
- 3 Every year, 15 per cent of the net profit of DCCB are contributed to their **stabilization funds**
- 4 The **apex banks** have always been the main source for the borrowings of the DCCB.
- 5 The management of a DCC Bank vests in a board of Directors consisting of **12 to 15** members

Exercise No.6

- 1 **National Bank for Agriculture and Rural Development** (NABARD) introduced a pilot project for linking 500 Self-Help Groups (SHGs) with banks,
- 2 APRACA full form-**Asia Pacific Rural and agricultural Credit Association**
- 3 Stand for NGO- **Non- Government Organization**
- 4 **SHG** is a voluntary association of poor with a common goal of social and economic empowerment.
- 5 The groups formed in SHG should have homogeneity in terms of caste, economic status etc.,

with an optimum size of **10-20** members.

Exercise No.7.

- 1 Crop loan is sanctioned to the extent of **one third** or **33%** of the gross value of the produce or total cost of cultivation is considered while granting loan.
- 2 Percent proportion to gross value of the produce for credit assessment required **33%** value of total main produce and by-produce
- 3 Formula of credit assessment by input method **75% (Input + 50% labour cost)**
- 4 **Scale of Finance** is an indicative cost taken as base cost depending on which the amount to be financed to a farmer is fixed
- 5 Scale of finance is fixed for each district by a committee known as **District Level Technical Committee (DLTC)**.

Exercise No.8

- 1 Full form of CCIS- **Comprehensive Crop Insurance Scheme**
- 2 **Insurance** is a legal contract that transfers risk from a policy holder to an insurance company in exchange for a premium.
- 3 **Policyholder** is the person who has purchased and owned an insurance policy.
- 4 The Government of India during the year 1970 appointed an expert committee on crop Insurance under the chairmanship of **Dharam Narain**
- 5 Full form of GIC-**General Insurance Corporation**
- 6 The GOI had set up General Insurance Corporation (GIC) as per recommendation of **Prof.Dhandekar** in 1973
- 7 Full form of NICL-**National Insurance Company Limited**
- 8 On pilot basis the Government of India introduced crop insurance scheme in **Gujrat** state
- 9 In **1979**, area based crop Insurance scheme was introduced on pilot basis in selected areas
- 10 Full form of BKBY-**Bharatiya Krishi Bhima Yojana**
- 11 In the year **1985**, Comprehensive Crop Insurance Scheme (CCIS) was introduced by GIC in all the States
- 12 Under the Comprehensive Crop Insurance Scheme **Two percent** of the sum insured is fixed as premium for rice, wheat and millets, whereas for the oilseeds and pulses it is **one per cent**.
- 13 80 % of the average annual yield of the crop in a given area over the last previous five years is considered as **threshold yield** in that area
- 14 **Shortfall in the yield** of the crop is the difference between threshold yield of crop and actual yield of the crop in a particular area in the year under reference.

Exercise No.9.

1. Reserve bank of India (RBI), along with National bank for agriculture and rural development (NABARD) initiated the conception of **kisan credit cards (KCC) in 1998-99**.
- 2 Kisan credit card is valid up to **Three years** and is dependent on the annual renewals.
- 3 **9% per annum** interest rate is charged for KCC borrowing limit up to Rs 3 lakh
- 4 Credit limit on the KCC may be fixed as recommended by the **District Level Technical**

committee (DLTC) / State Level Technical committee (SLTC)

5 Full form of DLTC- District level technical committee

6 Full form of SLTC- State Level Technical Committee.

Exercise No.10.

1. FSS Stand for- Farmer Service Society.

2 As per recommendation of National Commission on Agriculture the FFS was setting up in 1973

3 A group constituted by the Union cabinet under the leadership of T.A.Pai recommended the setting up FSS

4 The Farmer service Society have been started in the country with the objective of improving yields and aiding production

5 Full Form of AIRCRC- All India Rural Credit Review Committee

6 During the Fourth Plan period, the State Governments are authorised by the Reserve Bank of India to make contributions upto Rs. 10,000 per potentially viable Farmer Service society, without insisting on matching contribution

7 FSS have to appoint a managing committee consisting of five to seven members,

8 Under FSS suggested that managerial subsidy up to Rs. 1800 may be given to them over a period of 3 to 4 years

Exercise No.11

1. Full Form of NDDDB-National Dairy Development Board

2. Operation flood is associated with White Revolution.

3. Gokul Milk Marketing Federation Ltd. Head quarter- Kolhapur

4. Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd., Kolhapur which is commonly called as "Gokul"

5 Gokul Milk Marketing Federation Ltd., Kolhapur. Has registration number as KPR / PRD / (A) 102.

6. White Revolution associated for production milk

Exercise No.12

1. Project refers to specific activity, with specific starting point and specific end point to achieve a specific objective

2. Project is an investment activity where we spend capital resources to create a productive asset for realizing benefits over time

3 Agriculture Credit Project are also known as "On-Lending Project"

4 Water Resource Development project include irrigation projects, ground water projects, projects for land reclamation, drainage projects, salinity prevention and flood control

5 Agriculture Credit Projects provide credit to the farmers for farm investment for increasing agricultural production, raising their standard of living and the economy as a whole.

6 Important phases of Project life cycle are 1.Conception or Identification,2.Formulation or

Preparation of the project,3.Appraisal or Analysis,4.Implementation, 5.Monitoring, and 6.Evaluation.

7. **Project Costs** include the value of the resources in maintaining and operating the projects
- 8 **Associated Costs** are incurred to produce immediate products and services of the projects for use or sale.
- 9 **Primary costs or Direct cost** include costs incurred in construction, maintenance and execution of the projects
- 10 **Indirect costs or Secondary costs** is the Value of goods and services incurred in providing indirect benefits from the projects such as houses, schools, hospitals, etc
- 11 **Real costs and nominal costs** are the current market prices are nominal costs, whereas if costs are deflated by general price index, these are termed as real costs
- 12 **Social costs** are technological externalities and Technological spill-over accrued to the society due to presence of projects
- 13 **Appraisal** should take place before the implementation of the project.
- 14 Project implementation can be divided into three different periods, viz., **investment period, development period, and full-production period.**
- 15 **Implementation** is the most crucial phase of the project cycle
- 16 **Monitoring** is the timely collection and analysis of data on the progress of a project, with the objective of identifying constraints which impede successful implementation.
- 17 **Evaluation** is the last phase of the Project cycle

Exercise No. 13

- 1 **Undiscounted measures of project worth** -1.Ranking by inspection, 2.Pay-back period,3.Proceeds per unit of outlay,4.average income on book value of investment
- 2 **Discounted measures of project worth-** 1.Net present worth, 2.Internal rate of return,3.Benefit cost ratio
4.Profitability index
- 3 **Ranking by Inspection** measure is based on the size of cost and the length of cash flow stream in some cases,
- 4 The **pay-back period** is the length of the time from the beginning of the project until, the value of the incremental production stream reaches the total amount of the capital investment.
- 5 **Shorter** the pay-back period higher is the capacity utilization in the business.
- 6 **Proceeds per unit of outlay** are worked out by dividing total net value of incremental production by the total amount of the investment.
- 7 **Net Present worth** is the most straight forward discounted measure of project worth.
- 8 The **Net Present Worth** may also be computed by finding the difference between the present worth of the benefit stream less the present worth of the cost stream.
- 9 Internal Rate of Return also called as **Marginal Efficiency of Capital.**
- 10 **Benefit Cost ratio** is obtained when the present worth of the gross benefit stream is divided by the present worth of the gross cost stream.

Exercise No. 14

1. **Break even point** is that level or volume of production at which all the fixed costs are covered after recouping per unit variable costs.
2. BEP is the point at which two curves i.e. **Total cost curve** and **Total revenue curve intersect**
3. In the Linear approach total cost curve as well as total revenue curve are **linear**
4. In this Curve linear approach cost curve is straight line and revenue curve is having curvature which is concave down words
5. Fixed costs generally includes **depreciation charges, staff salaries, rent, interest on fixed capital and any other taxes etc**
6. Variable costs are expenses directly related **to production such as cost of raw material, labour, inputs, power and other maintenance, etc**
7. **Margin safety** indicates the difference between total output and output at BEP or total revenue obtained from the enterprise and revenue at BEP.
8. **Assest** are those thing which owned by farmer
9. The excess of total assets over total liabilities is the **net worth** of the debtors
- 10 **Fixed Assets** includes land and buildings.
- 11 **Working Assets** includes machinery, implements, equipments, tractor, electric motor, bullocks and cattles
12. **Current Assets** includes the cash in hand and in bank, grain and fodder, livestock products stores and spare parts .

-:Best Luck :-

ECON-242 MCQ

Agricultural Finance & Co-operation

- Q.1 The word credit is derived from Latin word-----which means I believe.
a) Credi b) Cred c) **Credo** d) none of above
- Q.2 -----generally means studying, examining and analyzing the financial aspects pertaining to farm business, which is the core sector of India.
a) Agricultural Economics **b) Agricultural Finance**
c) Agricultural Marketing d) None of above
- Q.3 -----finance deals with different sources of raising funds for agriculture as a whole in the economy.
a) **Macro** b) Micro c) Agricultural d) Farm
- Q.4 -----finance is related to financing of agriculture at aggregate level.
a) **Macro** b) Micro c) Agricultural d) Farm
- Q.5 Micro-finance refers to financial management of the individual farm business units.
a) **Micro** b) Macro c) Agricultural d) Farm
- Q.6 ----- is concerned with the lending procedure, rules, regulations, monitoring and controlling of different agricultural credit institutions.
a) Micro- finance **b) Macro- finance**
c) Agricultural- finance d) Farm- finance
- Q.7 -----is concerned with the study as to how the individual farmer considers various sources of credit, quantum of credit to be borrowed from each source and how he allocates the same among the alternative uses with in the farm.
a) **Micro- finance** b) Macro- finance
c) Agricultural- finance d) Farm- finance
- Q.8 Credit is other wise called as-----.
a) Assets **b) loan** c) lending d) none of above
- Q.9 ----- is the “temporary transfer of asset from one who has to other who has not”
a) **Credit** b) Assets c) Equity d) None of above
- Q.10----- loans are to be repaid within a period of 6 to 18 months.
a) Long term b) Medium term c) **Short term** d)Term loan
- Q.11 -----type of loan repayment period varies from 18 months to 5 years.
a) Long term **b) Medium term** c) Short term d)Term loan

Q.13 Long term Loan + medium terms loans called -----.

- a) **Investment loans or term loans** b) Long term loan
c) medium term loan d) none of above

Q.14 Repayment period of medium term loan varies from -----.

- a) **18months to 5years** b) 6 to 18 months
c) 5 to 20 years d) more than 20years

Q.15 Repayment over a long time ranging from 5 years to more than 20 years or even more for ----- type of loan.

- a) **Long term** b) Medium term c) Short term d)Term loan.

Q.16 -----loans are also called as seasonal agricultural operations (SAO) loans or short – term loans or crop loans.

- a) Consumption **b) Production** c) Marketing d) Investment

Q.17 ----- loans refer to the credit given to the farmers for crop production and are intended to increase the production of crops.

- a) Consumption **b) Production** c) Marketing d) Investment

Q.18 These are loans given for purchase of equipment the productivity of which is distributed over more than one year.

- a) Consumption b) Production c) Marketing **d) Investment**

Q.19 These loans are meant to help the farmers in overcoming the distress sales and to market the produce in a better way.

- a) Consumption b) Production **c) Marketing** d) Investment

Q.20 Based on the warehouse receipt lending in the form of marketing loans by advancing ----- per cent of the value of the produce.

- a) 35 b) 25 **c) 75** d) 80

Q.21 Any loan advanced for some purpose other than production is broadly categorized as ----- loan.

- a) **Consumption** b) Production c) Marketing d) Investment

Q.22 ----- loans are provided for medical expenses, educational needs, and religious ceremonies.

- a) **Consumption** b) Production c) Marketing d) Investment

Q.23 Loans used for purchase of seeds, pesticides, fertilizers is known as ----- loan .

- a) Long term b) Medium term c) **Short term** d)Term loan.

Q.24 Loans used for purchasing of livestock, temporary development on land are categorized under-----loan.

- a) Long term **b) Medium term** c) Short term d)Term loan.

Q.25 Loans which are used for permanent development on land, digging of well, land leveling are categorized under -----loans

- a) **Long term** b) Medium term c) Short term d) None of above

Q.26 -----loan generate income immediately and are to be paid with in one year or after the completion of one crop season.

- a) **self-liquidating** b) partial liquidating
b) complete liquidating d) none of above

Q.27 -----loans will take some time to generate income and can be repaid in 2-5 years or more, based on the economic activity for which the loan was taken.

- a) Self-liquidating b) Partial liquidating
b)Complete liquidating **d) Both b& c**

Q.28 Crop loans re categorized under -----type of loan.

- a) Self-liquidating b) Short term c) Production **d) All of above**

Q.29 Loans advanced to individuals for different purposes will fall under ----- category.

- a) **individual Approach** b) area approach
c) DIR approach d) none of above

Q.30 Loans given to the persons falling under given area for specific purpose will be categorized under----- loan.

- a) individual Approach **b) area approach**

c) DIR approach

d) none of above

Q.30 Under ----- approach loans will be given to the weaker sections @ 4 per cent per annum.

a) individual

b) area

c) **DIR**

d) none of above

Q.31 Under DIR approach loans will be given to the weaker sections @ ----- per cent per annum.

a) 10

b) 12

c) **4**

d) 7

Q.32 Loans extended to the farmers directly are called ----- loans.

a) indirect

b) **direct**

c) Taccavi

d) All of above

Q.33 Loans given to the agro-based firms like fertilizer and pesticide industries which are indirectly beneficial to the farmers are called-----.

a) **Indirect**

b) direct

c) Taccavi

d) All of above

Q.34 -----Loans are directly given by government to the farmer in case of emergency by

a) Indirect

b) direct

c) **Taccavi**

d) All of above

Q.35 Loans advanced against some security by the borrower are termed as ----- loans.

a) **Secured**

b) unsecured

c) both of a & b

d) none of above

Q.36 Under -----type of loan borrower himself stands as the guarantor.

a) **Personal security**

b) collateral security

c) chattle loan

d) none of above

Q.37 ----- Loan is advanced on the farmer's promissory note

a) **Personal security**

b) collateral security

c) chattle loan

d) none of above

Q.39 The movable properties of the individuals like LIC bonds, fixed deposit bonds, warehouse receipts, machinery, livestock etc, are offered as security under ----- type of loan.

a) Personal security

b) **collateral security**

c) chattle loan

d) none of above

Q.40 ----- loan is obtained from pawn-brokers by pledging movable properties such as jewellery, utensils made of various metals, etc.

- a) Personal security
- b) collateral security
- c) **chattel loan**
- d) none of above

Q.41 In -----type of loan immovable properties are presented for security purpose For example, land, farm buildings, etc.

- a) **Mortgage**
- b) collateral security
- c) Chattel loan
- d) none of above

Q.42 mortgaged property is ancestrally inherited property of borrower when used as security purpose then it is called as -----loan.

- a) **Simple Mortgage**
- b) Equitable Mortgage
- c) Both a & b
- d) none of above

Q.43 The mortgaged property is self-acquired property of the borrower, when used as security purpose is called as -----loan.

- a) Simple Mortgage
- b) **Equitable Mortgage**
- c) Both a & b
- d) none of above

Q.44 In case of----- loans the farmer borrower has to register his property in the name of the banking institution as a security for the loan he obtains.

- a) **Simple Mortgage**
- b) Equitable Mortgage
- c) Both a & b
- d) none of above

Q.45 Which of the following are / is the type of mortgage loan.

- a) Simple
- b) Equitable
- c) **Both a & b**
- d) Complicated

Q.46 -----loans are used in the case of tractor loans, machinery loans etc.

- a) Mortgage
- b) **Hypothecation**
- c) Chattel loan
- d) none of above

Q.47 The agricultural produce of the farmer - borrower will be kept under the control of lending institutions and the loan is advanced to the farmer such type of loan is called as-----

- a) **Key loan** b) Open loan c) Mortgage d) None of above

Q.48 The physical possession of the purchased machinery rests with the borrower, but the legal ownership remains with the lending institution till the loan is repaid such type of loan is called as-----.

- a) Key loan **b) Open loan** c) Mortgage d) None of above

Q.49 The basis for any credit transaction is trust related with which of the following Cs of credit

- a) Capital b) Capacity **c) Character** d) condition

Q.50 Which is synonymous with repayment capacity.

- a) Capital **b) Capacity** c) Character d) condition

Q.51-----indicates the availability of money with the farmer - borrower.

- a) Capital** b) Capacity c) Character d) condition

Q.52 ----- is nothing but the ability of the farmer to repay the loan obtained for the productive purpose with in a stipulated time period as fixed by the lending agency.

- a) Repayment capacity** b) Risk bearing ability
c) Return from investment d) None of above

Q.53 ----- is the ability of the farmer to withstand the risk that arises due to financial loss.

- a) Repayment capacity **b) Risk bearing ability**
c) Return from investment d) None of above

Q.54 Establishment of year RRB is -----.

- a) 1972 **b) 1975** c) 1982 d) 1918

Q. 55 According to which Committee's recommendation RRB was established?

- a) Narsimham** b) Nariman c) V.N. Rao d) None of above

Q.56 Capital structure of RRB is -----

Q.66 Which of the following are/ is the type of assets-

a) **Capital Turnover Ratio**

b) Gross ratio

c) Fixed ratio

d) none of above

Q.77 Under single window system cooperative marketing is under -----tier structure

a) One

b) Two

c) Three

d) Four

Q.78 Loans obtained from pawn brokers by pledging movable property is called as-----.

a) Term

b) Production

c) Chattel

d) All of above

Q.79 NABARD took over the function of -----

a) ACD

b) ARDC

c) RPCC

d) All of above

Q.80 Single window system of cooperative credit structure was introduced by-

a) Mohan Kanda

b) Narasimham

c) Raiffiensen

d) Nicholson

Q.81 Apex cooperative credit institution in India for disbursing long term loan is----

a) PLDB

b) APCOBARD

c) PACS

d) CLDB

Q.82 Grass root level cooperative credit institution in India for disbursing long term loan is----

a) PLDB

b) APCOBARD

c) PACS

d) CLDB

Q.83 Which of the following is not higher financing agency

a) IBRD

b) RBI

c) RRB

d) NABARD

Q.84 Which of the following is not constituent of world bank

a) IDA

b) ICF

c) IMF

d) IFC

Q.85 Establishment of LAMPS during

a) 1971

b) 1975

c) 1980

d) 1972

Q.86 DIR scheme was proposed by ----- committee

a) B.K. Hazare

b) B.Siva Raman

c) Mohan Kanda

d) V.L. Mehara.

Q.87 Which of the following is inversely related with repayment capacity

a) Gross income

b) Size of holding

c) Family Expenses

d) All

Q.88 The adjustment of gross income of farm business to its coefficient of variation in the project area is called -----

- a) **Risk bearing ability** b) Deflation c) Inflation d) Stagflation

Q.89 Crop insurance provides a means of

- a) **Reducing risk** b) lowering cost c) increasing profit d) increasing working capital

Q.90 ----- is the rate at which the banks borrow from RBI.

- a) **Bank rate** b) Reverse repo rate c) Repo rate d) CRR

Q.91 A term which has the same meaning as owner's equity is

- a) **Net worth** b) Net farm income c) Total assets value d) Total liabilities

Q.92 In crop loan scheme , the scale of finance is fixed taking in to consideration-----

- a) Fixed cost b) **Variable cost** c) Total Cost d) Opportunity cost

Q.93 District credit plan is prepared by ----- of the district

- a) NABARD b) **Lead bank** c) Cooperative bank d) Commercial bank

Q.94 Crop insurance scheme was first implemented in ----- state

- a) Andra Pradesh b) Punjab c) **Gujarat** d) Assam

Q.95 Comprehensive Crop insurance scheme was came in to existence-----

- a) 1980 b) **1985** c) 1990 d) 1995

Q.96 World Bank is officially known as -----

- a) ADB b) **IBRD** c) CRAFTICARD d) ARDC

Q.97 Which of the following affiliated agency of world bank provides soft loans to the developing country

- a) MIGA b) IMF c) IFC d) **IDA**

Q.98 One man one vote is the principle of -----

- a) JSC b) **cooperation** c) Individual business d) None of above

Q.99 First cooperative societies act was passed in -----year

- a) **1904** b) 1901 c) 1919 d) 1947

Q.101 Asian Development bank (ADB) is located in-----

- a) India b) USA c) Sri Lanka **d) Philippines**

a) Commercial Bank **b) Cooperative bank** c) RRB d) SBI

a) World Bank Group b) WTO c) NABARD d) RBI

ECON-242 OBJECTIVE

Q.30	Example of Private sector bank -----.			
	Axis bank	ICICI bank	Kotak Mahindra bank	All of above
Q.31	Example of Foreign bank -----.			
	Citi bank	American Express bank	Bank of America	All of above
Q.32	Establishment of RRB during----- year			
	1975	1982	1956	1992
Q.33	Cooperative banks managed, owned and operated under co-operative society act-----			
	1912	1956	1923	1950
Q.34	Which of the following co-operative bank provides short term & medium term loan			
	SCB	DCCB	PACS	All of above
Q.35	The -----bank provides long term loans through co-operatives			
	CLDB	PLDB	Both 1&2	None of above
Q.36	IDBI is the example of ----- bank			
	Co-operative	Commercial	Industrial	Agricultural
Q.37	NABARD is the example of ----- bank			
	Co-operative	Commercial	Industrial	Agricultural
Q.38	Postal bank is example of ----- bank			
	Co-operative	Saving	Exchange	Investment
Q.39	Establishment of RBI during-----			
	1945	1935	1982	1975
Q.40	Nationalization of RBI during-----			
	1949	1935	1956	1975
Q.41	Which of the following is/are the monetary functions of RBI			
	Issue of currency notes	Banker to Government	Banker to Bank	All of Above
Q.42	Head Office of RBI Located at-----			
	Nagpur	Delhi	Mumbai	Chennai
Q.43	Which of the following is/are the non- monetary functions of RBI			
	Collection & publication of data	Regulatory & Supervisory	Development & Promotion	All of above
Q.44	Establishment year of NABARD is -----			
	1982	1999	1975	1956
Q.45	Committee responsible for establishment of NABARD was -----			
	Narsiham	B. ShivRaman	Nariman	None of above
Q.46	Apex institution in rural and Agricultural credit is -----			
	PACS	RBI	NABARD	SBI

Q.47	Accepting deposits and grant of loan and advances are the ----- functions of commercial bank.			
	a) Secondary	b) Primary	c) Supporting	d) none of above
Q.48	Example of Public sector bank -----			
	a) SBI	b) Bank of Baroda	c) Dena bank	d) All of above
Q.49	Apex bank in three tier structure of co-operative bank is-----.			
	a) DCCB	b) SCB	c) PACS	d) All of above
Q.50	Example of Private sector bank -----.			
	a) Yes bank	b) Axis Bank	c) HDFC	d) All of above
Q.51	Through two tier structure of co-operative credit ----- type of loan is provided.			
	a) Long term	b) Short term	c)Both a&b	d) None of above

1. Establishment of year RRB is -----.

- a) 1972 **b) 1975** c) 1982 d) 1918

2. According to which Committee's recommendation RRB was established?

- a) Narsimham** b) Nariman c) V.N. Rao d) None of above

3. Capital structure of RRB is -----

- a) 50: 15: 35** b) 45:40:15 c) 50: 0: 50 d) 50 : 50

4. ----- is the example of non- institutional source of credit.

- a) Landlord b) Money lender
c) Traders & commission agent **d) All of above**

5. Government is ----- source of credit.

- a) Institutional** b) Non- institutional
c) both a & b d) None of above

6. Government advance loans directly to the farmer in case of emergency is known as -----Loan.

a) **Taccavi** b) short term c) long term d) none of above

7. Which of the following are included in co-operative banks.

a) PACS b) DCCB c) SCB **d) All of above**

8. Balance sheet is also known as -----.

a) Net worth statement b) Flow of fund statement

c) cash flow statement d) Income statement

9. Straight-end repayment plan is also called as-----.

a) Balloon repayment plan b) Lumpsum repayment plan

c) Future repayment plan d) None of above

10. Balloon repayment plan is also called as -----.

a) Partial repayment plan b) Lumpsum repayment plan

c) Future repayment plan d) None of above

11. Entire loan amount is to be cleared off after expiry of loan period.

a) Straight- end repayment plan b) Lumpsum repayment plan

c) single repayment plan **d)All of above**

12. ----- means repayment of the entire loan amount in a series of installments.

a) Repayment **b) Amortization** c) Lumpsum d) None of above

13. Repayment of loan will be done partially over the years is called as-----.

a) Partial repayment plan b) Lumpsum repayment plan

c) Future repayment plan d) None of above

14. In case of Amortized decreasing repayment plan principal component ----- over the entire repayment period.
- a) Increases b) Decreases **c) Constant** d) None of above
15. In case of Amortized decreasing repayment plan interest component ----- over the entire repayment period.
- a) Increases **b) Decreases** c) Constant d) None of above
16. For machinery and equipment which repayment plan is used?
- a) Amortized even repayment plan b) Partial repayment plan
- c) Amortized decreasing repayment plan** d) None of above
17. Annual installment over the entire loan period remains same in case of -----
- a) Amortized Even repayment plan** b) Partial repayment plan
- c) Amortized decreasing repayment plan d) None of above
18. Amortized Even repayment plan is adopted for loans granted for -----.
- a) Farm development b) digging of wells
- c) Construction of godowns **d) all of above**
19. Various levels of installments are paid by the borrower over a loan period is called as----- repayment plan.
- a) Variable** b) optional c) future d) none of above
20. In the areas where there is variability in farm income ----- type of repayment plan used.
- a) Variable b) optional **c) future** d) none of above
21. In case of ----- repayment plan farmers make the advance payments of loan from the savings of previous year.

- a) Variable b) optional **c) future** d) none of above

22. Which of the following is/are the types of commercial bank?

- a) Public sector b) Private Sector c) Foreign bank **d) all of above**

23. Accepting deposits and grant of loan and advances are the ----- functions of commercial bank.

- a) Secondary **b) Primary** c) Supporting d) none of above

24. Issuing of letter of credit is the -----function of commercial bank.

- a) Secondary** b) Primary c) Supporting d) none of above

25. Example of Public sector bank -----.

- a) SBI b) Bank of Baroda c) Dena bank **d) All of above**

26. Example of Private sector bank -----.

- a) Yes bank b) Axis Bank c) HDFC **d) All of above**

27. Example of Foreign bank -----.

- a) Citi bank b) America Express bank
c) Standard & Chartered bank **d) all of above**

28. Establishment year of NABARD -----

- a) July 1982** b) Aug. 1975 c) Sept 1968 d) Jan 1956

29. NABARD provides credit directly to the farmer. (True or False)

- a) True **b) False**

30. Apex bank in three tier structure of co-operative bank is-----.

- a) DCCB **b) SCB** c) PACS d) All of above

31. ----- is the connecting link between SCB & PACS.

- a) **DCCB** b) PLDB c) CLDB d) All of above
32. Through three tier structure of co-operative credit ----- type of loan is provided.
- a) Long term **b) Short term** c) Both a&b d) None of above
33. Through two tier structure of co-operative credit ----- type of loan is provided.
- a) Long term** b) Short term c) Both a&b d) None of above
34. Self-help groups are also known as-----
- a) Support group b) Mutual help **c) both a & b** d) none of above
35. -----means the protecting farmers against the variation in yield resulting from uncertainty of all natural factors beyond their control.
- a) Remuneration **b) Crop Insurance** c) Health insurance d) none of above
36. KCC(Kisan Credit Card) scheme was introduced in -----
- a) 1991 **b) 1998** c) 1985 d) 1975
37. KCC Scheme is implemented by -----
- a) Commercial bank b) RRBs c) Co-operatives **d) All of above**
38. Which of the following is/are the benefit of KCC-----
- a) Simple procedure b) Assured availability of credit
- c) No need to apply for every crop d) All of Above
39. Establishment of FSS-----
- a) 1971** b) 1986 c) 1975 d) 1956
40. Area of operation if FSS is -----& ----- district.
- a) SFDA b) MFAL **c) Both a& b** d) None of above

41. Establishment of NCDFI was -----

- a) **1970** b) 1975 c) 1985 d) 1982

42. Head office of NCDFI is at -----.

- a) Faridabad **b) New Delhi** c) Mumbai d) None of above

43. Loan granted by the bank is----- % of initial capital investment.

- a) 75** b) 25 c) 50 d) 30

44. ----- are the things which are owned by the farmer.

- a) Liabilities **b) Assets** c) Equity d) None of Above

45. ----- is a statement which shows the financial position of farm business at a particular time period.

- a) Net worth statement** b) Flow of fund statement
c) cash flow statement d) Income statement

46. Which of the following is/are the components of balance sheet-

- a) Assets b) Liabilities c) Equity **d) All of above**

47. All things, which are owned to others by the farmers is known as -----.

- a) Assets **b) Liabilities** c) Equity d) All of above

48. Which of the following are/ is the type of assets-

- a) Current b) intermediate/ Working
c) long term **d) All of above**

49. ----- is the difference between total assets & total liabilities.

- a) Assets b) Liabilities **c) Equity** d) All of above

50. If Liabilities are more than Assets then it is called as-----.

a) Net Deficit b) Net worth c) Both a&b d) None of above

51. If Assets are more than Liabilities then it is called as -----.

a) Net Deficit **b) Net worth** c) Both a&b d) None of above

52. Assets are written on -----side of balance sheet

a) Left b) Right c) Both a & b d) None of above

53. Liabilities are written on -----side of balance sheet

a) Left **b) Right** c) Both a & b d) None of above

54. $\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$

a) Current ratio

c) net capital ratio d) none of above

55. Which of the formula used to calculate debt- equity ratio.

$$\text{a) } \frac{\text{Total Assets}}{\text{Total Liabilities}} \qquad \text{b) } \frac{\text{Total debts}}{\text{Owner's Equity}}$$

c) $\frac{\text{Owner's Equity}}{\text{value of Assets}}$ d) None of above

56. Income statement is also called as-----.

a) Net worth statement

c) cash flow statement d) None of above

57. Which is/ are the components of Income Statement-

a) Receipt b)Expenses c) Net income **d)All of above**

58. ----- = $\frac{\text{Gross Income}}{\text{Average capital Investment}}$

a) Capital Turnover Ratio b) Gross ratio

c) Fixed ratio d) none of above

59. Cash flow statement is also called as-----.

- a) Cash flow summery
- b) Cash flow budget
- c) Flow of fund statement
- d) All of above**

60. ----- is the summery of cash inflows & cash outflows of the business organization I a particular period.

- a) Net worth statement
- b) Flow of fund statement
- c) cash flow statement
- d) Both b & c**

61. Cash flow statement is prepared at-----.

- a) End of Agricultural year
- b) Beginning of agricultural year**
- c) both a& b
- d) None of above

62. Which of the following is/ are the method of undiscounted measures of project appraisal?

- a) Ranking by inspection
- b) Pay back period
- c) Proceeds per unit of outlay
- d) All of above**

63. According to -----method project with longer duration is preferred one with shorter duration.

- a) Ranking by inspection**
- b) Pay back period
- c) Proceeds per unit of outlay
- d) Average income on book value

64. ----- is the length of time required to get back initial investment on the project.

- a) Repayment period
- b) Pay back period**
- c) Gestation period
- d) None of Above

65. The preference of a project is based on the ----- payback period.

- a) Higher
- b) lesser**
- c)Both a& b
- d) None of above

66. ----- is work out by dividing the total proceeds with total amount of investment.

a) Ranking by inspection

b) Pay back period

c) Proceeds per unit of outlay

d) Average income on book value

67. Which of the following is/ are the method of discounted measures of project appraisal.

a) NPW

b) BCR

c) IRR

d) All of above

68. Time value of money is considered in which of the following method?

a) Undiscounted

b) discounted

c) Both a& b

d) None of above

69. The difference between the present worth of benefit less the present worth of cost is called as-----.

a) NPW

b) BCR

c) IRR

d) All of above

70. Selection criteria on the basis of NPW if NPW is -----then project is economically feasible & accepted.

a) Positive

b) Negative

c) indifferent

d) None of above

71. ----- provide the knowledge of actual rate of return from the project.

a) NPW

b) BCR

c) IRR

d) None of above

72. IRR is that discount rate at which NPW = -----.

a) One

b) Zero

c) Less than one

d) greater than one

73. IRR is also called as-----.

a) Marginal Efficiency of Capital

b) Yield on the investment

c) Both a & b

d) None of above

74. ----- is the ratio of present worth of benefit to the present worth of cost.

- a) NPW b) IRR **c) BCR** d) All of above

75. Selection criteria on the basis of BCR, project is financially feasible and accepted if BCR=-----.

- a) Less than one **b) Greater than one** c) equal to one d) none of above

76. ----- is the ratio of net present value of the cash flow to the initial capital expenditure.

- a) NPW b) IRR c) BCR **d) Profitability index**

1-CHATTEL LOANS ARE OBTAINED FROM PAWNBROKERS BY PLEDGING MOVABLE PROPERTIES SUCH AS A

ANSWERS JEWELLERY AND UTENSILS

2-DURATION OF CROP LOAN IS:-

ANSWERS 6 TO 18 MONTHS

3-RESERVE BANK OF INDIA WAS ESTABLISHED IN YEAR :-

ANSWERS 1935

4- IN SECOND SPELL OF NATIONALISATION OF BANKS 6 MORE BANKS WERE NATIONALISED ON :-

ANSWERS 15 APRIL 1980

5-LONG TERM LOAN HAS -- STRUCTURE IN MAHARASHTRA :-

ANSWERS 2 TIER STRUCTURE

6- IN FIRST SPELL OF NATIONALISATION OF BANK 14 COMMERCIAL BANKS WERE NATIONALISED ON :-

ANSWERS 19 JULY 1969

7- INTERNAL RATE OF RETURN I R IS ONE OF THE DASH.....MEASURE OF FINANCIAL ANALYSIS :-

ANSWERS DISCOUNTED

8- INTERNAL RATE OF RETURN SHOULD DASH THEN RULING RATE OF INTEREST :-

ANSWERS HIGHER

9- DURATION OF SHORT TERM LOAN IS :-

ANSWERS 6 TO 18 MONTHS

**10- MANAGEMENT OF DCCB VESTED IN BOARD OF DIRECTORS
CONSTRUCTION OF**

ANSWERS MEMBERS:- 12 TO 15 MEMBERS

11- STRAIGHT AND REPAYMENT PLAN IS ALSO CALLED AS:-

ANSWERS LUMP SUM REPAYMENT PLAN AND SINGLE REPAYMENT PLAN

**12- IN PARTIAL REPAYMENT PLAN INSTALLMENT AMOUNT IS
DECREASING EXCEPT IN.....THE YEAR**

ANSWERS MATURITY YEAR (LAST YEAR)

**13- PARTIAL REPAYMENT PLAN IS ALSO CALLED REPAYMENT
PLAN:-**

ANSWERS BALLOON

**14- LOANS OBTAINED FROM PAWNBROKERS BY PLEDGING MOVABLE
PROPERTY IS LIKE JEWELLERY IS CALLED..... LOANS :-**

ANSWERS CHATTEL

**15:- ANYTHING WHICH IS GENERALLY ACCEPTED IN EXCHANGE FOR
OTHER THINGS AND WHICH CAN DISCHARGE OBLIGATION PAST AND
PRESENT IT IS CALLED :-**

ANSWERS MONEY

**16- COMMITTEE OF TACCAVI LOAN WAS APPOINTED UNDER THE
CHAIRMANSHIP OF :-**

ANSWERS BP PATEL

17:- RESERVE BANK OF INDIA ESTABLISHED IN THE YEAR :-

ANSWERS 1935

18- IS HIGHER FINANCING AGENCY:-

ANSWERS IMF INTERNATIONAL MONETARY FUND

19- IS NOT SOURCE OF NON INSTITUTIONAL CREDIT :-

ANSWER GOVERNMENT

20:- DCCB ARE BASICALLY MEANT TO MAKE CREDIT REQUIREMENT OF :-

ANSWER PACS

19:- FINANCE PERTAINS TO FINANCING AGRICULTURE IN AGGREGATE

ANSWER MACRO

20:- CROP LOANS COME UNDER LOAN :-

ANSWER SHORT TERM

21:- PRINCIPLE OF THRIFT OF COOPERATION IS RELATED WITH HABITAT OF

ANSWER SAVINGS

22:- UNDER SINGLE WINDOW SYSTEM COOPERATIVE MARKETING IS UNDER TIER STRUCTURE

ANSWER TWO

23- FINANCE DEALS WITH THE ASPECT RELATING TO TOTAL CREDIT NEEDS OF AGRICULTURE SECTOR:-

ANSWER MACRO

24:- FINANCE REFERS TO THE FINANCIAL MANAGEMENT OF INDIVIDUAL FARM BUSINESS :-

ANSWER MICRO

25- IS LIKE A LEVER WITH BOTH FORWARD AND BACKWARD LINKAGES TO THE ECONOMIC DEVELOPMENT AT MICRO AND MACRO LEVEL :-

ANSWER FARM FINANCE

26- WHICH IS THE EXAMPLE OF SELF LIQUIDATING LOAN .

ANSWER CROP LOANS

27- LOANS ARE ADVANCED TO THE WEAKER SECTION OF THE COMMUNITY .

ANSWER DIR (DIFFERENTIAL RATE OF INTEREST)

28- INTEREST RATE OF DR LOAN IS---- PERCENT PER ANNUM

ANSWER 4

29-IS THE ECONOMIC FEASIBILITY TEST (3R) OF CREDIT RETURNS

REPAYMENT CAPACITY

RISK BEARING ABILITY

ANSWER ALL OF THIS

30- THE STUDY OF ECONOMIC VIABILITY OF INVESTMENT(5C) ACTIVITY IMPORTANT TEST APPLIED ARE-

ANSWER CHARACTER

31- ---- IS NOTHING BUT THE ABILITY OF THE FARMER TO REPAY THE LOAN AMOUNT

ANSWER REPAYMENT CAPACITY

32---- NOT CAUSE FOR THE POOR REPAYMENT CAPACITY-

ANSWER RETURNS FROM THE INVESTMENT

33---- IS MEASURE OR SOLUTION TO STRENGTHEN REPAYMENT CAPACITY

ANSWER DIVERSIFYING THE FARM ENTERPRISES

34---- IF THE ABILITY OF THE FARMER TO WITH STAND THE RISK THAT ARISES DUE TO FINANCIAL LOSSES

ANSWER RISK BEARING ABILITY

35- QUALITIES LIKE HONESTY INTEGRITY COMMITMENT HARD WORK PROMPTNESS SHOWS -- OF THE BORROWER

ANSWER CHARACTER

36 – IS SYNONYMS WITH REPAYMENT ABILITY

ANSWER CAPACITY

37 --- IS NOT THE ECONOMIC VIABILITY TEST OF CREDIT CREDIT

ANSWER REPAYMENT CAPACITY

38 --- IS NOT THE PRINCIPLE OF FARM FINANCE FINANCE OF FARM FINANCE

ANSWER PRINCIPLE OF PROMISE

39- THERE ARE ---- PRINCIPLES OF FARM FINANCE

ANSWER 7

40 ---- IS NOTHING BUT THE RATIO OF DEBT TO EQUITY

ANSWER LEVERAGE

**41 ---- IS INCLUDED IN PROCEDURE OF FARM LOAN SANCTIONING FARM
LOAN SANCTIONING FARM LOAN SANCTIONING**

INTERVIEW WITH FARMER

SUBMISSION OF THE LOAN-APPLICATION BY THE FARMER

RECOVERY OF LOAN

ANSWER ALL OF THESE

**42 ---- IS NOT REQUIRED WHILE THE SUBMISSION OF LOAN APPLICATION
BY THE FARMER**

ANSWER FARM INVENTORY

**43 ----- REPAYMENT PLAN THE PRINCIPAL COMPONENT REMAINS
CONSTANT OVER THE ENTIRE REPAYMENT PERIOD**

ANSWER AMORTIZED DECREASING

**44 ----- REPAYMENT PLAN PRINCIPLE PORTION OF THE INSTALLMENT
INCREASES CONTINUOUSLY**

ANSWER AMORTIZED EVEN

**45- IN --- – REPAYMENT PLAN THE ANNUAL INSTALLMENT AMOUNT
DECREASES OVER THE YEAR**

ANSWER AMORTIZED DECREASING

46 IN --- REPAYMENT PLAN THE ANNUAL INSTALLMENT OVER THE ENTIRE LOAN PERIOD REMAINS THE SAME

ANSWER AMORTIZED EVEN

47 --- IS MADE BY THE BORROWER IN AREAS WHICH ARE SUBJECT TO THE HIGH INCOME VARIABILITY OF FARMERS

ANSWER RIVERS REPAYMENT PLAN

49- IN _ REPAYMENT PLAN THE FARMERS MAKE ADVANCE REPAYMENT OF THE LOAN

ANSWER RESERVE REPAYMENT PLAN

50 IN FIRST SPELL --- BANKS WERE NATIONALIZED ON 19TH JULY 1969

ANSWER 14

51 IN SECOND SPELL---- BANKS WERE NATIONALIZED ON 15TH APRIL 1980

ANSWER 6

52 IN FIRST SPELL COMMERCIAL BANKS HAVING DEPOSITS OF THE MORE THAN RUPEES – CRORE EACH WERE NATIONALISED

ANSWER 50

53 IN SECOND SPELL COMMERCIAL BANKS HAVING DEPOSIT OF MORE THAN RUPEES – CRORE EACH WERE NATIONALISED

ANSWER 200

54 OBJECTIVES OF THE NATIONAL EDITION OF THE BANKS WHERE STRUCTURE BY THE ----

ANSWER SMT INDIRA GANDHI

55 ---- BANK IS NOT NATIONALIZED IN FIRST SPELL

ANSWER VIJAYA BANK

56 --- IS OBJECTIVE OF NATIONALISATION OF BANKS

ANSWER A. REMOVAL OF CONTROL ON BANKING BUSINESS BY A FEW INDUSTRIALISTS

57 SERVICE AREA APPROACH WHERE ARE RECOMMENDED BYBY---

ANSWER D R GADGIL

58 ----- COMMITTEE RECOMMENDED THE FORMULATION OF LEAD BANK SCHEME

ANSWER F K F NARIMAN

59 LEAD BANK SCHEME CAME INTO FORCE FROM --- YR

ANSWER 1969

60 ON THE RECOMMENDATION OF --+- RRB CAME INTO EXISTENCE

ANSWER M. NARASIMHAM

61 THE WORLD CREDIT COMES FROM THE LANGUAGE

ANSWER LATIN

62 CREDIT IS OTHERWISE CALLED AS

ANSWER LOAN

63 IS CERTAIN AMOUNT OF MONEY PROVIDE FOR CERTAIN PURPOSE ON CERTAIN CONDITION WITH SOME INTEREST WHICH CAN BE REPAID SOONER OR LATER

ANSWER CREDIT

64 ARE ALSO CALLED SEASONAL AGRICULTURAL OPERATION (SAO) LOANS

ANSWER PRODUCTION LOAN

65 LOAN SAWANT FOR HELPING THE FARMERS TO OVERCOME DISTRESS SALES

ANSWER MARKETING LOAN

66 ANY LOAN ADVANCED FOR THE PURPOSE OTHER THEN PRODUCTION IS BRADLEY CATEGORISED AS....

ANSWER CONSUMPTION LOAN

67 LONG TERM LOANS AND MEDIUM TERM LOANS TOGETHER CALLED AS

ANSWER TERM LOAN

68 IN SECURITY MOVABLE PROPERTIES OF THE INDIVIDUAL ARE OFFERED AT SECURITY

ANSWER COLLATERAL

69 LIC BONDS FIXED DEPOSIT BONDS WAREHOUSE RECEIPTS JEWELLERY MACHINERY LIVESTOCK EXTRA SOME OF THE PROPERTIES ACCEPTED AS..... SECURITY BY THE INSTITUTIONAL LEADING AGENCIES

ANSWER COLLATERAL

70 IN IMMOVABLE PROPERTIES ARE PRESENTED FOR SECURITY PURPOSE

ANSWER MORTGAGE

71 AN EXAMPLE FOR HYPOTHECATED KEY LOANS IS....

ANSWER AGRICULTURAL PRODUCE

72 AN EXAMPLE FOR HYPOTHECATED OPEN LOAN IS...

ANSWER TRACTOR

73 RRB ARE SPONSORED BY...

ANSWER SCHEDULED COMMERCIAL BANKS

74 THE SPONSORING BANK PROVIDES ASSISTANCE TO RRB FOR THE FIRST..... YEARS

ANSWER 5 YEARS

75 BOARD OF DIRECTORS ARE FOUND IN RRB

ANSWER 8

76 THE SHARE CAPITAL OF RRB CONTRIBUTED BY THE CENTRAL GOVERNMENT STATE GOVERNMENT AND THE SPONSORING BANK IN THE RATIO OF..... RESPECTIVELY

ANSWER 50 : 15 : 35

77 SPECIAL CONCESSION TO RRB IN STATUTORY LIQUIDITY RATIO SLR TO BE MAINTAINED IS FIXED AT.....

ANSWER 25%

ECON-242
OBJECTIVES

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1. NABARD came into existence in the year **1982**.
2. Under single window system, cooperative marketing is under **two** tier structure.
3. The second spell of nationalization of banks was done in the year **1980**.
4. RRBs came into existence in the year **2 October, 1975**.
5. PACS have been organized based on **Raiffeissen** model.
6. The process of repaying loan amount in series of installments is known as **Amortization**.
7. To overcome risk element in agri-business, farmers **insure their crops**.
8. The temporary transfer of assets or wealth from those who have to others who have not is referred as **credit**.
9. The ability of the farmers to clear off the loan amount obtained for production purposes within the stipulated time to the bank is called **repayment capacity loan**.
10. AIRCSC was under the Chairmanship of **A. D. Gorwala**.
11. **RBI** is the chief monetary controlling authority in India.
12. The ability of the farmer to withstand the risks that arise due to financial loss is known as **risk bearing ability**.
13. Production loans are also called as **crop loans/ SAO loans/ ST loans**.
14. Repayment period for short-term loans is **6-18** months.
15. In Andhra Pradesh state, co-operative marketing societies have **two** tier system.
16. **Farm finance** is an applied science of allocating financial resources to agricultural sector.
17. **Credit** is a device to provide the power of purchase of capital goods even for those who do not possess capital.

18. NABARD was recommended by the **CRAFICARD** committee.
19. PACS have been organized based on **Raiffeissen** model.
20. **Cooperation** is self-help made effective by organization.
21. The scale of finance for crop loans should not exceed **50%** of gross returns as per RBI guidelines.
22. CCIS was introduced by GIC in the year **1985**.
23. The boom period of cooperation related to the years **1920-29**.
24. AIRCRC was under the Chairmanship of **B. Venkatappaiah**.
25. Tractor loans are cited an example for **long-term loans**.
26. Governement providing loans directly to the farmer-borrowers constitute **Taccavi loans**.
27. The apex bank under cooperative credit system disbursing **ST and MT loans** to the farmer-borrowers is State Co-operative Bank.
28. "As per RBI guidelines, scale of finance should not exceed **50 %** of gross returns.
29. If character and capacity proved to be inadequate, the only aspect of risk bearing ability is **capital**.
30. In purveying LT loans in India, Government adopted **2** tier system.
31. Risk in farm business is directly influenced by **leverage ratio**
32. The state level apex agency to look after marketing credit in Andhra Pradesh is **MARKFED**.
33. **Reserve/Future repayment plan** facilitates the farmer-borrower to repay the advanced installments at times of good harvest in the farm business.
34. Ratio between A and B components in fixing scale of finance for wheat is **3:01**
35. In Single Window System, production credit is provided through **three** tier system.
36. In purveying ST and MT loans in India, Government adopted **three** tier system.
37. **Agricultural Finance** deals with the study of financial aspects of agriculture at aggregate/national level.

38. The word 'credit' is derived from **credo**, which means to **trust**
39. The temporary transfer of capital from a person who has to another person who do not have, but with the promise that, the later will repay to the former after a specified date is called **credit**.
40. The repayment period for MT loans is **15 months to 5 years**.
41. The repayment period for LT loans is **5-20 years or > 20 years**.
42. Medium term loans and Long term loans together called as **Term loans**.
43. Term loans are otherwise called as **Investment loans**.
44. Term loans/investment loans fall under **partial-liquidating loans**.
45. The return derived from the loan investment is not sufficient to clear off the entire loan in the same accounting year, but cleared off in a series of installments is called **partial liquidating loan**.
46. Partial liquidating loans are also called as **non-liquidating loan**
47. In I spell of nationalization of commercial banks, 14 banks were nationalized having deposits **more than Rs.50 crores**.
48. I spell of nationalization of commercial banks was done in the year **1969**.
49. In II spell of nationalization of commercial banks, 6 banks were nationalizes having deposits **more than Rs. 200 crores**.
50. II spell of nationalization of commercial banks was done in the year **1980**.
51. Total numbers of commercial banks nationalized so far in india are **20**.
52. The nationalization of commercial banks in India to improve the flow of credit to agricultural sector was done as per the recommendations of **Indira Gandhi**
53. Committee on Taccavi loans and Cooperative credit came into existence in 1962 under the chairmanship of **B.P. Patel**
54. Committee on cooperative administration came into existence in 1964 under the chairmanship of **V.L Mehta**

55. The cooperative credit societies in India were organized based on **Reiffeissen** model.
56. The co-operative credit societies in India have three tier structures for disbursing **ST and MT loans**.
57. The co-operative credit societies in India have two tier structures for disbursing **LT loans**.
58. The co-operative credit society functioning at village level in India for disbursing ST and MT loans is **PACS**
59. The co-operative credit society functioning at district level in India for disbursing ST and MT loans is **DCCB**
60. The co-operative credit society functioning at state level in India for disbursing ST and MT loans is **State Cooperative Bank**.
61. The co-operative credit society functioning at state level in India for disbursing LT loans is **CLDB**.
62. The co-operative credit society functioning at taluka level for disbursing LT loans is **PLDB**.
63. PACS supervises the end use of credit at the **farmers' level**.
64. Single window system was first started in **Andhra Pradesh** state in India
65. The cooperative credit society functioning at village level in Andhra Pradesh for disbursing ST, MT and LT loans is **PACS**
66. The cooperative credit society functioning at district level in Andhra Pradesh for disbursing ST, MT and LT loans is **DISCOBARD**
67. The cooperative credit society functioning at state level in Andhra Pradesh for disbursing ST, MT and LT loans is **APCOBARD**
68. The cooperative credit society functioning at state level in Andhra Pradesh for disbursing marketing loans is **MARKFED**.
69. The cooperative credit society functioning at district level in Andhra Pradesh for disbursing marketing loans is **DCMS**.
70. Single window system came into existence in **Andhra Pradesh** in the year **1967**.
71. Single window system came into existence in Andhra Pradesh based on the recommendations of **Mohan Kanda**.

72. **RRBs** banks combine the features of both cooperative and commercial banks.
73. Regional Rural Bank (RRB) is also called as **Grameena Bank**.
74. RRBs mainly focus on the credit needs of **small and marginal farmers**
75. **RRBs** came into existence to serve the credit needs of the farming community with more dedication.
76. **M. Narasimhan** committee recommended the establishment of RRBs in the country.
77. The establishment of Farmers Service Societies was recommended by National Commission on Agriculture under the chairmanship of **T.A.Pai**
78. FSS came into existence in the year **1971**.
79. FSS mainly focuses on the credit needs of **weaker** section.
80. RRB is sponsored by **scheduled commercial banks**.
81. FSS is sponsored by **lead bank**.
82. The jurisdiction of each RRB is **1 or 2** districts.
83. Each RRB roughly covers about **20000** number populations.
84. The authorized share capital of RRB is **Rs. 1 crore**.
85. The issue capital of RRB is **Rs. 25 lakhs**.
86. The share capital of RRB is sponsored by the Central Government, Sponsoring bank and State Government in the ratio **50:35:15**
87. The contributive share of sponsoring bank in the share capital of RRB is **35 %**.
88. The contributive share of Central Government in the share capital of RRB is **50%**.
89. The contributive share of State Government in the share capital of RRB is **35 %**.
90. The number of Directors in the Board of Management of RRB is **8**.
91. The economic feasibility tests of credit comprises of **3Rs, 5Cs and 7Ps**

92. The 3 R's of credit include **Returns. Repayment Capacity and Risk Bearing Ability.**
93. While estimating, the repayment capacities of the farmer-borrower under risk conditions, **gross returns** are deflated.
94. **Capacity** of the farmer-borrower is synonymous with two R of credit.
95. The concept of repayment plan will arise only for **ST and MT** loans
96. The concept of repayment plan will arise only for **Term loan/Investment loan/Partial liquidating loan.**
97. The concept of repayment plan will not arise only for **ST/self-liquidating loan.**
98. The concept of repayment plan will arise only for term loans, because they are **partial-liquidating in nature.**
99. The concept of repayment plan will not arise only for ST loans, because they are **self-liquidating** in nature
100. Straight end repayment plan is otherwise called as Single/Lumpsum **repaying plans.**
101. The type of repayment plan in which the installment size gradually decreases and at the end, the installment is bigger in size is **Partial/Balloon repayment plan.**
102. The type of repayment plan in which the interest is regularly paid and principal amount is paid in lumpsum at the end is **Partial/Balloon repayment plan.**
103. Partial repayment plan is also called as **Balloon repayment plan.**
104. The repayment of entire loan amount in a series of installments is called as **Amortization.**
105. Amortization means **killing by degrees.**
106. In amortized decreasing repayment plan, the size of **installments decreases**
107. In amortized decreasing repayment plan, the **interest component decreases**
108. In amortized decreasing repayment plan, the **principal** component remains same
109. Amortized decreasing repayment plan is followed in case of **machinery**
110. In amortized even repayment plan, the size of installments **remains same**

111. In amortized even repayment plan, the interest component **decreases**.
112. In amortized even repayment plan, the principal component **increases**.
113. SFDA and MFAL are recommended by **AIRCRC** committee.
114. SFDA and MFAL came into existence in the year **1971**.
115. In SFDA, the extent of subsidy given to small farms is **2.5%**.
116. In MFAL, the extent of subsidy given to marginal farmers and agricultural labourers is **33.30%**.
117. Service area approach was recommended by **P.D. Ojha**.
118. Service area approach came into existence in the year **1989**.
119. Village adoption scheme came into existence in the year **1969**.
120. Village adoption scheme was first conceived by **SBI**.
121. Deposit Insurance and Credit Guarantee Corporation of India (DICGC) came into existence in the year **1978**.
122. **V. M. Dandekar** committee recommended the crop insurance in India.
123. Crop insurance scheme was first started in the year **1973**.
124. Crop insurance scheme was first started in **Gujarat**.
125. Crop insurance scheme was implemented based on **individual** approach.
126. Crop insurance scheme was first implemented by **H4** variety of cotton.
127. World Bank is officially known as **International Bank for Reconstruction and Rural Development**.
128. World Bank came into existence in the year **1945**.
129. World Bank is located at **Washington D.C.**
130. IMF came into existence in the year **1945**.

131. IFC came into existence in the year **1956**.
132. IDA came into existence in the year **1960**.
133. RBI came into existence in the year **1935**.
134. NABARD came into existence in the year **1982**.
135. The central bank of India is **RBI**.

2008-09**Write full forms of the following abbreviations**

- 1) DICGC: Deposit Insurance Credit Guarantee Corporation
- 2) AFC: Agricultural Finance Corporation
- 3) CLDB: Central Land Development Bank
- 4) APCOARD: Andhra Pradesh Co-operative Bank for Agriculture and Rural Development
- 5) SFDA: Small Farmers Development Agency

State True or False

1. Pay back period is one of the discounted measures of financial analysis.

:False

Correction: Payback period and Ranking by Inspection are undiscounted methods of financial analysis.

2. International Monetary Fund is a higher financing agency,

:True

3. Commercial Banks are Nationalized in the year 1979.

False

Correction: First spell of banking nationalization is 19 July 1969. Second spell of banking nationalization is 15 April 1980

4. Government is the source of Non institutional credit

: False

Correction: Commercial banks, RRB, LDB, cooperative societies and government are the source of institutional credit

5. DCCBS are basically meant to meet credit requirements of PACS.

:True

Fill in the blanks.

1. **Chattel loans** are obtained from pawnbrokers by pledging movable properties such as Jewelry
- 2 The duration of crop loan is **6-18 months**.
3. The Reserve Bank of India was established in **1935**
4. The project is economically viable when benefit cost ratio is greater than **one**
5. Six more banks in the private sector were nationalized on **15 April 1980**

2009-10**Fill in the blanks**

- 1) Long term credit has **two** tier structures in India.
- 2) Regional Rural Bank came into existence in the year **1975**
- 3) Commercial banks are nationalized in the year first leg **1969**, second leg **1980**

- 4) Project is economically viable when benefit cost ratio is more than **one**
- 5) Internal rate of Return is one of the **discounted** measures of financial analysis.

Write the full form of following abbreviations

- 1) PBP: Pay back Period
- 2) MFALDA: Farmers and Agricultural Labourers Development Agency
- 3) IMF: International Monetary Fund
- 4) DCCB: District Central Co-operative Bank
- 5) RRB: Regional Rural Bank

State true or false

- 1) Macro finance pertains to financing agriculture in aggregate. True
- 2) Crop loans comes under short term loans. True
- 3) NABARD provides finance directly to farmers. False
- 4) Government is a source of non institutional credit. False
- 5) Principle of thrift of cooperation is related with habit of saving. True

2010-11

State true or false:

- 1) Crop loan is repaid in suitable equated installments.

:False

:Correction: crop loan have to pay in lump sum (no installments)

- 2) Landlords are the source of institutional credit.

:False

:Correction: Landlords, relatives, friends, professional money lenders and traders are the source of non institutional credit.

- 3) Repaying capacity is directly related to farm income

True

- 4) RBI was established in the year 1945.

:False

Correction: The Reserve Bank of India was established in 1935

Write full forms of the following.

- 1) PACS: Primary Agricultural Cooperative Credit society
- 2) SFDA: Small Farmers Development Agency
- 3) AIRCRC: All India Rural Credit Review Committee
- 4) IMF: International Monetary Fund

Define the following terms.

1) Inventory: Farm Inventory may be defined as the list of all the physical properties of a business along with their values at a specific point of time.

2) Agricultural Finance: Tondon and Dhondyal defined agricultural finance as a branch of agricultural economics, which deals with the provision and management of bank services and financial resources related to individual farm business units.

3) Credit: Credit / loan is certain amount of money provided for certain purpose on certain conditions with some interest, which can be repaid sooner (or) later.

4) Farm mortgage: Mortgage: It refers to a legal transfer of ownership of property from a debtor to creditor. The transfer of ownership becomes void as soon as debtor clears off the loan. Land is generally mortgaged for obtaining term loans as a security.

Fill in the blanks.

- 1) The internal rate of return should be **more** than ruling rate of interest.
- 2) The cash flow analysis is used for checking **solvency position** of business.
- 3) The PACS provide for the **short and medium** term finance.
- 4) The management of DCCB vested in board of Directors consisting of **12 to 15** Members.
PACS : 5 TO 9 Members

2012-13

Expand the following abbreviations.

- 1) ARDC: Agricultural Refinance and Development Corporation
- 2) IDA: International Development Association
- 3) DISCOBARD: District Cooperative Bank for Agricultural and Rural Development
- 4) AFC: Agricultural Finance Corporation

Match the pairs.

- | | |
|--|---|
| 1) International Development Association | b) is a higher financing agency of world bank |
| 2) In single window system DCMS | c) is one of the three tier credit structure |
| 3) Village Adoption Scheme | d) is launched by commercial Bank |
| 4) Cooperative Credit Agencies | a) is a source of institutional credit |

Define the following terms.

1) Agricultural finance: Tondon and Dhondyal defined agricultural finance as a branch of agricultural economics, which deals with the provision and management of bank services and financial resources related to individual farm business units.

2) Cooperation: Definition: According to Huber Calvert "Co-operation is a form of organization, where in persons voluntarily associate together on the basis of equality for the promotion of common economic interest of themselves"

3) Junk value: Junk value may be defined as the value of the asset at the end of its useful life

4) Pay back period: It is the time required for an investment activity to produce sufficient incremental returns to offset the initial capital expenditure.

Fill in the blanks.

- 1) Strait end repayment plan is also called as **single** repayment plan or **lumpsum** repayment plan
- 2) In partial repayment plan, installment amount is decreasing except in **maturity** year.
- 3) Partial repayment plan is also called as **Balloon** repayment plan.
- 4) **Chattel loans** are obtained by pledging movable property like **jewellery and utensils** made of various metals.

2014-15

Give full form of the following.

- 1) IRR: Internal Rate of Return
- 2) NCDC: National Cooperative Development Corporation
- 3) AIRCSC: All India Rural Credit Survey Committee
- 4) MFAL: Marginal Farmers and Agricultural Labors Agency

Fill in the blanks.

- 1) The first Co-operative society act was passed in the year **1904**
- 2) After nationalization. "Imperial Bank of India" was converted into **State Bank of India**
- 3) The project is economically viable when benefit cost ratio is greater than **One**
- 4) The PACS provide **short and medium** term finance

2015-16

Fill in the blanks

- 1) Loans obtained from pawnbrokers by pledging movable properties like jewellery is called **chattel loans**.

- 2) Anything which is generally accepted in exchange for other things and which can discharge all obligations past and present is called **money**.
- 3) The committee of Taccavi loan was appointed under the chairmanship of **B.P. Patel**.
- 4) The RBI established in the year **1935**

Give full form of the following.

- 1) DICGS: Deposit Insurance Credit Guarantee Corporation of India
- 2) LAMPS: Large-Sized Adivasi Multipurpose Cooperative Society
- 3) DCMS: District Cooperative Marketing Society
- 4) PBP: Pay Back Period

2016-17

Fill in the blanks

1. Capital implies availability of money with farmer.
2. Macrofinance deals with the different sources of raising funds raising funds for agriculture as a whole in the economy.
3. The responsibility of the RBI bank to allow the free flow of credit.
4. In single window system APCOBARD is one of the three tyre credit structure.

Give the full form of following

1. CLDB: Central Land Development Bank
2. SFDA: Small Farmers Development Agency
3. DISCOBARD: District Cooperative Bank for Agriculture and Rural Development
4. IMF: International Monetary Fund

2017-18

State True or false

- 1) In amortized even repayment plan the annual installment over the entire loan period remains the same,
:True
- 2) Landlords are the source of Institutional credit.
: False
Correction: Landlords, relatives, friends, professional money lenders and traders are the source of non institutional credit.
- 3) Crop loan is repaid in suitable equated installments.
: False
Crop loan is repaid in lump sum (no installments)
- 4) The International bank for Reconstruction and Development (IBRD) was also called en World Bank
True

Write full forms of following abbreviations.

1. AIRCSC: All India Rural Credit Survey Committee
2. DIRS: Differential Interest Rate Scheme
3. PLDBS: Primary Land Development Banks
4. DICGC: Deposit Insurance and Credit Guarantee Corporation

2018-19

Match the following pairs.

- | | |
|----------------------|--|
| 1) DIR Loans: | b) Loan to weaker section @ 4% Interest rate |
| 2) Macro Finances: | a) Aggregate finances |
| 3) Micro Finances: | h) Individual farm business finance |
| 4) Long term Loan: | c) Purchase of tractor |
| 5) Lead Bank scheme: | d) Nariman's Committees |
| 6) Consumption loan: | e) Unproductive loan |
| 7) IBRD: | f) World bank |
| 8) IMF: | g) December-1945 |

Give full forms of the following.

- 1) KCC: Kisan credit card
- 2) DISCOBARD: DISTRICT COOPERATIVE BANK FOR agricultural and rural development
- 3) NCDC: National Cooperative Development Corporation
- 4) BKBY: /Bharatiya Krishi Bhima Yojana
- 5) DICGC: Deposit Insurance Credit Guarantee Corporation of India
- 6) FSS: Farmers Service Society
- 7) IFC: International Finance Corporation
- 8) AIRCRC: All India Rural creditReview Committee

Abbreviations

AAP: Annual Action Plan
ACD: Agricultural Credit Department
ADB: Agricultural Development Branch
AFC: Agricultural Finance Corporation
AIGBWO: All India Gramin Bank Workers' Organisation
AIRCRC: All India Rural Credit Review Committee
AIRCSC: All India Rural Credit Survey Committee
AIRDISC: All India Rural Debt and Investment Survey Committee
APCCADB: Andhra Pradesh Central Co-operative Agricultural Development Bank
APCOBARD: Andhra Pradesh Co-operative Bank for Agriculture and Rural Development
ARDC: Agricultural Refinance and Development Corporation
BCR: Benefit-Cost Ratio
BIRD: Bankers Institute for Rural Development
BOP: Balance of Payments
BLBC: Block Level Bankers' Committee
BRIMS: Block Rural Industries Marketing and Servicing Society

CAB: College of Agricultural Banking
CADA: College of Agricultural Banking
CALCOB: Committee on Agricultural Loans through Commercial Banks
CAS: Credit Authorisation Scheme
CCA: Capital Consumption Allowance
CIS: Crop Insurance Scheme
CRAFICARD: Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development
CRR : Cash Reserve Ratio
DBOD: Department of Banking Operations and Development
DCC: District Consultative Committee
DCCB: District Central Co-operative Bank
DCP: District Credit Plant
DICGC: Deposit Insurance and Credit Guarantee Corporation
DIRS: Differential Interest Rate Scheme
DISCOBARD: District Co-operative Bank for Agriculture and Rural Development
DPAP: Drought Prone Area Programme
DRDA: District Rural Development Agency
DTC: District Technical Committee
EC: Encumbrance Certificate
ECGC: Export Credit Guarantee Corporation
FSS: Farmers Service Society
HADP: Hill Area Development Projects
IBRD: International Bank for Reconstruction and Development
IDA: International Development Association
IDADA: Integrated Dryland Agricultural Development Agency
IDBI: Industrial Development Bank of India
IFAD: International Fund for Agricultural Development
IFC: International Finance Corporation
IMBP: Individual Maximum Borrowing Power
IMF: International Monetary Fund
IRDP: Integrated Rural Development Programme
IRP: Internal Rate of Return
LAMPS: Large-Sized Adivasi Multipurpose Co-operative Society
LDB: Land Development Bank
MFALDA: Marginal Farmers and Agricultural Labourers Development Agency
MPCCS: Multipurpose Co-operative Credit Societies
NABARD: National Bank for Agriculture and Rural Development
NCA: National Commission on Agriculture
NCDC: National Co-operative Development Corporation
NIBM: National Institute of Bank Management
NPW: Net Present Worth
NREP: National Rural Employment Programme
PACS: Primary Agricultural Co-operative Credit Societies
PBP: Payback Period
PLDB: Primary Land Development Bank

RBI: Reserve Bank of India
RLEGP: Rural Landless Employment Guarantee Programme
SAA: Service Area Approach
SAO Loans;; Seasonal Agricultural Operations Loans
SAP: Service Area Plans
SCB: State Co-operative Bank
SFDA: Small Farmers Development Agency
SLBC: State Level Bankers' Committee
SLR: Statutory Liquidity Ratio
SSI: Small Scale Industries
TADP: Tribal Area Development Programme
TRYSEM: Training of Rural Youth for Self Employment
VAS: Village Adoption Scheme

Best of luck!!!!