DIGITAL BANKING AWARENESS QUESTIONS FOR UPCOMING EXAMS
1. Which of the following is not true about National Electronic Funds Transfer (NEFT) system?
   A) There is no limit on transaction through NEFT
   B) NEFT operates in hourly batches.
   C) NEFT is a payment system which facilitates one-to-one funds transfer.
   D) Only bank branches which are NEFT enabled, can be a part of the NEFT funds transfer network.
   E) All of the above are correct

   View Answer

   Option B

   Some Extra:
   NEFT used to operate in hourly batches.
   On May 8, 2017, the RBI announced that additional 11 settlement batches at half-hourly intervals will be introduced from July 10, 2017, beginning from 8.30 am till 6.30 pm. With this, the total number of half hourly settlement batches during the day will increase to 23.

2. Which of the following is not true about Real Time Gross Settlement (RTGS) system?
   A) The minimum amount that can be received through RTGS is `2 lakh.
   B) The banks receive the funds in real time as soon as funds are transferred by the remitting bank.
   C) The minimum amount to be remitted through RTGS is `2 lakh.
   D) RTGS is a payment system which facilitates settlement of funds transfers individually on an order by order basis.
   E) All of the above are correct.

   View Answer

   Option E

   Some Extra:
   If maximum limit is Rs 2 lakh, then minimum will also be Rs 2 lakh.

3. Which of the following is not true about Unified Payments Interface (UPI)?
   A) UPI is an instant payment system developed by the National Payments Corporation of India (NPCI).
   B) Through UPI, all payments are instant and takes place in banking hours.
   C) Under UPI person will have a single identity and password for using multiple bank accounts.
   D) UPI is based on the Immediate Payment Services (IMPS) infrastructure.
   E) All of the above are correct.
Option B
Some Extra:
UPI is an indigenously developed platform by National Payments Corporation of India (NPCI) and set up with the support of the Reserve Bank and Indian Banks Association (IBA).
Through UPI, all payments are instant but it provides 24/7 service, irrespective of banking hours.

4. Which of the following is not true about Mobile Money Identifier (MMID)?
A) Mobile Money Identifier (MMID) is a seven-digit number, issued by banks for effecting financial transactions through the user’s mobile phone.
B) The user’s mobile number MMID are uniquely linked with his bank account number, and is one of the key inputs to facilitate fund transfer.
C) Both the remitter and the beneficiary are required to have their MMIDs to effect a fund transfer through the mobile phone.
D) A unique MMID and mobile number combination helps in identifying the beneficiary’s details. A single MMID can be linked to a mobile number.
E) To receive an MMID, the user is required to approach his bank and follow the necessary procedure for obtaining the number.

View Answer

Option D
Some Extra:
In D) – It should be — Multiple MMIDs can be linked to same mobile number. If a person has accounts in more than 1 bank, he can use his same mobile number with all MMIDs

5. Which of the following is not true about Payments Bank?
A) Payments bank can issue ATM/debit cards but not credit cards
B) Initial capital required for a Payments Bank is Rs 100 crore
C) Payments Bank must maintain Cash Reserve Ration (CRR) as decided by RBI.
D) Payments Bank can give a loan of up to only Rs 1 lakh.
E) Payments Bank can enable transfers and remittances through a mobile phone.

View Answer

Option D
Some Extra:
The banks must maintain CRR, minimum 75% of demand deposits in government bonds.
of up to one year and maximum 25% in current and fixed deposits with other scheduled commercial banks for operational purposes and liquidity management. Payments Bank are not allowed to give loans of any amount.

6. Which of the following is not true about Small Finance Bank?
   A) Maximum loan size to a single person cannot exceed 10% of total capital funds; cannot exceed 15% in the case of a group.
   B) At least 50% of its loans should constitute loans and advances of up to 25 lakh.
   C) Minimum paid-up equity capital requirement of Small Finance Banks is Rs 100 crore.
   D) Small Finance banks must have 25% of its branches set up in unbanked areas.
   E) They can set up subsidiaries to undertake non-banking financial service activities.

View Answer

**Option E**

Some Extra:
They cannot set up subsidiaries to undertake non-banking financial service activities.

7. Which of the following is not true about Immediate Payment Service (IMPS)?
   A) IMPS offers an instant, 24X7, interbank electronic fund transfer service through mobile phones.
   B) The facility is provided by National Payments Corporation of India through its existing NFS switch.
   C) Internet Banking Account facilitates IMPS to transfer money to any account.
   D) To use IMPS, both the account holder and beneficiary needs to have Mobile Money Identifier (MMID).
   E) IMPS allows instant money transfer.

View Answer

**Option D**

Some Extra:
One can choose the IMPS method to transfer money using net banking, mobile banking, ATMs or SMSs.D) — As internet banking also facilitates IMPS, so all internet banking account holders can use IMPS to transfer funds. There are 2 options available here – One is through MMID. And another is through IFSC Code of bank branch of beneficiary (to whose account amount to be transferred), in this option MMID of neither is needed to perform transaction.
8. Which of the following is not true about National Automated Clearing House (NACH)?

A) It is a centralised clearing system launched by the National Payments Corporation of India (NPCI).
B) It aims to replace and consolidate multiple existing Electronic Clearing Service (ECS) systems across India.
C) NACH platform has been created to replace the Electronic Clearing Service (ECS) system.
D) NACH have the same day presentation and settlement, including returns processing.
E) All of the above are true.

View Answer

Option E
Some Extra:
In Electronic Clearing Services (ECS), presentation and settlement is spread over 3-4 day period.
There are three types of ECS: Local ECS, Regional ECS, National ECS.
NACH is a centralised system, launched with an aim to consolidate multiple ECS systems running across the country and provides a framework for the harmonization of standard & practices and removes local barriers/inhibitors.

9. Which of the following is not true about Bharat Interface for Money (BHIM) app?

A) BHIM is a digital payments solution app, for easy and quick transactions, based on the Unified Payments Interface (UPI) from the National Payments Corporation of India (NPCI).
B) Money can also be sent to non-UPI supported banks using IFSC code and account number.
C) BHIM allows daily transaction limit of Rs 20,000.
D) Through BHIM app, a maximum of Rs 5,000 is allowed per transaction.
E) BHIM framework allows its usage without internet also.

View Answer

Option D
Some Extra:
Bharat Interface for Money (BHIM) provides fast, secure, reliable medium to make digital payments through your mobile phone using UPI (Unified Payment Interface) platform via Mobile App and USSD (Unstructured Supplementary Service Data) platform via *99# service.
In a day (24 hours), a maximum of Rs 20,000 can be transferred, and a single transaction allows maximum of Rs 10,000 to be transferred.
BHIM framework allows its usage without internet also. – thorough SMS – BHIM framework *99# works without internet.
The limit for USSD has currently been set at Rs. 5,000 per day.
10. Which of the following is not true about Aadhaar-enabled payment system (AEPS)?
A) AEPS enables bank customers to access their Aadhaar-linked bank accounts through the Aadhaar authentication.
B) For a transaction through AEPS, only Aadhaar number and fingerprint captured during the enrolment are required.
C) AEPS allows inter-operability among different systems adopted by different banks in a safe and secured manner.
D) AEPS is aimed at empowering the marginalised and excluded segments to conduct financial transactions through micro ATMs deployed by banks in villages.
E) Customers can find out their account balance, deposit cash, withdraw money and transfer funds to other Aadhaar-linked bank accounts through the help of business correspondents of the bank they have account in.

View Answer

Option E
Some Extra:
Aadhaar Enabled Payment System or AEPS is a new payment service offered by the National Payments Corporation of India to banks, financial institutions using Aadhaar number and online UIDAI authentication through their respective Business correspondent service centres.
AEPS allows four types of banking transactions: Balance Enquiry, Cash Withdrawal, Cash Deposit, and Aadhaar to Aadhaar Funds Transfer.
E) Customers can find out information and do transfer of funds through the help of business correspondents of any bank.

11. Which of the following is the helpline number to address consumer queries on digital payments?
A) 15555
B) 14444
C) 18888
D) 19999

View Answer

Option B
Some Extra:
The government, in collaboration with telecom and IT industry, launched a toll-free helpline – 14444 – to address consumer queries on digital payments in January 2017. The helpline was launched aiming at addressing questions regarding various platforms, including the newly-launched Bharat Interface for Money (BHIM), e-Wallets, Aadhaar-enabled payment system and USSD.
12. ‘Eazypay’, India’s first mobile app for merchants to accept payments on mobile phone through multiple digital modes belongs to which bank?
A) Federal Bank
B) Dhanalakshmi Bank
C) Yes Bank
D) ICICI Bank

View Answer

Option D
Some Extra:
A first-of-its kind application, ‘Eazypay’ offers customers the improved convenience of paying by using their mobile phone through Unified Payment Interface (UPI), any credit / debit card & internet banking, and ‘Pockets’, digital wallet of ICICI Bank.

13. Which of the following banks launched its digibank, India’s first mobile-only bank in 2016?
A) HDFC Bank
B) HSBC
C) DBS Bank
D) RBL Bank

View Answer

Option C
Some Extra:
DBS Bank, Singapore’s largest bank and a leading bank in Asia, officially unveiled digibank, India’s first mobile-only bank.
digibank is India’s first paperless, signatureless, branchless bank.

14. Which of the following banks created history in August 2015 by launching India’s first Mobile App for Bank Account opening?
A) Axis Bank
B) Federal Bank
C) South Indian Bank
D) HDFC Bank

View Answer
Option B
Some Extra:
In August 2015, creating history, Federal Bank launched India’s first Mobile App for Bank Account Opening. Bank introduced this unique facility of Mobile based Bank Account Opening as an upgrade to FedBook, its e-Passbook App. With the new avatar of FedBook, anyone having an Aadhaar Card and PAN Card, can open a Savings Bank Account and get their Account Number instantly using a mobile from anywhere.

15. LIME, the country’s first mobile app that offers Wallet, Shopping, Payments & Banking belongs to which of the following banks?
A) Axis Bank
B) Yes Bank
C) HDFC Bank
D) ICICI Bank

View Answer

Option A
Some Extra:
LIME act as an independent app, empowering any person to open individual, shared mobile wallets and make seamless peer to peer as well as online, offline merchant payments.

16. Which of the following banks launched country’s first automated teller machine (ATM) which can be operated independently by a visually impaired person, know as ‘Talking ATM’?
A) State Bank of India
B) Union Bank of India
C) Bank of Baroda
D) Bank of India

View Answer

Option B
Some Extra:
Country’s first automated teller machine (ATM) which can be operated independently by a visually impaired person, know as ‘Talking ATM’ was installed at the premises of the Blind People’s Association (BPA) in Ahmedabad by the Union Bank of India (UBI).
17. Airtel Payments Bank launched India’s first online debit card along with a prepaid card with which of the following?
   A) Standard Chartered
   B) Mastercard
   C) VISA
   D) NPCI

View Answer

Option B

Some Extra:
Airtel Payments Bank and Mastercard, a leading global payments and technology firm, has launched India’s first online debit card along with a prepaid card, both accessible via the Myairtel App. The online debit card will enable customers of Airtel Payments Bank to make digital payments at over 100,000 online merchants.

18. Which of the following Payments Bank is the first one to start giving its services in India?
   A) Paytm Payments Bank
   B) India Post Payments Bank
   C) Airtel Payments Bank
   D) Fino Payments Bank

View Answer

Option C

19. PhonePe, a Flipkart Group company, with which of the following banks launched India’s first UPI (Unified Payments Interface) based mobile payments app?
   A) Yes Bank
   B) ICICI Bank
   C) Bank of Baroda
   D) United Bank of India

View Answer

Option A

Some Extra:
Mobile payments start-up PhonePe Internet Pvt. Ltd, which is owned by Flipkart, in
partnership with private lender Yes Bank launched unified payments interface (UPI) based payments app. PhonePe allows users to link their bank accounts securely to their smartphone using National Payments Corporation of India’s encrypted libraries.

20. Name the head of committee on Digital Payments constituted by the Ministry of Finance, Department of Economic Affairs to review the payment systems in the country?
A) N.S. Viswanathan  
B) Ratan P. Watal  
C) Sudarshan Sen  
D) Chandrababu Naidu  

View Answer  

Option B  

Some Extra:  
The Ministry of Finance, Department of Economic Affairs had constituted a Committee on Digital Payments to review the payment systems in the country and to recommend appropriate measures for encouraging Digital Payments. The Committee was constituted on 23rd August 2016 under the Chairmanship of Shri. Ratan P. Watal, Principal Advisor, NITI Aayog and former Finance Secretary to the Government of India.