

IMPORTANT MCQ TEST



ALL RBI CIRCULARS

IN SEPTEMBER 2024



TEST



DECODE INDIAN

1. As per the RBI circular issued on December 22, 2023, what was required to be furnished by AD Category-I banks on a monthly basis in the Centralised Information Management System (CIMS)?
 - A) Number of applications received and total amount remitted under LRS
 - B) Daily transaction reports of all foreign exchange transactions
 - C) Details of foreign exchange reserves
 - D) Information on inward remittances only

Answer : **A) Number of applications received and total amount remitted under LRS**

Details :

- As per RBI circular issued on **December 22, 2023**, **AD Category-I banks** were required to furnish information on the **number of applications received** and **total amount remitted** under LRS on a **monthly basis** in the **Centralised Information Management System (CIMS)**.
- On a review, it has now been decided to discontinue the requirement for submission of **LRS monthly return by AD Category-I banks**.

2. From which reporting month will AD Category-I banks no longer submit the LRS monthly return?
- A) June 2024
 - B) September 2024
 - C) January 2025
 - D) December 2023

Answer : **B) September 2024**

- **From the reporting month of September 2024, AD Category-I banks shall not submit LRS monthly return (Return code : R089).**
- AD Category-I banks, henceforth, will be required to upload only **transaction-wise information under LRS daily return (CIMS return code: R010)** at the **close of business of the next working day on CIMS**

3. Under the new guidelines, by when should AD Category-I banks upload the daily LRS transaction data on CIMS portal?
- A) By the end of the month
 - B) By the close of business on the next working day
 - C) By the end of the financial year
 - D) By the close of the week

Answer : **B) By the close of business on the next working day**

4. What should AD Category-I banks submit on CIMS if no data is available to report under the new LRS daily return system?
- A) A monthly summary
 - B) A 'NIL' report
 - C) A report detailing reasons for no transactions
 - D) A quarterly statement

Answer : **B) A 'NIL' report**

Details:

- In case **no data is to be furnished**, AD Category-I banks shall upload a **'NIL' report**.

5. What is the current remittance limit under the Liberalised Remittance Scheme (LRS) per financial year for resident individuals?

- A) USD 1,00,000
- B) USD 2,50,000
- C) USD 3,00,000
- D) USD 5,00,000

Answer : **B) USD 2,50,000**

Details :

- Under the Liberalised Remittance Scheme, all **resident individuals, including minors**, are allowed to **freely remit up to USD 2,50,000 per financial year** for any **permissible current or capital account transaction or a combination of both**.
- Further, resident individuals can avail of **foreign exchange facility** for specified purposes **within the limit of USD 2,50,000 only**.

6. When was the Liberalised Remittance Scheme (LRS) introduced?

- A) February 4, 2000
- B) February 4, 2005
- C) February 4, 2004
- D) February 4, 2010

Answer : **C) February 4, 2004**

7. Which of the following is a permissible current account transaction under the LRS?

- A) Purchase of property abroad
- B) Private visits abroad
- C) Opening of foreign currency account abroad
- D) Setting up wholly owned subsidiaries abroad

Answer : **B) Private visits abroad**

Details :

Permissible current account transactions under LRS:

- Private visits abroad (excluding Nepal and Bhutan)
- Gifts/donations
- Going abroad on employment
- Emigration
- Maintenance of relatives abroad
- Business trips
- Medical treatment abroad
- Pursuing studies abroad

8. Which of the following capital account transactions is allowed under the LRS?
- A) Gifts and donations
 - B) Maintenance of relatives abroad
 - C) Purchase of property abroad
 - D) Medical treatment abroad

Answer : **C) Purchase of property abroad**

Details :

Permissible capital account transactions under LRS:

- Opening of foreign currency account abroad with a bank outside India
- Purchase of property abroad
- Investments in shares, securities, mutual funds, etc abroad
- Setting up wholly owned subsidiaries and Joint Venture (JV) abroad
- Extending loans in INR to NRIs who are relatives as defined in Companies Act, 2013

9. What is required if an individual wishes to remit more than USD 2,50,000 in a financial year under the LRS?
- A) Submit Form 15CA/CB
 - B) Prior permission from the Reserve Bank of India
 - C) Approval from the Ministry of Finance
 - D) Declaration of assets abroad

Answer : **B)Prior permission from the Reserve Bank of India**

10. What was the initial limit set when the Liberalised Remittance Scheme was first introduced in 2004?

- A) USD 50,000
- B) USD 25,000
- C) USD 1,00,000
- D) USD 2,50,000

Answer : **B) USD 25,000**

Date	Feb 4, 2004	Dec 20, 2006	May 8, 2007	Sep 26, 2007	Aug 14, 2013	Jun 3, 2014	May 26, 2015
LRS limit (USD)	25,000	50,000	1,00,000	2,00,000	75,000	1,25,000	2,50,000

11. As per the recent RBI circular, how soon should Supervised Entities (SEs) report action taken regarding the deficiencies identified in their gold loan practices?

- A) Within one month
- B) Within two months
- C) Within three months
- D) No reporting is required

Answer : **C) Within three months**

Details :

- Action taken with regard to deficiencies identified in their gold loan practices may be informed to the **Senior Supervisory Manager (SSM) of Reserve Bank within three months of the date of this circular.**

12. When was the Interest Equalization Scheme (IES) first introduced?

- A) 1st April 2010
- B) 1st April 2015
- C) 1st April 2020
- D) 1st April 2018

Answer: **B) 1st April 2015**

Details :

- Interest Equalization Scheme (IES) was first implemented on **1st April, 2015**, to provide **pre- and post-shipment export credit to exporters in rupees**.
- Government of India (Gol), has allowed for an extension of the **Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit ('Scheme')** from **September 1, 2024**, to **September 30, 2024**.

13. What is the primary objective of the Interest Equalization Scheme (IES)?

- A) To boost foreign investment
- B) To equalize the difference in interest rates for exporters
- C) To provide subsidies to exporters
- D) To eliminate export taxes

Answer: **B) To equalize the difference in interest rates for exporters**

14. Currently, what is the interest equalisation rate for MSME manufacturers under the IES scheme?

- A) 2%
- B) 3%
- C) 5%
- D) 4%

Answer: **B) 3%**

Details :

- Currently, the Scheme provides an interest equalisation benefit at the rate of **2% on pre- and post-shipment rupee export credit to merchant and manufacturer exporters exporting under specified 410 HS lines.**
- And **3% to MSME manufacturer** exporting under any HS lines.

15. What is the cap on the annual net subvention amount per Importer-Exporter Code (IEC) for MSME Manufacturer exporters under the IES for the financial year starting from April 1, 2024, until September 30, 2024?

- A) ₹2.5 Crore
- B) ₹5 Crore
- C) ₹10 Crore
- D) ₹3 Crore

Answer: **B) ₹5 Crore**

Details :

- The **annual net subvention amount** is capped at **₹10 Crore per Importer-Exporter Code (IEC)** for a given financial year, accordingly a cap of **₹5 Crore per IEC for MSME Manufacturer exporters** is imposed till **September 30, 2024**, for the financial year starting from **April 1, 2024**.
- It is further advised that for **Manufacturer Exporters and Merchant Exporters** under the non-MSME category, the cap shall be **₹2.5 Crore** per IEC till **June 30, 2024**.

16. What is the cap on the annual net subvention amount per Importer-Exporter Code (IEC) for non-MSME exporters under the IES scheme until June 30, 2024?

- A) ₹5 Crore
- B) ₹10 Crore
- C) ₹2.5 Crore
- D) ₹1 Crore

Answer: **C) ₹2.5 Crore**

17. Which organizations jointly monitor the Interest Equalization Scheme?

- A) RBI and Directorate General of Foreign Trade (DGFT)
- B) SEBI and Ministry of Finance
- C) NABARD and Export-Import Bank of India
- D) Ministry of Commerce and RBI

Answer: **A) RBI and Directorate General of Foreign Trade (DGFT)**