RBI Grade B 2024 Finance and Management Recollected Questions

Finance and Management

Objective

Direction (Q1 - Q4) - Read the passage given below and answer the following questions

Culture profoundly shapes individual behaviour, influencing attitudes, perceptions, and interactions within a society. Over time, theories have emerged to understand how cultural norms impact personal development and social behaviour on a global scale. Historical events and cultural shifts have prompted researchers to explore ideas around cognitive growth and its connections to social environments, originally studied within specific regions but later observed on a worldwide scale. Among these, certain theories illustrate how social interactions are essential to individual development, impacting various facets of cognitive and behavioural adaptation.

For example, Vygotsky's theories, initially developed in Russia, emphasize that learning is inherently social and dependent on cultural context. His work highlights the idea that knowledge construction occurs through interactions with more knowledgeable others, helping individuals develop cognitive skills that are both culturally and socially relevant. These theories have gained relevance worldwide, influencing educational practices and organizational behaviour models beyond their initial cultural context. By recognizing how social factors contribute to learning, researchers underscore the powerful role of culture in shaping human development.

In the organizational sphere, culture has a considerable impact on employees' approaches to work, collaboration, and innovation. Organizational culture is often moulded by adaptable factors like economic conditions, social influences, and advancements in technology, which organizations can strategically shape to align with their values and goals. However, certain factors are less flexible; for example, biological factors are largely inherent and do not play a significant role in the cultural setting of an organization. Instead, the focus remains on elements that can be influenced or adapted to create a productive and cohesive work environment.

Understanding the critical role of culture in the workplace, some companies have developed tools to measure and assess organizational culture. One such company offers an online survey tool designed for organizations seeking insights into employee alignment with company values and satisfaction. These surveys allow organizations to evaluate their cultural strengths and identify areas for improvement, contributing to an informed approach to organizational management. With such tools, companies can gather data to support cultural alignment and foster an inclusive environment that benefits both employees and organizational goals.

Organizations that prioritize cultural alignment and actively engage in evaluating cultural dynamics often see positive changes in their operations. Companies focusing on these factors report that communication across departments and regions improves, as employees feel more connected to shared values and goals. This enhanced alignment fosters a collaborative environment, reduces conflicts, and improves employee satisfaction. By prioritizing culture, organizations can develop strong internal relationships that support overall productivity and resilience in a competitive landscape.

(This is a recreated passage and not the exact one asked in the exam)

Q1. The passage mentions theories that have expanded beyond their original development in Russia. Which theory is being referred to?

A. Maslow's Hierarchy of Needs
B. Vygotsky's Theory
C. Theory of Planned Behaviour
D. Herzberg's Two-Factor Theory
E. Bandura's Social Learning Theory

Q2. Which factor does NOT significantly affect organizational culture, according to the passage?

A. Economic factors
B. Social factors
C. Technological factors
D. Biological factors
E. Cultural factors

Q3. What tool does the company mentioned in the passage offer to organizations?

A. Training module
B. Survey tool
C. Financial audit
D. Cultural handbook
E. Compliance checklist

Q4. According to the passage, organizations focusing on cultural assessment may observe an improvement in:

A. Financial performance
B. Inter-departmental communication
C. Marketing reach
D. Legal compliance
E. Product innovation

Direction (Q5 – Q8) - Read the passage given below and answer the following questions

In recent efforts to streamline transactions and enhance investor security, the X has introduced new measures for public issues of debt securities. These measures require individual investors seeking to apply through intermediaries to use a specific method to block funds, especially for smaller subscription amounts. Investors will need to provide an account-linked payment ID associated with a bank in their bid-cum-application forms. By doing so, X aims to reduce dependency on traditional banking routes and encourage the adoption of faster, digital options for managing subscriptions.

The circular issued by X outlines that this updated process will apply to public issues of multiple debt instruments, including redeemable preference shares, municipal bonds, and securitized debt products. These changes, designed to safeguard the interests of retail investors, will be implemented soon, thus requiring intermediaries to update their application protocols. Under the revised guidelines, X expects more efficient fund blocking that enhances transaction speed and reduces the risk of errors or delays, contributing to a more secure investment environment.

X makes such amendments to ensure that the new protocols align with national standards for market regulation. While investors may choose other approved methods for larger applications, smaller transactions are expected to follow this updated pathway, underscoring X's commitment to modernizing financial processes for the benefit of all participants in the securities market.

(This is a recreated passage and not the exact one asked in the exam)

Q5. What is the maximum subscription amount under which investors are required to use the designated fund-blocking method?

A. ₹1 lakh
B. ₹2 lakh
C. ₹3 lakh
D. ₹4 lakh
E. ₹5 lakh

Q6. Which method must be used to block funds for certain debt securities subscriptions, as indicated by SEBI?

A. Net Banking
B. ASBA
C. Cheque Payment
D. UPI
E. Direct Bank Transfer

Q7. Which organization has introduced these updated guidelines for debt securities subscriptions?

A. Reserve Bank of India
B. Ministry of Finance
C. SEBI
D. Department of Financial Services
E. Indian Bankers Association

Q8. When will the newly implemented guidelines for debt securities subscriptions take effect?

A. October 1, 2024
B. November 1, 2024
C. December 1, 2024
D. January 1, 2025
E. September 1, 2024

Direction (Q9 – Q12) - Read the passage given below and answer the following questions

In 2014, the Reserve Bank of India introduced a new category of banks specifically designed to address the financial needs of underserved sections of society. These institutions were established to improve access to financial services in rural and semi-urban areas where traditional banking infrastructure is limited. They are focused on providing support to small and marginalized sections, including micro and small enterprises, unorganized sector workers, and lower-income households, who often struggle to access formal banking channels.

These banks are required to provide credit and savings options tailored to the needs of individuals and small businesses with limited resources. The primary goal of these institutions is to bridge the gap in financial access for communities that are typically excluded from mainstream banking services. Despite being smaller in scale compared to commercial banks, the objective of these banks is, however, not small. They play a vital role in connecting underserved regions to basic banking services and aim to make a significant impact on the financial landscape.

Additionally, these institutions emphasize building strong relationships within local communities, contributing to reduced income disparity and fostering economic growth in areas lacking established financial networks. Through this model, they also support literacy, empowering clients to manage their savings effectively and access affordable credit for personal or business use.

(This is a recreated passage and not the exact one asked in the exam)

Q9. Identify the type of bank described in the passage.

A. Regional Rural Bank
B. Microfinance Bank
C. Cooperative Bank
D. Small Finance Bank
E. Payment Bank

Q10. What is the primary aim of the banks described in the passage?

A. Maximizing profit
B. Expanding international operations
C. Serving the financial needs of underserved populations
D. Investment banking services
E. Corporate financing

Q11. The banks mentioned in the passage primarily cater to which groups?

A. Large corporations
B. High-net-worth individuals
C. Small enterprises and lower-income households
D. Government agencies
E. Foreign investors

Q12. In addition to providing financial services, these banks also contribute by:

A. Reducing reliance on foreign investments
B. Promoting financial literacy among underserved communities
C. Offering competitive interest rates to large corporations
D. Increasing automation in urban areas
E. Supporting only high-yield investments

Direction (Q13 – Q16) - Read the passage given below and answer the following questions

The World Management Survey, developed by researchers including Raffaella Sadun, focuses on analysing and enhancing management practices across various industries. Management practices, such as performance tracking, goal setting, and employee incentivization, are fundamental for organizational success. Studies show that well-managed companies experience greater productivity, yet many firms fall short in implementing effective management practices.

One of the survey's tools allows organizations to measure the effectiveness of their management practices objectively, offering a comprehensive assessment framework. This tool uses specific indicators that evaluate areas like operational efficiency, resource allocation, and innovation responsiveness. By regularly evaluating these metrics, organizations can gain insights into areas needing improvement.

However, introducing these practices can be challenging. Managers often hesitate to undertake extensive training due to concerns that new knowledge or processes may increase their workload or even diminish their roles through automation advancements. Despite these reservations, research indicates that companies investing in management training and improvements in workplace processes ultimately experience increased productivity and employee satisfaction.

Contrary to the notion that management implementation is straightforward, establishing these practices often requires considerable effort. Effective practices are “easy to pull” when applied with the right tools and consistent training, fostering a culture that supports sustainable growth and operational success. Organizations that adapt to these standards tend to outperform those that resist change.

(This is a recreated passage and not the exact one asked in the exam)

Q13. Based on the passage, which type of practices are integral to organizational success?

A. Financial practices
B. Marketing practices
C. Management practices
D. Sales practices
E. Legal practices

Q14. Why do managers might resist engaging in training programs, according to the passage?

A. Fear of being replaced by artificial intelligence
B. Concerns over increased workload and responsibilities
C. Preference for traditional management methods
D. Training programs are too costly.
E. Lack of availability of training resources

Q15. As per the developed tool mentioned in the passage, how can companies measure the effectiveness of management practices?

A. By tracking financial growth quarterly
B. Through a framework assessing operational efficiency and innovation
C. By recording employee turnover rates
D. Using employee satisfaction surveys only
E. Evaluating customer feedback exclusively

Q16. Contrary to common assumptions about management practices, the passage suggests that effective implementation is:

A. costly yet sustainable without much oversight
B. easily achievable with advanced technology
C. more complicated than anticipated but manageable with the right approach
D. traditionally achievable without training or tools
E. best suited for well-established organizations only

Direction (Q17 – Q20) - Read the passage given below and answer the following questions

In recent decades, Earth's natural systems have shown signs of distress, with studies on planetary boundaries underscoring how human activities impact ecological limits. Several boundaries, such as those related to water, land, and pollution, have been stretched, indicating risks to the stability of ecosystems essential for life. These boundaries aim to set safe thresholds, allowing humanity to thrive without overwhelming Earth's capacity to regenerate. However, industrial expansion, resource extraction, and land use changes have accelerated, placing various ecosystems under significant strain.

To manage these pressures, global frameworks have been introduced over time, starting with development-focused goals that emphasized poverty and health. The evolution of these frameworks has led to comprehensive strategies addressing ecological issues alongside social and economic concerns. Efforts like these have also influenced environmental initiatives worldwide, encouraging models that prioritize resource sustainability and waste reduction. These models include rethinking production and consumption cycles to promote long-term resilience and ecological health.

Efforts to maintain ecological balance must balance immediate needs with the planet's regenerative capacities. In response, certain sectors focus on building more resilient urban infrastructures and improving water resource management to curb pollution impacts. Yet, while governments and organizations promote sustainability, individual actions also play a role in supporting ecological goals and reducing ecological footprints. Cooperative global actions and technological advancements are pivotal, with frameworks and sustainable models aiming to meet both current and future needs.

Organizations have called for integrated solutions that address interconnected issues across regional and global levels, given that ecological changes are rarely isolated. Climate resilience, biodiversity preservation, and innovative systems will be essential in mitigating risks as nations and industries strive for responsible resource use. Without such efforts, ecosystems may face long-lasting changes with unpredictable outcomes, ultimately affecting communities and economies globally.

(This is a recreated passage and not the exact one asked in the exam)

Q17. As per the cited report on planetary boundaries, humans have crossed the boundaries in which sector?

A. Freshwater and environmental pollutants
B. Ocean acidification
C. Land and biomass degradation.
D. Atmospheric aerosol loading
E. Stratospheric ozone depletion

Q18. Consequently, to tackle the environmental boundary breaches, what initiative was adopted?

A. Sustainable Cities
B. Clean Water and Sanitation
C. Green Economy
D. Circular Economy
E. Agenda 2020

Q19. What preceded the Sustainable Development Goals (SDGs)?

A. Millennium Development Goals (MDGs)
B. Global Health Initiatives
C. Climate Action Framework
D. International Sustainable Charter
E. Green Economy Pact

Q20. The goals of the Millennium Development Goals (MDGs) ranged from:

A. Halving global poverty to tackling HIV-related targets

B. Eradicating hunger to combating climate change

C. Promoting economic equality to environmental conservation

D. Increasing renewable energy access to reducing emissions

E. Enhancing global infrastructure to digital innovation.

Q21. In which of the following motivation theories is motivation determined by how much the person values the outcome?

A. Goal-Setting Theory

B. Expectancy Theory

C. Equity Theory

D. Maslow's Hierarchy of Needs

E. Herzberg's Two-Factor Theory

Q22. What is the regulatory limit for investment in Small and Medium Real Estate Investment Trusts (SM REITs)?

A. ₹10 crore

B. ₹25 crore

C. ₹40 crore

D. ₹50 crore

E. ₹75 crore

Q23. What are the Ways and Means Advances (WMA) limits for the second half of the fiscal year 2024-25?

A. ₹10,000 crore

B. ₹30,000 crore

C. ₹40,000 crore

D. ₹50,000 crore

E. ₹1,00,000 crore

Q24. In the Johari Window model, which quadrant represents the part known to the individual but unknown to others?

A. Open

B. Blind

C. Hidden

D. Unknown

E. Shadow

Q25. Who developed the Managerial Grid, a framework for analysing leadership styles?

A. Herzberg and McClelland
B. Blake and Mouton
C. Maslow and Alderfer
D. McGregor and Lewin
E. Kotter and Bennis

Q26. In which communication structure does a person communicate with one on either side, but not with anyone else?

A. Chain
B. Star
C. Circle
D. Wheel
E. Network

Q27. Which management approach emphasizes managing transitions and guiding organizations through change?

A. Transformational Management
B. Transitional Management
C. Situational Management
D. Adaptive Leadership
E. Contingency Management

Q28. How many secondary users can be delegated access in a UPI (Unified Payments Interface) circle?

A. 2
B. 3
C. 4
D. 5
E. 6

Q29. The settlement timeline for debt securities and non-convertible bonds was reduced from T+6 to which of the following?

A. T+1
B. T+2
C. T+3
D. T+4
E. T+5

Q30. For Non-Banking Financial Companies (NBFCs), which risks are considered in the Capital to Risk (Weighted) Assets Ratio (CRAR) calculation?

A. Credit risk only.
B. Market risk only
C. Operational risk only
D. All three risks
E. Credit and Market risks.

Descriptive

15 marker (600 words)

Q1. What are derivatives? Discuss the different types of derivatives, the key market participants, their significance in financial markets, and the risks associated with them.
Q2. What is a channel of communication? Briefly explain the different types of communication channels and their importance in an organization.
Q3. What is the difference between trait theories and behavioural theories of leadership?

10 marker (400 words)

Q4. What are the key factors that influence ethics in business?
Q5. What are Additional Tier 1 (AT1) bonds? Discuss their unique features and explain how they differ from other types of bonds?
Q6. What is the difference between value investing and growth investing?

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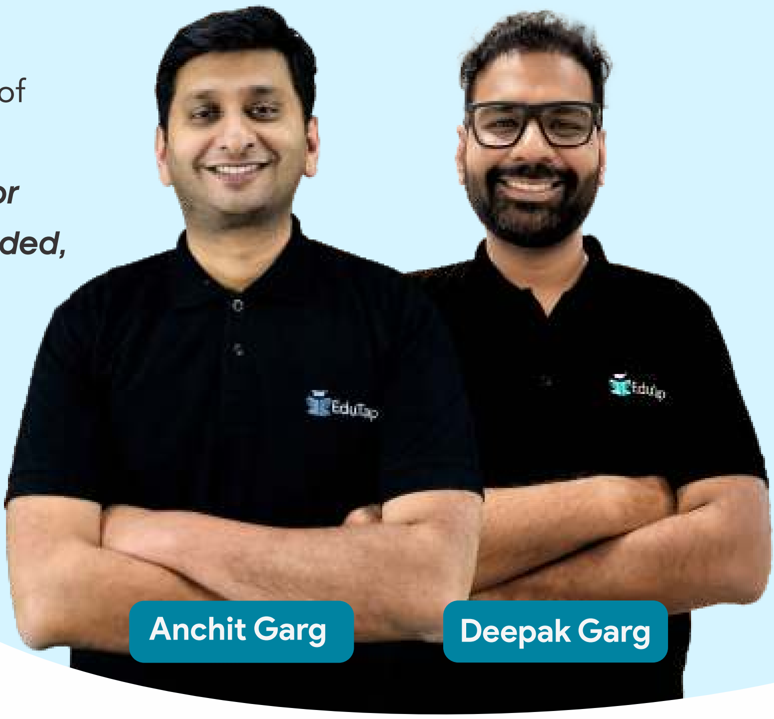

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