

The Complete Bank Interview Guide

How to Prepare for a Bank Officer Interview: Tips, Do's & Don'ts, and Presentation Guide

The interview stage is a crucial final step in securing a bank officer position. It is your chance to showcase your knowledge, confidence, personality, and suitability for the role. To succeed, you must prepare strategically and present yourself professionally. This article will guide you through the entire process — from preparation to dressing and body language.

1. Understand the Interview Process

- **Know the format:** Bank officer interviews are usually face-to-face but can also be panel or virtual.
- **Typical rounds:** Personal introduction, HR questions, technical questions related to banking, current affairs, and sometimes group discussions.
- **Interview duration:** Usually 15 to 30 minutes.

2. How to Prepare: Do's and Don'ts

Do's

- **Research thoroughly:**
Understand the bank's background, its products, recent news, and current affairs related to banking and finance. Read RBI policies, government schemes, and economic updates.
- **Practice common interview questions:**
Prepare answers for typical questions like:
 - Tell us about yourself.
 - Why do you want to join this bank?
 - What are your strengths and weaknesses?
 - How do you handle stress or conflict?
 - Questions on banking concepts, financial terms, and recent developments.
- **Prepare your resume and documents:**
Keep your resume updated and carry multiple copies neatly organized in a folder. Include all certificates, mark sheets, ID proof, and call letter.



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- **Mock interviews:**
Practice with friends, mentors, or use online platforms. This helps improve fluency, confidence, and body language.
- **Dress formally:**
Wear professional attire that suits the bank's culture. Groom yourself neatly.
- **Arrive early:**
Reach the venue at least 30 minutes before the scheduled time.
- **Maintain a positive attitude:**
Smile, stay calm, and be polite throughout.

Don'ts

- **Don't memorize answers:**
Avoid sounding robotic or rehearsed. Be natural and genuine.
- **Don't speak negatively:**
Avoid criticizing previous employers, colleagues, or others.
- **Don't interrupt the interviewer:**
Listen carefully and answer clearly without talking over anyone.
- **Don't be overconfident or arrogant:**
Stay humble and respectful.
- **Don't get distracted:**
Turn off your phone and avoid fidgeting.
- **Don't exaggerate skills or experiences:**
Be truthful about your knowledge and capabilities.

3. How to Present Yourself: Tips on Body Language and Communication

- **Eye contact:**
Maintain natural and confident eye contact without staring.
- **Posture:**
Sit straight and avoid slouching or crossing arms defensively.
- **Handshake:**
Offer a firm but gentle handshake if applicable.
- **Voice:**
Speak clearly, with moderate pace and volume.
- **Listening skills:**
Show active listening by nodding occasionally and responding appropriately.
- **Be concise and structured:**
Keep answers focused. Use the STAR method (Situation, Task, Action, Result) for behavioural questions.



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4. Dressing and Grooming Guide for Bank Officer Interview

- **Men:**
 - Wear a well-fitted formal suit or a shirt with trousers and a tie.
 - Polished formal shoes.
 - Neat haircut and trimmed facial hair.
 - Minimal or no accessories.
- **Women:**
 - Choose formal salwar kameez, saree, or western business attire like a pantsuit or skirt suit.
 - Closed-toe formal shoes or heels.
 - Simple makeup and minimal jewellery.
 - Hair neatly styled or tied back.
- **General tips:**
 - Avoid strong perfumes.
 - Ensure clean and ironed clothes.
 - Carry essential documents neatly in a folder or portfolio.

5. Important Tips on Day of Interview

- **Stay calm and composed:**
Deep breathing can help control nerves.
- **Eat light:**
Avoid heavy meals before the interview to prevent discomfort.
- **Be polite to everyone:**
From security personnel to receptionists and interviewers.
- **Answer questions honestly:**
If you don't know an answer, it's better to admit it politely than guess wildly.
- **End with a positive note:**
Thank the interviewers for their time before leaving.



6. Common Bank Officer Interview Questions (Examples)

Section 1: Personal Background

Q1) Tell me about yourself.

Answer: I am [Your Name], a graduate in [Your Stream] from [University]. I have always had an inclination towards finance and public service. My analytical skills and interest in banking led me to prepare for this role. I am a disciplined, hardworking person who values integrity and professionalism.

Q2) Why do you want to join the banking sector?

Answer: The banking sector offers stability, growth, and a chance to serve people by facilitating financial inclusion. It also aligns with my interest in finance and economic development.

Q3) Tell us about your strengths.

Answer: I am consistent, goal-oriented, and a quick learner. I have good interpersonal skills and work well in teams.

Q4) What is your biggest weakness?

Answer: I sometimes get too detail-oriented, but I've learned to manage time better and maintain balance.

Q5) Why should we hire you?

Answer: I possess the right blend of skills, attitude, and passion for this role. I am also adaptable, reliable, and committed to contributing positively to the bank's growth.

Q6) What are your hobbies?

Answer: I enjoy reading finance-related

articles, playing chess, and volunteering for social work during weekends.

Q7) How do you handle stress?

Answer: I handle stress by planning my work well, prioritizing tasks, and staying calm under pressure. I also practice meditation regularly.

Q8) Where do you see yourself in 5 years?

Answer: I see myself in a managerial position in your bank, contributing to leadership, decision-making, and mentoring others.

Q9) Tell us about your family.

Answer: My family consists of my parents and a sibling. My father is a teacher, and my mother is a homemaker. They've always supported my academic and career goals.

Q10) Are you willing to relocate?

Answer: Yes, I am willing to relocate anywhere the bank needs me. I consider it an opportunity to learn and grow.

Q11) What motivates you?

Answer: Achieving results, taking on challenges, and learning new things motivate me the most.

Q12) What do you know about our bank?

Answer: Your bank is known for its strong customer base, innovative services, and commitment to rural banking. It has shown consistent growth in recent years.

Q13) Why did you choose this particular bank?



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Answer: I admire the bank's values, work culture, and initiatives toward financial literacy and inclusion. It aligns with my career aspirations.

Q14) Why didn't you go for a private job after graduation?

Answer: I believe in long-term, meaningful work that impacts society. Banking gives me that opportunity while also offering growth and learning.

Q15) Tell us something not in your resume.

Answer: I volunteered for a local NGO during college, where I helped underprivileged children with basic financial literacy.

Section 2: Banking Awareness

Q16) What is a bank?

Answer: A bank is a financial institution that accepts deposits from the public and provides loans and other financial services.

Q17) What are the functions of a bank?

Answer: Accepting deposits, lending money, facilitating payments, currency exchange, financial advice, and investment services.

Q18) What is a savings account?

Answer: It is a basic account where individuals can deposit money, earn interest, and withdraw funds when needed.

Q19) What is a current account?

Answer: A current account is mainly for

businesses that have frequent transactions. It does not earn interest.

Q20) What is CRR?

Answer: Cash Reserve Ratio is the percentage of total deposits a bank must keep with the RBI in cash form.

Q21) What is SLR?

Answer: Statutory Liquidity Ratio is the percentage of a bank's net demand and time liabilities that must be maintained in gold, cash, or approved securities.

Q22) What is the repo rate?

Answer: The repo rate is the rate at which RBI lends money to commercial banks.

Q23) What is reverse repo rate?

Answer: It is the rate at which RBI borrows money from commercial banks.

Q24) What is financial inclusion?

Answer: It means making financial services accessible and affordable to all sections of society, especially the underserved.

Q25) What is priority sector lending?

Answer: It mandates banks to provide a certain portion of their lending to sectors like agriculture, MSMEs, education, and housing.

Q26) What is NPA?

Answer: A Non-Performing Asset is a loan on which the borrower has not paid interest or principal for 90 days.

Q27) What is digital banking?

Answer: It refers to using digital platforms like mobile apps, net banking, and ATMs to conduct banking operations.



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Q28) What are NBFCs?

Answer: Non-Banking Financial Companies provide financial services but don't hold a banking license or accept demand deposits.

Q29) What is the difference between NEFT, RTGS, and IMPS?

Answer: NEFT is for one-to-one transfers processed in batches, RTGS is for large, real-time transactions, and IMPS is instant and available 24/7.

Q30) What is a cheque?

Answer: A cheque is a written order instructing a bank to pay a specific amount from the account holder's account.

Q31) What is KYC?

Answer: Know Your Customer is a process by which banks verify a customer's identity and address to prevent fraud.

Q32) What is BASEL III?

Answer: BASEL III is a global regulatory standard on bank capital adequacy, stress testing, and market liquidity risk.

Q33) What is the difference between a bank and a cooperative bank?

Answer: Cooperative banks are owned and operated by their members, while commercial banks are for profit and regulated by the RBI.

Q34) What is a bank merger?

Answer: A bank merger is when two or more banks combine to form a larger, stronger entity.

Q35) What is the role of RBI?

Answer: RBI is India's central bank, regulating the monetary policy, issuing currency, managing inflation, and overseeing the banking sector.

Section 3: Situational & Behavioural

Q36) What will you do if a customer becomes angry at the counter?

Answer: I will remain calm, listen to the complaint, understand the issue, and resolve it respectfully or escalate it if needed.

Q37) What will you do if you make a mistake in a transaction?

Answer: I will immediately report it to my supervisor, correct the error as per protocol, and ensure transparency.

Q38) Have you ever worked in a team?

Answer: Yes, during college projects and volunteer work, where coordination and mutual understanding were key.

Q39) How do you prioritize work?

Answer: I list tasks by urgency and importance, ensuring deadlines are met without compromising quality.

Q40) Tell me about a time you handled pressure.

Answer: During my final semester, I managed studies and preparations simultaneously. I created a timetable and stuck to it.

Q41) What if you're posted in a rural area?

Answer: I will take it as an opportunity to serve rural customers and contribute to financial inclusion.

Q42) How do you handle criticism?

Answer: I see criticism as a learning tool and use it to improve my performance.

Q43) What would you do if your colleague is doing unethical work?

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Answer: I will report it confidentially to higher authorities as per bank protocol.

Q44) How do you maintain confidentiality in banking?

Answer: I understand the importance of customer privacy and strictly follow the bank's policies on data security.

Q45) What if you're given multiple tasks at once?

Answer: I will assess the priority, organize them efficiently, and complete them within the deadline.

Q46) How would you deal with a non-cooperative team member?

Answer: I will try to understand their concerns, communicate clearly, and maintain professionalism.

Q47) How do you keep yourself updated with current trends in banking?

Answer: I follow RBI updates, financial newspapers, and banking-related websites regularly.

Q48) What do you do if you find a discrepancy in customer's document?

Answer: I would inform the customer and guide them to correct the documentation as per KYC norms.

Q49) What will you do if a customer asks for a service that you are not authorized to provide?

Answer: I will politely inform them and guide them to the concerned department or officer.

Q50) Have you ever led a team?

Answer: Yes, I led my college fest organizing team. I coordinated tasks, ensured smooth execution, and handled conflicts.

Q51) If selected, how soon can you join?

Answer: I can join immediately after completing any necessary formalities.

Q52) What will you do if you see a colleague misbehaving with a customer?

Answer: I will try to de-escalate the situation politely and report it to a superior, ensuring professionalism is maintained.

Q53) Can you work under tight deadlines?

Answer: Yes. I plan and prioritize my tasks well, and I thrive under pressure.

Q54) Have you ever failed at something?

Answer: Yes, I once didn't clear an important exam. But it made me more disciplined and focused.

Q55) What does customer service mean to you?

Answer: Providing quick, respectful, and effective solutions to the customer's problems while maintaining a positive experience.

Q56) What is more important: customer satisfaction or bank rules?

Answer: Both are important. But customer satisfaction must be achieved within the framework of bank rules and regulations.

Q57) Would you prefer individual work or teamwork?

Answer: I'm comfortable with both. I can work independently as well as collaborate effectively in a team.

Q58) How would you explain a banking product to an illiterate customer?

Answer: I would use simple language,



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analogies, and visuals if needed to make them understand the benefits and procedures.

Q59) How do you ensure accuracy in work?

Answer: By double-checking my work, staying focused, and following standard procedures carefully.

Q60) How do you deal with repetitive tasks?

Answer: I approach them with discipline and try to find more efficient ways to complete them over time.

Section 4: Banking Current Affairs & Economy

Q61) Who is the current RBI Governor?

Answer: [Update with current name, e.g., Sanjay Malhotra]

Q62) What is the Monetary Policy Committee?

Answer: A committee of the RBI responsible for fixing the repo rate to keep inflation under control.

Q63) What is UPI?

Answer: Unified Payments Interface is a real-time payment system developed by NPCI to transfer money using a mobile platform.

Q64) What is the PM Jan Dhan Yojana?

Answer: A financial inclusion scheme aimed at providing every household with a bank account and access to financial services.

Q65) What is inflation?

Answer: A rise in the general price level of goods and services over time, reducing purchasing power.

Q66) What is deflation?

Answer: A fall in the general price level of goods and services, opposite to inflation.

Q67) What are the types of accounts in a bank?

Answer: Savings account, current account, fixed deposit, recurring deposit.

Q68) What is a loan?

Answer: A sum of money borrowed from a bank that is expected to be paid back with interest.

Q69) What is credit score?

Answer: A numerical expression of a borrower's creditworthiness, usually ranging from 300 to 900.

Q70) What is mobile banking?

Answer: Banking services offered via mobile apps, allowing transactions anytime, anywhere.

Q71) What is a debit card?

Answer: A card linked to a bank account that allows users to spend money by drawing on funds they already have.

Q72) What is a credit card?

Answer: A card that allows users to borrow funds up to a certain limit to make purchases and pay later.

Q73) What is the difference between public and private sector banks?

Answer: Public sector banks are majority-owned by the government, while private sector banks are largely

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owned by private individuals or institutions.

Q74) What are small finance banks?

Answer: They provide basic banking services like accepting deposits and lending to underserved sections, especially small businesses.

Q75) What is the role of NABARD?

Answer: NABARD focuses on rural development and provides financial support to agriculture and rural infrastructure.

Q76) What is meant by financial literacy?

Answer: The ability to understand and use financial skills, including budgeting, saving, and investing.

Q77) What is RTGS used for?

Answer: Real-Time Gross Settlement is used for high-value, real-time fund transfers.

Q78) What is the maximum amount allowed in IMPS?

Answer: Usually ₹5 Lakhs (may vary by bank).

Q79) What is a bank's balance sheet?

Answer: A financial statement showing the bank's assets, liabilities, and capital at a given point in time.

Q80) What is CASA ratio?

Answer: Ratio of deposits in current and savings accounts to total deposits; indicates a bank's liquidity strength.

Q81) What are your salary expectations?

Answer: I trust the bank follows industry standards and I am comfortable with the existing salary structure for this role.

Q82) What are your career goals?

Answer: To become a key contributor to the bank, learn managerial skills, and grow to a leadership role in the next few years.

Q83) Have you applied for any other job or exam?

Answer: Yes, I've applied for a few similar roles, but my focus remains on banking, and I'm genuinely interested in this opportunity.

Q84) If you get selected in both SBI and IBPS, which one would you choose?

Answer: I will evaluate both options based on growth prospects, work culture, and job location, but my priority would be public service and stability.

Q85) What are your views on work ethics?

Answer: Integrity, honesty, punctuality, and responsibility are core to my work ethic.

Q86) Who is your role model?

Answer: My father is my role model. His discipline, simplicity, and consistency inspire me daily.

Q87) What do you do in your free time?

Answer: I read newspapers, stay updated on financial news, and sometimes play mind games like Sudoku or chess.

Section 5: HR & Miscellaneous

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Q88) Are you preparing for other exams like SSC, UPSC?

Answer: Currently, I'm focused entirely on banking. I believe in giving my best to one goal at a time.

Q89) Do you have leadership experience?

Answer: Yes, I have led academic and event teams in college, and I enjoy motivating and organizing people.

Q90) Can you work in shifts?

Answer: Yes, I am flexible with work hours and ready to adapt as per the bank's needs.

Q91) What values are important to you as a banker?

Answer: Integrity, customer service, responsibility, accountability, and efficiency.

Q92) How would you improve customer service in your branch?

Answer: By listening actively to customers, reducing wait times, and simplifying processes.

Q93) What if you are rejected today?

Answer: I'll take it as a learning experience, work on feedback, and try again with more preparation.

Q94) Tell me a recent financial news you found interesting.

Answer: [Mention a relevant recent event like RBI monetary policy announcement, UPI updates, or bank merger]

Q95) What is a treasury bill?

Answer: A short-term government security with a maturity period of less than a year, issued to meet short-term funding.

Q96) What are mutual funds?

Answer: Mutual funds pool money from investors to invest in stocks, bonds, and other assets.

Q97) Are you aware of ESG in banking?

Answer: Yes, ESG stands for Environmental, Social, and Governance criteria used to evaluate sustainable and ethical banking practices.

Q98) What is the difference between microfinance and financial inclusion?

Answer: Microfinance is providing small loans and services to low-income individuals. Financial inclusion is a broader concept of bringing everyone into the financial system.

Q99) What are digital lending apps?

Answer: Apps that provide loans digitally without traditional bank branches, often using technology to assess creditworthiness.

Q100) Do you have any questions for us?

Answer: Yes, I would like to know about the training process for new officers and the opportunities for professional development.



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ADDITIONAL BANKING & FINANCIAL AWARENESS QUESTIONS WITH ANSWERS

BANKING REGULATIONS, RBI, AND MONETARY TOOLS

Q.101) What is the Bank Rate?

Answer: The Bank Rate is the rate at which the RBI lends to commercial banks without any collateral. It influences lending and deposit rates.

Q.102) What is the Marginal Standing Facility (MSF)?

Answer: MSF is a window for banks to borrow overnight funds from the RBI at a rate higher than the repo rate.

Q.103) What is the Liquidity Adjustment Facility (LAF)?

Answer: LAF allows banks to borrow money through repurchase agreements (repos) or lend surplus funds to the RBI via reverse repo.

Q.104) What is the difference between CRR and SLR?

Answer: CRR is the percentage of NDTL banks must keep with RBI in cash, while SLR is the portion maintained in gold, cash, or approved securities.

Q.105) What is MCLR?

Answer: MCLR (Marginal Cost of Funds-based Lending Rate) is the minimum interest rate below which a bank cannot lend, except in specific cases.

Q.106) What is External Benchmark Lending Rate (EBLR)?

Answer: EBLR is a system where banks link loan interest rates to an external

benchmark like the repo rate or treasury bills.

Q.107) What is the Statutory Audit of a bank?

Answer: It is a mandatory audit conducted by external auditors to examine the financial statements of a bank.

Q.108) What is the Prompt Corrective Action (PCA) framework?

Answer: PCA is a supervisory tool by RBI for banks with weak financial metrics like low capital or high NPAs.

Q.109) What is the role of the Monetary Policy Committee?

Answer: It sets the policy repo rate to achieve inflation targets while ensuring growth.

Q.110) What is Reverse Repo Rate?

Answer: The rate at which the RBI borrows money from banks, typically used to absorb excess liquidity.

Q.111) What is an Open Market Operation (OMO)?

Answer: OMOs are the buying and selling of government securities by the RBI to control money supply.

Q.112) What is the Bankers' Bank?

Answer: The RBI is called the Bankers' Bank because it provides banking services to other banks.

Q.113) What is inflation targeting?

Answer: It is a monetary policy framework where the central bank sets an explicit inflation rate as the goal.



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Q.114) What is the current inflation target set by the Government of India and RBI?

Answer: 4% with a tolerance band of +/- 2%.

Q.115) What is Deflation?

Answer: A decrease in the general price level of goods and services.

Q.116) What is the meaning of Stagflation?

Answer: A situation with slow economic growth, high unemployment, and rising inflation.

Q.117) What is Fiscal Deficit?

Answer: The difference between total revenue and total expenditure of the government (excluding borrowings).

Q.118) What is a Revenue Deficit?

Answer: The shortfall between revenue receipts and revenue expenditures.

Q.119) What is the Fiscal Responsibility and Budget Management (FRBM) Act?

Answer: An act to institutionalize fiscal discipline, reduce fiscal deficit, and improve macroeconomic management.

Q.120) What are Treasury Bills?

Answer: Short-term debt instruments issued by the Government of India with maturities of 91, 182, or 364 days.

Q.121) What is a Certificate of Deposit (CD)?

Answer: A negotiable money market instrument issued by banks to raise short-term funds.

Q.122) What is a Commercial Paper (CP)?

Answer: An unsecured short-term

promissory note issued by corporations to meet short-term liabilities.

Q.123) What is meant by Hot Money?

Answer: Short-term capital that flows quickly in and out of financial markets to earn quick profits.

Q.124) What is a G-Sec (Government Security)?

Answer: A tradable debt instrument issued by the government to borrow money from the market.

Q.125) What is Ways and Means Advance (WMA)?

Answer: Temporary advances given by the RBI to the government to manage mismatches in receipts and payments.

Q.126) What is the meaning of Base Rate?

Answer: The minimum interest rate set by the RBI below which banks cannot lend to customers.

Q.127) What is the role of DICGC?

Answer: It insures bank deposits up to ₹5 lakh per depositor per bank.

Q.128) What is Net Demand and Time Liabilities (NDTL)?

Answer: The sum of demand and time liabilities (like savings, fixed deposits) of a bank.

Q.129) What is meant by Capital Adequacy Ratio (CAR)?

Answer: The ratio of a bank's capital to its risk-weighted assets, indicating financial health.

Q.130) What are Basel norms?

Answer: International banking regulations developed by the Basel Committee to ensure financial stability.



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BANKING **OPERATIONS &** **PRODUCTS**

Q.131) What is a Savings Account?

Answer: A deposit account that earns interest and is meant for personal savings.

Q.132) What is a Current Account?

Answer: A bank account for businesses with unlimited transactions and no interest.

Q.133) What is a Fixed Deposit (FD)?

Answer: A term deposit where money is deposited for a fixed period at a fixed interest rate.

Q.134) What is a Recurring Deposit (RD)?

Answer: A deposit where a customer deposits a fixed amount monthly and earns interest.

Q.135) What is the difference between NEFT and RTGS?

Answer: NEFT settles in batches and has no minimum limit, RTGS is real-time and minimum ₹2 lakhs.

Q.136) What is IMPS?

Answer: Immediate Payment Service, enabling 24x7 real-time fund transfers.

Q.137) What is UPI?

Answer: Unified Payments Interface, a mobile-based payment system that enables instant money transfer between accounts.

Q.138) What is BHIM app?

Answer: A mobile app developed by NPCI for UPI-based transactions.

Q.139) What is a Debit Card?

Answer: A card linked to a bank account to access funds for payment or cash withdrawal.

Q.140) What is a Credit Card?

Answer: A card that allows borrowing from the bank up to a credit limit for purchases.

Q.141) What is the difference between a cheque and a demand draft?

Answer: A cheque is issued by an account holder; a demand draft is issued by a bank.

Q.142) What is KYC?

Answer: Know Your Customer – a process to verify the identity and address of customers.

Q.143) What documents are required for KYC?

Answer: PAN, Aadhaar, passport, voter ID, or driving license.

Q.144) What is e-KYC?

Answer: Electronic KYC using Aadhaar-based verification.

Q.145) What is a dormant account?

Answer: A bank account that has no transactions for more than 2 years.

Q.146) What is CBS (Core Banking Solution)?

Answer: A centralized system allowing customers to access accounts from any branch.

Q.147) What is mobile banking?

Answer: Banking services offered via a mobile app or SMS.

Q.148) What is net banking?

Answer: Online access to banking services through a secure web portal.



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Q.149) What is ECS?

Answer: Electronic Clearing Service, used for bulk transfers like salary, pensions, or bill payments.

Q.150) What is a Standing Instruction?

Answer: An instruction to the bank to automatically debit a fixed amount at regular intervals.

Continuing from **Q.151 to Q.300** of **Banking and Financial Awareness Questions and Answers** for Bank Officer Interviews:

DIGITAL BANKING, SECURITY & TECHNOLOGY

Q.151) What is Internet Banking?

Answer: A system that allows banking transactions through a bank's website.

Q.152) What is a Virtual Debit Card?

Answer: A card issued for online transactions only, without a physical form.

Q.153) What is a Digital Wallet?

Answer: An electronic device or app that stores payment information and allows transactions.

Q.154) Name some popular digital wallets in India.

Answer: PhonePe, Google Pay, Paytm, Amazon Pay, Mobikwik.

Q.155) What is IFSC Code?

Answer: Indian Financial System Code, used to identify bank branches in electronic transfers.

Q.156) What is MICR Code?

Answer: Magnetic Ink Character Recognition code used for processing cheques.

Q.157) What is SWIFT Code?

Answer: A unique code used for international bank transfers.

Q.158) What is phishing?

Answer: A cybercrime where attackers trick users into giving confidential information.

Q.159) What is OTP?

Answer: One-Time Password used as an added layer of security in online transactions.

Q.160) What is 2FA (Two-Factor Authentication)?

Answer: A security measure requiring two forms of identification.

Q.161) What is a Payment Gateway?

Answer: A technology used by merchants to accept debit/credit card payments online.

Q.162) What is NPCI?

Answer: National Payments Corporation of India, which manages UPI, RuPay, IMPS, etc.

Q.163) What is RuPay Card?

Answer: An Indian domestic card payment network launched by NPCI.

Q.164) What is Bharat QR Code?

Answer: A QR-based payment method interoperable with all major card networks in India.

Q.165) What is UPI Lite?

Answer: A simplified version of UPI for small-value offline payments.

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Q.166) What is Tokenization in banking?

Answer: Replacing sensitive card details with a unique token for secure transactions.

Q.167) What is the difference between NEFT and IMPS?

Answer: NEFT is slower and works in batches; IMPS is instant and works 24/7.

Q.168) What is BBPS?

Answer: Bharat Bill Payment System – a centralized system for bill payments.

Q.169) What is e-RUPI?

Answer: A digital voucher-based payment system developed by NPCI.

Q.170) What is a FinTech company?

Answer: A company that uses technology to deliver financial services more efficiently.

Q.171) What is CBDC?

Answer: Central Bank Digital Currency – legal digital currency issued by a central bank.

Q.172) What is Digital Rupee?

Answer: India's official CBDC launched by RBI as a legal digital tender.

Q.173) What is an Aadhaar-enabled Payment System (AePS)?

Answer: A payment service that uses Aadhaar for biometric authentication and banking transactions.

Q.174) What is the BHIM Aadhaar Pay app?

Answer: A merchant payment app that allows payments via Aadhaar authentication.

Q.175) What is FASTag?

Answer: An electronic toll collection

system operated by NHAI using RFID technology.

Q.176) What is Cyber Security in banking?

Answer: Protection of internet-connected systems from cyberattacks in banking.

Q.177) What is Sandbox in banking?

Answer: A testing environment where financial institutions can test innovative products with regulatory relaxation.

Q.178) What is a Challenger Bank?

Answer: A digital-only bank that operates without any physical branches.

Q.179) What is an API in banking?

Answer: Application Programming Interface used to integrate banking services with third-party apps.

Q.180) What is Open Banking?

Answer: A system where banks allow third-party developers to access customer data via APIs (with consent).

Q.181) What is RTGS minimum transfer limit?

Answer: ₹2 lakh per transaction.

Q.182) Is there a maximum limit for UPI?

Answer: Yes, ₹1 lakh per day per user (varies by bank and usage).

Q.183) What is the role of UIDAI in banking?

Answer: Provides Aadhaar-based KYC and identity verification services to banks.

Q.184) What is a Digital Signature?

Answer: A secure electronic signature used for authentication in digital banking.



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Q.185) What is EMV Chip Technology?

Answer: A global standard for cards with embedded microchips that offer greater security.

Q.186) What is Contactless Payment?

Answer: Payment using NFC-enabled cards or devices without physically swiping or inserting.

Q.187) What is Voice Banking?

Answer: Banking service that allows transactions via voice assistants like Alexa or Google Assistant.

Q.188) What is an IVR in banking?

Answer: Interactive Voice Response system used to provide banking services over phone calls.

Q.189) What is Mobile Number Portability in banking?

Answer: The ability to update new mobile numbers linked to bank accounts without affecting services.

Q.190) What is a VPA in UPI?

Answer: Virtual Payment Address used to send and receive money via UPI.

BANKING COMMITTEES, REFORMS & SCHEMES

Q.191) What was the Narasimham Committee's role?

Answer: Recommended major banking reforms including capital adequacy and NPA classification.

Q.192) What did the Nachiket Mor Committee focus on?

Answer: Financial inclusion and the establishment of payment banks.

Q.193) What did the Deepak Mohanty Committee recommend?

Answer: Measures to improve financial inclusion and expand credit access.

Q.194) What is the Mudra Yojana?

Answer: A government scheme to provide collateral-free loans to small businesses under PMMY.

Q.195) What are the three categories of Mudra loans?

Answer: Shishu (up to ₹50,000), Kishor (₹50,000–₹5 lakh), Tarun (₹5–10 lakh).

Q.196) What is the Stand-Up India scheme?

Answer: Provides bank loans to SC/ST and women entrepreneurs for greenfield enterprises.

Q.197) What is the Atmanirbhar Bharat Rozgar Yojana?

Answer: A scheme to incentivize employment generation in EPFO-registered establishments.

Q.198) What is PM Jan Dhan Yojana?

Answer: A financial inclusion initiative to ensure universal access to banking facilities.

Q.199) What is the Suraksha Bima Yojana?

Answer: An accident insurance scheme with coverage of ₹2 lakh at ₹12 premium per year.

Q.200) What is Jeevan Jyoti Bima Yojana?

Answer: A life insurance scheme offering ₹2 lakh cover at ₹330 per annum.

Q.201) What is APY (Atal Pension Yojana)?

Answer: A pension scheme for the



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unorganized sector guaranteeing pension after 60 years.

Q.202) What is Pradhan Mantri Vaya Vandana Yojana?

Answer: A pension scheme for senior citizens managed by LIC.

Q.203) What is TReDS?

Answer: Trade Receivables Discounting System for MSME bill financing.

Q.204) What is NPS?

Answer: National Pension System – a voluntary retirement savings scheme for individuals.

Q.205) What is the mission of Digital India?

Answer: To transform India into a digitally empowered society and knowledge economy.

Q.206) What is the Udyam Portal?

Answer: A portal for MSME registration and classification.

Q.207) What is the Production Linked Incentive (PLI) Scheme?

Answer: A scheme to incentivize domestic manufacturing by offering performance-based financial support.

Q.208) What is the role of NABARD?

Answer: Provides credit and support for agriculture and rural development.

Q.209) What is SIDBI?

Answer: Small Industries Development Bank of India – provides loans and promotes MSMEs.

Q.210) What is EXIM Bank?

Answer: Export-Import Bank of India – facilitates international trade and exports.

Q.211) What is ECGC?

Answer: Export Credit Guarantee Corporation – provides export credit insurance to Indian exporters.

Q.212) What is SEBI's role in finance?

Answer: Regulates capital markets, protects investors, and monitors stock exchanges.

Q.213) What is IRDAI?

Answer: Insurance Regulatory and Development Authority of India – regulates the insurance sector.

Q.214) What is PFRDA?

Answer: Pension Fund Regulatory and Development Authority – oversees pension sector like NPS.

Q.215) What is FSDC?

Answer: Financial Stability and Development Council – monitors the financial sector and systemic risks.

Q.216) What is the role of the Ministry of Finance?

Answer: Manages India's economic policy, public finance, and financial institutions.

Q.217) What is a Money Bill?

Answer: A bill dealing exclusively with taxes, borrowings, or expenditure, passed only in Lok Sabha.

Q.218) What is the Budget?

Answer: The government's annual financial statement showing estimated income and expenditure.

Q.219) What is Union Budget 2025's key theme (example)?

Answer: [Answer depends on the latest data; example: "Infrastructure expansion and digital economy"]

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Q.220) What is the Economic Survey?

Answer: A yearly report by the Ministry of Finance reviewing the economy's performance.

Q.221) What is the role of the DRT (Debt Recovery Tribunal)?

Answer: DRTs are specialized tribunals established to facilitate faster recovery of debts due to banks and financial institutions.

Q.222) What is a moratorium period in loans?

Answer: A period during which the borrower is not required to make any repayment of the loan, often granted at the start of a loan.

Q.223) What is meant by 'Bank Rate'?

Answer: The rate at which the RBI lends money to commercial banks without any security for long-term requirements.

Q.224) What is a Sovereign Gold Bond (SGB)?

Answer: Government securities denominated in grams of gold, offering a fixed interest and redemption linked to market gold prices.

Q.225) What is the 'Net Interest Margin' (NIM)?

Answer: The difference between the interest income earned by banks and the interest paid to depositors, expressed as a percentage of interest-earning assets.

Q.226) What is meant by 'White Label ATM'?

Answer: ATMs set up and operated by non-banking entities but allow customers of all banks to withdraw cash.

Q.227) What are Open Market Operations (OMOs)?

Answer: Buying and selling of government securities by RBI to regulate money supply and liquidity.

Q.228) What is the term 'Amortization'?

Answer: Gradual repayment of a loan over time through scheduled installments of principal and interest.

Q.229) What is meant by 'Base Rate'?

Answer: The minimum interest rate set by RBI below which banks are not allowed to lend, except for some cases like priority sector lending.

Q.230) What is the purpose of the PM SVANidhi Scheme?

Answer: It provides micro-credit loans to street vendors to support their businesses during and after the COVID-19 pandemic.

Q.231) What is 'Digital Rupee' or e₹?

Answer: A central bank digital currency (CBDC) issued by the RBI as a legal tender in digital form.

Q.232) What is the meaning of CRAR in banking?

Answer: Capital to Risk-Weighted Assets Ratio – a measure of a bank's capital adequacy to absorb potential losses.

Q.233) What is a Term Loan?

Answer: A loan with a fixed repayment schedule and interest rate, usually for a specific purpose like capital expenditure.

Q.234) What is 'Banking Ombudsman'?

Answer: A quasi-judicial authority established by the RBI to resolve

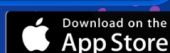


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customer complaints against banks related to certain services.

Q.235) What is meant by 'Inflation Targeting'?

Answer: A monetary policy framework where the central bank targets a specific inflation rate and adjusts rates accordingly to achieve it.

Q.236) What is a Letter of Credit (LC)?

Answer: A financial document issued by a bank guaranteeing the buyer's payment to the seller will be received on time and for the correct amount.

Q.237) What is 'Stressed Asset'?

Answer: A loan or asset that is under financial stress – classified as NPA, restructured, or written-off.

Q.238) What is meant by 'Credit Appraisal'?

Answer: An evaluation of the borrower's financial status and repayment capacity before sanctioning a loan.

Q.239) What is the purpose of UPI AutoPay?

Answer: It allows recurring payments like OTT subscriptions or utility bills through UPI with automatic debit facility.

Q.240) What is the Cash Reserve Ratio (CRR)?

Answer: The percentage of a bank's total deposits that must be maintained with the RBI in cash form.

Q.241) What is the role of a Custodian Bank?

Answer: A custodian bank holds and safeguards financial assets on behalf of clients, manages transactions, and handles related services like dividend collection.

Q.242) What is meant by a Bull Market?

Answer: A market condition in which prices of securities are rising or are expected to rise.

Q.243) What is 'Gross NPA'?

Answer: The total value of loans that have not been repaid for more than 90 days, before making any provisions.

Q.244) What is the difference between a Credit Card and a Debit Card?

Answer: A debit card draws money directly from a bank account, while a credit card allows borrowing up to a certain limit to be paid later.

Q.245) What is meant by 'T-Bills'?

Answer: Treasury Bills are short-term debt instruments issued by the Government of India with maturity periods of 91, 182, or 364 days.

Q.246) What is the meaning of Financial Inclusion?

Answer: Providing affordable access to financial services like banking, loans, insurance, and pension to the underserved sections of society.

Q.247) What is a Non-Convertible Debenture (NCD)?

Answer: A debt instrument issued by a company that cannot be converted into shares but offers fixed interest returns.

Q.248) What is meant by 'Prepaid Payment Instruments' (PPIs)?

Answer: Instruments like wallets, smart cards, or mobile apps used to purchase goods and services against stored value.

Q.249) What is a Core Banking System (CBS)?

Answer: A centralized system that



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allows customers to operate their accounts and access banking services from any branch.

Q.250) What is a Foreign Exchange Reserve?

Answer: Assets held by a central bank in foreign currencies used to back liabilities and influence monetary policy.

Q.251) What is meant by 'Kisan Credit Card' (KCC)?

Answer: A credit scheme for farmers to purchase agricultural inputs and draw cash for their production needs.

Q.252) What is the meaning of 'Monetary Base'?

Answer: Also called the high-powered money, it includes currency in circulation and reserves of banks held with the central bank.

Q.253) What is a 'Call Money Market'?

Answer: A market where banks borrow and lend short-term funds (usually one day) to manage liquidity.

Q.254) What is an Asset Reconstruction Company (ARC)?

Answer: A company that buys the non-performing assets (NPAs) of banks and financial institutions to recover the debt.

Q.255) What is meant by 'Term Deposit'?

Answer: A deposit held in a bank for a fixed term with higher interest compared to savings accounts, also called fixed deposits.

Q.256) What is the primary objective of Priority Sector Lending (PSL)?

Answer: To ensure that adequate institutional credit reaches under-

served sectors like agriculture, MSMEs, education, and housing.

Q.257) What is meant by 'Repo 91-Day Cut-off Yield'?

Answer: The yield (interest rate) at which 91-day treasury bills are issued by the government through auctions.

Q.258) What is a 'Reverse Mortgage'?

Answer: A loan facility for senior citizens where they mortgage their house and receive regular income, with repayment deferred until death or sale.

Q.259) What is meant by 'Benchmark Lending Rate'?

Answer: A reference interest rate set by banks (like MCLR) based on which loan interest rates are decided.

Q.260) What is a 'Basel III' norm?

Answer: A global regulatory framework to strengthen regulation, supervision, and risk management within the banking sector, including capital adequacy, leverage, and liquidity standards.

Q.261) What is the purpose of the Financial Action Task Force (FATF)?

Answer: FATF is an intergovernmental body that sets international standards to combat money laundering and terrorist financing.

Q.262) What is meant by 'Moral Suasion' in monetary policy?

Answer: A persuasion technique used by the central bank to influence and pressure banks into adhering to policy guidelines without direct enforcement.

Q.263) What is a 'Cheque Truncation System' (CTS)?

Answer: A process that stops the physical movement of cheques and



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enables electronic image-based clearing to speed up settlement.

Q.264) What is 'CRAR' in banking?

Answer: Capital to Risk-Weighted Assets Ratio – it indicates the bank's capital adequacy to absorb potential losses.

Q.265) What is 'Fractional Reserve Banking'?

Answer: A banking system where only a fraction of total deposits is held in reserve, and the rest is used for lending.

Q.266) What is 'Endorsement' in banking terms?

Answer: The act of signing the back of a negotiable instrument (like a cheque) to transfer ownership or rights to another party.

Q.267) What is 'Balance of Payments' (BoP)?

Answer: A record of all economic transactions between residents of a country and the rest of the world in a given period.

Q.268) What is meant by 'Bridge Loan'?

Answer: A short-term loan used to meet immediate financial needs until permanent financing is arranged.

Q.269) What is 'Overdraft Protection'?

Answer: A service provided by banks to prevent cheques, debit card payments, or other transactions from bouncing due to insufficient funds.

Q.270) What is the significance of 'Bharat Bill Payment System' (BBPS)?

Answer: It is an RBI-mandated system that provides integrated and interoperable bill payment services across India.

Q.271) What is meant by 'Retail Banking'?

Answer: Banking services provided to individual consumers, including savings, personal loans, credit cards, etc.

Q.272) What is 'Green Banking'?

Answer: Environmentally friendly banking practices that promote sustainable development and reduce carbon footprint.

Q.273) What is the function of 'SIDBI'?

Answer: The Small Industries Development Bank of India promotes and finances micro, small, and medium enterprises (MSMEs).

Q.274) What is a 'Red Herring Prospectus'?

Answer: A preliminary prospectus filed by a company before its IPO, containing most details except the price and number of shares offered.

Q.275) What is 'Wilful Defaulter'?

Answer: A borrower who has the ability to repay a loan but deliberately fails to do so despite having sufficient resources.

Q.276) What is 'LIBOR'?

Answer: London Interbank Offered Rate – the average interest rate at which major global banks lend to one another.

Q.277) What is the 'Liquidity Adjustment Facility' (LAF)?

Answer: A monetary policy tool used by RBI to allow banks to borrow money through repo and reverse repo operations.

Q.278) What is a 'Chit Fund'?

Answer: A savings scheme where members contribute periodically and



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one member gets the lump sum through bidding or lottery.

Q.279) What is the meaning of 'Securitization'?

Answer: The process of converting illiquid assets (like loans) into tradable securities to raise capital.

Q.280) What is the meaning of 'Inter-Creditor Agreement'?

Answer: An agreement between lenders to collectively resolve stressed assets and ensure coordinated recovery.

Q.281) What is a 'Correspondent Bank'?

Answer: A bank that provides services on behalf of another, typically in a foreign country, to facilitate cross-border transactions.

Q.282) What is 'Banking Ombudsman'?

Answer: A senior official appointed by the RBI to resolve complaints from bank customers regarding deficiencies in banking services.

Q.283) What is the function of the 'Credit Guarantee Fund Trust for Micro and Small Enterprises' (CGTMSE)?

Answer: It provides credit guarantees to banks and financial institutions for loans extended to MSMEs without collateral.

Q.284) What is 'Reverse Mortgage'?

Answer: A financial product that allows senior citizens to receive a regular income by mortgaging their house without giving up ownership.

Q.285) What does 'Tight Monetary Policy' mean?

Answer: A policy adopted by the central

bank to reduce money supply and control inflation by raising interest rates.

Q.286) What is the purpose of the 'Payments Infrastructure Development Fund' (PIDF)?

Answer: To subsidize the deployment of payment acceptance infrastructure like POS and QR codes, especially in rural and semi-urban areas.

Q.287) What is 'Basel III'?

Answer: A global regulatory framework designed to strengthen regulation, supervision, and risk management in the banking sector.

Q.288) What is meant by 'Haircut' in banking?

Answer: A reduction in the value of an asset used as collateral, often during loan restructuring or insolvency proceedings.

Q.289) What is a 'Standing Instruction'?

Answer: A pre-authorized instruction given to a bank by a customer to make regular, fixed payments to a third party.

Q.290) What is 'Shadow Banking'?

Answer: Financial activities or institutions that operate outside traditional regulated banking systems, such as NBFCs.

Q.291) What is 'Know Your Customer' (KYC) Norm?

Answer: A process by which banks verify the identity and address of customers to prevent money laundering and fraud.

Q.292) What is a 'Line of Credit'?

Answer: A preset borrowing limit that a



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borrower can draw upon as needed, repay, and borrow again.

Q.293) What is the difference between 'Repo Rate' and 'Reverse Repo Rate'?

Answer: Repo Rate is the rate at which RBI lends to banks; Reverse Repo Rate is the rate at which RBI borrows from banks.

Q.294) What is 'MICR Code'?

Answer: Magnetic Ink Character Recognition code printed on cheques to facilitate faster processing and clearance.

Q.295) What is the full form of 'FSDC' and its role?

Answer: Financial Stability and Development Council – a body that promotes inter-regulatory coordination and financial sector development.

Q.296) What is 'Money Market'?

Answer: A section of the financial market where short-term instruments like treasury bills and commercial paper are traded.

Q.297) What is 'Venture Capital'?

Answer: Funding provided by investors to startups and small businesses with high growth potential in exchange for equity.

Q.298) What is the purpose of a 'Letter of Credit'?

Answer: A financial instrument issued by a bank guaranteeing a buyer's payment to a seller, commonly used in international trade.

Q.299) What is the role of a 'Custodian Bank'?

Answer: A bank that holds financial assets like stocks and bonds for safekeeping on behalf of institutional clients.

Q.300) What is the function of the 'National Housing Bank' (NHB)?

Answer: NHB promotes housing finance institutions and regulates the housing finance sector in India.



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