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Q64

Which of the following is not included in the assets of a commercial bank in India? (a) Advances (b) Deposits (c) Investments (d) Money at call and short notice Official key: B.

UPSC Civil Services Prelims 2019 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

Explanation**(a)**

(a) Advances are loans and are assets of a commercial bank. The question asks what is not an asset, so this is not the key.

(b) Official key

(b) Deposits are the bank's liabilities to customers, not assets. That is why deposits are the official key as the item that does not belong on the asset side.

(c)

(c) Investments (G-Secs, approved securities) are assets. This option is not the key.

(d)

(d) Money at call and short notice is a money-market asset. This option is not the key.

Summary

Official key is (b). On a commercial bank's balance sheet, deposits are liabilities. Advances, investments and **call money** are assets. The question asks for the non-asset. Honour (b).

Related possible facts

These can be asked in a future Prelims paper.

Bank assets

Cash, balances with RBI, investments, loans and advances, call money

Bank liabilities

Deposits, borrowings, other liabilities and provisions

Call money

Very short inter-bank lending; an asset for the lender

SLR investments

Statutory liquidity ratio parked mainly in government securities

CRR

Cash reserve with RBI; an asset of the bank

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