

FINANCIAL AND LEGAL LITERACY

Q. ID: ITISKILL6615RJ

February 2026

Answer Key

Duration: 60 Mins

Total Marks: 45

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1. Pragathi downloaded the bank app on her mobile. What should she not share with anyone?

- A) Password
- B) All of these
- C) OTP
- D) MPIN

Answer: B) All of these

2. Rajesh wants to save Rs. 6000 every year for his old age. How much should he save every month?

- A) 100
- B) 6000
- C) 50
- D) 500

Answer: D) 500

3. What is an easy and quick way to make online payments?

- A) Digital wallets
- B) Cheque payment
- C) Cash on delivery
- D) Going to the bank

Answer: A) Digital wallets

4. Disha wants to repay her loan. How can she do it without going to the bank?

- A) Open bank account
- B) Close account
- C) Withdraw from ATM
- D) Online transfer

Answer: D) Online transfer

5. Costly things that are not essential for our survival are _____.

- A) Luxuries
- B) Needs
- C) Savings
- D) Money

Answer: A) Luxuries

6. Which of the following are ways to conduct a digital transaction?

- A) UPI Payment
- B) All of these
- C) Credit Card
- D) Digital Wallet

Answer: B) All of these

7. Net banking is done on a computer through a _____.

- A) Relative
- B) Friend
- C) Cashier
- D) Bank website

Answer: D) Bank website

8. Money borrowed from bank or a person is called ___?

- A) Tax
- B) Loan
- C) Gift
- D) Interest

Answer: B) Loan

9. Priya wants to purchase a bike. Which loan should she apply for?

- A) Home loan
- B) Auto loan
- C) Personal loan
- D) Education loan

Answer: B) Auto loan

10. Institution licensed by the government to keep money safe is _____.

- A) Hospital
- B) Panchayat
- C) Bank
- D) Assembly

Answer: C) Bank

11. RTI means _____.

- A) Right to Inform
- B) Road Transport Institute
- C) Right to Information
- D) Right to Insurance

Answer: C) Right to Information

12. Sam opened a new shop. Which of these methods can he use to receive payments into his account?

- A) Movie ticket
- B) Gift card
- C) QR code
- D) Library card

Answer: C) QR code

13. Simon's company calculated the income tax and paid on behalf of him. This is called ___?

- A) House rent allowance
- B) NPS
- C) Interest
- D) TDS

Answer: D) TDS

14. What is the benefit of paying money regularly for an insurance plan?

- A) It helps us manage emergency situations.
- B) It increases monthly savings.
- C) It provides free entertainment.
- D) It covers travel expenses.

Answer: A) It helps us manage emergency situations.

15. The amount put aside without being spent is ___?

- A) Deductions
- B) Savings
- C) Tax
- D) Bill

Answer: B) Savings

16. A _____ is a square, black and white code that you can scan with the camera and use.

- A) User ID B) QR Code
C) Password D) OTP

Answer: B) QR Code

17. Financial literacy is understanding the way money is _____?.

- A) saved B) invested
C) saved, spent & invested D) spent

Answer: C) saved, spent & invested

18. Online banking is also called _____.

- A) Office banking B) Self banking
C) Net banking D) Home banking

Answer: C) Net banking

19. Money put aside for a big expense many years from now is _____ savings.

- A) Long term B) Goal
C) Short term D) Emergency

Answer: A) Long term

20. Things that are needed for survival are _____.

- A) Needs B) Expenses
C) Savings D) Wants

Answer: A) Needs

21. Paul just got hired and received his employment letter. He is supposed to read it carefully and sign as it is a _____?.

- A) Legal binding document B) Poster
C) Certificate D) Marks card

Answer: A) Legal binding document

22. Gopi spends his salary on movies, groceries, house rent and clothes. Where can he reduce his expenses to save some money?

- A) Groceries B) Clothes
C) Movies D) House rent

Answer: C) Movies

23. The extra amount we pay for borrowing money is _____.

- A) Interest B) Processing charges
C) Loan D) Hidden charges

Answer: A) Interest

24. Online portal set up by the government to make any government related complaints is _____.

- A) Public informing portal B) Public grievances portal
C) Place grievances portal D) Public information portal

Answer: B) Public grievances portal

25. Avinash needs to know about his transactions from the last month. How can he get these details?

- A) Passbook B) Credit card
C) Debit Card D) Cheque book

Answer: A) Passbook

26. When a person deposits a fixed sum of money every over a fixed period of time, it is a _____ account.

- A) Current Account B) Saving Account
C) Recurring Deposit D) Fixed Deposit

Answer: C) Recurring Deposit

27. Rita wants to complete her higher education from a good university. Which loan should she apply for?

- A) Auto loan B) Home loan
C) Personal loan D) Education loan

Answer: D) Education loan

28. Abhi wants to teach his 10-year-old daughter to save money from the pocket money she receives every month. Which option is the best?

- A) Fixed Deposit B) Salary Account
C) Piggy Bank D) None of these

Answer: C) Piggy Bank

29. Indu booked her railway ticket from the website and paid using online banking. What type of transaction is it?

- A) Digital transaction B) Cheque payment
C) Cash Payment D) Credit

Answer: A) Digital transaction

30. Sunitha earns Rs.10,000 every month. After setting a monthly budget amount, she is able to save Rs. 2000 every month. She will use this money in case of _____.

- A) bills B) emergencies
C) party D) travel

Answer: B) emergencies

31. Regular payment made by the employer to the employee is _____.

- A) Salary B) Loan
C) Debt D) Appraisal

Answer: A) Salary

32. Jaya used her friend's laptop to log into her bank account. What should she do before giving the laptop back?

- A) Close the website B) Stay logged in
C) Log out of her bank account D) Close the laptop

Answer: C) Log out of her bank account

33. The government collects _____ from the citizens.

- A) Conveyance
- C) Tax

- B) Loan
- D) Deductions

Answer: C) Tax

34. Which among these is NOT a digital wallet?

- A) Paytm
 - C) MobiKwik
- B) Internet explorer
 - D) PhonePe

Answer: B) Internet explorer

35. Sudha just delivered a baby. For how long is she entitled to take a maternity leave as an employee?

- A) 2 months
 - C) 5 months
- B) One year
 - D) 26 weeks

Answer: D) 26 weeks

36. On a bank holiday, which of these methods cannot be used by Shahab for money transfer?

- A) Google pay
 - C) Deposit at the bank branch
- B) BHIM app
 - D) Amazon pay

Answer: C) Deposit at the bank branch

37. Knowledge and awareness of laws is called ___?

- A) Financial literacy
 - C) Digital literacy
- B) Legal literacy
 - D) English literacy

Answer: B) Legal literacy

38. What can we use net banking for?

- A) Paying bills
 - C) All of these
- B) Checking bank statement
 - D) Transferring funds

Answer: C) All of these

39. Which saving option would you choose to buy an expensive bike you have always wanted?

- A) Goal savings
 - C) None of these
- B) Long term savings
 - D) Emergency savings

Answer: A) Goal savings

40. Karthik has joined a new company. His salary is Rs. 3 lakhs per year. This is his ___ salary.

- A) Basic
 - C) Monthly
- B) Net
 - D) Gross

Answer: D) Gross

41. We can use _____ to do mobile banking on a smartphone.

- A) Passbook
 - C) Gaming app
- B) Mobile banking app
 - D) Weather app

Answer: B) Mobile banking app

42. Arya has joined a new company. They want him to open a _____ so that they can credit his salary.

- A) Fixed deposit
 - C) Recurring deposit
- B) Salary account
 - D) Current account

Answer: B) Salary account

43. Deductions should be paid from the _____.

- A) Net Salary
 - C) Earnings
- B) Basic Salary
 - D) Gross salary

Answer: D) Gross salary

44. All financial activity can be done through a _____?

- A) School
 - C) Workplace
- B) Bank
 - D) College

Answer: B) Bank

45. What can you do with online banking?

- A) Get details of all the transactions
 - C) Open a bank account
- B) Send money to someone
 - D) All of these

Answer: D) All of these