

FINANCIAL AND LEGAL LITERACY

Q. ID: ITISKILL6615RJ

February 2026

Answer Key

Duration: 60 Mins

Total Marks: 45

Q.ID: ITISKILL6615RJ

1. Things that are needed for survival are ____.

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

Answer: A) Needs

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

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

Answer: A) All of these

3. 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) travel
- D) party

Answer: B) emergencies

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

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

Answer: C) Digital wallets

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

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

Answer: B) Mobile banking app

6. Deductions should be paid from the ____.

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

Answer: A) Gross salary

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

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

Answer: C) Recurring Deposit

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

- A) OTP
- B) MPIN

C) All of these

D) Password

Answer: C) All of these

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

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

Answer: A) QR code

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

Answer: D) Piggy Bank

11. The extra amount we pay for borrowing money is ____.

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

Answer: D) Interest

12. Costly things that are not essential for our survival are ____.

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

Answer: B) Luxuries

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

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

Answer: B) Auto loan

14. What can you do with online banking?

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

Answer: C) All of these

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

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

Answer: C) Passbook

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

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

Answer: B) It helps us manage emergency situations.

17. Online banking is also called _____.

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

Answer: C) Net banking

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

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

Answer: C) Gross

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

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

Answer: B) QR Code

20. All financial activity can be done through a ___?

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

Answer: D) Bank

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

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

Answer: D) Public grievances portal

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

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

Answer: C) Bank website

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

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

Answer: D) Savings

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

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

Answer: D) Online transfer

25. Knowledge and awareness of laws is called ___?

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

Answer: A) Legal literacy

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

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

Answer: D) saved, spent & invested

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

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

Answer: A) Loan

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

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

Answer: C) Goal savings

29. Money put aside for a big expense many years from now is ___ savings.

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

Answer: B) Long term

30. RTI means _____.

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

Answer: B) Right to Information

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

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

Answer: B) Salary

32. What can we use net banking for?

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

Answer: D) All of these

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

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

Answer: B) Salary account

34. Simon's company calculated the income tax and paid on

behalf of him. This is called ___?

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

Answer: D) TDS

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

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

Answer: B) 500

36. 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

37. The government collects ___ from the citizens.

- A) Conveyance
- B) Tax
- C) Loan
- D) Deductions

Answer: B) Tax

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

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

Answer: B) Digital transaction

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

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

Answer: A) Deposit at the bank branch

40. Which among these is NOT a digital wallet?

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

Answer: C) Internet explorer

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

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

Answer: D) Movies

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

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

Answer: A) Bank

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

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

Answer: B) Legal binding document

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

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

Answer: C) 26 weeks

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

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

Answer: B) Education loan