

Finance Awareness Capsule February 2016 in PDF

Financial Awareness has become an important section of Bank PO and Bank Clerk exams like SBI Clerk and SBI PO. If you haven't already been following Financial Awareness Capsule February 2016, then now is the time! You can download this capsule as PDF too!

Now let us take a look at the Financial Awareness Capsule February 2016! This is the most comprehensive Financial Awareness Capsule February 2016. It covers everything important you need to know for your Financial Awareness/General Awareness/Banking Awareness section of SBI PO & SBI Clerk. Before we dig into Financial Awareness Capsule February 2016, take a look at:

Notes from Financial Awareness Capsule February 2016

Let us take a look at some of the important happenings from the financial world in February 2016.

BSE, IFC jointly develop corporate governance scorecard

BSE and the International Finance Corporation (IFC) have jointly developed a corporate governance scorecard. The scorecard help the companies assess their corporate governance performances against national or international-benchmarked practices.

It will help companies in identify areas of further improvement and track progress over time. It can be used to make board processes more efficient, improve strategy, aid decision-making, and manage risks. It will help companies for better recognizing the way in which governance affects their operations.



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The scorecard can be used by stakeholders, including regulators, promoters, and investors.

SBI opens Japan Desk in New Delhi

India's largest lender State Bank of India (SBI) has launched 'Japan Desk', a single window for inbound Japanese investments in India and vice-versa. This is a first-of-its-kind initiative that seeks to facilitate Japanese corporates looking to invest in India with banking and advisory services.

Key facts: This SBI Japan Desk will also serve as an one-point comprehensive and reliable information support source for India-bound investments of Japanese companies. It will also facilitate establishment of banking relationship with Japanese corporates and Japanese nationals and provide information on industries, sectors etc. In future, SBI is also planning to set up another dedicated Japan Desk at Chennai, Tamil Nadu.

Highlights of Union Budget

Union Finance Minister Arun Jaitley presented Union Budget 2016-17 in the Parliament. It was the second full year Budget of the NDA government under leadership of Prime Minister of Narendra Modi and the third budget of Arun Jaitley as Finance Minister. Union Finance minister has announced 9 pillars of the budget. They are rural sector, social sector including healthcare, education, skills and job creation, Agriculture and farmers' welfare, Infrastructure, ease of doing business, financial sector reforms, fiscal discipline, tax reforms to reduce compliance burden.

Key Highlights:

- Higher allocation for agriculture, infrastructure and social sectors.
- Fiscal deficit pegged at 3.5%, Revenue deficit was at 2.5% during 2015-16.

Taxation:



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- 1 per cent service charge on purchase of luxury cars over Rs. 10 lakh and in-cash purchase of goods and services over Rs. 2 lakh.
- Companies with revenue less than 5 crore rupees will be taxed at 29% plus surcharge.
- 0.5 per cent Krishi Kalyan Cess to be levied on all services. Infrastructure cess to be levied.
- 1% excise imposed on articles of jewellery, excluding silver.
- 1% Pollution cess of on small petrol, CNG and LPG cars; 2.5% on diesel cars of certain specifications and on higher-end models 4% cess.

Personal Finance

- No changes have been made to existing income tax slabs.
- 1,000 crore rupees will be allocated for Employees' Provident Fund (EPF) scheme.
- Government will pay 8.33% EPF contribution for all new employees for first three years.
- Exemption of 50,000 rupees for housing loans up to 35 lakh rupees, provided cost of house is not above 50 lakh rupees.
- 15% surcharge on income above Rs. 1 crore.

Social Schemes

- Allocation of Rs. 38,500 crore for MGNREGA for 2016-17
- Allocation of Rs.9,500 crores for Swachh Bharat Abhiyaan.
- LPG connections will be provided under the name of women members of family. Rs 2000 crore will be allocated for 5 years for BPL families.
- Government to launch new initiative to provide cooking gas to BPL families with state support.
- Grants of 2.87 lakh crore rupees to gram panchayats and municipalities.

- Under Shyama Prasad Mukherji Rurban Mission 300 urban clusters to be set up.
- Four schemes for animal welfare.

Health

- New health protection scheme will be launched for health cover upto 1 lakh per family.
- Additional healthcare cover of Rs 30,000 will be provided to senior citizens under it.
- National Dialysis Service Programme will be launched at all district hospitals with funds through PPP mode.
- PM Jan Aushadhi Yojana will be strengthened and 300 generic drug store to be opened.

Education

- For promoting entrepreneurship among SC/ST, Rs.500 crore will be allocated to Scheme.
- 10 public and 10 private educational institutions will be made world-class.
- Digital repository mandatory for all school leaving certificates and diplomas.
- For higher education financing, allocation of Rs. 1,000 crore.
- Allocation of 1,700 crore rupees for 1500 multi-skill development centres.
- 62 navodaya vidyalayas to be established to provide quality education.
- Digital literacy scheme will be launched to cover 6 crore additional rural households.
- Entrepreneurship training will be provided at schools, colleges and massive online courses.
- Provide skill training to 1 crore youth under the PM Kaushal Vikas Yojna in the next 3 years.

- 1500 Multi-skill training institutes will be set up.

Energy

- Allocation of 3000 crore for nuclear power generation.
- Government to chalk out comprehensive plan for exploiting nuclear energy.
- Government to provide incentive for deepwater gas exploration and market freedom for it.
- Pre-determined ceiling price will be on landed price of alternate fuels.

Investments & Infrastructure

- 65 eligible habitats will be connected via 2.23 lakh kms of road. Current construction pace is 100 kms/day.
- Allocation of Rs. 27,000 crore on roadways and Rs. 55,000 crore for roads and highways.
- Total allocation of Rs 97,000 crore for road construction under PMGSY.
- Shops to be given option to remain open 24*7 across markets.
- On east and west coasts, new Greenfield ports will be developed.
- Underserved airports will be revived. For regional connectivity centre to partner with States to revive small airports.
- 100 per cent FDI in food processing and marketing of food products produced and marketed in India.
- Department of Disinvestment to be renamed as Department of Investment and Public Asset Management.
- Government to amend Motor Vehicle Act in passenger vehicle segment to allow innovation.
- 100 per cent tax exemption for start-ups for 3 years.

Agriculture



- Total allocation of Rs 35984 crore for agriculture and farmer welfare.
- 5 lakh hectares of land will be brought under irrigation 28.5 lakh acres will be brought under organic farming over a three year period.
- Allocation of 60,000 crore rupees for recharging of ground water to focus on drought hit areas cluster development for water conservation.
- 20,000 crore rupees Dedicated Irrigation Fund in NABARD.
- Under the PM Fasal Bima Yojna, nominal premium and highest ever compensation in case of crop loss.

Banking

- Allocation of Rs 25,000 crore towards recapitalisation of public sector banks.
- Banking Board Bureau will be operationalised.
- Govt. to increase ATMs, micro-ATMs in post offices in rural areas in next three years.
- General Insurance companies will be listed in the stock exchange.
- Under MUDRA, target of disbursement increased to 1, 80,000 crore.

PM Inaugurates Make in India Centre in Mumbai

Prime Minister Narendra Modi has inaugurated the Make in India Centre at MMRDA Grounds in Mumbai, Maharashtra. On this occasion, Finland Prime Minister Juha Petri Sipil and Sweden Prime Minister Kjell Löfven were also present along with Maharashtra Chief Minister Devendra Fadnavis.

Prime Minister Narendra Modi also inaugurated the 'Make in India' Week at NSCI, Worli where he addressed a gathering delegates comprising senior leaders and captains of industry from both India and abroad. Make in India Week is the flagship event that seeks to provide greater momentum to the Make in India initiative and to promote India as a preferred manufacturing destination globally. In this event, government delegations from 49 countries and business delegations from 68

countries are going attend it.

RBI Rates unchanged

The Reserve Bank of India (RBI) in its sixth bi-monthly monetary policy review for year 2016 has maintained status quo in key policy interest rate. The key policy interest rates were kept unchanged on the basis of an assessment of the current and evolving macroeconomic situation in the country. RBI has kept its stance on the credit policy accommodative.

Key policy rates:

Repo rate under the liquidity adjustment facility (LAF): Unchanged at 6.75 per cent.

Reverse repo rate under the LAF: unchanged at 5.75 per cent.

Marginal standing facility (MSF) rate and the Bank Rate has unchanged at 7.75 per cent.

Cash Reserve Ratio (CRR) of scheduled banks: Unchanged at 4.0 per cent of net demand and time liability (NDTL).

Continuation of liquidity under overnight repos at 0.25 per cent of bank-wise NDTL at the LAF repo rate.

Continuation of liquidity under 14-day term repos as well as longer term repos of up to 0.75 per cent of NDTL of the banking system through auctions.

RBI projections:

In Financial Year (FY) 2016 growth will be at 7.4% with downward bias and FY17 growth at 7.6 % despite headwinds.

Inflation will be around 5% for FY 16-17 due to good monsoon projections that can pull the inflation down. The inflation rate has evolved closely along the trajectory set by the monetary policy stance of RBI.

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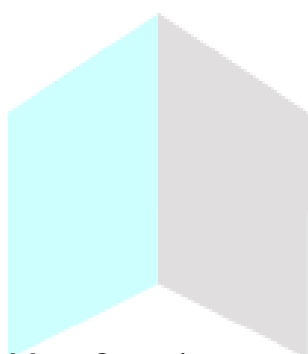
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