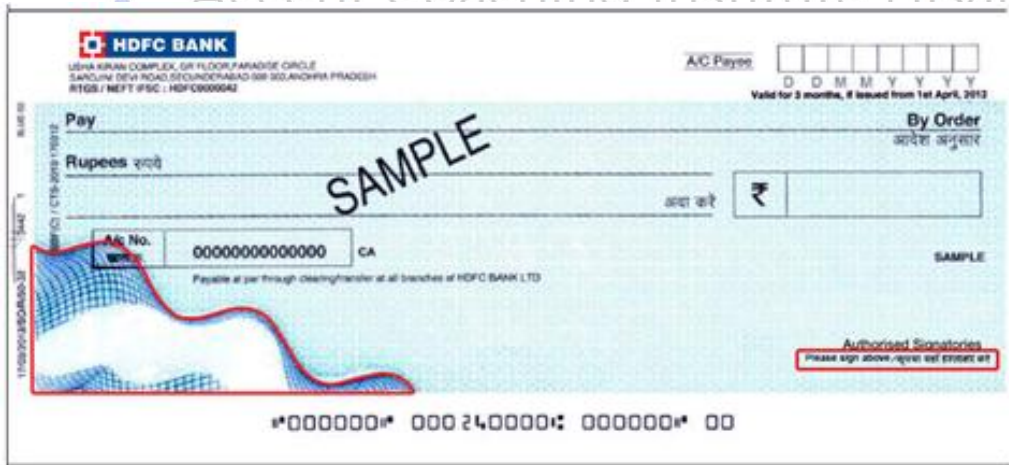


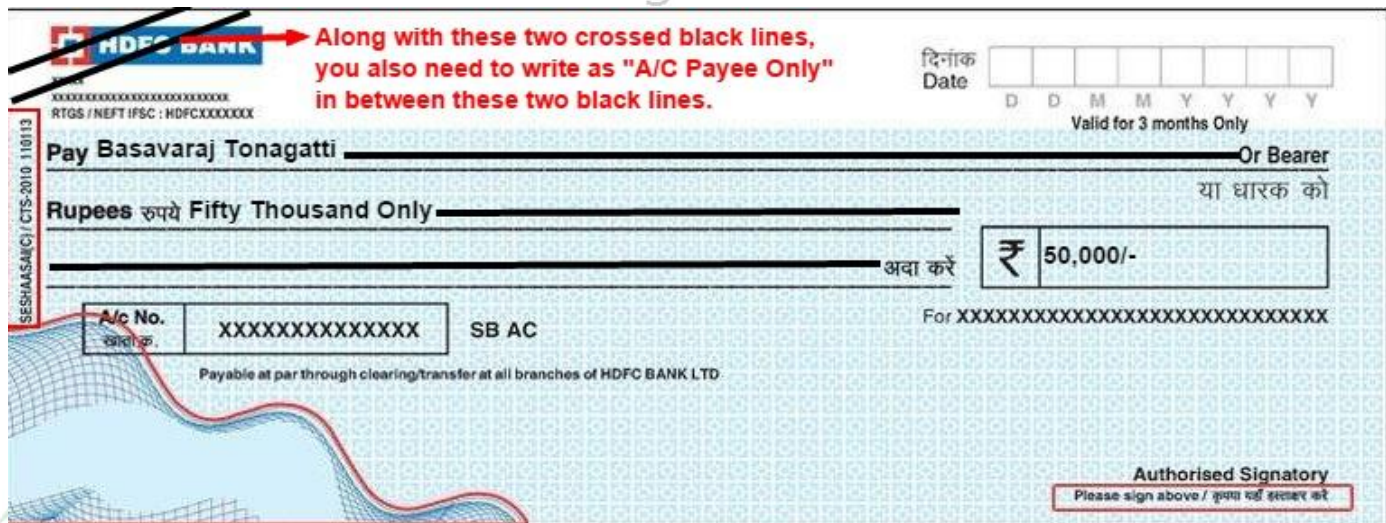
## Important Bank Terminology for IBPS-RRB By Ajay Sharma

**CLICK HERE TO DOWNLOAD PDF BANK TERMINOLOGY**

**Cheque:** Cheque is a negotiable instrument containing conditional order to pay sum of money to the person mentioned on it or to the bearer of the instrument.



**Crossing:** Two parallel lines drawn on the top left corner of the cheque



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**Account Payee Cheque:** Account payee cheque can be routed only through accounts

**Post dated Cheque:** The date on the check beyond today's date then cheque becomes post dated.

**Stale Cheque:** A cheque which has completed the stipulated validity period of the cheque is called as the stale cheque (The validity period of 6 months as at present)

**Mutilated cheque:** It is a damaged cheque

**Bounced Cheque:** It is nothing but an ordinary bank check that any bank can refuse to encash or pay because of the fact that there is no sufficient balance in the bank account of the originator

**At Par cheque:** It is payable anywhere in India

**Multi city cheque:** A cheque which is payable in any branch of a particular bank

**Travelers Cheque:** Cheques issued by a bank and function as cash but are protected against loss or theft when travelling.



**Money Laundering:** Conversion of money which is illegally obtained

**Linked Account:** Any account linked to another account in the same bank where funds can be transferred electronically between accounts and carry out other specified services as well

**Consumer durables loans:** Loan granted by banks for purchasing of white goods

**Collateral:** A borrower needs to provide some kind of security to the bank in case of high ticket loans, such security is called 'collateral'

**Floating Rate:** An interest rate that is referenced to a market rate and is revised as per the change in the interest rates in the economy. When interest rates in the economy rise, floating rates rise and vice versa

**Exchange Rate:** Rate at which the domestic currency can be converted into foreign currency and vice versa

**Inflation:** Decreasing the value of money in this state money loses the value hence prices will go up

**Deflation:** Opposite to inflation here money will have more value and hence product loses the value

**Electronic Clearing Service (ECS):** It is a service provided by the banks to facilitate direct debit from your bank account towards an investment account (such as a mutual fund SIP) and/or paying regular loan EMIs.



**Billing Cycle:** A billing cycle is a time period that covers the credit statement that usually lasts for 25 days

**Bridge Loan:** It is also known as swing loan, which is basically a real estate loan or a home loan, where the current residence/real estate is pledged by the borrower as collateral in order to purchase a new residence

**Debit cum ATM Card:** Customer can deposit and withdraw cash by means of magnetic ATM Card

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**Core Banking:** A centralized database with online connectivity to branches, internet as well as ATM network which has been adopted by almost all major banks of the country

## ADVANTAGES OF CORE BANKING



**Bank assurance:** When the banks entertain in dealing with insurance business then it is called as bank assurance

**Short term loan:** If the repayment period of any loan is up to 36 months, then that loan is called Short term loans

**Medium term loan:** If the repayment period of any loan is up to 37 to 84 months , then that loan is called Medium term loans

**Long term loan:** If the repayment period of any loan more than 84 months , then that loan is called long term loans

**Grace Period:** It is an interest free period that is to be given by a creditor to a debtor after the period of the loan gets over, before initiating the process of loss recovery. The grace period depends on the amount of the loan and also the credit score of the borrower.

**Internet Banking:** It is also called as e-banking or online banking, where customer can conduct their transactions through the internet.



**Life Cap:** The upper and lower limit for changes in the borrower's interest rate over the term of his/her loans

**Net Income:** The amount that is left after paying the taxes is called the net income.

**Original Principal Balance:** The amount borrowed by any borrower is called the original principal balance

**Overdraft:** It is a check or rather an amount of check, which is above the balance available in the account of the payer.

**Refunding:** The act of paying back the amount or returning the funds is called as refunding.

**Repricing:** Change in the rate of interest

**Reserve Account:** An account which is maintained by depositing undistributed parts of profits for future needs is called as a reserve account

**Smart Cards:** Unlike debit and credit cards, smart cards possess a computer chip with magnetic strips, which is used for data storage, processing and identification

