20 True or False

Decide, then check the answer and reason below each statement.

Question 1

The Reserve Bank of India issued the Business Correspondent and Business Facilitator guidelines in 2006.

TRUE

RBI introduced the BC/BF framework in 2006 to deepen financial inclusion.

Question 2

A Business Correspondent can carry out banking transactions such as cash deposits and withdrawals on behalf of a bank.

TRUE

Unlike a Business Facilitator, a BC is permitted to transact directly on the bank's behalf.

Question 3

A Business Facilitator is permitted to handle cash and complete banking transactions on the bank's behalf.

FALSE

A Business Facilitator can only refer and counsel customers; it cannot transact or handle cash.

Question 4

Under the BC/BF model, the bank remains the ultimate provider of the service to the customer.

TRUE

The engaged agent acts on the bank's behalf, but the bank retains ultimate responsibility for the service.

Question 5

Business Correspondents and Business Facilitators are salaried employees of the banks that engage them.

FALSE

BCs and BFs are engaged as agents and are not employees of the bank.

Question 6

An NBFC that has not accepted public deposits is eligible to act as a Business Correspondent.

TRUE

RBI permits such non-deposit-taking NBFCs to be engaged as BCs.

Question 7

An NBFC that has accepted public deposits is fully eligible to act as a Business Correspondent.

FALSE

Only NBFCs that have not accepted public deposits qualify to act as BCs.

Question 8

Post Offices are among the entities RBI permits to act as Business Correspondents.

TRUE

Post Offices are listed as an eligible category of Business Correspondent under the RBI framework.

Question 9

The Business Correspondent model concept originated in Brazil around 1990.

TRUE

Brazil pioneered the agent-banking approach to deliver social payments and control inflation.

Question 10

The Business Correspondent model concept originated in India before spreading to other countries.

FALSE

The model originated in Brazil and was later adapted by India into its financial inclusion drive.

Question 11

A Business Correspondent can collect small-value deposits and disburse small-value credit at locations away from the branch.

TRUE

These transaction-handling tasks are within the permitted scope of a Business Correspondent.

Question 12

Under the BC/BF model, a customer becomes a customer of the individual agent rather than of the bank.

FALSE

The customer always remains a customer of the bank, not of the Business Correspondent or Facilitator.

Question 13

A typical rural bank branch can serve only about 100 to 200 families within its area.

FALSE

A normal rural branch can typically serve roughly 3,000 to 4,000 families across a wider radius.

Question 14

The Reserve Bank of India has no regulatory oversight of the Business Correspondent channel.

FALSE

RBI regulates the BC/BF channel, while the principal bank is responsible for its agents' conduct.

Question 15

Business Correspondents are barred from selling micro-insurance, mutual fund or pension products.

FALSE

Selling such products is part of the permitted scope of activities for a Business Correspondent.

Question 16

Opening a new bank branch is generally faster and cheaper than engaging a Business Correspondent.

FALSE

The BC route is typically faster and less costly than opening a physical branch, which needs regulatory approval.

Question 17

Companies registered under Section 25 of the Companies Act are among the entities eligible to act as Business Correspondents.

TRUE

Section 25 companies are listed as an eligible category under RBI's BC guidelines.

Question 18

Business Correspondents can help disburse and recover loans at the customer's doorstep.

TRUE

Doorstep banking through loan disbursal and recovery is a recognised benefit of the BC/BF model.

Question 19

A Business Facilitator's core role includes identifying potential customers and counselling them about the bank's products.

TRUE

Facilitation tasks such as identification and counselling define the Business Facilitator's role.

Question 20

The BC/BF model was designed mainly to serve customers who already have easy access to bank branches.

FALSE

The model's core purpose is to reach unbanked and underserved areas beyond the branch network.