

CM = Chairman; M1, M2, L3, M4 were the other 4 members sitting 2 on each side of CM; L3 was the only Lady member; words in Italics are things I said during the interview

## Background

- My background – B.Tech. in Mech Engg; worked in Anti-Money Laundering division of a bank for 2 years; quit job to prepare full time for UPSC CSE (optional Mech Engg); appeared for RBI Grade B in 2018 as an alternative after failing to clear CSE prelims in 2018
- Happenings back then – Mr. Urjit Patel has resigned 2 days back; RBI autonomy issues at peak

## Transcript

- CM : So you have done Mech Engg, what was your CGPA? (Answered)
- CM : I think we have met you last year as well, right? (*No Sir, this was my first attempt*)
- CM : Suppose you are the RBI Governor, how would you lead RBI in these times?
  - extremely open ended question, stumped by it, blabbered something and then focused on RBI's autonomy – how I will ensure it remains autonomous and why it is important; gave example of MPC being a fine balance between RBI's autonomy from the govt and its accountability to the govt
- CM : So you think such hybrid structures like MPC are good?
  - *Yes Sir, they ensure RBI's autonomy by giving the Governor the casting vote in case of a tie and at the same time give due representation to Govt of India; I think recent move to constitute the 'Economic Capital Committee' (forgot to say the word Framework in Committee name) to examine RBI's transfers to the govt is a good move forward. It is based on a similar principle of giving equal voice to RBI and the govt*
- CM : Tell me about Global Financial Crisis
  - Should have, but did not prepare specifically for this. Based on what I knew about it, began answering; mentioned the term 'sub-prime borrowers' and CM asked the next question
- CM : Who are sub-prime borrowers? (Answered)
- CM : Why do banks lend to such borrowers then?
  - *The more banks lend, the higher their chance to make profits*
- CM : So you think this was a right move by banks?
  - *No Sir, in hindsight it does not appear to be a good move*
- CM : Of course in hindsight we all know the consequences but should banks lend in such a way today?
  - *No Sir, Indian banks are already facing NPA crisis*
- CM : Tell me Sovereign Debt Crisis of Eurozone (*Sorry Sir, I don't know*)
- M1 : As an Analyst, if you have to make an investment in either SBI or ICICI, which one would you choose?
  - *Sir I am not aware of the financials of these banks, but if I had access to data, I would take a decision based on the ratios RBI uses to put banks under the PCA framework – asset quality, profitability and capital adequacy*
- M1 : Which ratio would you choose to look at the profitability of the banks?
  - *Sorry Sir, I am unable to recollect any of the ratios*
- L3 : You must have heard of ROA and ROI, right?
  - *Yes Ma'am, Return on Investment and Return on Assets are the ratios I would look at, thank you*
- M2 : What is globalization? (Answered)
- M2 : How is it beneficial to us? Currently you see a move towards protectionism, so is it good? Has globalization really benefitted anyone?

- Blabbered something about it being good for India; India able to export services; people finding employment abroad etc
- M2 : The keyword here is competitive advantage. What is it?
  - Blabbered something again based on my understanding
- M2 : So according to you, globalization is good for everyone. Then why are people like Trump saying it is bad for them?
  - *Sir, I think that is based more on political considerations*
- M2 : Asked something about relationship between inflation and growth
  - Said that inflation and growth move together; measures taken to achieve higher growth would lead to higher inflation also
- M2 : Are you sure that is the case all the time? (*Yes Sir*) (he asked this thrice, I said yes all 3 times)
- L3 : Why did you leave a high paying job in the private sector and appear for RBI exam?
  - Answered something about money not being prime motivation, challenges and public service major motivators
  - *Given my experience in working in AML division of bank and desire to work in public sector, RBI was natural choice to apply to when I began looking for alternative after failing to clear CSE prelims this year*
- M2 : What is your optional? (Answered)
- L3 : How did you find the RBI exam?
  - Completely unexpected question. Said that it was interesting but I had difficulty answering the 'scheme based' questions (should have said 'govt scheme based questions')
- L3 : What are the functions of RBI?
  - Listed out many of them but forgot to say 'issuer of currency'. L3 pointed this out and I had to apologize for forgetting to mention such an important function
- M4 : Do interest rates in foreign nations have any impact on interest rates in India?
  - Answered in detail giving example of RBI having to consider raising rates in response to advanced economies like US gradually raising their after have brought them down to record lows in response to Global Financial Crisis
- M4 : Why does RBI have to increase rates if US Fed is increasing it?
  - *Sir, to prevent foreign investments from India going out. US is considered safe destination to invest but returns are lower compared to India, hence investors invest in India. If interest rates rise in US, investors refer investing over there*
- M4 : (Laughing) So you are saying investments in India are not safe!!
  - *No Sir, that's not what I meant, what I meant was that on a relative scale, investments are considered safer in US*
- M4 : So where do you see interest rates in the US going next year (2019)?
  - Didn't know of any major event to take place in US that would affect interest rates so said *Sorry Sir, I didn't get your question, I don't know of any event that will influence rates in 2019*
- M4 : Just now you said that interest rates are going up gradually, right??!!!
  - *Yes Sir, that is the general trend for now, so they will go up*
- CM : Ok, thank you