



**ALL THE VERY BEST FOR YOUR EXAMS**

**SAMPLE QUESTIONS FOR  
JAIIB  
LEGAL & REGULATORY ASPECTS OF BANKING**

Though we had taken enough care to go through the questions, we request everyone to update yourself with the latest information through RBI website and other authenticated sources. In case you find any incorrect/doubtful information, kindly update us also (along with the source link/reference for the correct information) as lot of questions were shared by many people.

## Legal & Regulatory Aspects of Banking

When borrowers are enjoying credit facilities from more than one bank, banks should obtain a regular certification by a professional regarding compliance of various statutory prescriptions. Such certification should be preferably from:

- a. Company Secretary only
- b. Chartered Accountant only
- c. Cost Accountant only
- d. any of these

Ans - d

.....

Regulation is not an end in itself; it exists in order to address market failures. From this point of view, ..... components were envisioned

- a) 7
- b) 8
- c) 9
- d) 10

Ans - c

.....

SAT will be subsumed into .....

- a. Financial Sector Appellate Tribunal
- b. Resolution Corporation
- c. Financial Redressal Agency
- d. Public Debt Management Agency

Ans - a

.....

For scheduled Commercial banks, Cash Reserve Ratio is prescribed by RBI as per which Act?

- a. Section 42(1) of RBI Act
- b. Section 42 of Banking Regulation Act
- c. Section 42 of RBI Act
- d. Section 24 of Banking Regulation Act

Ans - a

.....

What is the object of introducing the Banking Ombudsman Scheme, 2002?

- a. For effective monitoring of NPA accounts in the banks.
- b. It is RBI agency to regulate the disputes amongst the banks.
- c. To enable resolution of complaints relating to banking services.
- d. For executing the orders passed by DRT.

Ans - c

.....

Can the Banking Ombudsman undertake any other work than of his office?

- a. Yes, as the appointment of Banking Ombudsman is honorary.
  - b. Yes, if RBI permits can undertake honorary work.
- No.
- Yes, if the Banking Ombudsman can handle both the jobs property.

Ans - b

.....

Central and restrictions on cooperative banks have to submit their returns under Section 31 of BR Act to

- a. Reserve Bank and National Bank
- b. National Bank only
- c. Reserve Bank only
- d. None of the above

Ans - a

.....

When the Rules, framed by the Central Government, under the Act get validity?

- a. After the Appellate Tribunal of DRt approves them.
- b. On Supreme Court approving the same.
- c. Immediately on framing of the Rules by the government and notifying the same.
- d. When the both the houses of Parliament approve the Rule so framed.

Ans - d

.....

Under Section 23 of the BR Act, without the permission of Reserve Bank, a ..... can open a new place of business within the area of its operation.

- a. central cooperative bank
- b. state cooperative bank
- c. primary cooperative bank
- d. None of the above

Ans - a

.....

Cooperative banks have to prepare their balance sheet and profit and loss account in the forms set out in the Third Schedule to .....

- a. Banking Regulation Act
- b. Reserve Bank of India Act.
- c. State cooperative Society Act
- d. None of the above

Ans - a

.....

Whether moveable securities in possession of the bank can be sold by the Bank without intervention of the Court ?

- a. No. The Court order is required to sale the security.

- b. Yes. Bank can sell as provided in the Contract Act, 1872.
- c. Yes. As the SARFAESI Act, 2002 has made provisions to that effect.
- d. No. Till the account is not declared as NPA by the Bank.

Ans - b

.....

As per the laws existing today the mortgaged security cannot be sold without Court intervention. Is this correct ?

- a. Yes. Court intervention is required as per the provisions of the Transfer of Properties Act.
- b. No. SARFAESI Act, 2002 has now made enabling provisions.
- c. Yes. Since the Contract Act has made no provision about any Court intervention.
- d. No. Due to recent amendments in the Transfer of Property Act no Court intervention is required.

Ans - b

.....

The features of the award awarded by banking ombudsman are;

- a. it is binding on the banks
- b. it is not binding on the complaints unless he accepts it
- c. the complaint is free to seek alternative remedies available under general law
- d. all the above

Ans - d

.....

The most important characteristic of pledge is ..... of goods.

- Assignment
- Lien
- Possession
- None of these

Ans - c

.....

Hypothecation is an implied ..... in cases where constructive possession of goods is given.

- Lien
- pledge
- Assignment
- None of these

Ans - b

.....

Individual borrowers are governed by the .....

- a. RBI Act
- b. BR Act
- c. Indian contract Act
- d. None of these

Ans - c

.....

What is the tenure of banking ombudsman?

- a. 1 years
- b. 3 years
- c. 5 years
- d. no such time limit

Ans – c

What is the provisions of remuneration of the baking ombudsman ?

- a. 60 years
- b. 62 years
- c. 65 years
- d. 68 years

Ans - c

.....

What are the provisions of remuneration of the banking ombudsman ?

- a. he is eligible for remuneration and other perquisites
- b. this will be determined by the RBI
- c. this has to be borne by banks proportionately
- d. all the above

Ans - d

.....

The necessary requirement for submitting need not contain?

- a. it must be in writing and duly signed by the complainant and or authorized person.
- b. it should contain the name address of the complainant.
- c. it must contain the bank and branch name against which complaint is being made.
- d. all the above

Ans – d

.....

Documentation is necessary because of :

- a. It helps to identify/specify the borrower.
- b. It helps to identify security.
- c. It works as a written evidence.
- d. All the above.

Ans - d

.....

Under open cash credit, the goods are taken as security, without transferring

- a. ownership of goods
- b. possession of goods
- c. both are transferred
- d. both are not transferred

Ans – d

.....

Can the Banking Ombudsman resolve the dispute between banks or between bank and its customer by arbitration reference?

- a. No, the Banking Ombudsman has no arbitral powers.
- b. Yes, if Banking Ombudsman himself feels and decides to so.
- c. No, as the Banking Ombudsman has no powers of Civil Court.
- d. Yes, if both the parties to the complaint agree for the same.

Ans - d

.....

The directions of Reserve Bank issued to the banking companies under Section 35A of the Banking Regulation Act are .....

- a. binding on them
- b. not binding on them and are in the nature of guidelines
- c. binding on the banks and the public
- d. None of the above

Ans - a

.....

As per lending policy, repayment of term loan is generally given upto .....

- a. 10 years
- b. 20 years
- c. 7 years
- d. 1 year

Ans - c

.....

Which of the following statements, is correct?

- a. the qualified investors would be paid out of the realization of Financial Assets.
- b. Any dispute between Bank securitization company and qualified institutional investors would be settled through arbitration.
- c. The lending company sells its loans to the investors through special purpose vehicle.
- d. All the above.

Ans - d

.....

When an action for enforcement of security can be initiated?

- a. When a Borrower is under the liability of secured creditor.

- b. Borrower makes a default in payment of principal and interest.
- c. The loan account is classified as Non-performing Asset (NPA).
- d. All the above.

Ans - d

.....

Under what circumstances security cannot be enforced?

- a. If it is an Agriculture Land.
- b. When the amount due is less than Rs. One lac.
- c. When the Borrower has repaid more than 80% of principle and interest.
- d. All the above.

Ans - d

.....

Security interest means:

- a. Right, title and interest of any kind upon property.
- b. Created in favour of any secured creditor.
- c. This includes mortgage, hypothecation and assignment.
- d. All the above.

Ans - d

.....

Dissolution of a partnership firm takes place if ..... (i) by mutual agreement amongst the partners to dissolve, (ii) death/insolvency/retirement of a partner, (iii) operation of law

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d

Which of the following is true about the functions performed by RBI ? (i) It is the Bank of Issue, (ii) It acts as banker to the Government, (iii) It is the banker of other banks

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

When a guaranteed loan is paid by the guarantor, he gets the rights of the Principal debtors and is said to be stepping in to the shoes of the debtor. This right is known as .....

- a. Right of Novation
- b. Right of Substitution
- c. Right of Subrogation
- d. Guarantor's right

Ans - c

.....

Which among the following is suitable ground of complaint against banks to Banking Ombudsman? (i) Charging any commission for acceptance of small denomination notes, (ii) Any delay in payment of inward remittances or non payment of inward remittances, (iii) Any excessive delay or non - payment of collection of cheques, drafts, bills etc

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A retiring partners has the right to carry on a business competing with that of the firm, but he cannot ..... (i) Use firm's name, (ii) Represent himself to be a partner, (iii) Solicit firm's existing customers

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

If a Public Information Officer (PIO) reasonably severs non-exempted portions of a record from exempted portions, and partially provides information to an applicant, he/she has to ..... (i) Give the name and designation of the person giving the decision, (ii) Reasons for the decision, (iii) Details of fees the applicant may have to pay

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

..... can be a subject matter of sale of goods Act. (i) Trademark, (ii) patent, (iii) goodwill

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

The person to whom proposal is made is called ..... (i) Promisor, (ii) Promisee

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)



Ans - b

.....

What are the qualifications to be appointed as the member of the consumer dispute redressal forum/commission? (i) be not less than thirty-five years of age, (ii) possess a bachelor's degree from a recognised university, (iii) be persons of ability, integrity and standing

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

A person passes through legal disability can file suit, make application .....

- a. Within limitation period
- b. Out of limitation period
- c. Depends upon courts discretion to permit such a litigant to do so
- d. none of the above

Ans - b

.....

A Garnishee Order in the name of A & B will attach deposits in the name of ..... (i) A alone, (ii) B alone, (iii) A & B jointly

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Which of the following constitute a benefit of DRs for the issuer? (i) Offer a new avenue for raising equity capital, (ii) Broaden and diversify a company's investor base, (iii) Enhance a company's visibility and status

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

As per Section 2(1)(c) of Consumer Protection Act 1986, 'complaint' means any allegation in writing made by a complainant that ..... (i) an unfair trade practice or a restrictive trade practice, (ii) the goods/services bought/ hired suffer from one or more defects/deficiency, (iii) goods/services which are hazardous or likely to be hazardous to life and safety of the public when used

- a. Only (i) and (ii)
- b. Only (i) and (iii)

- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Where service is received from outside India, such service shall be .....

- a. taxable in the hands of service provider
- b. taxable in the hands of Service recipient
- c. exempt from service tax
- d. none of the above

Ans - b

.....

If the cash balance with RBI is less than that of required CRR balance, bank is required to pay penalty on the amount of shortfall for that day at the rate of ..... and if default continues next day also then at the rate of .....

- a. Bank Rate, Bank Rate plus 1%
- b. Bank Rate plus 1% and Bank Rate plus 3%
- c. Bank rate plus 2% and Bank rate plus 4%
- d. Bank Rate plus 3% and Bank Rate plus 5%

Ans - d

.....

Which of the following is/are advantages of ADRs? (i) Cost-effectiveness, (ii) Diversification of investment, (iii) Reduction in administration cost

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

As per section 2(1)(j) of Consumer Protection Act 1986, 'manufacturer' means a person who ..... (i) makes or manufactures any goods or part thereof, (ii) does not make or manufacture any goods but assembles parts thereof made or manufactured by others, (iii) puts or causes to be put his own mark on any goods made or manufactured by any other manufacturer

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The monetary and credit policy statement of RBI is called .....

- a. Annual Policy Statement
- b. Credit policy of RBI
- c. Economic Policy
- d. None of these

Ans - a

.....

For increasing liquidity in the system, which of the following steps will be taken by RBI?

- a. increase CRR
- b. increase SLR
- c. reduce CRR
- d. increase repo rate

Ans - c

.....

Banking Ombudsman is appointed for .....

- a. handling and redress banks complaints against customers' behavior
- b. handling and redress customer complaints against deficiency in certain banking services
- c. providing decision on important banking operations like - CRR, SLR and MSF etc.
- d. None of The Above

Ans - b

.....

A person shall be disqualified for appointment as a member of the consumer dispute redressal forum/commission if he ..... (i) has been convicted and sentenced to imprisonment for an offence which involves moral turpitude, (ii) is of unsound mind and stands so declared by a competent court, (iii) has been removed or dismissed from the service of the Government or a body corporate owned or controlled by the Government

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A right to sue accure to X during his minority, X dies before attaining the majority and is succeeded by Y, his minor son. Time runs against Y from the date of .....

- a. X death
- b. His attaining majority
- c. Both a and b
- d. None of above

Ans - b

.....

While exercising the right of Set off, the banker is advised to issue reasonable notice .....

- a. to avoid wrongful return of cheque
- b. to fulfill statutory requirements
- c. to recover all the dues from the customer
- d. to threaten the customer

Ans - a

.....

The obligations of public authorities under RTI Act 2005 includes? (i) It shall publish the powers and duties of its officers and employees, (ii) It shall publish the procedure followed in its decision making process, including channels of supervision and accountability, (iii) It shall publish the rules, regulations, instructions, manuals and records used by its employees for discharging its functions

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

The term "Fraud" means ..... (i) Active concealment of fact with knowledge and belief of the fact, (ii) Doing any act fitted to deceive

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

What is a Non-performing Asset:

- a. Where payment of interest or principal or both is in arrears for more than 180 days.
- b. Where loan account is in default for 90 days and above.
- c. Where loan account is classified as sub-standard doubtful or loss Asset by the Bank as per the directions of RBI.
- d. None of the above.

Ans - c

.....

Liquid assets required to be maintained in India under Section 24 of the BR Act may be held in the form of .....

- a. cash only
- b. cash and gold only
- c. gold or unencumbered approved securities
- d. None of the above

Ans - c

.....

Under Section 37 of the Banking Regulation Act, a moratorium order can be issued by the High Court for a maximum total period of

- a. one month
- b. six month
- c. one year
- d. None of these

Ans - b

.....

When a banking company is placed under moratorium under Section 45 of B.R.Act, the RBI must prepare a scheme

- a. VRS for staff
- b. capital buy back
- c. reconstruction of the company or amalgamation with any other bank
- d. None of these

Ans - c

.....

Quarterly on-site visits are undertaken in respect of

- a. all banks
  - urban co-operative banks
  - newly licensed banks during first year
- None of these

Ans - c

.....

Which of the following a notice must specify in case of foreclosed loans?

- a. It should cover entire loan liability including installments not due.
- b. It should cover entire loan liability including installments not due.
- c. It must mention future interest payable till the date of repayment.
- d. All the above.

Ans - d

.....

An order for winding up a banking company can be issued by

- a. the High Court
- b. the RBI
- c. the Central Government
- d. None of these

Ans - a

.....

Principal function of banks are :

- a. accepting deposits
- b. lending and investing
- c. non fund business and remittance services
- d. all of above

Ans - d

.....

What can be the min & max denomination of bank notes under the provisions of RBI act?

- A. Rs 1 to Rs 1000
- B. Rs 2 to Rs 1000
- C. Rs 2 to Rs 10000
- D. Rs 10 to Rs 10000

Ans - c

.....

To take care of temporary liquidity problems of central and state govt, what kind of loan is given by RBI?

- A. Treasury bills
- B. Dated Securities
- C. Short duration bonds
- D. Ways & Means advances

Ans - d

.....

The advising banks responsibility is .....

- a. to inform the issuing bank as to whom to issue the letter of credit.
- b. to advise the buyer the dispatch of documents by the seller
- c. to inform the beneficiary/seller about the letter of credit
- d. None of the above

Ans - c

.....

The advising bank is also called the .....

- a. Confirming Bank
- b. Notifying Bank
- c. Reimbursing Bank
- d. None of the above

Ans - b

.....

Negotiating bank is the bank which .....

- a. negotiates the preliminary contract of sale between the buyer and the seller
- b. makes payment of the bills drawn by the seller and accepts the documents
- c. guarantees payment by the issuing bank
- d. None of the above

Ans – b

The banking ombudsman can be an arbitrator in disputes between .....

- a. Two banking companies
- b. Two or more customers
- c. A bank and the government
- d. None of the above

Ans - a

.....

Directions can be issued to banking companies on loans and advances .....

- a. in strict confidence
- b. in public interest
- c. in the interest of borrowers
- d. None of the above

Ans - b

.....

In case of fraud committed by the debtor on whose behalf the bank had given guarantee, the Bank.

- a. need not pay the beneficiary.
- b. has to pay the beneficiary.
- c. direct the beneficiary to sue to debtor.
- d. none of the above.

Ans - b

.....

The Letter of Credit is opened on the request of

- a. Issuing bank
- Applicant
- Beneficiary
- Confirming bank

Ans – b

.....

If a civil court has already given a decree then the recovery certificate can be issued by

- A. any different court
- B. at the request of any of the parties
- C. DRT only
- D. none

Ans - d

.....

Under the SARFAESI Act who has the power to condone delay in filling of the particulars

- A. an arbitrator
- registrar
- central registrar
- registrar of assurances

Ans - c

.....

The owner of a financial asset acquired by a securitisation company is called

- purchaser
- seller
- originator
- vendor

Ans - c

.....

From the following which function is of securitisation company?

- a. Acquisition of loan transaction from the lender.
- b. Help the lender in recovery by sale of charged property.
- c. Take legal steps against the defaulter borrower on behalf of the lender.
- d. Acquisition of financial assets from the originator.

Ans - c

.....

After application of SARFAESI Act what existing companies have to do about registration with RBI?

- a. They are automatically deemed to be registered.
- b. They are required to stop functioning.
- c. Existing companies do not require registration.
- d. They have to get registered within six months from commencement of the Act.

Ans – d

The maximum number of members in a private company can be .....

- 7
- 20
- 50
- No Limit

Ans - c

.....



Who issues license to the coop societies to function as coop banks ?

- A. State Govt
- NABARD
- Central Govt
- RBI

Ans - d

.....

Consumer means;

- a. any person who buys any goods.
- b. any person who hires or avails of any services.
- c. any person who makes payment in full or in installments or under hire purchase systems.
- d. all the above

Ans - d

.....

Who is not a consumer?

- a. any person who uses goods or benefited from services without making any payment.
- b. any person who obtain goods for resale or an commercial purpose.
- c. persons allotted plots or houses by housing development boards.
- d. a person hires any services for consideration.

Ans – b

.....

Which of the following is not a consumer?

- a. patient receiving medical treatment in govt. hospital.
- b. patients getting treatment in private nursing home.
- c. persons selling/buying shares from a share broker
- d. none of the above.

Ans - d

.....

The goods in the consumer protection act, includes;

- a. every kind of movable property except money.
- b. actionable claims, stocks and shares.
- c. growing) crops and things attached to or forming a part of the land.
- d. all the above.

Ans - d

.....

Organisational or constitutional aspects of banking co. are regulated by ...

- RBI
- SEBI

Authorities under companies act  
ALL THE ABOVE

Ans - a

.....

Section 7(1) of RBI act concerns with which of the following aspects ?

- a. RBI authority to regulate the banks
- b. NABARD authority to regulate RRB's
- c. Govt authority to issued directions to RBI
- d. Rbi authority to issue directions to bank in india

Ans - c

.....

Which act provides regulatory powers directly or indirectly central govt for control over banks ?

- a. RBI ACT
- b. B R ACT
- c. N I ACT
- d. a & b

Ans - d

Technical Group on Financial Inclusion and Financial Literacy (TGFIL) was set up in .....

- a. November 2011
- b. June 2012
- c. August 2012
- d. January 2013

Ans - a

.....

TGFIL is chaired by .....

- a. Governor, RBI
- b. DG, RBI (in-Charge of the Department of Banking Supervision)
- c. DG, RBI (in-charge of financial stability)
- d. DG, RBI (in-charge of Financial Markets Department)

Ans - c

.....

Assumptions for neutral money are ..... (i) The quantity of money has no effect on the prices, (ii) When money becomes neutral price of the product will depend on productive power of the economy, (iii) Neutral money policy implies that monetary authorities should not change supply of money in response to changes in the supply of goods

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....  
A banker on whom the cheque is drawn should pay the cheque, when it is presented for payment. It is his obligation by section 31 of the NI Act. A banker is bound to honor his customers cheque to the extent of the fund available. In which circumstances that a banker refuses payment?

- a. A/c holder is bankrupt, deceased and insane
- b. Garnishee Order' is issued by court
- c. Only 2
- d. Both 1 and 2

Ans - d  
.....

In which of the following circumstances Protection is not available to the paying banker?

- a. Forged endorsements in an order cheque
- b. Forged endorsements in a bearer cheque
- c. Forged endorsements in a draft
- d. Forged cheque of its own customer

Ans - d  
.....

According to Section 15 of the N.I. Act, when the maker or holder of a negotiable instrument signs the same, for the purpose of negotiation, on a slip of paper, It is Called .....

- Annex
- Due course slip
- Allonge
- Padding slip

Ans - c  
.....

Hypothecation is not defined under Indian Law for long time and was used more on the basis of practice. However, now under a recent act it has been aptly defined. Which Act is it?

- a. SARFAESI Act
- b. PSS Act
- c. Sale of Goods Act
- d. Amended B R act

Ans – a  
.....

Monitorable Action Plan (MAP) of RBI would include ..... (i) Improvement areas identified during the current on site and off site supervisory process, (ii) Accountability of key individuals of the bank, (iii) Sanction and penalties to Banks for not meeting the monitorable action plan

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....  
Section 26 of the N.I. Act provides that a minor may draw, endorse, deliver and negotiate a negotiable instrument and as such, a minor can draw a cheque. Ordinarily, balances in such accounts are subject to a maximum amount and age of the minor should be above .....

- a. 10 years
- b. 12 years
- c. 13 years
- d. 14 years

Ans - a

.....  
Where no specification for a fixed period for the repayment of loan is given, the bankers take the Demand Promissory Notes (DPN). In DPN, the borrower makes a promise to the banker to repay the loan amount on demand with agreed rate of interest. The form of DPN should be in conformity with Section 4 of .....

- a. B R Act
- b. RBI Act
- c. SARFAESI Act
- d. N.I Act

Ans - d

.....  
If the possession of the mortgaged properties is not given to the mortgagee(The lender), it is called .....

- a. Simple mortgage
- b. English mortgage
- c. Usufructuary mortgage
- d. Mortgage by non deposit

Ans - b

.....  
What is the limitation period as per Limitations Act to file a suit for recovery on a bill of exchange payable at sight, or after sight, but not at a fixed time?

- a. 3 years
- b. 5 years
- c. 10 years
- d. No limitation

Ans - a

For specific performance of a contract, the limitation to file a suit for non performance is.....

- a. 3 years
- b. 8 years
- c. 19 years
- d. 12 years

Ans - d

.....

According to Consumer Protection Act 1986, consumer complaints exceeding Rs. 20 lac but not exceeding Rs. 100 lac is to be filed before

- a. District Forum
- b. State Commission
- c. National Commission
- d. No such limitations.Can be filed before any forum

Ans - b

.....

The right to receive payment under a letter of credit or the right to draw bills on a Letter of Credit is vested in .....

- a. the opener of the LC
- b. the issuing Bank only
- c. the Buyer only
- d. all the three parties

Ans - c

.....

Whether breach of RBI directives is punishable offence and to what extent?

- a. Yes, fine up to five lakh rupees and for continuation of offence per day fine up to rupees ten thousand.
- b. Yes, by cancellation of licenses of the company.
- c. No, these are the administrative directions.
- d. No, the Act has not provided for any punishment in specific.

Ans - a

.....

In case of bank guarantees on behalf of companies that is in liquidation the bank on invocation of the guarantee by the beneficiary.

- a. must pay the amount to the Liquidator and not the beneficiary.
- b. must deposit the amount in the court to avoid any controversy.
- c. must pay the beneficiary.
- d. need not pay, since the bank guarantee lapses on the company being liquidated

Ans - c

.....

A person resident in India is a person who is residing in India for more than ..... in the preceding financial year.

- a. 180 days
- b. 182 days
- c. 6 Months
- d. 1 year

Ans - b

.....

The purpose of ..... is to make credit available to essential sectors of the economy according to national priorities.

- a. selective credit control
- b. maintenance of cash reserve
- c. reserve fund
- d. None of the above

Ans - a

.....

..... Act prohibits lending at exorbitant rates and empowers reopening of such contracts.

- a. BR Act
- b. RBI Act
- c. Usurious Loans Act
- d. None of the above

Ans - c

.....

Central govt can exempt a banking co. from the provisions of banking regulation act under which of the following circumstances ...

- a. On its own
- b. On recommendation of state govt
- c. On recommendation of RBI
- d. on request from the concerned banking co.

Ans - c

.....

Who issues incense to the coop societies to function as coop banks ?

- a. State Govt
- e) NABARD
- f) Central Govt
- g) RBI

Ans - d

.....

Interest rate on which of the following have been deregulated by RBI? (i) DRI, (ii) Ceiling rate on export credit, (iii) Ceiling rate on educational loans

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

Banks generally engaged in which type of leasing activities?

- h) operational
- i) financial
- j) service
- k) leveraged

Ans - b

.....

Section 172 of the Indian Contract Act definition "The bailment of goods as a security for the payment of a debt or performance of a promise" refers to

- a. Banker's lien
- l) Hypothecation
- m) Pledge
- n) Mortgage

Ans - c

.....

Why RBI has advised banks to desist from sanctioning advances against FDRs, of other banks?

- a. Other bank will not mark lien of lending bank
- b. It may result in double financing
- c. There may be possibility of fake term deposit receipts being used for obtaining advance
- d. All of these

Ans - b

.....

As per Fair Practice Code, in case of receipt of request for transfer of borrower account, either from the borrower or from a bank/financial institution, which proposes to take- over the account, the consent or objection of the lender, if any, should be conveyed within from the date of receipt of request.

- a. 21 days
- b. 15 days
- c. 7 days
- d. one month

Ans - a

.....

Which of the following is not correct?

- a. Banks may negotiate bills drawn under LCs, on 'with recourse 'or 'without recourse 'basis
- b. Banks can not purchase/discount the bills drawn otherwise than under LC on 'without recourse 'basis
- c. Banks should not rediscount bills earlier discounted by non-bank financial companies (NBFCs) except in respect of bills arising from sale of light commercial vehicles and two / three wheelers.
- d. Banks can not negotiate bills drawn under LCs, on 'with recourse 'or 'without recourse 'basis

Ans - d

.....

Loan Delivery System was recommended by Committee headed by .....

- a. Rashid Jilani

- b. N. Vaghul
- c. K. Kannan
- d. C Rangarajan

Ans - a

.....

Which of the following is correct about consortium financing by banks?

- a. Minimum number of consortium members should be 2 and maximum number should be 4.
- b. Every bank will have same asset classification
- c. Minimum share of a bank in the consortium should be 10%
- d. The banks will have a pari passu charge on the securities charged to them.

Ans - d

.....

At the time of granting fresh facilities, which type of declarations is to be obtained from the borrowers?

- a. that they are not availing credit facilities from other bank
- b. that they are not availing working capital facilities from other bank
- c. details about the credit facilities already enjoyed by them from other banks
- d. None of these

Ans - c

.....

When a borrower has availed credit facilities from more than one bank, banks should exchange information about the conduct of the borrowers' accounts with other banks at least at intervals.

- o) monthly
- p) quarterly
- q) half yearly
- r) yearly

Ans - b

.....

If the cash balance with RBI is less than that of required CRR balance, bank is required to pay penalty on the amount of shortfall for that day at the rate of ..... and if default continues next day also then at the rate of .....

- a. Bank Rate, Bank Rate plus 1%
- b. Bank Rate plus 1% and Bank Rate plus 3%
- c. Bank rate plus 2% and Bank rate plus 4%
- d. Bank Rate plus 3% and Bank Rate plus 5%

Ans - d

.....

On which of the following items which was exempted from maintenance of CRR, RBI has advised banks to maintain CRR as per policy statement of July 27,2009?

- a. NRE balance
- b. FCNR balance



- c. CBLO balances
- d. Balance of other banks

Ans - c

.....

Statutory Liquidity Ratio (SLR) is maintained as per which of the following?

- s) Section 42(1) of RBI-Act
- t) Section 42 of Banking Regulation Act
- u) Section 42 of RBI Act
- v) Section 24 of Banking Regulation Act

Ans - d

.....

In the case of existing lenders, all the banks may seek a declaration from their existing borrowers availing sanctioned limits of and above regarding credit facilities enjoyed by them from other banks.

- a. Rs 1 crore
- b. Rs 5 crore
- c. Rs 10 crore
- d. None of these

Ans - b

.....

When borrowers are enjoying credit facilities from more than one bank, banks should obtain a regular certification by a professional regarding compliance of various statutory prescriptions. Such certification should be preferably from .....

- a. Company Secretary only
- b. Chartered Accountant only
- c. Cost Accountant only
- d. any of these

Ans - d

.....

Cash Reserve Ratio is to be maintained by banks with reference to which of the following?

- a. Time liabilities
- b. Demand liabilities
- c. Time and demand liabilities
- d. Net demand and time liabilities

Ans - d

.....

The right of a creditor in possession of goods, securities or any other assets belonging to the debtor to retain them until the debt is repaid is called

- w) Pledge
- x) General Lien
- y) Promise to pay

z) Assignment

Ans - a

.....

Any person who, for consideration, became the possessor of a promissory note, bill of exchange or cheque (if payable to bearer) or the payee or indorsee thereof (if payable to order) before the amount mentioned in became payable, and without having sufficient cause to believe that any defect existed in the title of the person from whom he derived his title is called .....

- aa) Holder
- bb) Holder in due course
- cc) Holder in Discharge
- dd) Holder in due diligence

Ans - b

.....

A bank in India, wants to undertake capital market activities, doesn't need to ..... (i) Obtain special license from AMFI, (ii) Register with SEBI, (iii) Obtain special license from FIMMDA

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

The FSDC Sub-committee has been set up under the chairmanship of .....

- a. RBI Governor
- b. Finance Minister
- c. Commerce Minister
- d. None of the above

Ans - a

.....

A Macro Financial Monitoring Group (MFMG) was set up in .....

- a. May 2012
- b. June 2012
- c. August 2012
- d. December 2012

Ans - a

.....

Which of the following are part of Public Sector Banks ? (i) State Bank of Hyderabad, (ii) Central Bank of India, (iii) Regional Rural Bank, sponsored by a nationalized bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)

d. (i), (ii) and (iii)

Ans - d

.....

In the case of existing lenders, all the banks may seek a declaration from their existing borrowers availing sanctioned limits of and above regarding credit facilities enjoyed by them from other banks.

- a. Rs 1 crore
- b. Rs 5 crore
- c. Rs 10 crore
- d. None of these

Ans - b

.....

Which of the following dates the DRT Act, 1993 was implemented?

- ee) 24.06.1963
- ff) 27.08.1993
- gg) 30.09.1993
- hh) 30.09.1993

Ans - b

.....

A quotation in which the home currency unit is the standard unit and the rate is expressed in variable units of foreign currency is called .....

- a. direct rate
- b. spot rate
- c. indirect rate
- d. forward rate

Ans - c

.....

When conversion/exchange of currencies takes place at some future date at a rate of exchange agreed upon now, such a transaction is known as .....

- a. spot transaction
- b. cover transaction
- c. cash transaction
- d. forward transaction

Ans - d

.....

Cyber Laws in India are contained in which of the following:

- a. Cyber Technologies Act 2000
- b. Information Technology Act 2000
- c. Information and Cyber Technology Act 2000
- d. Cyber Law of India

Ans - b

.....

Which of the following objectives of Information Technology Act:

- a. to provide for legal infrastructure for e-commerce
- b. to facilitate electronic filing of documents of Govt.
- c. to facilitate amendment to the relevant Laws
- d. all the above

Ans - d

.....

Under RTI Act 2005, the information does not include, which of the following?

- ii) e-Mails
- jj) press releases
- kk) logbooks
- ll) none of the above

Ans - d

.....

Under RTI Act 2005, the period for providing information is .....

- a. 5 days
- b. one week
- c. 21 days
- d. 30 days

Ans - d

.....

If information does not relate his organisation, the Central Assistant public information officer has to forward the request for information to the concerned public authority with in .....

- a. 5 days
- b. one week
- c. 21 days
- d. 30 days

Ans - a

.....

A private key and its mathematically related public key which are so related that the public key can verify a digital signature created by the private key, is called:

- a. digital signature
- b. asymmetric crypto system
- c. electronic monitoring
- d. key pair

Ans - d

.....

Banking companies can pay dividend only after they have written off (which one is not correct):

- a. all bad debts
- b. all capitalized expenses
- c. all preliminary expenses
- d. all share selling expenses

Ans - a

.....

If the banking licence of a banking company is rejected:

- a. it can carry the banking business with special permission of Central Govt.
- b. it can carry the business as a money lender
- c. it can carry the banking business in one State with permission of State govt.
- d. it can carry the banking business for not more than 5 years there after.

Ans - b

.....

If the banking licence of a company is cancelled, the appeal can be made to \_\_\_ within \_\_\_ from date of order rejecting the licence:

- a. High Court, 30 days
- b. Supreme Court, 30 days
- c. Central Govt., 30 days
- d. Central Govt., 60 days

Ans - c

.....

The document of title to goods include a bill of lading, a railway receipt etc. These are defined as per:

- a. Section 2 (6) of Indian Contract Act
- b. Section 2 (4) of Sale of goods Act
- c. Section 2 (5) of NI Act
- d. Section 2 (12) of Indian Contract Act

Ans - d

.....

If a person seeks information from a public authority .....

- a. he has to give reasons for seeking the information
- b. he has not to give reasons for seeking the information
- c. if reasons are given, it can help in quick disposal of the request for information
- d. information can not be provided by the public authority without knowing the reasons for seeking information

Ans - b

.....

What type of charge is created on the life policy, when it is accepted as a security for the loan?

mm) hypothecation

- nn) assignment
- oo) lien
- pp) pledge

Ans - b

.....

In case of a life insurance policy, the value of security and amount of loan is based on:

- a. face value
- b. surrender value
- c. maturity value
- d. any of the above, whichever is higher

Ans - b

.....

If a bank has to cover itself while releasing the goods to the borrower but otherwise charged in bank favour, the bank obtains:

- a. letter of hypothecation
- b. trust receipt or letter of trust
- c. pledge agreement
- d. agreement of assignment

Ans - b

.....

If borrower defaults in payment of loan where the loan is secured by a charge on life insurance policy, the loan is recovered:

- a. from insurance company only
- b. from borrower only
- c. with permission of the borrower from insurance company only
- d. directly from the insurance company and if there is shortfall, from the borrower.

Ans - d

.....

Which of the following is an important feature of a Trust Receipt:

- a. the borrower has to recognise the right of the bank in the goods as security
- b. the borrower undertakes to hold the goods in trust for the bank
- c. in case of realization of sale proceeds, the borrower undertakes to deposit the amount in the bank
- d. if goods remains unsold, the borrower shall keep the goods until sold and in no case returns the goods to the bank

Ans - d

.....

Which of the following is not a demerit for accepting the life insurance policy as a security:

- a. if the premium is not paid regularly, the policy can lapse
- b. the insurance contract is a contract of utmost good faith and any misrepresentation by the borrower while obtaining the policy, can lead to making the policy void.

- c. the policy may be containing restrictive clauses that may restrict the liability of the insurance company.
- d. if the policy remains in force for a longer period, the surrender value declines.

Ans - d

.....

The balance sheet and profit and loss account shall be audited by a person duly qualified to be .....

- a. a certified financial analyst
- b. auditor of companies
- c. auditor of cooperative societies
- d. None of the above

Ans - b

.....

Three copies of balance sheet and accounts along with auditor's report sent to Reserve Bank under Section 31 of the BR Act have also to be sent to the .....

- a. Central Government
- b. Registrar of Companies
- c. Company Law Board
- d. None of the above

Ans - b

.....

What is the objective of introduction of Base Rate system in banks? (i) Enhancing transparency in lending rates of banks, (ii) Enabling better assessment of transmission of monetary policy, (iii) To prevent monopoly and restrictive trade practices

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Interest on CRR balances kept by banks with RBI is paid by RBI at the rate of .....

- a. Bank Rate
- b. Repo Rate
- qq) 3%
- rr) Nil

Ans - d

.....

For the purpose of creation of equitable mortgage, who notifies the places for deposit of title deeds ?

- a. Central Govt.
- b. Local self Govt.
- c. President of India
- d. State Govt.

Ans - d

.....

Main reason for obtaining the photographs in deposit accounts is .....

- a. to avoid frauds
- b. to avoid irregularities
- c. to detect irregularities in financial transactions
- d. to check benami accounts / transactions

Ans - d

.....

For making payment towards imports into India, application from importers is obtained on .....

- a. Form A1
- b. Form A4
- c. Stat 4
- d. R 6

Ans - a

.....

The bank is required to comply with the execution of the award of banking ombudsman within the bank is required to comply with the execution of the award of banking ombudsman within;

- a. 7 days
- ss) 15days
- tt) 30days
- uu) 60days

Ans - b

.....

In a Hindu Undivided Family, the business of the family is managed by .....

- a. Karta
- vv) All the male co-parceners
- ww) All the co-parceners
- xx) None of these

Ans - a

.....

Exposure norms are not applicable to which of the following types of exposures? (i) Credit facilities to weak/sick industrial units under rehabilitation packages, (ii) Food credit, (iii) Loans guaranteed by State Government

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a



.....

A company is ..... and ..... from its members.

- a. Unique and Separate
- b. Separate and distinct
- c. Distinct and Unique
- d. Unique and distinct

Ans - b

.....

A private company should have a minimum paid-up capital of Rupees .....

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - c

.....

Which act provides regulatory powers directly or indirectly central govt for control over banks ?

- a. RBI ACT
- b. B R ACT
- c. N I ACT
- d. a & b

Ans - d

.....

Section 7(1) of RBI act concerns with which of the following aspects ?

- a. RBI authority to regulate the banks
- b. NABARD authority to regulate RRB's
- c. Govt authority to issued directions to RBI
- d. RBI authority to issue directions to bank in India

Ans - c

.....

An appeal against the decision of national commission may be preferred with;

- a. central government.
- b. supreme court.
- c. high court.
- d. no provision for submitting an appeal

Ans - b

.....

What is the maximum period for filling an appeal against the orders of the forum /commission ?

- a. 3 days

- b. 30 days
- c. 60 days
- d. 90 days

Ans - b

.....

If the complaints lodged by the consumer is frivolous, the forum may instruct the construct the complaints to pay penalty to opposite party to the extent of;

- a. Rs. 10,001.
- b. Rs. 5,000
- c. Rs. 10,000
- d. Rs. 15,000

Ans – c

A Public Limited Company shares are ..... transferable.

- yy) Not
- zz) Freely
- aaa) Not freely
- bbb) None of these

Ans - b

.....

The Adhesive Revenue Stamps are affected on :

- a. Demand Promissory Notes.
- ccc) Acknowledgements.
- ddd) Balance Confirmation, Receipts.
- eee) All the above.

Ans - d

.....

Hypothecation is .....

- fff) Agreement.
- ggg) Pledge Agreement
- hhh) Letter of Guarantee.
- iii) All the above.

Ans - d

.....

When account is following is closed by the bank, proper..... should be given to the customer

- a. thanks letter
- jjj) guarantee
- kkk) notice
- lll) demand

Ans - c

.....

The present CRR and SLR requirements are ..... , respectively.

- a. 20% and 40%
- b. 3% and 25%
- c. 5% and 30%
- d. None of these

Ans – b

.....

Present minimum capital adequacy ratio is 9% of

- a. Total liabilities
- b. Total assets
- c. Total risk weighted assets
- d. None of these

Ans - c

.....

New Prudential Accounting Norms cover

- a. interest rates
- b. Method of lending
- mmm) Deposits
- nnn) Capital adequacy, income recognition, Assets classification and Provisioning

Ans - d

.....

The sub-agent is responsible for fraud or willful wrong to

- ooo) Principal
- ppp) Agent
- qqq) Both Principal and agent
- rrr) None of these

Ans - c

.....

On-site inspection is followed by

- a. supervisory letter
- b. renewal of license
- c. fresh audit
- d. None of these

Ans – a

The State Bank of India is a .....\_\_\_ constituted under the State Bank of India Act.

- a. banking company
- b. body corporate
- sss) society
- ttt) d. None of the above

Ans - b

.....

The Chairman of the State Bank is appointed by ..... in consultation with the Reserve Bank.

- a. the Central Board
- b. Banking services Recruitment Board
- c. Central Government
- d. None of the above

Ans - c

.....

State Bank has to act as ..... and carry out Central Government business

- a. and other business entrusted by the Reserve Bank.
- b. agent of Reserve Bank
- c. agent of Central Government
- d. advisor to the Central Government

Ans - b

.....

The provision of the ..... are applicable to State Bank as stipulated in Section 51 of the BR Act.

- a. RBI Act
- b. Banking Regulation Act
- c. Companies Act
- d. None of the above

Ans - b

.....

Whereas general lien gives right to retain goods, Banker's lien has ..... in case of default.

- a. right to create charge
- b. right to create mortgage
- c. right to sell
- d. None of these

Ans - c

.....

In a deposit account the principal relation between Bank and Customer is bank ..... and the Customer ....

- a. Agent, Principal
- b. Lessor, Lessee
- c. Creditor, Debtor
- d. Debtor, Creditor

Ans - d

.....

Crossing is a direction to the ..... bank to pay the cheque to the payee through a bank.1-

uuu) drawer  
vvv) payee  
www) paying  
xxx)collecting

Ans - c

.....

When a cheque is drawn on a bank is called the .....

yyy) drawer  
zzz) endorser  
aaaa) acceptor  
bbbb) drawee

Ans - d

.....

Who implemented the banking ombudsman scheme?

- a. Indian bank association.
- b. Reserve bank of India.
- c. National institute of bank management
- d. National consumer commission

Ans - b

What is the tenure of banking ombudsman?

- a. 1 years
- b. 3 years
- c. 5 years
- d. no such time limit

Ans - b

.....

Lok Adalats are organised by

- a. District/State Authority
- b. Supreme Court Legal Services Committee
- c. High Court Legal Services Committee
- d. All of these.

Ans - d

.....

"Spurious goods and services" means

- a. Genuine goods and services
- b. Not Genuine goods and services
- c. Claimed to be Genuine but not actually so
- d. None of the above

Ans - c

.....  
Which of the following are true about an inquiry carried out by an Information Commission? (i) It may examine any record to which the `RTI Act, 2005` applies, (ii) No such record can be withheld from it (irrespective of any provision of any Act passed by the Parliament or the State Legislature), (iii) IC has the powers of a Civil Court trying a suit under the Code of Civil Procedure."

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....  
Garnishee Order extends to the following types of deposit ..... (i) Term Deposit maturing after one year, (ii) Credit Balance in Cash credit account, (iii) Balance in current account

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....  
On sale of security asset, the sale proceeds are appropriated firstly.

- a. Towards satisfaction of dues of secured creditor.
- b. Towards payment of dues of labour.
- c. Towards payment of cost, charges and expenses for preservation and protection of securities, insurance premiums, etc
- d. Towards payment of legal costs incurred by the creditor for taking possession and for effecting sale.

Ans - c

.....  
After Mardia Chemical Case, the amendment made in the SARFAESI Act stipulates deposit of \_\_\_\_\_ % of amount before preferring application to DRT.

- cccc) 25
- dddd) 50
- eeee) 60
- ffff) 75

Ans - b

.....  
The acceptance of recommendations of the banking ombudsman should be conveyed by the bank within .....

- a. 7 days
- b. 15 days
- c. 21 days
- d. 1 Month

Ans - d

.....

A borrowal account is designated as non performing asset when the interest and/or installment remains unpaid for

- a. 1 quarter
- b. 2 quarters
- c. 3 quarters
- d. 4 quarters

Ans - b

.....

RBI ensures that banks operate within set norms by conducting ..... inspections and ..... monitoring.

- a. on-site, off-site
- b. field, commodity prices
- c. stock, stock market
- d. None of these

Ans - a

.....

Transfer of Property Act basically contains provisions relating to transfer of .....

- a. Moveable property and goods
- b. Immovable property
- c. Either a or b
- d. None of the above

Ans - b

.....

A public company should have a minimum paid-up capital of Rupees .....

- a. five crore
- b. five lakh
- c. one crore
- d. one lakh

Ans - b

.....

There is no ..... as to the quality or fitness of goods for any particular purpose.

- a. implied condition
- b. implied warranty
- c. express condition
- d. express warranty

Ans - a

.....

A contract if entered into by a banking company with any party in contravention of a direction issued by

the Reserve Bank .....

- a. shall be invalid
- b. shall render the banking co. liable to prosecution for violation of directions
- c. shall render the bank and any other party to the contract liable to prosecution for violation of directions.
- d. None of the above

Ans - c

.....

A lease is a ..... transfer of property.

- gggg) Absolute
- hhhh) Partial
- iiii) Limited
- jjjj) either b or c

Ans - d

.....

For the purpose of maintenance of liquid assets under Section 24 of the BR Act, unencumbered approved securities shall be valued at .....

- a. face value
- b. current market price
- c. average of market price for previous six months
- d. None of the above

Ans - b

.....

When the ..... is in possession of goods, a lien can be exercised.

- a) Buyer
- b) agent of the buyer
- c) seller
- d) carrier

Ans - c

.....

Any person aggrieved by an order of Adjudicating Authority can appeal to .....

- a) RBI
- b) High Court
- c) Special Director (Appeals)
- d) Appellate Tribunal for Foreign Exchange

Ans - c

.....

An Ajudicating Authority can enquire contravention under FEMA only if a complaint is filed by .....

- kkkk) RBI
- llll) High Court



m m m m) Special Director (Appeals)  
n n n n) Central Government

Ans - d

.....

Frequency of First Tranche Returns is

- o o o o) monthly
- p p p p) monthly / quarterly
- q q q q) monthly / quarterly / half-yearly
- r r r r) None of these

Ans - c

.....

Second Tranche of OSMOS returns cover

- a. asset quality
- b. liquidity and interest rate exposures
- c. ownership pattern of deposits
- d. None of these

Ans – b

The sub-agent is responsible for his normal acts to

- s s s s) Principal
- t t t t) Agent
- u u u u) Both Principal and agent
- v v v v) None of these

Ans - b

.....

Where the signature of the drawer of a cheque is not genuine, such a cheque is called .....

- w w w w) post-dated cheque
- x x x x) forged cheque
- y y y y) clearing cheque
- z z z z) stale cheque

Ans - b

.....

Section 138 states that drawer of a cheque is liable to be punished if the cheque is bounced for .....

- a. not crossing
- b. alteration in figures
- c. being postdated
- d. insufficient fund

Ans – d

.....

When a drawer draws a cheque without keeping sufficient balance and if the cheque is dis-honoured for

insufficient funds, the drawer is punishable with and imprisonment which may extend to ..... and or a fine.

- a. two months
- b. four month
- c. one year
- d. None of these

Ans - c

.....

A person who is indemnified can recover ..... for claiming the damages.

- aaaaa) Damages
- bbbbbb) Costs
- ccccc) Both a and b
- dddddd) None of these

Ans - c

.....

Who can retain goods bailed to them as security for a general balance of a/c.

- eeeeee) Bankers
- fffff) Factors
- ggggg) Policy brokers
- hhhhh) All of them

Ans - d

.....

A person who makes a proposal is known as .....

- iiiiii) promisor
- jjjjj) principal debtor
- kkkkk) surety
- lllll) guarantor

Ans - a

.....

A person is said to be competent to contract if .....

- a. he is a major
- b. he is of sound mind
- c. he is a major and of sound mind
- d. None of the above

Ans - c

.....

Which of the following is a correct statement?

- a. State govt has no control over coop banks
- b. Central govt doesn't exercise any control over the commercial bank



- c. For cancellation of bank license by RBI, appeal lies with the supreme court
- d. Central govt can give directions to RBI

Ans - d  
.....

What can be the min & max denomination of bank notes under the provisions of RBI act?

- a. Rs 1 to Rs 1000
- b. Rs 2 to Rs 1000
- c. Rs 2 to Rs 10000
- d. Rs 10 to Rs 10000

Ans - c  
.....

The maximum number of members in a public company can be .....

- mmmmm) 12
- nnnnn) 50
- ooooo) 51
- ppppp) No Limit

Ans - d  
.....

While dealing with shares and securities banks have to follow the regulations framed by ...

- a. Company law board
- b. Registrar of companies
- qqqqq) SEBI
- rrrrr) FEDAI

Ans - c  
.....

Banking regulation act 1949 was enacted with the objective of ...

- a. Creating RBI
- b. Creating banking companies
- c. Accepting of deposit and lending
- d. Regulating banking business

Ans – d  
.....

"Document of title of goods" doesn't include

- a. Bill of lading
- b. Railway receipt
- c. wharfinger's certificate
- d. None of these

Ans - d  
.....



Persons entered into partnership are collectively called as

- sssss) Partners
- ttttt) Firm
- uuuuu) Either a or b
- vvvvv) None of these

Ans - b  
.....

A person is said to be competent to contract if .....

- a. he is a major
- b. he is of sound mind
- c. he is a major and of sound mind
- d. either a or b.

Ans - c  
.....

Surety is also known as the .....

- wwwww) indemnifier
- xxxxx) bailor
- yyyyy) guarantor
- zzzzz) bailee

Ans – c  
.....

Liability of the surety is ..... that of the principal debtor.

- a. primary to
- b. co-extensive with
- c. secondary to
- d. either a or b

Ans - b  
.....

Insurance policies are contracts in the nature of .....

- aaaaaa) guarantee
- bbbbbb) pledge
- cccccc) bailment
- dddddd) indemnity

Ans - d  
.....

The final decision to issue notes of different denomination is taken by ...

- A. Governor RBI
- B. Central Board Of Directors Of RBI

- C. Issue Deptt Of RBI
- D. Central Govt

Ans - d

.....

On which of the following aspects, RBI doesn't have the authority as far as banks are concerned?

- A. Collection & dissemination of credit info
- B. Moratorium, amalgamation, winding up of bank
- C. Imposition of penalties
- d. None of the above

Ans – d

Which of the following kind of authority RBI doesn't have to regulate the banking business in India?

- A. To inspect the banks
- B. To exercise supervisory control over banks
- C. To give directions to bank in public interest
- D. NONE OF THE ABOVE

Ans - d

.....

When the bank gives loan on the security of book debts, which of the following types of charge is created:

- eeeeee) hypothecation
- ffffff) assignment
- gggggg) lien
- hhhhh) pledge

Ans - b

.....

Which of the following is an essential condition for creating the assignment:

- a. assignment can be oral as well as in writing
- b. the notice of assignment must be given to the original debtor
- c. the original debtor must acknowledge the assignment in favour of the bank
- d. the assignment may be absolute or by way of a charge

Ans - a

.....

When the bank serves the notice on assignment, the original debtor must confirm:

- a. the amount of debt
- b. details of his own right of set-off, if any
- c. details of previous notice of assignment, if any.
- d. all the above

Ans - d

.....

What type of charge is available to the bank, when the loan is granted against the security of fixed deposit receipt:

- iiiiii) hypothecation
- jjjjjj) assignment
- kkkkkk) lien
- llllll) pledge

Ans - b

.....

Against which of the following types of fixed deposit receipt, the loan can be allowed by the bank to a person called X:

- a. the FDR issued by another bank in the name of X
- b. the FDR issued by the bank in name of minor child of X
- c. the FDR issued by the bank in the name of X jointly with his wife which is discharged by both of them
- d. the FDR in the name of X kept by him as his clients money.

Ans - c

.....

In case of supply bills, the document evidencing the movement of goods from the seller to the buyer is called:

- a. warehouse receipt
- b. delivery challan
- c. wharfingers certificate
- d. supply bill

Ans - b

.....

When the bank has to allow advance against the supply bills, which of the following document is normally not required to be submitted compulsorily:

- a. hundi or bill of exchange
- b. receipted challan or delivery challan
- c. inspection note
- d. railway receipt or goods receipt

Ans - d

.....

In case of advance against supply bills, the bank shall receive the payment directly from the govt. department on the basis of:

- a. documents sent by the bank to the govt. department
- b. charge assignment acknowledged by the govt. department
- c. power of attorney executed by the borrower and registered by the govt. department with them
- d. all or any of the above

Ans - c

.....

Fail to create charge and intimate to the central registrar as per Sec. 23,24 and 25 of SARFAESI Act by the Securitisation Company can be punished with .....

- a. Fine up to five lakh rupees and for continuation of offence per day fine up to rupees ten thousand.
- b. Cancellation of licenses of the company.
- c. Fine upto rupees five thousand for each day during which the default continues.
- d. The Act has not provided for any punishment in specific.

Ans - c

.....

SARFAESI Act is not applicable to .....

- a. Nationalised Banks
- b. Regional Rural Banks
- mmmmmm) Co-operative Banks
- nnnnnn) SBI and its subsidiary Banks

Ans - b

.....

Demand deposits are those which can be withdrawn .....

- a. on demand
- b. at any future date
- c. after one year
- d. after 5 years

Ans - a

.....

Which of the following is correct regarding loan to directors of other banks or relatives of directors of own bank or directors of other banks?

- a. In all cases, loan can be sanctioned by appropriate authority but it should be reported to Board of Directors of sanctioning Bank
- b. In all cases, loan cannot be granted without sanction of the Board of Directors of lending Bank.
- c. Loan of Rs 25 lakh and above can be granted only after obtaining sanction of the Board of Directors of lending bank
- d. Loan of less than Rs 25 lakh can be sanctioned by appropriate authority but it should be reported to Board of Directors of sanctioning Bank

Ans - c

.....

In case of improper and wrongful expulsion, the expelled partner ..... (i) Does not cease to be a partner, (ii) Is entitled to be reinstated in his position, (iii) Can recover damages for wrongful expulsion

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Gift of Rs 5,00,000 received on 10 July, 2017 through account payee cheque from a non-relative regularly assessed to income-tax, is .....

- a. A capital receipt not chargeable to tax
- b. Chargeable as other sources
- c. Chargeable to tax as business income
- d. Exempt up to Rs.50,000 and balance chargeable to tax as income from other source

Ans - b

.....

As per section 2(1)(c) of Consumer Protection Act 1986, "complaint" means any allegation in writing made by a complainant that a trader or service provider has charged for the goods or service a price in excess of the price ..... (i) fixed by or under any law for the time being in force, (ii) displayed on the goods or any package containing such goods, (iii) agreed between the parties

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Persons who are not allotted PAN are to make declaration .....

- a. on form No.60
- b. on form No.61
- oooooo) on form No.60-A
- pppppp) on form No.60-B

Ans - a

.....

Among the following which documents are not mandatory to be submitted to the registrar along with incorporation application by a private company.

- a. Address of Registered office & undertaking
- b. Undertaking and statement of capital
- c. statement of capital & list of directors
- d. list of directors and statement of capital

Ans - A

.....

The term "Coercion" means ..... (i) Committing or threatening to commit any act forbidden by the Indian Penal Code, (ii) Compulsion, (iii) A unlawful pressure

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....



..... means the total amount of called up capital on the shares issued and subscribed by the shareholders on capital account.

- a. Called-up capital
- b. subscribed capital
- c. nominal capital
- d. Paid-up capital

Ans - a

.....

As per section 4(2), of The Sale of Goods Act, a contract of sale may be ..... (i) Absolute, (ii) Conditional

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - c

.....

Combining of accounts of customers is usually resorted to when .....

- a. one account of the customer shows debit balance and the other credit balance
- b. one account of the customer is time barred and the other is not
- c. both accounts are showing debit balance, one is secured other is not
- d. both accounts are showing credit balance; one is active and the other one is dormant

Ans - a

.....

Depository receipts that are traded in an international market other than the United States are referred to as .....

- a. Global depository receipts
- b. International depository receipts
- c. Open market depository receipts
- d. None of the above

Ans - a

.....

Which of the following is true about the restrictions on RBI? (i) It is not to compete with the commercial banks, (ii) It is not allowed to pay interest on its deposits, (iii) It cannot engage directly or indirectly in trade

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

In case of death of a customer banking accounts of that customer are stopped only when a banker receives .....

- a. An order issued by a court of competent jurisdiction
- b. On production of the death certificate issued by the corporation or local bodies
- c. A legal notice from the survivors of the deceased
- d. Actual or constructive notice of a customer's death

Ans - d

.....

There is an announcement in the Newspaper about the death of one of the important client Mr. Ram Mohan yesterday. A cheque is presented in clearing dated one month before. Now .....

- a. The cheque should be returned with the remarks "Drawer Deceased"
- b. The cheque should be honoured as the bank has not received any written notice of Mr.Ram Mohan from his family
- c. The cheque should be paid as it bears the date prior to the death of Mr.Ram Mohan
- d. The cheque may be paid if the presenter executes an indemnity bond

Ans - a

.....

The banker customer relationship comes to an end on the happening of the following event. (i) Death of the depositor, (ii) Insolvency/Lunacy of the depositor, (iii) Arrest/Imprisonment of the depositor

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

To avoid operation of the rule of Clayton's case a banker should rule-off the account which is overdrawn and open a fresh account for further transaction when .....

- a. a new partner is admitted to a partnership firm
- b. the bank receives the notice of death or insolvency of a partner or a joint account holder
- c. there is a change in the board of directors of a company
- d. if case of death of a managing director of a Joint Stock Company

Ans - b

.....

Priority sector includes ..... (i) Agriculture, (ii) Retail Business, (iii) Small Scale Industries

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Family pension received by a widow of a member of the armed forces where the death of the member

has occurred in the course of the operational duties, is .....

- a. Exempt up to Rs.3,00,000
- b. Exempt up to Rs. 3,50,000
- c. Totally exempt under section 10(19)
- d. Totally chargeable to tax

Ans - c

.....

As per Section 2(i) of IT Act "record" includes ..... (i) any document, manuscript and file, (ii) any microfilm, microfiche and facsimile copy of a document, (iii) any other material produced by a computer or any other device

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Which of the following statements about GST are correct? (i) Both Central and State taxes will be collected at the point of sale, (ii) The Central and State GST will be charged on the manufacturing cost.

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

How could a Public Information Officer receive applications? (i) Those submitted by a requester in hand, (ii) Those sent by an applicant by E-Mail, (iii) Transferred by another Public Authority

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A partnership deed usually contain the particulars relating to ..... (i) Name of firm and partners, (ii) Nature of business and duration of firm, (iii) Capital contribution, profit/loss sharing ration and other agreed terms

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

What are the information not open to disclosure under RTI Act 2005 ? (i) disclosure of which would prejudicially affect the sovereignty and integrity of India, the security, strategic, scientific or economic interests of the State, relation with foreign State or lead to incitement of an offence, (ii) information which has been expressly forbidden to be published by any court of law or tribunal or the disclosure of which may constitute contempt of court, (iii) information including commercial confidence, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party, unless the competent authority is satisfied that larger public interest warrants the disclosure of such information

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Section 5 of Limitation Act provides .....

- a. Bar upon institution of suits
- b. Bar upon institution of appeals
- c. Extension of limitation period in certain cases
- d. none of the above

Ans - c

.....

The quoting of PAN has been introduced to ensure .....

- a. that bank accounts are opened by the customers by following proper procedures only
- b. that bank accounts provide information about tax revenue
- c. that more people are brought under tax net and voluntary compliance of tax procedures is ensured
- d. all the above

Ans - c

.....

The credit control methods adopted by RBI includes ..... (i) Quantitative control, (ii) Qualitative control, (iii) Fixed control

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

In case of death of a consumer who can prefer complaint under Section 2(1)(b) of Consumer Protection Act 1986?

- a. his legal heir or representative
- b. State Government
- c. consumer association registered under the Companies Act, 1956
- d. No one can prefer complaint

Ans - a

.....

As per Section 2(1)(a) of Consumer Protection Act 1986, 'appropriate laboratory' means a laboratory or organisation ..... (i) recognised by the Central Government, (ii) recognised by a State Government, (iii) financed or aided by the Central Government or a State Government for carrying out analysis or test of any goods with a view to determining whether such goods suffer from any defect

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Incomes which accrue or arise outside India but are received directly into India are taxable in case of ..... (i) Resident only, (ii) Both ordinarily resident and NOR, (iii) Non-resident

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

As per section 2(12), of the Sale of Goods Act, quality of goods include ..... (i) State of goods, (ii) Conditions of goods

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

An incoming partner, who has been validly admitted in the firm, is ..... (i) Liable for the past debts of the firm, (ii) Not liable for the past debts of the firm, (iii) Liable for debts of the firm incurred after his admission

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

Which of the statements given above is/are correct? (i) American depositary receipts are securities of a non-US company that trade in the US financial markets, (ii) ADR is a negotiable security which represents securities of companies that is foreign to the market which the DR trades

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Neither (i) nor (ii)

Ans - c

.....

Non-residents who enter into any of the prescribed transactions are required to furnish .....

- a. form No.60
- b. copy of visa
- c. copy of pass-port
- d. form no.61

Ans - c

.....

Every agreement, by which any party thereto is restricted absolutely from enforcing his rights under or in respect of any contract by the usual legal proceeding in the ordinary tribunal or which limits the time within which he may thus enforce his right ..... (i) Valid agreement, (ii) Void agreement

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

.....

Partners equity is effected due to ..... (i) Retirement of a partner, (ii) Admission of a partner, (iii) Death of a partner

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A proposal may be revoked at any time ..... (i) Before the communication of its acceptance, (ii) Before the rejection of its communication

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - a

.....

In savings deposits interest is paid on ..... balance in the a/c between 10th to last working day of the month

qqqqqq) maximum  
rrrrrr) average  
sssss) minimum  
ttttt) last balance

Ans - c

.....

Current deposits are not entitled to .....

a. Cheque book  
uuuuuu) Statements  
vvvvvv) Customer service  
wwwww) interest

Ans - d

.....

"Who receives applications under the `RTI Act, 2005`?" (i) Public Information Officer at the administrative unit level, (ii) Assistant Public Information Officer at the sub-district, sub-divisional levels, xxxxxx) Any officer of a Public Authority who is available in the Authority's office when the application is made

a. Only (i) and (ii)  
b. Only (i) and (iii)  
c. Only (ii) and (iii)  
d. (i), (ii) and (iii)

Ans - a

.....

Government companies are companies where the government holds at least ..... % share of the company.

a. 80  
b. 50  
c. 75  
d. 51

Ans - d

.....

Public limited company should have a minimum of at least ..... members.

yyyyyy) 50  
zzzzzz) 15  
aaaaaaa) 7  
bbbbbbb) No Limit

Ans - c

.....

Section ..... of the company Act details the borrowing limits of the company.

cccccc)85(A)  
ddddddd) 31

eeeeeee) 293(1)  
ffffff) 5(b)

Ans - c

.....

The Trustees ..... delegate their powers.

ggggggg) can  
hhhhhhh) can not  
iiiiiii) depend on situation  
jjjjjjj) None of these

Ans - b

.....

Execution of a will is entrusted to .....

kkkkkkk) Administrator  
lllllll) holding of power of attorney  
mmmmmmm) Executor  
nnnnnnn) holder in due close

Ans - c

.....

Administrator is a person appointed by ..... to look after the property under letter of Administrator.

a. the government  
b. the Court  
c. the bank  
d. RBI

Ans - b

.....

..... is a person appointed by the Court to wind up the company.

ooooooo) Administrator  
ppppppp) Executor  
qqqqqqq) Registrar  
rrrrrrr) liquidator

Ans - d

.....

The minimum number of directors required in a private company is .....

sssssss) 3  
ttttttt) 7  
uuuuuuu) 12  
vvvvvvv) 2

Ans - d

.....



Bailment of goods as security for payment of a debt is called

- wwwwwww) Lien
- xxxxxxx) Pledge
- yyyyyyy) Hire
- zzzzzzz) Mortgage

Ans - b

.....

Early Warning Group is chaired by .....

- a. Governor, RBI
- b. DG, RBI (in-Charge of the Department of Banking Supervision)
- c. DG, RBI (in-charge of financial stability)
- d. DG, RBI (in-charge of Financial Markets Department)

Ans – d

Upto how much amount loan can be sanctioned by appropriate authority within powers delegated to him to any relative of their own director or directors of other banks or relative of director of other bank?

- a. up to Rs 25 lakh
- b. Rs 25 lakh and above
- c. Less than Rs 25 lakh
- d. None of these as loan to relatives of bank's directors can not be granted without RBI permission

Ans - a

.....

FSLC was set up in .....

- a. March 2011
- b. June 2011
- c. August 2011
- d. December 2011

Ans - a

.....

Which of the following commodities are presently covered under stipulations of Selective Credit Control?

- a. food grains i.e. cereals and pulses
- b. major oil seeds and oils thereof
- c. Buffer stock of sugar with sugar mills, unreleased stocks of sugar with sugar Mills
- d. None of these

Ans - c

.....

Which of the following is correct regarding RBI guidelines on various types of loans?

- a. Banks will not grant loan against partly paid shares
- b. Banks will not grant loan to partnership/proprietorship concerns against the primary security of shares and debentures.

- c. Banks cannot grant loans against CDs or buy-back their own CDs before maturity except in respect of CDs held by mutual funds
- d. All of these

Ans - d

.....

Which of the following is not sensitive commodity for purpose of Selective Credit Control?

- a. food grains i.e. cereals and pulses
- b. major oil seeds and oils thereof
- c. raw cotton and kapas
- d. None of these

Ans - d

.....

A company which pools money from investors and invests in stocks, bonds, shares is not called as ..... (i) A bank, (ii) An insurance company, (iii) Mutual Fund

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

If the sale of goods is by ..... there is an implied condition that the goods shall correspond with the description.

- a. description
- b. sample
- c. oral agreement
- d. written contract

Ans - a

.....

If one partner of the partnership firm cheats a customer, then ..... is/are liable to compensate the customer.

- a. only that partner
- b. all the partners
- c. either a or b
- d. None of the above

Ans - b

.....

What was the capital contribution or major participating banks in promoting the first asset reconstruction company?

bbbbbb) 0.245  
cccccc) 0.333  
ddddddd) 0.2

Ans - b

.....

What are the main objectives of consumer protection act, 1986?

- a. to provide better protection of the interest of consumers.
- b. settlement of consumer disputes.
- c. to deal with other connected matters.
- d. all the above

Ans - d

.....

Which of the following statements, is correct regarding consumer protection act?

- a. the act extends to whole of India except the state of jammu&Kashmir.
- b. the act applies all goods and services except those notified by the central government .
- c. the act is called consumer protection act, 1986.
- d. all the above

Ans - d

.....

..... means the consideration for a sale of goods.

- a) Lien
- b) Delivery
- c) Price
- d) Shares

Ans - c

.....

The minimum number of members required in a public company is .....

- a) 3
- b) 7
- c) 12
- d) 2

Ans - b

.....

As per Information Technology Act 2000, punishment for intentionally or knowingly capturing, publishing or transmitting the image of a private area of any person without his or her consent can be

..... (i) Fine up to Rs.1 lac, (i) Fine up to Rs.2 lac, (ii) imprisonment up to 3 years

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

Which from amongst the following is a reason for cancellation of registration of the Securitisation company and reconstruction company without giving hearing opportunity?

- a. The company does not keep accounts as per RBI norms.
- b. The company ceases to carry on the business of securitisation or reconstruction.
- c. The company fails to hold investment from qualified investor.
- d. The company does not fulfill any of the conditions imposed at the time of registration.

Ans - b

.....

On giving default notice by the creditor, the borrower gives a reply to it. what the creditor should do?

- a. Ignore the notice as the law does not provide for any reply option to the bank.
- b. Wait till the borrower initiates any legal action based on his reply.
- c. Give due consideration case by the Supreme Court and reply to it.
- d. Take the matter before DRT for resolving issues raised in reply.

Ans - c

.....

A Banking co. having operations in India could be constituted as a ...

- a. Body corporate under special act
- b. Registered under the companies act
- c. A Foreign co. under provisions of co. act
- d. All the above

Ans - b

.....

Goods as defined under Sale of Goods Act does not include .....

- a) grass
- b) actionable claims
- c) shares
- d) stock

Ans - b

.....

Organisational or constitutional aspects of banking co. are regulated by ...

- a) RBI
- b) SEBI
- c) Authorities under companies act
- d) ALL THE ABOVE

Ans - a

.....

The term corresponding new bank under banking co. (acquisition & transfer of undertaking) act 1970 stands for ...

- a) New private banks
- b) Old private banks
- c) RRBs
- d) Nationalised banks

Ans - d

.....

A public company should have a minimum paid-up capital of Rupees .....

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans – d

On sale of security asset, the sale proceeds are appropriated firstly.

- a. Towards satisfaction of dues of secured creditor.
- b. Towards payment of dues of labour.
- c. Towards payment of cost, charges and expenses for preservation and protection of securities, insurance premiums, etc
- d. Towards payment of legal costs incurred by the creditor for taking possession and for effecting sale.

Ans - c

.....

IRR (internal rate of return) wherever applicable should not be less than proposed.....of loan

- a. interest rate
- b. cost
- c. cash generation
- d. fixed rate

Ans - a

.....

Under SARFAESI Act, 2002, a minimum time of ..... days is to be given to the borrower / guarantor after issuing demand notice under Section 13(2).

- a. 90 days
- b. 365 days
- c. 30 days
- d. 60 days

Ans - d

.....

While extending credit facilities to a Co-operative societies, the Bank have to go through the ..... and satisfy themselves that the society can avail facilities from the Bank and provide the securities belonging to the society by way of hypothecation, pledge or mortgage for the loan sanctioned. (i) By law of the society, (ii) Approval from Registrar of Co Operative Societies authorizing the Co Operative Society for opening account with the Bank concerned

- a. Only (i)

- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans – d

Under the Banking Ombudsman scheme an arbitrator is separately appointed by

- a. Banking ombudsman himself
- a) RBI
- b) GOI-MOF
- c) GOI-Law ministry

Ans - d

.....

Alternate directors are appointed by the .....

- b. promoters
- c. underwriters
- d. shareholders
- e. board of directors

Ans - d

.....

In case of non compliance of the orders of the forum by the trader or a person against whom complaint was made the forum c/commission may fix the following penalties?

- a. imprisonment of one month and upto 3 years.
- b. a fine of not less than Rs. 2,000 but to more than Rs. 10,000
- c. (a) or (b)
- d. (a) and (b)

Ans - c

.....

Who will be the chairman of central consumer protection council?

- a. minister in charge of consumer affairs.
- b. judge of supreme court.
- c. any member nominated by government.
- d. none of the above.

Ans - a

.....

When was the national commission was set up set central government ?

- a. 1986
- b. 1987
- c. 1988
- d. 1991

Ans - c

.....

The district forum shall consist of;

- a. president
- b. an eminent person
- c. a lady social worker
- d. all these

Ans - d

.....

Who would be the president of district forum?

- a. district judge
- b. district magistrate
- c. additional commissioner.
- d. an eminent social worker

Ans - a

.....

What are the special features of consumer protection act, from consumers point of view?

- a. a simple process of complaint redressal.
- b. inexpensive redressal of complaint.
- c. speedy redressal of consumer grievances.
- d. all the above.

Ans - d

.....

Which of the following sectors the consumer protection act applies?

- a. private sector
- b. public sector
- c. government agencies
- d. all the above

Ans - d

.....

Unclaimed Deposit means a deposit not operated for

- a. 3 years
- b. 5 years
- c. 7 years
- d. 10 years

Ans - d

.....

An endorsement in which endorser waives the notice of dishonour is not called as ..... (i) Facultative Endorsement, (ii) Restrictive endorsement, (iii) Conditional Endorsement

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

RBI is under obligation to undertake banking business for the central govt under the provision of ...

- A. Section 22 of RBI Act
- B. Section 21 of RBI Act
- C. Section 20 of RBI Act
- D. Result of agreement between RBI & Govt

Ans - c

.....

The director of a banking company can hold office continuously for

- a. 3 years
- b. 10 years
- c. 8 years
- d. for lifetime

Ans - c

.....

In securitisation, who is the obligor?

- a. Borrower
- b. Lending Bank
- c. Securitisation Company
- d. None of the above

Ans - a

.....

Whether breach of RBI directives is punishable offence and to what extent?

- a. Yes, fine up to five lakh rupees and for continuation of offence per day fine up to rupees ten thousand.
- b. Yes, by cancellation of licenses of the company.
- c. No, these are the administrative directions.
- d. No, the Act has not provided for any punishment in specific.

Ans - a

.....

Provision of SARFAESI Act are applicable to which of the following?

- a. Pledged goods.
- b. Only mortgaged properties.
- c. Securities that are not otherwise charged to the creditors.
- d. Securities charged to creditors and not in possession of the creditor.

Ans - d

.....

Any Securitisation Company may



- a. Act as an agent for any bank or FI for the purpose of recovering their dues from the borrower
- b. Act as a manager for the secured assets
- c. Act as receiver if appointed by any court or tribunal.
- d. Any/all of the above

Ans - d

.....

Limitation period for filling of the review application against the award given by the Banking Ombudsman is .....

- a. 30 Days
- b. 45 days
- c. 60 Days
- d. 90 Days

Ans - b

.....

DRT Act is applicable only if the debt recoverable is above Rs .....

- a. Rs. 10 lakhs (only principal)
- b. Rs. 10 lakhs (only interest)
- c. Rs. 10 lakhs (principal+interest)
- d. Any one of the above

Ans - d

.....

An entity holding not less than 10% of the paid-up equity capital of Securitisation or reconstruction Company is called as

- a. Originator
- b. Secured Creditor
- c. Sponsor
- d. Secured debtor

Ans - c

.....

Dividends are usually paid on:

- a. Called-up-capital
- b. Subscribed-capital
- c. Paid-up-capital
- d. Issued capital

Ans - c

.....

What are the impart benefits of SARFAESI Act, 2002 to the banks?

- a. the banks can realise assets by selling or leasing without intervention or court
- a. manage asset- liability mis- matches
- b. improve liquidity and recovery position
- c. all the above

Ans – d

If a property is mortgaged in favour of the bank and loan amount or value of the property is Rs.\_\_\_\_, the permission of the Income Tax Deptt. is required to be obtained:

- a. Rs.10 lac and above
- b. Rs.30 lac or above
- c. Rs.50 lac or above
- d. none of the above

Ans - d

.....

If a property is mortgaged in favour of bank to secure a loan and later on certain arrears of tax against the property are noticed:

- a. the recovery of bank loan shall have priority
- b. the recovery of arrears shall have priority
- c. there will be pro-rata sharing of sale proceeds
- d. the arrears of tax shall be recovered first and if there is deficit, the bank will have to make up the deficit.

Ans - b

.....

An order has been passed by Distt. Forum under Consumer Protection Act, for payment of compensation. Its recovery shall be made by:

- a. filing of execution in a civil court
- b. referring the order to collector to recover as land revenue
- c. recovery officer of DRT
- d. recovery officer on the pattern of DRT

Ans - b

.....

Banks can file suit for recovery of their loans within a prescribe period called limitation period. The period is stipulated as per:

- a. Indian Contract Act
- b. Indian Evidence Act
- c. RDDB Act (DRT Act) (DRT Act)
- d. none of the above

Ans - d

.....

Which of the following High Courts rejected implementation of DRT act, 1993 in its State in 1995?

- a. Delhi High Court.
- b. Allahabad High Court.
- c. Japan High Court.
- d. Mumbai High Court.

Ans - a

.....

The Presiding officer of DRT is appointed by :

- a. Reserve Bank of India.
- b. Supreme Court.
- c. Central Government
- d. High Court.

Ans – c

.....

What is the fee payable for the Debt amount above Rs. 10 lac?

- a. Rs. 1000 for every Rs. 1 lac and part thereof.
- b. Rs. 1200 for every Rs. 1 lac and part thereof.
- c. Rs. 1500 for every Rs. 1 lac and part thereof.
- d. Rs. 2000 for every Rs. 1 lac and part thereof.

Ans - a

.....

What is the maximum amount of fee payable for filing a Recovery case with the Debt Recovery Tribunal?

- a. Rs. 1 lac.
- b. Rs. 1,20,000
- c. Rs. 1,50,000
- d. 12% of the Debt amount.

Ans - c

.....

How much is the fee payable if a suit is transferred to Debts Recovery Tribunal from a court?

- a. Rs. 1,00,000.
- b. Rs. 1,50,000.
- c. 80% of the debt amount.
- d. No such fee is payable.

Ans - d

.....

In how many days the DRT should summons to the defendant to show cause?

- a. Within 7 days.
- b. Within 10 days.
- c. Within 30 days.
- d. Within 60 days.

Ans – c

.....

The maxim applied in respect of Direct Quotation is .....

- a. buy low, sell low
- b. buy low, sell high

- c. buy high, sell low
- d. buy high, sell high

Ans - b

.....

What is the time limit for DRT to complete the process?

- a. Within 6 months.
- b. Within 9 months.
- c. Within 12 months.
- d. No such limit.

Ans - a

.....

What is the tenure of Presiding officer?

- a. 1 year.
- b. 3 years.
- c. 5 years.
- d. No such limit.

Ans – b

..... in relation to a cooperative society, for the purposes of BR Act, includes a member of any committee or body for the time being vested with the management of the affairs of that society .

- a) Director
- b) Member
- c) Manager
- d) None of the above

Ans - a

.....

A bank has lent Rs.8 lakhs to a pvt.ltd.co. to purchase a pick up van. Therefore the bank's charge

- a. has to be registered with RTO/ROC
- b. need not be registered with ROC
- c. registration is optional
- d. none of above

Ans - a

.....

..... goods are to be manufactured/produced/acquired by the seller after making of the contract of sale.

- a) Future
- b) Specific
- c) Moveable
- d) Immoveable

Ans - a

.....

What are the main features of SARFAESI Act, 2002?

- a. To put a legal system for securitization.
- b. Empowering banks and financial institutions to take possession of the mortgaged securities.
- c. To sell the securities without intervention of court.
- d. All the above.

Ans - d

.....

What are the main issues with which SARFAESI Act, 2002 deals with?

- a. Securitisation of Assets.
- b. Setting up of an Assets Reconstruction Company.
- c. Enforcement of securities.
- d. All the above.

Ans - d

.....

The essential features of securitization are:

- a. Acquisition of Financial Assets by a Securitisation or Reconstruction Company.
- b. The Assets may be NPA or standard.
- c. On sale the Assets goes out of the Books of the originator.
- d. All the above.

Ans - d

.....

What are the main functions of Assets Reconstruction Company?

- a. Setting up of a company.
- b. Acquiring Assets for Reconstruction.
- c. Acquire Assets for Asset Reconstruction.
- d. All the above.

Ans - d

.....

Which of the following is correct?

- a. The borrower can file an appeal with the DRT only after the secured creditor takes possession of Asset.
- b. Borrower can not file an appeal in the Civil Court.
- c. Writ petition can be filed in the High Court at any time.
- d. All the above.

Ans - d

.....

Possession is with the mortgagee in ..... (i) Conditional Mortgage, (ii) Usufructuary Mortgage, (iii) English Mortgage

- a. Only (i) and (ii)
- b. Only (i) and (iii)

- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

The important features of Enforcement of Securities are:

- a. take possession of the Secured Assets.
- b. Take over management of Secured Assets.
- c. To acquire pending recovery cases from DRT.
- d. Act as an Agent for Recover.

Ans - d

.....

Which of the following is not a function of Asset Reconstruction Company?

- a. To acquire pending recovery cases from DRT.
- b. Act as an Agent for Recover.
- c. Act as Manager.
- d. Act as Receiver of Court/Tribunal.

Ans - a

.....

The important features of Enforcement of Securities are:

- a. take possession of the Secured Assets.
- b. Take over management of Secured Assets.
- c. Recover dues from the debtors of the borrower
- d. All the above.

Ans - d

.....

In which of the following Acts, the provisions of Mortgage of an Asset are dealt with?

- a. Transfer of Property Act.
- b. Sale of Goods Act.
- c. Negotiable Instrument Act.
- d. Indian Company Law.

Ans - a

.....

The bank can enforce the security after giving notice and if Borrower does not repay within:

- a. 30 days
- b. 60 days
- c. 75 days
- d. 90 days

Ans – b

.....

The power of enforcement of security are available to:

- a. Banking Companies
- b. Public Financial Institutions
- c. Non-Banking Financial companies
- d. (a) and (b)

Ans - d

.....

What are the Rights available to a secured creditor?

- a. To sell the Assets.
- b. File application with DRT for recovery of full or remaining dues.
- c. To proceed against the guarantor.
- d. All the above.

Ans - d

.....

Which of the following statements, is not correct?

- a. the secured creditor has all the Judicial powers.
- b. The Borrower can get the possession of Asset back if he succeeds in DRT.
- c. The protection of SICA will not be available once the secured creditor takes steps
- d. The Borrower can get compensation from the secured creditor if he succeeds in appeal in DRT.

Ans - a

.....

Which of the following provisions are correct regarding securitisation?

- a. performing Assets can be securitized.
- b. Non-performing assets can also be securitized.
- c. A securitization company can also act as Asset Re-construction Company and vice-versa.
- d. All the above.

Ans - d

.....

An instrument on which ..... is not mentioned is called as inchoate instrument. (i) date, (ii) payee, (iii) amount

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

As per Information Technology Act 2000, punishment for fraudulently or dishonestly making use of the electronic signature, password or any other unique identification feature of any other person can be .....  
(i) Fine up to Rs.1 lac, (i) Fine up to Rs.2 lac, (ii) imprisonment up to 3 years

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

As per Information Technology Act 2000, punishment for hacking can be ..... (i) Fine up to Rs.1 lac, (i) Fine up to Rs.2 lac, (ii) imprisonment up to 3 years

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

Which of the following is a correct statement ?

- a. State govt has no control over coop banks
- b. Central govt doesn't exercise any control over the commercial bank
- c. For cancellation of bank licence by RBI, appeal lies with the supreme court
- d. Central govt can give directions to RBI

Ans - d

.....

While dealing with shares and securities banks have to follow the regulations framed by ...

- a. Company law board
- b. Registrar of companies
- eeeeeeee) SEBI
- ffffff) FEDAI

Ans - c

.....

A Limited Company applied for Working finance on 23rd of July. Received the sanction letter on 12th of August and executed the loan documents on 18th of August. Availed the finance on 3rd of September only. The charge has been registered with the Registrar of Companies on 15th of September. In this case .....

- a) The Registration is in order
- b) The Registration is not in order
- c) The Charge should have been filed within 1 month from the date of sanction
- d) Since the finance has been taken only on 3rd of September, time to be calculated from that date to file the charge

Ans - a

.....

Banking regulation act 1949 was enacted with the objective of ...

- a. Creating RBI
- b. Creating banking companies



- c. Accepting of deposit and lending
- d. Regulating banking business

Ans - d

.....

The final decision to issue notes of different denomination is taken by ...

- a. Governor RBI
- b. Central Board Of Directors Of RBI
- c. Issue Deptt Of RBI
- d. Central Govt

Ans - d

.....

On which of the following aspects, RBI doesn't have the authority as far as banks are concerned ?

- a. Collection & dissemination of credit info
- b. Moratorium, amalgamation, winding up of bank
- c. Imposition of penalties
- d. None of the above

Ans - d

.....

Which of the following kind of authority RBI doesn't have to regulate the banking business in india ?

- a. To inspect the banks
- b. To exercise supervisory control over banks
- c. To give directions to bank in public interest
- d. NONE OF THE ABOVE

Ans - d

.....

Which among the following can give directions to RBI ?

- a. Central Govt
- b. Governor RBI
- c. Central Board Of Directors Of RBI
- d. Public Shareholders Of RBI

Ans - a

.....

Which of the following is true regarding freedom to banks in respect of Loan Delivery System?

- a. Banks can increase the cash credit component beyond 20% but up to a maximum of 50%.
- b. Banks can increase the 'Loan Component' beyond 80% but up to a maximum of 90% c.
- Banks can increase the Loan component or cash credit component up to any limit.
- d. Both a & b only

Ans – c

Loan Delivery System is not applicable in respect of which of the following type of business activities?

- a. which are cyclical
- b. which are seasonal
- c. which have inherent volatility
- d. all of these

Ans - d

.....

Loan Delivery System is not applicable in respect of which of following type of facilities?

- a. Bill finance
- b. export credit
- c. sick units
- d. all of these

Ans - d

.....

Which of the following statement, are correct? (i) Credit policy has been instrumental in the increased savings rate, (ii) Monetary policy has facilitated growth of financial institutions, (iii) Monetary policy has resulted in widening the gaps between rich and poor

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

What is Repo? (i) It is a method of borrowing against certain securities for a short period, (ii) The borrower undertake a commitment to purchase back the same securities after specified period at predetermined price, (iii) It is helpful in contracting liquidity in the system

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

FSDC was set up in .....

- a. December 2008
- b. December 2009
- c. December 2010
- d. December 2011

Ans - c

.....

Who among the following are not included in the Central Board of directors of RBI ?

- a) Governor
- b) Deputy Governor
- c) Directors nominated by Govt
- d) Executive Director

Ans - d

.....

Which of the following organization are not eligible to avail the benefits of DRT Act, 1993.

- a. Commercial Banks.
- b. Financial Institutions.
- c. Non-Banking Financial Institutions.
- d. All these.

Ans - c

.....

Which of the following debts is not considered for Recovery by Debt Recovery Tribunal?

- a. Debts due to Staff of the Bank.
- b. Debts due to Small Industries.
- c. Debts due to Professional and self-employed persons.
- d. Any other debts of commercial nature.

Ans - a

.....

Which of the following modes can be used for filing a case with DRT?

- a. Personally by Representative of a Bank or the Bank Advocate.
- b. Application can be sent through Registered Post.
- c. (a) or (b).
- d. None of the above.

Ans - c

.....

The Chairman of FSDC is .....

- a. RBI Governor
- b. Finance Minister
- c. Commerce Minister
- d. None of the above

Ans - b

.....

Which of the following is not correct regarding Loan system of credit delivery?

- a. Interest on loan portion and cash credit portion of limit can be different.
- b. Security is common for Loan portion and Cash credit portion.
- c. Demand Loan can be paid in lump sum or in instalments
- d. None of these

Ans - d

.....  
As per RBI guidelines, a bank must lend through a consortium when credit facilities are more than:

- a. Rs 5 crore
- b. Rs 50 crore
- c. Rs 100 crore
- d. None of these

Ans - d  
.....

Expand - FSDC

- a. Financial Security and Development Council
- b. Financial Stability and Development Council
- c. Financial Security and Development Committee
- d. Financial Stability and Development Committee

Ans – b

When is it necessary for a bank to form consortium for lending a borrower though RBI has waived requirement for the same?

- a. When credit facilities are more than 15% of capital fund of the financing bank in case of single borrowers
- b. When credit facilities are more than 40% of capital fund of the financing bank in case of group.
- c. When financing an infrastructure project
- d. Only a and b

Ans - d  
.....

Members of FSDC includes ..... (i) heads of financial sector Regulators (RBI, SEBI, PFRDA, IRDAI & FMC),  
gggggggg) Finance Secretary and/or Secretary, Department of Economic Affairs, (iii) All four Deputy  
Governors of the RBI

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a  
.....

The whole time Directors are not appointed by ..... (i) Reserve Bank of India, (ii) Central government in consultation with RBI, (iii) Individual Bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b  
.....

Which of the following is correct about consortium financing by banks?

- a. Minimum number of consortium members should be 2 and maximum number should be 4.
- b. Every bank will have same asset classification
- c. Minimum share of a bank in the consortium should be 10%
- d. The banks will have a pari passu charge on the securities charged to them.

Ans – d

Members of FSDC Sub-Committee includes ..... (i) heads of financial sector Regulators (RBI, SEBI, PFRDA, IRDAI & FMC), (ii) Finance Secretary and/or Secretary, Department of Economic Affairs, (iii) All four Deputy Governors of the RBI

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

What is Reverse Repo? (i) It is a method of borrowing against certain securities for a short period, (ii) It is process where lender lends against the securities with a commitment to take back the securities from the borrower against payment at a specified price, (iii) It is helpful in contracting liquidity in the system

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

Working Capital Demand Loan was recommended by .....

- a. Rashid Jilani
- b. N. Vaghul
- c. K. Kannan
- d. C Rangarajan

Ans - a

.....

At the time of granting fresh facilities, which type of declarations is to be obtained from the borrowers?

- a. that they are not availing credit facilities from other bank
- b. that they are not availing working capital facilities from other bank
- c. details about the credit facilities already enjoyed by them from other banks
- d. None of these

Ans - c

.....

What type of charge is created when the security for the loan is the document of title to goods (such as Railway receipt)?

- a) hypothecation

- b) lien
- c) pledge
- d) assignment

Ans - c

.....

If a person seeking information is not provided information within the prescribed period (normally 30 days), he can make an appeal .....

- a. within 30 days
- b. within 50 days
- c. within 6 months
- d. within one year

Ans - a

.....

A system of a secure key pair consisting of a private key for creating a digital signature and a public key to verify the digital signature, is called:

- a. digital signature
- b. asymmetric crypto system
- c. electronic monitoring
- d. e-commerce

Ans - b

.....

If a person commits offence under Prevention of Money Laundering Act 2002, shall be liable for fine :

- a. up to Rs.10 lac
- b. up to Rs.5 lac
- c. up to Rs.2 lac
- d. up to Rs.1 lac

Ans - b

.....

Which of the following is an exception of doctrine of indoor management, i.e. the person dealing with the company can suffer loss?

- a. where a person dealing with a company has actual knowledge of internal irregularity
- b. where the situation is such that a person dealing with a company could have obtained information about internal irregularity
- c. where an official of the company is acting unauthorisedly and the person dealing with the company has information about this.
- d. all the above

Ans - d

.....

Which of the following can become members of a company?

- a. a partnership firm
- b. an insolvent person

- c. a person of unsound mind
- d. a company

Ans - d

.....

A person is presumed to have gone through the Articles of Association and Memorandum of Association available with the office of RoC although he might have actually not laid his hands on these documents. This is called doctrine of:

- e) ultra-vires
- f) constructive notice
- g) indoor management
- h) outdoor management

Ans - b

.....

As per Prevention of Money Laundering Act 2002, the banks are required to maintain record of specified transaction for a period:

- a) of 20 years
- b) of 10 years
- c) of 5-8 years
- d) of 5 years

Ans - b

If a banking company is found to be not complying with requirement of Prevention of Money Laundering Act 2002, the Director can impose a fine of:

- e) Rs.10000
- f) Rs.20000
- g) Minimum Rs.10000 and maximum Rs.1 lac
- h) Minimum Rs.10000 and maximum Rs.5 lac

Ans - c

.....

The person given licence to issue digital signature certificate u/s 24 of Information Technology Act is called:

- a. Certifying authority
- b. DGC Authority
- c. Digital Signature Controller
- d. Controller of Certifying Authorities

Ans - a

.....

Authentication of an electronic record by a subscriber by means of an electronic method of procedure in accordance with provisions of Section 3 of Information Technology Act, is called:

- a. digital signature
- b. asymmetric crypto system
- c. electronic monitoring
- d. key pair



Ans - a

.....

Which of the following is not a feature of document of title to goods u/s 2(4) of Sale of Goods Act:

- a. a proof of possession of goods
- b. document of control of goods
- c. document that can be transferred by endorsement and delivery
- d. the transferee gets defect free title even when the title of the transferor is defective.

Ans – d

Which of the following is not a document of title to goods:

- a. bill of lading
- b. airway bill
- c. railway receipt
- d. warehouse receipt

Ans - b

.....

What is the demerit of document of title to goods as a security:

- a. it is in the nature of not-negotiable crossed document which means that the transferee right is similar to the right possessed by the transferor.
- b. the document can be a forged document also that will not convey any title
- c. if the buyer has not paid for the goods, the goods may be stopped in transit by the seller
- d. all the above

Ans - d

.....

Under the provisions of Presidency Towns Insolvency Act 1909 or Provincial Insolvency Act 1920, the goods covered under the document of title to goods:

- a. cannot be sold by the receiver or assignee
- b. cannot be included by the receiver or assignee in the assets of the insolvent
- c. can be sold by the receiver or assignee but payment has to be made to the creditor
- d. none of the above

Ans - b

.....

Which of the following order of securities is preferable, to secure a loan, if options are available to the bank?

- a. national saving certificates, bank FDR, life insurance policy, book debts
- b. bank FDR, life insurance policy, national saving certificates, book debts
- c. life insurance policy, bank FDR, national saving certificates, book debts
- d. bank FDR, national saving certificates, book debts, life insurance policy,

Ans - b

.....



Which of the following is true in the context of a life insurance policy?

- a. the policy is issued by the life insurance corporation or general insurance corporation
- b. the contract of insurance is a contract of utmost reliability
- c. the assignee of life policy cannot sue in his own name
- d. the insured should have insurable interest in the policy

Ans - d

.....

The transfer of interest in the immovable property by a person, to secure payment of loan obtained, is called:

- a) mortgage
- b) assignment
- c) pledge
- d) hypothecation

Ans - a

.....

What is the punishment under Consumer Protection Act for complaints of frivolous nature?

- a. only fine up to Rs.10000
- b. only imprisonment up to 3 years
- c. Fine of Rs.2000 to Rs.10000 and/or imprisonment of 1 month to 3 years
- d. Fine of up to Rs.10000 and/or imprisonment up to 3 years

Ans - a

.....

A Macro Financial Monitoring Group (MFMG) is chaired by .....

- a. Finance Minister
- b. Governor, RBI
- c. Chief Economic Adviser
- d. DG, RBI (in-charge of financial stability)

Ans - c

.....

Identify the following types of mortgages 1) The sale is ostensible and not real. (2) The mortgagee has the right to receive rent on the property mortgaged (3) Mortgage is put through in a Notified area (4) Private Sale possible.

- a. Simple Mortgage/English Mortgage/Equitable Mortgage/Anomalous Mortgage
- b. Mortgage by way of Conditional Sale/Usufructuary Mortgage/Mortgage by way of Deposit of Title deeds/English Mortgage
- c. Registered Mortgage/English Mortgage/Equitable Mortgage/Simple Mortgage
- d. Mortgage by way of Conditional Sale/Equitable Mortgage/Usufructuary Mortgage/English Mortgage

Ans - b

.....

The monetary and credit policy statement of RBI are not called ..... (i) Annual Policy Statement, (ii) Credit policy of RBI, (iii) Economic Policy

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

In a Bill of exchange normally who is not the Drawee? (i) The person ordering for payment, (ii) The person directed to pay, (iii) The beneficiary

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

Inter regulatory forum for monitoring financial conglomerates (IRF-FC) was set up in .....

- a. November 2011
- b. June 2012
- c. August 2012
- d. January 2013

Ans - c

Which of the following are the requirements of a securitized company?

- a. It should be an independent company.
- b. It should be registered with RBI.
- c. It will be a public financial institution.
- d. All the above.

Ans - d

.....

Under open cash credit, the goods are taken as security, without transferring ..... (i) ownership of goods, (iii) possession of goods

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

Under the banking ombudsman scheme a complaint can be lodged with the ombudsman .....

- a. within in the specified jurisdiction.
- b. with the head office of the bank
- c. with the consumer of the bank

d. any of the above

Ans - a

.....

The secretariat staff in the banking ombudsman office will be

- a. drawn from banks.
- b. drawn from reserve bank
- c. directly appointed
- d. (a) and (b)

Ans - d

.....

Central Information Commission can impose a penalty of ..... rupees for each day till the information is furnished.

- hhhhhhh) 100
- iiiiiii) 150
- jjjjjjj) 200
- kkkkkkk) 250

Ans - d

.....

An Authorised person (AP) may be a ..... (i) Authorised Dealer of Category I, (ii) Authorised Dealer of Category II, (iii) money-changer

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

General lien can be exercised by the bank on one of the following:

- lllllll) cash remitted for DD
- mmmmmmm) credit balance in loan account
- nnnnnnn) articles in safe custody
- oooooooo) contents of locker

Ans - c

.....

Who among the following can be an Authorised Dealer of Category I? (i) Commercial Banks, (ii) RRBs, (iii) State & Urban Coop Banks

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

Statutory Corporations are established under

pppppppp) companies act  
qqqqqqqq) Act of parliament  
rrrrrrrr) Societies Registration act  
ssssssss) None

Ans - b

.....

..... is terminated when the buyer gets the possession of the goods

ttttttt) lien  
uuuuuuuu) agreement  
vvvvvvvv) condition  
wwwwwww) warranty

Ans - a

.....

A person holding Indian passport, who has gone abroad for a gainful employment or business or vocation or for any other purpose, indicating an indefinite period of stay outside India is ..... (i) Non-Resident Indian (NRI), (ii) Person of Indian Origin (PIO)

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - a

.....

'In this type of payment transaction, all shipping documents, including title documents are handled directly by the trading parties. The role of banks is limited to clearing funds as required.' This statement is true for:

- a. Clean payments
- b. Bill for collection
- c. Documentary Credit
- d. None of these

Ans - a

.....

In bank guarantees, the bank makes payment on .....

- a. being convinced that the beneficiary has incurred loss
- b. on being sued by the beneficiary
- c. on the guarantee being invoked and after seeking concurrence of the debtor
- d. merely on demand by the beneficiary

Ans - d

.....

In Documentary Collection:

- a. The Importer is the "Drawee"
- b. The Exporter is the "Drawee"
- c. None of the above
- d. Depends upon undergoing transaction

Ans - a

.....

There is an implied condition on the part of the seller that he has a right to ..... the goods.

- xxxxxxx) use
- yyyyyyy) sell
- zzzzzzz) retain
- aaaaaaaa) resale

Ans - b

.....

The seller must deliver the goods to a carrier appointed by the Buyer and located in the seller's country and from thereon the buyer arranges insurance against damage to the goods in transit. Which Incoterm(s) imply this condition :

(i) CIF, (ii) FOB, (iii) FAS, (iv) FCA

- a. Only (i)
- b. (i) and (ii)
- c. (ii), (iii) and (iv)
- d. All of the above

Ans - c

.....

An ancillary LC which arises when the seller(beneficiary) uses the LC opened in his favour to support another LC opened by the Seller's Bank, favouring his supplier is called .....

- a. Transferable LC
- b. Back to Back LC
- c. Revolving LC
- d. none of these

Ans - b

.....

The account maintained by an our Foreign Branches / Correspondents with our domestic branch (in India) is known as .....

- a. Loro a/c
- b. Vostro a/c
- c. Special a/c

d. Nostro a/c

Ans - b

.....

Rate applied for a foreign exchange transaction which involves immediate conversion of currency is known as .....

- a. ready rate
- b. forward rate
- c. merchant rate
- d. long rate

Ans - a

.....

A rate of exchange established between any two currencies on the basis of the respective quotation of each currency in terms of a third currency is known as .....

- a. cross rate
- b. merchant rate
- c. wash rate
- d. composite rate

Ans - a

.....

The liability of the members of the company can be limited by ..... (i) Share, (ii) Guarantee

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

The validity of the cheque will not be affected by the death of the .....

- bbbbbbbbb) Drawer
- cccccccc) Drawee
- ddddddddd) Endorser
- eeeeeeee) In all cases the cheque loses validity

Ans - c

.....

Introduction in all deposits accounts is .....

- fffffffff) optional
- ggggggggg) compulsory
- hhhhhhhhh) discretion of the bank
- iiiiiii) None of these

Ans - b

.....

To open an Executor Account the Bank should insist on .....

- jjjjjjjj) Probate
- kkkkkkkk) Certificate of Registration
- llllllll) Will of the deceased
- mmmmmmmm) None of the above

Ans - a

.....

As per-section 201, of the Contract Act an agency can be terminated by ..... (i) The principal revoking his authority, (ii) The agent renouncing the business of the agency, (iii) The completion of agency business

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Section 4, of the Sale of Goods Act 1930, deals with ..... (i) Sale, (ii) Agreement to sell

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - c

.....

Mr.Raj, one of your customer had deposited an outstation cheque for collection. Before receiving the proceeds, he expires. Now, on realisation the amount should be credited to .....

- a. The account of Late.Mr. Raj
- b. Suspense account pending court's order
- c. The account of the legal heirs / nominee
- d. Sundry creditors account

Ans - a

.....

According to the rule in clayton's case the moneys paid in by a customer in his current account are to be applied towards adjustment of overdraft .....

- a. at the option of the banker
- b. as agreed to between the banker and the customer mutually
- c. in the order of time in which the debts were incurred
- d. as directed by the customer

Ans - c

.....

RBI promotes commercial banking by ..... (i) Providing cheap rediscounting facilities to banks, (ii) Providing liberalized rediscounting facilities to banks, (iii) Giving subsidies to new bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Issuance of DRs is based on the increase of demand in the .....

- a. Local market
- b. International market
- c. Existing shareholders
- d. All of the above

Ans - b

.....

ADRs that do not qualify or are not intended to be listed on stock exchanges are referred to as .....

- a. Level 1 ADRs
- b. Level 2 ADRs
- c. Level 3 ADRs
- d. None of the above

Ans - a

.....

The performance of which scheme does the National Housing Bank monitor?

- a. Liberalized Finance Scheme
- b. Golden Jubilee Rural Housing Finance Scheme
- c. Energy Efficient Housing Finance Scheme
- d. Finance scheme for indirect loans

Ans - b

.....

Voting right can't be exercised in case of ..... (i) Calls in advance, (ii) Calls in arrears

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

Revaluation account is operated to find out gain or loss at the time of ..... (i) Admission of a partner, (ii) Retirement of a partner, (iii) Death of a partner

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)



d. (i), (ii) and (iii)

Ans - d

.....

Appointment Committee of Central Chief Information Commissioner (CIC) includes ..... (i) Prime Minister, (ii) Leader of the Opposition in the Lok Sabha, (iii) One Union Cabinet Minister to be nominated by the Prime Minister

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Which of the following has been included in the eligible investments for the purpose of SLR?

- a. Cash Management Bills
- b. inter Bank Participation Certificates
- c. Investment in securitized assets
- d. Only b and c

Ans - a

.....

The basic objective of prudential norms for exposure are ..... (i) higher profitability, (ii) better risk management, (iii) avoidance of credit risk

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

What is Integrated Goods and Services Tax?

- a. Tax imposed on imported goods and services
- b. Tax imposed on value additions to exports
- c. Tax imposed on interstate trade
- d. Tax on international trade

Ans - c

.....

As per section 2(1)(m) of Consumer Protection Act 1986, "person" includes ..... (i) a firm whether registered or not, (ii) a Hindu undivided family, (iii) a co-operative society

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....  
As per section 4, of The Limitation Act of 1908 where the period of limitation prescribed for any suit, appeal or application expires on a day when the Court is closed .....

- a. The suit appeal or application can not be filed later
- b. The suit, appeal or application may be instituted preferred on the day when Court re-opens
- c. Both a and b
- d. none of the above

Ans - b  
.....

Which among the following is/are correct? (i) Banking Ombudsman is a senior official appointed by RBI, (ii) The Offices of Banking Ombudsman is mostly situated at State Capitals, (iii) All Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks are covered under the Banking Ombudsman Scheme

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d  
.....

Which one of the following is the rate at which the RBI lends money to commercial banks in the event of any shortfall of funds?

- a. Benchmark Prime Lending Rate
- b. Annual Percentage Rate
- c. Bank Rate
- d. Repo Rate

Ans - d  
.....

When is it necessary for a bank to form consortium for lending a borrower though RBI has waived requirement for the same? (i) when credit facilities are more than 15% of capital fund of the financing bank in case of single borrowers, (ii) When financing an infrastructure project, (iii) When credit facilities are more than 40% of capital fund of the financing bank in case of group

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b  
.....

When a borrower has availed credit facilities from more than one bank, banks should exchange information about the conduct of the borrowers' accounts with other banks at least at intervals.

- ooooo) monthly
- pppppppp) quarterly
- qqqqqqqq) half yearly

rrrrrrrr)            yearly

Ans - b

.....

Open market operations, one of the measures taken by RBI in order to control credit expansion in the economy, means .....

- a. Sale or purchase of Government securities
- b. Issuance of different types of bonds
- c. Auction of gold
- d. To make available direct finance to borrowers

Ans - a

Under Section 9 of the Consumer Protection Act, which of the following Consumer Disputes Redressal Agencies were constituted for the purposes of this Act? (i) a Consumer Disputes Redressal Forum in each district of the State, (ii) a Consumer Disputes Redressal Commission in the State, (iii) a National Consumer Disputes Redressal Commission

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Service tax is a charge on .....

- a. Taxable service provided
- b. Taxable service to be provided
- c. Taxable service provided or to be provided
- d. Any service provided or to be provided

Ans - c

.....

Which of the statements given above is/are correct? (i) Small Industry Development Bank of India (SIDBI) was set-up as a whole owned subsidiary of the RBI, (ii) SIDBI has taken over the responsibility of administering Small Industry Development Fund managed by the IDBI.

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Neither (i) nor (ii)

Ans - b

.....

Which among the following is incorrect?

- a. RBI is the Bank of Issue
- b. RBI acts as Banker to the Government
- c. RBI is Banker's Bank
- d. RBI does not regulate the flow of credit

Ans - d

.....

Which of the following is/are associated with the risk involved in ADRs? (i) Political risk, (ii) Exchange rate risk, (iii) Inflationary risk

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

As per section 2(1)(b) of Consumer Protection Act 1986, "complainant" means ..... (i) a consumer, (ii) any consumer association registered under the Companies Act, 1956, (iii) the Central Government or any State Government,

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

The declarations or copies of documents are to be submitted to ..... (i) a registering officer, (ii) any manager or officer of banking company, (iii) stock brokers/sub-broker/share transfer agent

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Income which accrue or arise outside India and also received outside India taxable in case of .....

- a. resident only
- b. not ordinarily resident
- c. both ordinarily resident and NOR
- d. none of the above

Ans - a

.....

The right of lien is available to the banker only when the goods/securities have been given to him as .....

- ssssssss) trustee
- tttttttt) bailee
- uuuuuuuuu) beneficiary
- vvvvvvvvv) agent

Ans - b

.....

A Garnishee Order received in the name of Mr.A will extend to .....

- a. The account in the name of Mr. A & Mr. B
- b. In the name of a firm where Mr.A. is sole proprietor
- c. To the trust account where Mr.A is the trustee
- d. To a partnership account where Mr.A. is a partner

Ans - b

.....

Where neither the customer nor the banker makes an appropriation of the amount paid in as against any specific debt, the payment shall be applied in discharge of debts .....

- a. Which was created immediately preceding the payment
- b. In order of time
- c. In equal proportion
- d. The matter to be referred to head office and then decided as per the discretion of the board

Ans - b

.....

Which of the following statement is correct?

- a. A servant or an agent who agrees to receive, in addition to or in place of his regular remuneration, a portion of profits of business, is considered to be a partner
- b. A widow or child of a deceased partner who receives a portion of profits as annuity, is considered to be a partner
- c. A seller of goodwill who is given a share in the profits of a business he has sold, is considered to be a partner
- d. A joint-owner of property who receives a share of profit arising from the property, is not considered to be a partner

Ans - d

.....

Name the organization responsible for the formulation of policies and regulations relating to physical movement of goods into India.

- a) DGFT
- b) RBI
- c) FEDAI
- d) EXIM bank

Ans - a

.....

The transactions of the Bank undertaken to sell the surplus and buy the required foreign currencies in order to keep its position 'square' are known as .....

- a. cover operations
- b. merchant transactions
- c. exchange transactions
- d. forward transactions

Ans - a

.....

A foreigner whose parents or grandparents were a citizen of India is ..... (i) Non-Resident Indian (NRI), (ii) Person of Indian Origin (PIO)

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - b

.....

Which rate is quoted by the banks for buying and selling foreign currency amongst each other?

- a. Mercury Fx Rate
- b. Inter-bank rate
- c. Special Rate
- d. Card Rate

Ans - b

.....

Name the authority which issues Import Export Code (IEC).

- a) RBI
- b) FEDAI
- c) DGFT
- d) EXIM BANK

Ans - c

.....

A swap transaction involves .....

- a. purchase of currency
- b. sale of currency
- c. purchase of currency against sale or forward sale of the currency.
- d. simultaneous purchase and sale of one currency against another for different settlement dates.

Ans - d

.....

A foreign currency travelers cheque is valid for .....

- a. 3 months
- b. 6 months
- c. 1 month
- d. no time limit unless otherwise mentioned therein

Ans - d

.....

The rate quoted for clean instruments returned unpaid is .....

- a. TT selling rate
- b. DD buying rate
- c. Inter-Office rate
- d. TT buying rate

Ans – a

.....

Name the act that lays down the underlying regulations presently governing all foreign currency transactions in India

- a) FEMA
- b) RBI
- c) BR
- d) Foreign Exchange Act

Ans - a

.....

Maximum foreign exchange that can be released by an Authorised Dealer for medical treatment abroad is .....

- a. USD 50,000
- b. USD 75,000
- c. USD 200,000
- d. Upto USD 100,000 without any estimate from Doctor any amount exceeding request to be supported by Estimate from a Hospital/Doctor India / abroad

Ans - d

.....

How much percentage of foreign currency can be credited to EEFC Account of a customer in Special Economic Zone?

- a. 50 %
- b. 100 %
- c. 75 %
- d. 25 %

Ans - b

.....

For outward remittance other than imports, the applicant should submit .....

- a. Form A2
- b. Form A1
- c. Form A4
- d. Form A3

Ans - a

.....

'R' returns are submitted to RBI as on every .....

- a) month

- b) 10th, 20th & 30th
- c) 15th & last working day of the month
- d) every week

Ans - c

.....

An L/C which can be amended or cancelled by the Issuing Bank at any time prior to its expiry without notice to the Beneficiary is called a/an .....

- a. Confirmed L/C
- b. Irrevocable L/C
- c. Revolving L/C
- d. Revocable L/C

Ans - d

.....

A L/C that cannot be cancelled or amended without the consent of the parties concerned is known as a/an .....

- a. Confirmed L/C
- b. Irrevocable L/C
- c. Transferable L/C
- d. Back to back L/C

Ans - b

.....

The rate quoted for inward remittances by TT/DD, where the cover fund has already been credited to our Nostro a/c is .....

- a. TT buying rate
- b. DD buying rate
- c. Inter-Office rate
- d. Cross rate

Ans - a

.....

Which of the functions of public and private key match:

- a. private key verifies the digital signatures and public key creates the digital signature
- b. public key verifies the digital signatures and private key creates the digital signature
- c. private key and public key are used to verify the digital signatures
- d. private key and public key are used to create the digital signatures

Ans - b

.....

As per Information Technology Act 2000, the penalty for damage to computers, computer systems etc. has been fixed for damages up to ..... by way of compensation to affected person:

- a. Rs.1 lac
- b. Rs.10 lac



- c. Rs.100 lac
- d. Rs.1000 lac

Ans - c

.....

Which of the following exercises control over banks from the opening to their winding up:

- a. Reserve Bank of India and SEBI
- b. SEBI and Govt. of India, NABARD
- c. Govt. of India and RBI
- d. Govt. of India, RBI and SEBI

Ans - c

.....

The banks in India, fall in which of the following category:

- a. statutory corporations and private companies
- b. companies and cooperatives
- c. statutory corporations, companies and cooperative societies d.
- companies, public sector banks, public sector companies

Ans - c

.....

Which of the following cannot accept deposits withdrawable by cheques:

- a) banks
- b) saving bank schemes run by the govt.
- c) private credit societies
- d) financial institutions

Ans - d

As per definition u/s 5 (b) of Banking Regulation Act 1934, which of the following is not correct in the context banking business:

- a. accepting deposits and giving loans out of such deposits
- b. deposits are accepted from public
- c. banks cannot refuse to accept deposits whosoever offers
- d. accepting deposits and investing such deposits

Ans - c

.....

Which of the following cannot accept deposits from the public:

- wwwwwwwww) banks
- xxxxxxx) non-bank finance companies regulated by RBI
- yyyyyyyyy) other companies regulated by Central govt.
- zzzzzzzz) other firms that are in the business of financial institutions

Ans - d

.....

The cooperative banks that operate in more than one State, are registered under which of the following:

- a. State coop societies Act
- b. Reserve Bank of India Act
- c. Multi-state coop societies Act
- d. all the above

Ans - c

.....

Central govt. can exempt the banks from provisions of Banking Regulation Act:

- a. of its own, if satisfied
- b. on request of the bank concerned
- c. on recommendation of RBI
- d. any of the above, depending upon the circumstances

Ans - c

.....

How many types of 'R' return are required to be submitted at present?

- aaaaaaaaa) 5
- bbbbbbbbbb) 6
- ccccccccc) 7
- dddddddddd) 2

Ans - d

.....

Name the different types of 'R' returns.

- a. Nostro & Vostro
- eeeeeeeeee) Nostro
- fffffffff) Vostro
- ggggggggg) Nostro & Vostro, Loro a/c

Ans - a

.....

Four statements are given below. Some statements are not possible. Choose the statement which is possible

- a. A hypothecation can become pledge
- b. Pledge and third party pledge there is no difference
- c. A mortgage is applicable to Vehicle as security
- d. For transfer of goods assignment is used

Ans - a

.....

A foreigner spouse of an Indian citizen is ..... (i) Non-Resident Indian (NRI), (ii) Person of Indian Origin (PIO)

- a. Only (i)
- b. Only (ii)

- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - b

.....

In documentary credit transactions .....

- a. all parties deal with documents and not goods
- b. all parties deal in documents and goods as well
- c. buyer and seller deal in goods and banks in documents
- d. all parties deal in goods only

Ans – a

.....

A documentary letter of credit has normally .....

- a. two parties
- b. one party
- c. four parties
- d. no one

Ans - c

.....

The buyer or importer who procures a letter of credit from his banker is called .....

- a. opener of the credit
- b. beneficiary of the credit
- c. negotiator of the credit
- d. none of these

Ans - a

.....

Non-resident Indian is defined for banking purpose in .....

- hhhhhhhhh) FEMA
- iiiiiiiiii) Income Tax Act 1961
- jjjjjjjjj) Wealth Tax Act 1957
- kkkkkkkkk) None of the above

Ans - a

.....

Import licenses are valid for shipment :

- a. 12 months from the date of issuance of licence
- b. 1 week after the arrival of goods into the country
- c. upto last day of the month in which they expire
- d. 18 months from the date of arrival of goods.

Ans - c

.....

The face value of an Import License should take care of .....

- a. Cost of goods only
- b. Cost, Insurance and Freight (i.e) CIF
- c. CIF plus interest
- d. CIF, Interest and Agency Commission, if any.

Ans - d

.....

The rate applicable for an export bill tendered for negotiation is .....

- a. bill buying rate
- b. bill selling rate
- c. composite rate
- d. TT buying rate

Ans - a

.....

A customer wants to know the provisions for importing a motor vehicle. Which book should he refer to?

- a. Exchange Control Manual
- b. Codified Foreign Dept. Circulars
- lllllllll) Handbook of Import-Export Procedures
- mmmmmmmm) Customs Manual

Ans - c

.....

Branches should submit return of overdue import bills .....

- nnnnnnnnn) monthly
- ooooooooo) quarterly
- ppppppppp) half yearly
- qqqqqqqqq) fortnightly as on 15th & last working day of each month

Ans - d

.....

The maximum number of directors in a private company can be .....

- rrrrrrrrr) 3
- sssssssss) 7
- ttttttttt) 12
- uuuuuuuuu) 5

Ans - c

.....

At least ..... of the total number of directors of a public company are to be persons whose period of office is liable to determination by retirement by rotation.

- vvvvvvvvv) 2
- wwwwwwwww) 7
- xxxxxxxxx) two-third

yyyyyyyyyy) None of the above

Ans - c

.....

Every public company, or a private company which is a subsidiary of a public company, having a paid-up share capital of Rupees ..... must have a managing or whole-time director or a manager.

- a. five crore
- b. five lakh
- c. one crore
- d. one lakh

Ans - a

.....

The term corresponding new bank under banking co. (acquisition & transfer of undertaking) act 1970 stands for ...

- a. New private banks
- b. Old private banks
- zzzzzzzzzz) RRBs
- aaaaaaaaaaa) Nationalised banks

Ans - d

.....

Trusts of Hindus are governed by the .....

- a. Parliament Act
- b. Indian Trust Act
- c. Wakf Act
- d. Religious and Charitable Endowments Act

Ans – d

.....

Trusts of Muslims are governed by the .....

- a. Parliament Act
- b. Indian Trust Act
- c. Wakf Act
- d. Religious and Charitable Endowments Act

Ans - c

.....

Cash Credit facility is a .....

- a. Fund based facility
- b. Non-Fund based facility
- c. Either a or b
- d. None of these

Ans - a

.....

The banking ombudsman may reject the complaint on the following grounds

- a. complaint is without sufficient cause.
- b. complaint is not pursued with reasonable diligence.
- c. there is no loss or damage or inconvenience suffered by the complainant.
- d. any one or all of the above

Ans - d

.....

Which of the following the banking ombudsman does not cover?

- a. financial institutions.
- b. non- banking financial companies
- c. non- scheduled banks.
- d. all the above.

Ans - d

.....

The banking ombudsman receives maximum number of complaints in respect of;

- a. foreign bank
- b. public sector bank
- c. regional rural bank
- d. co- operative bank

Ans - b

.....

Which of the following are the norms of awarding compensation by the banking ombudsman ?

- a. banking ombudsman does not have unlimited powers to allow compensation.
- b. the maximum limit of compensation is Rs. 10 lac
- c. no compensation will be awarded in excess of that which is necessary.
- d. all the above

Ans - d

.....

In case of non- compliance of the award by the bank the baking ombudsman will report to;

- a. reserve bank of India.
- b. supreme court
- c. finance ministry
- d. consumer protection forum

Ans - a

.....

What is the maximum limit of compensation the baking ombudsman may a award?

- a. Rs. 1 lac
- b. Rs. 5 lac

- c. Rs. 10 lac
- d. Rs. No such limit

Ans – c

.....

Base rate is not fixed by ..... (i) RBI, (ii) Ministry of Finance, (iii) Asset Liability Management Committee of Bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Bills co-acceptance facility is a .....

- a. Fund based facility
- b. Non-Fund based facility
- c. Either a or b
- d. None of these

Ans – b

.....

Banker is entitled to charge interest on temporary overdraft under .....

- a. RBI Act
- b. BR Act
- c. Indian contract Act
- d. Banking Custom

Ans - d

.....

Limitation period for filing a suit in Term Loans is ..... years from the date of default of installment.

- bbbbbbbbbbb) 2
- ccccccccc) 3
- ddddddddddd) 4
- eeeeeeeeeee) 5

Ans – b

.....

Period of repayment in the case of medium-term loan is .....

- a. 1 year
- fffffffffff) 2-4 years
- ggggggggggg) 5-7 Years
- hhhhhhhhhhh) More than 7 years

Ans - c

.....

A public company should have a minimum paid-up capital of Rupees .....

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - d

.....

Coop banks operating in different states have to get themselves registered under ...

- A. RBI Act
- B. Multi state coop societies act
- C. State coop societies act
- D. B R Act

Ans - b

.....

Central govt can exempt a banking co. from the provisions of banking regulation act under which of the following circumstances ...

- a. On its own
- b. On recommendation of state govt
- c. On recommendation of RBI
- d. on request from the concerned banking co.

Ans - c

.....

What is the necessary condition to be complied with before lodging a complaint to banking ombudsman?

- a. have made a representation to the concerned bank.
- b. bank might have rejected the complaint or not replied the complaint
- c. the reply might have not to the satisfaction of complainant.
- d. (a) or (b) or (c)

Ans - d

.....

The acceptance of recommendations of the banking ombudsman should be conveyed by the bank within?

- a. 7 days
- b. 15 days
- iiiiiiiiiii) 15days
- jjjjjjjjjj) 30days

Ans - d

.....



How many offices the banking ombudsman have at present ?

- kkkkkkkkkkk) 5
- llllllllll) 10
- mmmmmmmmmm) 21
- nnnnnnnnnn) 29

Ans - b

.....

Before passing an award the banking ombudsman will be guided by;

- a. evidences produced by the parties.
- b. banking law and practice.
- c. instructions and guidelines issued by RBI
- d. all the above

Ans - d

.....

An award by banking ombudsman will contain;

- a. specific performance of operations.
- b. loss / cost to be borne by the bank.
- c. reasons for making the award.
- d. all the above.

Ans – d

.....

What are the formalities the banking ombudsman will comply before passing an award ?

- a. if the complaint is not settled within 2months from the date of receipt of the complaint, the baking ombudsman will inform parties about his intention to pass an award.
- b. both the parties may submit further representation or evidences in support their case within 15 days.
- c. the banking ombudsman will pass an award.
- d. all the above

Ans - d

.....

When condition is imposed by endorser along with endorsement is not called as ..... (i) Facultative Endorsement, (ii) Restrictive endorsement, (iii) Conditional Endorsement

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

An award will be executed the bank in the following manner;

- a. complainant must submit acceptance letter within one month he will accept the award in full and final settlement
- b. the bank shall comply the award within 5 days of receipt of acceptance from the complaint
- c. the bank shall intimate the banking ombudsman about compliances of the award within 15 days.
- d. all the above.

Ans - d

.....

Co operative societies that function as banks have been brought to the regulatory framework of RBI for certain aspects as a result of ...

- A. Section 6 of B R Act
- B. Section 43 of RBI Act
- C. Section 54 of registered societies act
- D. Section 56 of B R Act

Ans - d

.....

Circumstances where Bank is not liable under Consumer Protection Act 1986 is/ are .....

- a. The refusal to provide cheque book facility to a customer on the ground of not maintaining the minimum balance in his account may not amount to deficiency in service
- b. An increase in charges levied by a bank for its services do not fall within the provisions of the Consumer Protection Act.
- c. Only 1
- d. Both 1 and 2

Ans - d

.....

Section 171 of the Indian Contract Act, 1872, gives to the banker an absolute right of general lien on all goods and securities received by the banker. In which of the following circumstances that the banks cannot exercise general lien?

- a. The right cannot be exercised when the debtor has a joint account
- b. When a customer deposits securities, ornaments and other valuable for their safe custody with a banker, the banker acts as a trustee/bailee, therefore the bank cannot exercise the right of lien
- c. Documents/money deposited with a specific purpose cannot be taken under lien
- d. All the above

Ans - d

.....

In the case of a banker, the right of set-off enables him to adjust a debit balance in a customer's accounts, with any balance outstanding to his credit in the books of the bank. What are the essential elements of such banker's right to set off?

- a. There should be mutual debts and the debts should be for certain sums, while the claim and the cross claim should be for certain sums
- b. The set-off can be applied only to those debts, which are due and recoverable on the date of exercising the set-off
- c. Only 1 is correct
- d. Both 1 and 2 holds good

Ans - d

.....

An order of the Court obtained by a judgment creditor attaching the funds belonging to a judgment debtor held with a bank is called Garnishee order. Here Bank is called as .....

- a) Principal
- b) Judgement Surety for execution of order
- c) Garnishee
- d) None of the above

Ans - c

.....

The Prevention of Money Laundering Act, 2002 (PMLA) is the legal framework to combat money laundering. To implement the provisions of the Act, which of the following entity/ies have been conferred with exclusive and concurrent powers under relevant sections of the Act?

- a. Only RBI
- b. Financial intelligence unit (FIU)-India (FIU-IND)
- c. Financial intelligence unit (FIU)-India (FIU-IND) and Director (Enforcement Directorate) jointly
- d. Central Government only

Ans - c

.....

Know Your Customer' (KYC) guidelines have been revisited in the context of the recommendations made by .....

- a. Financial Action Task Force (FATF) on Anti Money Laundering (AML) standards and on Combating Financing of Terrorism (CFT)
- b. paper issued on Customer Due Diligence (CDD) for banks by the Basel Committee on Banking Supervision (BCBS)
- oooooooooooo) RBI
- pppppppppp) Both 1 and 2

Ans - d

.....

When a customer deposits certain valuables, bonds, securities or other documents with the bank, for their safe custody, the bank, besides becoming a trustee, also becomes a .....

- qqqqqqqqqq) Agent
- rrrrrrrrrr) Lessee
- ssssssssss) Bailee
- tttttttttt) Pawnee

Ans - c

.....

According to Section 124 (Indian Contract Act, 1872)- A contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself or the conduct of any other person is called a contract of indemnity. In banking parlance which of the following circumstances necessitates contract of indemnity?

- a. In transactions of issue of duplicate demand draft

- b. In transactions of issue of fixed deposit receipt
- c. 1 and 2
- d. No such contract is possible in banking context

Ans - c

.....

In a civil suit, to which bank is not a party, one of the parties has produced certified copy of books of account. One party to the suit wants to call bank officer as witness to prove the contents of copy. Can it be done?

- a. Yes, as it is the right of the party to get it reaffirmed in evidence
- b. No, as the certified copy is a prima facie evidence that is admissible in evidence as per The bankers' books evidence act, 1891
- c. No, unless the bank volunteers to do so
- d. Yes, but if Court allows the application to call the witness

Ans - b

.....

Under Debt Recovery Act .....

- a. If a bank has filed recovery application, other bank can join the application if the defendants are same
- b. A person who has to file appeal before the Appellate Tribunal has to pay 75 per cent of the debt ordered by the Tribunal
- c. DRT jurisdiction for a bank is where the head office of the bank is located
- d. Only 1 and 2 are correct

Ans - d

.....

Under Section 49A of the Banking Regulation Act, no organisation other than a bank is authorised to accept deposits withdrawable by cheque. Which of the following entities are exempted from this prohibition?

- a) The Savings Bank Scheme run by the government
- b) A Primary credit society
- c) Any other person or firm notified by the government

4. Post Offices

- a. Only 1,2,4
- b. Only 1,2,3
- c. Only 2,3,4
- d. All the above

Ans - d

.....

Banking is defined ..... as the acceptance of deposits of money from the public for the purpose of lending or investment.

- a. Under Section 5b. of the Banking Regulation Act 1949
- b. Under Section 5c. of the Banking Regulation Act 1949
- c. Under Section 5b. of the RBI Act 1934
- d. Under Section 5d. of the RBI Act 1934

Ans - a

.....

Acceptance of deposits by non-banking financial companies(NBFCs) is regulated by the Reserve Bank of India under .....

a. Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 b. Directions issued by it under Chapter IIIB of the Reserve Bank of India Act 1934 c. RBI Act 1934

d. 1 and 2

Ans - d

.....

With regard to 'Public deposits mobilisation' which of the following statement is/are true?

- a) Under Section 49A of the Banking Regulation Act, no organisation other than a bank is authorised to accept deposits withdrawable by cheque
- b) A Primary credit society and any other person or firm notified by the government can run a Savings Bank scheme if permitted by government.
- c) Non-Banking Financial Companies(NBFCs) too can accept only fixed deposits as per Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- d) Certain companies can also accept fixed deposits with permission from Central Government under the Companies (Acceptance of Deposit) Rules, 1975 issued under Section 58A of the Companies Act, 1956

- a. Only 1 and 3 are correct
- b. Only 1 ,2 and 3 are correct
- c. Only 1 ,2 and 4 are correct
- d. All are correct

Ans - d

.....

Section 6(1) of the Banking Regulation Act lists permissible businesses of a bank. But Section 8 of the Banking Regulation Act prohibits a banking company from engaging directly or indirectly in which business activities?

- uuuuuuuuuu) Trading
- vvvvvvvvvv) Undertaking trading risks
- wwwwwwwwww) Buying or selling or bartering of goods
- xxxxxxxxxxx) All the above

Ans - d

.....

As regards immovable properties, Section 9 prohibits a banking company from holding such immovable properties, howsoever acquired, except as is required for its own use. The banking company shall be required to dispose of such property within the permitted period of .....

- a. Only seven years from the acquisition of the property b.
- Only Ten years from the acquisition of the property
- c. Seven years from the acquisition of the property + five years extended time as permitted by RBI as required

d. Ten years from the acquisition of the property + five years extended time as permitted by RBI as required

Ans - c

.....

The Reserve Bank is the sole authority for issue and management of currency in India under Section 22 of the RBI Act. The bank may issue notes of different denominations from .....to ..... as the recommendations of the Central Board of the bank

- a. Rs. 1 to Rs. 10,000
- b. Rs. 2 to Rs. 10,000
- c. Rs. 5 to Rs. 1000
- d. Rs. 2 to Rs. 1000

Ans - b

.....

Which of the following instruments is not dealt by the Negotiable Instruments Act, 1881?

- a. Promissory notes
- b. Bills of exchange
- yyyyyyyyyyy) Cheque
- zzzzzzzzzz) Currency Note

Ans - d

.....

According to The Negotiable Instruments Act, 1881, which of the following instrument is the only one which is payable to 'bearer 'on demand?

- a. Promissory Note
- aaaaaaaaaaa) Cheque
- bbbbbbbbbbbbb) Bill of Exchange
- ccccccccccc) Demand draft

Ans - b

.....

Which of the following statement is false?

- a. An open cheque can be presented by the payee to the paying banker and is paid over the counter
- b. A crossed cheque cannot be paid across the counter but must be collected through a banker
- c. A crossed order cheque may be negotiated by endorsement and delivery
- d. If a cheque bears a date three months prior to the date of presentation, it is considered to be a valid cheque

Ans - d

.....

Where a cheque bears across its face an addition of the name of a banker, either with or without the words "not negotiable" that addition constitutes a crossing and the cheque is deemed to be crossed.....

- a. crossed Generally
- b. crossed specially
- c. A/C payee crossed

d. crossed indefinitely

Ans - b

.....

Statutory Corporations are established by Acts of .....

dddddddddd) Parliament  
eeeeeeeeeee) Indian Trust  
fffffffffff) Wakf  
gggggggggg) Religious and Charitable Endowments

Ans - a

.....

Private Trusts are governed by the .....

- a. Parliament Act
- b. Indian Trust Act
- c. Wakf Act
- d. Religious and Charitable Endowments Act

Ans - b

.....

The period stipulated in the Act for filing details of security interest is \_\_\_ days.

- a. 10 Days
- b. 20 Days
- c. 30 Days
- d. 60 Days

Ans - c

.....

Who among the following are included in the Central Board of directors of RBI ? (i) Executive Director, (ii) Governor , (iii) Deputy Governor

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

Securitisation or SARFAESI Act is not applicable to assets

- A. in possession of the creditor
- B. charge on which is in favour of the creditor
- hhhhhhhhhhh) both
- iiiiiiiiiii) none

Ans - b

.....

Who among the following are not included in the Central Board of directors of RBI ?

- a) Governor
- b) Deputy Governor
- c) Directors nominated by Govt
- d) Executive Director

Ans - d

.....

RBI undertakes banking business for the state govt under the provision of ...

- a. Sec 22 of RBI Act
- b. Sec 21 of RBI Act
- c. Sec 20 of RBI Act
- d. Agreement between RBI & Govt u/s 21 A of RBI Act

Ans - d

.....

Which among the following are classified as Current Account Forex Transactions? (i) payments due as interest on loans and as net income from investments, (ii) taking out an insurance policy from an insurance company outside India, (iii) remittances for living expenses of parents, spouse and children residing abroad

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

A Co operative bank can be which of the following ...

- a. Primary coop bank
- b. District central coop bank
- c. State coop bank
- d. All the above

Ans - d

.....

The banking ombudsman scheme covers the following banks;

- a. scheduled commercial banks.
- b. regional rural banks.
- jjjjjjjjjjj) co-operative banks.
- kkkkkkkkkkk) all these

Ans - d

.....

Which of the following statements is correct regarding banking ombudsman scheme?



- a. it is an opportunity to public to redress their grievances of banking services
- b. it is an additional grievances settlement mechanism
- c. it is not substitution of consumer protection ant.
- d. all the above.

Ans - d

.....

The objectives of the banking ombudsman scheme are;

- a. to promote settlement through conciliation
- b. prompt settlement of customer grievances .
- c. inexpensive settlement of grievances.
- d. all the above.

Ans - d

.....

Who can make the complaint to ombudsman?

- a. the customer himself
- b. the authorized representative of customer.
- c. (a) or (b) above
- d. all the above

Ans – c

Under what circumstances a complaint can be lodged with the banking ombudsman

- a. if the bank has not settled the issue within a period of two months.
- b. the bank has rejected the complaint of the customer
- c. the reply given by the bank to the customer was not satisfactory.
- d. all the above

Ans - d

.....

At least ..... of the total number of directors of a public company are to be persons whose period of office is liable to determination by retirement by rotation.

IIIIIIIIII) 2  
 mmmmmmmmmmm) 2/3  
 nnnnnnnnnnnn) 1/3  
 ooooooooooo) 5

Ans - b

.....

What is the true limit for a bank to dispose customer’s complaints?

- a. 1 month
- b. 2 month
- c. 3 month
- d. 6 month

Ans - b

.....

What kind of complaint can be lodged with the banking ombudsman?

- a. delay in collection of cheques
- b. deficiency in cash transaction.
- c. non- issue of demand drafts
- d. all the above

Ans - d

.....

The ombudsman signifies;

- a. an institution established to content and prevent abuses of power by Public official.
- b. redress individual grievances
- c. acts as an external agency to probe in to administration faults.
- d. all the above

Ans - d

.....

The role of banking ombudsman is;

- a. resolution of complaints against banks regarding deficiency in services
- b. it is an external agency includes mediation persuasion and adjudication
- c. it is an external agency having independent identity
- d. all the above

Ans - d

.....

When any bank or financial institution creates a charge against property, with which authority the transaction will have to be registered under the SARFAESI Act, 2002?

- a. With the Central Registry.
- b. With the ROC.
- c. With the Registrar of Assurances within whose jurisdiction the property lies.
- d. With the Reserve Bank of India.

Ans - a

.....

When the provisions of SARFAESI Act, 2002 can be invoked for proceeding against the charged property?

- a. When the bank feels that it is necessary for the recovery at any time.
- b. When the RBI directs to do so.
- c. When there is default in repayment by the borrower.
- d. When there is default in repayment and the bank declares the account as NPA.

Ans - d

.....

Section 22 of RBI acts relate which aspects of banking ?

- a. RBI authority to regulate credit
- b. RBI authority to regulate banking business
- c. RBI authority to function as bank for govt business
- d. RBI authority to issue & manage currency in India

Ans - d

.....

A Banking co. having operations in India could be constituted as a ...

- A. Body corporate under special act
- B. Registered under the companies act
- C. A Foreign co. under provisions of co. act
- D. All the above

Ans - b

.....

Organisational or constitutional aspects of banking co. are regulated by ...

- pppppppppppp)      RBI
- qqqqqqqqqqqq)      SEBI
- rrrrrrrrrrrr)      Authorities under companies act
- sssssssssss)      All the above

Ans - a

.....

Agent can be appointed by .....

- a. express appointment
- b. implication of law
- c. ratification by principal
- d. any of the three modes

Ans - d

.....

..... is terminated when the buyer gets the possession of the goods

- a) agreement
- b) lien
- c) condition
- d) warranty

Ans - b

.....

.....

,

,

The SARFAESI Act is applicable to secured creditors only to enforce the securities criteria

- a. without the intervention of court or tribunal
- b. after taking permission of court or tribunal
- c. in case of assets on which charge is registered
- d. none

Ans - a

.....

After using the securitisation measures a bank can proceed further in

- a. the civil court
- a) DRT
- b) both as the case may be
- c) none

Ans – b

.....

In Mardia case what the Supreme Court declared as invalid ?

- a. Entire SARFAESI Act, 2002.
- b. Creation of security interest.
- c. Formation of Reconstruction Companies.
- d. Condition to pay 75 per cent of the amount as pre-condition while preferring appeal to the DRT.

Ans - d

.....

Whether existing or future receivables are property?

- b. Yes.
- c. No.
- d. Yes, but if and when charged to the lender.
- e. No, if hypothecated to the lender.

Ans - a

.....

Asset Reconstruction company has to get registration from .....

- tttttttttt) RBI
- uuuuuuuuuuu) its own bank
- vvvvvvvvvvv) both
- wwwwwwwwwww) none

Ans - a

.....

The minimum number of members required in a private company is .....

- xxxxxxxxxxxxx) 3
- yyyyyyyyyyyyy) 7
- zzzzzzzzzzzz) 12
- aaaaaaaaaaaaa)2

Ans - d

.....

Most of the complaints are settled through;

- a. mutual agreement
- bbbbbbbbbbbbbb) award
- cccccccccccc) bank itself
- dddddddddddddd) before proceeding to agreed stage

Ans - a

.....

Which of the following are the norms of awarding compensation by the banking ombudsman ?

- a. banking ombudsman does not have unlimited powers to allow compensation.
- b. the maximum limit of compensation is Rs. 10 lac
- c. no compensation will be awarded in excess of that which is necessary.
- d. all the above

Ans - d

.....

RBI undertakes banking business for the state govt under the provision of ...

- a. Sec 22 of RBI Act
- b. Sec 21 of RBI Act
- c. Sec 20 of RBI Act
- d. Agreement between RBI & Govt u/s 21 A of RBI Act

Ans - d

.....

A property mortgaged (Equitable mortgage) is in a village which is not a notified area. The bank branch which gave the loan is in a Notified area. If the bank wish to file a suit, then .....

- a. Suit has to be filed in the district headquarters of the bank branch
- b. Suit to be filed with the court in whose jurisdiction the property mortgaged is situated
- c. Such loan not possible (Property in a different area and the lending bank in another area)
- d. None of these

Ans - b

.....

A Co operative bank can be which of the following ..... (i) Primary coop bank , (ii) District central coop bank, (iii) State coop bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)

- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A Co operative bank can be which of the following ...

- a. Primary coop bank
- b. District central coop bank
- c. State coop bank
- d. All the above

Ans - d

.....

A Banking co. having operations in india could be constituted as a ...

- a. Body corporate under special act
- b. Registered under the companies act
- c. A Foreign co. under provisions of co. act
- d. All the above

Ans - b

.....

There is an FDR of A and B but A dies before its maturity. B also dies one week after his death. FD amount is payable to:

- a. Legal heirs of A
- b. Legal heirs of B
- c. Legal heirs of A and B
- d. legal heirs of the person who died later

Ans - c

.....

Usance bills drawn under Import LC should be retired .....

- a. 10 days from the date of receipt of the bill
- b. on due date
- c. last day of the month in which the licence expires
- d. None of the above

Ans - b

.....

If a cheque is crossed as account payee, this is direction of ....., to .....

- a. payee, paying bank
- b. payee, collecting bank
- c. drawer, paying bank
- d. drawer, collecting bank

Ans - d

.....

Payments for retirement of bills against imports into India must be received by .....

- a. Directly by exporter
- b. Directly by importer
- c. Authorised Dealer
- d. RBI

Ans - c

.....

The rate quoted for issue of Drafts/TTs is .....

- a. Bill Selling rate
- b. Inter-Office rate
- c. Forward rate
- d. TT Selling rate

Ans - d

.....

Analysis of balance sheet of a partnership firm shows that its total net worth is more than the total outside liabilities.

- a. it can be termed as a desirable situation
- b. it can be termed as an excellent and desirable situation
- c. it reflects the conservatism on the part of the management
- d. it reflects risk appetite of the management

Ans - c

.....

In case of non-compliance of the award by the bank the banking ombudsman will report to;

- a. Reserve bank of India.
- b. Supreme court
- c. Finance ministry
- d. Consumer protection forum

Ans - a

.....

What is the maximum time for settlement of a claim before passing an award by the banking ombudsman?

- a. within 15 days from the date of receipt of complaint.
- b. within 30 days from the date of receipt of complaint.
- c. within 2 months from the date of receipt complaint ,
- d. within 3 months from he date of receipt of complaint

Ans - c

.....

What is the maximum limit of compensation the banking ombudsman may award?

- a. Rs. 1 lac
- b. Rs. 5 lac
- c. Rs. 10 lac
- d. Rs. No such limit

Ans - c

.....

What is the time limit to accept the recommendations of banking ombudsman by a bank?

- a. one week
- b. 2 weeks
- c. 3 weeks
- d. 4 weeks

Ans - b

.....

The banking ombudsman scheme was implemented in India on .....

- a. 14.6 .1995  
eeeeeeeeeeee) 1.1.7.1995
- ffffffffffff) 2.10.1995
- gggggggggggg) 15.12.1995

Ans - a

.....

The banking ombudsman scheme 1995 was amended in .....

- hhhhhhhhhhhh) 2000
- iiiiiiiiiiii) 2001
- jjjjjjjjjjjj) 2002
- kkkkkkkkkkkk) 2004

Ans - c

.....

The usual form of contract of agency is by way of a .....

- a. power of attorney
- b. indemnity bond
- c. guarantee bond
- d. None of the above

Ans - a

.....

How much additional exposure is permitted in exceptional circumstances with the permission of the Board of Directors of the bank in case of exposure to single borrower or group?

- lllllllllll) 5%,5%
- mmmmmmmmmm) 10%, 10%
- nnnnnnnnnnn) 5%, 10%



ooooooooooooo) No additional exposure without RBI approval

Ans - a

.....

The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) on solo basis as well as consolidated basis should not exceed % of its net worth as on March 31 of the previous year and the bank's direct investment in shares, convertible bonds / debentures, units of equity-oriented mutual funds and all exposures to Venture Capital Funds (VCFs) should not exceed % of its net worth.

- a. 20%; 40%
- b. 15%; 40%
- c. 40%; 20%
- d. 50%; 20%

Ans - c

.....

As per Section 19(2) of the Banking Regulation Act, 1949, a banking company can hold shares in any company, whether as pledgee, mortgagee or absolute owner, up to:

- a. 30% of the paid-up share capital of that company
- b. 30% of paid-up share capital and reserves of the bank
- c. 30% of paid-up share capital and reserves of that company
- d. a or b whichever is less

Ans - d

.....

Early Warning Group was set up in .....

- a. November 2011
- b. June 2012
- c. August 2012
- d. January 2013

Ans – b

Evidence means:

- a. All statements presented before a court by way of witnesses.
- b. It is in relation to a matter of fact under inquiry.
- c. Such statements are called oral evidence.
- d. All the above

Ans - d

.....

Which of the following statements, is correct?

- a. All documents produced for inspection of court are called documentary evidence.
- b. Primary Document mean original document itself.
- c. Certified copies are secondary evidences.
- d. All the above.

Ans - d

.....

Forex Transactions under FEMA can be classified into ..... (i) current account, (ii) capital account

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - c

.....

In which year the Tiwari Committee recommended for establishment of Special tribunals for Banks dues recovery?

- pppppppppppppp) 1981
- qqqqqqqqqqqqq) 1987
- rrrrrrrrrrrrr) 1991
- sssssssssssss) 1995

Ans - a

.....

Which of the following committees also recommended the set up of Debit Recovery Tribunals?

- a. Committee on Financial Sector Reforms.
- b. Committee on Custom Service.
- c. Committee on RRBs.
- d. None of the above.

Ans - a

.....

In which year the Recovery of Debts Due to Banks and Financial Institutions Act. was enacted?

- tttttttttttt) 1991
- uuuuuuuuuuuuu) 1993
- vvvvvvvvvvvvv) 1994
- wwwwwwwwwwwww) 1995

Ans - b

.....

Exposure norms are applicable to which of the following? (i) Advance against Bank's own deposit, (ii) Advance against LIP, (iii) Advance against NSC

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

In which of the following states the Recovery of Debts due Act is under implementation?

- a. Selected States of the Country.
- b. All the state of Country.
- c. All over the country except Jammu & Kashmir.
- d. No such restriction.

Ans - b

.....

How much minimum margin should be kept by banks while issuing guarantees on behalf of stock brokers or brokers in commodity exchange?

- a. 50% of which cash margin should be minimum 25%
- b. 25% with no sub limit for cash margin
- c. 100% of which cash margin should be minimum 50%
- d. 50% with no sub limit for cash margin

Ans - a

.....

Which of the following cases to the Recovery of Debts due Act, is applicable?

- a. Where amount involved is less than Rs. 10 lac.
- b. Where amount involved is Rs. 10 lac or above.
- c. Where amount involved is upto Rs. 11 lac.
- d. No such restriction.

Ans - b

.....

Coop banks operating in different states have to get themselves registered under ...

- a. RBI Act
- b. Multi state coop societies act
- c. State coop societies act
- d. B R Act

Ans - b

.....

The essential features of pass through certificate are:

- a. A direct, participation in the case flow is sold.
- b. Receipt of Asset cash flow is deposited in a designated account.
- c. The funds are passed on to certificate holders.
- d. All the above.

Ans - d

.....

Debenture is a document acknowledging

xxxxxxxxxxxxx) Company's indebtedness

yyyyyyyyyyyyyy) Company's ownership  
zzzzzzzzzzzzzz) Ownership of machinery  
aaaaaaaaaaaaaa) none

Ans - a

.....

When the LC specifies the Bank that is to negotiate the bills drawn under the LC then the bank is also called ?

- a. Confirming Bank
- b. Reimbursing Bank
- c. Nominated Bank
- d. None of the above

Ans - c

.....

The ..... may apply to the Central Government for an order of moratorium in respect of a banking company.

- a. banking company
- b. Registrar of Companies
- c. Reserve Bank
- d. None of the above

Ans - c

.....

The provisions of a scheme of amalgamation sanctioned by the Central Government under Section 45 of the BR Act will ..... the provisions of other laws.

- a. not affect
- b. have overriding effect on
- c. will be subject to
- d. None of the above

Ans - b

.....

Holder in due course is a person who became possessor of a NI for ..... (i) valuable consideration, (ii) in good faith, (iii) after becoming due

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

.....

,

,

.....

A lease for agricultural or manufacturing purpose is deemed to be a ..... lease

- a. month to month
- b. week to week
- c. with infinite period
- d. year to year

Ans - d

.....

The seller of goods is deemed to be an unpaid seller when the ..... has not been paid

- bbbbbbbbbbbbbb) price
- cccccccccccc) interest
- dddddddddddddd) damages
- eeeeeeeeeeeeeee) penalty

Ans - a

.....

A minor can be ..... of a partnership firm

- a. partner of the firm
- b. admitted to the benefits
- c. either a or b
- d. neither a not b

Ans - b

.....

NRNR & FCNR (B) accounts can be kept in the from of ..... deposits

- a. Term Deposits
- b. Current Deposits
- c. Saving Deposits
- d. Recurring Deposits

Ans - a

.....

Accounts jointly with residents can be opened in the case of ..... accounts.

- a. FCNR (B)
- b. NRE
- b. NRO
- d. None of these

Ans - c

.....

Accounts jointly with residents cannot be opened in the case of ..... accounts.

- a. FCNR (B)
- ffffffffffffff) NRE
- gggggggggggggg) NRO
- hhhhhhhhhhhhhh) Both a and b

Ans - d

.....

The banker should not ..... the account of his customer unless there is justifiable reason for the closure.

- iiiiiiiiiiii) close
- jjjjjjjjjjjj) open
- kkkkkkkkkkkk) transfer
- llllllllllll) None of these

Ans - a

.....

Passbook is a ..... of transactions between the customer and the bank.

- mmmmmmmmmmmm) basis
- nnnnnnnnnnnn) source
- oooooooooooooo) record
- pppppppppppppp) root

Ans - c

.....

What does execution of document signify?

- a. It must be properly executed as per the specimen signatures recorded with the bank
- b. It should be properly stamped.
- c. It should be registered, if required.
- d. All the above.

Ans – d

.....

In securitisation, who is the originator?

- qqqqqqqqqqqqq) Borrower
- rrrrrrrrrrrrr) Lending Bank
- sssssssssssss) Securitisation Company
- ttttttttttttt) None of the above

Ans - b

.....

Interest rate on Saving Bank deposits is decided by:

- uuuuuuuuuuuuu) RBI
- vvvvvvvvvvvvv) IBA
- wwwwwwwwwwwww) Ministry of Finance
- xxxxxxxxxxxxxxx) Asset Liability Management Committee of Bank

Ans – a

.....

The rate of CRR is fixed from time to time by:

yyyyyyyyyyyyyy) RBI  
zzzzzzzzzzzz) IBA  
aaaaaaaaaaaaaa) Ministry of Finance  
bbbbbbbbbbbbbb) RBI in consultation with Ministry of Finance

Ans - a

.....

The Working Group on BPLR headed by Mr Deepak Mohanty has suggested replacing BPLR with:

- a. Prime rate
- b. Base rate
- c. Reference rate
- d. Basis rate

Ans - b

.....

For the purpose of exposure norms, what is the meaning of 'Group'?

- a. Majority of the directors should be common
- b. The Managing Director should be same
- c. Commonality of Management and effective control
- d. All of these

Ans - c

.....

As per Section 19(2) of the Banking Regulation Act, 1949, a banking company can hold shares in any company, whether as pledge, mortgagee or absolute owner, up to:

- a. 30% of the paid-up share capital of that company
- b. 30% of paid-up share capital and reserves of the bank
- c. 30% of paid-up share capital and reserves of that company
- d. a or b whichever is less

Ans - d

.....

Who implemented the banking ombudsman scheme?

- a. Indian bank association.
- b. reserve bank of India.
- c. national institute of bank management
- d. national consumer commission

Ans - b

.....

Maximum advance from the banking system that can be allowed to an individual against shares, convertible bonds, convertible debentures and units of equity oriented mutual funds is restricted to:

- a. Rs:10 lakh if the securities are held in physical form
- b. Rs: 20 lakhs if the securities are held in dem-at form.
- c. Rs 20 lakhs whether securities are in physical or demat form
- d. Both a & b

Ans - d

.....

How much minimum margin should be kept by banks while issuing guarantees on behalf of stock brokers or brokers in commodity exchange?

- a. 50% of which cash margin should be minimum 25%
- b. 25% with no sub limit for cash margin
- c. 100% of which cash margin should be minimum 50%
- d. 50% with no sub limit for cash margin

Ans - a

.....

Which of the following the complaint need not contain?

- a. the name of the bank official
- b. the nature extent of loss caused to the complaint.
- c. relief sought from banking ombudsman .
- d. statement about the compliance of the condition.

Ans - a

.....

The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) on solo basis as well as consolidated basis should not exceed % of its net worth as on March 31 of the previous year and the bank's direct investment in shares, convertible bonds / debentures, units of equity-oriented mutual funds and all exposures to Venture Capital Funds (VCFs) should not exceed % of its net worth.

- a. 20%; 40%
- b. 15%; 40%
- c. 40%; 20%
- d. 50%; 20%

Ans - c

.....

Additional directors are appointed by the .....

- cccccccccccccc) promoters
- ddddddddddddddd) underwriters
- eeeeeeeeeeeeeee) shareholders
- fffffffffffffff) board of directors

Ans - d

.....



Central Information Commission can impose a penalty subject to a maximum of ..... rupees

- a. 15000
- b. 20000
- c. 25000
- d. 30000

Ans - c

.....

Only personal security of the borrower is available in the case of ..... loans.

- a. Secured
- b. Unsecured
- c. Both a and b
- d. None of these

Ans - b

.....

Secured loans are normally secured by .....

- a. Pledge
- b. hypothecation
- c. mortgage or assignment of debts
- d. All of the above

Ans – d

.....

Charge means any form of ..... for .....

- a. Security, Debt
- b. Debt, Security
- c. pledge, Security
- d. None of these

Ans - a

.....

Fixed charge means non registration of charge for the following

- a. book debts
- b. supply bills
- c. immovable property
- d. pledge

Ans - d

.....

Limitation period for term loans repayable in installments is .....

- a. 3 years from date of loan document
- b. 3 years from due date of each installment
- c. 3 years from date of disbursement
- d. 12 years from date of loan documents

Ans - b

.....

Negative lien means .....

- a. cancellation /release of lien marked on securities
- b. prohibition of second encumbrance
- c. prohibition of creating any charge
- d. undertaking by executants not to encumber the unencumbered securities

Ans – b

.....

Person who is not entitled to receive the benefit under a LC is .....

- a. Exporter
- b. Beneficiary
- c. Buyer
- d. Seller

Ans - c

.....

As per Information Technology Act 2000, punishment for data theft can be ..... (i) Fine up to Rs.2 lac, (ii) imprisonment up to 3 years

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - c

.....

Registration of charge with Roc need not be done

- a. for hypothecation of stocks
- b. for pledge of property
- c. for mortgage of property
- d. for hypothecation of vehicles

Ans - b

.....

ABC Co.Ltd. have a current account operated by anyone of the three directors A, B and C of which A dies. A cheque for Rs 50000 signed by A previously, is presented for payment. The bank will

- a. dishonour the cheque with the reason : "Signatory is dead "
- b. honour the cheque as the company, the account holder has perpetual life
- c. seek the company's advice
- d. ask the company to stop the payment and issue a new cheque

Ans - b

.....

Pari passu is a charge indicating .....

- a. first charge over securities
- b. 2nd charge over securities
- c. equal charge to charge holders
- d. proportionate share to charge holders

Ans - d

.....

When a person by his words or conduct appoints someone as his agent it is known as agency by .....

- a. promise
- b. conduct
- c. action
- d. estoppel

Ans - d

.....

Which of the following activities is not commercial?

- a. goods bought by a consumer to be used exclusively by him for the purpose of earning his livelihood by means of self-employment
- b. a retailer.
- c. small scale industry
- d. a car of a transport company being operated by a driver.

Ans - a

.....

What kind of banking complaints can be lodged with the consumer banking forum?

- a. charging excessive interest on loans
- b. payment of less interest on deposits
- c. forgery in the account
- d. all the above

Ans - d

.....

Which of the following complaints cannot be redressed by the forum?

- a. non-enhancement in the credit limit
- b. non-payment of cheque without valid reason
- c. negligence in bank transactions.
- d. not providing the required service

Ans - a

.....

When was the first asset reconstruction company set up?

- a. august, 2003.
- a. dec,2003

- b. march,2004.
- c. june, 2003.

Ans - a

.....

Which of the following banks were major promoters of first asset reconstruction company?

- a. state bank of India.
- a. icicibank.
- b. IDBI
- c. all these

Ans - d

.....

Which of the following statements are False?

- 1.A banking company is registered under the Banking Regulation Act
- 2.Co-operative banks are registered under the Multi-State Co-operative Societies Act or a State Co-operative Societies Act
- 3.Accepting deposits for lending would fall within the definition of "banking
- 4.Subsidiaries of the State Bank are companies registered under the Companies Act

- a. 1 and 2 are false
- b. 1 and 3 are false
- c. 2 and 4 are false
- d. 1 and 4 are false

Ans - d

.....

Corresponding new banks" means

- a. new banks [nationalised banks] constituted under the Banking Companies [Acquisition and Transfer of Undertakings] Act, 1970 and 1980
- b. All private sector banks incorporated after independence
- c. All private sector banks incorporated after Liberalisation policies in India during 1991-92
- d. New banks being licences recently

Ans - a

.....

Section 11 of BR Act specifies the minimum capital and reserves requirements of a banking company.As per new guide lines issued by RBI waht is the minimum capital and capital reserves requirements of private banks?

- a. 200 Croeres of capital and 20 percent of net profit as capital reserve b.
- 300 Croeres of capital and 20 percent of net profit as capital reserve c.
- 500 Croeres of capital and 25 percent of net profit as capital reserve d.
- 300 Croeres of capital and 25percent of net profit as capital reserve

Ans - c

.....

Banks can not grant loans to any of its directors against which of the following securities?

- a. Government Securities
- b. Life Insurance policies
- c. bank's own deposit
- d. shares

Ans - d

.....

What is the minimum CRR as per the relevant Act?

- a. No minimum  
gggggggggggggggg) 4%
- hhhhhhhhhhhhhhhh) 3%
- iiiiiiiiiiiiiii) 6%

Ans - a

.....

Which kind of assistance is provided by EXIM Bank to Indian companies?

- a. Direct loans to exporters
- b. Technology services
- c. Consultancy services
- d. All the above

Ans - d

.....

Which of the following includes 'banking business' as per Banking Regulation Act?

- a. Acceptance of deposit
- b. Collection of bills
- c. Buying of foreign exchange
- d. a to c

Ans - d

.....

Which of the following acts deals with the Right of Appropriation?

- a. Indian Contract Act
- b. Companies Act
- c. Negotiable Instruments Act
- d. All of the above

Ans - a

.....

Who of the following is Garnishee under a Garnishee Order?

- a. Judgement Creditor
- b. Judgement Debtor
- a. Bank
- b. None of these

Ans - c

.....

Many times, banks do not take revival letters and the debts concerned become time-barred. Here the underlying contract can say to have become .....

- a. Unenforceable
- b. Unlawful
- c. Illegal
- d. Bad

Ans - a

.....

As per Indian Contract Act 1872, consideration can be .....

- a. Past
- b. Present
- c. Future
- d. Any of the above

Ans - d

.....

Essential features of a of bailment are .....

- a. Contract
- b. Delivery of possession
- c. Purpose / return of specific goods
- d. All of the above

Ans - d

.....

A hire-purchase contract is a .....

- a. Contract of bailment
- b. Contract of sale
- c. Contract of bailment followed by Contract of sale
- d. Contract of lease followed by Contract of bailment

Ans - c

.....

Association, Agreement, Business, sharing of profits and sum up the features of a partnership:

- a. Consideration
- b. Mutual agency
- c. Liability
- d. Interest

Ans - b

.....

As per Banking Regulation Act, banks will be required to maintain minimum SLR of ..... % of NDTL

- a. 25%
- b. 20%
- c. 30%
- d. None of these as it is fixed by RBI

Ans - d

.....

As per Banking Regulation Act, what can be the maximum rate of SLR?

- a. 25%
- b. 40%
- c. 15%
- d. None of these as it is fixed by RBI

Ans - b

.....

Banks have to limit their commitment by way of unsecured guarantees in such a manner that of the bank's outstanding unsecured guarantees plus the total of outstanding unsecured advances do not exceed %of total outstanding advances.

- a. 10%, 15%
- b. 15%, 20%
- c. 15%, 40%
- d. None of these as there is no such stipulation.

Ans - d

.....

Exposure norms are not applicable to which of the following?

- a. Advance against Bank's own deposit
- b. Advance against LIP
- c. Advance against NSC
- d. Seasonal Industries

Ans - a

.....

For the purpose of exposure norms, which of the following is true for inclusion under exposure?

- a. 100% of both fund based and non fund based credit limits
- b. Sanctioned limit or outstanding whichever is higher shall be considered.
- c. In case of fully drawn term loans outstanding and not the limit sanctioned will be considered.
- d. All of these

Ans - d

.....

For the purpose of exposure norms, what is the meaning of 'Group'?

- a. Majority of the directors should be common
- b. The Managing Director should be same
- c. Commonality of Management and effective control
- d. All of these

Ans - c

.....

Banks can not grant advance against their own shares as per provisions of .....

- a. Section 20 (1) of RBI Act
- b. Section 19(2) of Banking Regulation Act
- c. RBI guidelines
- d. Section 20 (1) of Banking Regulation Act

Ans - d

.....

Under letter of Credit, Bill means

- a. Bill of entry
- b. Bill of Lading
- c. Bill of exchange
- d. Invoice

Ans - c

.....

In winding up proceedings the depositors shall ..... for the amounts shown in the books of the bank standing to their credit.

- a. be deemed to have filed claim
- b. have to file claim
- c. have no claim
- d. None of the above

Ans - a

.....

Income earned by a shareholder on a company shareholding is called

- jjjjjjjjjjjjjj) Interest
- kkkkkkkkkkkkkk) Discount
- llllllllllllll) Dividend
- mmmmmmmmmmmmmm) None

Ans - c

.....

..... may apply to the High Court for winding up of a banking company under Section 38 of the BR Act.

- a. Registrar of Companies
- b. Reserve Bank
- c. Central Government
- d. None of the above

Ans - b

.....

The High court shall order winding up of a banking company if the banking company is unable to .....



- a. pay its debts
- b. file returns in time
- c. eliminate non-performing assets
- d. None of the above

Ans - a

.....

When the confirming bank confirm the credit it

- a. does not take any liability
- b. undertakes on its part the liability under the LC
- c. undertakes to make timely of the documents and bills to the buyer or his bank
- d. None of the above

Ans - b

.....

From the following which function is of securitisation company?

- a. Acquisition of loan transaction from the lender.
- b. Help the lender in recovery by sale of charged property.
- c. Take legal steps against the defaulter borrower on behalf of the lender.
- d. Acquisition of financial assets from the originator

Ans - d

.....

When the LC specifies the Bank that is to negotiate the bills drawn under the LC, then the bank is also called.....

- a. Confirming Bank
- b. Reimbursing Bank
- c. Nominated Bank
- d. None of the above

Ans - c

.....

Acceptance of deposits by non banking financial bodies and companies is regulated by which of the following ?

- a. SEBI & RBI
- b. RBI & Govt
- c. Registrar of companies & SEBI
- d. Stock exchange & SEBI

Ans - b

.....

Who exercises the main administrative control over the functioning of cooperative banks ?

- nnnnnnnnnnnnnnnn)     RBI
- oooooooooooooooooo)     NABARD

pppppppppppppp) Central govt through coop dept  
qqqqqqqqqqqqq) State govt through registrar of co-op societies

Ans - d

.....

The confirming bank is .....

- a. the issuing bank when it confirms the issue of the LC
- b. the negotiating bank when it confirms the negotiation of the bills
- c. the advising bank when it confirms the LC
- d. None of the above

Ans - c

.....

The minimum number of directors required in a public & Private companies are .....

- a. 3 & 1
- b. 7 & 2
- c. 3 & 2
- d. 5 & 2

Ans - c

.....

The LC issuing bank is also called.....

- a. the importers bank or the opening bank
- b. the advising bank or the confirming bank
- c. the negotiating bank or the nominated bank
- d. the reimbursement bank

Ans – a

.....

A company has to obtain a ..... from the Reserve Bank to commence banking business in terms of Section 22 of the BR Act.

rrrrrrrrrrrrr) registration  
sssssssssssss) license  
ttttttttttttt) commencement certificate  
uuuuuuuuuuuuu) None of the above

Ans - b

.....

Every public company, or a private company which is a subsidiary of a public company, having a paid-up share capital of Rupees ..... must have a managing or whole-time director or a manager.

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - b

.....  
Foreign banks are required under Section 11 of the BR Act to deposit ..... arising out of their business in India with the Reserve Bank

- a. 20 per cent of profit of each year
- b. 30 per cent of profit for each year
- c. 20 per cent of the deposits collected each year
- d. None of the above

Ans - c

.....  
Shareholders of banking companies can exercise voting rights up to ..... of the total voting rights of all shareholders.

- a. 1 per cent
- b. 10 per cent
- c. 20 per cent
- d. 100 per cent

Ans - b

.....  
Central Govt can give directions to RBI in public interest after consulting ...

- a. Central board of RBI
- b. RBI Governor
- c. President of India
- d. Finance Secretary

Ans - b

.....  
In which of the following areas, RBI can't issue directions to bank ?

- a. Interest rate on deposit
- b. Interest rate on advances
- c. Margin on bank loans
- d. NONE OF THE ABOVE

Ans - d

.....  
Max penalty for damage to computers or computer systems can be.....

- a. 5 Lakhs
- b. 50 Lakhs
- c. 1 Crore
- d. 10 Crores

Ans - c

.....  
When the confirming bank confirm the credit it

- a. does not take any liability
- b. undertakes on its part the liability under the LC
- c. undertakes to make timely of the documents and bills to the buyer or his bank
- d. None of the above

Ans - b

.....

Shifting of a bank's branch in the ..... does not require Reserve Bank's permission under Section 23.

- a. same district
- b. same state
- c. same city , town or village
- d. None of the above

Ans - c

.....

Reimbursing Bank is the Bank

- a. that reimburses the seller
- b. that reimburses the Negotiating/Paying or Confirming Bank
- c. that reimburse the buyer on the goods being found defective
- d. None of the above

Ans - b

.....

Agreement can be

- vvvvvvvvvvvvv) Oral
- wwwwwwwwwwwwww) Written
- xxxxxxxxxxxxxxx) Either a or b
- yyyyyyyyyyyyyyy) None of these

Ans - c

.....

Banking companies are not permitted to give dividend until all ..... are written off.

- a. bad debts
- zzzzzzzzzzzzzz) expenses
- aaaaaaaaaaaaaaaa) capitalised expenses
- bbbbbbbbbbbbbbbb) None of the above

Ans - c

.....

A director of a banking company should not have ..... in any other company.

- a. any interest
- b. substantial interest
- c. beneficial interest
- d. None of the above

Ans – b

Which of the following is not relevant to documentation?

- a. It is an evidence of creating a change over the security.
- b. It can recognize forget transactions.
- c. It provides a right to the Bank of file a summary suit.
- d. It defines rights and obligations of the parties thereto.

Ans - b

.....

The requirement of execution of documents depends on:

- a. Nature of credit facility.
- b. Nature of security of loan.
- c. Constitution of business.
- d. All the above.

Ans - d

.....

The security documents can be by way of :

- a. Personal Security.
- b. Primary Security.
- c. Collateral Security.
- d. Any or all the above.

Ans - d

.....

Which of the following one stamps where documents are required to be stamped?

- a. Adhesive Revenue Stamp.
- b. Special Adhesive/Embossed stamp.
- c. Bill of Exchange Stamps.
- d. All the above.

Ans - d

.....

..... have to maintain cash reserve under Section 18 of the BR Act. Coop.

- cccccccccccccc) banks
- ddddddddddddddd) Banking companies which are not scheduled banks
- c. Nationalised banks
- d. None of the above

Ans - b

.....

The payment of penalty under Section 24 of BR Act can be enforced by making an application before .....

- a. the government
- b. civil court
- c. high court
- d. None of the above

Ans - b

.....

In a government company the government holds at least ..... per cent.

- eeeeeeeeeeeeeeee) 12
- ffffffffffffffff) 15
- gggggggggggggggg) 50
- hhhhhhhhhhhhhhhh) 51

Ans - d

.....

RTI application should be accompanied by a fee of rupees...

- iiiiiiiiiiiiiii) 10
- jjjjjjjjjjjjjjj) 20
- kkkkkkkkkkkkkkk) 50
- lllllllllllllll) 100

Ans - a

.....

A contract without ..... is void.

- mmmmmmmmmmmmmmmm) Indemnity
- nnnnnnnnnnnnnnnn) Guarantee
- oooooooooooooooooo) Consideration
- pppppppppppppppp) Cash

Ans - c

The firm is bound by an act of a partner done without any express or implied authority if such act is .....

qqqqqqqqqqqqqqq) Done in emergency, (ii) Done to protect the firm from loss-threatened by the emergency, (iii) Reasonable in the circumstances

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

For the PIO to disclose certain information, the Competent Authority should be satisfied that larger public interest warrants its disclosure. This information pertains to ..... (i) commercial confidence, (ii) trade secrets, (iii) intellectual property

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)

d. (i), (ii) and (iii)

Ans - d

.....

The Term "Consent" means .....

- a. Voluntary accordance with or concurrence in what is done or proposed by another
- b. Free mind
- c. Free will
- d. All of the above

Ans - d

.....

The right to sue for the hire of boat accrue to A during his minority. He attains majority four years after such accrual. He may institute his suit at any time within .....

- a. Two years from the date of his attaining majority
- b. Three years from the date of his attaining majority
- c. ive years from the date of his attaining majority
- d. None of above

Ans - c

.....

The income of transferred property may be accumulated for an unlimited time where the property is transferred with condition ..... (i) For the payment of debts taken by the transferor, (ii) For the maintenance of the property itself, (iii) For the maintenance of the descendants of the transferor generation after generation

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Right to Information includes the right to ..... (i) inspect works, documents, records, (ii) take notes, extracts or certified copies of documents or records, (iii) obtain information in form of printouts, diskettes, floppies, tapes, video cassettes or in any other electronic mode or through printouts

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

What is the prescribed time period for deposit of income tax deducted on salary .....

- a. within the month during which deducted
- b. within one week of close of the month during which deducted
- c. within one week of date of deduction of tax

d. immediately on deduction in case of online payment

Ans - b

.....

In banker's Parlance, 'Set off' refers to .....

- a. setting off legal proceedings if the borrower agrees to make payments
- b. setting off dues from one customer against dues to another customer to save reserve requirement
- c. setting off amount due from bank to one customer against amounts due from the same customer to the bank
- d. adjusting interest due from the customer on the loan against the due on Fixed deposit account

Ans - c

If information sought has been supplied by third party or is treated as confidential by that third party, the third party must be given a representation before the PIO in reply to the notice issued to him within ..... days from the date of receipt of such notice.

- a. 5 days
- b. 15 days
- c. 10 days
- d. 7 days

Ans - c

.....

As per section 2(1)(nnn) of Consumer Protection Act 1986, 'restrictive trade practice' include ..... (i) delay beyond the period agreed to by a trader in supply of goods or in providing the services which has led to rise in the price, (ii) any trade practice which requires a consumer to buy, hire or avail of any goods or services as condition precedent to buying, hiring or availing of other goods or services

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

Which of the following are the member of the selection committee constituted for appointing chairman and members of the District Forum (CDRF)? (i) Minister in charge of the Department dealing with consumer affairs in the State, (ii) Secretary in charge of the Department dealing with consumer affairs in the State, (iii) Secretary, Law Department of the State

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

How much minimum margin should be kept by banks while issuing guarantees on behalf of stock brokers or brokers in commodity exchange?



- a. 50% of which cash margin should be minimum 25%
- b. 25% with no sub limit for cash margin
- c. 100% of which cash margin should be minimum 50%
- d. 50% with no sub limit for cash margin

Ans - a

.....

What is the minimum margin for financing against physical and demat shares?

- a. 50%, 25%
- b. 50%, 50%
- c. 50%, 40%
- d. 25%, 50%

Ans - a

.....

The right of lien is available to the banker .....

- a. only when there is legally enforceable debt within the limitation period
- b. even in respect of time barred debts
- c. upto 12 years from the date of advance
- d. only for those debts for which the securities were offered

Ans - b

.....

'Certificate of commencement of business' is issued in the case of .....

- a. Association of persons
- b. Public Limited company
- c. Private Limited Company
- d. Company Ltd. by Guarantee

Ans - b

.....

Which of the following is not correct with regard to TDS provisions .....

- a. Section 192 – salary
- b. Section 194 A — Interest payments other than interest on securities ,  
rrrrrrrrrrrrrrrr) Section 194-C — Payment to contractor or sub-contractor  
sssssssssssssss) Section 194-D — Payment of brokerage

Ans - d

.....

Bank's investment in equity shares, Preference shares eligible for capital status, Subordinated debt instruments, Hybrid debt capital instruments issued by other banks should not exceed % of the investing bank's capital funds (Tier I plus Tier II).

- a. 5%
- b. 10%
- c. 15%
- d. 20%

Ans - b

.....

Which of the following are the provisions for joint secured creditors?

- a. Individual secured creditors cannot take any action unless such right is agreed upon.
- b. Decision will be taken jointly by secured creditors having 75 per cent of liability.
- c. The decision take as above.(b) will be binding in all the remaining secured creditors.
- d. All the above.

Ans - d

.....

Bancassurance is not ..... (i) An insurance scheme to insure bank deposits, (ii) A composite financial service offering both bank and insurance products, (iii) An insurance scheme to insure bank advances

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

Whose assistance can be taken for taking over assets if the borrower resists giving possession of the asset?

- a. Chief Metropolitan Magistrate.
- b. District Magistrate.
- c. (a) or (b)
- d. Superintendent of police.

Ans - c

.....

How the amount received from sale of secured assets would be applied?

- a. Payment of cash, changes incurred in taking over the assets and maintaining it.
- b. Discharge of due of secured creditor.
- c. The remaining amount will be paid to the borrower entitled.
- d. In the above manner (a), (b) and (c).

Ans - d

.....

Which of the following statements, is correct?

- a. Secured creditor may file a case with DRT for the remaining unrealise amount.
- b. No suit can be filed against the secured creditor if it has acted in good faith.
- c. Action against the secured creditor can be taken only if malafied is alleged and established.
- d. All the above.

Ans - d

.....

Inter regulatory forum for monitoring financial conglomerates (IRF-FC) is chaired by .....

- a. Governor, RBI
- b. DG, RBI (in-Charge of the Department of Banking Supervision)
- c. DG, RBI (in-charge of financial stability)
- d. DG, RBI (in-charge of Financial Markets Department)

Ans - b

.....

Interest is calculated on actual/365 days basis in respect of the following products ..... (i) GOI dated securities, (ii) Call Money, (iii) Notice Money

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

Why RBI has advised banks to desist from sanctioning advances against FDRs, of other banks?

- a. Other bank will not mark lien of lending bank
- b. It may result in double financing
- c. There may be possibility of fake term deposit receipts being used for obtaining advance
- d. All of these

Ans - b

.....

Which of the following is not correct?

- a. Banks may negotiate bills drawn under LCs, on 'with recourse' or 'without recourse' basis
- b. Banks can not purchase/discount the bills drawn otherwise than under LC on 'without recourse' basis
- c. Banks should not rediscount bills earlier discounted by non-bank financial companies (NBFCs) except in respect of bills arising from sale of light commercial vehicles and two / three wheelers.
- d. Banks can not negotiate bills drawn under LCs, on 'with recourse' or 'without recourse' basis

Ans - d

.....

Monetary and credit policy helps in ..... (i) Efficient Payment Mechanism, (ii) Adequate money supply, (iii) Expansion of Financial system

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

When the board of a banking company is ordered to be reconstituted under Section 10A of the BR Act, directors will be removed ..... for the purpose of reconstitution.

- a. by rotation
- b. by lots
- c. by majority decision
- d. None of the above

Ans - b

.....

The provision of Section 36AA of the BR Act regarding removal of managerial personnel have ..... over other laws.

- a. no effect
- b. overriding effect
- c. persuasive effect
- d. None of the above

Ans - b

.....

As per Fair Practice Code, in case of receipt of request for transfer of borrower account, either from the borrower or from a bank/financial institution, which proposes to take- over the account, the consent or objection of the lender, if any, should be conveyed within from the date of receipt of request.

- a. 21 days
- b. 15 days
- c. 7 days
- d. one month

Ans - a

.....

Loan Delivery System was recommended by Committee headed by:

- a. Rashid Jilani
- b. N. Vaghul
- c. K. Kannan
- d. C Rangarajan

Ans - a

.....

Loan Delivery System-is applicable in case of borrowers enjoying :

- a. working capital credit limits of Rs. 10 crore and above from the banking system
- b. working capital credit limits of Rs 10 crore and above from a bank.
- c. fund based limits of Rs 10 crore and above from the banking system
- d. fund based limits of Rs 10 crore and above from a bank.

Ans - a

.....

As per RBI, for borrowers availing working capital credit facilities of Rs 10 crore and above from the banking system, the loan component should normally be % and cash credit component should be %.

- a. 80%, 20%
- b. 20%, 80%
- d. 60%, 40%

Ans - a

.....

Spurious Goods are defined under

- a. sale of Goods act
- b. contract act
- c. consumer protection act
- d. companies act

Ans - c

.....

The document of title to goods enables the holder

- a. to transfer the goods
- b. ownership by endorsement
- c. possession of goods by delivery
- d. all of above

Ans - d

.....

Imprisonment for money laundering can be ..... years

- a. 2 to 5
- b. 2 to 7
- c. 3 to 5
- d. 3 to 7

Ans – d

.....

Fine for money laundering can be upto ..... rupees.

- a. 3 Lakhs
- b. 4 Lakhs
- c. 5 Lakhs
- d. 7 Lakhs

Ans - c

FIMMDA's general principles and procedures are applicable to ..... (i) Fixed Income Markets, (ii) Money Markets, (iii) Derivatives Markets

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A ..... is free when the parties to the contract agree to the same thing in the same sense.

- ttttttttttttt) consent
- uuuuuuuuuuuuuuuuuu) contract
- vvvvvvvvvvvvvvvv) agreement
- wwwwwwwwwwwwwwww) None of the above

Ans - a

.....

Casual vacancies in the board of directors is filled in by the .....

- a. board of directors
- xxxxxxxxxxxxxxxxxxx) promoters
- yyyyyyyyyyyyyyyyyy) underwriters
- zzzzzzzzzzzzzzzz) shareholders

Ans - a

.....

Reserve Bank is authorised to appoint ..... under Section 36AB of the BR Act.

- aaaaaaaaaaaaaaaaaaa) directors
- bbbbbbbbbbbbbbbbbbb) additional directors
- ccccccccccccccccc) managing director
- ddddddddddddddddddd) None of the above

Ans - b

.....

Reserve Bank may issue directions to banking companies under Section 21 of BR Act on .....

- a. audit
- a. deposits
- b. loans and advances
- c. capital structure

Ans - c

.....

Before removing the Chairman of a bank from office, Reserve Bank has to .....

- a. give compensation for loss of office,
- b. give opportunity of being heard
- c. give an option to continue as director
- d. None of the above

Ans – b

.....

Which of the following forms of business are permissible under BR Act? (i) Borrowing , (ii) Issuance of Letters of Credit, (iii) Buying and selling of bullion

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Unless the context otherwise require, the reference to a ..... in the Banking Regulation Act shall be construed as reference to a cooperative bank.

- a. cooperative society
- b. banking company
- c. body corporate
- d. None of the above

Ans - b

.....

Non-registration of charge with ROC makes a bank to

- a. become unsecured creditor against other charge holders
- b. share the securities with other charge holders
- c. lose the remedy to file suit for the debt
- d. lose both the security and the right to file suit

Ans - a

.....

The majority of shares of subsidiary banks are held by .....

- a. Reserve bank
- b. Central Government
- c. State bank
- d. None of the above

Ans - a

.....

Regional rural banks operate in .....

- a. a notified area
- b. the whole of a state
- c. only a district
- d. None of the above

Ans – a

.....

..... may regulate acceptance of deposits including rate of interest on deposit By banking companies under Section 35A of the BR Act.

- a. Central Government

- b. State Govt
- c. Reserve Bank
- d. Board of Directors

Ans - c

.....

The management of the affairs of a regional rural bank is vested in .....

- a. the Sponsor Bank
- b. its Board of Directors
- c. National Bank
- d. None of the above

Ans - b

Which of the following is not correct regarding to Right to Information Act 2005?

- a. RTI Act came into force wef Oct 12, 2005
- b. RTI Act replaced Freedom of Information Act 2002
- c. RTI Act extends to whole of India including J & K
- d. Objective of RTI Act is to enable Indian citizens to access information under control of public authority

Ans - c

.....

Which of the following is not a statutory right of member of a company:

- a. to transfer shares
- b. to receive copies of annual accounts of the company
- c. to receive dividend if declared
- d. priority to have new shares offered if company proposes to increase capital

Ans - c

.....

A company wants to invite deposits from the public. For this purpose it has to issue:

- a. a public notice
- b. a circular
- c. a prospectus
- d. an instruction

Ans - c

.....

Which of the following statement is correct?

- a. in every suit, the defendant has to set up plea of limitation
- b. acknowledgement through a document not directly addressed to the bank, does not extend the limitation period
- c. limitation in case of demand promissory note is 3 years from date of promissory note
- d. in Limitation Act, the definition of suit includes the appeal or application also.

Ans - c

.....



For the purpose of limitation, a suit is deemed to have been filed when:

- a. the application is prepared by the plaintiff
- b. the application is presented before the proper officer
- c. the application has been accepted by the property officer
- d. the date of first hearing of the case.

Ans - b

.....

A right has been conferred on a member of a company by virtue of Memorandum of Association or Articles of Association, this called ..... right of the member:

- a. statutory right
- b. proprietary right
- c. documentary right
- d. basic right

Ans - c

.....

A member of a company can inspect the register of members by virtue of his \_\_\_ right:

- a. statutory right
- b. proprietary right
- c. documentary right
- d. basic right

Ans - a

.....

Under RTI Act 2005, the information can be accessed under control of a public authority. For this purpose, the public authority means an authority established .....

- a. by or under the Constitution
- b. by any other law made by the Parliament of India or by the State legislature
- c. by any notification issued or order made by the appropriate govt.
- d. all the above

Ans - d

.....

Right to information available to Indian citizen under RTI Act 2005 does not include the following right .....

- a. inspection of documents or records
- b. taking notes of documents
- c. taking certified samples of the material
- d. none of the above

Ans - d

.....

The Income Tax Act envisages the taxation of income of an assessee on the basis of:

- a. only residence of the assessee
- b. only place of source of income of the assessee
- c. only place of business of the assessee
- d. place of residence or place of source of income of the assessee

Ans - d

.....

As per provisions of Income Tax Act, the definition of income is:

- eeeeeeeeeeeeeeee) exhaustive
- ffffffffffffffff) inclusive
- gggggggggggggggg) fully exhaustive
- hhhhhhhhhhhhhhhh) all the above

Ans - b

.....

Under RTI Act 2005, the information can be taken in the form of .....

- a. diskettes or floppies
- b. tapes or video cassettes
- c. printouts or in any other electronic form
- d. all the above

Ans - d

.....

The income tax is calculated on the basis of income of a person on the basis of:

- a. assessment year
- b. calendar year
- c. financial year
- d. previous year

Ans – a

When a borrower has availed credit facilities from more than one bank, banks should exchange information about the conduct of the borrowers' accounts with other banks at least at intervals.

- iiiiiiiiiiiiiiii) monthly
- jjjjjjjjjjjjjjjj) quarterly
- kkkkkkkkkkkkkkkk) half yearly
- llllllllllllllll) yearly

Ans - b

.....

Expand - FSLC

- a. Financial Security Lending Reforms Commission
- b. Financial Sector Lending Reforms Commission
- c. Financial Security Legislative Reforms Commission
- d. Financial Sector Legislative Reforms Commission

Ans - d

.....

One of the objectives of monetary policy is to maintain exchange stability because ..... (i) It is necessary for smooth international trade, (ii) Exchange fluctuations lead to lack in confidence in a particular currency, (iii) Any Fluctuation in the exchange rate has direct effect

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Maximum advance from the banking system that can be allowed to an individual against shares, convertible bonds, convertible debentures and units of equity oriented mutual funds is restricted to:

- a. Rs:10 lakh if the securities are held in physical form
- b. Rs:20 lakhs if the securities are held in dem-at form.
- c. Rs 20 lakhs whether securities are in physical or demat form
- d. Both a & b only

Ans - d

.....

DICGC will be subsumed into .....

- a. Financial Sector Appellate Tribunal
- b. Resolution Corporation
- c. Financial Redressal Agency
- d. Public Debt Management Agency

Ans - b

.....

In which of the following Tribunals, a case for recovery under DRT Act, can be filled?

- a. Any of the Tribunals in India.
- b. Only in the Tribunal in whose jurisdiction the Bank of Financial institution is working.
- c. None of the above
- d. Any of the above.

Ans - b

.....

Which of the following are the enclosures to be enclosed with the recovery application to be filed with DRT?

- a. Prescribed Fee.
- b. Paper Book.
- c. Particulars of Assets financed through loans.
- d. All the above.

Ans - d

.....

The power of sale without intervention of the Court is given to the mortgagor in the case of the following mortgage .....

- a. Equitable mortgage
- b. English mortgage
- c. Simple mortgage
- d. Usufructuary Mortgage

Ans - b

.....

What is correct with regard to the whole-time chairman and a managing director of a banking company?

mmmmmmmmmmmmmmmmmmmm) The whole-time chairman and a managing director shall hold office for a period not exceeding five years

nnnnnnnnnnnnnnnnnn) He is also eligible for reelection or reappointment. The Reserve Bank may permit the whole-time chairman or the managing director to undertake part time honorary work not likely to interfere with the duties of the chairman or the managing director

- a. Only 1 is correct
- b. Only 2 is correct
- c. Only 1 and 2 are correct
- d. All are correct

Ans - d

.....

The whole-time chairman or the managing director of a bank will be disqualified under the which of following circumstances ?

- a. if he/she is director of a company other than a subsidiary of the banking company or a charitable company (registered under Section 25 of the Companies Act)
- b. if he/she is a partner of any firm which carries on trade, business or industry
- c. if he/she has substantial interest in any other company or firm or is director, manager, managing agent, partner or proprietor of any trading, commercial or industrial concern
- d. All the above

Ans - d

.....

Banking companies are not permitted to give dividend until all ..... are written off

- a. Bad debts/NPAs
- oooooooooooooooooooo) Expenditure
- pppppppppppppppppp) Overheads
- qqqqqqqqqqqqqqqq) Capitalised expenses

Ans - d

.....

Which authority is empowered under Section 36AA of the Banking Regulation Act to remove any chairman, director, chief executive officer (by whatever name called), or other officer or employee of a banking company

a. Only RBI

At least ..... of the total number of directors of a public company are to be persons whose period of office is liable to determination by retirement by rotation.

- a. 1/2
- b. 1/3
- c. 2/3
- d. 1/4

Ans - c

.....

Limitation period for filling a suit for sale of mortgaged properties in ..... years from the date the mortgage debt becomes due.

- a. 12
- b. 15
- c. 20
- d. 30

Ans - a

.....

Only ..... Letters of credit can be confirmed.

- rrrrrrrrrrrrrrrrrrrr) Revocable
- ssssssssssssssssss) Irrevocable
- tttttttttttttttt) Either a or b
- uuuuuuuuuuuuuuuuuu) None of these

Ans - b

.....

Depending upon the place where the bills are made, they can be classified into

- a. Inland Bills
- b. Foreign Bills
- c. Either a or b
- d. None of these

Ans - c

.....

Pledge means ..... of goods for purpose of securing a payment of debt or performance of promise.

- a. Lien
- a. Bailment
- b. Assignment
- c. None of these

Ans - b

.....

RBI undertakes banking business for the state govt under the provision of ...

A.Sec 22 of RBI Act

- B. Sec 21 of RBI Act
- C. Sec 20 of RBI Act
- D. Agreement between RBI & Govt u/s 21 A of RBI Act

Ans - d

.....

A Co operative bank can be which of the following ...

- A. Primary coop bank
- B. District central coop bank
- C. State coop bank
- D. All the above

Ans - d

.....

Section 22 of RBI acts relate which aspects of banking ?

- A. RBI authority to regulate credit
- B. RBI authority to regulate banking business
- C. RBI authority to function as bank for govt business
- D. RBI authority to issue & manage currency in India

Ans - d

.....

How many Debt Recover tribunals have been set up in India?

- a. 27
- b. 28
- c. 29
- d. 50

Ans - c

.....

What is the jurisdiction area of a Debt Recovery Tribunal?

- a. Each state.
- b. One or more states/Union Territories
- c. Throughout the country.
- d. No such criteria.

Ans – b

.....

The central government has powers to authorize Tribunals to hear cases where amount involved is less than Rs. 10 lac but more than:

- a. Rs. 1 lac.
- b. Rs. 2 lac
- c. Rs. 5 lac.
- d. Rs. 7 lac.

Ans - a

.....

What central government has powers to authorize Tribunals to hear cases where amount involved is less than Rs. 10 lac but more than ;

- a. To transfer all the cases of Bank recovery from civil court to the tribunals.
- b. To set up an exclusive agency for Bank recovery.
- c. To set up Special Tribunal which can provide speedy court remedies.
- d. All the above.

Ans - c

.....

What are the various modes available to the Recovery officer for proceeding to recover the amount of debt?

- a. Attachment or sale of movable or immovable property.
- b. Arrest the defendant or detention in jail.
- c. Appointing a Receiver for the management of the movable or immovable d. All the above.

Ans - d

Clean Loans are normally ...

- a. Secured Loans
- b. Unsecured Loans
- c. None of the above
- d. Any of the above

Ans - b

.....

What is the maximum limit of compensation the baking ombudsman may a award?

- a. Rs. 1 lac
- b. Rs. 5 lac
- c. Rs. 10 lac
- d. Rs. No such limit

Ans - c

.....

"Bills payable after sight" is

- a. Demand Bill
- b. Clean Bill
- c. Usance Bill
- d. None of the above

Ans – c

.....

In a Bill, a person entitled to receive payment is called

vvvvvvvvvvvvvvvv) Drawer

wwwwwwwwwwwwwwwwww) Drawee  
xxxxxxxxxxxxxxxxxxxx) Payee  
yyyyyyyyyyyyyyyyyyy) None of the above

Ans - c

.....

Which of the following factors are considered while fixing BPLR by a bank? (i) Cost of funds, (ii) Operating expenses, (iii) Provision for NPAs

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d

.....

The limitation period for filing a suit for sale of mortgaged property form the date mortgage debt becomes due is...

- a. 12 Years
- b. 20 Years
- c. 30 Years
- d. None of the above

Ans - a

.....

Mandate is .....

- a. Signed letter to the Bank
- b. Order of the court of law
- c. Memorandum of understanding
- d. Unstamped letter to the Bank

Ans - d

.....

Person to whom a power of attorney is given is called ..... and the person who gives the Power of attorney is called .....

- a. Debtor, Creditor
- b. Bailor, Bailee
- c. Agent, Principal (donor, donee)
- d. None of these

Ans - c

.....

Power of attorney is .....

- a. Signed letter to the Bank
- b. A promissory note
- c. Garnishee order



d. Stamped documents

Ans - d

.....

Promissory Notes, Bills of Exchange and cheque are together defined as.....

- a. Negotiable instruments
- b. Transferred instruments
- c. Trust Receipts
- d. Documents of Title to goods

Ans - a

.....

N.I. are easily .....

- zzzzzzzzzzzzzzzzzzzz) transferable
- aaaaaaaaaaaaaaaaaaaa) gifted
- bbbbbbbbbbbbbbbbbbbb) sold
- cccccccccccccccccc) None of these

Ans - a

.....

A cheque is drawn on a .....

- a. owner of ship
- b. an agent of a principal
- dddddddddddddddddd) bank
- eeeeeeeeeeeeeeeeeee) None of these

Ans - c

.....

A cheque is payable on a .....

- fffffffffffffffffff) demand
- gggggggggggggggggg) after certain days
- hhhhhhhhhhhhhhhhhh) on a fixed future date
- iiiiiiiiiiiiiiiiiii) None of these

Ans - a

.....

In a civil suit to which bank is not a party has produced certified copy of books of account. One party to the suit wants to call bank officer as witness to prove the contents of copy. Can it be done?

- a. Yes, as it is right of the party to get it reaffirmed in evidence.
- b. No, as the certified copy is a prima facie evidence that is admissible in evidence.
- c. No, unless the bank volunteers to do so.
- d. Yes, but if Court allows the application to call the witness.

Ans – b

.....

For the purpose of exposure norms, which of the following is true for inclusion under exposure? (i) 100% of both fund based and non fund based credit limits, (ii) Sanctioned limit or outstanding whichever is higher shall be considered, (iii) In case of fully drawn term loans outstanding and not the limit sanctioned will be considered.

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

What are the exceptions of Evidence Act?

- a. a certified copy of the original document can be produced in the court of Law if it is permitted by any law.
- b. The Bankers Books Evidence act. Is also an exception to the Evidence Act.
- c. Both (a) and (b).
- d. None of the above.

Ans - c

.....

Which of the following is included in the Bankers Book?

- a. Ledger and Day Books.
- b. Cash Books and Account Books.
- c. All other Books used in the ordinary business of a Bank.
- d. All the above.

Ans - d

.....

What is a certified copy?

- a. A copy of any entry in the Books of a Bank along with a certificate that copy is a True Copy.
- b. That such entry is contained in one of the Books of the Bank.
- c. And such Books are still under the custody of the Bank.
- d. A copy which includes all the above information.

Ans - d

.....

Which of the following statements is not correct regarding Bankers Books Evidence Act?

- a. The certificate issued by Bank should have signatures of the authorized person and it should be dated.
- b. It should be supported by original document.
- c. The certified copy will be original document.
- d. The Bank will ensure the accuracy of the copy.

Ans - b

.....

'A' has purchased a draft from a bank favouring 'B'. The draft is lost in transit and for duplicate draft in lieu of first bank need some formalities to be completed by 'A'. Can 'B' file a consumer case against the formalities as at is delaying payment to him.

- a. No, as he is not consumer of the bank and is not taking any service from the bank.
- b. No, as he has not paid the demand draft commission.
- c. Yes, as because of bank his payment is getting delayed.
- d. Yes, his money is lying in the bank, he is deemed as account holder of the bank.

Ans - a

.....

Which of the following statements is correct regarding Bankers Books Evidence Act?

- a. No officer of a Bank can be compelled to produce any Bankers Books unless it is specially ordered by the court.
- b. The above provision (a) applies only when the Bank is not a party to the case.
- c. An investigating Police officer can compel a Bank officer to produce the Book without court order.
- d. All the above.

Ans - d

.....

Legal proceeding under Bankers Books Evidence Act, signifies:

- a. any proceeding or inquiry in which evidence is given
- b. an arbitration
- c. any investigation under the code of Criminal Procedure, 1973.
- d. All the above.

Ans - d

.....

What are the powers of the court in case of legal proceedings under the Bankers Books Evidence act?

- a. permit the affected party to inspect the Books and take copies.
- b. Order the Bank to prepare the produce within specified time the certified copies/
- c. Order the Bank to prepare certificates as desired under the Law.
- d. All the above.

Ans – d

.....

In how many days a Bank is required to comply with court orders under Bankers Books evidence act?

- a. 3 days excluding Bank holidays.
- b. 7 days excluding Bank holidays.
- c. 10 days excluding Bank holidays.
- d. 15 days excluding Bank holidays.

Ans - a

.....

The acceptance of recommendations of the banking ombudsman should be conveyed by the complainant within .....

- a. 7 days
- b. 15 days
- c. 21 days
- d. 1 Month

Ans - b

.....

All Banks whose shares are listed with Stock Exchanges are required to publish their unaudited quarterly results as per proforma prescribed by .....

- a. RBI
- b. SEBI
- c. RBI and SEBI
- d. Registrar of Companies(Roc. in India)

Ans - b

.....

The management of RRB vests in the board of directors. The board consists of a chairman appointed by .....

- a. NABARD
- b. RBI
- c. The sponsor bank from among its officers in consultation with the NABARD
- d. Central Government

Ans - c

.....

The Number of current Nationalised banks (As nationalised as per Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980) is .....

- a. 19
- b. 20
- c. 26
- d. 27

Ans - a

.....

For a paying banker to claim protection under the Negotiable Instruments Act, one of the criteria he has to satisfy, is that the payment is in due course. As to what is, payment in due course has been stated in .....

- a. Section 10 of Negotiable Instruments Act
- b. Section 11 of Negotiable Instruments Act
- c. Section 12 of Negotiable Instruments Act
- d. Section 13 of Negotiable Instruments Act

Ans - a

.....

Banks can not grant any loans or advances to any of its directors except as permitted by RBI. This is as per provisions of .....

- a. Section 20 (1) of RBI Act
- b. Section 19(2) of Banking Regulation Act

- c. RBI guidelines
- d. Section 20 (1) of Banking Regulation Act

Ans - d

.....

At least ..... of the directors should have the qualifications prescribed under Section 10A(2) of the BR Act.

- a. 50 per cent
- b. 75 per cent
- c. 51 per cent
- d. 25 per cent

Ans - c

.....

If ornaments kept in the safe locker of bank is stolen in spite of due care by the bank, the bank is ..... to the depositor of ornaments.

- a. liable
- b. not liable
- c. can be liable
- d. None of these

Ans - b

.....

If the principal debtor and creditor change the terms of guarantee without the consent of surety, the surety will be discharged from the liability for....

- a. all the debts
- b. any future debts
- c. either a or b
- d. both a and b

Ans - b

.....

The essentials of valid equitable mortgage is debt, deposit of title deeds and .....

- a. Intention as security
- b. Intention of sale deposit
- c. Either a or b
- d. Neither a not b

Ans - a

.....

The maximum number of members in a public company can be .....

- jjjjjjjjjjjjjjjj) 12
- kkkkkkkkkkkkkkkk) 50
- llllllllllllllll) 51
- mmmmmmmmmmmmmmmm) any number

Ans - d

.....

In which of the following documents the limitation period is 3 years?

- a. Demand Pronote from the date of DP note.
- b. Overdrafts - from the date of advances.
- c. Term Loan - from the date of default in payment of each installment.
- d. All the above.

Ans - d

.....

Which of the following statements, is correct?

- a. There is no period of limitation for sale of pledged goods.
- b. In case of Hypothecation the limitation period is 3 years from the date of loan.
- c. Bill of exchange has 3 years limitation period from the due date.
- d. All the above.

Ans – d

.....

Extension of limitation period can be way of

- a. obtaining fresh set of documents.
- b. Acknowledgement of debt
- c. Part payment
- d. All the above.

Ans - d

.....

The process of providing documents to police or CBI is :

- a. They may seize a document set for investigation in case of fraud.
- b. They may be given certified Xerox copy.
- c. If they insist for original Xerox copy should be retained with the bank.
- d. All the above.

Ans - d

.....

Which of the following are the important cash Books being maintained by the Bank?

- a. Cash Received the Payment Book.
- b. Sectional Cash Book.
- c. Cash Balance Book.
- d. All the above.

Ans - d

.....

Which of the following can be proved in the court of Law according to Bankers Books Evidence Act?

- a. Existence of a document.
- b. Condition of a document.
- c. Contents of a document
- d. All the above.

Ans - d

.....

In which year the Bankers Books Evidence Act was enacted?

- nnnnnnnnnnnnnnnnnn)1891
- oooooooooooooooooooo)1906
- pppppppppppppppppp)1934
- qqqqqqqqqqqqqqqq)1947

Ans – a

Which of the following statements is correct regarding the provisions of Bankers Book Evidence act?

- a. Entries in Books of Accounts regularly kept in the course of Business are relevant in the matter of court inquiry.
- b. However, above statements shall not be alone be sufficient evidence to cheque any person with liability.
- c. The entries in the books can be used as corroborative evidence,
- d. All the above.

Ans - d

.....

Which of the following statements is correct regarding the Bankers Books Evidence act?

- a. It is a special Act which provides certain privileges to Banks.
- b. The Act deals in connection with mode of proving of entries in their Books.
- c. The act also have provision regarding production of Books in the court of Law.
- d. All the above.

Ans - b

.....

Which of the following are the essential features of Law of Evidence?

- a. The conditions and contents of a document can be proved before a court only by producing original document.
- b. So long original documents rae available, a copy can not be produced.
- c. However there are certain exceptions to the Law.
- d. All the above.

Ans - d

.....

When the ..... is in possession of goods, a lien can be exercised.

- rrrrrrrrrrrrrrrr) seller
- ssssssssssssss) buyer
- tttttttttttttt) agent of the buyer
- uuuuuuuuuuuuuu) carrier

Ans - a

.....

Who issues Certificate of Recovery for recovery of debts?

- a. Recovery Officer.
- b. Presiding Officer.
- c. Bank Manager.
- d. Appellate Authority.

Ans - b

.....

Who is mainly responsible for recovery of debt in the DRT?

- a. Recovery Officer.
- b. Presiding Officer.
- c. Income tax Officer.
- d. Superintendent of Police.

Ans - a

.....

What is the time limit to file a Memorandum of Appeal with Debt Recovery Appellate Tribunal?

- a. Within 15 days from the date of Receipt of DRT order.
- b. Within 30 days from the date of Receipt of DRT order.
- c. Within 45 days from the date of Receipt of DRT order.
- d. Within 60 days from the date of Receipt of DRT order.

Ans - c

.....

SARFAESI Act 2002 is applicable to

- A. whole of India
- B. whole of India except J&K
- C. major cities of India
- D. only in notified towns under Transfer of property act

Ans - a

How much amount the Debtor has to deposit with the Appellate Authority while filing an appeal against the DRT orders?

- a. 10% of Debt as mentioned in order of DRT.
- b. 25% of Debt as mentioned in order of DRT.
- c. 50% of Debt as mentioned in order of DRT.
- d. 75% of Debt as mentioned in order of dRT.

Ans - c

.....

Which of the following statements, is correct regarding filing an appeal with debt Recovery Appellate Authority?



- a. An appeal can be made with Appellate Authority against the order of DRT.
- b. Appeal can be filed with requisite fee.
- c. The debtor has to deposit a specified amount of the debt with the Appellate
- d. All the above.

Ans - d

.....

Under SARFAESI Act,2002, a minimum time of ..... days is to be given to the borrower / guarantor after issuing demand notice under Section 13(2)..

- A.90 days
- B.365 days
- C.30 days
- D.60 days

Ans - d

.....

After the Mardia chemicals case, the government brought about an amendment stipulating the deposit amount for making an appeal under SARFAESI Act, 2002. Accordingly the amount to be deposited generally is

- A.10%
- B.25%
- C.50%
- D.75%

Ans - c

.....

The minimum number of members required in a private & public companies are .....

- a. 2 & 5
- b. 7 & 20
- c. 2 & 7
- d. 5 & 20

Ans - c

.....

Which among the following can give directions to RBI ?

- A. Central Govt
- B. Governor RBI
- C. Central Board Of Directors Of RBI
- D. Public Shareholders Of RBI

Ans - a

.....

If the liability of one surety is discharged by the creditor, liability of other surety is .....

- a. also discharged
- b. not discharged

- c. can be discharged
- d. None of these

Ans - b

.....

Ordinary Letter of Credit are usually ....., i.e, the bills drawn there under have to be immediately.

- a. Sights credits
- b. Acceptance credits
- c. Either a or b
- d. None of these

Ans - a

.....

Letter of Credit under which usance bills can be drawn is called an .....

- a. Sights credits
- b. Acceptance credits
- c. Either a or b
- d. None of these

Ans – b

.....

In a Revocable LC the credit can be amended or cancelled by the .....

- a. Confirming Bank
- b. Reimbursing Bank
- c. Issuing bank
- d. Nominated Bank

Ans - c

In case of safe deposit locker the relation between Bank and Customer is Bank ..... and Customer .....

- a. Agent, Principal
- b. Lessor, Lessee
- c. Creditor, Debtor
- d. Debtor, Creditor

Ans - b

.....

Working Group on resolution regime for financial institutions was set up in .....

- a. November 2011
- b. June 2012
- c. August 2012
- d. January 2013

Ans - d

.....

Bank's investment in equity shares, Preference shares eligible for capital status, Subordinated debt instruments, Hybrid debt capital instruments issued by other banks should not exceed % of the investing bank's capital funds (Tier I plus Tier II).

vvvvvvvvvvvvvvvvvvvv) 5%  
wwwwwwwwwwwwwwwwwwww) 10%  
xxxxxxxxxxxxxxxxxxxxxx) 15%  
yyyyyyyyyyyyyyyyyyyy) 20%

Ans - b

.....

Banks can not grant any loans or advances to any of its directors except as permitted by RBI. This is as per provisions of :

- a. Section 20 (1) of RBI Act
- b. Section 19(2) of Banking Regulation Act
- c. RBI guidelines
- d. Section 20 (1) of Banking Regulation Act

Ans - d

.....

PNs are used mainly by investors based in ..... (i) India, (ii) Abroad

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

.....

..... directors or trustees of a MF should be independent. (i) 1/2 (ii) 2/3 (iii) 66%

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

Banks can not grant loans to any of its directors against which of the following securities?

- a. Government Securities
- b. Life Insurance policies
- c. bank's own deposit
- d. shares

Ans - d

.....

When a Bank lends money the relation between Bank and Customer is Bank ..... and Customer .....

- a. Agent, Principal
- b. Lessor, Lessee
- c. Creditor, Debtor
- d. Debtor, Creditor

Ans - c

.....

The register of members can be closed by a company by giving a prior notice of \_\_\_\_ by advertisement, in some newspaper:

- a. 7 days
- b. 10 days
- c. 15 days
- d. 30 days

Ans - a

.....

If the Board of Directors of a company fails to hold annual general meeting, a member of a company can approach Company Law Board to call such meeting. This is a right.

- a. statutory right
- b. proprietary right
- c. documentary right
- d. basic right

Ans - a

.....

If a public company does not frame its own Articles of Association, it can adopt that will be deemed to be its Articles of Association.

- a. Schedule II
- b. Table A
- c. Table II
- d. Schedule A

Ans - b

.....

The Articles of Association of a private company must state (which one is not required):

- a. restriction regarding issue of prospectus
- b. restriction regarding non-acceptance of deposits from public
- c. restriction regarding no. of shareholders
- d. none of the above

Ans - d

.....

To distinguish the Memorandum of Association from Articles of Association, which statement is correct:

- a. Memorandum of Association is subordinate document
- b. Articles of Association is a subordinate document
- c. Articles of Association is dominating document

d. Memorandum of Association and Articles of Association, both are dominant documents

Ans - b

.....

If company commits an act of contravention relating to \_\_\_\_, it can be \_\_\_:

- a. Memorandum of Association, ratified
- b. Articles of Association, cannot be ratified
- c. Memorandum of Association, cannot be ratified
- d. none of the above

Ans - c

.....

Which of the following, saves the outsiders, by ensuring that his contract is not inconsistent with the Memorandum of Association and Articles of Association?

- a. doctrine of ultra-vires
- b. doctrine of constructive notice
- c. doctrine of indoor management
- d. doctrine of outdoor management

Ans - c

.....

If there is some ultra-vires transaction undertaken by the directors of the company, for the company:

- a. it can be ratified by the Board of Directors
- b. It can be ratified by the shareholders
- c. it can be ratified by the Board of Directors or Shareholders
- d. It cannot be ratified either by Board or Shareholders.

Ans - d

.....

The money of a company has been spent by the directors on acquiring a property but ultra-vires:

- a. the company cannot be owner of such property
- b. the directors are liable for that and they will be owners of that property
- c. the company can be lawful owner, although it has been wrongly acquired.
- d. the property has to be disposed off immediately and company money restored.

Ans - c

.....

If the directors of a company undertake some ultra-vires transaction on behalf of the company, which of the following situation is possible?

- a. they are personally liable to the company
- b. they can be compelled to refund the money to the company
- c. action for fraud can also be taken if there is deliberate misapplication
- d. all the above

Ans - d

.....

XYZ Limited borrowed some money from Mr. A by issuing a bond. The Articles of Association of the company provided that the directors can borrow as much money as they want subject to resolution from the shareholders. The shareholders claimed that they did not pass any resolution.

- a. the borrowing has become ultra-vires
- b. A cannot recover because of application of doctrine of constructive notice.
- c. Funds lent by A are safe because of application of doctrine of indoor management
- d. Funds lent by A are not safe as this cannot be ratified by the Shareholders.

Ans - c

.....

According to provisions of Companies Act 1956, every person holding \_\_\_\_ of a company and whose name is entered as beneficial owner in the records of the depository is deemed as \_\_\_\_ of the concerned company:

- a. equity share, member
- b. preference share, member
- c. equity or preference share, member
- d. debenture, member

Ans - a

.....

What is not correct regarding the words member and shareholders in the context of a company?

- a. the companies having no share capital have members only and no shareholders
- b. the members of the companies having share capital are called shareholders also
- c. the members of the companies and shareholders of the companies are different persons
- d. all the statements are incorrect

Ans - c

.....

If a minor is recorded as member by a company, by mistake (which of the following is wrong):

- a. company has a right to rescind the transaction
- b. the minor has a right to rescind the transaction
- c. if the minor is allotted shares and his name is entered as member, he is liable to the company
- d. none of the above

Ans - c

.....

A person dealing with a company cannot take the plea that he had no notice of contents of Articles of Association and Memorandum of Association due to:

- a. doctrine of ultra-vires
- b. doctrine of constructive notice
- c. doctrine of indoor management
- d. doctrine of outdoor management

Ans - b

.....  
If a person makes application in a fictitious name for acquiring or subscribing the shares of a company:

- a. he can be allotted shares
- b. he can be allotted shares at his risk
- c. he can be punished with imprisonment up to 5 years
- d. he can be punished with imprisonment up to 5 years and with fine or both.

Ans - c  
.....

In which of the following circumstances, a person does not cease to be a member of a company?

- a. if the company is wound up
- b. if the person becomes insolvent
- c. if the person dies
- d. none of the above

Ans - d  
.....

Under RTI Act 2005 the information can be obtained by .....

- a. any person in India including artificial persons
- b. companies, firms, corporations etc.
- c. Indian citizens
- d. all the above

Ans - c  
.....

Which of the following is a correct statement?

- a. the doctrine of indoor management assumes that the outsiders dealing with the company must have the knowledge about Memorandum of Association and Articles of Association
- b. the doctrine of constructive notice states that the outsiders need not look into the internal procedures of the company
- c. the doctrine of ultra virus states that company cannot carry any activity which is not mentioned in the object clause of Memorandum of Association.
- d. all the statements are correct.

Ans - c  
.....

The Prevention of Money Laundering Act 2002 was enacted with the following objective .....

- a. to prevent money laundering
- b. to provide for confiscation of property derived from money laundering
- c. to prevent use of banking system for money laundering
- d. all the above

Ans - d  
.....

The definition of money laundering is given in .....

- a. Prevention of Money Laundering Act
- b. Narcotic Drugs and Psychotropic Substances Act 1985
- c. Foreign Exchange Management Act
- d. none of the above

Ans - d

.....

If a person commits offence under Prevention of Money Laundering Act 2002, shall be liable for imprisonment .....

- a. of three years
- b. of five years
- c. five to 10 years
- d. three to seven years

Ans - d

.....

Banks are to maintain records of which of the following transactions as per Prevention of Money Laundering Act 2002:

- a. all transactions of the value of more than Rs.10 lac or its equivalent in foreign currency
- b. all cash transactions of the value of more than Rs.10 lac or its equivalent in foreign currency
- c. all cash transactions of the value of Rs.10 lac above or its equivalent in foreign currency
- d. all foreign currency transactions of the value Rs.10 lac above

Ans - b

.....

Banks are to maintain records of all series of cash transactions integrally connected to each other which have been valued below Rs.10 lac where such series of transactions have taken place \_\_\_\_\_, as per Prevention of Money Laundering Act 2002:

- a. on a particular day
- b. during a particular week
- c. within a month
- d. within 10 weeks

Ans - c

.....

Banks are required to maintain records under Prevention of Money Laundering Act 2002 which should contain following information (which is not correct):

- a. nature of the transaction
- b. amount of the transaction and the currency
- c. date on which transacted and the parties to the transaction
- d. none of the above

Ans - d

.....



Director under Prevention of Money Laundering Act 2002 is appointed by:

- a. Reserve Bank of India
- b. Financial Intelligence Unit - India
- c. Govt. of India
- d. Security and Exchange Board of India

Ans - c

.....

Which of the following is authorised to prescribe the manner for keeping records to be maintained by banks under PML Act 2002:

- a. RBI only
- b. SEBI only
- c. RBI and Ministry of Finance
- d. RBI and SEBI

Ans - d

.....

As per Rules under Prevention of Money Laundering Act 2002, the banks are not required to obtain which of the following documents while opening account of a company:

- a. Certificate of Incorporation
- b. Memorandum of Association and Articles of Association
- c. Board resolution and officially valid document in respect of the person operating the account
- d. none of the above

Ans - d

.....

Which of the following is not the right under the consumer protection act?

- a. the right to be heard and to be assured that consumers interest will be received due consideration.
- b. right to seek redressal.
- c. right to consumer education.
- d. right to free delivery at a particular spot.

Ans - d

.....

Section 85 of N.I. Acts extends protection to the .....

- a. Collecting banker
- b. Paying banker
- c. Advising banker
- d. Confirming banking

Ans - b

.....

Clubs can be registered under

- a. Companies act

b. Societies Registration Act  
zzzzzzzzzzzzzzzzzzzz) Co-operative Societies Act  
aaaaaaaaaaaaaaaaaaaaa) Any of the above

Ans - d

.....

When a banker makes payment of a cheque after banking hour he will be held .....

bbbbbbbbbbbbbbbbbbbb) liable  
cccccccccccccccccc) reasonable  
dddddddddddddddddd) acceptable  
eeeeeeeeeeeeeeeeeee) None of these

Ans - a

.....

Medium Term loans are normally repayable within ..... years

- a. 2 to 5 years
- b. 2 to 6 years
- c. 2 to 7 years
- d. 2 to 8 years

Ans - c

.....

Delivery of goods by one person to another for some purpose is .....

fffffffffffffffffff) hypothecation  
gggggggggggggggggg) mortgage  
hhhhhhhhhhhhhhhhhh) pledge  
iiiiiiiiiiiiiiiiiii) bailment

Ans - d

.....

Short Term loans are repayable within ..... years

- a. 1 years
- b. 2 years
- c. 3 years
- d. 4 years

Ans - a

.....

Where a customer has issued a cheque date of which is yet to come, such a cheque is called .....

a. stale cheque  
jjjjjjjjjjjjjjjjjj) post-dated cheque  
kkkkkkkkkkkkkkkkkk) crossed cheque  
lllllllllllllllllll) stolen cheque

Ans - b

.....  
In Mardia case what the Supreme Court declared as invalid ?

- a. Entire SARFAESI Act, 2002.
- b. Creation of security interest.
- c. Formation of Reconstruction Companies.
- d. Condition to pay 75 per cent of the amount as pre-condition while preferring appeal to the DRT.

Ans - d

One of the condition to honour the cheque by the paying banker is that amount in words and figures should .....

- mmmmmmmmmmmmmmmmmmmmmmmm) differ
- nnnnnnnnnnnnnnnnnnnnnnnn) tally
- oooooooooooooooooooooo) be clear
- pppppppppppppppppppppppp) None of these

Ans - b

.....  
Whether moveable securities in possession of the bank can be sold by the Bank without intervention of the Court?

- a. No. The Court order is required to sale the security.
- b. Yes. Bank can sell as provided in the Contract ACT, 1872.
- c. Yes. As the SARFAESI Act, 2002 has made provisions to that effect.
- d. No. Till the account is not declared as NPA by the Bank.

Ans - b

.....  
Where a customer by a letter has advised the bank directing the banker not to honour / pay a particular cheque such a letter is called .....

- a. letter of authority
- b. letter of credit
- c. stop payment letter
- d. letter of continuity

Ans - c

.....  
When a bank pays a cheque according to the apparent tenor, in good faith and without having reason to doubt the bonafide of the presenter, such payment is .....

- a. wrong payment
- b. late payment
- c. future payment
- d. payment in due course

Ans - d

.....  
To get the protection under S / 131, a collecting bank has to collect a .....for credit of is customer

- a. stolen cheque
- b. stale cheque
- c. postdated cheque
- d. crossed cheque

Ans - d

.....

If a cheque is stolen in transit and presented at the drawee bank by a holder in due course case and if the cheque is paid by the bank in due course in a case the drawee bank would be .....

- a. be held liable
- b. would not be held liable
- c. would be found guilty
- d. None of these

Ans - b

.....

If the stipulation agreed to between the parties is essential to the main purpose of the contract then such a stipulation is known as a .....

- a. implied condition
- qqqqqqqqqqqqqqqqqq) condition
- rrrrrrrrrrrrrrrrrr) warranty
- ssssssssssssssssss) guarantee

Ans - b

.....

What is the sub-target for advances to micro (manufacturing) enterprises having investment in plant and machinery up to Rs 5 lakh and micro (service) enterprises having investment in equipment up to Rs. 2 lakh out of total advances to micro and small enterprises sector?

- tttttttttttttttttt) 40%
- uuuuuuuuuuuuuuuuuu) 60%
- vvvvvvvvvvvvvvvvvv) 20%
- wwwwwwwwwwwwwwwwww) 80%

Ans - a

.....

Who exercises the main administrative control over the functioning of cooperative banks ?

- xxxxxxxxxxxxxxxxxxxx) RBI
- yyyyyyyyyyyyyyyyyy) NABARD
- zzzzzzzzzzzzzzzzzz) Central govt through coop deptt
- aaaaaaaaaaaaaaaaaaaa) State govt through registrar of copp societies

Ans - d

.....

In which of the following areas,RBI can't issue directions to bank ?

- a. Interest rate on deposit
- b. Interest rate on advances

- c. Margin on bank loans
- d. NONE OF THE ABOVE

Ans - d

.....

Central govt can give directions to RBI in public interest after consulting ...

- a. Central board of RBI
- b. RBI Governor
- c. President of India
- d. Finance Secretary

Ans - b

.....

Who should maintain the Index of Register of Charges as per the Companies Act

- a. Registrar of Companies
- b. Lending Bank
- bbbbbbbbbbbbbbbbbb) Creditor
- cccccccccccccccc) Debtor Company

Ans - a

.....

Banking companies are licensed by .....

- a. Reserve Bank
- b. Registrar of companies
- c. Company Law Board
- d. None of these

Ans - a

.....

Business which a banking company may undertake other than banking is as stipulated by .....

- a. Reserve Bank
- b. BR Act
- c. RBI Act
- d. None of these

Ans - b

.....

BR Act was enacted for ..... regulating acceptance of deposits from public.

- a. Regulating banking companies
- b. Creating Reserve Bank
- c. Creating RRBs
- d. None of these

Ans - a

.....

An Adjudicating Authority can enquire contravention under FEMA only if a complaint is filed by .....

dddddddddddddddddddd) RBI  
eeeeeeeeeeeeeeeeeeee) High Court  
ffffffffffffffffffff) Special Director (Appeals)  
gggggggggggggggggg) Central Government  
Ans - d

.....  
An endorsement which restricts further right of negotiation is not called as ..... (i) Facultative Endorsement, (ii) Restrictive endorsement, (iii) Conditional Endorsement

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

the board of directors is filled in by the .....

- a. promoters
- b. underwriters
- c. shareholders
- d. board of directors

Ans - d

.....  
A person resident in India in the preceding in India for more than ..... days in the preceding financial year.

- a. 180
- b. 182
- c. 60
- d. 62

Ans - b

.....  
Which of the following is the important provision in respect of immovable property which is subject to encumbrances?

- a. The secured creditor shall vest in the transferee all the right as it the transfer had been made by the borrower.
- b. All encumbrances know to secured creditor must be disclosed in the advertisement.
- c. The Authorised officer may allow the purchaser to deposit with him the money required to discharge the encumbrances.
- d. All the above.

Ans - d

.....  
If the stipulation agreed to between the parties is essential to the main purpose of the contract then such a stipulation is known as a .....

hhhhhhhhhhhhhhhhhhhh) condition  
iiiiiiiiiiiiiiiiii) warranty  
jjjjjjjjjjjjjjjjjjjj) implied condition  
kkkkkkkkkkkkkkkkkkkk) guarantee

Ans - a

.....

Which of the following instruction the forum is not authorized to issue in case of defects or deficiency in service?

- a. to return the defected goods along with addition new goods free of cost.
- b. to pay compensation for any loss or injury suffered by the consumer.
- c. to discontinue the unfair trade practice.
- d. to provide for adequate costs to the parties.

Ans - a

.....

The national commission is headed by;

- a. commission nominated by center govt.
- b. judge of the supreme court.
- c. official of home ministry.
- d. an individual of high integrity.

Ans - d

.....

The complaints attended by nation commission are where value of goods and services exceeds;

- a. Rs. 50 lac
- b. Rs. 1crore
- c. Rs. 1.25 crore
- d. Rs. 2 crore

Ans - b

.....

In which of the forums appeals can be filed with against the orders of state commission?

- a. national commission.
- b. high court.
- c. central government.
- d. any of these.

Ans - a

.....

A complaint can be lodged in relation to any goods or services in the following circumstances;

- a. loss or damage suffered on account of unfair trade practice.
- b. the goods suffer from one a more defects.
- c. the services suffer from deficiency in any respect.
- d. all the above.

Ans - d

.....

A complaints under the consumer protection act, can be lodged by;

- a. consumer himself or one or more consumers having common interest.
- b. a recognized consumer association
- c. the central of state government
- d. any of the above.

Ans - d

.....

What is the limitation period in which, a complaint can be filed with any of the forums?

- a. 2 years from the date of cause of action.
- b. 1 years from the date of cause of action.
- c. 6 months from the date of cause of action.
- d. 3 months from the date of cause of action.

Ans - a

.....

In how many days the opposite party can give the version of the case?

- a. 7 days.
- b. 15 days.
- c. 30 days.
- d. no such time limit.

Ans - c

.....

In how many days laboratory should submit its report regarding the defect of the goods?

- IIIIIIIIIIIIIIIIIIII) 55days
- mmmmmmmmmmmmmmmmmmmmmmmm) 60days
- nnnnnnnnnnnnnnnnnnnnnnnn) 75days
- oooooooooooooooooooooo) 90 days

Ans - a

.....

A bearer instrument is negotiated by ..... (i) mere delivery, (ii) endorsement required.

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - a

.....

What kind of instructions the forum can issue to the opposite party?



- a. to remove the defect of the goods.
- b. to replace the goods with new goods which shall be free from defect.
- c. to return to the complainant the price of goods or charges for services.
- d. any one of the above

Ans – d

.....

Memorandum & Articles of any company are available for inspection in

- A. the printing press where they are printed
- pppppppppppppppppppp) SEBI
- qqqqqqqqqqqqqqqqqq) on the notice board of companies
- rrrrrrrrrrrrrrrrrr) office of the Registrar of Companies

Ans - d

.....

Reserve Bank was constituted under .....

- a. BR Act
- b. RBI Act
- c. Companies Act
- d. None of these

Ans - b

.....

A Regional Rural Bank is .....

- a. A body corporate created under a special statute
- b. A cooperative society
- c. A Private Bank
- d. None of these

Ans - a

Bank's investment in equity shares, Preference shares eligible for capital status, Subordinated debt instruments, Hybrid debt capital instruments issued by other banks should not exceed % of the investing bank's capital funds (Tier I plus Tier II).

- ssssssssssssssss) 5%
- tttttttttttttttt) 10%
- uuuuuuuuuuuuuuuu) 15%
- vvvvvvvvvvvvvvvv) 20%

Ans - b

.....

What can be the min & max denomination of bank notes under the provisions of RBI act?

- wwwwwwwwwwwwwwww) Rs 1 to Rs 1000
- xxxxxxxxxxxxxxxxxxx) Rs 2 to Rs 1000
- yyyyyyyyyyyyyyyyyyy) Rs 2 to Rs 10000
- zzzzzzzzzzzzzzzzzz) Rs 10 to Rs 10000

Ans - c

.....

To take care of temporary liquidity problems of central and state govt, what kind of loan is given by RBI ?

- a. Treasury bills
- b. Dated Securities
- c. Short duration bonds
- d. Ways & Means advances

Ans - d

.....

Acceptance of deposits by non banking financial bodies and companies is regulated by which of the following ?

- a. SEBI & RBI
- b. RBI & Govt
- c. Registrar of companies & SEBI
- d. Stock exchange & SEBI

Ans - b

.....

Which act lays down provisions for constitution or setting up of banking company and which act lays down provisions for business of banking companies?

- a. Both provisions are provided under Banking regulation Act
- b. A banking company has to be set up under Banking companies act and business of Banking companies are governed by Banking regulation Act
- c. A banking company may be a company constituted under Section 3 of the Companies Act 1956 and A banking company has to be set up under Banking companies act
- d. A banking company has to be set up under RBI act 1934 A banking company has to be set up under Banking companies act

Ans - c

.....

Provisions of which of the following act/s apply to co-operative banks?

- a. Banking Laws (Application to Co-operative Societies) Act, 1965
- b. Banking Regulation Act 1949
- c. Reserve Bank of India Act 1934
- d. All the above

Ans - d

.....

The regulation and control of NBFCs is done by which of the following Act?

- a. Companies Act 1956
- b. RBI act 1934
- c. BR Act 1949
- d. None of the above

Ans - b

.....

Section 3 of the Reserve Bank of India Act, 1934 speaks about .....

- a. Constitution or setting up of of RBI
- b. Capital of RBI
- c. Control of RBI
- d. None

Ans - a

.....

The temporary advances provided by RBI to meet immediate needs of Central and state governments are .....

- a. Liquidity Adjustment Facility(LAF)
- b. Ways and Means of Advances (WMA)
- c. Temporary Means of Advances (TMA)
- d. Government Overdraft

Ans - b

.....

Whom does the appeal lies for commercial banks in respect of cancellation of banking licence (under Section 22) and refusal of certificate regarding floating charge on assets (Section 14a. by RBI?

- a. Central Board of RBI
- b. Supreme Court
- c. Central government
- d. nONE

Ans - c

.....

Which of the following types of banks are under dual control of State Governments and the Reserve Bank?

- aaaaaaaaaaaaaaaaaaaaa) RRBs
- bbbbbbbbbbbbbbbbbbbb) Co-operative banks
- ccccccccccccccccccc) Small Payments banks
- ddddddddddddddddddd) Local Area Banks

Ans - b

.....

In the case of co-operative banks which are registered under the Deposit Insurance and Credit Guarantee Corporation Act, Who has the power to order their winding up?

- a. State Government
- b. Central Government
- c. Reserve Bank
- d. Any of the above

Ans - c

.....

Reserve Bank is empowered to conduct..... of a banking company under Section 35(1) of the BR Act.

- eeeeeeeeeeeeeeeeeeee) inspection
- ffffffffffffffffffff) special audit
- gggggggggggggggggg) audit
- hhhhhhhhhhhhhhhhhh) None of the above

Ans - a

.....

A copy of the inspection report relating to a banking company ..... to that

- a. banking company.
- b. should be given
- c. need not be given
- d. should be given at request

Ans - b

.....

Which of the following statements is/are False?

- iiiiiiiiiiiiiiiiiii) Tax deducted at source is to be deposited within one week from the end of the month in which it is to be deducted
- jjjjjjjjjjjjjjjjjj) Person deducting tax at source is required to file a quarterly return of TDS
- kkkkkkkkkkkkkkkkkk) Liability to pay income tax arises on account of residential status and place of the source of income

- a. All are correct
- b. 1 is false
- c. 2 is false
- d. 3 is false

Ans - a

.....

Licence for Banking in India is given by RBI under which provision of Banking Regulation Act?

- a. Section 20
- b. Section 21
- c. Section 22
- d. Section 23

Ans - c

suving Debentures and Bonds or entering into an arrangement with the Bank.  
d. All the above.

Ans - d

.....

Which of the following are the requirements for finding a notice?

- a. It must be in writing giving a borrower time of 60 days to discharge the liability.
- b. It must specify that secured creditor has right to exercise any action over the assets.

- c. It must give details of amount payable by the borrower and the secured assets intended to the enforced.
- d. All the above.

Ans - d

.....

Where a Garnishee Order and Income Tax Attachment Order are received by the bank simultaneously, the bank must first comply with the .....

- a. Garnishee Order
- b. Income Tax Attachment order
- c. The available balance should be allocated on 50:50 basis
- d. Any one according to the discretion of the Branch Head

Ans - b

.....

While inquiring into a complaint, Information Commissions do not have the power to ..... (i) summon and enforce attendance of persons, (ii) compel them to give evidence on oath and produce documents or things, (iii) Require discovery and inspection of documents."

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

As per the transfer of Property Act,1882, a person is an ostensible owner of an immovable property where he becomes interested therein by ..... (i) Express consent, (ii) Implied consent

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - c

.....

As per Section 2(h) "public authority" means any authority or body or institution of self-government established or constituted ..... (i) by notification issued or order made by the appropriate Government, (ii) by any other law made by Parliament, (iii) by any other law made by State Legislature

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The penal interest chargeable on a banking company under Section 24 (4) of the BR Act for not maintaining liquid assets as specified under Section Bank 24(2A)(a) of the Act .....

- a. may be waived by the Reserve Bank if its is satisfied that the bank had sufficient cause for the failure
- b. has to be charged in all cases and the Reserve Bank has no option to waive penal interest.
- c. can be reduced by the Reserve Bank
- d. None of the above

Ans - a

.....

A banking company has to prepare profit and loss accounts and balance sheet as at the ..... or at the expiration of 12 months ending with such date as notified by the Central Government.

- a. end of calender year
- b. end of March
- c. end of June
- d. None of the above

Ans - a

.....

Which of the following are quantitative control methods? (i) Bank rate & CRR, (ii) Statutory Liquididty ratio, (iii) Open market operations

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A Fixed Deposit is opened in the name of Mr.A & Mr.B. payable to 'Either or Survivor'. Mr.A. dies. Mr.B requests for the premature closure of the deposit. In this case .....

- a. You can make premature closure as per the request of Mr. B
- b. You will make premature closure after obtaining the consent of all the legal heirs of Mr. A
- c. You will make the premature closure if Mr.B is the only legal heir of Mr. A
- d. You will not make premature closure as the mandate 'E or S' is applicable only in case of maturity

Ans - d

.....

Which of the following statement is wrong with reference to the Income Tax Attachment Order?

- a. Right of Set-off is available to the banker before applying attachment order
- b. In case of default to comply with the order, the bank is liable just like the assessee in default
- c. Amount received subsequent to the receipt of the order is also attached
- d. None of the above

Ans - d

.....

The right to alienate the mortgaged property without intervention of the court is available to the mortgagee in the case ..... (i) Where the mortgagee is government, (ii) Where there is English mortgage, (iii) Where there is mortgage by conditional sale

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

The officer designated by the public authorities in all administrative units or offices under it to provide information to the citizens requesting for information under the Act is known as .....

- a. Appellate Authority
- b. Chief Information Commissioner (CIC)
- c. Public Information Officer (PIO)
- d. Assistant Public Information Officer

Ans - c

.....

Which of the following are qualitative control methods? (i) Margins, (ii) Maximum limit of credit for specific purpose , (iii) Differential rate on certain types of advancement

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Level 1 is the most basic type of ADR where the foreign company .....

- a. Wishes its ADR to be listed on the U.S. exchanges alone
- b. Does not wish its ADR to be listed on an exchange
- c. Does not wish its ADR to be listed on an U.S. exchange
- d. Wishes its ADR to be listed on any exchange around the world

Ans - b

.....

Who of the following will be the members of the GST Council? (i) Union Finance Minister, (ii) Union Minister of State in charge of Revenue or Finance, (iii) Chief Ministers of States

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Quoting of PAN is mandatory in respect of following transactions ..... (i) sale or purchase of any immovable property valued at Rs.5 lac or more, (ii) a time deposit exceeding Rs.50000 with a banking company, (iii) A deposit exceeding Rs.50000 in any account with a post office saving bank

- a. Only (i) and (ii)

- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

In respect of shares held as investment, while computing the capital gains, securities transaction tax paid in respect of sale of listed shares sold in a recognized stock exchange

- a. Is deductible up to Rs.1,00,000
- b. Is deductible up to Rs.2,00,000
- c. Is deductible if C.G.'s is < 5,00,000
- d. Is not deductible at all

Ans - d

Which of the following statement is incorrect?

- a. Every country has only one central which is managed by government officials
- b. RBI is a profit making institution acting in the interest of government
- c. RBI does not perform any ordinary commercial banking functions
- d. RBI has adopted minimum reserve system of note issue

Ans - b

.....

Service tax is not payable on any service provided to .....

- a. an undertaking in a free trade zone
- b. an undertaking in a software technological park
- c. an undertaking in a special economic zone
- d. a developer or unit in a special economic zone

Ans - d

.....

'Subprime lending' is a term applied to the loans made to .....

- a. Those borrowers who do not have a good credit history
- b. Those borrowers who have a good credit history
- c. Those borrowers who do not have a good debit history
- d. Those borrowers who have a good debit history

Ans - a

.....

The `RTI Act, 2005` stipulates that a Public Authority should transfer an RTI application or a part thereof to another Public Authority if the application or a part of it pertains to information". (i) held by another Public Authority, (ii) the subject matter of which is more closely connected with the functions of another Public Authority

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)



d. Both (i) and (ii)

Ans - d

Service tax was introduced in India on the recommendation of .....

- a. Kelkar Committee
- b. Dr. Raja J Chaliah Committee
- c. Dr. Man Mohan Singh Committee
- d. Dr. Yashwant Sinha Committee

Ans - b

.....

Goods that are identified at the time of contract of sale is called ..... goods. (i) Specific Goods, (ii) ascertained goods, (iii) clear Goods

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

The Transfer of Property Act, 1882 applies to ..... (i) Movable Property, (ii) Immovable Property

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - d

.....

In the transfer of property with condition, the condition is void and transfer is valid ..... (i) Where transfer is made with void condition, (ii) Where transfer is made with the condition restraining absolutely future transfer of such property, (iii) Where transfer is made absolute with the condition restraining enjoyment of such property

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

**ALL THE VERY BEST FOR YOUR EXAMS**

# **SAMPLE QUESTIONS FOR JAIIB LEGAL & REGULATORY ASPECTS OF BANKING**

Though we had taken enough care to go through the questions, we request everyone to update yourself with the latest information through RBI website and other authenticated sources. In case you find any incorrect/doubtful information, kindly update us also (along with the source link/reference for the correct information) as lot of questions were shared by many people.

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