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JAI IIB LRAB

MOCK TEST



Note: Though we had taken enough care to go through the questions, we advise everyone to update oneself with the latest information through RBI website and other authenticated sources.



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November 2021

JAIIB - LRAB (Legal & Regulatory aspects of Banking) MOCK TESTS

Learning sessions down here presents you free mock test on the JAIIB's subject of LRAB i.e Legal & Regulatory aspects of Banking.

Try to solve the given mock test in 10 Minutes & then, can check the status of your test from the answer key provided at the last of this article!!

Be sincere & don't look up the answers unless you have marked your answer!!

LRAB - JAIIB MOCK TEST

No.	QUESTION
1	<p>Section 171 of the Indian Contract Act, 1872, gives to the banker - an absolute right of general lien on all goods and securities that are received by the banker. In which of the below circumstances that the banks can't exercise their right of general lien?</p> <p>a. The right of general lien cannot be exercised when the debtor has a joint account</p> <p>b. When a customer deposits securities, ornaments or other valuable with a banker for their safe custody, the banker acts as a trustee or bailee, that is why the banks cannot exercise their right of lien</p> <p>c. Documents or the money deposited with a specific purpose cannot be taken under lien</p> <p>d. All of the above</p>
2	<p>When any financial institution or a bank creates a charge against the property that is used as a security attached to a loan product, with which authority the transaction will have to be registered as per the SARFAESI Act, 2002?</p> <p>a. The charge has to be registered with the Central Registry.</p> <p>b. It is required to be registered with the ROC.</p>

	<p>c. With the Registrar of Assurances within whose jurisdiction the property (with which the charge is required to be created) lies.</p> <p>d. The charge has to be registered with the Reserve Bank of India.</p>
3	<p>A property that was mortgaged (an Equitable mortgage) is in a village which is not a notified area. The branch of bank that gave the loan is in a Notified area. The bank branch wishes to file a suit, then _____.</p> <p>a. Suit has to be filed in the bank branch's district headquarters.</p> <p>b. Suit has to be filed with the court in whose jurisdiction the property that was mortgaged is situated</p> <p>c. Such loan is not possible as the Property in a different area and the lending bank in another area.</p> <p>d. None of these.</p>
4	<p>The aggregate exposure of a bank to the capital markets in all forms, both fund as well as 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 or debentures, units of equity-oriented mutual funds & all exposures to Venture Capital Funds (VCFs) should not exceed what % of its net worth?</p> <p>a. 20%; 40%</p> <p>b. 15%; 40%</p> <p>c. 40%; 20%</p> <p>d. 50%; 20%</p>
5	<p>How much minimum margin is required to be kept by the banks while issuing guarantees on behalf of stock brokers or brokers in a commodity exchange?</p> <p>a. 50% of which cash margin should be a minimum of 25%</p> <p>b. 25% with no sub-limit for cash margin</p> <p>c. 100% of which cash margin should be a minimum of 50%</p> <p>d. 50% with no sub-limit for cash margin</p>
6	<p>As per Section 19(2) of the Banking Regulation Act, 1949, a banking company can hold the shares in/of any company, whether as pledge, mortgagee or as an absolute owner, upto:</p> <p>a. 30% of the paid-up share capital of that company (whose shares they want to hold)</p> <p>b. 30% of paid-up share capital & reserve fund of the bank</p> <p>c. 30% of paid-up share capital and reserve funds of that company</p>

	d. a or b whichever is less
7	<p>ABC Co. Ltd. have a current account that is operated by anyone of the 3 directors named Aman, Biman and Chintu of whom Aman dies. A cheque for Rs 50,000.00 signed by Aman previously, is presented for payment. The bank will do which of the following?</p> <p>a. Dishonour the cheque with the reason that "Signatory is dead "</p> <p>b. Honour the cheque as the company which is the actual account holder, has a perpetual life</p> <p>c. Seek the advice of company</p> <p>d. Ask the company to stop the payment and issue a new cheque</p>
8	<p>Which of the below statements are False?</p> <p>1. A banking company is registered under the Banking Regulation Act</p> <p>2. Co-operative banks get registered under the Multi-State Co-operative Societies Act or a State Cooperative Societies Act</p> <p>3. Accepting deposits for lending would fall within the definition of 'banking'</p> <p>4. Subsidiaries of the State Bank are companies registered under the Companies Act, 2013</p> <p>a. 1 & 2 are false</p> <p>b. 1 & 3 are false</p> <p>c. 2 & 4 are false</p> <p>d. 1 & 4 are false</p>
9	<p>The central government has power to authorize Tribunals to hear cases where the amount involved is less than Rs. 10,00,000.00 but more than;</p> <p>a. Rs. 1,00,000.00</p> <p>b. Rs. 2,00,000.00</p> <p>c. Rs. 5,00,000.00</p> <p>d. Rs. 7,00,000.00</p>
10	<p>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 the bank officer as a witness to prove the contents of copy. Can this be done?</p> <p>a. Yes, because it is right of the party to get it reaffirmed as evidence.</p> <p>b. No, because the certified copy is prima-facie evidence that is admissible in evidence.</p> <p>c. No, unless the bank volunteers to do so.</p> <p>d. Yes, but only if the Court allows the applicant to call the witness.</p>

ANSWER KEYS				
1	2	3	4	5
d	a	b	c	a
6	7	8	9	10
d	b	d	c	B



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