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JAI IIB
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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.



LEARNING
SESSIONS

November 2021

AFB - JAIIB MOCK TEST

Learning sessions has brought free mock tests on the JAIIB subject AFB i.e Accounting & Practices for Banking.

Try to solve the mock test given down below in 20 Minutes & then, can check the status of your test by from the answer key given at the last of this article!!

Try not to cheat and be sincere in this test!!

AFB - JAIIB MOCK TEST

| No. | QUESTION |
|-----|---|
| 1 | <p>A minor 15 years of age, is having an FDR of Rs.35000 with the bank. He requested for the payment of FDR before its maturity. Can bank allow the payment before the maturity?</p> <p>a. bank can allow the payment before maturity b. bank can accept the request, if it is accompanied by another request from the guardian of the minor c. bank can accept the request for loan & not of pre-mature cancellation, as payment before maturity would amounts to breaking the contract, for which he has no authority d. bank cannot accept the minor's request</p> |
| 2 | <p>Working Capital of a company is Rs. 1,35,000.00 and current ratio is 2.5. Liquid Ratio is 1.5 & the proprietary ratio is 0.75. Bank overdraft is Rs.30,000.00. There neither long term loans nor fictitious assets. Reserves & surplus amounts to Rs. 90,000.00 and the gearing ratio (i.e Equity Capital to Preference Capital) is 1.2</p> <p>From the above, calculate stock.</p> <p>a. Rs. 60,000.00 b. Rs. 90,000.00 c. Rs. 1,35,000.00 d. Rs. 2,25,000.00</p> |
| 3 | <p>Forward exchange rates are useful for those who wish to _____.</p> |

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| | <p>a. Protect themselves from the risk that the rate of exchange will change before the transaction gets completed</p> <p>b. Gamble that a currency will fall or rise in the value</p> <p>c. Exchange currencies at a point of time in the future</p> <p>d. All of the above</p> |
| 4 | <p>Assets: Net Fixed Assets – Rs.400, Inventories – Rs.150, Cash – Rs.50, Receivables – Rs.150, Goodwill – Rs.50, Total Assets - Rs.800</p> <p>Liabilities: Capital – Rs.180, Reserves – Rs.20, Term Loan – Rs.300, Bank C/C – Rs.200, Trade Creditors – Rs.50, Provisions – Rs.50, Total Liabilities - Rs.800</p> <p>What is the Net Worth?</p> <p>a. Rs. 180</p> <p>b. Rs. 200</p> <p>c. Rs. 250</p> <p>d. Rs. 300</p> |
| 5 | <p>A firm HJK has purchased few items at different prices of Rs.50, Rs.60, Rs.70, Rs.80 and Rs.90. What is the rate of valuation of the goods as per the average cost method?</p> <p>a. Rs.70, being the middle item</p> <p>b. Rs.70, being the average of all items</p> <p>c. Rs.50, being the base item to be purchased</p> <p>d. Rs.90, being the last item in the series to be purchased</p> |
| 6 | <p>As per extant rules for the purpose of interest calculation on domestic term deposits, that is repayable in less than 3 months; for a leap year:</p> <p>a. the actual number of days should be reckoned at 365 days</p> <p>b. banks are free to adopt their methodology with information that is being provided to customers.</p> <p>c. the actual number of days should be reckoned at 366 days</p> <p>d. the actual number of days should be reckoned at 360 days</p> |
| 7 | <p>Ms. Aditi (customer) walks into the branch 5 minutes after the scheduled opening time. She finds the counters empty, all the systems down and sees that the Branch Manager is also absent. She questions a sub-staff about it. The ideal response from the staff would be:</p> <p>a. Express her helplessness and reply in an indifferent manner.</p> |

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| | <p>b. Tell a story that a member colleague is getting married and everybody has gone to attend the wedding.</p> <p>c. Lie to her that the system has failed and therefore, everybody has gone to the canteen.</p> <p>d. Apologize for the inconvenience & ask her to be seated in the meantime.</p> |
| 8 | <p>Ms. Harmeet, an NRI customer, requested the Branch Manager 'Varun' to open a NRE deposit by email enclosing a signed scanned letter. She finds that the deposit has not been issued even after a week of her sending the letter. Varun should:</p> <p>a. advise Ms. Harmeet to contact the staff concerned directly.</p> <p>b. try to cover the lapse of management and deny receiving the mail.</p> <p>c. promise her that he will look into the matter and get back to her immediately</p> <p>d. advise her that the system is overloaded and email requests like hers will not be entertained.</p> |
| 9 | <p>An NRI customer requests the Branch Manager to open a NRE deposit by email enclosing a signed scanned letter. He finds that the deposit has not been issued even after a week. The Branch Manager should:</p> <p>a. advise the NRI customer to contact the staff concerned directly.</p> <p>b. try to cover the lapse and deny receiving the mail.</p> <p>c. promise to look into the matter and get back to the him/her immediately</p> <p>d. advise that the system is overloaded and email requests will not be entertained</p> |
| 10 | <p>Mix of debt & equity is known as</p> <p>a. Organisational structure of the firm</p> <p>b. Financial structure of the firm</p> <p>c. Capital structure of the firm</p> <p>d. Bond equity structure of the firm</p> |
| 11 | <p>Which of the following is treated as Corrective Action Plan i.e. CAP for SMA-2 accounts? (i) Rectification & Regularization of account, (ii) Restructuring of account, (iii) Recovery of overdue</p> <p>a. Only (i) & (ii)</p> <p>b. Only (i) & (iii)</p> <p>c. Only (ii) & (iii)</p> <p>d. (i), (ii) & (iii)</p> |

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| 12 | <p>Consider the data given pertaining to a firm 'GHI'. GHI has a credit balance as per bank column of cash book – Rs. 13,000.00, Bank interest on overdraft appeared only in the pass book – Rs. 2,600.00 & the Cheques deposited but not collected by the bank are worth Rs. 5,000.00 The balance as per pass book is</p> <p>a. Rs. 20,600 (Dr.) b. Rs. 18,500 (Dr.) c. Rs. 18,500 (Cr.) d. Rs. 15,600 (Dr.)</p> |
| 13 | <p>A firm in the name of M/S AKHILESH is maintaining a current account with CBL Bank. The firm is having 9 partners and one of them is very old and is a dormant partner. The account is operated by 2 partners, Noor and Mehtab, jointly. A cheque of Rs. 1,650.00, in favour of State Electricity Board is presented through clearing. The CBL bank received a stop payment of the cheque, from the dormant partner.</p> <p>a. because the cheque is of a small amount, it should be paid b. because the cheque is in favour of an important payee, therefore, dues should be paid c. the cheque should be paid, as the stop payment instruction was received from a dormant partner d. the cheque should not be paid, as dormant partner also has the requisite authority to stop operations of the account.</p> |
| 14 | <p>The foreign exchange spot-market provides _____ that permit payments to flow among individuals, businesses, & other organizations who prefer to use different currencies.</p> <p>a. trade services b. government authority c. clearing services d. technological services</p> |
| 15 | <p>Mr. Kashav approaches a bank for a housing loan & the bank obtains information or report on Mr. Kashav from the Credit Reference Agencies. The correct procedure to be followed by the bank in case Mr. Kashav asks for a copy of the report would be:</p> <p>a. The bank can refuse to depart the information stating that the information is confidential.</p> |

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| | <p>b. The bank can share the information if the customer requests & pays for the scheme.</p> <p>c. Mr. Kashav cannot ask for a copy of the report.</p> <p>d. Information has not been obtained from Credit Reference Agencies for the housing loans.</p> |
| 16 | <p>With 25% margin on stocks, a firm's drawing power for its cash credit (CC) account with the bank increased from Rs. 4,50,000.00 to Rs. 7,50,000.00 What is the change in stock level?</p> <p>a. Rs. 2,00,000.00 b. Rs. 300,000.00 c. Rs. 400,000.00 d. Rs. 500,000.00</p> |
| 17 | <p>Which of the following statements are true about Horizontal Analysis? (i) It does not examine the periodical trend, (ii) It is useful for long-term analysis, (iii) It is useful for long – term planning</p> <p>a. Only (i) and (ii) b. Only (i) and (iii) c. Only (ii) and (iii) d. (i), (ii) and (iii)</p> |
| 18 | <p>Unless it is otherwise stated, preference shares are always deemed to be _____.</p> <p>a. Cumulative, participating and non-convertible b. cumulative, non-participating as well as non-convertible c. non-cumulative, participating but non-convertible d. non-cumulative, non-participating as well as non-nonconvertible</p> |
| 19 | <p>If current ratio is above 2:1, it means that the firm _____. (i) Has a very high investment in its current assets, (ii) Does not require any working capital from the Bank, (iii) has very high liquidity</p> <p>a. Only (i) and (ii) b. Only (i) and (iii) c. Only (ii) and (iii) d. (i), (ii) and (iii)</p> |
| 20 | <p>Freight expenses for carrying Machinery was carried to Travelling A/c, then rectification in trial balance will be _____.</p> |

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| a. Debit machinery A/c & credit travelling A/c. |
| b. Credit machinery A/c & debit travelling A/c |
| c. Credit profit and loss account and debit travelling A/c. |
| d. Debit profit and loss A/c (P&L A/c) and credit travelling A/c. |

ANSWER KEY

| | | | | | | | |
|----------|---|-----------|---|-----------|---|-----------|---|
| 1 | A | 6 | C | 11 | D | 16 | C |
| 2 | C | 7 | D | 12 | A | 17 | C |
| 3 | D | 8 | C | 13 | D | 18 | B |
| 4 | B | 9 | C | 14 | C | 19 | D |
| 5 | B | 10 | C | 15 | A | 20 | A |

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