

## RETAIL BANKING AND WEALTH MANAGEMENT (RBWM)

### Q: 1 Which of these statement defines return on assets ?

- I. It is a financial ratio that measures a company's profitability in relation to its total assets.
  - II. Return on Asset is a percentage of profit a bank generates relative to its total assets
  - III. It provides insight into how effectively a company utilizes its assets to generate profits.
  - IV. Return on Asset is determined by the amount of income that it earns from its para banking activities only .
- a) I, III, IV
  - b) II, III, IV
  - c) I, II, IV
  - d) I, II, III

### RETURN ON ASSET FOR BANKS

$$\text{ROA} = \text{Net Income} / \text{Average Total Assets}$$

**Net Income**= Fee Income + Net Interest Income - Operating Costs

**Average Total Assets**

$$\frac{\text{Total Assets at the Start of the Fiscal Year} + \text{Total Assets at End of the Fiscal Year}}{2}$$

**Q: 2 Company ABC reported Fee income 1000000, Interest Earned 2000000, interest paid 1500000, Operating Expenses 500000, Total Assets at the Start of the Fiscal Year 30000000, Total Assets at End of the Fiscal Year 20000000 calculate company's Return on assets.**

- a) 4%
- b) 5%
- c) 6%
- d) 7 %

**Solution**

**Net Income** = (Fee Income + Interest Earned) - (Interest Paid + Operating Expenses)

**Average Total Assets** = (Total Assets at Start + Total Assets at End) / 2

**ROA** = Net Income / Average Total Assets

**Q: 3 Which of the following statements about Return on Equity (ROE) for banks is NOT correct?**

- a) It is a financial metric that indicates the profitability of a company in relation to its shareholders' equity.
- b) ROE considers both the return on assets (ROA) and the total value of the bank's assets that generate income.
- c) ROE indicates how effectively the bank is using its equity to generate profits.
- d) ROE is of particular interest to the bank's creditor, who want to understand the return on their investment.

**Q: 4 Company ABC reported Fee income 1000000, Interest Earned 2000000, interest paid 1500000, Operating Expenses 500000, Bank Capital 5000000 calculate company's Return on Equity .**

- a) 20%
- b) 30%
- c) 40%
- d) 50%

**Solution**

Net Income=(Fee Income+Interest Earned)–(Interest Paid+Operating Expenses)

Net Income=(1,000,000+2,000,000) –(1,500,000+500,000)

Net Income=3,000,000–2,000,00=1,000,000

ROE = = Net Income / Bank Capital

**Q: 5 Which of these statement defines Strategic Business Unit (SBU) Approach?**

- a) It involves organizing retail banking operations into separate units or divisions known as strategic business units (SBUs).
- b) Each SBU operates independently and focuses on a specific customer segment or product line.
- c) The SBUs are responsible for their own business strategies, profitability, and performance measurement.
- d) All of the above

**Q: 6 Which of the following is an ADVANTAGE of retail banking?**

- a) Client base will be large and therefore risk is spread across the customer base.
- b) Customer Loyalty will be strong, and customers tend not to change from one bank to another very often.
- c) Attractive interest spreads since spreads are wide, Credit risk tends to be well diversified, as loan amounts are relatively small.
- d) All of the above

**Q: 7 Which of the following is NOT a typical service offered by retail banks?**

- a) Savings accounts
- b) Personal loans
- c) Home Loans
- d) Underwriting

**Q: 8 \_\_\_\_\_ represents the difference between the interest income earned from interest-earning assets and the interest expenses paid on interest-bearing liabilities.**

- a) Net Interest Income
- b) Interest Rate Spread
- c) Net Interest Margin
- d) All of the above

### **NET INTEREST INCOME**

It represents the **difference between the interest income earned from interest-earning assets and the interest expenses paid on interest-bearing liabilities.**

**Interest Rate Received on Assets - Interest Rate Paid on Liabilities**

**(Interest Earned on Securities + Loans) – (Interest Paid on Deposits and Borrowings)**

### **INTEREST RATE SPREAD**

It represents the **difference between** the **average interest rate earned on a bank's interest-earning assets** and the **average interest rate paid on its interest-bearing liabilities**.

**Average Interest Rate Received on Assets - Average Interest Rate Paid on Liabilities**

### **NET INTEREST MARGIN (NIM)**

It is a financial metric used by banks and financial institutions to **assess their profitability and efficiency in generating interest income from their interest-earning assets**.

**Net Interest Margin** = Net Interest Income / Average Total Assets



**Q: 9 Which of the following approaches organizes retail banking operations based on different functional departments within the bank?**

- a) Market-Based Approach
- b) Product-Based Approach
- c) Departmental Approach
- d) Integrated Approach

**Q: 10 According to a study by the Boston Consulting Group, which of the following models is NOT a broadly defined process model used in retail banking?**

- a) Horizontally Organized Model
- b) Vertically Organized Model
- c) Customer-Centric Model
- d) None of the above

**Horizontally organized model**

- In this model, each product or service is treated as a **separate module** with its own specific process model.
- This approach allows for **customization and specialization in managing different types** of products, optimizing processes, and delivering tailored solutions to customers.

**Vertically organized model :** It provides functionality across products with customer database orientation and a **centralized customer database** is used across products.

**Predominantly horizontally organized model:** It is mostly product-oriented with common customer information for some products.

**Predominantly vertically organized model :** In a predominantly vertically organized model, common information is available for most of the products.

**Q: 11 In a Predominant Outsourcing strategy, a retail bank would likely\_\_\_\_\_.**

- a) Outsource the majority of a business process, keeping only minor elements in-house.
- b) Completely outsource a business process with no in-house involvement.
- c) Outsource only a small portion of a business process keeping only major elements in-house.
- d) Maintain all aspects of a business process in-house.

**Q: 12      A retail bank decides to outsource application development and network management for its online banking platform. This falls under which model?**

- a) In-house Sourcing
- b) Partial Outsourcing
- c) Predominant Outsourcing
- d) End-to-End Outsourcing

**Q: 13      Which of the following best describes profitability?**

- a) The total amount of money a company makes
- b) The cost of running a business
- c) The number of employees a company has
- d) A company's ability to generate profit relative to its resources



**Q: 14 Which of the following is NOT a type of profit?**

- a) Gross Profit
- b) Operating Profit
- c) Net Profit
- d) Total Revenue

**Q: 15 Which of these is a contributor to a bank's profitability in India?**

- I. Credit Quality
  - II. Inflation
  - III. Deposits
  - IV. Non-Performing Assets
- a) I, III, IV
  - b) II, III, IV
  - c) I, II, IV
  - d) I, II, III, IV

**Q: 16 Which customer segment represents individuals with an income ranging from 50 lakhs to 4 crores?**

- a) Mass Market
- b) Mass Affluent
- c) Super Affluent
- d) HNW

Income Levels (Rs. Lakhs)		Customer Segment
2-10	2 lakhs to 10 lakhs	Mass Market
10-50	10 lakhs to 50 lakhs	Mass Affluent
50-400	50 lakhs to 4 Cr	Super Affluent
400-4000	4 Cr to 40 Cr	HNW
4000-120,000	40 Cr to 1,200 Cr	Super HNW
Above 120,000	Above 1200 Cr	Ultra HNW

**Q: 17 If a bank wants to launch a new investment product with a high minimum investment amount 60 lakh, which customer segment should they target?**

- a) Mass Market

- b) Mass Affluent
- c) Super Affluent
- d) All of the above

**Q: 18 Which of the following is NOT a dimension of service quality in retail banking?**

- a) Reliability
- b) Responsiveness
- c) Accessibility
- d) None of the above

### **DIMENSIONS OF SERVICE QUALITY**

**Reliability** : Customers expect banks to provide **reliable services consistently**. This includes **accurate and error-free transactions, prompt processing of requests**, and dependable availability of banking services.

**Responsiveness** : Customers expect prompt **attention and assistance when they approach** the bank for any **queries, complaints, or requests**.

**Accessibility** : It refers to the **ease with which customers can access banking services**.

**Personalization** : Banks should aim to **understand their customers' preferences** and offer customized **financial products and services** accordingly.

**Tangibles** : It refers to the **physical and tangible aspects of the banking service**. This includes the **appearance and cleanliness of bank branches**.

**Empathy** : Bank employees should display **empathy, patience, and a willingness to assist customers** in resolving their issues.

**Q: 19      What are some of the key requirements that customers have from their banks?**

- a) Right product mix to satisfy different customer segments.
- b) Right channel mix both direct channels and e-channels.
- c) Delivery of the promises about products/services and channels.
- d) All of the above

**Q: 20      Based on Maslow's hierarchy, what type of need would a customer seeking a Consumer Loans and Personal Loans be trying to fulfill?**

- a) Physiological needs
- b) Safety and security needs
- c) Social needs
- d) Esteem needs.

**Social Needs:**

- Consumer Loans and Personal Loans
- Home Loans and Car Loans
- Insurance Cover tagged to above loans.
- Retail Gold Coins.
- Health Policies for self and family.
- Investment Products like Mutual Fund Schemes.
- Systematic Investment Plans of Mutual Funds.
- Unit Linked Insurance Products.

**Q: 21      Self-Actualization Needs in Maslow's hierarchy, which involve realizing personal potential and self-fulfilment, are best addressed by which type of products?**

- I. Pensioners Loans
- II. Retirement Solutions in Banking
- III. Pension Plans in Insurance
- IV. Senior Citizens Term Deposit Products

- a) I, III, IV
- b) II, III, IV
- c) I, II, IV
- d) I, II, III, IV

**Q: 22 Which of this statement defines Saving Deposit?**

- a) Savings deposits are intended for long-term saving and future financial goals.
- b) Savings deposits earn interest, allowing money to grow over time.
- c) Withdrawals from savings deposits are allowed, but there may be limits to encourage saving.
- d) All of the above

**Q: 23 In which stage of the product life cycle is the product's sales volume low and revenue insufficient to cover costs?**

- a) Introduction stage
- b) Growth stage
- c) Maturity stage
- d) Decline stage

**Q: 24      Identify the correct statements about Core Products in banking.**

- a) Core products define the nature of the business and are essential offerings of a bank.
  - b) Core products like savings accounts and term loans require heavy marketing efforts to sustain.
  - c) These products generally have a stable life during the growth stage of the product life cycle.
  - d) Examples of core products include recurring deposits, cash credit, and drafts.
- a) I, II, III
  - b) I, III, IV
  - c) II, III, IV
  - d) I, II, IV

**Q: 25      \_\_\_\_\_ are products are developed by combining two core products and adding value to the product in terms of benefits and comforts to the customer.**

- a) Augmented Products
- b) Core Products

- c) Complementary Products
- d) All of the above

**Q: 26      In the present-day scenario, a Savings Bank account that includes Internet Banking, Mobile Banking, and a group health or life insurance product is an example of which type of product?**

- a) Core Product
- b) Basic Product
- c) Augmented Product
- d) Generic Product

**Q: 27      Which of the following is NOT a deposit product offered by banks?**

- a) Savings Deposits
- b) Current Deposits
- c) Insurance Deposits
- d) Term Deposits





**Q: 28 As notified in terms of Govt. of India notification dated December 16, 2010, Small Accounts would be subject to the which of the following conditions.**

- I. The aggregate of all credits in a financial year does not exceed ₹1 Lakh.
- II. The aggregate of all withdrawals and transfers in a month does not exceed ₹10,000/-.
- III. The balance at any point in time does not exceed ₹50,000/-
- IV. Foreign remittances cannot be credited to Small Accounts without completing normal KYC formalities.

- .
- a) I, II, IV
  - b) I, II, III
  - c) II, III, IV
  - d) I, II, III, IV

#### **SMALL ACCOUNTS**

- If any **low-risk individual customer** does not possess either any of the **Officially Valid Documents (OVD)** as notified by the Government of India, then "Small Accounts' may be opened for such an individual.
- A 'small account' may be opened based on a **self-attested photograph and affixation of signature or thumbprint.**

**Q: 29 Which of these is not correct regarding Basic Savings Bank Deposit Account ?**

- a) This account shall not have the requirement of any minimum balance.
- b) It allows unlimited deposits per month but only four withdrawals per month.
- c) BSBDA is subject to KYC/AML guidelines being issued by RBI from time to time.
- d) Holders of 'Basic Savings Bank Deposit Account' will be eligible for opening any other savings bank deposit account in that bank.

**Q: 30 Which of the following statement is not correct regarding conditions apply to banks determining their own savings bank deposit interest rates after deregulation?**

- a) There shall be a comprehensive policy on interest rates on deposits duly approved by the Board of Directors or any committee of the Board to which powers have been delegated.
- b) The rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits,
- c) Each bank will have to offer a uniform interest rate on savings bank deposits up to 1 Lakh, irrespective of the amount in the account within this limit.

- d) Scheduled commercial banks were advised to calculate interest on savings bank accounts on annually basis with effect from April 1, 2010.

**Q: 31 \_\_\_\_\_ is a method used by lenders, financial institutions, and credit bureaus to assess an individual's creditworthiness. It involves assigning a numerical score based on various factors, such as past credit behaviour, repayment history, outstanding debts, and other financial indicators.**

- a) Credit Rating
- b) Credit scoring
- c) Credit analysis
- d) Both a and b

**Q: 32 A Credit Information Company collects and maintains records of an individual's payments and dues pertaining to loans and credit cards. Credit Information Companies in India are licensed by the \_\_\_\_\_**

- a) Reserve Bank of India
- b) Ministry of finance
- c) State Bank of India
- d) None of the above

**Q: 33 Which of the following is not allowed to become a member of a Credit Information Company (CIC)?**

- a) Commercial banks
- b) Credit Card companies
- c) Insurance companies
- d) Non-Banking Financial Companies

**Membership to a CIC is available to Credit Institutions.**

- Banks, RRBs, Cooperative banks, NBFCs, Public Financial Institutions, Housing Finance Institutions.
- **Companies** engaged in the business of **credit cards and other similar cards.**
- **Companies** dealing with **distribution of credit** in any other manner or any other institution.

**Q: 34 According to the current scenario, which of the following statements is true regarding the membership of Credit Information Companies (CICs)?**

- a) Every Credit Institution is required become member of at least one CIC.
- b) All banks and concerned financial institutions are members of all CICs.
- c) Only public sector banks are required to become members of CICs.
- d) All of the above

**Q: 35 Which of the following factors cannot negatively impact an individual's credit Score?**

- a) Timely Payments
- b) High Credit Utilization
- c) High Debt Levels
- d) Multiple credit applications

**Q: 36 \_\_\_\_\_ is a process and regulatory requirement in the retail banking industry that helps Banks to verify the identity of their customers and assess the risks associated with doing business with them.**

- a) KYC (Know Your Customer)
- b) AML (Anti-Money Laundering)
- c) CFT (Countering the Financing of Terrorism)
- d) CSR (Corporate Social Responsibility)

## **ELEMENT OF KYC**

### **Customer Acceptance Policy**

- The Customer Acceptance Policy helps the banks to determine the **types of customers** they are willing to do business with.
- This element outlines the **criteria and guidelines for accepting customers** and establishing business relationships.
- It sets parameters for accepting customers based on factors such as the **customer's risk profile, reputation, purpose of the account**, and compliance with legal and regulatory requirements.

### **Risk Management**

- It involves assessing and managing the risks associated with customers and their transactions.
- Financial institutions need to identify and categorize their customers based on the risk levels they pose, such as **low, medium, or high risk**.

### **Customer Identification Procedures**

- This element focuses on verifying and establishing the identity of customers.
- The CIP may involve **collecting and verifying identity documents**, conducting background checks, confirming the customer's address and contact information, and utilizing identity verification tools or databases.

### **Monitoring of Transactions**

This involves tracking and analysing the activities and transactions of customers to **identify any suspicious or unusual behaviour** that may indicate potential money laundering, terrorist financing, or other illegal activities.

**Q: 37      What is the PRIMARY objective of KYC guidelines in retail banking?**

- a) To offer personalized banking products to customers
- b) To streamline the account opening process
- c) To prevent illegal activities like money laundering and fraud
- d) To generate additional revenue for banks

**Q: 38      What does 'Credit Utilization' refer to in the context of managing a credit score?**

- a) The total amount of credit available to you.
- b) The interest rate on your credit card.
- c) The number of credit accounts you have.
- d) The percentage of available credit you are currently using.

**Q: 39      \_\_\_\_\_ are financial products and services that are offered to customers by a bank but are not directly developed or own by the bank itself.**

- a) In-house products or services
- b) Core banking products
- c) Third-party products or services
- d) Mandatory financial products

**Q: 40      What is a bank product?**

- a) Anything available in a bank
- b) A physical item sold in a bank
- c) A document issued by a bank
- d) Anything that satisfies customer needs

**Q: 41      In the 'maturity' stage of the product life cycle, what happens to the sales volume and customer base?**

- a) Sales volume declines, and the customer base narrows.
- b) Sales volume increases, and the customer base remains steady.
- c) Sales volume peaks, and there is a wide customer base.
- d) Sales volume remains constant, and the customer base decreases.

**Q: 42      Which regulatory body in India has prescribed rules and regulations for banks engaging in para-banking activities like Third Party Distribution?**

- a) Securities and Exchange Board of India (SEBI)
- b) Reserve Bank of India (RBI)
- c) National Stock Exchange (NSE)
- d) All of the above



**Q: 43      One of the constraints in new product development is a heterogeneous customer base. What does this mean?**

- a) Customers are all the same and have similar needs.
- b) Customers are located in different geographic regions.
- c) Customers are not same and have different needs.
- d) Customers only prefer existing products.

**Q: 44      What does the term "capital appreciation" mean in the context of mutual funds?**

- a) Earning regular income through dividend payouts
- b) Increasing the overall value of your investment over time
- c) Reducing the risk of losing your initial investment
- d) Protecting your investment from inflation

**Q: 45      An investor is looking for a mutual fund that allows them to reinvest their earnings to potentially grow their investment over time. Which type of scheme might be a good fit?**

- a) Dividend scheme
- b) Growth scheme
- c) Open-ended fund
- d) All of the above

**Q: 46 Which type of mutual fund has a stipulated maturity and is open for subscription only during a specified period at the time of the scheme launch?**

- a) Open-Ended Funds
- b) Interval Funds
- c) Close-Ended Funds
- d) Dividend Schemes

**Q: 47 Under what conditions banks are permitted to handle of mutual fund business within their departments.**

- a) The investors' applications for purchase/sale of mutual fund units shall be forwarded to the mutual funds/registrars/transfer agents.
- b) The purchase of units shall be at the customers' risk without the bank guaranteeing any assured return.
- c) No mutual fund units shall be acquired from the secondary market or bought back from a customer for selling it to other customers.
- d) All of the above

**Q: 48 Under what conditions can a bank undertake insurance business with risk participation through a subsidiary or joint venture?**

- a) It has a net-worth of 1000 crore and its minimum net worth shall not be less than ₹500 Crore after investing in the equity of such company.
- b) Its level of net non-performing assets is not more than 3 percent
- c) It has made a net profit in the preceding three financial years
- d) All of the above

**Q: 49 Which of the following is NOT a requirement for a bank to operate as an insurance broker?**

- a) Maintaining a separate deposit of ₹50 Lakh with a different bank.
- b) Implementing a board-approved policy on insurance distribution.
- c) Linking insurance sales to specific banking products.
- d) Ensuring employees involved in broking business have IRDA qualifications.

**Q: 50      The deposit of ₹50 Lakh is to be maintained by an insurance broker as per the IRDA (Licensing of Banks as Insurance Brokers) Regulations, 2013, shall be maintained with a scheduled commercial bank other than itself. The deposit shall have a \_\_\_\_\_.**

- a) lien with the insurance broker.
- b) lien with the scheduled commercial bank.
- c) lien with the Reserve Bank of India
- d) lien with the Insurance Regulatory and Development Authority

**Q: 51      Practice of offering additional products or services to existing customers who already have one or more financial products with the bank is known as \_\_\_\_\_.**

- a) Cross-selling
- b) Upselling
- c) Diversification
- d) Customer expansion

**Q: 52 Which of the following services is NOT typically provided by a demat account?**

- a) **Dematerialization:** Converting physical securities into electronic form.
- b) **Rematerialisation:** Converting electronic securities back to physical certificates.
- c) **Electronic record maintenance:** Maintaining a digital record of an investor's holdings.
- d) None of the above



**Q: 53 According to RBI guidelines, which of the following statements is not true about a bank offering factoring services departmentally?**

- a) Factoring services shall be provided on with recourse or without recourse or on limited recourse basis.
- b) All underwriting commitments pertaining to the credit risk on the debtor, under without recourse factoring, shall be in accordance with the Board approved limits.
- c) Factoring services shall be extended for invoices representing genuine trade transactions.
- d) Factoring is not considered equivalent to loans and advances and is not subject to the same regulatory norms.

**Q: 54      Under RBI guidelines, what information must bank report to Credit Information Companies regarding factoring activities?**

- a) The total value of all factoring transactions conducted by the bank.
- b) Details of all companies the bank has factored invoices for.
- c) Credit information on customers who have not paid their dues on factored invoices.
- d) The specific fees and charges associated with the bank's factoring services.

**Q: 55      Who is eligible to invest in Atal Pension Yojana (APY)?**

- a) Only government employees working in the organized sector.

- b) Any Indian citizen between the ages of 18 and 40 with a savings account.
- c) Senior citizens above the age of 40 years looking for retirement income.
- d) Individuals who are already enrolled in other government pension scheme

### **ATAL PENSION YOJANA (APY)**

- Atal Pension Yojana is a pension scheme introduced by the Government of India in 2015–16.
- It was implemented with an objective to provide pension benefits to individuals in the unorganized sector.
- APY is open to all citizens of India who have a savings bank account. The minimum age of joining APY is 18 years and maximum age is 40 years.
- This scheme is regulated and controlled by the Pension Funds Regulatory Authority of India (PFRDA).

### **Q: 56 Which of the following consequences can a wilful defaulter face?**

- I. No additional facilities should be granted by any bank/FI to the listed willful defaulters.

- II. The lenders may initiate criminal proceedings against wilful defaulters, wherever necessary.
- III. The bank can proceed against the guarantor, if any, along with the principal debtor also by virtue of the Contract Act.
- IV. They are to be handled very sensitively as they are otherwise good customers.

- a) I, III, IV
- b) II, III, IV
- c) I, II, IV
- d) I, II, III



**Q: 57      Which of the following statements correctly matches the asset classification?**

- a) **Standard Assets:** It is a kind of performing asset which creates continuous income and repayments as and when they become due.
- b) **Sub-Standard Assets:** Loans and advances which are non-performing assets for a period of 12 months.



- c) **Doubtful Assets:** The Assets considered as non-performing for a period of more than 12 months are known as Doubtful Assets.
- d) All of the above

**Q: 58 \_\_\_\_\_ allows banks and other financial institutions for taking possession and auctioning commercial or residential properties to recover a loan when a borrower fails to repay the loan amount without going court.**

- a) Bankruptcy Code
- b) SARFAESI Act
- c) Consumer Protection Act
- d) None of the above

**Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act.**

**Q: 59 Which of the following conditions must be met for initiating action under the SARFAESI Act 2002?**

- I. The loan account should be backed by agricultural land and classified as Non-Performing Asset (NPA).
  - II. Outstanding in the account including the interest accrued/applied should be more than One lakh.
  - III. Outstanding dues should be 20% or above of the principal and interest.
  - IV. In case of multiple lenders/consortium advances, ensure lenders having a minimum of 60% of dues outstanding.
- a) I, III, IV
  - b) II, III, IV
  - c) I, II, IV
  - d) I, II, III

**Q: 60 According to the RBI's regulations, what is the minimum retention requirement for an originator securitizing a loan with a maturity of 18 months?**

- a) 2%

- b) 5%
- c) 10%
- d) No retention required

Asset Class	Original Maturity	MRR (%) for Originator
Underlying loans $\leq$ 24 months	24 months or less	5% of book value of loans
Underlying loans > 24 months and bullet repayments	More than 24 months or bullet repayments	10% of book value of loans
Residential Mortgage-Backed Securities	Irrespective of maturity	5% of book value of loans

**Q: 61      Features of reverse mortgage loan includes\_\_\_\_\_.**

- a) The Senior Citizen borrower is not required to service the loan during his/her lifetime and therefore, does not make monthly repayments of principal and interest to the bank.
- b) RMLs are extended by Primary Lending Institutions (PLIs) viz., Scheduled Banks and Housing Finance Companies (HFCs) registered with NHB.
- c) The maximum monthly payments under RML have been capped at 50,000/- The maximum lump-sum payment shall be restricted to 50% of the total eligible amount of loan.
- d) All of the above

**Q: 62      When is a reverse mortgage loan typically due for repayment?**

- a) When the homeowner reaches a certain age
- b) When the homeowner sells the property
- c) When the homeowner refinances the loan
- d) When the homeowner moves out or passes away

**Q: 63      \_\_\_\_\_are Asset Reconstruction company which buys bad loans of commercial banks, manages them, and sell in the market and recover money.**

- a) Non-Performing Assets Banks
- b) Asset Management Company
- c) Recovery Banks

d) Band Banks

**Q: 64 Which of these statements is correct regarding National Asset Reconstruction Company Ltd?**

- I. NARCL will be starting with a total capital of Rs 6,000 crore.
  - II. In October 2021, NARCL received the RBI's license
  - III. Public Sector Banks (PSBs) have a 51% ownership of NARCL
  - IV. Their objective is to sell off the bank's stressed assets in the market
- a) I, III, IV
  - b) II, III, IV
  - c) I, II, IV
  - d) I, II, III,



**Q: 65 Which of this statement defines Top Management?**

- a) It includes the highest level of executives or leaders within an organization.
- b) They are responsible for setting the overall direction, vision, and long-term goals of the organization.
- c) Top management typically includes Chief Executive Officer (CEO), President, or Managing Director.
- d) All of the above

## **Middle Management**

- This is the **intermediate level of management** that sits between the top management and the lower-level employees.
- Middle managers are responsible for **implementing the strategies and decisions** made by top management.
- Middle management positions include department heads, **regional managers, project managers, and team leaders**.

## **Lower-Level Management**

- It consists of **supervisors, team leaders**, and other individuals directly responsible for **overseeing the day-to-day operations of the organization**.
- They manage **individual teams or departments** and are responsible for ensuring that tasks are executed efficiently and according to established procedures.

**Q: 66 Which of this statement defines Income Tax?**

- I. An income tax is a tax imposed on individuals or businesses in respect of the income or profits earned by them.
- II. The provisions governing the Income-tax are covered in the Income-tax Act, 1961.
- III. Taxpayers should pay taxes based on their ability to pay.
- IV. Income tax is levied by state government and collected by Central government of India in India.

- a) I, III, IV
- b) II, III, IV
- c) I, II, IV
- d) I, II, III,

**Q: 67 Which of this term is not related with income tax?**

- a) Assessee
- b) Assessment Year
- c) Previous Year
- d) Income Year

**Q: 68 After the death of a person, his legal representative will be treated as an assessee for that income of the deceased on which tax has not been paid by the deceased before his death. Then Legal representative Known as\_\_\_\_\_.**

- a) Assessee
- b) Deemed Assessee
- c) Assessee In Default
- d) All of the above

**Q: 69 Which of these is not a head of income under Income Tax?**

- I. Salaries
  - II. Income from house property
  - III. Profits and gains of business or profession
  - IV. Capital gains.
  - V. Family Income
- a) I, III, IV , V
  - b) II, III, IV, V
  - c) I, II, IV, V
  - d) I, II, III, IV

**Q: 70 What is the maximum amount of deduction allowed under Section 80C?**

- a) 100000
- b) 150000
- c) 200000
- d) 250000



**Q: 71 Which of the following investments is eligible for deduction under Section 80C?**

- I. Investment in Provident Fund
  - II. Payment of Life Insurance Premiums
  - III. Investment in National Pension System
  - IV. Investment in Mutual Funds
- a) I, III, IV
  - b) II, III, IV
  - c) I, II, IV
  - d) I, II, III,



**Q: 72 Which of this statement is correct regarding Tax Deducted At Source (TDS)?**

- I. TDS is a method of collecting advance income tax in India.
- II. It requires the payer to deduct a certain percentage of tax from the payment made to the payee.
- III. TDS is applicable on specified payments such as salary, interest, rent, and professional fees.

- IV. The amount of TDS deducted is deposited with the government by the payer on behalf of the payee.
  - V. TDS is applicable only to individuals and not to companies
- 
- a) I, III, IV, V
  - b) II, III, IV, V
  - c) I, II, IV, V
  - d) I, II, III, IV

**Q: 73 Insurance contracts broadly divided into Two types namely\_\_\_\_\_**

- I. Life insurance
  - II. General Insurance
  - III. Joint insurance
  - IV. Combined Insurance
- 
- a) I, III,
  - b) II, III,
  - c) I, II,
  - d) I, II, III

**Q: 74 Which of these is a type of life insurance?**

- a) Term Insurance Plans
- b) Whole Life Insurance Policies

- c) Endowment Insurance Policies
- d) All of the above

**Q: 75 Which of these statements is not correct regarding Term life insurance?)**

- a) Protection for a limited number of years.
- b) It terminates with no maturity value.
- c) The face amount of the policy is payable only if the insured's death
- d) It is an insurance plan that offers the dual benefit of investment and a life cover.

**Q: 76 Which of these is Motor Insurance Exclusions?**

- a) Not having a valid Driving License
- b) Under Influence of intoxicating liquor/drugs
- c) Accident taking place beyond Geographical limits
- d) While Vehicle is used for unlawful purposes
- e) All of the above

**Q: 77      The IRDAI Micro-Insurance Regulations, 2005 defines a micro-insurance policy, as a general or life insurance policy, with a sum assured of \_\_\_\_\_**

- a) 20,000 or less
- b) 30,000 or less
- c) 50,000 or less
- d) 60,000 or less

**Q: 78      Which of these is an arrangement for financing a company's business in which a business would sell its accounts receivable (invoices) to a third party to meet its short-term liquidity needs?**

- a) Factoring
- b) Featuring
- c) Funding system
- d) All of the above

**Q: 79 Which out the following is a service provided by factor in factoring?**

- I. Management of receivables
  - II. Maintaining the sales ledger
  - III. Collection of debt
  - IV. Production of Goods
- a) I, III, IV
  - b) II, III, IV
  - c) I, II, IV
  - d) I, II, III,

**Q: 80 Which of these is a type of Factoring?**

- I. Recourse Factoring
  - II. Non-Recourse Factoring
  - III. Domestic Factoring
  - IV. International Factoring
- a) I, III, IV
  - b) II, III, IV
  - c) I, II, IV
  - d) I, II, III, IV

**Q: 81      In case of Non-Recourse Factoring who will bear the risk of bad debts.**

- a) Client
- b) Buyer
- c) Factor
- d) Client and Factor

