

**Q41. Chapter: 22b PRINCIPLES OF LENDING 3.docx**

**Which of the following statements about the principle of liquidity is not correct?**

✓ A) Banks must hold sufficient quick assets to meet unexpected deposit withdrawals.

✓ B) Investments in government securities and treasury bills satisfy liquidity requirements.

✓ C) Maintaining excessive liquidity invariably lowers profitability for a bank.

✗ D) The liquidity principle prohibits banks from granting any long-term loans.

Ans.

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$$DER = \frac{\text{Debt}}{\text{equity}} = \frac{LTL}{TNW} \text{ Financial leverage}$$

Q42. Chapter: 23B Appraisal and assessment of credit facilities.docx

Which of the following statements about the debt-equity ratio in credit appraisal is not correct?

A) It represents total borrowings divided by shareholders' funds including reserves and surplus.

B) A debt-equity ratio above 2 is generally viewed as aggressive leverage.

✓ C) Subordinated debt is always excluded from the 'debt' component in ratio computation. Ans.

D) Equity includes paid-up capital, reserves, and accumulated profits.

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# Qtrly information systems

Q43. Chapter: 24B PPB OPERATIONAL ASPECTS OF LOAN

ACCOUNTS.docx

QIS-1 (prior)

Which of the following statements about QIS I reporting is not correct?

- A) QIS I must be submitted within 15 days of quarter-end.  $\alpha$
- B) QIS I focuses on tracking working capital utilization.  $\alpha$
- C) QIS I includes details of fund-based and non-fund-based limits.  $\alpha$
- D) QIS I reports quarterly turnover within 7 days of quarter-end.  $\alpha$

E) None of the above

(QIS II) (HLV) (IM)

QIS-II

Qtr-end  $\rightarrow$  6 weeks

[ $\pm 10\%$  variance]

[Possession] Hypothecator (Borrower) → Hypothecatee (Lender)

Q44. Chapter: 25b types of collaterals - 9.docx

Which of the following statements about hypothecation of receivables (book debts) is not correct?

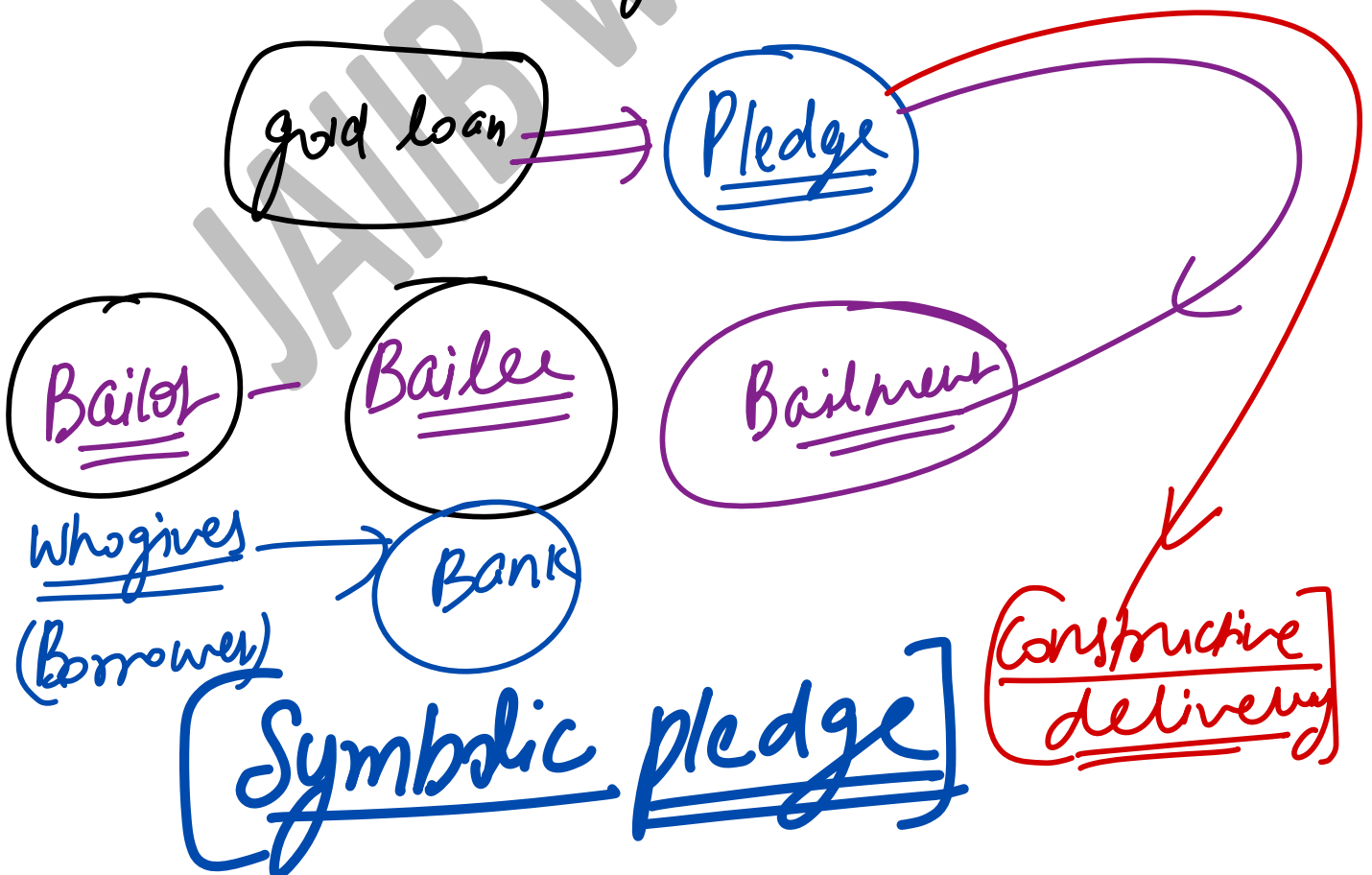
- ✓ A) Hypothecation does not involve transfer of physical possession of receivables.
- ✓ B) A separate hypothecation agreement must specify the assigned receivables.
- ✓ C) The lender may assign hypothecated receivables to a third party.
- α D) A bank perfects hypothecation by registering a lien on the receivables.

CERSAI

Answer

#1 Land/Building → mortgage

#2 Goods → Hypo, pledge



Q45. Chapter: 26b types of charges - 8.docx

Which event triggers the crystallization of a floating charge over current assets?

- A) The borrower sells charged assets in the ordinary course of business.
- B) The secured creditor issues a default notice under the charge document.
- C) Registration of a fixed charge at the Registrar of Companies.
- D) Borrower increases its operating cycle beyond 180 days.

Mortgage ⇒ TOPA

Possession → Borrower

① Equitable mortgage  
[implied / constructive]

② Simple mortgage [personal liability of mortgagor]

Possession → Borrower

③ <sup>[12 years]</sup> Mortgage by conditional sale

Right of foreclosure  
[30 years]

default → absolute  
Possession → Borrower

④ English mortgage mortgagor → personal liability

ownership → mortgagee [lender]

⑤ Usufructuary mortgage - possession → lender

⑥ Anamolous mortgage

Q46. Chapter: 28b npa and stressed assets.docx

For a sub-standard asset under IRAC norms, what is the minimum provisioning requirement?

- A) 5% of the secured portion and 10% of the unsecured portion
- B) 10% of the total outstanding amount
- C) 10% of the secured portion and 15% of the unsecured portion
- D) 15% of the total outstanding amount

E) None of the above Ans.

Secured → 15%  
Unsecured → 25%  
(in npa) 207.

Jaiib Crash Course

8360944207

1M  
1399

Q47. Chapter: 31b contract of guarantee and BANK\_GUARANTEE -

3.docx

Which characteristic distinguishes a bank guarantee from a letter of credit?

- ✓ A) A guarantee is an independent, secondary obligation, whereas an LC is a primary payment mechanism.
- α B) A guarantee must be for a fixed term, while an LC can be open-ended.
- α C) Guarantees are revocable at the guarantor's will, but LCs are always irrevocable.
- α D) Guarantees require collateral; LCs do not.

CIF

Cost insurance & freight  
Seller

110%  
min

FOB

Free on Board

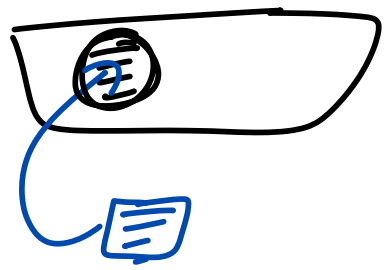
[Bill of Lading]

Seller

agreement  
negotiable instrument

- ① on board B/L
- ② Clean B/L [Best for negotiation]
- ③ Claused B/L
- ④ Long Form B/L
- ⑤ Short Form B/L

- ⑥ Through B/L
- ⑦ Chattered B/L



**Q48. Chapter: 32b LETTER\_OF\_CREDIT - 4.docx**

**Which of the following statements about an irrevocable letter of credit is correct?**

A) It can be amended by the issuing bank without the beneficiary's consent.

B) It cannot be cancelled or amended without the agreement of both the issuing bank and the beneficiary.

C) The advising bank is automatically bound to reimburse the beneficiary.

D) It expires automatically upon shipment of goods, regardless of the expiry date.

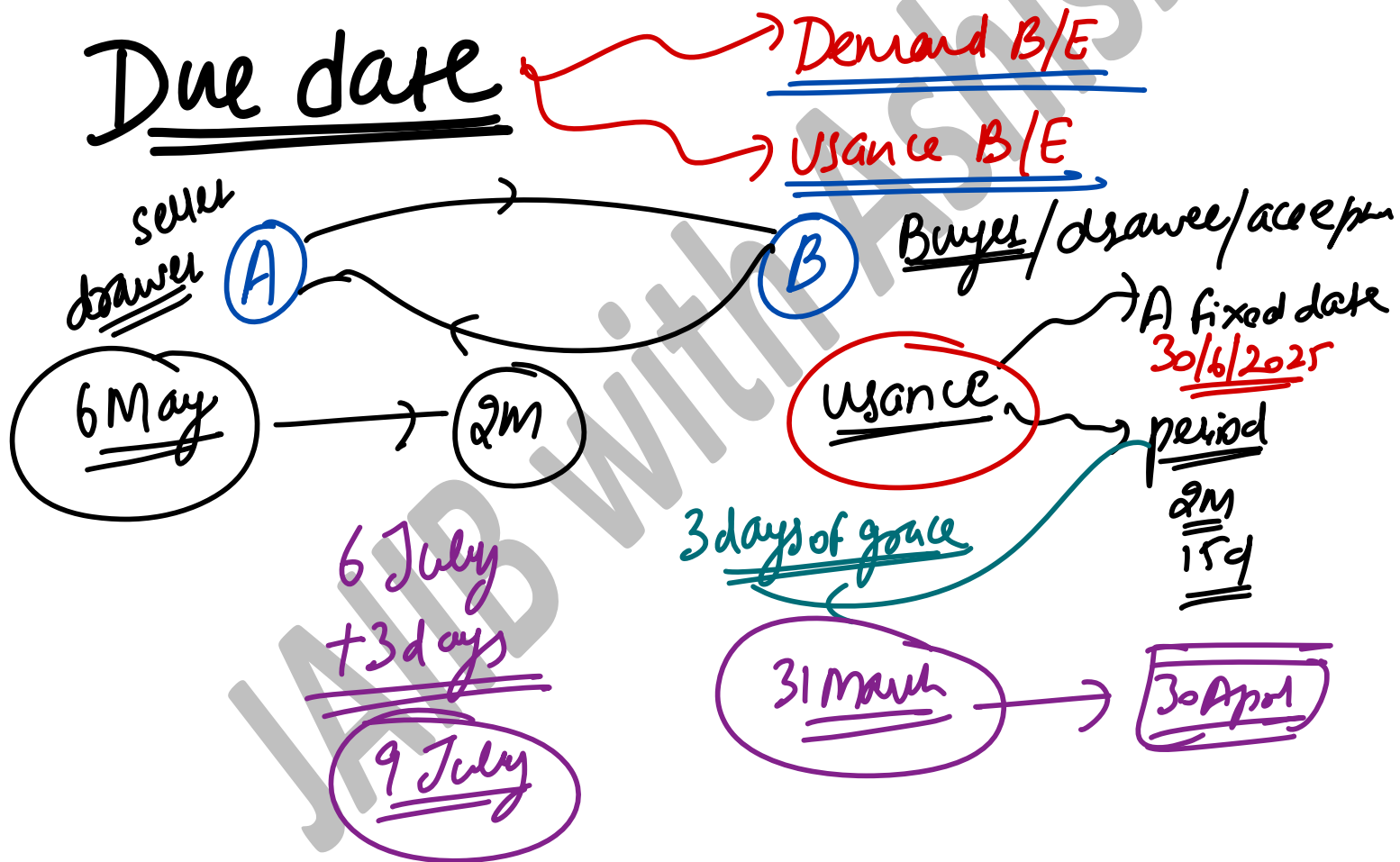
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Q49. Chapter: 34b Laws Related to Bills Finance.docx

Which of the following constitutes a valid general crossing on a cheque under the Negotiable Instruments Act?

- A) Two parallel transverse lines with no words between them.
- B) Two lines bearing the words "Not Negotiable."
- C) A diagonal cross through the bank's name.
- D) Parallel lines drawn across only the top margin.



MITC → Most important T&C

Q50. Chapter: 35B Personal Finance.docx

On which basis do most banks calculate credit-card interest on unpaid balances?

A) Closing statement balance

B) Average daily balance

C) Highest outstanding balance during the statement period

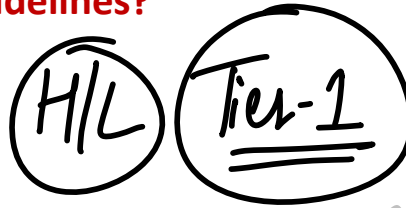
D) Minimum due amount

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**Q51. Chapter: 36b psl new 4.docx**

**What is the sub-target percentage for weaker sections under the revised Priority Sector Lending guidelines?**

- A) 8% of ANBC
- B) 10% of ANBC
- C) 12% of ANBC**
- D) 15% of ANBC



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**Q52. Chapter: 37b Agriculture Finance.docx**

**Which of the following expenses does the Kisan Credit Card (KCC) scheme explicitly finance?**

- A) Purchase of dairy livestock
- B) Land acquisition for new farmland
- C) Investment in non-agricultural shares
- D) Personal household consumption

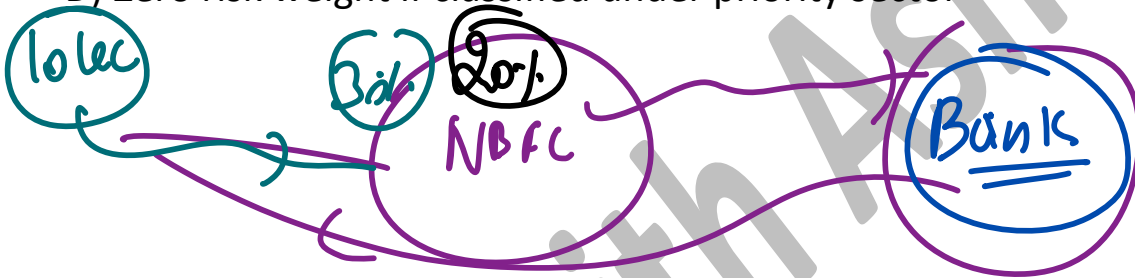
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**Q53. Chapter: 38B PPB FINANCE TO MFIS CO-LENDING**

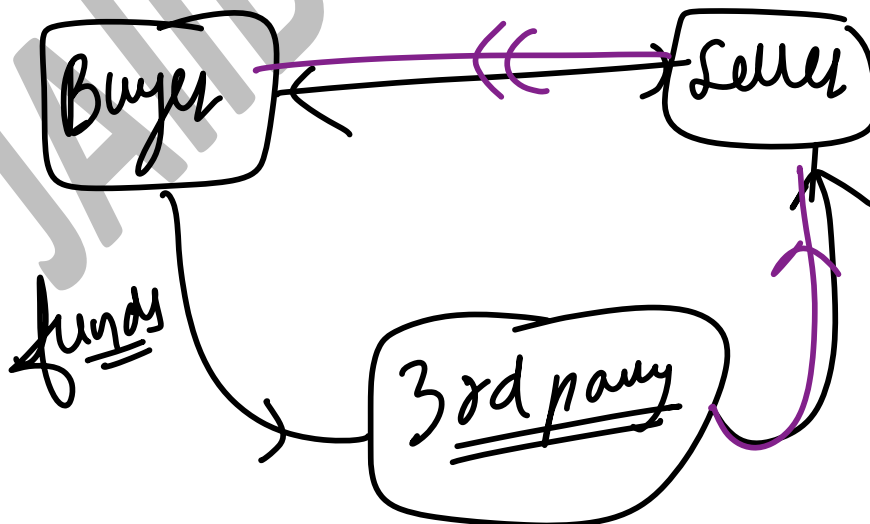
**ARRANGEMENTS WITH NBFCs.docx**

**How is the risk weight applied to a co-lending exposure for the bank's share?**

- A) 100% risk weight on the entire co-lending portfolio
- B) Proportionate risk weight based only on the bank's share of exposure**
- C) Risk weight based on the NBFC's external credit rating
- D) Zero risk weight if classified under priority sector



Escrow A/c [Temp. A/c]



Q54. Chapter: 40b government sponsored schemes-7.docx

What is the annual premium per member under the Pradhan

Mantri Suraksha Bima Yojana (PMSBY)?

A) ₹12

B) ₹20

C) ₹35

D) ₹50

## Education loan

Studies  
India → 10

abroad  
20 lac

margin

upto 4 → Nil

above 4

India  
5%

abroad  
15%

Collateral

upto 7.5 lac  
[NCGTC]

above 7.5  
[collateral]

No collateral

Moratorium

Course period + 1 year

4 + 1

Q55. Chapter: 41b SELF HELP GROUP.docx

Which of the following is a mandatory practice in the SHG-Bank

Linkage programme's Panchsutra?

- A) Periodic rating by an external agency
- B) Maintenance of an internal savings corpus by the group
- C) Appointment of a full-time external auditor
- D) Use of digital wallets for internal transactions

DRI differential ROI

Target → women, SC/ST, minorities

Eligibility → FI Rural 18000 p.a

Urban 24000 p.a

Quantum

15000

For Housing [SC/ST] → 20000

4% S.P

**Q56. Chapter: 22b PRINCIPLES OF LENDING 3.docx**

**Evaluate these statements about lending principles:**

- a) Safety principle entails routine revaluation of security post-sanction.
- b) Liquidity principle insists on exact maturity matching of every asset and liability.
- c) Profitability principle encourages banks to maximize yields irrespective of borrower risk.
- d) Diversification principle stipulates limits on single-borrower/group exposures.

A) a and d only

B) b and d only

C) a, c and d

D) all of the above

Ans.

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**Q57. Chapter: 23B Appraisal and assessment of credit facilities.docx**

**Assess these statements about the credit appraisal process:**

- a) Ratio analysis alone can replace physical site visits.
- b) SWOT analysis helps identify strategic, operational, and market risks. *Strength weakness opportunity Threats*
- c) The guarantor's net worth is factored into overall loan eligibility.
- d) A healthy current ratio negates the need to examine past-due receivables.

A) a and d only

B) b and c only

C) a, b and c only

D) all of the above

Ans.

JALIB With Ashish

**Q58. Chapter: 26b types of charges - 8.docx**

**Which of the following combinations correctly describes charge-registration requirements?**

a) Fixed charges on immovable property must be registered with the ROC within 30 days. *may be extended ROC → 300 days*

b) Hypothecation charges on vehicles must be registered with CERSAI. *→ Possession already with lender*

c) Pledge of goods requires ROC registration.

d) Equitable mortgages under the Transfer of Property Act require separate stamp duty upon registration.

A) a and b only

B) a, b and c

C) b and c only

D) all of the above

*Ans*

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**Q59. Chapter: 31b contract of guarantee and BANK\_GUARANTEE - 3.docx**

**Consider these statements about bank guarantees:**

a) They are independent undertakings, separate from the underlying contract.

b) They can be revoked unilaterally by the guarantor at any time after one year.

c) They must be stamped in accordance with the Stamp Act to be enforceable.

d) A beneficiary's demand under an "on-demand" guarantee cannot be contested on grounds of underlying performance.

✓ A) a, c and d

B) b and d only

C) a and b only

D) all of the above

Q60. Chapter: 28b npa and stressed assets.docx

Consider these statements about provisioning norms under IRAC:

a) Standard assets attract a uniform provisioning of 0.25% on all exposures. *0.40%* *→ direct gpi/sme*

b) Sub-standard assets require minimum provisioning of 10% on total outstanding.

c) SMA accounts carry no provisioning until re-classified as NPAs.

d) Doubtful Category I requires 20% provisioning on the unsecured portion. *100%*

A) a, b and c

B) b and c only

C) b, c and d

D) all of the above

**E) None of above** *Ans.*