

$$FCF = O/p\ CF - Capex\ expend.$$

Q21. Chapter: 23B Appraisal and assessment of credit facilities.docx

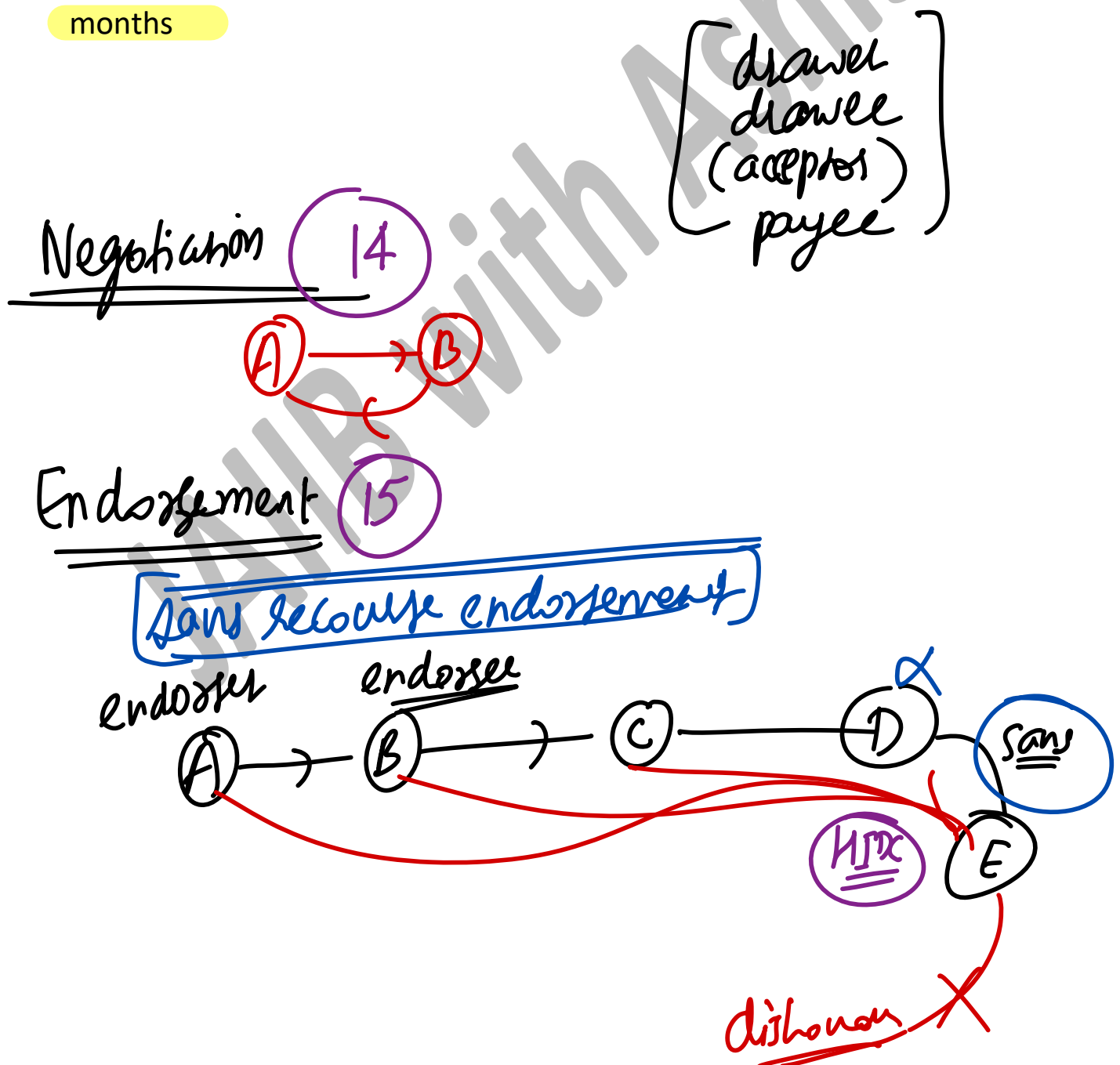
A corporate borrower projects a negative free cash flow of ₹10 crore in Year 2 of a five-year term loan and a return to positive cash flows only in Year 4. Which analysis best quantifies the loan's resilience to this temporary shortfall?

- A) Simple break-even analysis of sales volume
- B) Monte Carlo simulation of cash flows incorporating $\pm 15\%$ variations in sales prices and raw-material costs
- C) Five-year historical FCF trend comparison
- D) Ratio analysis of FCF to interest-cover ratio

Q22. Chapter: 34b Laws Related to Bills Finance.docx

A 90-day bill of exchange is dated 1 January but stamped on 5 January. When presented for payment on 3 April, what must the banker lawfully do?

- A) Honour payment if stamp duty is paid before presentment
- B) Refuse payment due to deficiency of stamp duty at issue
- C) Honour and charge a penalty to the drawer
- D) Treat the bill as valid because stamping occurred within three months



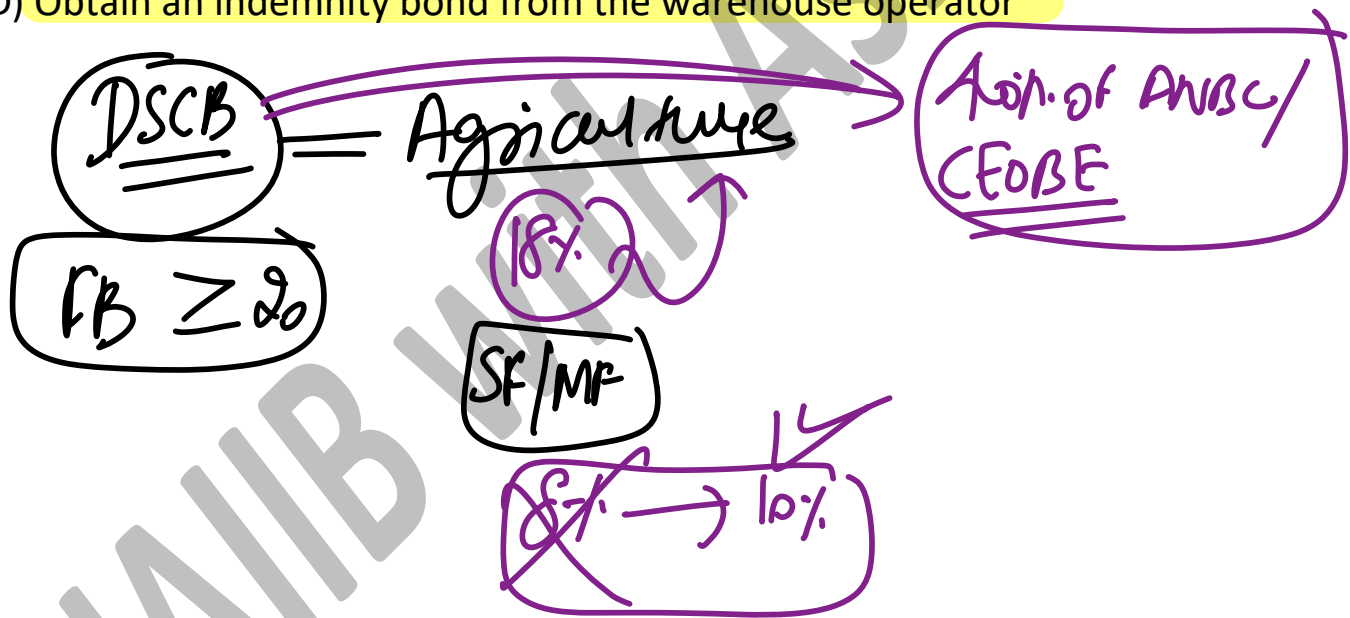
(NI)

NWRs

Q23. Chapter: 25b types of collaterals - 9.docx

A bank proposes to take warehouse receipts as collateral for ₹5 crore of rice stock. To guard against any undisclosed prior liens, which step is most critical?

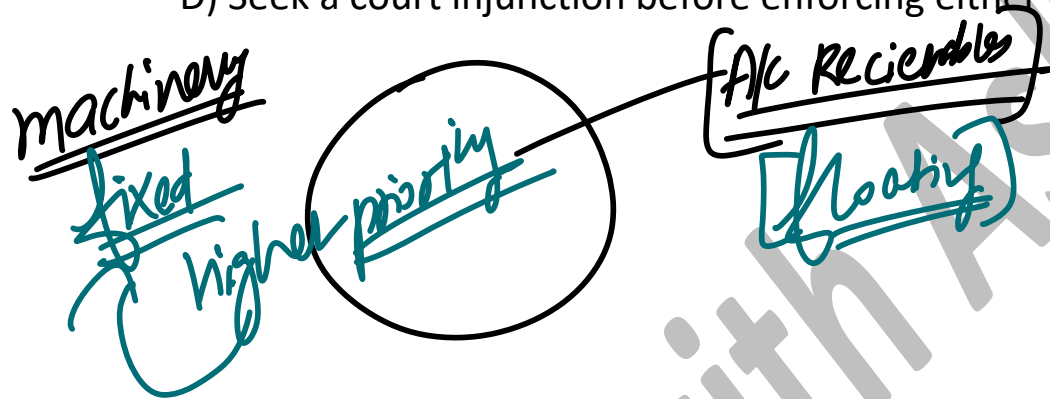
- A) Conduct periodic physical inspections of the goods at the borrower's premises
- B) Search the central electronic warehouse-receipt registry for existing charges
- C) Require the borrower to furnish four months of stock statements
- D) Obtain an indemnity bond from the warehouse operator



Q24. Chapter: 26b types of charges - 8.docx

A borrower grants both a fixed charge on machinery and a floating charge on receivables. Upon default, which enforcement right does the bank exercise first?

- A) Crystallise the floating charge and sell receivables
- B) Enforce the fixed charge on machinery without prior notice**
- C) Merge both charges into a single security under SARFAESI and sell
- D) Seek a court injunction before enforcing either charge



10 EDP

5 lakh

Q25. Chapter: 40b government sponsored schemes-7.docx

Under PMEGP, an urban artisan secures sanction for a ₹20 lakh

project with 25 % subsidy. He plans to contribute ₹5 lakh equity

and borrow the rest. Which statement is correct?

✓ A) Eligible subsidy ₹5 lakh; bank finance ₹15 lakh; own equity ₹5 lakh

B) Eligible subsidy ₹6 lakh; bank finance ₹14 lakh; own equity ₹6 lakh

C) Eligible subsidy ₹4 lakh; bank finance ₹16 lakh; own equity ₹4 lakh

D) Eligible subsidy ₹7 lakh; bank finance ₹13 lakh; own equity ₹7 lakh

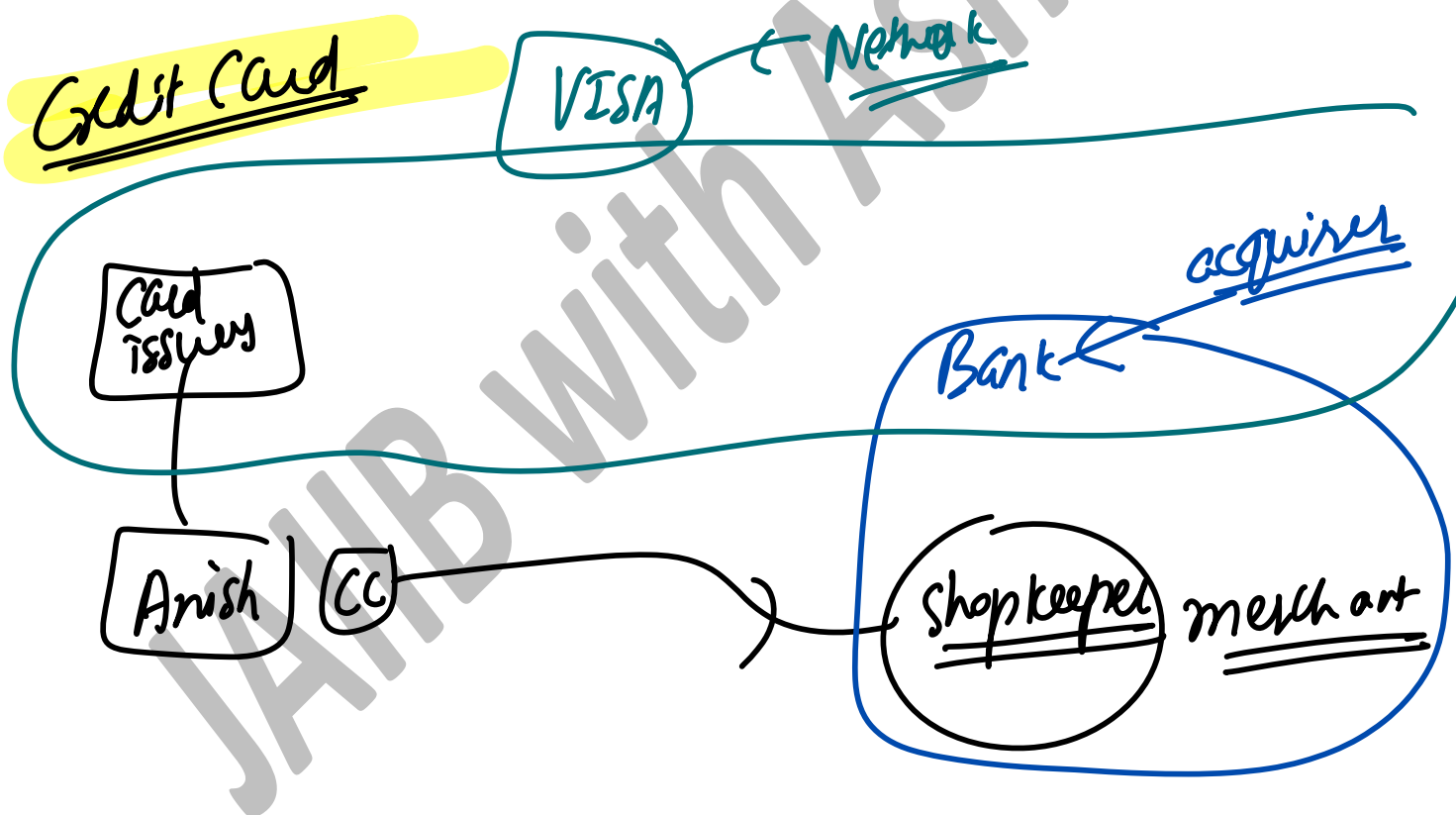
Rural { mfg → 50 25% general
 service → 20 35% spcl

Urban { mfg → 50 15% gen
 service → 20 25% spcl

Q26. Chapter: 35B Personal Finance.docx

A borrower earning ₹1.5 lakh net monthly has existing EMI of ₹45 000. Which metric most directly limits his capacity for a new unsecured loan EMI?

- A) Credit-card utilisation ratio
- B) Debt-to-income (DTI) ratio capped at 50 %
- C) Loan-to-value (LTV) ratio of any collateral offered
- D) Number of recent loan enquiries



Q27. Chapter: NPA

→ DF-I $\frac{RVS}{25\%}$ $\frac{\text{short fall}}{100\%}$

A doubtful up to one year has a balance of Rs.20 lac. The security value is Rs.16 lac. What is the amount of provision?

A.) Rs.5 lac

B.) Rs.7 lac

☒ C.) Rs.8 lac

D.) Rs.10.40 lac

20 — 16 (RVS)
 4 (short fall)

$$16 \times 25\% = 4 \text{ lac}$$

$$4 \times 100\% = 4 \text{ lac}$$

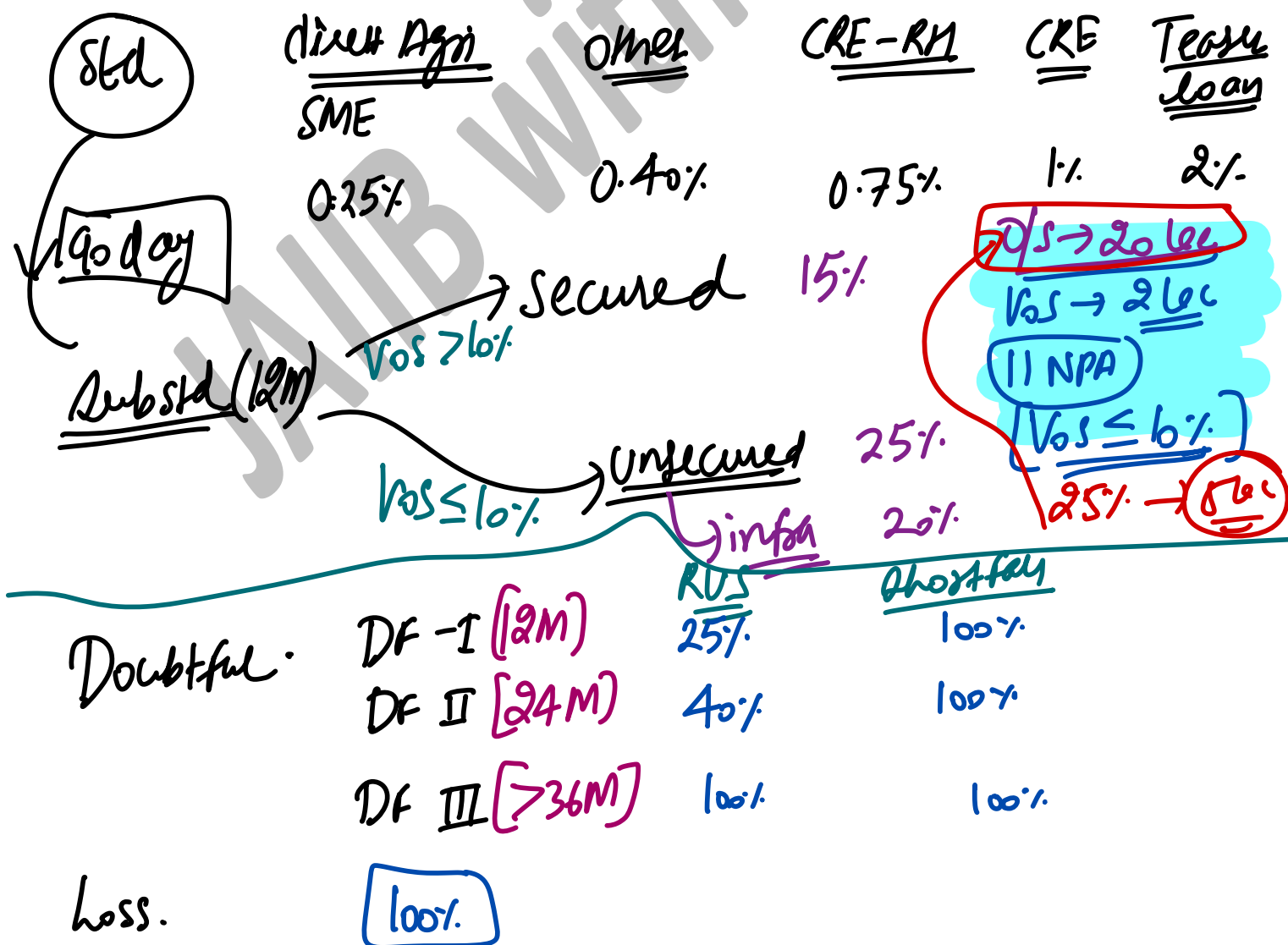
8 lac

Q28. Chapter: NPA

The rate of provision on doubtful loans is stated correctly in which of the following cases?

- A.) DF-1 on unsecured portion of balance 100% and on secured portion of balance 20% $\rightarrow 25\%$
- B.) DF-2 on unsecured portion of balance 100% and on secured portion of balance 40%
- C.) DF-3 on unsecured portion of balance 100% and on secured portion of balance 75%
- D.) All the above

Ans



Kalia Committlee

Q29. Chapter: 41b SELF HELP GROUP.docx

$$\times 4 = \underline{\underline{128000}}$$

An SHG has accumulated ₹32 000 of thrift over six months and seeks bank linkage. What is the maximum loan amount for bank linkage?

- ✓ A) ₹1 28 000
- B) ₹1 00 000
- C) ₹32 000
- D) ₹1 20 000

[10 - 20 member]

Difficult Regions → 5- 20

[Panchsarn]

meeting

saving

inter loaning

repayment

Books

NFB

UCPDC-600

360 days

Q30. Chapter: Letter of Credit

Value of raw material consumption projected – Rs 3000 Lakhs

Value of raw material to be bought on credit – Rs 2400 Lakhs

Time for advising letter of credit – 10 days

↑ 2400 Lakh

Shipment time – 20 days

Credit period agreed upon between the seller and the customer – 30 days

What will be the letter of credit limit required?

12m

L/C → 10 + 20 + 30 ⇒ 60 days

2M

2400

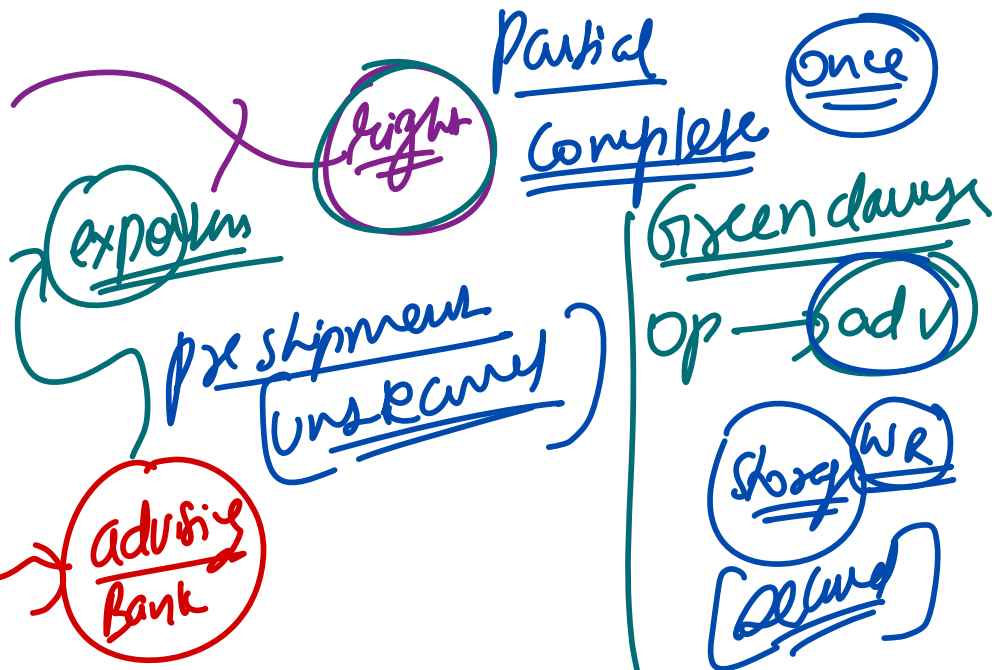
4 crore

$$LC = \frac{2400 \times 60}{360} = 400 \text{ Lakh}$$

Back to Back

Transferable LC

Red clause



Op/issuing

Q31. Chapter: 28b npa and stressed assets.docx

A loan of ₹5 crore, secured for ₹3 crore and unsecured for ₹2 crore,

is classified as Sub-standard. What minimum provision must the

bank hold?

A) ₹0.60 crore

B) ₹0.95 crore

C) ₹1.10 crore

D) ₹1.25 crore

Total loan $\rightarrow 5\text{cr}$ $\left\{ \begin{array}{l} 3\text{cr } (S) \\ 2\text{cr } (Un) \end{array} \right.$
Provision $\rightarrow \frac{3}{5} \times 10\% = 6\%$
(secured loan)

Answer E) None of the above

15% of 5
 $= \frac{15}{100} \times 5 = 0.75\text{cr}$

min CR \rightarrow 1.17:1

Q32. Chapter: 23B Appraisal and assessment of credit facilities.docx

Under Tandon Method I, a firm's current assets are ₹60 crore and

current liabilities are ₹30 crore and short term bank borrowings are

5 crore. Calculate the working-capital gap, borrower's contribution, and MPBF.

Ans ✓ A) Gap ₹35 cr; borrower ₹8.75 cr; MPBF ₹26.25 cr

B) Gap ₹25 cr; borrower ₹6.25 cr; MPBF ₹18.75 cr

✗ C) Gap ₹35 cr; borrower ₹10 cr; MPBF ₹25 cr

D) Gap ₹30 cr; borrower ₹7.5 cr; MPBF ₹22.5 cr

CA \rightarrow 60, CL \rightarrow 30 (BB \rightarrow 5)

$$WCG = CA - (CL - BB)$$

$$= 60 - (30 - 5)$$

$$= 35$$

WCG

WCG-
may be

25% of
WCG
(8.75)

min CR \rightarrow 1.33:1

Q33. Chapter: 23B Appraisal and assessment of credit facilities.docx

Under Tandon Method II, the same firm's total current assets are

₹60 crore. Calculate the borrower's contribution and the MPBF.

A) Borrower ₹15 cr; MPBF ₹45 cr

B) Borrower ₹12 cr; MPBF ₹48 cr

C) Borrower ₹20 cr; MPBF ₹40 cr

D) Borrower ₹10 cr; MPBF ₹50 cr

$$(A \rightarrow 60, CL \rightarrow 30 (BB - 5))$$

$$\begin{aligned} WCG &= CA - (CL - BB) \\ &= 60 - (30 - 5) = 35 \text{ cr} \end{aligned}$$

\rightarrow margin \rightarrow 25% of TCA
 $=$ 25% of 60
 $=$ 15 cr

MPBF - II
 $WCG - \text{margin}$
 $= 35 - 15$
 $=$ 20 cr

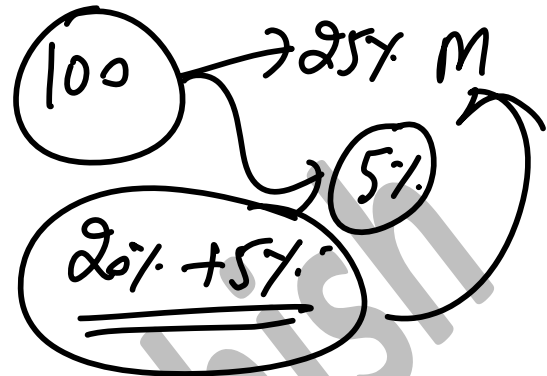
SMA \rightarrow 1000000 \rightarrow 45000 \rightarrow 3rd \Rightarrow

SMA-0 \rightarrow 1-30 day SMA-2 \rightarrow 61-90 days
SMA-1 \rightarrow 31-60 days

Q34. Chapter: 23B Appraisal and assessment of credit facilities.docx

Under Nayak Committee's Projected Turnover Method, a borrower forecasts ₹100 crore turnover. Determine borrower's share of funds and bank finance.

- ✓ A) Borrower ₹5 cr; bank ₹20 cr
B) Borrower ₹25 cr; bank ₹20 cr
C) Borrower ₹20 cr; bank ₹25 cr
D) Borrower ₹5 cr; bank ₹25 cr



Income recognition & classification norms

Q35. Chapter: NPA

DF II

A doubtful above one year up to 3 year ~~(DF-2)~~ account has a balance of Rs.30 lac. The security includes primary security of Rs.10 lac and CGTMSE guarantee cover of 80%. What is the amount of provision?

A.) Rs.2.40 lac

B.) Rs.8 lac

C.) Rs.12 lac

D.) None of the Above

O/S → 30 — PS 10 lac

— 10
20 lac

— 80%
4 lac unsecured

DF-II RVS shortfall
10 lac 4 lac
X 40% X 100%

4 lac + 4 lac

Q36. Chapter: 26b types of charges - 8.docx

Consider these statements about charges on movables under the

SARFAESI Act:

- ☒ a) A floating charge crystallises automatically on default without notice.
- ☒ b) A fixed charge ranks senior to a floating charge over the same asset upon default.
- ☒ c) Hypothecation must be registered with CERSAI to be enforceable.
- ☒ d) A floating charge, once crystallised, converts into a fixed charge only if specified in the original document.

Which combination is correct?

- A) b, c and d only
- B) a and b only
- ☒ C) b and c only
- D) all of the above

Q37. Chapter: 32b LETTER_OF_CREDIT - 4.docx

Evaluate these statements under UCP 600 for commercial LCs:

- ✓ a) Documentary compliance must be checked within five banking days.
- ✓ b) A $\pm 10\%$ tolerance applies to quantity discrepancies only if "about" is used.
- α c) Banks must verify underlying contract performance before honouring a standby LC.
- ✓ d) Transferable credits require explicit transfer clauses in the LC text.

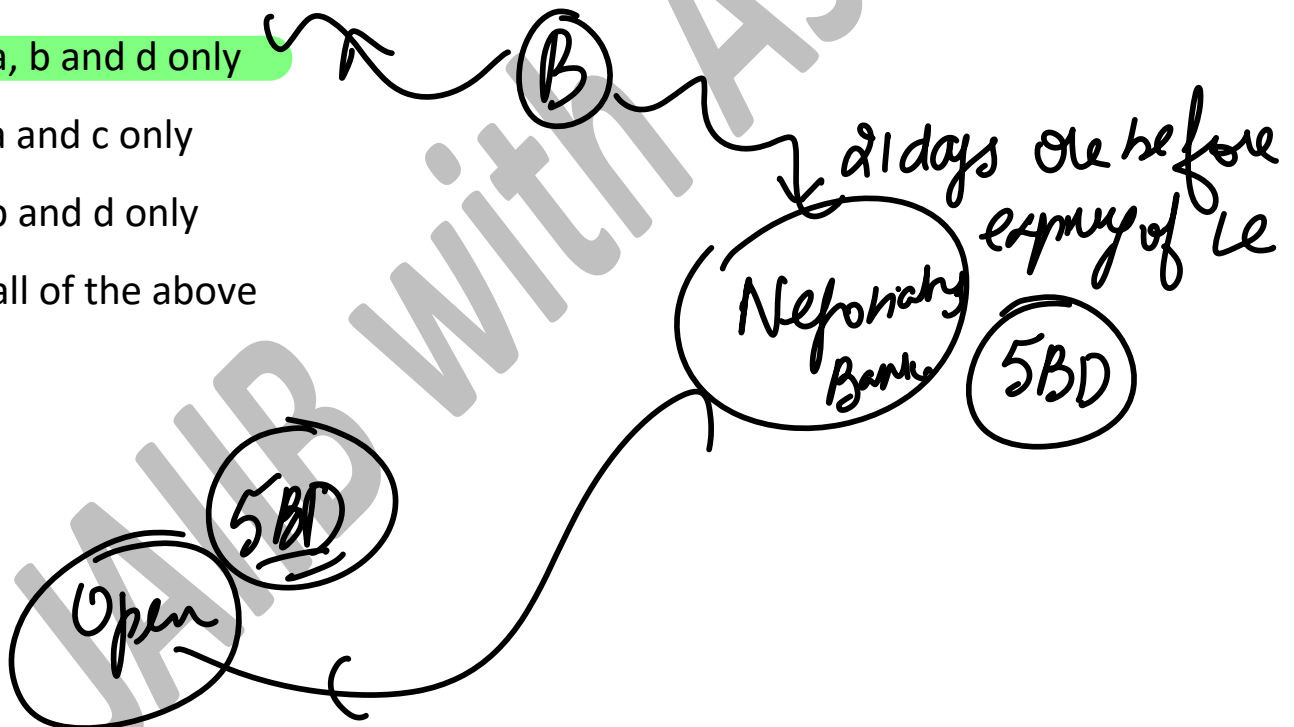
Which are correct?

Ans. A) a, b and d only

B) a and c only

C) b and d only

D) all of the above



floating → prepayment [allowed]

Q38. Chapter: 35B Personal Finance.docx

Which of the following statements about home-loan prepayment under RBI rules is not correct?

- ✓ a) Floating-rate home loans are free from foreclosure penalties.
- ✓ b) Banks may impose penalties on fixed-rate portions only.
- ✓ c) RBI caps total annual prepayments at 25 % of principal.
- ✓ d) Some banks allow partial prepayment only at reset dates.

- A) a, b and d
- B) b and c only
- C) a and c only
- D) c and d only

✓ e) none of the above

Q39. Chapter: 28b npa and stressed assets.docx

Which of the following statements about SMA classifications is correct?

- a) SMA-0 covers 1–30 days overdue.
- b) SMA-1 covers 31–60 days overdue.
- c) SMA-2 covers 61–90 days overdue.
- d) SMA-3 covers over 90 days overdue.

A) All statements are correct

B) a, b and c only

C) b, c and d only

D) None of the above

Evaluate these statements on working-capital components:

- ✓ a) Raw materials inventory is a current asset.
- b) Work-in-progress is excluded from gross working capital. α
- ✓ c) Sundry debtors form part of current assets.
- ✓ d) Prepaid expenses may be included in gross working capital at a bank's discretion.

A) a, c and d only

B) a and c only

C) b and d only

D) all of the above

AFM

CAD(B)

#2 A → Imp. (15 Hr)

36 $\times 1.5 =$ B → BSE, Company's A/c
CF/KF

#1 C → Imp. (15 Hr)

#3 D → 6 Hr

Jaiib Cash Course

8360944207

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.