

ALL THE VERY BEST FOR YOUR EXAMS

SAMPLE QUESTIONS FOR JAIIB LEGAL & REGULATORY ASPECTS OF BANKING

Though we had taken enough care to go through the questions, we shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents. We advise everyone to update yourself with the latest information through RBI website and other authenticated sources. In case you find any incorrect/doubtful information, kindly update us also (along with the source link/reference for the correct information) as lot of questions were shared by many people.

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JAIIB / DBF – GENERAL INFORMATION

- **Consists of 3 papers :**
 1. Principles & Practices of Banking
 2. Accounting & Finance for Bankers
 3. Legal & Regulatory Aspects of Banking.
- Only existing employees of banks can appear for JAIIB Exam.
- People other than Bank Employees can appear for Diploma in Banking and Finance Exam. If Passed, JAIIB Examination certificate will be issued after joining the bank.
- Syllabus & exam pattern for both JAIIB and DBF exams are mostly same.
- Both JAIIB and DBF exams are conducted in on-line mode only.
- The examination will be conducted normally twice a year in May / June and November / December on Sundays.
- The duration of the examination will be of 2 hours.
- **Examination Pattern :** Each Paper will contain approx. 120 objective type MCQs, carrying 100 marks including questions based on case studies. The Institute may, however, vary the number of questions to be asked for a subject. There is no negative marking for wrong answers.
- **Passing Criteria** - Minimum 150 in total and minimum 45 in each subject in any single attempt (not required to be the 1st attempt) is considered as pass. Else 50 in each subject. Passed subject gets carried forward to 4 continuous attempts (whether you appear for the exam or not) from the 1st attempt. If not passed in 4 continuous attempts, you need to appear in all 3 papers.
 - ❖ **First Class** : 60% or more marks in aggregate and pass in all the subjects in the FIRST PHYSICAL ATTEMPT.
 - ❖ **First Class with Distinction** : 70% or more marks in aggregate and 60% or more marks in each subject in the FIRST PHYSICAL ATTEMPT.
 - ❖ Candidate who have been granted exemption in the subject/s will be given "Pass Class" only.
- **Cut-off Date of Guidelines /Important Developments for Examinations** - The Institute has a practice of asking some questions in each exam about the recent developments/ guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. But, there could be changes in the developments / guidelines from the date the question papers are prepared and the dates of the actual examinations. In order to address these issues effectively, it has been decided that:

- ❖ In respect of the exams to be conducted by the Institute for the Period from February 2019 to July 2019, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December, 2018 will only be considered for the purpose of inclusion in the question papers.
- ❖ (ii) In respect of the exams to be conducted by the Institute for the period from August 2019 to January 2020, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June, 2019 will only be considered for the purpose of inclusion in the question papers.

➤ **Exam Fees**

JAIIB

First attempt fee - 2,400*
Second attempt fee - 1,000*
Third attempt fee - 1,000*
Fourth attempt fee - 1,000*

DBF

First attempt fee - 3,200*
Second attempt fee - 1,000*
Third attempt fee - 1,000*
Fourth attempt fee - 1,000*

CAIIB

First attempt fee - 2,700*
Second attempt fee - 1,000*
Third attempt fee - 1,000*
Fourth attempt fee - 1,000*

* Plus convenience charges and Taxes as applicable

SYLLABUS

The details of the prescribed syllabus which is indicative are furnished below. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subject/s although those topics may not have been specifically included in the syllabus. Any alterations made will be notified from time to time. Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial news papers / periodicals more particularly "IIBF VISION" and "BANK QUEST" published by IIBF.

MODULE A – REGULATIONS AND COMPLIANCE

Legal Framework of Regulation of Banks

Business of Banking; Constitution of Banks; RBI Act, 1934; Banking Regulation Act, 1949; Role of RBI; Govt. as a Regulator of Banks; Control over Co-operative Banks; Regulation by other Authorities.

Control over Organization of Banks

Licensing of Banking Companies; Branch Licensing; Paid up Capital and Reserves; Shareholding in Banking Companies; Subsidiaries of Banking Companies; Board of Directors; Chairman of Banking Company; Appointment of Additional Directors; Restrictions on Employment; Control over Management; Corporate Governance; Directors and Corporate Governance.

Regulation of Banking Business

Power of RBI to Issue Directions; Acceptance of Deposits; Nomination; Loans and Advances; Regulation of Interest Rate; Regulation of Payment Systems; Internet Banking Guidelines; Regulation of Money Market Instruments; Banking Ombudsman; Reserve Funds; Maintenance of CRR, SLR; Assets in India.

Returns Inspection, Winding up, Mergers & Acquisitions

Annual Accounts & Balance Sheet; Audit & Auditors; Submission of Returns; Preservation of Records and Return of Paid Instruments; Inspection and Scrutiny; Board for Financial Supervision; Acquisition of Undertakings; Amalgamation of Banks; Winding up of Banks; Penalties for offences.

Public Sector Banks and Co-operative Banks

SBI and its Subsidiaries; Regional Rural Banks; Nationalized Banks; Application of BR Act to Public Sector Banks; Disinvestment of Shares by Govt.; Co-operative Banks

Financial Sector Legislative Reforms

Need, Approach for Financial Sector Legislative Reforms; Important Reforms

Recent Legislative Changes in RBI Act - Recent Legislative Changes in RBI Act, Need thereof

Financial Sector Development Council

Role and Functions of Financial Sector Development Council

MODULE B – LEGAL ASPECTS OF BANKING OPERATIONS

Different Types of Borrowers - Types of Borrowers; Limited Liability Partnership

Types of Credit Facilities - Cash Credit, Overdraft, Demand Loans, Term Loans, Bill Finance

Secured and Unsecured Loans, Registration of Firms and Incorporation of Companies

Definition of Secured and Unsecured loans; Need for Secured Loans; Registration of Firms; Consequences of Non-registration of Firms; Incorporation of a Company

Indemnities

Definition of Contract of Indemnity; Features of Indemnity Contract & Guarantee; Scope and Application of Indemnity Contracts to Banks; Obligations of a Banker; Precaution & Rights of an Indemnity Holder

Bank Guarantees

Definition and Types of Bank Guarantees; Banker's Duty to Honour Guarantee; Precautions to be taken for Issuance of Bank Guarantee; Precautions to be taken for Payment under Bank Guarantee; Invocation & Enforcement.

Letters of Credit

General Considerations of Letters of credit; Parties to a Letter of credit; Types of Letters of credit; Documents under a Letter of credit; UCPDC 600; Banks obligation for payment of Letter of credit.

Deferred Payment Guarantees

Purpose of DPGs; Methods of Payment

Laws Relating to Bill Finance

Class of Bills and Laws Governing Bills; Classification of Bills; Categories of Bill Finance; Bill Finance and Legal Position of Banker

Various Types of Securities

Types of Securities; Escrow Arrangements; Trust and Retention Arrangements.

Laws Relating to Securities and Modes of Charging - I

Mortgage; Types of Mortgage; Enforcement of Mortgages

Laws Relating to Securities and Modes of Charging - II

Lien; Pledge; Hypothecation; etc.

Registration and Satisfaction of Charges

Definition of Charge; Procedure for Registration of Charge; Effect of Non-registration of Charges; Provisions of Law relating to Registration of Charges

Case Laws on Responsibility of Paying Bank

Negotiable Instruments Act and Paying Banks; Liability of Paying Banker; Payment in due course; Payment in Good Faith; Whether Payment under Mistake Recoverable

Case Laws on Responsibility of Collecting Bank

Statutory protection to Collecting Bank; Duties of Collecting Bank

MODULE C - BANKING RELATED LAWS

Recovery of Debts due to Banks and Financial Institutions Act, 1993(DRT Act)

Objective of the Act, Constitution of Tribunal, Procedure to be followed, Enforcement process
Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act (SARFAESI)

Constitutional Validity; Definitions; Regulation & Reconstruction; Enforcement of Security Interest; Central Registry; Offences & Penalties; Miscellaneous Provisions

Banking Ombudsmen Scheme

Purpose; Extent; Definitions; Establishment; Powers; Procedure for Redressal Grievance

Bankers Books Evidence Act, 1891

Applicability; Definition; Important Provisions

The Legal Services Authorities Act, 1987

Lok Adalats- Organisation; Jurisdiction; Disposal of Cases; Awards

The Consumer Protection Act, 1986 and CERSAI

Preamble, Extent & Definitions; Consumer Protection Councils; Consumer Disputes Redressal Agencies; Objectives and important provisions of Central Registry of Securitisation Asset Reconstruction and Security Interest of India

The Law of Limitation

Definition; Computation of Limitation; Important Provisions in schedule to the Limitation Act

Tax Laws

Income Tax; Commodity Transaction Tax; Service Tax

Negotiable Instruments Act, 1881

Applicability; Definition; Important Provisions

Payment & Settlements Systems Act, 2007

Applicability; Definition; Important Provisions

MODULE D - COMMERCIAL LAWS WITH REFERENCE TO BANKING OPERATIONS

Indian Contract Act, 1872

Meaning and essentials of contract; Contract of Indemnity & Rights of Indemnity Holder; Contract of Guarantee; Contract of Bailment; Contract of Pledge; Contract of Agency

The Sale of Goods Act, 1930

Features; Sale & Agreement to Sell; Conditions and Warranties; Express & Implied; Rights of Unpaid Seller

Indian Partnership Act, 1932

Definition & Types of Partnerships; Relation of partners to one another & to third Parties; Minor admitted to benefits of partnership; Dissolution of a firm; Effect of non registration; Limited liability partnerships formation, registration, rights and liabilities of partners

Definition and features of a company

Definition & Features of a Company; Distinction between Company and Partnership

The Companies Act, 1956 (Now Companies Act, 2013)

Definition, Features & Types of companies; Memorandum and Articles of Association; Doctrine of Ultra Vires, Constructive Notice, Indoor Management; Membership of Company- Acquisition, Cessation, Register, Rights & Duties of Members, Prospectus; Directors; Winding up of Companies

Foreign Exchange Management Act, 1999

Important Terms; Powers of RBI, Regulation and Management; Directorate of Enforcement

Transfer of Property Act, 1882

Sale, Mortgage of Immovable Property; Types of Mortgages; Sale with and without court intervention; Lease of Immovable Property

The Right to Information Act, 2005

Applicability; Definition; Important Provisions

Right to Information and Obligation of Public Authorities

Obligations; Procedure; Disposal; Appeal; Orders; Penalties.

The Prevention of Money Laundering Act, 2002

Obligations; Records to be Maintained; Procedure for Maintaining & Furnishing Information; Maintenance & Verifications of Records of Identity of Clients.

Information Technology Act, 2000

Definitions; Electronic Governance; Certifying Authorities; Digital Signature Certificates; Penalties; Appeal.

Legal & Regulatory Aspects of Banking

..... goods are to be manufactured/produced/acquired by the seller after making of the contract of sale.

- a. Future
- b. Specific
- c. Moveable
- d. Immoveable

Ans – a

Who among the following can be an Authorised Dealer of Category III? (i) Commercial Banks, (ii) RRBs, (iii) State & Urban Coop Banks

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

A lease for agricultural or manufacturing purpose can be terminated by the lessor or lessee by giving notice to one another.

- a. 1 Month
- b. 3 Months
- c. 6 Months
- d. 12 Months

Ans - c

Pari passu is a charge which does not indicate (i) first charge over securities, (ii) equal charge to charge holders, (iii) proportionate share to chargeholders

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

Banker's lien is a/an

- a. Hypothecation
- b. Mortgage
- c. Implied pledge
- d. Pledge

Ans - c

A Memorandum recording mortgage by deposit of title deeds does not require.....

- a. Registration
- b. Stamping
- c. Both Registration and Stamping
- d. None of these

Ans - a

In case of goods, Banker's lien is not applicable.

- a. owner's goods
- b. stolen goods
- c. finished goods
- d. None of these

Ans - b

The right to two accounts is known as set-off.

- a. Open
- b. Banker's right
- c. Combine
- d. None of these

Ans - c

The right of set-off is

- a. Customer's right
 - b. Banker's right
-

- c. Banker's obligation
- d. Bank's description

Ans - d

Garnishee order is issued by

- a. Police officer
- b. Revenue authority
- c. Enforcement authority
- d. Court of Law

Ans - d

What is the time limit for disposing an appeal by Appellate Authority ?

- a. Within 2 months.
- b. Within 3 months.
- c. Within 6 months.
- d. No such limit.

Ans - c

How many Debt Recovery Appellate Tribunals have been set up?

- a. 2
- b. 5
- c. 7
- d. 10

Ans - b

Where an appeal against the order of Appellate Tribunal can be made?

- a. No where.
- b. High Court.
- c. Supreme Court.
- d. Concerned District Court.

Ans - b

No banking company can hold any immovable property howsoever acquired, except such as is required for its own use, for any period exceeding from the acquisition thereof

- a. 3 years
- b. 5 years
- c. 7 years
- d. 9 years

Ans - c

If a company fails to get the charge registered, the effect of the non-registration is that (i) in case of liquidation, the charge will not be valid charge against the liquidator, (ii) in case of liquidation, the charge will not be valid against the other secured creditors, (iii) as against the company itself, if it does not go into liquidation, the charge will be valid and can be enforced

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

What are the provisions of Section 141 of Companies Act?

- a. the authority of Registrar of Companies to allow the company to file particulars of charge after 30 days
- b. the authority of Registrar of Companies to allow the company to file particulars of charge after 60 days
- c. the authority of Company Law Board to allow the company to file particulars of charge after 60 days
- d. the authority of Registrar of Companies to allow the company to file particulars of charge any time

Ans - c

A collecting bank gets protection for collecting a demand draft subject to certain conditions, u/s of

- a. 131, NI Act
- b. 31, NI Act
- c. 31, RBI Act
- d. 131A, NI Act

Ans - d

The objective of enactment of Consumer Protection Act 1986 is.....

- a. to help bank customer to file suit in a consumer court
- b. better protection of the interests of the consumers
- c. quick remedy to the consumer through normal courts
- d. all the above

Ans - b

.....

Bank-A wants to file a suit in a DRT. The suit can be filed within the local limits of which of the following DRT (which one is not correct).....

- a. where the defendant resides or carries on the business
- b. where any of the defendants (where there are more than one) resides or carries on the business
- c. where the cause of action has arisen
- d. it is at the discretion of the bank

Ans - d

.....

Previous year means the year, immediately preceding the year, of an assessee

- a. financial year, calendar year
- b. calendar year, assessment year
- c. financial year, assessment year
- d. assessment year, financial year

Ans - c

.....

When RBI appoint a suitable person in place of the Chairman or Director or Chief Executive Officer or other officer or employee who has been removed from his office, shall hold office for a period not exceeding or such further periods not exceeding at a time as the Reserve Bank may specify

- a. 3 years, 3 years
- b. 3 years, 5 years
- c. 5 years, 3 years
- d. 5 years, 5 years

Ans - a

.....

Banks in India fall in the following categories (i) Banks being body corporates constituted under special Acts the Parliament such as SBI, (ii) Banks being companies registered under Companies Act 1956 or a foreign company such as UTI Bank Limited, (iii) Banks registered as Cooperative Societies under Central or State Act

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

XYZ Limited borrowed some money from Mr. A by issuing a bond. The Articles of Association of the company provided that the directors can borrow as much money as they want subject to resolution from the shareholders. The shareholders claimed that they did not pass any resolution.

- a. the borrowing has become ultra-vires
- b. A cannot recover because of application of doctrine of constructive notice.
- c. Funds lent by A are safe because of application of doctrine of indoor management
- d. Funds lent by A are not safe as this cannot be ratified by the Shareholders.

Ans - c

Which of the following types of loss cannot be recovered under a contract of indemnity?

- a. damages paid in a suit
- b. cost paid in a suit
- c. payment made in compromise that are not contrary to the indemnity
- d. none of the above

Ans - d

In case of pledge, the possession and ownership of the goods remains with.....

- a. possession with bank and ownership with borrower
- b. possession with the borrower and ownership with the bank
- c. possession and ownership with borrower
- d. possession and ownership with the bank

Ans - a

Every Chairman of the Board of Directors and Managing Director of a banking company shall be in the whole-time employment and shall hold office for maximum period of not exceeding

- a. 3 years
- b. 5 years
- c. 7 years
- d. 9 years

Ans - b

The accounts and balance-sheet of a Bank together with the Auditor's report shall be published in the prescribed manner and three copies thereof shall be furnished as returns to the Reserve Bank within from the end of the period to which they refer

- a. 1 week
- b. 1 month
- c. 3 months
- d. 6 months

Ans - c

A state cooperative bank has to submit copy of audited balance sheet to (i) RBI, (ii) NABARD, (iii) Concerned State Govt

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

If the acknowledgement of debt by the borrower is for part amount only.....

- a. the limitation is extended for the entire loan
- b. the limitation is extended for that portion of the loan
- c. the limitation is not extended for the loan
- d. such method of extension of limitation is unlawful

Ans - a

A banking company shall be deemed to be unable to pay its debts if it has refused to meet any lawful demand made at any of its offices or branches within working days if such demand is made at a place where there is an office, branch or agency of the Reserve Bank, or within working days if such demand is made elsewhere

- a. 1, 2
- b. 2, 3
- c. 3, 5
- d. 5, 7

Ans - c

Which of the following types of amounts do not form part of the term debt under RDDB Act (DRT Act) 1993?

- a. fraud committed by an employee
- b. any liability payable under a mortgage or money payable under a decree or civil court
- c. any liability for which there is no security
- d. none of the above

Ans - a

The category not ordinarily residents is not relevant for which of the following types of assessee as per Income Tax Act.....

- a. individuals
- b. Hindu Undivided family
- c. company
- d. none of the above

Ans - c

The preferential payments shall be made by the official liquidator or adequate provision for such payments shall be made by him within from the date of the winding up order of the Bank

- a. 1 week
- b. 1 month
- c. 3 months
- d. 6 months

Ans - c

In a contract of indemnity, there are parties.....

- a. one party, the indemnifier
- b. two parties, the insurer and the insured
- c. two parties, the indemnifier and the indemnity holder
- d. two parties, the guarantor and the beneficiary

Ans - c

Under which of the following, a protection is not available to the paying bank?

- a. Section 10 of NI Act
- b. Section 85 of NI Act
- c. Section 89 of NI Act
- d. Section 131 of NI Act

Ans - d

To get protection against conversion, the cheque or demand draft should be crossed as (i) generally crossed, (ii) specially crossed, (iii) not-negotiable or account payee crossed

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Which of the following matching of parties in a contract of indemnity, is correct?

- a. the person who is to be saved from loss is called indemnified and the party which makes the promise is called indemnifier.
- b. the person who is to be saved is called indemnifier and the party which makes the promise is called indemnity holder.
- c. the person who is to be saved from loss is called indemnity holder and the party which makes the promise is called indemnifier.
- d. the person who is to be saved from loss is called indemnity holder and the party which makes the promise is called indemnified.

Ans - c

Adjudicating Authority has to Endeavour to dispose off the complaints within from the date of receipt of the complaint.

- a. one year
- b. 182 days
- c. six months
- d. four weeks

Ans - a

.....

Which of the following reasons prompted for set up of Debt Recovery Tribunal?

- a. Under delay in setting the claims by courts.
- b. Delay in extension the decree.
- c. Non-availability of Assets with the borrower due to inordinate delay in courts.
- d. All the above.

Ans - d

.....

A Bank has allowed a current A/c holder ad hoc overdraft of Rs 15 lakh. The amount is due. Whether this is recoverable under provisions of DRT Act?

- a. No, as it is not a regular loan.
- b. No, as only secured loans can be recovered under the DRT Act.
- c. Yes, as it is a legally recoverable amount by the Bank.
- d. Yes, but if the tribunal grants special permission to lodge the case.

Ans - c

.....

Besides the SARFAESI Act some other laws require some registration of charge created in the property. Whether such double registration is avoidable?

- a. Yes, the creditor can choose under which law he needs registration.
- b. No. registration under SARFAESI Act as well as any other applicable law will have to be made, as SARFAESI Act is not substitution of any other law.
- c. Yes, if one charge noting is by a registered document.
- d. No, as the Civil Courts and DRT still have jurisdiction against the properties both registration are required.

Ans - b

.....

Promissory note can be (i) Demand PN, (ii) Usance PN

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - c

Attachment order is issued by

- a. Drawer of a cheque
- b. Revenue authority
- c. Manager of bank
- d. None of these

Ans - b

..... is one of the modes of lending by a banker.

- a. Documentary Bills
- b. Bill of purchase
- c. Supply Bills
- d. Bill finance

Ans - d

The bank is required to comply with the execution of the award of banking ombudsman within

- a. 7 days
- b. 15 days
- c. 30 days
- d. 60 days

Ans - c

What is the maximum time for settlement of a claim before passing an award by the banking ombudsman?

- a. within 15 days from the date of receipt of complaint
-

-
- b. within 1 month from the date of receipt of complaint
 - c. within 2 months from the date of receipt complaint
 - d. within 3 months from he date of receipt of complaint

Ans - b

.....

Banking ombudsman scheme does not cover.....

- a. Scheduled commercial banks
- b. Regional rural banks
- c. Co-operative banks
- d. Financial Institutions

Ans – d

.....

Can the order of Central Government appointing Presiding Officer of the Tribunal be challenged in any Court?

- a. Yes, before the Appellate Tribunal.
- b. No.
- c. No, unless the High Court permits for it
- d. Yes, under Constitution Article 226 before the High Court.

Ans - b

.....

Which among the following are classified as Capital Account Forex Transactions? (i) investment in foreign securities, (ii) raising foreign currency loans in India and abroad, (iii) payments due in connection with foreign trade, short-term banking and credit facilities in the ordinary course of business

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

When a civil suit filed in Civil Court is transferred to DRT, if fresh court fee is required to be paid?

- a. No
- b. Yes, as the authorities are different.

.....

-
- c. No, if there is no counterclaim.
 - d. Yes, as the court fee stamps are different.

Ans - a

.....

While filling appeal before the appellate tribunal if any amount is required to be deposited?

- a. No, amount is required to be deposited till the appellate tribunal decides.
- b. Yes, Court fee on the appeal amount is required to be paid.
- c. Yes, 75 per cent of the amount determined by the tribunal is required to be deposited at the timing of filling of the appeal.
- d. Yes, after admission of the appeal 75 per cent of the amount determined by the tribunal is required to be deposited.

Ans - c

.....

A company is under winding up process. Whether High Court permission is required to a Bank to proceed against it before DRT?

- a. No, as the DRT Act being a special Law having overriding effect over other laws.
- b. Yes, as Companies Act specially provides to that effect.
- c. Depends on the stage of winding up process.
- d. No permission but concurrence of High Court required.

Ans - a

.....

According to section 3 of Evidence Act, the Document can be defined:

- a. Any matter expressed or described upon any substance by means of letter, figure or marks.
- b. Or by any other means.
- c. It intends to be used for purpose of recording that matter.
- d. All the above.

Ans - d

.....

The term corresponding new bank under banking co. (acquisition & transfer of undertaking) act 1970 stands for ...

- a. New private banks
- b. Old private banks
- c. RRBs

d. Nationalised banks

Ans - d

Which was the first committee recommended for establishment of special Recovery tribunals for Banks and Financial Institution?

- a. Tiwari committee.
- b. Ojha Committee.
- c. Narasimham Committee.
- d. Rangrajan Committee.

Ans - a

The main outcome of the FSLC's work was a draft

- a. Indian Financial Standards
- b. Indian Financial Code
- c. Indian Economic Code
- d. Indian Economic Standards

Ans - b

The rate of CRR is fixed from time to time by:

- a. RBI
- b. IBA
- c. Ministry of Finance
- d. RBI in consultation with Ministry of Finance

Ans - a

For the purpose of exposure norms, what is the meaning of 'Group'?

- a. Majority of the directors should be common
- b. The Managing Director should be same
- c. Commonality of Management and effective control
- d. All of these

Ans – c

The company related issues of the banking companies are regulated by which of the following:

- a. authorities under Companies Act
- b. Reserve Bank of India
- c. Central Govt.
- d. Securities and Exchange Board of India

Ans - a

.....

Banks are undertaking trading in shares and securities and this activity is regulated by:

- a. authorities under Companies Act
- b. Reserve Bank of India
- c. Central Govt.
- d. Securities and Exchange Board of India

Ans - d

.....

The term corresponding new banks is used in relation to which of the following:

- a. State group banks
- b. nationalized banks
- c. foreign banks
- d. new private banks

Ans - b

.....

Central gov. can give direction to RBI only after consulting:

- a. Governor RBI
- b. Central Board of RBI
- c. Finance Commission
- d. President of India

Ans - a

.....

The Companies Act applies to the banking companies:

- a. irrespective whether the provisions of the Banking Regulation Act
 - b. insofar as the provisions are consistent with the provisions of Banking Regulation Act
-

- c. in relation to their registration and winding up
- d. all the above

Ans - c

.....

The Banking Regulation Act applies to cooperative banks:

- a. as provided in the State cooperative Act
- b. as provided in the Central cooperative Act
- c. as provided in the modification of Section 56
- d. as applicable to other commercial banks

Ans - c

.....

In public sector banks, the shareholding of the Central govt. is :

- a. not less than 50%
- b. 51% or more
- c. more than 50%
- d. less than 50%

Ans - a

.....

Which of the following is correct statement in the context of lease?

- a. the price is called rent
- b. the money paid for lease is called premium
- c. the transferee is called the lessee
- d. all the above

Ans - c

.....

Bank companies can promote a subsidiary for the business activities mentioned :

- a. in the Resolution passed by their Board of Directors
- b. in their Articles of Association
- c. Section 6 (1) of Banking Regulation Act
- d. Section 22 of Banking Regulation Act when issued licence by RBI.

Ans - c

.....

.....
A banking company requires ____ from ____ to undertake banking business as per provision of Section ____ of Banking Regulation Act:

- a. registration, RBI, 23
- b. licence, RBI, 22
- c. registration, Registrar of Companies, 24
- d. certificate of commencement of business, Registrar of Companies, 24

Ans - b
.....

If a bank has to shift its branch in ____ (area), it requires RBI permission u/s 23 of Banking Regulation Act:

- a. same district
- b. same city
- c. same town
- d. same village

Ans - a
.....

Under Section 11 of Banking Regulation Act, the foreign banks have to deposit ____ arising out of their business in India with, RBI:

- a. 10% of their deposits
- b. 20% of their deposits
- c. 20% of their profit for each year
- d. 20% of their net demand and time liabilities

Ans - c
.....

The shareholder of a banking company can exercise maximum ____ % of the total voting rights of all shareholders:

- a. 2%
- b. 5%
- c. 10%
- d. no such limit.

Ans - c
.....

Which of the following statements, is correct regarding valuation of immovable secured asset?

- a. Authorised officer will obtain estimated value from the approved valuer.
- b. The borrower need not involved in the valuation process.
- c. Valuation by approved valuer and fixing of reserve price is mandatory incase of immovable Assets.
- d. All the above.

Ans - d

Drawee of a Cheque is (i) An A/c holder, (ii) Always a banker

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - b

What are the provisions of depositing 75% amount by the borrower while submitting appeal?

- a. No appeal will be entertained unless 75% of the amount is not deposited.
- b. DRT an waive or reduce the amount required to be deposited.
- c. The amount will include installments which were not due.
- d. All the above.

Ans - d

The essential features of pay through certificates are:

- a. It involves specific sale of asset cash flow to sPV.
- b. The SPV issues pay through certificates to the investors.
- c. The cash is collected by the SPV from the borrower and then distributed
- d. the cash is colleted by the SPV from the borrow and then distributed to certificate holders.

Ans - d

Can a customer from whose account fraudulently someone has withdrawn money make complaint before the Banking Ombudsman?

- a. No, as the offence committed is of criminal nature FIR with police has to be filed.
-

- b. Yes, but if the police authorities who have received FIR permit filing of complaint with Ombudsman.
- c. Yes, as this aspect comes under the powers of Banking Ombudsman.
- d. No, as the loss caused to the customer is of a civil nature for recovery, civil suit is required to be filed.

Ans - c

.....

The securitization Company can acquire financial assets from Banks in the following manner:

- a. by issuing Debenture or Bonds.
- b. By entering into an arrangement with the Bank/Financial Institution.
- c. (a) or (b)
- d. (a) and (b)

Ans - c

.....

What is the role of qualified Institution Buyers in the securitization process?

- a. The qualified investors would invest in the Financial Asset Scheme.
- b. The securitized company issues Security Receipts to qualified investors.
- c. The security receipt represents undivided interest in the Financial Asset.
- d. The securitized company will realize Financial Assets and redeem the investment.

Ans - a

.....

Letter of Credit where in addition to advance payment, the beneficiary is entitled to payment of storage charges is called

- a. LC
- b. Red clause credit
- c. Yellow clause credit
- d. Green clause credit

Ans - d

.....

Once the dispute before the Banking Ombudsman is referred to arbitration can new claim or counterclaim be made?

- a. No, as the reference on the issues has already been made.
 - b. Yes, provided the claim and counterclaim are within the terms of reference.
 - c. Yes, provided additional stamp duty is paid thereon.
-

d. No, because arbitration is by mutual consent so stage of claim and counter claim does not arise.

Ans - b

.....

Section 5(b) of Act gives the definition of the term 'Banking'

- a. Contract Act
- b. Negotiable Instruments Act
- c. Banking Regulation Act
- d. Transfer of Property Act

Ans - c

.....

Principle functions of the Bank are:

- a. Dispatch of statements
- b. Adjustment of Interoffice Transactions
- c. Clearing
- d. Acceptance of deposits for Lending and investment

Ans - d

.....

In case of safe custody of articles relation between Bank and Customer is Bank and Customer

- a. Agent, Principal
- b. Lessor, Lessee
- c. Bailor, Bailee
- d. Debtor, Creditor

Ans - c

.....

Line is a/an of the creditor to retain possession.

- a. Obligation
- b. Right
- c. Interest
- d. Protection

Ans - b

.....

Which one among the following formulates the fiscal policy in India ?

- a. Planning Commission
- b. Finance Commission
- c. The Reserve Bank of India
- d. Ministry of Finance

Ans - d

The aggregate exposure of a bank to the capital markets in all forms (both fund based and 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 / debentures, units of equity-oriented mutual funds and all exposures to Venture Capital Funds (VCFs) should not exceed % of its net worth.

- a. 20%; 40%
- b. 15%; 40%
- c. 40%; 20%
- d. 50%; 20%

Ans - c

As per Banking Regulation Act, banks will be required to maintain minimum SLR of % of NDTL

- a. 25%
- b. 20%
- c. 15%
- d. None of these as it is fixed by RBI

Ans - d

Which doctrine has been involved in the provision regarding condition precedent?

- a. Doctrine of Acceleration
- b. Doctrine of Cy-pres
- c. Rule against Perpetuity
- d. Rule of Perpetuity

Ans - b

Which section of IT Act deals with the appointment of Controller of certifying authorities?

- a. Section 17
- b. Section 15
- c. Section 10
- d. Section 5

Ans - a

At the time of a new partner Good will

- a. Belongs to all partners, new and old
- b. Belongs only to the new partners who is going to be admitted.
- c. Belongs only to the old partner who have credited it
- d. None of the above.

Ans - c

What is the punishment for identity theft in IT Act?

- a. Three year imprisonment or 2 lakh rupees penalty or both
- b. Two year imprisonment or 1 lakh rupees penalty or both
- c. Three year imprisonment or 1 lakh rupees penalty or both
- d. None of the above

Ans - c

Mortgage is defined under

- a. contract act
- b. sale of goods act
- c. transfer of property act
- d. none of the above

Ans - c

In contract of guarantee the person who gives guarantee is called (i) Surety, (ii) Principal debtor

- a. Only (i)
 - b. Only (ii)
-

- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - a

.....

When a secured creditor takes over the management of business of a borrower, he may appoint

- a. As many persons as it thinks fit to be the directors/administrators of the business of that borrower, as the case may be
- b. As many persons as it thinks fit to be the registered valuers of the business of that borrower
- c. The auditors of the business of that borrower
- d. The liquidator who shall take over the liquidation proceedings

Ans - a

.....

One of your customers lost the Fixed Deposit Receipt issue by the bank. To obtain a duplicate FD he needs to furnish

- a. A Promissory note
- b. A Guarantee
- c. A Letter of Credit
- d. An Indemnity bond

Ans - d

.....

Which of the following is not a security interest?

- a. Any mortgage, charge, hypothecation, assignment or any right, title or interest of any kind, on tangible asset, retained by the secured creditor as an owner of the property, given on hire or financial lease or conditional sale or under any other contract
- b. Such right, title or interest in any intangible asset or assignment or licence of such intangible asset which secures the obligation to pay any unpaid portion of the purchase price of the intangible asset or the obligation incurred or any credit provided to enable the borrower to acquire the intangible asset or licence of intangible asset
- c. A lien on any goods, money or security given by or under the Indian Contracts Act, 1872 or the Sale of Goods Act, 1930 or any other law for the time being in force
- d. Lien of goods, pledge of movables, security interest of less than Rs. One Lakh for Limited Insolvency

Ans - c

.....

Which of the following High Courts rejected implementation of DRT act, 1993 in its State in 1995?

- a. Delhi High Court.
- b. Allahabad High Court.
- c. Japan High Court.
- d. Mumbai High Court.

Ans - a

The Presiding officer of DRT is appointed by :

- a. Reserve Bank of India.
- b. Supreme Court.
- c. Central Government
- d. High Court.

Ans – c

What is the fee payable for the Debt amount above Rs. 10 lac?

- a. Rs. 1000 for every Rs. 1 lac and part thereof.
- b. Rs. 1200 for every Rs. 1 lac and part thereof.
- c. Rs. 1500 for every Rs. 1 lac and part thereof.
- d. Rs. 2000 for every Rs. 1 lac and part thereof.

Ans - a

What is the maximum amount of fee payable for filing a Recovery case with the Debt Recovery Tribunal?

- a. Rs. 1 lac.
- b. Rs. 1,20,000
- c. Rs. 1,50,000
- d. 12% of the Debt amount.

Ans - c

How much is the fee payable if a suit is transferred to Debts Recovery Tribunal from a court?

- a. Rs. 1,00,000.
 - b. Rs. 1,50,000.
-

- c. 80% of the debt amount.
- d. No such fee is payable.

Ans - d

In how many days the DRT should summons to the defendant to show cause?

- a. Within 7 days.
- b. Within 10 days.
- c. Within 30 days.
- d. Within 60 days.

Ans – c

The maxim applied in respect of Direct Quotation is

- a. buy low, sell low
- b. buy low, sell high
- c. buy high, sell low
- d. buy high, sell high

Ans - b

What is the time limit for DRT to complete the process?

- a. Within 6 months.
- b. Within 9 months.
- c. Within 12 months.
- d. No such limit.

Ans - a

What is the tenure of Presiding officer?

- a. 1 year.
- b. 3 years.
- c. 5 years.
- d. No such limit.

Ans – b

..... in relation to a cooperative society, for the puposes of BR Act, includes a member of any committee or body for the time being vested with the management of the affairs of that society .

- a. Director
- b. Member
- c. Manager
- d. None of the above

Ans - a

A bank has lent Rs.8 lakhs to a pvt.ltd.co. to purchase a pick up van. Therefore the bank's charge

- a. has to be registered with RTO/ROC
- b. need not be registered with ROC
- c. registration is optional
- d. none of above

Ans - a

..... goods are to be manufactured/produced/acquired by the seller after making of the contract of sale.

- a. Future
- b. Specific
- c. Moveable
- d. Immoveable

Ans - a

What are the main features of SARFAESI Act, 2002?

- a. To put a legal system for securitization.
- b. Empowering banks and financial institutions to take possession of the mortgaged securities.
- c. To sell the securities without intervention of court.
- d. All the above.

Ans - d

What are the main issues with which SARFAESI Act, 2002 deals with?

- a. Securitisation of Assets.
-

- b. Setting up of an Assets Reconstruction Company.
- c. Enforcement of securities.
- d. All the above.

Ans - d

.....

The essential features of securitization are:

- a. Acquisition of Financial Assets by a Securitisation or Reconstruction Company.
- b. The Assets may be NPA or standard.
- c. On sale the Assets goes out of the Books of the originator.
- d. All the above.

Ans - d

.....

What are the main functions of Assets Reconstruction Company?

- a. Setting up of a company.
- b. Acquiring Assets for Reconstruction.
- c. Acquire Assets for Asset Reconstruction.
- d. All the above.

Ans - d

.....

Which of the following is correct?

- a. The borrower can file an appeal with the DRT only after the secured creditor takes possession of Asset.
- b. Borrower can not file an appeal in the Civil Court.
- c. Writ petition can be filed in the High Court at any time.
- d. All the above.

Ans - d

.....

Possession is with the mortgagee in (i) Conditional Mortgage, (ii) Usufructuary Mortgage, (iii) English Mortgage

- a. Only (i) and (ii)
 - b. Only (i) and (iii)
 - c. Only (ii) and (iii)
-

d. (i), (ii) and (iii)

Ans - c

.....

The important features of Enforcement of Securities are:

- a. take possession of the Secured Assets.
- b. Take over management of Secured Assets.
- c. To acquire pending recovery cases from DRT.
- d. Act as an Agent for Recover.

Ans - d

.....

Which of the following is not a function of Asset Reconstruction Company?

- a. To acquire pending recovery cases from DRT.
- b. Act as an Agent for Recover.
- c. Act as Manager.
- d. Act as Receiver of Court/Tribunal.

Ans - a

.....

The important features of Enforcement of Securities are:

- a. take possession of the Secured Assets.
- b. Take over management of Secured Assets.
- c. Recover dues from the debtors of the borrower
- d. All the above.

Ans - d

.....

In which of the following Acts, the provisions of Mortgage of an Asset are dealt with?

- a. Transfer of Property Act.
- b. Sale of Goods Act.
- c. Negotiable Instrument Act.
- d. Indian Company Law.

Ans - a

.....

The delivery of goods by one person to another for some purpose upon a contract that they shall when the purpose is accomplished be returned or otherwise dispose of upon discretion of the delivering person the contract is called

- a. Indemnity
- b. Bailment
- c. Contingent Contract
- d. None of above

Ans - b

.....

Which of the following are qualitative control methods?

- a. Margins
- b. Maximum limit of credit for specific purpose
- c. Differential rate on certain types of advancement
- d. All of the above

Ans - d

.....

Legislation gives which body the power to specify a code of conduct for surveyors and loss assessors?

- a. Institute of Insurance and Risk Management
- b. Insurance Regulatory and Development Authority
- c. Life Insurance Council
- d. Securities and Exchange Board of India

Ans - b

.....

Which of the following is true about the functions performed by RBI? (i) It is the Bank of Issue, (ii) It acts as banker to the Government, (iii) It regulates the flow of credit

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Value of good will agreed upon Rs. 30000 on C,S admission and allowing him $\frac{1}{4}$ share of total profit Good will is brought in cash, the amount of good-will be as

- a. Rs. 30000
- b. Rs. 7500
- c. Rs. 150000
- d. Rs. 120000

Ans - b

Which section of IT Act deals with Hacking of computer systems and its penalties?

- a. Section 65
- b. Section 66
- c. Section 62
- d. Section 67

Ans - b

“Men may come and men may go but the company exist”- this explains which characteristics of the company as per companies Act 1956?

- a. Separate legal entity
- b. Perpetual Succession
- c. Capacity to sue
- d. None of the above

Ans - b

Actual possession of property by another must put of such property on his guard, than its amount to notice for

- a. Purchaser
- b. Municipality
- c. Seller
- d. Registration office

Ans - a

Mr. X issues a stop payment instructions to his banker to Stop payment of a cheque for Rs,20,000.00.
This is

- a. A request from Hari
- b. An intimation from Hari
- c. An advice from Hari
- d. A mandate from Hari

Ans - d

A negotiable instrument is endorsed as Pay to Shalini only. This is called as

- a. Blank endorsement
- b. Restrictive endorsement
- c. Sans recourse endorsement
- d. Endorsement in Full

Ans - b

In a demand draft the word "order" is changed to "bearer" by the holder of the DD. It is called as

- a. Endorsement
- b. Material alteration
- c. Crossing
- d. None of the above

Ans - b

When RBI is the lender of last resort what does it mean?

- a. RBI advances necessary credit against eligible securities
- b. Commercial banks give funds to RBI
- c. RBI advances money to public whenever there is an emergency
- d. All of the above

Ans - a

Which of the following is true about the restrictions on RBI?

- (i) It is not to compete with the commercial banks
-

- (ii) It is not allowed to pay interest on its deposits
- (iii) It cannot engage directly or indirectly in trade
- (iv) It cannot acquire or advance loans against immovable property
- (v) It is prohibited from purchasing its own shares or the shares of any other bank or any company or granting loans on such security

- a. only (i),(ii),(iii), and (iv)
- b. only (v)
- c. all the above
- d. none of the above

Ans - c

A proposes by letter to sell a house to B The Communication of the proposal is complete

- a. When A make such proposal
- b. When B accepts the proposal
- c. Both a. and (b)
- d. None of above

Ans - b

For the firm interest on drawing is

- a. Expense
- b. Income
- c. Liability
- d. None

Ans - b

Where an unpaid seller has made part delivery of the goods he may exercise his right

- a. Return on the remainder
- b. Of lien on the remainder
- c. Sale to any other person
- d. None of above

Ans - b

Within how many days shall the Central Registrar be intimated regarding satisfaction of security interest?

- a. 30 days from the date of such payment or satisfaction
- b. 60 days from the date of such payment or satisfaction
- c. 120 days from the date of such payment or satisfaction
- d. 90 days from the date of such payment or satisfaction

Ans - a

.....

Which court shall try any offence punishable under this Act?

- a. No Court inferior to that of Metropolitan Magistrate or a Judicial Magistrate of Second Class
- b. No Court inferior to that of High Court
- c. No Court inferior to that of Metropolitan Magistrate or a Judicial Magistrate of First Class
- d. No Court inferior to that of Principal Junior Civil Judge or a Judicial Magistrate of First Class

Ans - c

.....

The mortgager transfers the mortgaged property to the mortgagee on the condition that it will be retransferred upon payment of mortgaged money. This is

- a. Simple mortgage
- b. English mortgage
- c. equitable mortgage
- d. mortgage by conditional sale

Ans - b

.....

Mr. X a transporter has been granted a loan for purchase of a truck. You will create which of the following charge

- a. Assignment
- b. a mortgage
- c. pledge
- d. hypothecation

Ans - d

.....

For which of the following assets the charge hypothecation is not created

- a. land
- b. machine
- c. stock
- d. vehicle

Ans - a

For the purpose of exposure norms, what is the meaning of capital fund?

- a. paid up capital and reserves
- b. Tier I capital
- c. Tier I & Tier II capital
- d. None of these

Ans - c

Consider the following statements

- i. American depository receipts are securities of a non-US company that trade in the US financial markets.
- ii. ADR is a negotiable security which represents securities of companies that is foreign to the market which the DR trades.

Which of the statements given above is/are correct?

- a. Only 1
- b. Only 2
- c. Both 1 and 2
- d. Neither 1 nor 2

Ans - c

Good will of the firm is valued Rs. 30000. C an incoming partner purchase $\frac{1}{4}$ share of total profit Good will be raised in the books.

- a. Rs. 30000
- b. Rs. 7500
- c. Rs. 120000
- d. Rs. 7000

Ans - a

Which of the following is not a clause of memorandum of association?

- a. situation
- b. capital
- c. subscription
- d. directors

Ans - d

.....

Section 5, of the Contract Act, deals with

- a. Communication of contract
- b. Acceptance of contracts
- c. Revocation of proposals and acceptances
- d. None of above

Ans - c

.....

If a person contravenes or abates contravention of any provision of this Act or rules, he shall be punishable

- a. With imprisonment for a term which may extend to three years or with fine or both
- b. With imprisonment for a term which may extend to two years or with fine or both
- c. With imprisonment for a term which may extend to one year or with fine of minimum Rs. 10,000 or both
- d. With imprisonment for a term which may extend to one year or with fine or both

Ans - d

.....

The contract of guarantee is a contract in which a person perform the promise or discharge the liability of

- a. The contractor
- b. Stranger
- c. Third person
- d. None of above

Ans - c

.....

Which of the following does not fall under financial asset?

- a. A mortgage, charge, hypothecation or pledge of movable property
- b. Any right or interest in the security, whether full or part underlying such debt or receivables
- c. Any financial assistance
- d. Prepaid expenses undertaken with respect to a movable or immovable property

Ans - d

Appellate Authority is vested with

- a. Deputy Governor of RBI
- b. Head Governor of RBI
- c. Finance Ministry
- d. None of The Above

Ans - a

Loan against LIC policies are given based on

- a. surrender value
- b. paid up value
- c. Insured value
- d. market value

Ans - a

Which of the following is not considered material alternation?

- a. changing the date
- b. changing the amount
- c. changing the relation of the parties
- d. none of them

Ans - d

In case of joint financing under this Act, a creditor can

- a. Take any action independently
-

- b. Take action only when it is agreed upon by creditors holding 60% of the amount outstanding on record date
- c. Take action only when it is agreed upon by creditors holding 50% of the debt outstanding as on that date
- d. Take action with the permission of all the other creditors involved

Ans - b

.....

Commercial mortgages, farm mortgages and home mortgages are categories of

- a. swapped mortgages
- b. sovereign mortgages
- c. secondary mortgages
- d. primary mortgagees

Ans - d

.....

In the case of a joint stock co the registration of a charge is not required with registrar of companies for

- a. Pledge of moveable property
- b. hypothecation of moveable property
- c. assignment of book debts
- d. mortgage of fixed assets

Ans - 1

.....

A usance bill is presented for acceptance to the drawee. He has to accept in

- a. within 24 hrs
- b. within 48 hrs
- c. within 72 hrs
- d. no time limit

Ans - b

.....

When did the National Housing Bank start its operations?

- a. July, 1982
- b. July, 1988

- c. April, 1980
- d. March, 1971

Ans - b

Which of the following are quantitative control methods? (i) Bank rate & CRR, (ii) Statutory Liquidity ratio, (iii) Open market operations

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Which is the appeal court on the orders issued by Cyber appellate tribunal?

- a. Supreme Court
- b. District Court
- c. High Court
- d. Munsiff Court

Ans - c

Which of the following is not a ground for cancellation of certificate of registration granted to an asset reconstruction company by Reserve Bank of India?

- a. When the ARC fails to comply with any direction issued by RBI
- b. When the ARC ceases to receive or hold any investment from a qualified buyer
- c. When the ARC fails to maintain accounts in accordance with the requirements of any law
- d. When the ARC has incurred loss for a year

Ans - d

An application under Section 5A of the SARFAESI Act for transfer of applications pending before two or more Debt Recovery Tribunals may be filed by an Asset Reconstruction Company before?

- a. High Court
 - b. National Company Law Appellate Tribunal
 - c. Special Court
-

d. Debt Recovery Appellate Tribunal

Ans - d

.....

At the time of admission of a new partner, general reserve is:

- a. Debited to capital of old partners
- b. Credited to capital of old partners
- c. Allowed to remain in balance sheet
- d. Debited to current account

Ans - b

.....

A negotiable instrument is discharged by

- a. payment in due course by or on behalf of the party primarily liable
- b. payment in due course by the party accommodated
- c. intentional cancellation thereof by the holder
- d. none of them

Ans - d

.....

If any loss suffered by the complainant then complainant will get

- a. Rs. 5,00,000 for any huge loss
- b. Rs. 10,00,000 for any huge loss
- c. amount arising directly out of the act or omission of the bank or Rs. 10,00,000, whichever is lower
- d. None of The Above

Ans - c

.....

Bank rate means

- a. Rate at which commercial banks lend money
- b. Rate at which RBI lends to commercial bank
- c. Rate of interest paid by banks to its depositors
- d. None of the above

Ans - b

.....

The liability of the guarantee is co-extensive with that of the principal debtor means.....

- a. if the borrower is liable the guarantor continues to be liable
- b. if borrower defaults, the payment shall be made by the guarantor
- c. the guarantor remains liable even when the limitation against the principal debtor expires.
- d. all the above

Ans - d

.....

Which of the following can be appointed as Ombudsman and for how much time?

- a. General Manager of RBI only for 5 years at a time.
- b. General Manager or Chief General Manager of RBI for 3 years at a time.
- c. Chief General Manager of RBI only for 3 years at a time.
- d. Any other suitable person as per criteria fixed by RBI, for 3 years at a time.

Ans - b

.....

In pledge, the bailee is called

- a. pledger
- b. pledgee
- c. pawnor
- d. pawnee

Ans - d

.....

The Distt. Forum under Consumer Protection Act consists of which of the following.....

- a. Person qualified to be a Distt. Judge to be president and three other members one of whom to be a women.
- b. Person qualified to be a Distt. Judge to be president and 2 other members one of whom to be a women.
- c. Person qualified to be a Distt. Judge to be president and one other member
- d. Person qualified to be a Distt. Judge to be president and one other member who should be a woman

Ans - b

.....

The limitation period for making complaint under the scheme is and it begins from

- a. one year, from date of receipt of reply from the bank where customer is not satisfied or from expiry of one month, after making the complaint to the bank, which bank has not replied.
- b. two years, from date of receipt of reply from the bank where customer is not satisfied or from expiry of one month, after making the complaint to the bank, which bank has not replied.
- c. 3 years, from date of receipt of reply from the bank where customer is not satisfied or from expiry of one month, after making the complaint to the bank, which bank has not replied.
- d. one year, from date of receipt of reply from the bank where customer is not satisfied or from expiry of one month, after making the complaint to the bank, which bank has not replied, whichever is earlier.

Ans - d

.....

As per Sale of Goods Act, when the transaction becomes a sale.....

- a. only when the goods are delivered to the buyer by the seller
- b. only when the property in goods is transferred from seller to buyer with possession
- c. when the property in goods is transferred from seller to buyer with or without possession
- d. all the above

Ans - c

.....

RRBs also to maintain same CRR as applicable for SCBs w.e.f.

- a. 12.01.2002
- b. 01.12.2002
- c. 12.01.2005
- d. 01.12.2005

Ans - a

.....

Every banking company shall, within 30 days after the close of each calendar year, submit a return to the Reserve Bank as at the end of such calendar year of all accounts in India which have not been operated upon for years

- a. 2
- b. 5
- c. 10
- d. 20

Ans - c

.....

As per Banking Regulation Act, what can be the maximum rate of SLR?

- a. 15 percent
- b. 20 percent
- c. 30 percent
- d. 40 percent

Ans - d

Winding up of a coop bank may be sought by RBI in which of the following situations? (i) bank has not been fulfilling the requirement of minimum paid up capital and reserves, (ii) bank is not entitled to carry on banking business in India u/s 22 of Banking Regulation Act, (iii) bank has been prohibited by RBI u/s 35 (4) of B R Act, to accept further deposits.

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

If a return of loss is not filed on time.....

- a. it can be filed any time to carry forward loss to set off in future years
- b. it cannot be filed subsequently
- c. it can be filed subsequently but the carry forward loss will not be allowed to be set off in future years
- d. none of the above

Ans - c

The agencies appointed under Consumer Protection Act are.....

- a. completely judicial in nature
- b. not judicial in nature
- c. quasi judicial in nature
- d. none of the above

Ans - c

The Chairman and Managing Director of a banking company so appointed by the Reserve Bank where the office of the Chairman or the Managing Director is vacant, shall be in the whole-time employment of the banking company and shall hold office for such period not exceeding

- a. 3 years
- b. 5 years
- c. 7 years
- d. 9 years

Ans - a

.....

Which of the following statement does not match?

- a. RRBs are not required to maintain CRR - false
- b. State Bank associate banks are not to maintain SLR - false
- c. SBI can make regulations for carrying out the purposes of SBI Act in consultation with RBI and with prior approval of Central Govt. - True
- d. Central govt. cannot give directions to SBI in the matter of policy relating to public interest - True

Ans - d

.....

Out of the total number of Directors of a banking company, not less than 2 shall be persons having special knowledge or practical experience in respect of (i) agriculture and rural economy, (ii) co-operation, (iii) small-scale industry

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

The money of a company has been spent by the directors on acquiring a property but ultra-vires.....

- a. the company cannot be owner of such property
- b. the directors are liable for that and they will be owners of that property
- c. the company can be lawful owner, although it has been wrongly acquired.
- d. the property has to be disposed off immediately and company money restored.

Ans - c

.....

If a bank collects a cheque for a customer, which actually does not belong to him, it is called

- a. material alteration
- b. forgery
- c. fraud
- d. conversion

Ans - d

X appointed Y his agent and authorised Y that he can get cheques in X name collected through account of Y. Later on Y misappropriated the amount of certain cheques.....

- a. the bank was negligent in accepting such instruction. Hence bank is liable
- b. the bank did not take adequate precaution due to which bank is liable
- c. bank is not liable, as there was express authority from the customer
- d. despite express authority from customer, the bank is liable for conversion

Ans - c

The law relating to indemnities is laid down as per

- a. Section 131 and 133 of Negotiable Instrument Act
- b. Section 121 and 122 of Indian Evidence Act
- c. Section 124 and 125 of Indian Contract Act
- d. Section 126 and 127 of Indian Contract Act

Ans - c

In a contract of indemnity, the liability of.....

- a. indemnifier is primary
- b. indemnifier is secondary
- c. indemnity holder is primary
- d. indemnity holder is secondary

Ans - a

Which of the following bills is called, a sight bill?

- a. an ambiguous bill
-

- b. a demand bill
- c. a usance bill
- d. all inland bills are sight bills

Ans - b

.....

The share capital of RRBs is held by (which one does match)

- a. Sponsor Banks - 50%
- b. Central Govt. - 35%
- c. State Govt. - 15%
- d. none of the above

Ans - c

.....

Nationalized banks can raise capital in which of the following forms, as per provisions of Banking Companies (Acquisition and Transfer of Undertaking) and FI Laws (Amendment) Act 2006..... (i) by way of a public issue, (ii) by way of preferential allotment, (iii) by way of private placement

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

The acknowledgement or the part payment, for the purpose of extension of limitation.....

- a. can be any time
- b. can be any time before expiry of limitation
- c. can be any time after expiry of limitation
- d. can be before or after expiry of limitation

Ans - b

.....

Which of the following is not required to file a return of income if the income in the previous does not exceed the amount which is not liable to tax?

- a. individual
 - b. partnership firm
-

- c. company
- d. all the above

Ans - a

.....

What are the provisions regarding appeal against grounds of rejection of complaint by the Ombudsman?

- a. the customer can appeal against the grounds of rejection of complaint to Governor RBI
- b. the customer can appeal against the grounds of rejection of complaint within 45 days
- c. the customer can appeal against the grounds of rejection of complaint to Dy. Governor RBI within 30 days
- d. the customer can appeal against the grounds of rejection of complaint to Dy. Governor RBI within 45 days

Ans - c

.....

The decision or order of the Ombudsman, in the scheme is called.....

- a. Decree of the Ombudsman
- b. Award of the Ombudsman
- c. Order of the Ombudsman
- d. Judgement of the Ombudsman

Ans - b

.....

In the capital of nationalized banks, the share of the Central govt. should not be less than

- a. 74%
- b. 67%
- c. 51%
- d. 49%

Ans - c

.....

Which of the following types of cooperative societies are exempted from using the word bank, banker or banking, as part of their name? (i) a primary credit society, (ii) a coop society formed for the protection of the mutual interest of coop banks, (iii) a coop society other than a primary credit society formed by employees of the State Bank, associated banks, nationalized bank.

- a. Only (i) and (ii)
-

- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Which of the following statement regarding, cooperative banks is not correct?

- a. if a cooperative bank operates in one state, State laws are applicable
- b. if a cooperative bank operates in more than one state, Central laws are applicable
- c. the business of banking of cooperative banks is regulated by Banking Regulation Act
- d. a primary agricultural credit society is also regulated by Banking Regulation Act

Ans - d

.....

Three persons have joined together to share the profits and returns arising from property (which one is correct).....

- a. the persons shall be called partners
- b. the group of these persons shall be collectively called firm
- c. the name under which they shall carry the transaction shall be called the firm name
- d. it is not a partnership firm, since they shall not carry on any business

Ans - d

.....

When parties in a contract agree that the sale of goods shall be regarded as final sale only on the fulfillment of certain conditions either before or after the conclusion of the contract for sale, it is called.....

- a. absolute sale
- b. conditional sale
- c. agreement to sell
- d. sale agreement

Ans - b

.....

The bailee can use the goods delivered by the bailor.....

- a. as per discretion of the bailee
 - b. as per direction given by the bailor
-

- c. as per the purpose to be decided by the bailee
- d. none of the above

Ans - b

.....

If there is some ultra-vires transaction undertaken by the directors of the company, for the company.....

- a. it can be ratified by the Board of Directors
- b. It can be ratified by the shareholders
- c. it can be ratified by the Board of Directors or Shareholders
- d. It cannot be ratified either by Board or Shareholders.

Ans - d

.....

In case of nationalized banks, a preference share holder can exercise, maximum of the total voting rights

- a. 1%
- b. 2%
- c. 5%
- d. 10%

Ans - a

.....

No time period for payment of a bill of exchange is mentioned. Such bill of exchange is treated

- a. a demand bill
- b. a usance bill
- c. either demand bill or usance bill at discretion of the drawee
- d. it is ambiguous bill

Ans - a

.....

RRBs can carry which of the following types of business (i) as an agent of sponsor bank only, (ii) business of banking u/s 5 (b) of Banking Regulation Act only, (iii) other business as specified u/s 6 (1) of Banking Regulation Act only

- a. Only (i) and (ii)
 - b. Only (i) and (iii)
 - c. Only (ii) and (iii)
-

d. (i), (ii) and (iii)

Ans - c

If bank makes payment of a cheque disregarding crossing by the drawer, the bank is liable to

- a. true owner only
- b. payee only
- c. endorsee only
- d. drawer only

Ans - a

The bank granted a term loan payable in half-yearly instalments in 5 years. The limitation in this case is and begins from

- a. 3 years, when there was loan default for the first instalment
- b. 3 years, from date of loan
- c. 3 years, from due date of the last instalment
- d. 3 years, from due date of each instalment of the loan

Ans - d

The summary assessment under Income Tax Act means.....

- a. when the assessment is completed by Assessing Officer in short manner
- b. when the assessment is completed by Assessing Officer without any further enquiry
- c. when the assessment is completed by Assessing Officer with further enquiry
- d. none of the above

Ans - b

In case of partnership firm, which of the following is not correctly matched.....

- a. the persons who enter into partnership with one another are individually called partners
- b. the persons who enter into partnership with one another are collectively called firm
- c. the name under which their business is carried, is called firm name.
- d. the firm is a separate legal entity separate from the partners

Ans - d

No banking company can hold any immovable property howsoever acquired, except such as is required for its own use, for any period exceeding from the acquisition thereof

- a. 3 years
- b. 5 years
- c. 7 years
- d. 9 years

Ans - c

When RBI appoint a suitable person in place of the Chairman or Director or Chief Executive Officer or other officer or employee who has been removed from his office, shall hold office for a period not exceeding or such further periods not exceeding at a time as the Reserve Bank may specify

- a. 3 years, 3 years
- b. 3 years, 5 years
- c. 5 years, 3 years
- d. 5 years, 5 years

Ans - a

Banks in India fall in the following categories (i) Banks being body corporates constituted under special Acts the Parliament such as SBI, (ii) Banks being companies registered under Companies Act 1956 or a foreign company such as UTI Bank Limited, (iii) Banks registered as Cooperative Societies under Central or State Act

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

A contract by which one party promises to save the other party from loss likely to be caused, it called.....

- a. a contract of indemnity
- b. a contract of guarantee
- c. a quasi-contract
- d. a contract to compensate

Ans - a

If one partner of a firm cheats a customer, which of the following is not correct.....

- a. all the partners are liable for the loss to the customer
- b. the partner that has cheated the customer is liable to other partners for loss to them
- c. only the partner who has cheated the customer, is liable to the customer
- d. none of the above

Ans - c

.....

To distinguish the Memorandum of Association from Articles of Association, which statement is correct.....

- a. Memorandum of Association is subordinate document
- b. Articles of Association is a subordinate document
- c. Articles of Association is dominating document
- d. Memorandum of Association and Articles of Association, both are dominant documents

Ans - b

.....

Which of the following is an exception of doctrine of indoor management, i.e. the person dealing with the company can suffer loss?

- a. where a person dealing with a company has actual knowledge of internal irregularity
- b. where the situation is such that a person dealing with a company could have obtained information about internal irregularity
- c. where an official of the company is acting unauthorisedly and the person dealing with the company has information about this.
- d. all the above

Ans - d

.....

If a persons finds that he has not properly disclosed the income in his return, he can file revised return.....

- a. within 6 months from the end of the assessment year or before completion of assessment
- b. within 300 days from the end of the assessment year or before completion of assessment
- c. within one year from the end of the assessment year or before completion of assessment
- d. he cannot file any revised return

Ans - c

.....

.....
The bank granted a term loan payable in half-yearly instalments in 5 years. The limitation in this case is and begins from

- a. 3 years, when there was loan default for the first instalment
- b. 3 years, from date of loan
- c. 2 years, from due date of the last instalment
- d. 3 years, from due date of each instalment of the loan

Ans - d
.....

Which of the following is correct regarding the Consumer Protection Act?

- a. The Act is applicable on all India basis including J & K State
- b. the Act applies generally to all goods and services
- c. the goods covered for resale or for commercial purpose and services rendered free of charge.
- d. all the above

Ans - b
.....

A party has produced a certified copy of books of account and the defendant party wants the bank officer as a witness to prove the contents of copy.....

- a. the defendant party has no such right
- b. the defendant party has the right to call the bank officer
- c. the certified copy being prima facie evidence is admissible as evidence. Hence no requirement of calling the bank officer to prove.
- d. the certified copy being prima facie evidence is admissible as evidence. But still the defendants has the right of calling the bank officer to prove.

Ans - c
.....

The preferential payments shall be made by the official liquidator or adequate provision for such payments shall be made by him within from the date of the winding up order of the Bank

- a. 1 week
- b. 1 month
- c. 3 months
- d. 6 months

Ans - c
.....
.....

Out of the total number of Directors of a banking company, not less than 2 shall be persons having special knowledge or practical experience in respect of (i) agriculture and rural economy, (ii) co-operation, (iii) small-scale industry

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

RRBs also to maintain same CRR as applicable for SCBs w.e.f.

- a. 12.01.2002
- b. 01.12.2002
- c. 12.01.2005
- d. 01.12.2005

Ans - a

Every banking company shall, within 30 days after the close of each calendar year, submit a return to the Reserve Bank as at the end of such calendar year of all accounts in India which have not been operated upon for years

- a. 2
- b. 5
- c. 10
- d. 20

Ans - c

If a DRT is set up, which of the following courts cannot exercise the jurisdiction for cases of Rs.10 lac and above.....

- a. Distt. courts
- b. High Courts
- c. Supreme Courts
- d. all the above

Ans - d

What are the provisions regarding appeal against grounds of rejection of complaint by the Ombudsman?

- a. the customer can appeal against the grounds of rejection of complaint to Governor RBI
- b. the customer can appeal against the grounds of rejection of complaint within 45 days
- c. the customer can appeal against the grounds of rejection of complaint to Dy. Governor RBI within 30 days
- d. the customer can appeal against the grounds of rejection of complaint to Dy. Governor RBI within 45 days

Ans - c

If a loan is secured by mortgage of an immovable property, the limitation period is and begins from

- a. 30 years, from date of mortgage
- b. 12 years, from date of mortgage
- c. 3 years, from date of mortgage
- d. 3 years, from date of default

Ans - b

The accounts and balance-sheet of a Bank together with the Auditor's report shall be published in the prescribed manner and three copies thereof shall be furnished as returns to the Reserve Bank within from the end of the period to which they refer

- a. 1 week
- b. 1 month
- c. 3 months
- d. 6 months

Ans - c

The central consumer protection council holds meetings, the periodicity of which is.....

- a. once in a year
- b. twice in a year
- c. once in every quarter
- d. once in every month

Ans - a

A banking company shall be deemed to be unable to pay its debts if it has refused to meet any lawful demand made at any of its offices or branches within working days if such demand is made at a place where there is an office, branch or agency of the Reserve Bank, or within working days if such demand is made elsewhere

- a. 1, 2
- b. 2, 3
- c. 3, 5
- d. 5, 7

Ans - c

Which of the following types of amounts do not form part of the term debt under RDDB Act (DRT Act) 1993?

- a. fraud committed by an employee
- b. any liability payable under a mortgage or money payable under a decree or civil court
- c. any liability for which there is no security
- d. none of the above

Ans - a

Which of the following provides details about various types of deductions allowable from gross total income of the assessee?

- a. Section 10 of Income Tax Act
- b. Chapter IV of Income Tax Act
- c. Chapter VIA of Income Tax Act
- d. Chapter VIIA of Income Tax Act

Ans - c

Within the meaning of SARFAESI Act, the term security interest represents any right or title or interest upon a property created in favour of any secured creditor and does not include.....

- a. mortgage
- b. hypothecation
- c. assignment
- d. pledge or lien

Ans - c

.....
A bank had given loan to a party with outstanding balance of Rs.10.15 lac although the sanctioned limit was Rs.9.50 lac, which has become difficult of recovery.

- a. the suit has to be filed in a civil court as the limit is Rs.9.50 lac
- b. the bank can decide regarding in which court, the suit is to be filed
- c. bank can file this case in DRT only, which has the jurisdiction.
- d. bank can file this case in High Court directly.

Ans - c
.....

No Director of a banking company, other than its Chairman or whole-time Director, by whatever name called, shall hold office continuously for a period exceeding

- a. 7 years
- b. 8 years
- c. 9 years
- d. 10 years

Ans - b
.....

Which of the following includes 'banking business' as per Banking Regulation Act? (i) Acceptance of deposit, (ii) Collection of bills, (iii) Buying of foreign exchange

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d
.....

Which of the following instrument is issued by a securitization company for securitization of a financial asset, that represents undivided interest in the security, under provisions of SARFAESI Act?

- a. pass through certificate
- b. debenture certificate
- c. security receipt
- d. security sharing certification

Ans - c
.....
.....

The liability of the members of the company can be limited by (i) Share, (ii) Guarantee

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

The validity of the cheque will not be affected by the death of the

- a. Drawer
- b. Drawee
- c. Endorser
- d. In all cases the cheque loses validity

Ans - c

Introduction in all deposits accounts is

- a. optional
- b. compulsory
- c. discretion of the bank
- d. None of these

Ans - b

To open an Executor Account the Bank should insist on

- a. Probate
- b. Certificate of Registration
- c. Will of the deceased
- d. None of the above

Ans - a

As per-section 201, of the Contract Act an agency can be terminated by (i) The principal revoking his authority, (ii) The agent renouncing the business of the agency, (iii) The completion of agency business

- a. Only (i) and (ii)
-

- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Section 4, of the Sale of Goods Act 1930, deals with (i) Sale, (ii) Agreement to sell

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - c

.....

Mr.Raj, one of your customer had deposited an outstation cheque for collection. Before receiving the proceeds, he expires. Now, on realisation the amount should be credited to

- a. The account of Late.Mr. Raj
- b. Suspense account pending court's order
- c. The account of the legal heirs / nominee
- d. Sundry creditors account

Ans - a

.....

According to the rule in clayton's case the moneys paid in by a customer in his current account are to be applied towards adjustment of overdraft

- a. at the option of the banker
- b. as agreed to between the banker and the customer mutually
- c. in the order of time in which the debts were incurred
- d. as directed by the customer

Ans - c

.....

RBI promotes commercial banking by (i) Providing cheap rediscounting facilities to banks, (ii) Providing liberalized rediscounting facilities to banks, (iii) Giving subsidies to new bank

- a. Only (i) and (ii)
 - b. Only (i) and (iii)
-

- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Issuance of DRs is based on the increase of demand in the

- a. Local market
- b. International market
- c. Existing shareholders
- d. All of the above

Ans - b

ADRs that do not qualify or are not intended to be listed on stock exchanges are referred to as

- a. Level 1 ADRs
- b. Level 2 ADRs
- c. Level 3 ADRs
- d. None of the above

Ans - a

The performance of which scheme does the National Housing Bank monitor?

- a. Liberalized Finance Scheme
- b. Golden Jubilee Rural Housing Finance Scheme
- c. Energy Efficient Housing Finance Scheme
- d. Finance scheme for indirect loans

Ans - b

Voting right can't be exercised in case of (i) Calls in advance, (ii) Calls in arrears

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

Revaluation account is operated to find out gain or loss at the time of (i) Admission of a partner, (ii) Retirement of a partner, (iii) Death of a partner

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Appointment Committee of Central Chief Information Commissioner (CIC) includes (i) Prime Minister, (ii) Leader of the Opposition in the Lok Sabha, (iii) One Union Cabinet Minister to be nominated by the Prime Minister

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Which of the following has been included in the eligible investments for the purpose of SLR?

- a. Cash Management Bills
- b. inter Bank Participation Certificates
- c. Investment in securitized assets
- d. Only b and c

Ans - a

The basic objective of prudential norms for exposure are (i) higher profitability, (ii) better risk management, (iii) avoidance of credit risk

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

What is Integrated Goods and Services Tax?

- a. Tax imposed on imported goods and services
- b. Tax imposed on value additions to exports
- c. Tax imposed on interstate trade
- d. Tax on international trade

Ans - c

As per section 2(1)(m) of Consumer Protection Act 1986, "person" includes (i) a firm whether registered or not, (ii) a Hindu undivided family, (iii) a co-operative society

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

As per section 4, of The Limitation Act of 1908 where the period of limitation prescribed for any suit, appeal or application expires on a day when the Court is closed

- a. The suit appeal or application can not be filed later
- b. The suit, appeal or application may be instituted preferred on the day when Court re-opens
- c. Both a and b
- d. none of the above

Ans - b

Which among the following is/are correct? (i) Banking Ombudsman is a senior official appointed by RBI, (ii) The Offices of Banking Ombudsman is mostly situated at State Capitals, (iii) All Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks are covered under the Banking Ombudsman Scheme

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Which one of the following is the rate at which the RBI lends money to commercial banks in the event of any shortfall of funds?

- a. Benchmark Prime Lending Rate
- b. Annual Percentage Rate
- c. Bank Rate
- d. Repo Rate

Ans - d

When is it necessary for a bank to form consortium for lending a borrower though RBI has waived requirement for the same? (i) when credit facilities are more than 15% of capital fund of the financing bank in case of single borrowers, (ii) When financing an infrastructure project, (iii) When credit facilities are more than 40% of capital fund of the financing bank in case of group

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

When a borrower has availed credit facilities from more than one bank, banks should exchange information about the conduct of the borrowers' accounts with other banks at least at intervals.

- a. monthly
- b. quarterly
- c. half yearly
- d. yearly

Ans - b

Open market operations, one of the measures taken by RBI in order to control credit expansion in the economy, means

- a. Sale or purchase of Government securities
- b. Issuance of different types of bonds
- c. Auction of gold
- d. To make available direct finance to borrowers

Ans - a

Under Section 9 of the Consumer Protection Act, which of the following Consumer Disputes Redressal Agencies were constituted for the purposes of this Act? (i) a Consumer Disputes Redressal Forum in each district of the State, (ii) a Consumer Disputes Redressal Commission in the State, (iii) a National Consumer Disputes Redressal Commission

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Service tax is a charge on

- a. Taxable service provided
- b. Taxable service to be provided
- c. Taxable service provided or to be provided
- d. Any service provided or to be provided

Ans - c

Which of the statements given above is/are correct? (i) Small Industry Development Bank of India (SIDBI) was set-up as a whole owned subsidiary of the RBI, (ii) SIDBI has taken over the responsibility of administering Small Industry Development Fund managed by the IDBI.

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Neither (i) nor (ii)

Ans - b

Which among the following is incorrect?

- a. RBI is the Bank of Issue
- b. RBI acts as Banker to the Government
- c. RBI is Banker's Bank
- d. RBI does not regulate the flow of credit

Ans - d

Which of the following is/are associated with the risk involved in ADRs? (i) Political risk, (ii) Exchange rate risk, (iii) Inflationary risk

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

As per section 2(1)(b) of Consumer Protection Act 1986, "complainant" means (i) a consumer, (ii) any consumer association registered under the Companies Act, 1956, (iii) the Central Government or any State Government,

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The declarations or copies of documents are to be submitted to (i) a registering officer, (ii) any manager or officer of banking company, (iii) stock brokers/sub-broker/share transfer agent

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Income which accrue or arise outside India and also received outside India taxable in case of

- a. resident only
- b. not ordinarily resident
- c. both ordinarily resident and NOR
- d. none of the above

Ans - a

The right of lien is available to the banker only when the goods/securities have been given to him as

- a. trustee
- b. bailee
- c. beneficiary
- d. agent

Ans - b

.....

A Garnishee Order received in the name of Mr.A will extend to

- a. The account in the name of Mr. A & Mr. B
- b. In the name of a firm where Mr.A. is sole proprietor
- c. To the trust account where Mr.A is the trustee
- d. To a partnership account where Mr.A. is a partner

Ans - b

.....

Where neither the customer nor the banker makes an appropriation of the amount paid in as against any specific debt, the payment shall be applied in discharge of debts

- a. Which was created immediately preceding the payment
- b. In order of time
- c. In equal proportion
- d. The matter to be referred to head office and then decided as per the discretion of the board

Ans - b

.....

Which of the following statement is correct?

- a. A servant or an agent who agrees to receive, in addition to or in place of his regular remuneration, a portion of profits of business, is considered to be a partner
- b. A widow or child of a deceased partner who receives a portion of profits as annuity, is considered to be a partner
- c. A seller of goodwill who is given a share in the profits of a business he has sold, is considered to be a partner
- d. A joint-owner of property who receives a share of profit arising from the property, is not considered to be a partner

Ans - d

.....

Name the organization responsible for the formulation of policies and regulations relating to physical movement of goods into India.

- a. DGFT
- b. RBI
- c. FEDAI
- d. EXIM bank

Ans - a

.....

The transactions of the Bank undertaken to sell the surplus and buy the required foreign currencies in order to keep its position 'square' are known as

- a. cover operations
- b. merchant transactions
- c. exchange transactions
- d. forward transactions

Ans - a

.....

A foreigner whose parents or grandparents were a citizen of India is (i) Non-Resident Indian (NRI), (ii) Person of Indian Origin (PIO)

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - b

.....

Which rate is quoted by the banks for buying and selling foreign currency amongst each other?

- a. Mercury Fx Rate
- b. Inter-bank rate
- c. Special Rate
- d. Card Rate

Ans - b

.....

The rate of CRR is fixed from time to time by

- a. RBI
- b. IBA
- c. Ministry of Finance
- d. RBI in consultation with Ministry of Finance

Ans - a

.....

The residential status of a person is determined in Income Tax Act on the basis of

- a. the no. of days, the assessee was present in India during the previous year
- b. the no. of days, the assessee was away from India during the previous year
- c. the no. of days, the assessee was present in India during the financial year
- d. the no. of days, the assessee was present in India during the previous financial year

Ans - a

.....

If the acknowledgement of debt by the borrower is for part amount only.....

- a. the limitation is extended for the entire loan
- b. the limitation is extended for that portion of the loan
- c. the limitation is not extended for the loan
- d. such method of extension of limitation is unlawful

Ans - a

.....

The acknowledgement or the part payment, for the purpose of extension of limitation.....

- a. can be any time
- b. can be any time before expiry of limitation
- c. can be any time after expiry of limitation
- d. can be before or after expiry of limitation

Ans - b

.....

The category not ordinarily residents is not relevant for which of the following types of assessee as per Income Tax Act.....

- a. individuals
-

- b. Hindu Undivided family
- c. company
- d. none of the above

Ans - c

.....

Under Income Tax Act 1961, the income is taxed under different heads of income. Which of the following is not one such head?

- a. capital gains
- b. income from house property
- c. income from salary
- d. none of the above

Ans - d

.....

If there is contravention of provisions of Consumer Protection Act with any other Act (which one is correct).....

- a. the provisions relating to other Act will not over-ride the provisions of Consumer Protection Act
- b. the provisions of Consumer Protection Act shall over-ride the provisions of other Act.
- c. the provisions of Consumer Protection Act are additional means of obtaining remedy by a consumer and if the remedy is barred in any Act, the consumer forum shall not grant such remedy.
- d. none of the above

Ans - c

.....

A bank refuses acceptance of small denomination notes from a customer.....

- a. the complaint can be entertained by Ombudsman on this issue
- b. the complaint cannot be accepted, as this relates to extra work load
- c. the complaint can be entertained, if the customer proves that he was ready to pay extra charges for small denomination notes
- d. this is excluded from grounds of complaint. Hence complaint cannot be made

Ans - a

.....

The bank discounted a usance bill of exchange. The limitation in this case is and begins from

- a. 3 years, when there was dishonour
-

- b. 3 years, from date of discount
- c. 2 years, from due date
- d. 3 years, from due date of the bill

Ans - d

.....

The District consumer protection council holds meetings, the periodicity of which is.....

- a. once in a year
- b. twice in a year
- c. once in every quarter
- d. once in every month

Ans - b

.....

The limitation period for making complaint under the scheme is and it begins from

- a. one year, from date of receipt of reply from the bank where customer is not satisfied or from expiry of one month, after making the complaint to the bank, which bank has not replied.
- b. two years, from date of receipt of reply from the bank where customer is not satisfied or from expiry of one month, after making the complaint to the bank, which bank has not replied.
- c. 3 years, from date of receipt of reply from the bank where customer is not satisfied or from expiry of one month, after making the complaint to the bank, which bank has not replied.
- d. one year, from date of receipt of reply from the bank where customer is not satisfied or from expiry of one month, after making the complaint to the bank, which bank has not replied, whichever is earlier.

Ans - d

.....

The difference between partners on the matters relating to the business of the partnership firm can be decided by.....

- a. majority of the partners if it is an ordinary matter and all the partners if it relates to change in business of the firm
- b. all the partners for all matters.
- c. majority of the partners for all matters
- d. all the above are correct

Ans - a

.....

Which of the following can be appointed as Ombudsman and for how much time?

- a. General Manager of RBI only for 5 years at a time.
- b. General Manager or Chief General Manager of RBI for 3 years at a time.
- c. Chief General Manager of RBI only for 3 years at a time.
- d. Any other suitable person as per criteria fixed by RBI, for 3 years at a time.

Ans - b

.....

If loan is not repaid and the bank sells the goods and a part of the loan is still outstanding, what option do the bank have, to recover the amount.....

- a. bank can recover the loan from other assets of the borrower
- b. bank can recover the loan from the borrower personally
- c. bank cannot recover the loan from the borrower personally
- d. bank has to write off the loan

Ans - b

.....

Which of the following, saves the outsiders, by ensuring that his contract is not inconsistent with the Memorandum of Association and Articles of Association?

- a. doctrine of ultra-vires
- b. doctrine of constructive notice
- c. doctrine of indoor management
- d. doctrine of outdoor management

Ans - c

.....

Under Sale of Goods Act, if the stipulation agreed to between the parties is essential to the main purpose of the contract, such stipulation is called.....

- a. condition
- b. warranty
- c. guarantee
- d. implied condition

Ans - a

.....

Possession is with the mortgagee in (i) Conditional Mortgage, (ii) Simple Mortgage, (iii) English Mortgage

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

Income which accrue outside India from a business controlled from India is taxable in case of

- a. Resident only
- b. Not ordinarily resident only
- c. Both ordinarily resident and NOR
- d. Non-resident

Ans - c

Fiscal policy refers to

- a. Sale and purchase of securities by RBI
- b. Government taxes, expenditure and borrowings
- c. Government borrowings from abroad
- d. Sharing of its revenue by Central Government with States

Ans - b

Civil disputes upto Rs..... can be settled under Lok Adalats

- a. 5 lakhs
- b. 10 Lakhs
- c. 15 Lakhs
- d. 20 Lakhs

Ans - d

The crossing in a crossed cheque can be cancelled by

- a. drawer
-

- b. endorser
- c. acceptor
- d. drawee

Ans - a

When one person signifies to another his willingness to do or to abstain from doing any thing with a view to obtaining the assent of that other person to such act or abstinence he is said to make a (i) Proposal, (ii) Promise

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - a

In contract of guarantee the person at whose place guarantee given is called (i) Surety holder, (ii) Principal debtor

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

Which of the following is correct about consortium financing by banks?

- a. Minimum number of consortium members should be 2 and maximum number should be 4
- b. Every bank will have same asset classification
- c. Minimum share of a bank in the consortium should be 10%
- d. The banks will have a pari passu charge on the securities charged to them.

Ans - d

The Articles of Association of a Company doesn't (i) Contain the authorised capital, (ii) Contain the rules and regulations of the Co, powers of the directors, etc, (iii) Define the objectives of its existence

- a. Only (i) and (ii)
-

- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

Which of the following statement about a minor partner is incorrect?

- a. A minor can be admitted only to the benefits of an existing firm
- b. A minor cannot be admitted to the benefits of a new firm taking minor as partner
- c. A minor cannot be a full-fledged partner in a firm
- d. A minor can be a full-fledged partner in a firm

Ans - d

.....

A stipulation in contract of sale with reference to goods which are the subject there of may be (i) A condition, (ii) A warranty

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

When a customer owing two or more debts to the banker pays in money which is not sufficient to discharge all the debts without any specific direction for its appropriation

- a. The banker has a right to use the payment as per his discretion to wipe out any debt which is due including a time barred debt
- b. The banker may appropriate the payment as per his choice against debts which are not time barred
- c. The amount will be appropriated in order of time the debts were incurred
- d. The banker has to get the consent of the borrower before appropriation

Ans - a

.....

Income deemed to accrue or arise in India is taxable in case of (i) Resident only, (ii) Both ordinarily resident and NOR, (iii) Non-resident

- a. Only (i) and (ii)
-

- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

TDS certificate is to be issued in cases other than salary within on form No

- a. Within one month from deduction on form No.16 A
- b. Within one week from deduction on Form No.16
- c. Within one month from close of the quarter on Form no. 16A
- d. Within one month from deduction on Form No.16 or 16 AA

Ans - c

.....

Gross amount charged for the taxable services includes

- a. only that amount received towards the taxable service which is received before the provision of such services
- b. Only that amount received towards the taxable service which is received after the provision of such services
- c. Any amount received towards the taxable services whether received before, during or after provision of such services
- d. none of the above

Ans - c

.....

Which of the following are the objects of the Consumer Protection Councils? (i) the right to be protected against the marketing of goods and services which are hazardous to life and property, (ii) the right to be informed about the quality, quantity, potency, purity, standard and price of goods or services so as to protect the consumer against unfair trade practices, (iii) the right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

At the time of granting fresh facilities, which type of declarations is to be obtained from the borrowers?

- a. that they are not availing credit facilities from other bank
- b. that they are not availing working capital facilities from other bank
- c. details about the credit facilities already enjoyed by them from other banks
- d. None of these

Ans - c

Which among the following is called the rate of interest charged by RBI for lending money to various commercial banks by rediscounting of the bills in India?

- a. Bank Rate
- b. Discount Window
- c. Monetary Policy
- d. Overnight Rate

Ans - a

What are the features of asset Reconstruction?

- a. The Right or interest of any Bank is acquired for the purpose of realization of such assets.
- b. Non-performing assets alone can be acquired for asset re-construction.
- c. The assets can be acquired by the Asset Reconstruction Company by issuing Debentures and Bonds or entering into an arrangement with the Bank.
- d. All the above.

Ans - d

Which of the following are the requirements for finding a notice?

- a. It must be in writing giving a borrower time of 60 days to discharge the liability.
- b. It must specify that secured creditor has right to exercise any action over the assets.
- c. It must give details of amount payable by the borrower and the secured assets intended to the enforced.
- d. All the above.

Ans - d

Where a Garnishee Order and Income Tax Attachment Order are received by the bank simultaneously, the bank must first comply with the

- a. Garnishee Order
- b. Income Tax Attachment order
- c. The available balance should be allocated on 50:50 basis
- d. Any one according to the discretion of the Branch Head

Ans - b

While inquiring into a complaint, Information Commissions do not have the power to (i) summon and enforce attendance of persons, (ii) compel them to give evidence on oath and produce documents or things, (iii) Require discovery and inspection of documents."

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

As per the transfer of Property Act,1882, a person is an ostensible owner of an immovable property where he becomes interested therein by (i) Express consent, (ii) Implied consent

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - c

As per Section 2(h) "public authority" means any authority or body or institution of self-government established or constituted (i) by notification issued or order made by the appropriate Government, (ii) by any other law made by Parliament, (iii) by any other law made by State Legislature

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The penal interest chargeable on a banking company under Section 24 (4) of the BR Act for not maintaining liquid assets as specified under Section Bank 24(2A)(a) of the Act

- a. may be waived by the Reserve Bank if its is satisfied that the bank had sufficient cause for the failure
- b. has to be charged in all cases and the Reserve Bank has no option to waive penal interest.
- c. can be reduced by the Reserve Bank
- d. None of the above

Ans - a

.....

A banking company has to prepare profit and loss accounts and balance sheet as at the or at the expiration of 12 months ending with such date as notified by the Central Government.

- a. end of calender year
- b. end of March
- c. end of June
- d. None of the above

Ans - a

.....

Which of the following are quantitative control methods? (i) Bank rate & CRR, (ii) Statutory Liquididty ratio, (iii) Open market operations

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A Fixed Deposit is opened in the name of Mr.A & Mr.B. payable to 'Either or Survivor'. Mr.A. dies. Mr.B requests for the premature closure of the deposit. In this case

- a. You can make premature closure as per the request of Mr. B
- b. You will make premature closure after obtaining the consent of all the legal heirs of Mr. A
- c. You will make the premature closure if Mr.B is the only legal heir of Mr. A
- d. You will not make premature closure as the mandate 'E or S' is applicable only in case of maturity

Ans - d

.....

Which of the following statement is wrong with reference to the Income Tax Attachment Order?

- a. Right of Set-off is available to the banker before applying attachment order
- b. In case of default to comply with the order, the bank is liable just like the assessee in default
- c. Amount received subsequent to the receipt of the order is also attached
- d. None of the above

Ans - d

The right to alienate the mortgaged property without intervention of the court is available to the mortgagee in the case (i) Where the mortgagee is government, (ii) Where there is English mortgage, (iii) Where there is mortgage by conditional sale

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

The officer designated by the public authorities in all administrative units or offices under it to provide information to the citizens requesting for information under the Act is known as

- a. Appellate Authority
- b. Chief Information Commissioner (CIC)
- c. Public Information Officer (PIO)
- d. Assistant Public Information Officer

Ans - c

Which of the following are qualitative control methods? (i) Margins, (ii) Maximum limit of credit for specific purpose , (iii) Differential rate on certain types of advancement

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Level 1 is the most basic type of ADR where the foreign company

- a. Wishes its ADR to be listed on the U.S. exchanges alone
- b. Does not wish its ADR to be listed on an exchange
- c. Does not wish its ADR to be listed on an U.S. exchange
- d. Wishes its ADR to be listed on any exchange around the world

Ans - b

.....

Who of the following will be the members of the GST Council? (i) Union Finance Minister, (ii) Union Minister of State in charge of Revenue or Finance, (iii) Chief Ministers of States

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Quoting of PAN is mandatory in respect of following transactions (i) sale or purchase of any immovable property valued at Rs.5 lac or more, (ii) a time deposit exceeding Rs.50000 with a banking company, (iii) A deposit exceeding Rs.50000 in any account with a post office saving bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

In respect of shares held as investment, while computing the capital gains, securities transaction tax paid in respect of sale of listed shares sold in a recognized stock exchange

- a. Is deductible up to Rs.1,00,000
- b. Is deductible up to Rs.2,00,000
- c. Is deductible if C.G.'s is < 5,00,000
- d. Is not deductible at all

Ans - d

.....

Which of the following is/are advantages of ADRs? (i) Cost-effectiveness, (ii) Diversification of investment, (iii) Reduction in administration cost

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The shares of a company can be freely transferable

- a. Private ltd
- b. Public ltd
- c. Partnership
- d. all of the above

Ans - b

What is the stamp duty to be paid in respect of any document executed by any bank or financial institution for issuing a debenture or bond?

- a. One rupee for every Rs. 100 or part thereof
- b. One rupee for every Rs. 1000 or part thereof
- c. It shall be exempted from stamp duty
- d. It depends from State to State

Ans - c

Drawer A addressed a bill to B for P 20,000 payable to C or order 20 days after acceptance. B made a conditional acceptance in this case:

- a. the bill becomes non-negotiable
- b. it is still negotiable notwithstanding the conditional acceptance
- c. the holder cannot refuse to take a conditional acceptance
- d. B is considered a constructive acceptor

Ans - b

As per section 2 sub-section 8, of the Sales of Goods Act, insolvent means a person

- a. Who has ceased to pay his debts in the ordinary course of business
- b. Or can not pay his debts as they become due
- c. Both a and b
- d. None of above

Ans - c

Before which for a can an asset reconstruction company file an application for enforcement of its security interest?

- a. Debt Recovery Tribunal
- b. High Court
- c. District Court
- d. National Company Law Tribunal

Ans - a

Which of the following is not covered under SARFFAESI Act?

- a. Hypothecated goods
- b. Mortgaged property
- c. Where balance is less than 20% of the advance
- d. Taking over the management of the business of the borrower

Ans - c

Under Hypothecation charge

- a. The ownership and possession of goods are with Bank
- b. The ownership is with borrower but possession is with Bank
- c. The ownership and possession are with borrower
- d. The ownership is with Bank but possession with borrower

Ans - c

In pledge contract bailee is called

- a. Pawnor
-

- b. Pawnee
- c. Pledger
- d. None of above

Ans - b

.....

Which of the following is correct regarding loan to directors of other banks or relatives of directors of own bank or directors of other banks? (i) In all cases, loan can be sanctioned by appropriate authority but it should be reported to Board of Directors of sanctioning Bank, (ii) Loan of Rs 25 lakh and above can be granted only after obtaining sanction of the Board of Directors of lending bank, (iii) Loan of less than Rs 25 lakh can be sanctioned by appropriate authority but it should be reported to Board of Directors of sanctioning Bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

A credit balance on a partner's current A/c is

- a. Fixed capital
- b. Part of capital
- c. A current asset
- d. Long – term liability

Ans - b

.....

All the agreements are contracts if they are made by free consent of the parties competent to contract for a consideration and object

- a. Any
- b. Lawful
- c. Unlawful
- d. None of above

Ans - b

.....

.....
M is the maker of a note for P 30,000 payable to C or bearer. C negotiated the note to D, D to E, E to F and F to M. Which is correct?

- a. the note is discharged
- b. the noted is not discharged since there is no payment
- c. M cannot re-issued the note
- d. The indorsers are not discharged

Ans - a

.....

As per the provisions of NI Act, 1881 a banker gets protection for payment of a cheque only if it is a

- a. Holder in due course
- b. Payment in due course
- c. Holder for value
- d. All of the above

Ans - b

.....

Which of the following statements regarding security enforcement is not true?

- a. Any security interest can be enforced by secured creditor without intervention of the Court or Tribunal except the provisions contained in Section 69 or 69A of Transfer of Property Act
- b. If funds are raised through debt securities, then action can be initiated even if secured debt was not classified as NPA
- c. No action can be taken if the debt is time barred or it involves agricultural land
- d. No action can be taken when amount of due is more than Rs. 5 lakhs or when amount due is less than 40% of the principal amount and interest thereon

Ans - d

.....

Open market operations, one of the measures taken by RBI in order to control credit expansion in the economy, means

- a. Sale or purchase of Government securities
- b. Issuance of different types of bonds
- c. Auction of gold
- d. To make available direct finance to borrowers

Ans - a

.....

Which of the following is correct regarding RBI guidelines on various types of loans? (i) Banks will not grant loan against partly paid shares, (ii) Banks will not grant loan to partnership/proprietorship concerns against the primary security of shares and debentures, (iii) Banks cannot grant loans against CDs or buy-back their own CDs before maturity except in respect of CDs held by mutual funds

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Mr. Ashish Jana mortgaged his residential building to a bank for housing loan. As he defaulted in payment of Income tax, the Income Tax authorities took possession and sold the building for recovering the tax dues. How the bank is affected in this case?

- a. Bank loan has no precedence over Income dues as the IT authority was not informed by the bank
- b. Income tax claim has precedence over bank loans by virtue of IT Act according to which IT authority is collecting revenue of the government
- c. Both will share the recovered amount on prorata basis
- d. Bank loan has precedence over Income tax dues as the Bank is the secured creditor

Ans - d

In case of Equitable mortgage, which are correct? (i) The delivery of title deed must be made in writing, (ii) The delivery of title deed must be made in a notified place, (iii) The title deed after delivery must continue to be kept in the notified place

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

At the time of receipt of a garnishee order your customer's accounts showed: (i) SB a/c uncleared balance Rs.2000.35 (Cleared balance Rs 550.35) (ii) An overdue fixed deposit for Rs.25753.22 matured one week earlier (iii) OD account showed a credit balance of Rs.8728.96 (iv) CC account showed a credit balance of Rs,2247.18. Indicate the amount which can be attached by the garnishee order?

- a. Rs. 28550.75

- b. Rs.10228.96
- c. Rs. 37279.71
- d. Rs 4247.53

Ans - c

.....

In the absence of the President of the State Commission, who will act as Chairman of the Selection Committee constituted for appointing chairman and members of the District Forum (CDRF)?

- a. Minister in charge of the Department dealing with consumer affairs in the State
- b. The Chief Justice of the High Court
- c. A sitting Judge of that High Court nominated by the Chief Justice of the High Court
- d. Secretary in charge of the Department dealing with consumer affairs in the State

Ans - c

.....

Commercial mortgages, farm mortgages and home mortgages are categories of

- a. swapped mortgages
- b. sovereign mortgages
- c. secondary mortgages
- d. primary mortgagees

Ans - d

.....

Loan Delivery System is not applicable in respect of which of the following type of business activities? (i) which are cyclical, (ii) which are seasonal, (iii) which have inherent volatility

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Who is the Chairman of the selection committee constituted for appointing chairman and members of the District Forum (CDRF)?

- a. President of the State Commission
 - b. Chief Justice of the High Court
-

- c. Secretary in charge of the Department dealing with consumer affairs in the State
- d. Minister in charge of the Department dealing with consumer affairs in the State

Ans - a

.....

Physical possession of mortgaged property can be taken without court intervention as per

- a. transfer of property act
- b. SARFAESI Act
- c. DRT Act
- d. contract Act

Ans - b

.....

Primary mortgages involves

- a. three institutions
- b. single investor
- c. multiple investor
- d. multiple institutions

Ans - b

.....

The Consumer protection act 1986 extends to

- a. The whole India
- b. The whole India except Jammu and Kashmir
- c. The whole India except Nagaland tribal area
- d. Both b & c

Ans - b

.....

Banking Ombudsman charge fee for filing and resolving customer's complaints.

- a. Rs. 10,000
- b. Rs. 5,000
- c. No Fees charge
- d. None of The Above

Ans - c

.....

Which Section of the Consumer Protection Act 1986 define "spurious goods and services" as such goods and services which are claimed to be genuine but they are actually not so

- a. Section 2(1) (oo)
- b. Section 2(2) (p)
- c. Section 2(1) (ao)
- d. Section 2(1) (po)

Ans - a

Obligation of a Banker to maintain secrecy is applicable to

- a. Only in case of existing deposit accounts
- b. Only in respect existing loan accounts
- c. Only in case of closed accounts
- d. All types of deposit/loan accounts (existing/closed)

Ans - d

Which of the following is not covered under SARFFAESI Act?

- a. Hypothecated goods
- b. Mortgaged property
- c. Where balance is less than 20% of the advance
- d. Taking over the management of the business of the borrower

Ans - c

As per the Companies Act, 2013, a charge of hypothecation created by a company on its assets has to be registered with ROC within 30 days of the creation of the charge and the ROC is also empowered to allow a further period of 270 days for filling this charge by imposing such additional fee not exceeding 10 times the fee specified in schedule. What are the relevant sections of the Companies Act, 1956?

- a. 77 & 87
- b. 78 & 88
- c. 79 & 97
- d. 80 & 90

Ans - a

The Charge on the book debts can be created by way of

- a. pledge
- b. negative lien
- c. assignment
- d. hypothecation

Ans - c

Fiscal policy refers to

- a. Sale and purchase of securities by RBI
- b. Government taxes, expenditure and borrowings
- c. Government borrowings from abroad
- d. Sharing of its revenue by Central Government with States

Ans - b

RBI promotes commercial banking by (i) Providing cheap rediscounting facilities to banks, (ii) Providing liberalized rediscounting facilities to banks, (iii) Giving subsidies to new bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Which one of the following development Financial Institutions in India has started the special refinance scheme for the resettlement and rehabilitation of Voluntary Retired workers of the National Textile Corporation (NIC)?

- a. IDBI
- b. SIDBI
- c. ICICI
- d. None of these

Ans - b

Cash Reserve Ratio is to be maintained by banks with reference to which of the following?

- a. Time liabilities
- b. Demand liabilities
- c. Gross time & demand liabilities
- d. Net demand and time liabilities

Ans - d

Consider the following statements

1. Small Industry Development Bank of India (SIDBI) was set-up as a whole owned subsidiary of the RBI.
2. SIDBI has taken over the responsibility of administering Small Industry Development Fund managed by the IDBI.

Which of the statements given above is/are correct?

- a. Only 1
- b. Only 2
- c. Both 1 and 2
- d. Neither 1 nor 2

Ans - b

Promise which forms the consideration or part of the consideration for each other is called

- a. Simple promise
- b. Conditional promise
- c. Reciprocal promise
- d. None of above

Ans - c

The agreement among partners which set out the terms on which they had agreed to form a partnership is called

- a. Partnership deed
- b. Partnership at – will
- c. None of these
- d. Arbitration clause

Ans - a

Old profit sharing ratio minus new profit sharing ratio is equal to

- a. Sacrificing ratio
- b. Ratio of gain
- c. Capital ratio
- d. None

Ans - a

The company will be considered as separate person and different from its members from the date (when the)

- a. start of business
- b. Apply for registration
- c. receive incorporation certificate
- d. mentioned in certificate

Ans - d

In contract of guarantee the person at whose place guarantee given is called (i) Surety holder, (ii) Principal debtor, (iii) Both (a) and (b)

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

Loans to farmers upto RS lakhs given against pledge/hypothecation of agriculture produce[including warehouse receipt for a period not exceeding months to individual farmers will be treated as Farm credit advance

- a. 25 and 24
- b. 20 and 12
- c. 25 and 12
- d. 50 and 12

Ans - d

For which of the following assets the charge hypothecation is not created

- a. land
- b. machine
- c. stock
- d. vehicle

Ans - a

Which type of charge is created in case of Immovable property?

- a. Pledge
- b. Hypothecation
- c. Bailment
- d. Mortgage

Ans - d

What charge will you create for loan against life insurance policy?

- a. pledge
- b. hypothecation
- c. mortgage
- d. assignment

Ans - d

A is drawing Rs. 500 regularly on the 16th of every month, he will have to pay interest in a year on Rs. 6000 for the total period of @ given rate of interest):

- a. 5 months
- b. 6 months
- c. 7 months
- d. 12 months

Ans - b

How many schedules are there in IT Act 2000?

- a. 3
-

- b. 4
- c. 6
- d. 2

Ans - b

.....

Salary paid to partner should be

- a. Debited to his current A/c
- b. Credited to his current A/c
- c. Credited to profit & loss appropriation A/c
- d. None of above

Ans - d

.....

A person to whom money has been paid or any thing delivered by mistake or under coercion

- a. He is bound to return it
- b. It is his discretion if he return
- c. Both a and b
- d. None of above

Ans - a

.....

A company's registered office is in Chennai, and its factory is at Bangalore. The company availed a bank loan in Mumbai. Equitable mortgage of company's immovable property is to be created at

- a. Chennai
- b. New Delhi
- c. Mumbai
- d. Any notified centre

Ans - d

.....

Which among the following is called the rate of interest charged by RBI for lending money to various commercial banks by rediscounting of the bills in India?

- a. Bank Rate
 - b. Discount Window
 - c. Monetary Policy
-

d. Overnight Rate

Ans - a

.....

The term "Bailment" means

- a. A delivery of a thing entrusted for some special purpose or object upon a contract
- b. Delivery of goods free of cost
- c. Delivery of goods without cost for welfare of public
- d. None of above

Ans - a

.....

If the proposed nominal capital is more than 25 lakh at the time of incorporation then the company needs to submit along with the application

- a. statement of capital
- b. certificate of incorporation
- c. certificate of capital
- d. certificate of incorporation

Ans - c

.....

In the Gold Loan, what is the charge that bank creates on the ornaments taken as security

- a. assignment
- b. lien
- c. pledge
- d. hypothecation

Ans - c

.....

If transfer made from insolvency, forfeiture or sale in execution of a decree, what it is called as?

- a. Transfer by will
- b. Transfer by operation of law
- c. Transfer by act of parties
- d. None of above

Ans - b

.....

Which one of the following is the rate at which the RBI lends money to commercial banks in the event of any shortfall of funds?

- a. Benchmark Prime Lending Rate
- b. Annual Percentage Rate
- c. Bank Rate
- d. Repo Rate

Ans - d

A continuing guarantee may at any time be revoked by the surety as to future transaction by giving notice to

- a. The creditor
- b. Principal debtor
- c. Without giving any notice to any person
- d. None of above

Ans - a

A makes a contract with B to buy B's horse if A survives C. This contract cannot be enforced by law

- a. Unless and until C dies in A's life time
- b. Unless and until A dies in C's life time
- c. Both A and C dies
- d. None of above

Ans - a

In the transfer of property with condition, the condition is void and transfer is valid (i) Where transfer is made with void condition, (ii) Where transfer is made with the condition restraining absolutely future transfer of such property, (iii) Where transfer is made absolute with the condition restraining enjoyment of such property

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

Interest rate on which of the following have been deregulated by RBI and decided by RBI? (i) DRI, (ii) Ceiling rate on export credit, (iii) Ceiling rate on educational loans

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

Loan which is made available for businesses or individuals to buy land, home or other property is classified as

- a. secondary loan
- b. primary loan
- c. mortgages
- d. swapped mortgages

Ans - c

A taxi is financed by bank and it is hypothecated to bank. The taxi met with an accident and the passengers were injured. Compensation can be

- a. claimed from the bank
- b. can not be claimed from bank
- c. claimed equally from Bank & Owner
- d. Bank should pay the compensation and recover from the owner

Ans - b

In case the secured creditor expects resistance, who can he request to take possession of the assets or documents

- a. Chief Metropolitan Magistrate or the District Magistrate within whose jurisdiction the asset is located
- b. Principal Junior Civil Judge within whose jurisdiction the asset is located
- c. Assistant Civil Judge or Additional Civil Judge within whose jurisdiction the asset is located
- d. Chief Judicial Magistrate within whose jurisdiction the asset is located

Ans - a

If there are more than one borrower, how should the demand notice be served?

-
- a. Demand notice must be served only on those borrowers whose borrowing is more than 40% of the debt
 - b. Demand notice must be served on any one of the borrowers
 - c. Demand notice must be served on the person whose name appears first in the list
 - d. Demand notice must be served on all borrowers

Ans - d

.....

As per Consumer Protection Act 1986, 'unfair trade practice' includes

- (i) falsely represents that the goods/services are of a particular standard, quality or grade
- (ii) falsely represents any re-built, second-hand, reno-vated, reconditioned or old goods as new goods
- (iii) represents that the goods or services have sponsor-ship, approval, performance, characteristics, accessories, uses or benefits which such goods or services do not have

- a. (i) & (ii)
- b. (i) & (iii)
- c. (ii) & (iii)
- d. (i), (ii) & (iii)

Ans - d

.....

According to which guidelines did the Government pick up the entire SBI shares held by the RBI?

- a. National Stock Exchange of India
- b. Securities Commission
- c. Financial Regulations
- d. Securities and Exchange Board of India (SEBI)

Ans - d

.....

A partners has to pay interest on drawings what is the entry in the personal A/c of the partner?

- a. Credit partners capital A/c
- b. Credit partners current A/c
- c. Debit the partners current A/c
- d. Debit partners current A/c

Ans - d

.....

A right to sue accure to X during his minority, X dies before attaining the majority and is succeeded by Y, his minor son. Time runs against Y from the date of

- a. X death
- b. His attaining majority
- c. Both a and b
- d. None of above

Ans - b

.....

While exercising the right of Set off, the banker is advised to issue reasonable notice

- a. to avoid wrongful return of cheque
- b. to fulfill statutory requirements
- c. to recover all the dues from the customer
- d. to threaten the customer

Ans - a

.....

The obligations of public authorities under RTI Act 2005 includes? (i) It shall publish the powers and duties of its officers and employees, (ii) It shall publish the procedure followed in its decision making process, including channels of supervision and accountability, (iii) It shall publish the rules, regulations, instructions, manuals and records used by its employees for discharging its functions

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

The term "Fraud" means (i) Active concealment of fact with knowledge and belief of the fact, (ii) Doing any act fitted to deceive

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

The credit control methods adopted by RBI includes (i) Quantitative control, (ii) Qualitative control, (iii) Fixed control

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

An agreement not enforceable by law is called

- a. Void agreement
- b. Valid agreement
- c. Voidable agreement
- d. None of above

Ans - a

Which is the Act which provides legal framework for e-Governance in India?

- a. IT (amendment) Act 2008
- b. Indian Penal Code
- c. IT Act 2000
- d. None of the above

Ans - c

What is the minimum and maximum CRR that can be prescribed as per section 42(1) of RBI Act?

- a. 3%, 20%
- b. 3%, 15%
- c. 5%, 20%
- d. No prescription as per RBI Act

Ans - d

For creating Equitable Mortgage, title deeds are to be deposited in

- a. Any Place
-

- b. Any place identified by Central Govt
- c. Notified place
- d. Notified place by State Govt. for this purpose

Ans - d

.....

Mortgages used to purchase shopping malls and office buildings are classified as

- a. developed mortgages
- b. dwelling mortgages
- c. commercial mortgages
- d. non-commercial mortgages

Ans - c

.....

Which of the following is not an essential element of a bill of exchange?

- a. must be written and signed by the drawee
- b. must contain an unconditional promise to pay a sum certain in money
- c. must be payable to order or bearer
- d. drawee must be named therein

Ans - a

.....

What can a secured creditor do if his dues are not fully satisfied with the sale proceeds of the secured asset?

- a. He cannot take further action. He has to satisfy his claims with the amount received after selling the secure asset
- b. He can proceed against the debtor by filing an application before Debt Recovery Tribunal
- c. He can proceed against the debtor by filing an application before the High Court
- d. He cannot take further action unless the debtor agrees to the payment of the remainder amount

Ans - b

.....

"Once a mortgage, always a mortgage". This sentence is

- a. Absolutely True
 - b. Absolutely False
 - c. Partly False
-

d. Partly True

Ans - a

.....

As per section 2, sub section 7 every kind of moveable property other than actionable claim and money is called

- a. Goods
- b. Future goods
- c. Both a and b
- d. None of above

Ans - a

.....

The address of the registered office of the company must be notified to the registrar within days of registration, if it is not done at the time of incorporation

- a. 15
- b. 30
- c. 60
- d. 45

Ans - b

.....

The salary or honorarium and other allowances payable to the members of the District Forum shall be prescribed by

- a. The Governor of the State
- b. The National Commission
- c. The Central Government
- d. The State Government

Ans - d

.....

A bank customer can file a complaint against banking organization if reply is not received from the bank within a period of..... after concerned bank has received complaint representation:

- a. Two Months
 - b. One Month
 - c. Three Months
-

d. None of The Above

Ans - b

The term "Pledge" means (i) A thing which is given as security, (ii) A thing which is sold out

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - a

..... policy refers to policy measure taken by RBI to control & regulate money supply

- a. Credit
- b. Monetary
- c. Fiscal
- d. Financial

Ans - b

Which act has given control & supervision powers to RBI over commercial banks?

- a. RBI Act 1934
- b. Banking Regulation act 1949
- c. Both RBI Act 1934 & Banking Regulation act 1949
- d. Banking Regulation Act 1960

Ans - c

When two persons mutually transfer the ownership of another, neither thing or both things being money only, the transaction is called

- a. sale
- b. an exchange
- c. gift
- d. None

Ans - b

Which of the following instrument is issued by a securitization company for securitization of a financial asset, that represents undivided interest in the security, under provisions of SARFAESI Act?

- a. pass through certificate
- b. debenture certificate
- c. security receipt
- d. security sharing certification

Ans - c

A securitization transaction by a securitization company is completed in stages i.e., under SARFAESI Act

- a. two stages i.e. acquiring the assets from banks and making payment of security receipts
- b. two stages i.e. acquiring the assets from banks and then issuing security receipts
- c. three stages i.e. acquiring the assets from banks, issuing security receipts and then making payment to QIBs
- d. none of the above

Ans - b

Which of the following provides details about various types of deductions allowable from gross total income of the assessee?

- a. Section 10 of Income Tax Act
- b. Chapter IV of Income Tax Act
- c. Chapter VIA of Income Tax Act
- d. Chapter VIIA of Income Tax Act

Ans - c

For scheduled Commercial banks, Cash Reserve Ratio is prescribed by RBI as per which Act?

- a. Section 42(1) of RBI Act
- b. Section 42 of Banking Regulation Act
- c. Section 42 of RBI Act
- d. Section 24 of Banking Regulation Act

Ans - a

.....
In a contract of guarantee, the guarantor is not benefited in any manner i.e. no consideration passes on to the guarantor.....

- a. hence a contract of guarantee is not valid
- b. a contract of guarantee like contract of indemnity can be without consideration
- c. the benefit obtained by the principal debtor is the consideration for guarantor
- d. such contracts without consideration are valid as a matter of exception.

Ans - c
.....

Which of the following is an exception of doctrine of indoor management, i.e. the person dealing with the company can suffer loss?

- a. where a person dealing with a company has actual knowledge of internal irregularity
- b. where the situation is such that a person dealing with a company could have obtained information about internal irregularity
- c. where an official of the company is acting unauthorisedly and the person dealing with the company has information about this.
- d. all the above

Ans - d
.....

On which of the following items which was exempted from maintenance of CRR, RBI has advised banks to maintain CRR as per policy statement of July 27,2009?

- a. NRE balance
- b. FCNR balance
- c. CBLO balances
- d. Balance of other banks

Ans - c
.....

Any person appointed as additional Director shall hold office for a period not exceeding or such further periods not exceeding at a time as the Reserve Bank may specify

- a. 3 years, 3 years
- b. 3 years, 5 years
- c. 5 years, 3 years
- d. 5 years, 5 years

Ans - a
.....

The difference between partners on the matters relating to the business of the partnership firm can be decided by.....

- a. majority of the partners if it is an ordinary matter and all the partners if it relates to change in business of the firm
- b. all the partners for all matters.
- c. majority of the partners for all matters
- d. all the above are correct

Ans - a

There are restrictions on opening of new, and transfer of existing, places of business without obtaining the prior permissions of the Reserve Bank. The above condition would not apply to the opening for a period not exceeding of a temporary place of business within a city, town or village or the environs thereof within which the banking company already has a place of business, for the purpose of affording banking facilities to the public on the occasion of an exhibition, a conference or a mela or any other like occasion.

- a. 1 week
- b. 1 month
- c. 3 months
- d. 6 months

Ans - b

If a bank guarantee is issued by a bank in lieu of customer requirement to deposit a cash security or earnest money, it is a.....

- a. financial guarantee
- b. performance guarantee
- c. deferred payment guarantee
- d. any of the above

Ans - a

Which of the following statements are not correct? (i) customers can demand issue of duplicate demand draft without indemnity, (ii) indemnities given by customers are mere formalities and do not have any legal value, (iii) the indemnities obtained by the bank cover only the principal amount.

- a. Only (i) and (ii)
 - b. Only (i) and (iii)
-

- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

If a signature of a drawer are forged on a cheque and are similar to the signatures on record

- a. the bank cannot debit the account of the customer and if account is debited, bank is liable
- b. the bank cannot debit the account but if the forgery is in the knowledge of the customer, bank is not liable
- c. the bank is liable for forgery, even if the payment of the cheque has not been made
- d. the bank is not liable if the forgery is done in connivance with the drawer

Ans - a

.....

From bank point of view, the bills financing has advantages over the cash credit system due to which of the following (i) the transaction is easily identifiable, (ii) the date of payment is definite, (iii) if the bill is on a usance basis, the bank has more than one party liable from which the amount can be recovered.

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

If a DRT is set up, which of the following courts cannot exercise the jurisdiction for cases of Rs.10 lac and above.....

- a. Distt. courts
- b. High Courts
- c. Supreme Courts
- d. all the above

Ans - d

.....

The residential status of a person is determined in Income Tax Act on the basis of

- a. the no. of days, the assessee was present in India during the previous year
-

- b. the no. of days, the assessee was away from India during the previous year
- c. the no. of days, the assessee was present in India during the financial year
- d. the no. of days, the assessee was present in India during the previous financial year

Ans - a

.....

X, Y and Z have entered into a partnership for carrying on a specific venture. It is called.....

- a. general partnership
- b. partnership at will
- c. partnership for a fixed period
- d. particular partnership

Ans - d

.....

If the bailee has rendered certain services in respect of goods bailed to him.....

- a. he is entitled to get the remuneration for services he rendered
- b. he is not entitled to get the remuneration for services he rendered
- c. he is entitled to get the remuneration whether he rendered the service of his own or with consent of the be bailor.
- d. he is entitled to get the remuneration whether he rendered the service of his own when the bailor had refused to render such service

Ans - a

.....

The delivery of goods or payment for goods, in a contract of sale, as per Sale of Goods Act can be.....

- a. immediate only
- b. in instalments only
- c. later on only
- d. all the above

Ans - d

.....

Which of the following is covered by the term debt under RDDB Act (DRT Act) 1993?

- a. money overdrawn by the customer without any overdraft facility
 - b. payment made by the bank by mistake
 - c. any liability including interest
-

d. all the above

Ans - d

Under the current KYC norms, which of the following documents cannot be obtained for the purpose of verification of proof of residence of the customer?

- a. bank account statement
- b. electricity bill
- c. ration card
- d. driving licence

Ans - d

In which of the following situations, the collecting bank shall not be held liable for conversion?

- a. cheque deposited by X in his personal account while it was drawn in his name in his official capacity
- b. cheque of a large amount deposited by Y in his account although bank was aware about the poor financial position of Y
- c. cheque in the name of partnership firm, deposited by one partner in his personal account
- d. cheque in the name of a proprietorship firm, which were deposited by the proprietor in his individual account

Ans - d

A contract of insurance is an example of.....

- a. contract of guarantee
- b. contract of indemnity
- c. contract of guarantee or indemnity
- d. none of the above

Ans - b

If two parties are doing regular trade and use LC and want to avoid issue of LC repeatedly, which of the following is most suitable LC.....

- a. transferable LC
 - b. green clause LC
 - c. red clause LC
-

d. revolving LC

Ans - d

If a loan is secured by mortgage of an immovable property, the limitation period is and begins from

- a. 30 years, from date of mortgage
- b. 12 years, from date of mortgage
- c. 3 years, from date of mortgage
- d. 3 years, from date of default

Ans - b

A contract by which one party promises to save the other party from loss likely to be caused, it called.....

- a. a contract of indemnity
- b. a contract of guarantee
- c. a quasi-contract
- d. a contract to compensate

Ans - a

If one partner of a firm cheats a customer, which of the following is not correct.....

- a. all the partners are liable for the loss to the customer
- b. the partner that has cheated the customer is liable to other partners for loss to them
- c. only the partner who has cheated the customer, is liable to the customer
- d. none of the above

Ans - c

Which of the following types of bill of lading is normally accepted in a letter of credit?

- a. shipped bill of lading
- b. received for shipment bill of lading
- c. transportation bill of lading
- d. charter party bill of lading

Ans - a

.....
To distinguish the Memorandum of Association from Articles of Association, which statement is correct.....

- a. Memorandum of Association is subordinate document
- b. Articles of Association is a subordinate document
- c. Articles of Association is dominating document
- d. Memorandum of Association and Articles of Association, both are dominant documents

Ans - b

.....

If an existing company incorporated for securitization wants to undertake securitization activities after application of SARFAESI Act.....

- a. it has to incorporate a separate company
- b. it is deemed to have acquired the rights to undertake securitization activities under SARFAESI Act
- c. it is required to obtain registration with RBI within 6 months from commencement of the Act.
- d. the existing companies do not require any registration with RBI

Ans - c

.....

In a contract of indemnity, which of the following parties does not exist?

- a. indemnifier
- b. indemnity holder
- c. the person on whose behalf the indemnity is given
- d. none of the above

Ans - c

.....

When the transfer of property in the goods is to take place at a future time or subject to certain conditions to be fulfilled there after, the contract is called.....

- a. absolute sale
- b. conditional sale
- c. agreement to sell
- d. sale agreement

Ans - c

.....

The classification of which of the following bills does not match.....

- a. bill drawn in Delhi and payable in Mumbai by a foreigner - Inland bill
- b. bill drawn in Delhi and payable in Mumbai by an Indian - Inland bill
- c. bill drawn in Delhi and payable in London by a person resident in India - Foreign bill
- d. bill drawn in Delhi and payable in London by a foreigner - Foreign bill

Ans - c

A guarantee which is extended to a series of transactions, just like for a cash credit account, is called.....

- a. omnibus guarantee
- b. continuing guarantee
- c. regular guarantee
- d. irrevocable guarantee

Ans - b

Which of the following is/are a feature of clean bill of exchange? (i) it is issued for discharge of a debt or claim, (ii) it is the bill which is not accompanied by any document of title to goods, (iii) it is a bill where the goods are directly sent to the buyer with mutual consent

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

For the purpose of exposure norms, which of the following is true for inclusion under exposure? (i) 100% of both fund based and non fund based credit limits, (ii) Sanctioned limit or outstanding whichever is higher shall be considered, (iii) In case of fully drawn term loans outstanding and not the limit sanctioned will be considered

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....
The bills which are payable after sight have following features (which one is not correct)?

- a. these are called usance bills
- b. the payment is made on the due date
- c. for calculating due date, 3 days of grace are to be added in all cases
- d. if due date is a holiday, the payment is to be made on the next preceding business day

Ans - c

.....
A man enfeebled by disease or age is induced by B's influence over him as his medical attendant to agree to pay B, a unreasonable sum for his professional services

- a. B employees nothing
- b. B employees undue influence
- c. Both a and b
- d. None of above

Ans - b

.....
Number of clauses in Memorandum of Association is

- a. 5
- b. 6
- c. 7
- d. 8

Ans - b

.....
Which of the following statements relating to Chief Metropolitan Magistrate or the District Magistrate assisting the secured creditor in taking possession of the secured asset is false?

- a. Any act done in pursuance of this shall not be called in question in any court or before any authority
- b. They may take any steps and use any force as may be necessary in their opinion for securing compliance
- c. They may authorise any subordinate officer to take possession of such assets and documents
- d. The requirement of filing affidavit shall apply in all cases, whether any proceeding is pending before them or not, on the date of commencement of the Act

Ans - d

Which of the following is not a Public Financial Institution?

- a. National Bank for Agriculture & Rural Development (NABARD)
- b. Life Insurance Corporation of India (LIC)
- c. State Financial Corporations
- d. Axis Bank Limited

Ans - d

When does an asset become non performing?

- a. When the instalments and/or interest is not paid for a period exceeding 60 days
- b. When the instalments and/or interest is not paid for a period exceeding 120 days
- c. When the instalments and/or interest is not paid for a period exceeding 90 days
- d. When the instalments and/or interest is not paid for a period exceeding 180 days

Ans - c

Which one of the following development Financial Institutions in India has started the special refinance scheme for the resettlement and rehabilitation of Voluntary Retired workers of the National Textile Corporation (NIC)?

- a. IDBI
- b. SIDBI
- c. ICICI
- d. None of these

Ans - b

The promisee in a contract of indemnity, acting within the scope of his authority, is entitled to recover from the promisor (i) All damages which he may be compelled to pay in any suit in respect to any matter to which he promise to indemnity applies, (ii) All costs which he may be compelled to pay in any such suit, (iii) All sums which he may have paid under the terms any compromise of any such suit

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Plant and machinery attached by nuts and bolts to special concrete bases or studs or platforms so that it can be moved will be

- a. mortgaged
- b. hypothecated
- c. assigned
- d. pledged

Ans - b

As per-section 2(1), a person who buys or agrees to buy goods is called

- a. Buyer
- b. Seller
- c. Both a and b
- d. None of above

Ans - a

The cash balance with RBI on any particular day of the fortnight should not be less than % of the required cash balance as per rate of CRR.

- a. 60%
- b. 91%
- c. 70%
- d. 50%

Ans - b

Objective of monetary policy is to (i) Control inflation, (ii) Discourage hoarding of commodities, (iii) Encourage flow of credit into neglected sector

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Interest on capital Account

- a. Debited to profit & loss A/c
- b. Credit to profit & loss A/c
- c. Debit to profit & loss and credited to partners capital A/c
- d. Only credited to partners capital A/c

Ans - c

.....

Mortgages used to purchase town houses and apartment complexes are classified as

- a. multi mortgage
- b. multifamily dwelling mortgages
- c. sovereign dwelling mortgages
- d. primary dwelling mortgages

Ans – b

.....

In pledge bailor is called (i) Pawnor, (ii) Pawnee

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - a

.....

What is the time limit within which Chief Metropolitan Magistrate or District Magistrate shall pass an order after receipt of the affidavit from the authorised officer of the secured creditor?

- a. Within 15 days of receipt of application and within such further period not exceeding in aggregate 30 days
- b. Within 30 days of receipt of application and within such further period not exceeding in aggregate 60 days
- c. Within 45 days of receipt of application and within such further period not exceeding 90 days
- d. Within 60 days of receipt of application and within such further period not exceeding 120 days

Ans - b

.....

Which section of IT Act deals with the legal recognition of electronic records?

- a. Section 2
- b. Section 5
- c. Section 6
- d. Section 4

Ans - d

.....

Undue influence make a contract

- a. Void
- b. Voidable
- c. Valid
- d. None of above

Ans - a

.....

Every partner has a right to be consulted in all matters affecting the business of

- a. Sole – tradership
- b. Partnership
- c. JSC
- d. Both a and b

Ans - b

.....

An equitable mortgage was created on 10th June, 2015 with our bank and ROC registration was made on 8th July, 2015. Again simple/legal mortgage was created on the same property on 12th June, 2015 with Allahabad Bank and ROC registration was made on 15th June, 2015. Which mortgage will get priority?

- a. Mortgage with Allahabad Bank as it was registered with ROC earlier
- b. Mortgage with our Bank as it was created earlier
- c. Mortgage with Allahabad Bank as it was a Simple mortgage
- d. It will be a kind of paripassu charge with both the Banks

Ans - b

.....

Income received from Reverse Mortgage under IT act (i) will not be treated as income, (ii) will not be treated as transfer, (iii) The sum received will be exempted from income tax

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The following are negotiable except

- a. "Pay to bearer Jose Cruz P 10,000 upon demand", signed by A and addressed to B
- b. "Pay to Jose Cruz or bearer P 10,000 upon demand", signed by A and addressed to B
- c. "I oblige myself to pay Pedro Reyes or order P 3,000 ten days after day signed by M as maker.
- d. "Good to L or order P 5,000 July 1, 2009 signed by M as maker

Ans - a

Which Section of the Consumer Protection Act 1986 states about 'unfair trade practice'

- a. Section 2(1)(d)
- b. Section 2(1)(r)
- c. Section 2(2)(r)
- d. Section 3(1)(b)

Ans - b

Maximum advance from the banking system that can be allowed to an individual against shares, convertible bonds, convertible debentures and units of equity oriented mutual funds is restricted to

(i) Rs. 10 lakh if the securities are held in physical form, (ii) Rs. 20 lakhs if the securities are held in demat form, (iii) Rs. 20 lakhs whether securities are in physical or demat form

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

When borrowers are enjoying credit facilities from more than one bank, banks should obtain a regular certification by a professional regarding compliance of various statutory prescriptions. Such certification should be preferably from:

- a. Company Secretary only
- b. Chartered Accountant only
- c. Cost Accountant only
- d. any of these

Ans - d

Regulation is not an end in itself; it exists in order to address market failures. From this point of view, components were envisioned

- a. 7
- b. 8
- c. 9
- d. 10

Ans - c

SAT will be subsumed into

- a. Financial Sector Appellate Tribunal
- b. Resolution Corporation
- c. Financial Redressal Agency
- d. Public Debt Management Agency

Ans - a

For scheduled Commercial banks, Cash Reserve Ratio is prescribed by RBI as per which Act?

- a. Section 42(1) of RBI Act
- b. Section 42 of Banking Regulation Act
- c. Section 42 of RBI Act
- d. Section 24 of Banking Regulation Act

Ans - a

What is the object of introducing the Banking Ombudsman Scheme, 2002?

- a. For effective monitoring of NPA accounts in the banks.
- b. It is RBI agency to regulate the disputes amongst the banks.
- c. To enable resolution of complaints relating to banking services.
- d. For executing the orders passed by DRT.

Ans - c

.....

Can the Banking Ombudsman undertake any other work than of his office?

- a. Yes, as the appointment of Banking Ombudsman is honorary.
- b. Yes, if RBI permits can undertake honorary work.
- c. No.
- d. Yes, if the Banking Ombudsman can handle both the jobs property.

Ans - b

.....

Central and restrictions on cooperative banks have to submit their returns under Section 31 of BR Act to

- a. Reserve Bank and National Bank
- b. National Bank only
- c. Reserve Bank only
- d. None of the above

Ans - a

.....

When the Rules, framed by the Central Government, under the Act get validity?

- a. After the Appellate Tribunal of DRt approves them.
- b. On Supreme Court approving the same.
- c. Immediately on framing of the Rules by the government and notifying the same.
- d. When the both the houses of Parliament approve the Rule so framed.

Ans - d

.....

Under Section 23 of the BR Act, without the permission of Reserve Bank, a can open a new place of business within the area of its operation.

- a. central cooperative bank
-

- b. state cooperative bank
- c. primary cooperative bank
- d. None of the above

Ans - a

Cooperative banks have to prepare their balance sheet and profit and loss account in the forms set out in the Third Schedule to

- a. Banking Regulation Act
- b. Reserve Bank of India Act.
- c. State cooperative Society Act
- d. None of the above

Ans - a

Whether moveable securities in possession of the bank can be sold by the Bank without intervention of the Court ?

- a. No. The Court order is required to sale the security.
- b. Yes. Bank can sell as provided in the Contract Act, 1872.
- c. Yes. As the SARFAESI Act, 2002 has made provisions to that effect.
- d. No. Till the account is not declared as NPA by the Bank.

Ans - b

As per the laws existing today the mortgaged security cannot be sold without Court intervention. Is this correct ?

- a. Yes. Court intervention is required as per the provisions of the Transfer of Properties Act.
- b. No. SARFAESI Act, 2002 has now made enabling provisions.
- c. Yes. Since the Contract Act has made no provision about any Court intervention.
- d. No. Due to recent amendments in the Transfer of Property Act no Court intervention is required.

Ans - b

The features of the award awarded by banking ombudsman are;

- a. it is binding on the banks
 - b. it is not binding on the complaints unless he accepts it
-

- c. the complaint is free to seek alternative remedies available under general law
- d. all the above

Ans - d

.....

The most important characteristic of pledge is of goods.

- a. Assignment
- b. Lien
- c. Possession
- d. None of these

Ans - c

.....

Hypothecation is an implied in cases where constructive possession of goods is given.

- a. Lien
- b. pledge
- c. Assignment
- d. None of these

Ans - b

.....

Individual borrowers are governed by the

- a. RBI Act
- b. BR Act
- c. Indian contract Act
- d. None of these

Ans - c

.....

What is the tenure of banking ombudsman?

- a. 1 years
- b. 3 years
- c. 5 years
- d. no such time limit

Ans - c

.....

What is the provisions of remuneration of the baking ombudsman ?

- a. 60 years
- b. 62 years
- c. 65 years
- d. 68 years

Ans - c

What are the provisions of remuneration of the banking ombudsman ?

- a. he is eligible for remuneration and other perquisites
- b. this will be determined by the RBI
- c. this has to be borne by banks proportionately
- d. all the above

Ans - d

The necessary requirement for submitting need not contain?

- a. it must be in writing and duly signed by the complainant and or authorized person.
- b. it should contain the name address of the complainant.
- c. it must contain the bank and branch name against which complaint is being made.
- d. all the above

Ans – d

Documentation is necessary because of :

- a. It helps to identify/specify the borrower.
- b. It helps to identify security.
- c. It works as a written evidence.
- d. All the above.

Ans - d

Under open cash credit, the goods are taken as security, without transferring

- a. ownership of goods
 - b. possession of goods
-

- c. both are transferred
- d. both are not transferred

Ans – d

.....

Can the Banking Ombudsman resolve the dispute between banks or between bank and its customer by arbitration reference?

- a. No, the Banking Ombudsman has no arbitral powers.
- b. Yes, if Banking Ombudsman himself feels and decides to so.
- c. No, as the Banking Ombudsman has no powers of Civil Court.
- d. Yes, if both the parties to the complaint agree for the same.

Ans - d

.....

The directions of Reserve Bank issued to the banking companies under Section 35A of the Banking Regulation Act are

- a. binding on them
- b. not binding on them and are in the nature of guidelines
- c. binding on the banks and the public
- d. None of the above

Ans - a

.....

As per lending policy, repayment of term loan is generally given upto

- a. 10 years
- b. 20 years
- c. 7 years
- d. 1 year

Ans - c

.....

Which of the following statements, is correct?

- a. the qualified investors would be paid out of the realization of Financial Assets.
 - b. Any dispute between Bank securitization company and qualified institutional investors would be settled through arbitration.
 - c. The lending company sells its loans to the investors through special purpose vehicle.
-

d. All the above.

Ans - d

.....

When an action for enforcement of security can be initiated?

- a. When a Borrower is under the liability of secured creditor.
- b. Borrower makes a default in payment of principal and interest.
- c. The loan account is classified as Non-performing Asset (NPA).
- d. All the above.

Ans - d

.....

Under what circumstances security cannot be enforced?

- a. If it is an Agriculture Land.
- b. When the amount due is less than Rs. One lac.
- c. When the Borrower has repaid more than 80% of principle and interest.
- d. All the above.

Ans - d

.....

Security interest means:

- a. Right, title and interest of any kind upon property.
- b. Created in favour of any secured creditor.
- c. This includes mortgage, hypothecation and assignment.
- d. All the above.

Ans - d

.....

Dissolution of a partnership firm takes place if (i) by mutual agreement amongst the partners to dissolve, (ii) death/insolvency/retirement of a partner, (iii) operation of law

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d

.....

Which of the following is true about the functions performed by RBI ? (i) It is the Bank of Issue, (ii) It acts as banker to the Government, (iii) It is the banker of other banks

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

When a guaranteed loan is paid by the guarantor, he gets the rights of the Principal debtors and is said to be stepping in to the shoes of the debtor. This right is known as

- a. Right of Novation
- b. Right of Substitution
- c. Right of Subrogation
- d. Guarantor's right

Ans - c

Which among the following is suitable ground of complaint against banks to Banking Ombudsman? (i) Charging any commission for acceptance of small denomination notes, (ii) Any delay in payment of inward remittances or non payment of inward remittances, (iii) Any excessive delay or non - payment of collection of cheques, drafts, bills etc

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

A retiring partners has the right to carry on a business competing with that of the firm, but he cannot (i) Use firm's name, (ii) Represent himself to be a partner, (iii) Solicit firm's existing customers

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

If a Public Information Officer (PIO) reasonably severs non-exempted portions of a record from exempted portions, and partially provides information to an applicant, he/she has to (i) Give the name and designation of the person giving the decision, (ii) Reasons for the decision, (iii) Details of fees the applicant may have to pay

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

..... can be a subject matter of sale of goods Act. (i) Trademark, (ii) patent, (iii) goodwill

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The person to whom proposal is made is called (i) Promisor, (ii) Promisee

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

What are the qualifications to be appointed as the member of the consumer dispute redressal forum/commission? (i) be not less than thirty-five years of age, (ii) possess a bachelor's degree from a recognised university, (iii) be persons of ability, integrity and standing

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

A person passes through legal disability can file suit, make application

- a. Within limitation period
- b. Out of limitation period
- c. Depends upon courts discretion to permit such a litigant to do so
- d. none of the above

Ans - b

A Garnishee Order in the name of A & B will attach deposits in the name of (i) A alone, (ii) B alone, (iii) A & B jointly

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Which of the following constitute a benefit of DRs for the issuer? (i) Offer a new avenue for raising equity capital, (ii) Broaden and diversify a company's investor base, (iii) Enhance a company's visibility and status

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

As per Section 2(1)(c) of Consumer Protection Act 1986, 'complaint' means any allegation in writing made by a complainant that (i) an unfair trade practice or a restrictive trade practice, (ii) the goods/services bought/ hired suffer from one or more defects/deficiency, (iii) goods/services which are hazardous or likely to be hazardous to life and safety of the public when used

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Where service is received from outside India, such service shall be

- a. taxable in the hands of service provider
- b. taxable in the hands of Service recipient
- c. exempt from service tax
- d. none of the above

Ans - b

.....

If the cash balance with RBI is less than that of required CRR balance, bank is required to pay penalty on the amount of shortfall for that day at the rate of and if default continues next day also then at the rate of

- a. Bank Rate, Bank Rate plus 1%
- b. Bank Rate plus 1% and Bank Rate plus 3%
- c. Bank rate plus 2% and Bank rate plus 4%
- d. Bank Rate plus 3% and Bank Rate plus 5%

Ans - d

.....

Which of the following is/are advantages of ADRs? (i) Cost-effectiveness, (ii) Diversification of investment, (iii) Reduction in administration cost

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

As per section 2(1)(j) of Consumer Protection Act 1986, 'manufacturer' means a person who (i) makes or manufactures any goods or part thereof, (ii) does not make or manufacture any goods but assembles parts thereof made or manufactured by others, (iii) puts or causes to be put his own mark on any goods made or manufactured by any other manufacturer

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

The monetary and credit policy statement of RBI is called

- a. Annual Policy Statement
- b. Credit policy of RBI
- c. Economic Policy
- d. None of these

Ans - a

.....

For increasing liquidity in the system, which of the following steps will be taken by RBI?

- a. increase CRR
- b. increase SLR
- c. reduce CRR
- d. increase repo rate

Ans - c

.....

Banking Ombudsman is appointed for

- a. handling and redress banks complaints against customers' behavior
- b. handling and redress customer complaints against deficiency in certain banking services
- c. providing decision on important banking operations like - CRR, SLR and MSF etc.
- d. None of The Above

Ans - b

.....

A person shall be disqualified for appointment as a member of the consumer dispute redressal forum/commission if he (i) has been convicted and sentenced to imprisonment for an offence which involves moral turpitude, (ii) is of unsound mind and stands so declared by a competent court, (iii) has been removed or dismissed from the service of the Government or a body corporate owned or controlled by the Government

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

What is a Non-performing Asset:

- a. Where payment of interest or principal or both is in arrears for more than 180 days.
- b. Where loan account is in default for 90 days and above.
- c. Where loan account is classified as sub-standard doubtful or loss Asset by the Bank as per the directions of RBI.
- d. None of the above.

Ans - c

Liquid assets required to be maintained in India under Section 24 of the BR Act may be held in the form of

- a. cash only
- b. cash and gold only
- c. gold or unencumbered approved securities
- d. None of the above

Ans - c

Under Section 37 of the Banking Regulation Act, a moratorium order can be issued by the High Court for a maximum total period of

- a. one month
- b. six month
- c. one year
- d. None of these

Ans - b

When a banking company is placed under moratorium under Section 45 of B.R.Act, the RBI must prepare a scheme

- a. VRS for staff
- b. capital buy back
- c. reconstruction of the company or amalgamation with any other bank
- d. None of these

Ans - c

Quarterly on-site visits are undertaken in respect of

- a. all banks
- b. urban co-operative banks
- c. newly licensed banks during first year
- d. None of these

Ans - c

.....

Which of the following a notice must specify in case of foreclosed loans?

- a. It should cover entire loan liability including installments not due.
- b. It should cover entire loan liability including installments not due.
- c. It must mention future interest payable till the date of repayment.
- d. All the above.

Ans - d

.....

An order for winding up a banking company can be issued by

- a. the High Court
- b. the RBI
- c. the Central Government
- d. None of these

Ans - a

.....

Principal function of banks are :

- a. accepting deposits
- b. lending and investing
- c. non fund business and remittance services
- d. all of above

Ans - d

.....

What can be the min & max denomination of bank notes under the provisions of RBI act?

- A. Rs 1 to Rs 1000
 - B. Rs 2 to Rs 1000
-

- C. Rs 2 to Rs 10000
- D. Rs 10 to Rs 10000

Ans - c

.....

To take care of temporary liquidity problems of central and state govt, what kind of loan is given by RBI?

- A. Treasury bills
- B. Dated Securities
- C. Short duration bonds
- D. Ways & Means advances

Ans - d

.....

The advising banks responsibility is

- a. to inform the issuing bank as to whom to issue the letter of credit.
- b. to advise the buyer the dispatch of documents by the seller
- c. to inform the beneficiary/seller about the letter of credit
- d. None of the above

Ans - c

.....

The advising bank is also called the

- a. Confirming Bank
- b. Notifying Bank
- c. Reimbursing Bank
- d. None of the above

Ans - b

.....

Negotiating bank is the bank which

- a. negotiates the preliminary contract of sale between the buyer and the seller
- b. makes payment of the bills drawn by the seller and accepts the documents
- c. guarantees payment by the issuing bank
- d. None of the above

Ans – b

.....

The banking ombudsman can be an arbitrator in disputes between

- a. Two banking companies
- b. Two or more customers
- c. A bank and the government
- d. None of the above

Ans - a

.....

Directions can be issued to banking companies on loans and advances

- a. in strict confidence
- b. in public interest
- c. in the interest of borrowers
- d. None of the above

Ans - b

.....

In case of fraud committed by the debtor on whose behalf the bank had given guarantee, the Bank.

- a. need not pay the beneficiary.
- b. has to pay the beneficiary.
- c. direct the beneficiary to sue to debtor.
- d. none of the above.

Ans - b

.....

The Letter of Credit is opened on the request of

- a. Issuing bank
- b. Applicant
- c. Beneficiary
- d. Confirming bank

Ans - b

.....

If a civil court has already given a decree then the recovery certificate can be issued by

- A. any different court
 - B. at the request of any of the parties
-

- C. DRT only
- D. none

Ans - d

Under the SARFAESI Act who has the power to condone delay in filling of the particulars

- A. an arbitrator
- B. registrar
- C. central registrar
- D. registrar of assurances

Ans - c

The owner of a financial asset acquired by a securitisation company is called

- A. purchaser
- B. seller
- C. originator
- D. vendor

Ans - c

From the following which function is of securitisation company?

- a. Acquisition of loan transaction from the lender.
- b. Help the lender in recovery by sale of charged property.
- c. Take legal steps against the defaulter borrower on behalf of the lender.
- d. Acquisition of financial assets from the originator.

Ans - c

After application of SARFAESI Act what existing companies have to do about registration with RBI?

- a. They are automatically deemed to be registered.
- b. They are required to stop functioning.
- c. Existing companies do not require registration.
- d. They have to get registered within six months from commencement of the Act.

Ans - d

How many types of 'R' return are required to be submitted at present?

- a. 5
- b. 6
- c. 7
- d. 2

Ans - d

.....

Name the different types of 'R' returns.

- a. Nostro & Vostro
- b. Nostro
- c. Vostro
- d. Nostro & Vostro, Loro a/c

Ans - a

.....

Four statements are given below. Some statements are not possible. Choose the statement which is possible

- a. A hypothecation can become pledge
- b. Pledge and third party pledge there is no difference
- c. A mortgage is applicable to Vehicle as security
- d. For transfer of goods assignment is used

Ans - a

.....

A foreigner spouse of an Indian citizen is (i) Non-Resident Indian (NRI), (ii) Person of Indian Origin (PIO)

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - b

.....

In documentary credit transactions

- a. all parties deal with documents and not goods
- b. all parties deal in documents and goods as well
- c. buyer and seller deal in goods and banks in documents
- d. all parties deal in goods only

Ans – a

.....

A documentary letter of credit has normally

- a. two parties
- b. one party
- c. four parties
- d. no one

Ans - c

.....

The buyer or importer who procures a letter of credit from his banker is called

- a. opener of the credit
- b. beneficiary of the credit
- c. negotiator of the credit
- d. none of these

Ans - a

.....

Non-resident Indian is defined for banking purpose in

- a. FEMA
- b. Income Tax Act 1961
- c. Wealth Tax Act 1957
- d. None of the above

Ans - a

.....

Import licenses are valid for shipment :

- a. 12 months from the date of issuance of licence
- b. 1 week after the arrival of goods into the country

.....

- c. upto last day of the month in which they expire
- d. 18 months from the date of arrival of goods.

Ans - c

.....

The face value of an Import License should take care of

- a. Cost of goods only
- b. Cost, Insurance and Freight (i.e) CIF
- c. CIF plus interest
- d. CIF, Interest and Agency Commission, if any.

Ans - d

.....

The rate applicable for an export bill tendered for negotiation is

- a. bill buying rate
- b. bill selling rate
- c. composite rate
- d. TT buying rate

Ans - a

.....

A customer wants to know the provisions for importing a motor vehicle. Which book should he refer to?

- a. Exchange Control Manual
- b. Codified Foreign Dept. Circulars
- c. Handbook of Import-Export Procedures
- d. Customs Manual

Ans - c

.....

Branches should submit return of overdue import bills

- a. monthly
- b. quarterly
- c. half yearly
- d. fortnightly as on 15th & last working day of each month

Ans - d

.....

The maximum number of directors in a private company can be

- a. 3
- b. 7
- c. 12
- d. 5

Ans - c

At least of the total number of directors of a public company are to be persons whose period of office is liable to determination by retirement by rotation.

- a. 2
- b. 7
- c. two-third
- d. None of the above

Ans - c

Every public company, or a private company which is a subsidiary of a public company, having a paid-up share capital of Rupees must have a managing or whole-time director or a manager.

- a. five crore
- b. five lakh
- c. one crore
- d. one lakh

Ans - a

The term corresponding new bank under banking co. (acquisition & transfer of undertaking) act 1970 stands for ...

- a. New private banks
- b. Old private banks
- c. RRBS
- d. Nationalised banks

Ans - d

Trusts of Hindus are governed by the

- a. Parliament Act
- b. Indian Trust Act
- c. Wakf Act
- d. Religious and Charitable Endowments Act

Ans - d

.....

Trusts of Muslims are governed by the

- a. Parliament Act
- b. Indian Trust Act
- c. Wakf Act
- d. Religious and Charitable Endowments Act

Ans - c

.....

Cash Credit facility is a

- a. Fund based facility
- b. Non-Fund based facility
- c. Either a or b
- d. None of these

Ans - a

.....

The banking ombudsman may reject the complaint on the following grounds

- a. complaint is without sufficient cause.
- b. complaint is not pursued with reasonable diligence.
- c. there is no loss or damage or inconvenience suffered by the complainant.
- d. any one or all of the above

Ans - d

.....

Which of the following the banking ombudsman does not cover?

- a. financial institutions.
 - b. non- banking financial companies
-

- c. non- scheduled banks.
- d. all the above.

Ans - d

.....

The banking ombudsman receives maximum number of complaints in respect of;

- a. foreign bank
- b. public sector bank
- c. regional rural bank
- d. co- operative bank

Ans - b

.....

Which of the following are the norms of awarding compensation by the banking ombudsman ?

- a. banking ombudsman does not have unlimited powers to allow compensation.
- b. the maximum limit of compensation is Rs. 10 lac
- c. no compensation will be awarded in excess of that which is necessary.
- d. all the above

Ans - d

.....

In case of non- compliance of the award by the bank the baking ombudsman will report to;

- a. reserve bank of India.
- b. supreme court
- c. finance ministry
- d. consumer protection forum

Ans - a

.....

What is the maximum limit of compensation the baking ombudsman may a award?

- a. Rs. 1 lac
- b. Rs. 5 lac
- c. Rs. 10 lac
- d. Rs. No such limit

Ans – c

.....

The SARFAESI Act is applicable to secured creditors only to enforce the securities criteria

- a. without the intervention of court or tribunal
- b. after taking permission of court or tribunal
- c. in case of assets on which charge is registered
- d. none

Ans - a

After using the securitisation measures a bank can proceed further in

- a. the civil court
- b. DRT
- c. both as the case may be
- d. none

Ans – b

In Mardia case what the Supreme Court declared as invalid ?

- a. Entire SARFAESI Act, 2002.
- b. Creation of security interest.
- c. Formation of Reconstruction Companies.
- d. Condition to pay 75 per cent of the amount as pre-condition while preferring appeal to the DRT.

Ans - d

Whether existing or future receivables are property?

- a. Yes.
- b. No.
- c. Yes, but if and when charged to the lender.
- d. No, if hypothecated to the lender.

Ans - a

Asset Reconstruction company has to get registration from

- A. RBI
 - B. its own bank
-

- C. both
- D. none

Ans - a

.....

The minimum number of members required in a private company is

- a. 3
- b. 7
- c. 12
- d. 2

Ans - d

.....

Most of the complaints are settled through;

- a. mutual agreement
- b. award
- c. bank itself
- d. before proceeding to agreed stage

Ans - a

.....

Which of the following are the norms of awarding compensation by the banking ombudsman ?

- a. banking ombudsman does not have unlimited powers to allow compensation.
- b. the maximum limit of compensation is Rs. 10 lac
- c. no compensation will be awarded in excess of that which is necessary.
- d. all the above

Ans - d

.....

RBI undertakes banking business for the state govt under the provision of ...

- a. Sec 22 of RBI Act
- b. Sec 21 of RBI Act
- c. Sec 20 of RBI Act
- d. Agreement between RBI & Govt u/s 21 A of RBI Act

Ans - d

.....

A property mortgaged (Equitable mortgage) is in a village which is not a notified area. The bank branch which gave the loan is in a Notified area. If the bank wish to file a suit, then

- a. Suit has to be filed in the district headquarters of the bank branch
- b. Suit to be filed with the court in whose jurisdiction the property mortgaged is situated
- c. Such loan not possible (Property in a different area and the lending bank in another area)
- d. None of these

Ans - b

.....

A Co operative bank can be which of the following (i) Primary coop bank , (ii) District central coop bank, (iii) State coop bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A Co operative bank can be which of the following ...

- a. Primary coop bank
- b. District central coop bank
- c. State coop bank
- d. All the above

Ans - d

.....

A Banking co. having operations in india could be constituted as a ...

- a. Body corporate under special act
- b. Registered under the companies act
- c. A Foreign co. under provisions of co. act
- d. All the above

Ans - b

.....

There is an FDR of A and B but A dies before its maturity. B also dies one week after his death. FD amount is payable to:

- a. Legal heirs of A
- b. Legal heirs of B
- c. Legal heirs of A and B
- d. legal heirs of the person who died later

Ans - c

Usance bills drawn under Import LC should be retired

- a. 10 days from the date of receipt of the bill
- b. on due date
- c. last day of the month in which the licence expires
- d. None of the above

Ans - b

If a cheque is crossed as account payee, this is direction of, to

- a. payee, paying bank
- b. payee, collecting bank
- c. drawer, paying bank
- d. drawer, collecting bank

Ans - d

Payments for retirement of bills against imports into India must be received by

- a. Directly by exporter
- b. Directly by importer
- c. Authorised Dealer
- d. RBI

Ans - c

The rate quoted for issue of Drafts/TTs is

- a. Bill Selling rate

- b. Inter-Office rate
- c. Forward rate
- d. TT Selling rate

Ans - d

.....

Analysis of balance sheet of a partnership firm shows that its total net worth is more than the total outside liabilities.

- a. it can be termed as a desirable situation
- b. it can be termed as an excellent and desirable situation
- c. it reflects the conservatism on the part of the management
- d. it reflects risk appetite of the management

Ans - c

.....

In case of non-compliance of the award by the bank the banking ombudsman will report to;

- a. Reserve bank of India.
- b. Supreme court
- c. Finance ministry
- d. Consumer protection forum

Ans - a

.....

What is the maximum time for settlement of a claim before passing an award by the banking ombudsman?

- a. within 15 days from the date of receipt of complaint.
- b. within 30 days from the date of receipt of complaint.
- c. within 2 months from the date of receipt complaint ,
- d. within 3 months from he date of receipt of complaint

Ans - c

.....

What is the maximum limit of compensation the baking ombudsman may a award?

- a. Rs. 1 lac
 - b. Rs. 5 lac
 - c. Rs. 10 lac
-

.....
d. Rs. No such limit

Ans - c
.....

What is the time limit to accept the recommendations of banking ombudsman by a bank?

- a. one week
- b. 2 weeks
- c. 3 weeks
- d. 4 weeks

Ans - b
.....

The banking ombudsman scheme was implemented in India on

- a. 14.6.1995
- b. 1.1.7.1995
- c. 2.10.1995
- d. 15.12.1995

Ans - a
.....

The banking ombudsman scheme 1995 was amended in

- a. 2000
- b. 2001
- c. 2002
- d. 2004

Ans - c
.....

The usual form of contract of agency is by way of a

- a. power of attorney
- b. indemnity bond
- c. guarantee bond
- d. None of the above

Ans - a
.....
.....

Which of the following statement does not match?

- a. Right of acquisition of financial asset by securitization or reconstruction company subject to prior agreement about the assets - false
- b. offer document, debenture, agreement and security receipt are the documents involved in a securitization transaction - true
- c. Acquisition of a financial assets by securitization or reconstruction company is with the liability attached to such asset - true
- d. on the basis of security receipt, the holder is entitled to undivided interest in the security - true

Ans - c

.....

There is an agreement between the parties for specific performance of a contract. The limitation in this case is.....

- a. 3 years, from date fixed for performance
- b. 3 years, from the date of contract
- c. 12 years, from date fixed for performance
- d. 30 years, from date fixed for performance

Ans - c

.....

Which of the following is correct in the context of partnership firms?

- a. if one partners cheat a customer of the firm, other partners are not liable.
- b. for a partnership, it is compulsory to prepare a partnership deed
- c. the partners can freely decide their mutual rights and liabilities
- d. the nature of the business of the firm can be changed only with consent of majority of partners.

Ans - c

.....

Which of the following is not an essential element of a contract of sale under Sale of Goods Act?

- a. there is a bilateral contract i.e. between seller and buyer
- b. the consideration can be money or exchange of goods
- c. the property is a movable property and not immovable property
- d. the contract of sale can be oral or in writing.

Ans - b

.....

No banking company can hold any immovable property howsoever acquired, except such as is required for its own use, for any period exceeding 7 years from the acquisition thereof. Reserve Bank may in any particular case extend the period not exceeding 5 years where it is satisfied that such extension would be in the interests of the depositors of the banking company.

- a. 3 years
- b. 5 years
- c. 7 years
- d. 9 years

Ans - b

U/s 210 of Income Tax Act, there is requirement of payment of advance tax in four instalments. The amount that should be paid by that period, for which of the following is not matching.....

- a. by Jun 15 - 15% of the advance tax payable
- b. by Sep 15 - 30% of the advance tax payable
- c. by Dec 15 - 75% of the advance tax payable
- d. by Mar 15 - 100% of the advance tax payable

Ans - c

X purchased DD from Bank-B in favour of Y. DD has been misplaced in transit and bank has delayed the issue of duplicate DD due to completion of formalities.....

- a. Y can file complaint in consumer court
- b. X and Y, together can file complaint in consumer court
- c. Y cannot file complaint as he has not purchased any service from the bank
- d. Y can file complaint with permission of X

Ans - c

Which of the following can make complaint under Consumer Protection Act (which one is wrong)?

- a. the consumer himself
- b. the voluntary consumer association
- c. the Central or State Govt.
- d. in case of death of the consumer, the complaint cannot be made

Ans - d

If a return of loss is not filed on time.....

- a. it can be filed any time to carry forward loss to set off in future years
- b. it cannot be filed subsequently
- c. it can be filed subsequently but the carry forward loss will not be allowed to be set off in future years
- d. none of the above

Ans - c

.....

A customer is illiterate and finds it difficult to represent himself before the Ombudsman. He engages an advocate to handle his complaint.....

- a. a person can engage his representative including an advocate as per the scheme
- b. advocate can be engaged with permission of Ombudsman
- c. services of advocate are not permitted to be availed under the scheme to represent the complainant
- d. advocate can be engaged provided he does not claim any professional fee

Ans - c

.....

Which particular provision was suggested by Supreme Court to be removed from the SARFAESI Act, in case of Mardia Chemicals vs Union of India and others?

- a. deposit of 75% of amount of loan if the borrower wants to approach DRT against possession of security.
- b. deposit of 50% of amount of loan if the borrower wants to approach DRT against possession of security.
- c. deposit of 50% of amount of loan if the borrower wants to appeal to DRAT against DRT.
- d. deposit of 75% of amount of loan if the borrower wants to appeal to DRAT against DRT.

Ans - a

.....

The agencies appointed under Consumer Protection Act are.....

- a. completely judicial in nature
- b. not judicial in nature
- c. quasi judicial in nature
- d. none of the above

Ans - c

.....

The penalty for not maintaining the required amount of SLR shall be paid within a period of from the date on which a notice issued by the Reserve Bank demanding payment of the same is served.

- a. 7 days
- b. 10 days
- c. 14 days
- d. 15 days

Ans - c

No banking company shall hold shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding

- a. 30% of the paidup share capital of that company
- b. 30% of its own paid-up share capital and reserves
- c. whichever is less between a and b
- d. None of the above

Ans - c

Reserve Bank had removed Chairman/Director/Chief Executive Officer/other officer/employee of the banking company from office. Such person

- a. Can appeal to the Central Government within 30 days from the date of communication to him of the order
- b. Can appeal to the Central Government within 60 days from the date of communication to him of the order
- c. Can appeal to the Central Government within 90 days from the date of communication to him of the order
- d. Can't appeal

Ans - a

For scheduled Commercial banks, Cash Reserve Ratio is prescribed by RBI as per which Act?

- a. Section 42(1) of RBI Act
- b. Section 42 of Banking Regulation Act
- c. Section 42 of RBI Act
- d. Section 24 of Banking Regulation Act

Ans - a

The priority of charge under the Central Registry provisions, under SARFAESI Act shall be on the basis of.....

- a. charge created over the security first, shall have the priority
- b. first in time registered to get priority over the person doing registration at a later time
- c. priority shall be determined by the authority heading the Central Registry
- d. priority shall be with reference to the purpose of loan given against the security

Ans - b

.....

The period of limitation for a loan under an agreement that it shall be payable on demand is and begins from

- a. 3 years, when there was loan default
- b. 3 years, from date of loan/document
- c. 2 years, from due date
- d. 3 years, from due date of the loan

Ans - b

.....

If an existing company incorporated for securitization wants to undertake securitization activities after application of SARFAESI Act.....

- a. it has to incorporate a separate company
- b. it is deemed to have acquired the rights to undertake securitization activities under SARFAESI Act
- c. it is required to obtain registration with RBI within 6 months from commencement of the Act.
- d. the existing companies do not require any registration with RBI

Ans - c

.....

Before taking possession of a security under SARFAESI Act, the bank is required to issue notice to the borrower under provisions of.....

- a. Section 10 (3) of SARFAESI Act
- b. Section 13 (2) of SARFAESI Act
- c. Section 14 (1) of SARFAESI Act
- d. Section 17 (2) of SARFAESI Act

Ans - b

.....

The ornaments kept by the bank in safe custody have been damaged, the loss

- a. shall be of the bank
- b. shall be not of the bank, if bank had taken adequate care
- c. shall be of the bank, even if the bank had taken adequate care
- d. the bailor.

Ans - b

.....

A person dealing with a company cannot take the plea that he had no notice of contents of Articles of Association and Memorandum of Association due to.....

- a. doctrine of ultra-vires
- b. doctrine of constructive notice
- c. doctrine of indoor management
- d. doctrine of outdoor management

Ans - b

.....

Bank-B had sanctioned a loan to XYZ but it found to be inadequate to start the business, by the borrower.....

- a. complaint under Consumer Protection Act is possible
- b. complaint under Consumer Protection Act is possible only if the borrower suffers loss and able to prove that
- c. complaint under Consumer Protection Act is not tenable
- d. complaint under Consumer Protection Act is tenable if court find the case genuine

Ans - c

.....

If the registration of a securitization or reconstruction company has been cancelled by RBI under SARFAESI Act and it still has not paid the dues of the investors along with interest, within the period specified by RBI.....

- a. the registration shall be deemed to have been continuing
- b. the registration shall be deemed to have been cancelled
- c. the registration shall be treated as available for 2 months
- d. the registration shall be treated as cancelled after 3 months

Ans - a

.....

Which of the following does match with regard to jurisdiction of the consumer courts?

- a. Distt. Forum - covering the Distt.
- b. State Commission - Covering the State
- c. Apex Commission - Covering the entire country
- d. none of the above

Ans - c

An order was passed by a civil court after enactment of RDDB Act (DRT Act) 1993 but before the establishment of DRT having jurisdiction for that particular area.....

- a. order passed by civil court was not in its jurisdiction
- b. order passed by civil court was in jurisdiction of DRT
- c. order passed by civil court was in its jurisdiction
- d. none of the above

Ans - c

There are restrictions on opening of new, and transfer of existing, places of business without obtaining the prior permissions of the Reserve Bank. The above condition would not apply to the opening for a period not exceeding of a temporary place of business within a city, town or village or the environs thereof within which the banking company already has a place of business, for the purpose of affording banking facilities to the public on the occasion of an exhibition, a conference or a mela or any other like occasion.

- a. 1 week
- b. 1 month
- c. 3 months
- d. 6 months

Ans - b

If a partnership is for a fixed period and it is continued even after the fixed period.....

- a. it becomes illegal relationship
- b. it is converted into a partnership at will
- c. it becomes partnership for unlimited period
- d. it becomes a particular partnership

Ans - b

On which of the following items which was exempted from maintenance of CRR, RBI has advised banks to maintain CRR as per policy statement of July 27,2009?

- a. NRE balance
- b. FCNR balance
- c. CBLO balances
- d. Balance of other banks

Ans - c

Any person appointed as additional Director shall hold office for a period not exceeding or such further periods not exceeding at a time as the Reserve Bank may specify

- a. 3 years, 3 years
- b. 3 years, 5 years
- c. 5 years, 3 years
- d. 5 years, 5 years

Ans - a

Banks in India are to create a reserve fund out of the balance of profit of each year, before any dividend is declared by transfer to the reserve fund, not less than of such profit

- a. 10 percent
- b. 20 percent
- c. 25 percent
- d. 30 percent

Ans - b

Bank shall submit a return showing the amount held on alternate Fridays during a month with particulars of its demand and time liabilities in India on such Friday. This report should be submitted before the day of every month

- a. 7th
- b. 10th
- c. 15th
- d. 20th

Ans - d

Statutory Liquidity Ratio (SLR) is maintained as per which of the following?

- a. Section 42(1) of RBI-Act
- b. Section 42 of Banking Regulation Act
- c. Section 42 of RBI Act
- d. Section 24 of Banking Regulation Act

Ans - d

.....

The State Consumer Protection council is appointed by.....

- a. Central Govt. Ministry of Consumer Affairs
- b. State Govt.
- c. Central Govt. in consultation with the State Govt.
- d. State govt. in consultation with the Central govt.

Ans - b

.....

Under provisions of SARFAESI Act, the term property means (which of the following is not included)?

- a. intangible assets such as patents, copy rights
- b. movable and immovable assets/property
- c. debts or receivables
- d. none of the above

Ans - d

.....

Which of the following is covered by the term debt under RDDB Act (DRT Act) 1993?

- a. money overdrawn by the customer without any overdraft facility
- b. payment made by the bank by mistake
- c. any liability including interest
- d. all the above

Ans - d

.....

In pledge, the bailor is called

- a. pledger
 - b. pledgee
-

- c. pawnor
- d. pawnee

Ans - c

Mr. X enters into a contract with Mr. Y that he will not be sued by Mr. Z for the amount of Rs.1 lac which, Y has to pay to Z. But if Z sues, the loss shall be borne by X.

- a. This is a contract of insurance
- b. This is a contract of indemnity
- c. This is a contract of guarantee
- d. this is not a valid contract as there is no consideration.

Ans - b

Which of the following is not included in the term Qualified Institutional Buyers (QIB) within the meaning of SARFAESI Act?

- a. financial institution or insurance company
- b. banks or asset management companies
- c. state financial corporation or state industrial development corporation
- d. companies registered under Companies Act.

Ans - d

When the security receipt is issued by a securitization company to QIB representing undivided security interest, what are the provisions regarding registration under SARFAESI Act.....

- a. registration with Registrar of Companies is mandatory
- b. registration is required with registrar of assurances
- c. registration is not required
- d. registration is required with Central Registry

Ans - c

Previous year means the year, immediately preceding the year, of an assessee

- a. financial year, calendar year
 - b. calendar year, assessment year
 - c. financial year, assessment year
-

d. assessment year, financial year

Ans - c

The money of a company has been spent by the directors on acquiring a property but ultra-vires.....

- a. the company cannot be owner of such property
- b. the directors are liable for that and they will be owners of that property
- c. the company can be lawful owner, although it has been wrongly acquired.
- d. the property has to be disposed off immediately and company money restored.

Ans - c

In case of pledge, the possession and ownership of the goods remains with.....

- a. possession with bank and ownership with borrower
- b. possession with the borrower and ownership with the bank
- c. possession and ownership with borrower
- d. possession and ownership with the bank

Ans - a

In a contract of guarantee, the guarantor is not benefited in any manner i.e. no consideration passes on to the guarantor.....

- a. hence a contract of guarantee is not valid
- b. a contract of guarantee like contract of indemnity can be without consideration
- c. the benefit obtained by the principal debtor is the consideration for guarantor
- d. such contracts without consideration are valid as a matter of exception.

Ans - c

X, Y and Z have entered into a partnership for carrying on a specific venture. It is called.....

- a. general partnership
- b. partnership at will
- c. partnership for a fixed period
- d. particular partnership

Ans - d

As per Sale of Goods Act, when the transaction becomes a sale.....

- a. only when the goods are delivered to the buyer by the seller
- b. only when the property in goods is transferred from seller to buyer with possession
- c. when the property in goods is transferred from seller to buyer with or without possession
- d. all the above

Ans - c

.....

A guarantee which is extended to a series of transactions, just like for a cash credit account, is called.....

- a. omnibus guarantee
- b. continuing guarantee
- c. regular guarantee
- d. irrevocable guarantee

Ans - b

.....

When the transfer of property in the goods is to take place at a future time or subject to certain conditions to be fulfilled there after, the contract is called.....

- a. absolute sale
- b. conditional sale
- c. agreement to sell
- d. sale agreement

Ans - c

.....

If the bailee has rendered certain services in respect of goods bailed to him.....

- a. he is entitled to get the remuneration for services he rendered
- b. he is not entitled to get the remuneration for services he rendered
- c. he is entitled to get the remuneration whether he rendered the service of his own or with consent of the be bailor.
- d. he is entitled to get the remuneration whether he rendered the service of his own when the bailor had refused to render such service

Ans - a

.....

The maximum number of members in a private company can be

- a. 7
- b. 20
- c. 50
- d. No Limit

Ans - c

Who issues license to the coop societies to function as coop banks ?

- A. State Govt
- B. NABARD
- C. Central Govt
- D. RBI

Ans - d

Consumer means;

- a. any person who buys any goods.
- b. any person who hires or avails of any services.
- c. any person who makes payment in full or in installments or under hire purchase systems.
- d. all the above

Ans - d

Who is not a consumer?

- a. any person who uses goods or benefited from services without making any payment.
- b. any person who obtain goods for resale or an commercial purpose.
- c. persons allotted plots or houses by housing development boards.
- d. a person hires any services for consideration.

Ans - b

Which of the following is not a consumer?

- a. patient receiving medical treatment in govt. hospital.
 - b. patients getting treatment in private nursing home.
-

- c. persons selling/buying shares from a share broker
- d. none of the above.

Ans - d

.....

The goods in the consumer protection act, includes;

- a. every kind of movable property except money.
- b. actionable claims, stocks and shares.
- c. growing) crops and things attached to or forming a part of the land.
- d. all the above.

Ans - d

.....

Organisational or constitutional aspects of banking co. are regulated by ...

- a. RBI
- b. SEBI
- c. Authorities under companies act
- d. ALL THE ABOVE

Ans - a

.....

Section 7(1) of RBI act concerns with which of the following aspects ?

- a. RBI authority to regulate the banks
- b. NABARD authority to regulate RRB's
- c. Govt authority to issued directions to RBI
- d. Rbi authority to issue directions to bank in india

Ans - c

.....

Which act provides regulatory powers directly or indirectly central govt for control over banks ?

- a. RBI ACT
- b. B R ACT
- c. N I ACT
- d. a & b

Ans - d

.....

Technical Group on Financial Inclusion and Financial Literacy (TGFIL) was set up in

- a. November 2011
- b. June 2012
- c. August 2012
- d. January 2013

Ans - a

.....

TGFIL is chaired by

- a. Governor, RBI
- b. DG, RBI (in-Charge of the Department of Banking Supervision)
- c. DG, RBI (in-charge of financial stability)
- d. DG, RBI (in-charge of Financial Markets Department)

Ans - c

.....

Assumptions for neutral money are (i) The quantity of money has no effect on the prices, (ii) When money becomes neutral price of the product will depend on productive power of the economy, (iii) Neutral money policy implies that monetary authorities should not change supply of money in response to changes in the supply of goods

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A banker on whom the cheque is drawn should pay the cheque, when it is presented for payment. It is his obligation by section 31 of the NI Act. A banker is bound to honor his customers cheque to the extent of the fund available. In which circumstances that a banker refuses payment?

- a. A/c holder is bankrupt, deceased and insane
- b. Garnishee Order' is issued by court
- c. Only 2
- d. Both 1 and 2

Ans - d

.....

In which of the following circumstances Protection is not available to the paying banker?

- a. Forged endorsements in an order cheque
- b. Forged endorsements in a bearer cheque
- c. Forged endorsements in a draft
- d. Forged cheque of its own customer

Ans - d

.....

According to Section 15 of the N.I. Act, when the maker or holder of a negotiable instrument signs the same, for the purpose of negotiation, on a slip of paper, It is Called

- a. Annex
- b. Due course slip
- c. Allonge
- d. Padding slip

Ans - c

.....

Hypothecation is not defined under Indian Law for long time and was used more on the basis of practice. However, now under a recent act it has been aptly defined. Which Act is it?

- a. SARFAESI Act
- b. PSS Act
- c. Sale of Goods Act
- d. Amended B R act

Ans – a

.....

Monitorable Action Plan (MAP) of RBI would include (i) Improvement areas identified during the current on site and off site supervisory process, (ii) Accountability of key individuals of the bank, (iii) Sanction and penalties to Banks for not meeting the monitorable action plan

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Section 26 of the N.I. Act provides that a minor may draw, endorse, deliver and negotiate a negotiable instrument and as such, a minor can draw a cheque. Ordinarily, balances in such accounts are subject to a maximum amount and age of the minor should be above

- a. 10 years
- b. 12 years
- c. 13 years
- d. 14 years

Ans - a

Where no specification for a fixed period for the repayment of loan is given, the bankers take the Demand Promissory Notes (DPN). In DPN, the borrower makes a promise to the banker to repay the loan amount on demand with agreed rate of interest. The form of DPN should be in conformity with Section 4 of

- a. B R Act
- b. RBI Act
- c. SARFAESI Act
- d. N.I Act

Ans - d

If the possession of the mortgaged properties is not given to the mortgagee(The lender), it is called

- a. Simple mortgage
- b. English mortgage
- c. Usufructuary mortgage
- d. Mortgage by non deposit

Ans - b

What is the limitation period as per Limitations Act to file a suit for recovery on a bill of exchange payable at sight, or after sight, but not at a fixed time?

- a. 3 years
- b. 5 years
- c. 10 years
- d. No limitation

Ans - a

For specific performance of a contract, the limitation to file a suit for non performance is.....

- a. 3 years
- b. 8 years
- c. 19 years
- d. 12 years

Ans - d

.....

According to Consumer Protection Act 1986, consumer complaints exceeding Rs. 20 lac but not exceeding Rs. 100 lac is to be filed before

- a. District Forum
- b. State Commission
- c. National Commission
- d. No such limitations.Can be filed before any forum

Ans - b

.....

The right to receive payment under a letter of credit or the right to draw bills on a Letter of Credit is vested in

- a. the opener of the LC
- b. the issuing Bank only
- c. the Buyer only
- d. all the three parties

Ans - c

.....

Whether breach of RBI directives is punishable offence and to what extent?

- a. Yes, fine up to five lakh rupees and for continuation of offence per day fine up to rupees ten thousand.
- b. Yes, by cancellation of licenses of the company.
- c. No, these are the administrative directions.
- d. No, the Act has not provided for any punishment in specific.

Ans - a

.....

In case of bank guarantees on behalf of companies that is in liquidation the bank on invocation of the guarantee by the beneficiary.

- a. must pay the amount to the Liquidator and not the beneficiary.
- b. must deposit the amount in the court to avoid any controversy.
- c. must pay the beneficiary.
- d. need not pay, since the bank guarantee lapses on the company being liquidated

Ans - c

.....

A person resident in India is a person who is residing in India for more than in the preceding financial year.

- a. 180 days
- b. 182 days
- c. 6 Months
- d. 1 year

Ans - b

.....

The purpose of is to make credit available to essential sectors of the economy according to national priorities.

- a. selective credit control
- b. maintenance of cash reserve
- c. reserve fund
- d. None of the above

Ans - a

.....

..... Act prohibits lending at exorbitant rates and empowers reopening of such contracts.

- a. BR Act
- b. RBI Act
- c. Usurious Loans Act
- d. None of the above

Ans - c

.....

Central govt can exempt a banking co. from the provisions of banking regulation act under which of the following circumstances ...

- a. On its own
- b. On recommendation of state govt
- c. On recommendation of RBI
- d. on request from the concerned banking co.

Ans - c

Who issues incense to the coop societies to function as coop banks ?

- a. State Govt
- b. NABARD
- c. Central Govt
- d. RBI

Ans - d

Interest rate on which of the following have been deregulated by RBI? (i) DRI, (ii) Ceiling rate on export credit, (iii) Ceiling rate on educational loans

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

Banks generally engaged in which type of leasing activities?

- A. operational
- B. financial
- C. service
- D. leveraged

Ans - b

Section 172 of the Indian Contract Act definition "The bailment of goods as a security for the payment of a debt or performance of a promise" refers to

- a. Banker's lien
- b. Hypothecation
- c. Pledge
- d. Mortgage

Ans - c

Why RBI has advised banks to desist from sanctioning advances against FDRs, of other banks?

- a. Other bank will not mark lien of lending bank
- b. It may result in double financing
- c. There may be possibility of fake term deposit receipts being used for obtaining advance
- d. All of these

Ans - b

As per Fair Practice Code, in case of receipt of request for transfer of borrower account, either from the borrower or from a bank/financial institution, which proposes to take- over the account, the consent or objection of the lender, if any, should be conveyed within from the date of receipt of request.

- a. 21 days
- b. 15 days
- c. 7 days
- d. one month

Ans - a

Which of the following is not correct?

- a. Banks may negotiate bills drawn under LCs, on 'with recourse' or 'without recourse' basis
- b. Banks can not purchase/discount the bills drawn otherwise than under LC on 'without recourse' basis
- c. Banks should not rediscount bills earlier discounted by non-bank financial companies (NBFCs) except in respect of bills arising from sale of light commercial vehicles and two / three wheelers.
- d. Banks can not negotiate bills drawn under LCs, on 'with recourse' or 'without recourse' basis

Ans - d

Loan Delivery System was recommended by Committee headed by

- a. Rashid Jilani
- b. N. Vaghul
- c. K. Kannan
- d. C Rangarajan

Ans - a

.....

Which of the following is correct about consortium financing by banks?

- a. Minimum number of consortium members should be 2 and maximum number should be 4.
- b. Every bank will have same asset classification
- c. Minimum share of a bank in the consortium should be 10%
- d. The banks will have a pari passu charge on the securities charged to them.

Ans - d

.....

At the time of granting fresh facilities, which type of declarations is to be obtained from the borrowers?

- a. that they are not availing credit facilities from other bank
- b. that they are not availing working capital facilities from other bank
- c. details about the credit facilities already enjoyed by them from other banks
- d. None of these

Ans - c

.....

When a borrower has availed credit facilities from more than one bank, banks should exchange information about the conduct of the borrowers' accounts with other banks at least at intervals.

- a. monthly
- b. quarterly
- c. half yearly
- d. yearly

Ans - b

.....

If the cash balance with RBI is less than that of required CRR balance, bank is required to pay penalty on the amount of shortfall for that day at the rate of and if default continues next day also then at the rate of

- a. Bank Rate, Bank Rate plus 1%
- b. Bank Rate plus 1% and Bank Rate plus 3%
- c. Bank rate plus 2% and Bank rate plus 4%
- d. Bank Rate plus 3% and Bank Rate plus 5%

Ans - d

On which of the following items which was exempted from maintenance of CRR, RBI has advised banks to maintain CRR as per policy statement of July 27,2009?

- a. NRE balance
- b. FCNR balance
- c. CBLO balances
- d. Balance of other banks

Ans - c

Statutory Liquidity Ratio (SLR) is maintained as per which of the following?

- a. Section 42(1) of RBI-Act
- b. Section 42 of Banking Regulation Act
- c. Section 42 of RBI Act
- d. Section 24 of Banking Regulation Act

Ans - d

In the case of existing lenders, all the banks may seek a declaration from their existing borrowers availing sanctioned limits of and above regarding credit facilities enjoyed by them from other banks.

- a. Rs 1 crore
- b. Rs 5 crore
- c. Rs 10 crore
- d. None of these

Ans - b

When borrowers are enjoying credit facilities from more than one bank, banks should obtain a regular certification by a professional regarding compliance of various statutory prescriptions. Such certification should be preferably from

- a. Company Secretary only
- b. Chartered Accountant only
- c. Cost Accountant only
- d. any of these

Ans - d

Cash Reserve Ratio is to be maintained by banks with reference to which of the following?

- a. Time liabilities
- b. Demand liabilities
- c. Time and demand liabilities
- d. Net demand and time liabilities

Ans - d

The right of a creditor in possession of goods, securities or any other assets belonging to the debtor to retain them until the debt is repaid is called

- a. Pledge
- b. General Lien
- c. Promise to pay
- d. Assignment

Ans - a

Any person who, for consideration, became the possessor of a promissory note, bill of exchange or cheque (if payable to bearer) or the payee or indorsee thereof (if payable to order) before the amount mentioned in became payable, and without having sufficient cause to believe that any defect existed in the title of the person from whom he derived his title is called

- a. Holder
- b. Holder in due course
- c. Holder in Discharge
- d. Holder in due diligence

Ans - b

A bank in India, wants to undertake capital market activities, doesn't need to (i) Obtain special license from AMFI, (ii) Register with SEBI, (iii) Obtain special license from FIMMDA

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

The FSDC Sub-committee has been set up under the chairmanship of

- a. RBI Governor
- b. Finance Minister
- c. Commerce Minister
- d. None of the above

Ans - a

A Macro Financial Monitoring Group (MFMG) was set up in

- a. May 2012
- b. June 2012
- c. August 2012
- d. December 2012

Ans - a

Which of the following are part of Public Sector Banks ? (i) State Bank of Hyderabad, (ii) Central Bank of India, (iii) Regional Rural Bank, sponsored by a nationalized bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

In the case of existing lenders, all the banks may seek a declaration from their existing borrowers availing sanctioned limits of and above regarding credit facilities enjoyed by them from other banks.

- a. Rs 1 crore
- b. Rs 5 crore
- c. Rs 10 crore
- d. None of these

Ans - b

Which of the following dates the DRT Act, 1993 was implemented?

- a. 24.06.1963
- b. 27.08.1993
- c. 30.09.1993
- d. 30.09.1993

Ans - b

A quotation in which the home currency unit is the standard unit and the rate is expressed in variable units of foreign currency is called

- a. direct rate
- b. spot rate
- c. indirect rate
- d. forward rate

Ans - c

When conversion/exchange of currencies takes place at some future date at a rate of exchange agreed upon now, such a transaction is known as

- a. spot transaction
- b. cover transaction
- c. cash transaction
- d. forward transaction

Ans - d

Cyber Laws in India are contained in which of the following:

- a. Cyber Technologies Act 2000
- b. Information Technology Act 2000
- c. Information and Cyber Technology Act 2000
- d. Cyber Law of India

Ans - b

.....

Which of the following objectives of Information Technology Act:

- a. to provide for legal infrastructure for e-commerce
- b. to facilitate electronic filing of documents of Govt.
- c. to facilitate amendment to the relevant Laws
- d. all the above

Ans - d

.....

Under RTI Act 2005, the information does not include, which of the following?

- a. e-Mails
- b. press releases
- c. logbooks
- d. none of the above

Ans - d

.....

Under RTI Act 2005, the period for providing information is

- a. 5 days
- b. one week
- c. 21 days
- d. 30 days

Ans - d

.....

If information does not relate his organisation, the Central Assistant public information officer has to forward the request for information to the concerned public authority with in

- a. 5 days
-

- b. one week
- c. 21 days
- d. 30 days

Ans - a

.....

A private key and its mathematically related public key which are so related that the public key can verify a digital signature created by the private key, is called:

- a. digital signature
- b. asymmetric crypto system
- c. electronic monitoring
- d. key pair

Ans - d

.....

Banking companies can pay dividend only after they have written off (which one is not correct):

- a. all bad debts
- b. all capitalized expenses
- c. all preliminary expenses
- d. all share selling expenses

Ans - a

.....

If the banking licence of a banking company is rejected:

- a. it can carry the banking business with special permission of Central Govt.
- b. it can carry the business as a money lender
- c. it can carry the banking business in one State with permission of State govt.
- d. it can carry the banking business for not more than 5 years there after.

Ans - b

.....

If the banking licence of a company is cancelled, the appeal can be made to ___ within ___ from date of order rejecting the licence:

- a. High Court, 30 days
 - b. Supreme Court, 30 days
 - c. Central Govt., 30 days
-

d. Central Govt., 60 days

Ans - c

The document of title to goods include a bill of lading, a railway receipt etc. These are defined as per:

- a. Section 2 (6) of Indian Contract Act
- b. Section 2 (4) of Sale of goods Act
- c. Section 2 (5) of NI Act
- d. Section 2 (12) of Indian Contract Act

Ans - d

If a person seeks information from a public authority

- a. he has to give reasons for seeking the information
- b. he has not to give reasons for seeking the information
- c. if reasons are given, it can help in quick disposal of the request for information
- d. information can not be provided by the public authority without knowing the reasons for seeking information

Ans - b

What type of charge is created on the life policy, when it is accepted as a security for the loan?

- a. hypothecation
- b. assignment
- c. lien
- d. pledge

Ans - b

In case of a life insurance policy, the value of security and amount of loan is based on:

- a. face value
- b. surrender value
- c. maturity value
- d. any of the above, whichever is higher

Ans - b

.....
If a bank has to cover itself while releasing the goods to the borrower but otherwise charged in bank favour, the bank obtains:

- a. letter of hypothecation
- b. trust receipt or letter of trust
- c. pledge agreement
- d. agreement of assignment

Ans - b
.....

If borrower defaults in payment of loan where the loan is secured by a charge on life insurance policy, the loan is recovered:

- a. from insurance company only
- b. from borrower only
- c. with permission of the borrower from insurance company only
- d. directly from the insurance company and if there is shortfall, from the borrower.

Ans - d
.....

Which of the following is an important feature of a Trust Receipt:

- a. the borrower has to recognise the right of the bank in the goods as security
- b. the borrower undertakes to hold the goods in trust for the bank
- c. in case of realization of sale proceeds, the borrower undertakes to deposit the amount in the bank
- d. if goods remains unsold, the borrower shall keep the goods until sold and in no case returns the goods to the bank

Ans - d
.....

Which of the following is not a demerit for accepting the life insurance policy as a security:

- a. if the premium is not paid regularly, the policy can lapse
- b. the insurance contract is a contract of utmost good faith and any misrepresentation by the borrower while obtaining the policy, can lead to making the policy void.
- c. the policy may be containing restrictive clauses that may restrict the liability of the insurance company.
- d. if the policy remains in force for a longer period, the surrender value declines.

Ans - d
.....
.....

The balance sheet and profit and loss account shall be audited by a person duly qualified to be

- a. a certified financial analyst
- b. auditor of companies
- c. auditor of cooperative societies
- d. None of the above

Ans - b

.....

Three copies of balance sheet and accounts along with auditor's report sent to Reserve Bank under Section 31 of the BR Act have also to be sent to the

- a. Central Government
- b. Registrar of Companies
- c. Company Law Board
- d. None of the above

Ans - b

.....

What is the objective of introduction of Base Rate system in banks? (i) Enhancing transparency in lending rates of banks, (ii) Enabling better assessment of transmission of monetary policy, (iii) To prevent monopoly and restrictive trade practices

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Interest on CRR balances kept by banks with RBI is paid by RBI at the rate of

- a. Bank Rate
- b. Repo Rate
- c. 3%
- d. Nil

Ans - d

.....

For the purpose of creation of equitable mortgage, who notifies the places for deposit of title deeds ?

- a. Central Govt.
- b. Local self Govt.
- c. President of India
- d. State Govt.

Ans - d

Main reason for obtaining the photographs in deposit accounts is

- a. to avoid frauds
- b. to avoid irregularities
- c. to detect irregularities in financial transactions
- d. to check benami accounts / transactions

Ans - d

For making payment towards imports into India, application from importers is obtained on

- a. Form A1
- b. Form A4
- c. Stat 4
- d. R 6

Ans - a

The bank is required to comply with the execution of the award of banking ombudsman within the bank is required to comply with the execution of the award of banking ombudsman within;

- a. 7 days
- b. 15days
- c. 30days
- d. 60days

Ans - b

In a Hindu Undivided Family, the business of the family is managed by

- a. Karta
-

- b. All the male co-parceners
- c. All the co-parceners
- d. None of these

Ans - a

.....

Exposure norms are not applicable to which of the following types of exposures? (i) Credit facilities to weak/sick industrial units under rehabilitation packages, (ii) Food credit, (iii) Loans guaranteed by State Government

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

A company is and from its members.

- a. Unique and Separate
- b. Separate and distinct
- c. Distinct and Unique
- d. Unique and distinct

Ans - b

.....

A private company should have a minimum paid-up capital of Rupees

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - c

.....

Which act provides regulatory powers directly or indirectly central govt for control over banks ?

- a. RBI ACT
 - b. B R ACT
 - c. N I ACT
-

d. a & b

Ans - d

Section 7(1) of RBI act concerns with which of the following aspects ?

- a. RBI authority to regulate the banks
- b. NABARD authority to regulate RRB's
- c. Govt authority to issued directions to RBI
- d. RBI authority to issue directions to bank in India

Ans - c

An appeal against the decision of national commission may be preferred with;

- a. central government.
- b. supreme court.
- c. high court.
- d. no provision for submitting an appeal

Ans - b

What is the maximum period for filling an appeal against the orders of the forum /commission ?

- a. 3 days
- b. 30 days
- c. 60 days
- d. 90 days

Ans - b

If the complaints lodged by the consumer is frivolous, the forum may instruct the construct the complaints to pay penalty to opposite party to the extent of;

- a. Rs. 10,001
- b. Rs. 5,000
- c. Rs. 10,000
- d. Rs. 15,000

Ans - c

A Public Limited Company shares are transferable.

- a. Not
- b. Freely
- c. Not freely
- d. None of these

Ans - b

.....

The Adhesive Revenue Stamps are affected on :

- a. Demand Promissory Notes.
- b. Acknowledgements.
- c. Balance Confirmation, Receipts.
- d. All the above.

Ans - d

.....

Hypothecation is

- a. Agreement.
- b. Pledge Agreement
- c. Letter of Guarantee.
- d. All the above.

Ans - d

.....

When account is following is closed by the bank, proper..... should be given to the customer

- a. thanks letter
- b. guarantee
- c. notice
- d. demand

Ans - c

.....

The present CRR and SLR requirements are , respectively.

- a. 20% and 40%
 - b. 3% and 25%
-

- c. 5% and 30%
- d. None of these

Ans – b

.....

Present minimum capital adequacy ratio is 9% of

- a. Total liabilities
- b. Total assets
- c. Total risk weighted assets
- d. None of these

Ans - c

.....

New Prudential Accounting Norms cover

- a. interest rates
- b. Method of lending
- c. Deposits
- d. Capital adequacy, income recognition, Assets classification and Provisioning

Ans - d

.....

The sub-agent is responsible for fraud or willful wrong to

- a. Principal
- b. Agent
- c. Both Principal and agent
- d. None of these

Ans - c

.....

On-site inspection is followed by

- a. supervisory letter
- b. renewal of license
- c. fresh audit
- d. None of these

Ans – a

.....

The State Bank of India is a constituted under the State Bank of India Act

- a. banking company
- b. body corporate
- c. society
- d. d. None of the above

Ans - b

The Chairman of the State Bank is appointed by in consultation with the Reserve Bank

- a. the Central Board
- b. Banking services Recruitment Board
- c. Central Government
- d. None of the above

Ans - c

State Bank has to act as and carry out Central Government business

- a. and other business entrusted by the Reserve Bank
- b. agent of Reserve Bank
- c. agent of Central Government
- d. advisor to the Central Government

Ans - b

The provision of the are applicable to State Bank as stipulated in Section 51 of the BR Act

- a. RBI Act
- b. Banking Regulation Act
- c. Companies Act
- d. None of the above

Ans - b

Whereas general lien gives right to retain goods, Banker's lien has in case of default

- a. right to create charge
 - b. right to create mortgage
-

- c. right to sell
- d. None of these

Ans - c

In a deposit account the principal relation between Bank and Customer is bank and the Customer

- a. Agent, Principal
- b. Lessor, Lessee
- c. Creditor, Debtor
- d. Debtor, Creditor

Ans - d

Crossing is a direction to the bank to pay the cheque to the payee through a bank.1-

- a. drawer
- b. payee
- c. paying
- d. collecting

Ans - c

When a cheque is drawn on a bank is called the

- a. drawer
- b. endorser
- c. acceptor
- d. drawee

Ans - d

Who implemented the banking ombudsman scheme?

- a. Indian bank association.
- b. Reserve bank of India.
- c. National institute of bank management
- d. National consumer commission

Ans - b

What is the tenure of banking ombudsman?

- a. 1 years
- b. 3 years
- c. 5 years
- d. no such time limit

Ans - b

.....

Lok Adalats are organised by

- a. District/State Authority
- b. Supreme Court Legal Services Committee
- c. High Court Legal Services Committee
- d. All of these.

Ans - d

.....

"Spurious goods and services" means

- a. Genuine goods and services
- b. Not Genuine goods and services
- c. Claimed to be Genuine but not actually so
- d. None of the above

Ans - c

.....

Which of the following are true about an inquiry carried out by an Information Commission? (i) It may examine any record to which the `RTI Act, 2005` applies, (ii) No such record can be withheld from it (irrespective of any provision of any Act passed by the Parliament or the State Legislature), (iii) IC has the powers of a Civil Court trying a suit under the Code of Civil Procedure."

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

.....

Garnishee Order extends to the following types of deposit (i) Term Deposit maturing after one year, (ii) Credit Balance in Cash credit account, (iii) Balance in current account

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

On sale of security asset, the sale proceeds are appropriated firstly.

- a. Towards satisfaction of dues of secured creditor.
- b. Towards payment of dues of labour.
- c. Towards payment of cost, charges and expenses for preservation and protection of securities, insurance premiums, etc
- d. Towards payment of legal costs incurred by the creditor for taking possession and for effecting sale.

Ans - c

.....

After Mardia Chemical Case, the amendment made in the SARFAESI Act stipulates deposit of _____ % of amount before preferring application to DRT.

- a. 25
- b. 50
- c. 60
- d. 75

Ans - b

.....

The acceptance of recommendations of the banking ombudsman should be conveyed by the bank within

- a. 7 days
- b. 15 days
- c. 21 days
- d. 1 Month

Ans - d

.....

A borrowal account is designated as non performing asset when the interest and/or installment remains unpaid for

- a. 1 quarter
- b. 2 quarters
- c. 3 quarters
- d. 4 quarters

Ans - b

RBI ensures that banks operate within set norms by conducting inspections and monitoring

- a. on-site, off-site
- b. field, commodity prices
- c. stock, stock market
- d. None of these

Ans - a

Transfer of Property Act basically contains provisions relating to transfer of

- a. Moveable property and goods
- b. Immovable property
- c. Either a or b
- d. None of the above

Ans - b

A public company should have a minimum paid-up capital of Rupees

- a. five crore
- b. five lakh
- c. one crore
- d. one lakh

Ans - b

There is no as to the quality or fitness of goods for any particular purpose.

- a. implied condition
-

- b. implied warranty
- c. express condition
- d. express warranty

Ans - a

A contract if entered into by a banking company with any party in contravention of a direction issued by the Reserve Bank

- a. shall be invalid
- b. shall render the banking co. liable to prosecution for violation of directions
- c. shall render the bank and any other party to the contract liable to prosecution for violation of directions.
- d. None of the above

Ans - c

A lease is a transfer of property.

- a. Absolute
- b. Partial
- c. Limited
- d. either b or c

Ans - d

For the purpose of maintenance of liquid assets under Section 24 of the BR Act, unencumbered approved securities shall be valued at

- a. face value
- b. current market price
- c. average of market price for previous six months
- d. None of the above

Ans - b

When the is in possession of goods, a lien can be exercised.

- a. buyer
 - b. agent of the buyer
-

- c. seller
- d. carrier

Ans - c

.....

Any person aggrieved by an order of Adjudicating Authority can appeal to

- a. RBI
- b. High Court
- c. Special Director (Appeals)
- d. Appellate Tribunal for Foreign Exchange

Ans - c

.....

An Ajudicating Authority can enquire contravention under FEMA only if a complaint is filed by

- a. RBI
- b. High Court
- c. Special Director (Appeals)
- d. Central Government

Ans - d

.....

Frequency of First Tranche Returns is

- a. monthly
- b. monthly / quarterly
- c. monthly / quarterly / half-yearly
- d. None of these

Ans - c

.....

Second Tranche of OSMOS returns cover

- a. asset quality
- b. liquidity and interest rate exposures
- c. ownership pattern of deposits
- d. None of these

Ans – b

.....

The sub-agent is responsible for his normal acts to

- a. Principal
- b. Agent
- c. Both Principal and agent
- d. None of these

Ans - b

.....

XYZ Limited borrowed some money from Mr. A by issuing a bond. The Articles of Association of the company provided that the directors can borrow as much money as they want subject to resolution from the shareholders. The shareholders claimed that they did not pass any resolution.

- a. the borrowing has become ultra-vires
- b. A cannot recover because of application of doctrine of constructive notice.
- c. Funds lent by A are safe because of application of doctrine of indoor management
- d. Funds lent by A are not safe as this cannot be ratified by the Shareholders.

Ans - c

.....

When a drawer draws a cheque without keeping sufficient balance and if the cheque is dis-honoured for insufficient funds, the drawer is punishable with and imprisonment which may extend to and or a fine.

- a. two months
- b. four month
- c. one year
- d. None of these

Ans - c

.....

Where the signature of the drawer of a cheque is not genuine, such a cheque is called

- a. post-dated cheque
- b. forged cheque
- c. clearing cheque
- d. stale cheque

Ans - b

.....

Which of the following matching of parties in a contract of indemnity, is correct?

- a. the person who is to be saved from loss is called indemnified and the party which makes the promise is called indemnifier.
- b. the person who is to be saved is called indemnifier and the party which makes the promise is called indemnity holder.
- c. the person who is to be saved from loss is called indemnity holder and the party which makes the promise is called indemnifier.
- d. the person who is to be saved from loss is called indemnity holder and the party which makes the promise is called indemnified.

Ans - c

.....

Section 138 states that drawer of a cheque is liable to be punished if the cheque is bounced for

- a. not crossing
- b. alteration in figures
- c. being postdated
- d. insufficient fund

Ans - d

.....

If company commits an act of contravention relating to, it can be

- a. Memorandum of Association, ratified
- b. Articles of Association, cannot be ratified
- c. Memorandum of Association, cannot be ratified
- d. none of the above

Ans - c

.....

The liability of the guarantee is co-extensive with that of the principal debtor means.....

- a. if the borrower is liable the guarantor continues to be liable
- b. if borrower defaults, the payment shall be made by the guarantor
- c. the guarantor remains liable even when the limitation against the principal debtor expires.
- d. all the above

Ans - d

.....

Which of the following types of loss cannot be recovered under a contract of indemnity?

- a. damages paid in a suit
- b. cost paid in a suit
- c. payment made in compromise that are not contrary to the indemnity
- d. none of the above

Ans - d

.....

The Chairman and Managing Director of a banking company so appointed by the Reserve Bank where the office of the Chairman or the Managing Director is vacant, shall be in the whole-time employment of the banking company and shall hold office for such period not exceeding

- a. 3 years
- b. 5 years
- c. 7 years
- d. 9 years

Ans - a

.....

Which of the following a correct statement.....

- a. in a contract of guarantee, the liability of the guarantor is primary
- b. principal debtor need not make the payment to guarantor, after the guarantor makes the payment
- c. anything done for the benefit of the principal debtor is sufficient consideration to the surety by giving the guarantee.
- d. in a contract of indemnity, the indemnity holder is primarily liable.

Ans - c

.....

Every Chairman of the Board of Directors and Managing Director of a banking company shall be in the whole-time employment and shall hold office for maximum period of not exceeding

- a. 3 years
- b. 5 years
- c. 7 years
- d. 9 years

Ans - b

.....

A person having authority to sell the goods or buy the goods, under Sale of Goods Act is called.....

- a. an agent
- b. an authorised agent
- c. a mercantile agent
- d. any of the above

Ans - c

Debt recovery tribunal and Debt recovery appellate tribunals are headed by (which one is correct)?

- a. presiding officers
- b. Chairpersons
- c. DRT by presiding officer and DRAT by Chairperson
- d. DRT by Chairperson and DRAT by presiding officer

Ans - c

Which of the following statement is correct regarding the Ombudsman Scheme?

- a. disputes amongst two banks can be taken up by Ombudsman
- b. the cooperative banks and RRBs are not covered under the scheme
- c. Ombudsman is appointed by the Central govt.
- d. the Ombudsman deals with the complaints received from customers subject to fulfillment of procedure to be adopted by the customer

Ans - d

If a bank fails to maintain the required amount of SLR, it shall be liable to pay the penal interest for that day at the rate of per annum above the bank rate on the shortfall and if the default continues on the next succeeding working day, the penal interest may be increased to a rate of per annum above Bank Rate for concerned days of default on shortfall.

- a. 2 percent, 3 percent
- b. 2 percent, 4 percent
- c. 3 percent, 4 percent
- d. 3 percent, 5 percent

Ans - d

As per Banking Regulation Act, what can be the maximum rate of SLR?

- a. 15 percent
- b. 20 percent
- c. 30 percent
- d. 40 percent

Ans - d

.....

The summary assessment under Income Tax Act means.....

- a. when the assessment is completed by Assessing Officer in short manner
- b. when the assessment is completed by Assessing Officer without any further enquiry
- c. when the assessment is completed by Assessing Officer with further enquiry
- d. none of the above

Ans - b

.....

The SARFAESI Act has introduced which of the following (which one is not correct)?

- a. securitization and reconstruction of financial assets
- b. financial assets means the non-performing loans only
- c. enforcement of security interest without court intervention
- d. setting up of central registry for registration of securitization transactions

Ans - b

.....

If there is request for transfer of application from one DRT to another DRT.....

- a. it can be transferred by the DRT already handing the application
- b. it can be got transferred by the DRT which has been asked to entertain the case after transfer
- c. it can be transferred by any DRAT
- d. it can be transferred by the DRAT having jurisdiction over both the DRTs

Ans - d

.....

Which of the following is not correct regarding the award of Lok Adalat?

- a. it is deemed to be the decree of a civil court
 - b. the court fee if already paid, shall not be refunded
-

- c. The award is binding on all the parties to the disputes
- d. all the above

Ans - b

.....

The objective of enactment of Consumer Protection Act 1986 is

- a. to help bank customer to file suit in a consumer court
- b. better protection of the interests of the consumers
- c. quick remedy to the consumer though normal courts
- d. all the above

Ans - b

.....

The Distt. Forum under Consumer Protection Act consists of which of the following

- a. Person qualified to be a Distt. Judge to be president and three other members one of whom to be a women
- b. Person qualified to be a Distt. Judge to be president and 2 other members one of whom to be a women
- c. Person qualified to be a Distt. Judge to be president and one other member
- d. Person qualified to be a Distt. Judge to be president and one other member who should be a woman

Ans - b

.....

Bank-A wants to file a suit in a DRT. The suit can be filed within the local limits of which of the following DRT (which one is not correct)

- a. where the defendant resides or carries on the business
- b. where any of the defendants (where there are more than one) resides or carries on the business
- c. where the cause of action has arisen
- d. it is at the discretion of the bank

Ans - d

.....

Which of the following is not required to file a return of income if the income in the previous does not exceed the amount which is not liable to tax?

- a. individual
 - b. partnership firm
-

- c. company
- d. all the above

Ans - a

.....

A securitization transaction by a securitization company is completed in stages i.e., under SARFAESI Act

- a. two stages i.e. acquiring the assets from banks and making payment of security receipts
- b. two stages i.e. acquiring the assets from banks and then issuing security receipts
- c. three stages i.e. acquiring the assets from banks, issuing security receipts and then making payment to QIBs
- d. none of the above

Ans - b

.....

Three persons have joined together to share the profits and returns arising from property (which one is correct)

- a. the persons shall be called partners
- b. the group of these persons shall be collectively called firm
- c. the name under which they shall carry the transaction shall be called the firm name
- d. it is not a partnership firm, since they shall not carry on any business

Ans - d

.....

Which of the following is part of general duty of a partner?

- a. partners should not make secret profits
- b. partners should be just and faithful to each other
- c. partners should render true accounts of the business.
- d. partners should disclose full information of all things affecting the firm to all partners but in case of death of any them, not to their legal heirs.

Ans - d

.....

Which of the following statement is correct?

- a. the risk in goods in a sale is with the seller
 - b. where parties have performed their part, it is an agreement to sell
-

- c. if the risk is yet to pass on to the buyer, it is an agreement to sell
- d. where the parties are yet to perform their part, it is a sale

Ans - c

.....

When parties in a contract agree that the sale of goods shall be regarded as final sale only on the fulfillment of certain conditions either before or after the conclusion of the contract for sale, it is called

- a. absolute sale
- b. conditional sale
- c. agreement to sell
- d. sale agreement

Ans - b

.....

In pledge, the bailee is called

- a. pledger
- b. pledgee
- c. pawnor
- d. pawnee

Ans - d

.....

A person is presumed to have gone through the Articles of Association and Memorandum of Association available with the office of RoC although he might have actually not laid his hands on these documents. This is called doctrine of.....

- a. ultra-vires
- b. constructive notice
- c. indoor management
- d. outdoor management

Ans - b

.....

If the directors of a company undertake some ultra-vires transaction on behalf of the company, which of the following situation is possible.....

- a. they are personally liable to the company
-

- b. they can be compelled to refund the money to the company
- c. action for fraud can also be taken if there is deliberate misapplication
- d. all the above

Ans - d

Under Sale of Goods Act, the goods that are identified and agreed upon at the time when contract of sale is made, are called.....

- a. specific goods
- b. future goods
- c. movable goods
- d. immovable goods

Ans - b

The goods are defective and the bailor does not disclose this fact at the time of bailment. If there is loss to the goods.....

- a. the bailor is not liable
- b. the bailee is not liable
- c. the bailor and bailee are liable on pro-rata basis
- d. the bailor is liable and bailee is not liable

Ans - d

As per provisions of Indian Contract Act, the is free when the parties to the contract agree to the same thing in the same sense.

- a. agreement
- b. contract
- c. consent
- d. all the above

Ans - c

If a firm has several types of business and one of such business has become unlawful due to certain event.....

- a. the firm has to close the whole business
-

- b. the firm has to start the whole business afresh
- c. the firm can continue with the business if it was not major portion of the total business
- d. the firm can continue with other business by closing the unlawful business.

Ans - d

.....

If it comes to the notice of partners of the firm, that one of the partners is carrying on a business that is a competing business with the firm.....

- a. the said partner has to close that business
- b. the said partner has to merge this business with the business of the firm
- c. if separate business is continued and there are profits from the said business, the profits have to be shared with other partners
- d. the said partner has to undertake to close the business in a period fixed by them all

Ans - c

.....

For realization of the acquired financial assets by an asset reconstruction company (ARC), under SARFAESI Act, which of the following option is not available.....

- a. to take over the management of the business of the borrower
- b. to sell or lease the business or enforce security interest as per SARFAESI Act
- c. rescheduling the payment of debts
- d. none of the above

Ans - d

.....

Under provisions of SARFAESI Act, the term originator and obligor means.....

- a. borrower, securitization company
- b. bank or FI, borrower
- c. securitization company, bank or FI
- d. securitization company, borrower

Ans - b

.....

The central consumer protection council is headed by.....

- a. The Secretary of Ministry of Consumer Affairs in the Central Govt.
 - b. Minister of Consumer Affairs in the Central Govt.
-

- c. Judge of the Supreme Court
- d. any person nominated by the President of India

Ans - b

.....

Under provisions of Consumer Protection Act, the complaint can be made for (which is incorrect)?

- a. unfair or restrictive trade practice
- b. the goods suffering from defects
- c. deficiency in services which are availed for a cost or free of cost
- d. charging of the excessive price.

Ans - c

.....

The decision or order of the Ombudsman, in the scheme is called.....

- a. Decree of the Ombudsman
- b. Award of the Ombudsman
- c. Order of the Ombudsman
- d. Judgement of the Ombudsman

Ans - b

.....

The bailee can use the goods delivered by the bailor.....

- a. as per discretion of the bailee
- b. as per direction given by the bailor
- c. as per the purpose to be decided by the bailee
- d. none of the above

Ans - b

.....

In case of partnership firm, which of the following is not correctly matched.....

- a. the persons who enter into partnership with one another are individually called partners
- b. the persons who enter into partnership with one another are collectively called firm
- c. the name under which their business is carried, is called firm name.
- d. the firm is a separate legal entity separate from the partners

Ans - d

.....

.....

The appellate authority under the Ombudsman scheme to whom appeal can be made by the bank or the customer is.....

- a. Governor RBI
- b. any Dy Governor of RBI
- c. Dy Governor of RBI, the in charge of the Deptt. implementing the scheme
- d. Ministry of Finance

Ans - c

.....

Which of the following parties do match in a contract of guarantee?

- a. the person making the promise - surety
- b. the person for whom the promise is made - the creditor
- c. the person to whom the promise is made - the principal debtor
- d. all the above

Ans - b

.....

All transactions relating to asset securitization or reconstruction or creation of security interest are required to be registered with under provisions of SARFAESI Act.....

- a. Security and Exchange Board of India
- b. Central Registry
- c. Registrar of Companies
- d. Registrar of Assurances

Ans - b

.....

If there is delay in getting the registration with Central Registry, who can condone such delay and allow the registration, under SARFAESI Act.

- a. Central Registrar can condone the delay up to 10 day after initial period of 30 days
- b. Central Registrar can condone the delay up to 15 day after initial period of 30 days
- c. Central Registrar can condone the delay up to 30 day after initial period of 30 days
- d. Central Registrar can condone the delay up to 60 day after initial period of 30 days

Ans - c

.....

A person who is indemnified can recover for claiming the damages.

- a. Damages
- b. Costs
- c. Both a and b
- d. None of these

Ans - c

Who can retain goods bailed to them as security for a general balance of a/c.

- a. Bankers
- b. Factors
- c. Policy brokers
- d. All of them

Ans - d

A person who makes a proposal is known as

- a. promisor
- b. principal debtor
- c. surety
- d. guarantor

Ans - a

A person is said to be competent to contract if

- a. he is a major
- b. he is of sound mind
- c. he is a major and of sound mind
- d. None of the above

Ans - c

Which of the following is a correct statement?

- a. State govt has no control over coop banks
 - b. Central govt doesn't exercise any control over the commercial bank
-

- c. For cancellation of bank license by RBI, appeal lies with the supreme court
- d. Central govt can give directions to RBI

Ans - d

What can be the min & max denomination of bank notes under the provisions of RBI act?

- a. Rs 1 to Rs 1000
- b. Rs 2 to Rs 1000
- c. Rs 2 to Rs 10000
- d. Rs 10 to Rs 10000

Ans - c

The maximum number of members in a public company can be

- a. 12
- b. 50
- c. 51
- d. No Limit

Ans - d

While dealing with shares and securities banks have to follow the regulations framed by ...

- a. Company law board
- b. Registrar of companies
- c. SEBI
- d. FEDAI

Ans - c

Banking regulation act 1949 was enacted with the objective of ...

- a. Creating RBI
- b. Creating banking companies
- c. Accepting of deposit and lending
- d. Regulating banking business

Ans - d

"Document of title of goods" doesn't include

- a. Bill of lading
- b. Railway receipt
- c. wharfinger's certificate
- d. None of these

Ans - d

Persons entered into partnership are collectively called as

- a. Partners
- b. Firm
- c. Either a or b
- d. None of these

Ans - b

A person is said to be competent to contract if

- a. he is a major
- b. he is of sound mind
- c. he is a major and of sound mind
- d. either a or b.

Ans - c

Surety is also known as the

- a. indemnifier
- b. bailor
- c. guarantor
- d. bailee

Ans - c

Liability of the surety is that of the principal debtor.

- a. primary to
 - b. co-extensive with
-

- c. secondary to
- d. either a or b

Ans - b

.....

Insurance policies are contracts in the nature of

- a. guarantee
- b. pledge
- c. bailment
- d. indemnity

Ans - d

.....

The final decision to issue notes of different denomination is taken by ...

- A. Governor RBI
- B. Central Board Of Directors Of RBI
- C. Issue Deptt Of RBI
- D. Central Govt

Ans - d

.....

On which of the following aspects, RBI doesn't have the authority as far as banks are concerned?

- A. Collection & dissemination of credit info
- B. Moratorium, amalgamation, winding up of bank
- C. Imposition of penalties
- d. None of the above

Ans – d

Which of the following kind of authority RBI doesn't have to regulate the banking business in India?

- A. To inspect the banks
- B. To exercise supervisory control over banks
- C. To give directions to bank in public interest
- D. NONE OF THE ABOVE

Ans - d

.....

When the bank gives loan on the security of book debts, which of the following types of charge is created:

- a. hypothecation
- b. assignment
- c. lien
- d. pledge

Ans - b

.....

Which of the following is an essential condition for creating the assignment:

- a. assignment can be oral as well as in writing
- b. the notice of assignment must be given to the original debtor
- c. the original debtor must acknowledge the assignment in favour of the bank
- d. the assignment may be absolute or by way of a charge

Ans - a

.....

When the bank serves the notice on assignment, the original debtor must confirm:

- a. the amount of debt
- b. details of his own right of set-off, if any
- c. details of previous notice of assignment, if any.
- d. all the above

Ans - d

.....

What type of charge is available to the bank, when the loan is granted against the security of fixed deposit receipt:

- a. hypothecation
- b. assignment
- c. lien
- d. pledge

Ans - b

.....

Against which of the following types of fixed deposit receipt, the loan can be allowed by the bank to a person called X:

- a. the FDR issued by another bank in the name of X
- b. the FDR issued by the bank in name of minor child of X
- c. the FDR issued by the bank in the name of X jointly with his wife which is discharged by both of them
- d. the FDR in the name of X kept by him as his clients money.

Ans - c

In case of supply bills, the document evidencing the movement of goods from the seller to the buyer is called:

- a. warehouse receipt
- b. delivery challan
- c. wharfingers certificate
- d. supply bill

Ans - b

When the bank has to allow advance against the supply bills, which of the following document is normally not required to be submitted compulsorily:

- a. hundi or bill of exchange
- b. receipted challan or delivery challan
- c. inspection note
- d. railway receipt or goods receipt

Ans - d

In case of advance against supply bills, the bank shall receive the payment directly from the govt. department on the basis of:

- a. documents sent by the bank to the govt. department
- b. charge assignment acknowledged by the govt. department
- c. power of attorney executed by the borrower and registered by the govt. department with them
- d. all or any of the above

Ans - c

.....
Fail to create charge and intimate to the central registrar as per Sec. 23,24 and 25 of SARFAESI Act by the Securitisation Company can be punished with

- a. Fine up to five lakh rupees and for continuation of offence per day fine up to rupees ten thousand.
- b. Cancellation of licenses of the company.
- c. Fine upto rupees five thousand for each day during which the default continues.
- d. The Act has not provided for any punishment in specific.

Ans - c

.....

SARFAESI Act is not applicable to

- a. Nationalised Banks
- b. Regional Rural Banks
- c. Co-operative Banks
- d. SBI and its subsidiary Banks

Ans - b

.....

Demand deposits are those which can be withdrawn

- a. on demand
- b. at any future date
- c. after one year
- d. after 5 years

Ans - a

.....

Which of the following is correct regarding loan to directors of other banks or relatives of directors of own bank or directors of other banks?

- a. In all cases, loan can be sanctioned by appropriate authority but it should be reported to Board of Directors of sanctioning Bank
- b. In all cases, loan cannot be granted without sanction of the Board of Directors of lending Bank.
- c. Loan of Rs 25 lakh and above can be granted only after obtaining sanction of the Board of Directors of lending bank
- d. Loan of less than Rs 25 lakh can be sanctioned by appropriate authority but it should be reported to Board of Directors of sanctioning Bank

Ans - c

.....

In case of improper and wrongful expulsion, the expelled partner (i) Does not cease to be a partner, (ii) Is entitled to be reinstated in his position, (iii) Can recover damages for wrongful expulsion

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

Gift of Rs 5,00,000 received on 10 July, 2017 through account payee cheque from a non-relative regularly assessed to income-tax, is

- a. A capital receipt not chargeable to tax
- b. Chargeable as other sources
- c. Chargeable to tax as business income
- d. Exempt up to Rs.50,000 and balance chargeable to tax as income from other source

Ans - b

As per section 2(1)(c) of Consumer Protection Act 1986, "complaint" means any allegation in writing made by a complainant that a trader or service provider has charged for the goods or service a price in excess of the price (i) fixed by or under any law for the time being in force, (ii) displayed on the goods or any package containing such goods, (iii) agreed between the parties

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Persons who are not allotted PAN are to make declaration

- a. on form No.60
- b. on form No.61
- c. on form No.60-A
- d. on form No.60-B

Ans - a

.....
Among the following which documents are not mandatory to be submitted to the registrar along with incorporation application by a private company.

- a. Address of Registered office & undertaking
- b. Undertaking and statement of capital
- c. statement of capital & list of directors
- d. list of directors and statement of capital

Ans - A

.....
The term "Coercion" means (i) Committing or threatening to commit any act forbidden by the Indian Penal Code, (ii) Compulsion, (iii) A unlawful pressure

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

..... means the total amount of called up capital on the shares issued and subscribed by the shareholders on capital account.

- a. Called-up capital
- b. subscribed capital
- c. nominal capital
- d. Paid-up capital

Ans - a

.....
As per section 4(2), of The Sale of Goods Act, a contract of sale may be (i) Absolute, (ii) Conditional

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - c

Combining of accounts of customers is usually resorted to when

- a. one account of the customer shows debit balance and the other credit balance
- b. one account of the customer is time barred and the other is not
- c. both accounts are showing debit balance, one is secured other is not
- d. both accounts are showing credit balance; one is active and the other one is dormant

Ans - a

.....

Depository receipts that are traded in an international market other than the United States are referred to as

- a. Global depository receipts
- b. International depository receipts
- c. Open market depository receipts
- d. None of the above

Ans - a

.....

Which of the following is true about the restrictions on RBI? (i) It is not to compete with the commercial banks, (ii) It is not allowed to pay interest on its deposits, (iii) It cannot engage directly or indirectly in trade

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

In case of death of a customer banking accounts of that customer are stopped only when a banker receives

- a. An order issued by a court of competent jurisdiction
- b. On production of the death certificate issued by the corporation or local bodies
- c. A legal notice from the survivors of the deceased
- d. Actual or constructive notice of a customer's death

Ans - d

.....

There is an announcement in the Newspaper about the death of one of the important client Mr. Ram Mohan yesterday. A cheque is presented in clearing dated one month before. Now

- a. The cheque should be returned with the remarks "Drawer Deceased"
- b. The cheque should be honoured as the bank has not received any written notice of Mr. Ram Mohan from his family
- c. The cheque should be paid as it bears the date prior to the death of Mr. Ram Mohan
- d. The cheque may be paid if the presentor executes an indemnity bond

Ans - a

The banker customer relationship comes to an end on the happening of the following event. (i) Death of the depositor, (ii) Insolvency/Lunacy of the depositor, (iii) Arrest/Imprisonment of the depositor

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

To avoid operation of the rule of Clayton's case a banker should rule-off the account which is overdrawn and open a fresh account for further transaction when

- a. a new partner is admitted to a partnership firm
- b. the bank receives the notice of death or insolvency of a partner or a joint account holder
- c. there is a change in the board of directors of a company
- d. if case of death of a managing director of a Joint Stock Company

Ans - b

Priority sector includes (i) Agriculture, (ii) Retail Business, (iii) Small Scale Industries

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Family pension received by a widow of a member of the armed forces where the death of the member has occurred in the course of the operational duties, is

- a. Exempt up to Rs.3,00,000
- b. Exempt up to Rs. 3,50,000
- c. Totally exempt under section 10(19)
- d. Totally chargeable to tax

Ans - c

As per Section 2(i) of IT Act "record" includes (i) any document, manuscript and file, (ii) any microfilm, microfiche and facsimile copy of a document, (iii) any other material produced by a computer or any other device

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Which of the following statements about GST are correct? (i) Both Central and State taxes will be collected at the point of sale, (ii) The Central and State GST will be charged on the manufacturing cost.

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

How could a Public Information Officer receive applications? (i) Those submitted by a requester in hand, (ii) Those sent by an applicant by E-Mail, (iii) Transferred by another Public Authority

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

The register of members can be closed by a company by giving a prior notice of ___ by advertisement, in some newspaper:

- a. 7 days
- b. 10 days
- c. 15 days
- d. 30 days

Ans - a

.....

If the Board of Directors of a company fails to hold annual general meeting, a member of a company can approach Company Law Board to call such meeting. This is a ___ right.

- a. statutory right
- b. proprietary right
- c. documentary right
- d. basic right

Ans - a

.....

If a public company does not frame its own Articles of Association, it can adopt ___ that will be deemed to be its Articles of Association.

- a. Schedule II
- b. Table A
- c. Table II
- d. Schedule A

Ans - b

.....

The Articles of Association of a private company must state (which one is not required):

- a. restriction regarding issue of prospectus
- b. restriction regarding non-acceptance of deposits from public
- c. restriction regarding no. of shareholders
- d. none of the above

Ans - d

.....

To distinguish the Memorandum of Association from Articles of Association, which statement is correct:

- a. Memorandum of Association is subordinate document
- b. Articles of Association is a subordinate document
- c. Articles of Association is dominating document
- d. Memorandum of Association and Articles of Association, both are dominant documents

Ans - b

.....

If company commits an act of contravention relating to ____, it can be ____:

- a. Memorandum of Association, ratified
- b. Articles of Association, cannot be ratified
- c. Memorandum of Association, cannot be ratified
- d. none of the above

Ans - c

.....

Which of the following, saves the outsiders, by ensuring that his contract is not inconsistent with the Memorandum of Association and Articles of Association?

- a. doctrine of ultra-vires
- b. doctrine of constructive notice
- c. doctrine of indoor management
- d. doctrine of outdoor management

Ans - c

.....

If there is some ultra-vires transaction undertaken by the directors of the company, for the company:

- a. it can be ratified by the Board of Directors
- b. It can be ratified by the shareholders
- c. it can be ratified by the Board of Directors or Shareholders
- d. It cannot be ratified either by Board or Shareholders.

Ans - d

.....

The money of a company has been spent by the directors on acquiring a property but ultra-vires:

- a. the company cannot be owner of such property
-

- b. the directors are liable for that and they will be owners of that property
- c. the company can be lawful owner, although it has been wrongly acquired.
- d. the property has to be disposed off immediately and company money restored.

Ans - c

.....

If the directors of a company undertake some ultra-vires transaction on behalf of the company, which of the following situation is possible?

- a. they are personally liable to the company
- b. they can be compelled to refund the money to the company
- c. action for fraud can also be taken if there is deliberate misapplication
- d. all the above

Ans - d

.....

XYZ Limited borrowed some money from Mr. A by issuing a bond. The Articles of Association of the company provided that the directors can borrow as much money as they want subject to resolution from the shareholders. The shareholders claimed that they did not pass any resolution.

- a. the borrowing has become ultra-vires
- b. A cannot recover because of application of doctrine of constructive notice.
- c. Funds lent by A are safe because of application of doctrine of indoor management
- d. Funds lent by A are not safe as this cannot be ratified by the Shareholders.

Ans - c

.....

According to provisions of Companies Act 1956, every person holding ____ of a company and whose name is entered as beneficial owner in the records of the depository is deemed as ___ of the concerned company:

- a. equity share, member
- b. preference share, member
- c. equity or preference share, member
- d. debenture, member

Ans - a

.....

What is not correct regarding the words member and shareholders in the context of a company?

- a. the companies having no share capital have members only and no shareholders
- b. the members of the companies having share capital are called shareholders also
- c. the members of the companies and shareholders of the companies are different persons
- d. all the statements are incorrect

Ans - c

If a minor is recorded as member by a company, by mistake (which of the following is wrong):

- a. company has a right to rescind the transaction
- b. the minor has a right to rescind the transaction
- c. if the minor is allotted shares and his name is entered as member, he is liable to the company
- d. none of the above

Ans - c

A person dealing with a company cannot take the plea that he had no notice of contents of Articles of Association and Memorandum of Association due to:

- a. doctrine of ultra-vires
- b. doctrine of constructive notice
- c. doctrine of indoor management
- d. doctrine of outdoor management

Ans - b

If a person makes application in a fictitious name for acquiring or subscribing the shares of a company:

- a. he can be allotted shares
- b. he can be allotted shares at his risk
- c. he can be punished with imprisonment up to 5 years
- d. he can be punished with imprisonment up to 5 years and with fine or both.

Ans - c

In which of the following circumstances, a person does not cease to be a member of a company?

- a. if the company is wound up
-

- b. if the person becomes insolvent
- c. if the person dies
- d. none of the above

Ans - d

.....

Under RTI Act 2005 the information can be obtained by

- a. any person in India including artificial persons
- b. companies, firms, corporations etc.
- c. Indian citizens
- d. all the above

Ans - c

.....

Which of the following is a correct statement?

- a. the doctrine of indoor management assumes that the outsiders dealing with the company must have the knowledge about Memorandum of Association and Articles of Association
- b. the doctrine of constructive notice states that the outsiders need not look into the internal procedures of the company
- c. the doctrine of ultra virus states that company cannot carry any activity which is not mentioned in the object clause of Memorandum of Association.
- d. all the statements are correct.

Ans - c

.....

The Prevention of Money Laundering Act 2002 was enacted with the following objective

- a. to prevent money laundering
- b. to provide for confiscation of property derived from money laundering
- c. to prevent use of banking system for money laundering
- d. all the above

Ans - d

.....

The definition of money laundering is given in

- a. Prevention of Money Laundering Act
-

- b. Narcotic Drugs and Psychotropic Substances Act 1985
- c. Foreign Exchange Management Act
- d. none of the above

Ans - d

.....

If a person commits offence under Prevention of Money Laundering Act 2002, shall be liable for imprisonment

- a. of three years
- b. of five years
- c. five to 10 years
- d. three to seven years

Ans - d

.....

Banks are to maintain records of which of the following transactions as per Prevention of Money Laundering Act 2002:

- a. all transactions of the value of more than Rs.10 lac or its equivalent in foreign currency
- b. all cash transactions of the value of more than Rs.10 lac or its equivalent in foreign currency
- c. all cash transactions of the value of Rs.10 lac above or its equivalent in foreign currency
- d. all foreign currency transactions of the value Rs.10 lac above

Ans - b

.....

Banks are to maintain records of all series of cash transactions integrally connected to each other which have been valued below Rs.10 lac where such series of transactions have taken place _____, as per Prevention of Money Laundering Act 2002:

- a. on a particular day
- b. during a particular week
- c. within a month
- d. within 10 weeks

Ans - c

.....

Banks are required to maintain records under Prevention of Money Laundering Act 2002 which should contain following information (which is not correct):

- a. nature of the transaction
- b. amount of the transaction and the currency
- c. date on which transacted and the parties to the transaction
- d. none of the above

Ans - d

Director under Prevention of Money Laundering Act 2002 is appointed by:

- a. Reserve Bank of India
- b. Financial Intelligence Unit - India
- c. Govt. of India
- d. Security and Exchange Board of India

Ans - c

Which of the following is authorised to prescribe the manner for keeping records to be maintained by banks under PML Act 2002:

- a. RBI only
- b. SEBI only
- c. RBI and Ministry of Finance
- d. RBI and SEBI

Ans - d

As per Rules under Prevention of Money Laundering Act 2002, the banks are not required to obtain which of the following documents while opening account of a company:

- a. Certificate of Incorporation
- b. Memorandum of Association and Articles of Association
- c. Board resolution and officially valid document in respect of the person operating the account
- d. none of the above

Ans - d

Which of the following is not the right under the consumer protection act?

- a. the right to be heard and to be assured that consumers interest will be received due consideration.
- b. right to seek redressal.
- c. right to consumer education.
- d. right to free delivery at a particular spot.

Ans - d

Section 85 of N.I. Acts extends protection to the

- a. Collecting banker
- b. Paying banker
- c. Advising banker
- d. Confirming banking

Ans - b

Clubs can be registered under

- a. Companies act
- b. Societies Registration Act
- c. Co-operative Societies Act
- d. Any of the above

Ans - d

When a banker makes payment of a cheque after banking hour he will be held

- a. liable
- b. reasonable
- c. acceptable
- d. None of these

Ans - a

Medium Term loans are normally repayable within years

- a. 2 to 5 years
 - b. 2 to 6 years
-

- c. 2 to 7 years
- d. 2 to 8 years

Ans - c

.....

Delivery of goods by one person to another for some purpose is

- a. hypothecation
- b. mortgage
- c. pledge
- d. bailment

Ans - d

.....

Short Term loans are repayable within years

- a. 1 years
- b. 2 years
- c. 3 years
- d. 4 years

Ans - a

.....

Where a customer has issued a cheque date of which is yet to come, such a cheque is called

- a. stale cheque
- b. post-dated cheque
- c. crossed cheque
- d. stolen cheque

Ans - b

.....

In Mardia case what the Supreme Court declared as invalid ?

- a. Entire SARFAESI Act, 2002.
- b. Creation of security interest.
- c. Formation of Reconstruction Companies.
- d. Condition to pay 75 per cent of the amount as pre-condition while preferring appeal to the DRT.

Ans - d

.....

.....
One of the condition to honour the cheque by the paying banker is that amount in words and figures should

- a. differ
- b. tally
- c. be clear
- d. None of these

Ans - b
.....

Whether moveable securities in possession of the bank can be sold by the Bank without intervention of the Court?

- a. No. The Court order is required to sale the security.
- b. Yes. Bank can sell as provided in the Contract ACT, 1872.
- c. Yes. As the SARFAESI Act, 2002 has made provisions to that effect.
- d. No. Till the account is not declared as NPA by the Bank.

Ans - b
.....

Where a customer by a letter has advised the bank directing the banker not to honour / pay a particular cheque such a letter is called

- a. letter of authority
- b. letter of credit
- c. stop payment letter
- d. letter of continuity

Ans - c
.....

When a bank pays a cheque according to the apparent tenor, in good faith and without having reason to doubt the bonafide of the presenter, such payment is

- a. wrong payment
- b. late payment
- c. future payment
- d. payment in due course

Ans - d
.....

.....

A partnership deed usually contain the particulars relating to (i) Name of firm and partners, (ii) Nature of business and duration of firm, (iii) Capital contribution, profit/loss sharing ration and other agreed terms

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

What are the information not open to disclosure under RTI Act 2005 ? (i) disclosure of which would prejudicially affect the sovereignty and integrity of India, the security, strategic, scientific or economic interests of the State, relation with foreign State or lead to incitement of an offence, (ii) information which has been expressly forbidden to be published by any court of law or tribunal or the disclosure of which may constitute contempt of court, (iii) information including commercial confidence, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party, unless the competent authority is satisfied that larger public interest warrants the disclosure of such information

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Section 5 of Limitation Act provides

- a. Bar upon institution of suits
- b. Bar upon institution of appeals
- c. Extension of limitation period in certain cases
- d. none of the above

Ans - c

.....

The quoting of PAN has been introduced to ensure

- a. that bank accounts are opened by the customers by following proper procedures only
 - b. that bank accounts provide information about tax revenue
 - c. that more people are brought under tax net and voluntary compliance of tax procedures is ensured
-

d. all the above

Ans - c

The credit control methods adopted by RBI includes (i) Quantitative control, (ii) Qualitative control, (iii) Fixed control

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

In case of death of a consumer who can prefer complainant under Section 2(1)(b) of Consumer Protection Act 1986?

- a. his legal heir or representative
- b. State Government
- c. consumer association registered under the Companies Act, 1956
- d. No one can prefer complaint

Ans - a

As per Section 2(1)(a) of Consumer Protection Act 1986, 'appropriate laboratory' means a laboratory or organisation (i) recognised by the Central Government, (ii) recognised by a State Government, (iii) financed or aided by the Central Government or a State Government for carrying out analysis or test of any goods with a view to determining whether such goods suffer from any defect

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Incomes which accrue or arise outside India but are received directly into India are taxable in case of (i) Resident only, (ii) Both ordinarily resident and NOR, (iii) Non-resident

- a. Only (i) and (ii)
-

- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

As per section 2(12), of the Sale of Goods Act, quality of goods include (i) State of goods, (ii) Conditions of goods

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

An incoming partner, who has been validly admitted in the firm, is (i) Liable for the past debts of the firm, (ii) Not liable for the past debts of the firm, (iii) Liable for debts of the firm incurred after his admission

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

Which of the statements given above is/are correct? (i) American depositary receipts are securities of a non-US company that trade in the US financial markets, (ii) ADR is a negotiable security which represents securities of companies that is foreign to the market which the DR trades

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Neither (i) nor (ii)

Ans - c

.....

Non-residents who enter into any of the prescribed transactions are required to furnish

- a. form No.60
- b. copy of visa
- c. copy of pass-port
- d. form no.61

Ans - c

.....

Every agreement, by which any party thereto is restricted absolutely from enforcing his rights under or in respect of any contract by the usual legal proceeding in the ordinary tribunal or which limits the time within which he may thus enforce his right (i) Valid agreement, (ii) Void agreement

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

.....

Partners equity is effected due to (i) Retirement of a partner, (ii) Admission of a partner, (iii) Death of a partner

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

A proposal may be revoked at any time (i) Before the communication of its acceptance, (ii) Before the rejection of its communication

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - a

.....

.....

In savings deposits interest is paid on balance in the a/c between 10th to last working day of the month

- a. maximum
- b. average
- c. minimum
- d. last balance

Ans - c

.....

Current deposits are not entitled to

- a. Cheque book
- b. Statements
- c. Customer service
- d. interest

Ans - d

.....

"Who receives applications under the `RTI Act, 2005`?" (i) Public Information Officer at the administrative unit level, (ii) Assistant Public Information Officer at the sub-district, sub-divisional levels, (iii) Any officer of a Public Authority who is available in the Authority's office when the application is made

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Government companies are companies where the government holds at least % share of the company.

- a. 80
- b. 50
- c. 75
- d. 51

Ans - d

.....

.....

Public limited company should have a minimum of at least members.

- a. 50
- b. 15
- c. 7
- d. No Limit

Ans - c

Section of the company Act details the borrowing limits of the company.

- a. 85(A)
- b. 31
- c. 293(1)
- d. 5(b)

Ans - c

The Trustees delegate their powers.

- a. can
- b. can not
- c. depend on situation
- d. None of these

Ans - b

Execution of a will is entrusted to

- a. Administrator
- b. holding of power of attorney
- c. Executor
- d. holder in due close

Ans - c

Administrator is a person appointed by to look after the property under letter of Administrator.

- a. the government
 - b. the Court
-

- c. the bank
- d. RBI

Ans - b

.....

..... is a person appointed by the Court to wind up the company.

- a. Administrator
- b. Executor
- c. Registrar
- d. liquidator

Ans - d

.....

The minimum number of directors required in a private company is

- a. 3
- b. 7
- c. 12
- d. 2

Ans - d

.....

Bailment of goods as security for payment of a debt is called

- a. Lien
- b. Pledge
- c. Hire
- d. Mortgage

Ans - b

.....

Early Warning Group is chaired by

- a. Governor, RBI
- b. DG, RBI (in-Charge of the Department of Banking Supervision)
- c. DG, RBI (in-charge of financial stability)
- d. DG, RBI (in-charge of Financial Markets Department)

Ans – d

.....

Upto how much amount loan can be sanctioned by appropriate authority within powers delegated to him to any relative of their own director or directors of other banks or relative of director of other bank?

- a. up to Rs 25 lakh
- b. Rs 25 lakh and above
- c. Less than Rs 25 lakh
- d. None of these as loan to relatives of bank's directors can not be granted without RBI permission

Ans - a

FSLC was set up in

- a. March 2011
- b. June 2011
- c. August 2011
- d. December 2011

Ans - a

Which of the following commodities are presently covered under stipulations of Selective Credit Control?

- a. food grains i.e. cereals and pulses
- b. major oil seeds and oils thereof
- c. Buffer stock of sugar with sugar mills, unreleased stocks of sugar with sugar Mills
- d. None of these

Ans - c

Which of the following is correct regarding RBI guidelines on various types of loans?

- a. Banks will not grant loan against partly paid shares
- b. Banks will not grant loan to partnership/proprietorship concerns against the primary security of shares and debentures.
- c. Banks cannot grant loans against CDs or buy-back their own CDs before maturity except in respect of CDs held by mutual funds
- d. All of these

Ans - d

Which of the following is not sensitive commodity for purpose of Selective Credit Control?

- a. food grains i.e. cereals and pulses
- b. major oil seeds and oils thereof
- c. raw cotton and kapas
- d. None of these

Ans - d

A company which pools money from investors and invests in stocks, bonds, shares is not called as (i)
A bank, (ii) An insurance company, (iii) Mutual Fund

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

If the sale of goods is by there is an implied condition that the goods shall correspond with the description.

- a. description
- b. sample
- c. oral agreement
- d. written contract

Ans - a

If one partner of the partnership firm cheats a customer, then is/are liable to compensate the customer.

- a. only that partner
- b. all the partners
- c. either a or b
- d. None of the above

Ans - b

What was the capital contribution or major participating banks in promoting the first asset reconstruction company?

- a. 0.5
- b. 0.245
- c. 0.333
- d. 0.2

Ans - b

What are the main objectives of consumer protection act, 1986?

- a. to provide better protection of the interest of consumers.
- b. settlement of consumer disputes.
- c. to deal with other connected matters.
- d. all the above

Ans - d

Which of the following statements, is correct regarding consumer protection act?

- a. the act extends to whole of India except the state of jammu&Kashmir.
- b. the act applies all goods and services except those notified by the central government .
- c. the act is called consumer protection act, 1986.
- d. all the above

Ans - d

..... means the consideration for a sale of goods.

- a. Lien
- b. Delivery
- c. Price
- d. Shares

Ans - c

The minimum number of members required in a public company is

- a. 3
- b. 7

- c. 12
- d. 2

Ans - b

As per Information Technology Act 2000, punishment for intentionally or knowingly capturing, publishing or transmitting the image of a private area of any person without his or her consent can be (i) Fine up to Rs.1 lac, (i) Fine up to Rs.2 lac, (ii) imprisonment up to 3 years

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

Which from amongst the following is a reason for cancellation of registration of the Securitisation company and reconstruction company without giving hearing opportunity?

- a. The company does not keep accounts as per RBI norms.
- b. The company ceases to carry on the business of securitisation or reconstruction.
- c. The company fails to hold investment from qualities investor.
- d. The company does not fulfill any of the conditions imposed at the time of registration.

Ans - b

On giving default notice by the creditor, the borrower gives a reply to it. what the creditor should do?

- a. Ignore the notice as the law does not provide for any reply option to the bank.
- b. Wait till the borrower initiates any legal action based on his reply.
- c. Give due consideration case by the Supreme Court and reply to it.
- d. Take the matter before DRT for resolving issues raised in reply.

Ans - c

A Banking co. having operations in India could be constituted as a ...

- a. Body corporate under special act
 - b. Registered under the companies act
 - c. A Foreign co. under provisions of co. act
-

d. All the above

Ans - b

Goods as defined under Sale of Goods Act does not include

- a. grass
- b. actionable claims
- c. shares
- d. stock

Ans - b

Organisational or constitutional aspects of banking co. are regulated by ...

- a. RBI
- b. SEBI
- c. Authorities under companies act
- d. ALL THE ABOVE

Ans - a

The term corresponding new bank under banking co. (acquisition & transfer of undertaking) act 1970 stands for ...

- a. New private banks
- b. Old private banks
- c. RRBS
- d. Nationalised banks

Ans - d

A public company should have a minimum paid-up capital of Rupees

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - d

On sale of security asset, the sale proceeds are appropriated firstly.

- a. Towards satisfaction of dues of secured creditor.
- b. Towards payment of dues of labour.
- c. Towards payment of cost, charges and expenses for preservation and protection of securities, insurance premiums, etc
- d. Towards payment of legal costs incurred by the creditor for taking possession and for effecting sale.

Ans - c

IRR (internal rate of return) wherever applicable should not be less than proposed.....of loan

- a. interest rate
- b. cost
- c. cash generation
- d. fixed rate

Ans - a

Under SARFAESI Act, 2002, a minimum time of days is to be given to the borrower / guarantor after issuing demand notice under Section 13(2).

- a. 90 days
- b. 365 days
- c. 30 days
- d. 60 days

Ans - d

While extending credit facilities to a Co-operative societies, the Bank have to go through the and satisfy themselves that the society can avail facilities from the Bank and provide the securities belonging to the society by way of hypothecation, pledge or mortgage for the loan sanctioned. (i) By law of the society, (ii) Approval from Registrar of Co Operative Societies authorizing the Co Operative Society for opening account with the Bank concerned

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans – d

Under the Banking Ombudsman scheme an arbitrator is separately appointed by

- a. Banking ombudsman himself
- b. RBI
- c. GOI-MOF
- d. GOI-Law ministry

Ans - d

Alternate directors are appointed by the

- a. promoters
- b. underwriters
- c. shareholders
- d. board of directors

Ans - d

In case of non compliance of the orders of the forum by the trader or a person against whom complaint was made the forum c/commission may fix the following penalties?

- a. imprisonment of one month and upto 3 years.
- b. a fine of not less than Rs. 2,000 but to more than Rs. 10,000
- c. (a) or (b)
- d. (a) and (b)

Ans - c

Who will be the chairman of central consumer protection council?

- a. minister in charge of consumer affairs.
- b. judge of supreme court.
- c. any member nominated by government.
- d. none of the above.

Ans - a

When was the national commission was set up set central government ?

- a. 1986
-

- b. 1987
- c. 1988
- d. 1991

Ans - c

.....

The district forum shall consist of;

- a. president
- b. an eminent person
- c. a lady social worker
- d. all these

Ans - d

.....

Who would be the president of district forum?

- a. district judge
- b. district magistrate
- c. additional commissioner.
- d. an eminent social worker

Ans - a

.....

What are the special features of consumer protection act, from consumers point of view?

- a. a simple process of complaint redressal.
- b. inexpensive redressal of complaint.
- c. speedy redressal of consumer grievances.
- d. all the above.

Ans - d

.....

Which of the following sectors the consumer protection act applies?

- a. private sector
- b. public sector
- c. government agencies
- d. all the above

Ans - d

.....

Unclaimed Deposit means a deposit not operated for

- a. 3 years
- b. 5 years
- c. 7 years
- d. 10 years

Ans - d

An endorsement in which endorser waives the notice of dishonour is not called as (i) Facultative Endorsement, (ii) Restrictive endorsement, (iii) Conditional Endorsement

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

RBI is under obligation to undertake banking business for the central govt under the provision of ...

- A. Section 22 of RBI Act
- B. Section 21 of RBI Act
- C. Section 20 of RBI Act
- D. Result of agreement between RBI & Govt

Ans - c

The director of a banking company can hold office continuously for

- a. 3 years
- b. 10 years
- c. 8 years
- d. for lifetime

Ans - c

In securitisation, who is the obligor?

- a. Borrower
-

- b. Lending Bank
- c. Securitisation Company
- d. None of the above

Ans - a

.....

Whether breach of RBI directives is punishable offence and to what extent?

- a. Yes, fine up to five lakh rupees and for continuation of offence per day fine up to rupees ten thousand.
- b. Yes, by cancellation of licenses of the company.
- c. No, these are the administrative directions.
- d. No, the Act has not provided for any punishment in specific.

Ans - a

.....

Provision of SARFAESI Act are applicable to which of the following?

- a. Pledged goods.
- b. Only mortgaged properties.
- c. Securities that are not otherwise charged to the creditors.
- d. Securities charged to creditors and not in possession of the creditor.

Ans - d

.....

Any Securitisation Company may

- a. Act as an agent for any bank or FI for the purpose of recovering their dues from the borrower
- b. Act as a manager for the secured assets
- c. Act as receiver if appointed by any court or tribunal.
- d. Any/all of the above

Ans - d

.....

Limitation period for filling of the review application against the award given by the Banking Ombudsman is

- a. 30 Days
 - b. 45 days
 - c. 60 Days
-

d. 90 Days

Ans - b

DRT Act is applicable only if the debt recoverable is above Rs

- a. Rs. 10 lakhs (only principal)
- b. Rs. 10 lakhs (only interest)
- c. Rs. 10 lakhs (principal+interest)
- d. Any one of the above

Ans - d

An entity holding not less than 10% of the paid-up equity capital of Securitisation or reconstruction Company is called as

- a. Originator
- b. Secured Creditor
- c. Sponsor
- d. Secured debtor

Ans - c

Dividends are usually paid on:

- a. Called-up-capital
- b. Subscribed-capital
- c. Paid-up-capital
- d. Issued capital

Ans - c

What are the impart benefits of SARFAESI Act, 2002 to the banks?

- a. the banks can realise assets by selling or leasing without intervention or court
- b. manage asset- liability mis- matches
- c. improve liquidity and recovery position
- d. all the above

Ans – d

Before taking possession of a security under SARFAESI Act, the bank is required to issue notice to the borrower under provisions of.....

- a. Section 10 (3) of SARFAESI Act
- b. Section 13 (2) of SARFAESI Act
- c. Section 14 (1) of SARFAESI Act
- d. Section 17 (2) of SARFAESI Act

Ans - b

If a persons finds that he has not properly disclosed the income in his return, he can file revised return.....

- a. within 6 months from the end of the assessment year or before completion of assessment
- b. within 300 days from the end of the assessment year or before completion of assessment
- c. within one year from the end of the assessment year or before completion of assessment
- d. he cannot file any revised return

Ans - c

If there is request for transfer of application from one DRT to another DRT.....

- a. it can be transferred by the DRT already handing the application
- b. it can be got transferred by the DRT which has been asked to entertain the case after transfer
- c. it can be transferred by any DRAT
- d. it can be transferred by the DRAT having jurisdiction over both the DRTs

Ans - d

When no provision is made by a contract between the partners about the duration of the partnership, it is known as a

- a. partnership for a unlimited period
- b. partnership for a limited period
- c. partnership at will
- d. particular partnership

Ans - c

Which of the following parties do match in a contract of guarantee?

- a. the person making the promise - surety
- b. the person for whom the promise is made - the creditor
- c. the person to whom the promise is made - the principal debtor
- d. all the above

Ans - b

.....

In case of a guarantee, there are contracts.....

- a. one contract between the bank and the beneficiary
- b. two contracts i.e. between the bank and the beneficiary and between the beneficiary and bank customer
- c. three contracts i.e. between the bank and the beneficiary, the beneficiary and bank customer and between the bank customer and the bank
- d. none of the above

Ans - c

.....

For a bill to be treated as Inland bill of exchange as per Section 11 of NI Act, which of the following condition is mandatory.....

- a. drawn or made in India and made payable in India only
- b. drawn or made in India and made payable in India or drawn upon a person resident in India
- c. drawn or made in India and drawn upon a person resident in India only
- d. drawn or made in India and made payable in India or outside India

Ans - b

.....

Bank shall submit a return showing the amount held on alternate Fridays during a month with particulars of its demand and time liabilities in India on such Friday. This report should be submitted before the day of every month

- a. 7th
- b. 10th
- c. 15th
- d. 20th

Ans - d

.....

Which of the following is not correct regarding the award of Lok Adalat?

- a. it is deemed to be the decree of a civil court
- b. the court fee if already paid, shall not be refunded
- c. The award is binding on all the parties to the disputes
- d. all the above

Ans - b

.....

Banks in India are to create a reserve fund out of the balance of profit of each year, before any dividend is declared by transfer to the reserve fund, not less than of such profit

- a. 10 percent
- b. 20 percent
- c. 25 percent
- d. 30 percent

Ans - b

.....

If loan is not repaid and the bank sells the goods and a part of the loan is still outstanding, what option do the bank have, to recover the amount.....

- a. bank can recover the loan from other assets of the borrower
- b. bank can recover the loan from the borrower personally
- c. bank cannot recover the loan from the borrower personally
- d. bank has to write off the loan

Ans - b

.....

If the directors of a company undertake some ultra-vires transaction on behalf of the company, which of the following situation is possible.....

- a. they are personally liable to the company
- b. they can be compelled to refund the money to the company
- c. action for fraud can also be taken if there is deliberate misapplication
- d. all the above

Ans - d

.....

If company commits an act of contravention relating to, it can be

- a. Memorandum of Association, ratified
- b. Articles of Association, cannot be ratified
- c. Memorandum of Association, cannot be ratified
- d. none of the above

Ans - c

.....

The goods are defective and the bailor does not disclose this fact at the time of bailment. If there is loss to the goods.....

- a. the bailor is not liable
- b. the bailee is not liable
- c. the bailor and bailee are liable on pro-rata basis
- d. the bailor is liable and bailee is not liable

Ans - d

.....

X entered into a contract with Y whereby X undertook to save Y from the loss caused to him by conduct of X or conduct of any other person. Such contract is a contract of

- a. indemnity
- b. guarantee
- c. insurance
- d. any of the above

Ans - a

.....

If a bank makes payment of a crossed cheque it gets protection u/s , if the payment is otherwise in order

- a. Section 131 NI Act
- b. Section 128 NI Act
- c. Section 124 NI Act
- d. Section 106 NI Act

Ans - b

.....

.....
X purchased DD from Bank-B in favour of Y. DD has been misplaced in transit and bank has delayed the issue of duplicate DD due to completion of formalities.....

- a. Y can file complaint in consumer court
- b. X and Y, together can file complaint in consumer court
- c. Y cannot file complaint as he has not purchased any service from the bank
- d. Y can file complaint with permission of X

Ans - c
.....

There is an agreement between the parties for specific performance of a contract. The limitation in this case is.....

- a. 3 years, from date fixed for performance
- b. 3 years, from the date of contract
- c. 12 years, from date fixed for performance
- d. 30 years, from date fixed for performance

Ans - c
.....

The State Consumer Protection council is appointed by.....

- a. Central Govt. Ministry of Consumer Affairs
- b. State Govt.
- c. Central Govt. in consultation with the State Govt.
- d. State govt. in consultation with the Central govt.

Ans - b
.....

Which of the following statements is a correct statement?

- a. the liability of the indemnifier occurs due to actions of 3rd parties
- b. the liability of the indemnifier occurs due to his own actions
- c. the liability of the indemnifier occurs when the indemnity holder suffers loss
- d. none of the above

Ans - c
.....

Which of the following is part of general duty of a partner?

- a. partners should not make secret profits
- b. partners should be just and faithful to each other
- c. partners should render true accounts of the business.
- d. partners should disclose full information of all things affecting the firm to all partners but in case of death of any them, not to their legal heirs.

Ans - d

.....

Under Sale of Goods Act, the goods that are identified and agreed upon at the time when contract of sale is made, are called.....

- a. specific goods
- b. future goods
- c. movable goods
- d. immovable goods

Ans - b

.....

A person is presumed to have gone through the Articles of Association and Memorandum of Association available with the office of RoC although he might have actually not laid his hands on these documents. This is called doctrine of.....

- a. ultra-vires
- b. constructive notice
- c. indoor management
- d. outdoor management

Ans - b

.....

In a bank guarantee, the banks undertake to guarantee the.....

- a. financial commitments of their borrowers only
- b. performance of contracts by their borrowers only
- c. financial commitments of their borrowers and performance of contracts by their borrowers
- d. none of the above

Ans - c

.....

.....
If a property is mortgaged in favour of the bank and loan amount or value of the property is Rs.____, the permission of the Income Tax Deptt. is required to be obtained:

- a. Rs.10 lac and above
- b. Rs.30 lac or above
- c. Rs.50 lac or above
- d. none of the above

Ans - d
.....

If a property is mortgaged in favour of bank to secure a loan and later on certain arrears of tax against the property are noticed:

- a. the recovery of bank loan shall have priority
- b. the recovery of arrears shall have priority
- c. there will be pro-rata sharing of sale proceeds
- d. the arrears of tax shall be recovered first and if there is deficit, the bank will have to make up the deficit.

Ans - b
.....

An order has been passed by Distt. Forum under Consumer Protection Act, for payment of compensation. Its recovery shall be made by:

- a. filing of execution in a civil court
- b. referring the order to collector to recover as land revenue
- c. recovery officer of DRT
- d. recovery officer on the pattern of DRT

Ans - b
.....

Banks can file suit for recovery of their loans within a prescribe period called limitation period. The period is stipulated as per:

- a. Indian Contract Act
- b. Indian Evidence Act
- c. RDDB Act (DRT Act) (DRT Act)
- d. none of the above

Ans - d
.....
.....

The bank can enforce the security after giving notice and if Borrower does not repay within:

- a. 30 days
- b. 60 days
- c. 75 days
- d. 90 days

Ans – b

The power of enforcement of security are available to:

- a. Banking Companies
- b. Public Financial Institutions
- c. Non-Banking Financial companies
- d. (a) and (b)

Ans - d

What are the Rights available to a secured creditor?

- a. To sell the Assets.
- b. File application with DRT for recovery of full or remaining dues.
- c. To proceed against the guarantor.
- d. All the above.

Ans - d

Which of the following statements, is not correct?

- a. the secured creditor has all the Judicial powers.
- b. The Borrower can get the possession of Asset back if he succeeds in DRT.
- c. The protection of SICA will not be available once the secured creditor takes steps
- d. The Borrower can get compensation from the secured creditor if he succeeds in appeal in DRT.

Ans - a

Which of the following provisions are correct regarding securitisation?

- a. performing Assets can be securitized.
 - b. Non-performing assets can also be securitized.
-

-
- c. A securitization company can also act as Asset Re-construction Company and vice-versa.
d. All the above.

Ans - d
.....

An instrument on which is not mentioned is called as inchoate instrument. (i) date, (ii) payee, (iii) amount

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans - d
.....

As per Information Technology Act 2000, punishment for fraudulently or dishonestly making use of the electronic signature, password or any other unique identification feature of any other person can be
(i) Fine up to Rs.1 lac, (ii) Fine up to Rs.2 lac, (iii) imprisonment up to 3 years

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans - b
.....

As per Information Technology Act 2000, punishment for hacking can be (i) Fine up to Rs.1 lac, (ii) Fine up to Rs.2 lac, (iii) imprisonment up to 3 years

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans - c
.....

Which of the following is a correct statement ?

- a. State govt has no control over coop banks
b. Central govt doesn't exercise any control over the commercial bank
-

- c. For cancellation of bank licence by RBI, appeal lies with the supreme court
- d. Central govt can give directions to RBI

Ans - d

.....

While dealing with shares and securities banks have to follow the regulations framed by ...

- a. Company law board
- b. Registrar of companies
- c. SEBI
- d. FEDAI

Ans - c

.....

A Limited Company applied for Working finance on 23rd of July. Received the sanction letter on 12th of August and executed the loan documents on 18th of August. Availed the finance on 3rd of September only. The charge has been registered with the Registrar of Companies on 15th of September. In this case

- a) The Registration is in order
- b) The Registration is not in order
- c) The Charge should have been filed within 1 month from the date of sanction
- d) Since the finance has been taken only on 3rd of September, time to be calculated from that date to file the charge

Ans - a

.....

Banking regulation act 1949 was enacted with the objective of ...

- a. Creating RBI
- b. Creating banking companies
- c. Accepting of deposit and lending
- d. Regulating banking business

Ans - d

.....

The final decision to issue notes of different denomination is taken by ...

- a. Governor RBI
 - b. Central Board Of Directors Of RBI
-

- c. Issue Deptt Of RBI
- d. Central Govt

Ans - d

.....

On which of the following aspects, RBI doesn't have the authority as far as banks are concerned ?

- a. Collection & dissemination of credit info
- b. Moratorium, amalgamation, winding up of bank
- c. Imposition of penalties
- d. None of the above

Ans - d

.....

Which of the following kind of authority RBI doesn't have to regulate the banking business in india ?

- a. To inspect the banks
- b. To exercise supervisory control over banks
- c. To give directions to bank in public interest
- d. NONE OF THE ABOVE

Ans - d

.....

Which among the following can give directions to RBI ?

- a. Central Govt
- b. Governor RBI
- c. Central Board Of Directors Of RBI
- d. Public Shareholders Of RBI

Ans - a

.....

Which of the following is true regarding freedom to banks in respect of Loan Delivery System?

- a. Banks can increase the cash credit component beyond 20% but up to a maximum of 50%.
- b. Banks can increase the 'Loan Component' beyond 80% but up to a maximum of 90%
- c. Banks can increase the Loan component or cash credit component up to any limit.
- d. Both a & b only

Ans – c

.....

Loan Delivery System is not applicable in respect of which of the following type of business activities?

- a. which are cyclical
- b. which are seasonal
- c. which have inherent volatility
- d. all of these

Ans - d

.....

Loan Delivery System is not applicable in respect of which of following type of facilities?

- a. Bill finance
- b. export credit
- c. sick units
- d. all of these

Ans - d

.....

Which of the following statement, are correct? (i) Credit policy has been instrumental in the increased savings rate, (ii) Monetary policy has facilitated growth of financial institutions, (iii) Monetary policy has resulted in widening the gaps between rich and poor

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

What is Repo? (i) It is a method of borrowing against certain securities for a short period, (ii) The borrower undertake a commitment to purchase back the same securities after specified period at predetermined price, (iii) It is helpful in contracting liquidity in the system

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

FSDC was set up in

- a. December 2008
- b. December 2009
- c. December 2010
- d. December 2011

Ans - c

.....

Who among the following are not included in the Central Board of directors of RBI ?

- a. Governor
- b. Deputy Governor
- c. Directors nominated by Govt
- d. Executive Director

Ans - d

.....

Which of the following organization are not eligible to avail the benefits of DRT Act, 1993.

- a. Commercial Banks.
- b. Financial Institutions.
- c. Non-Banking Financial Institutions.
- d. All these.

Ans - c

.....

Which of the following debts is not considered for Recovery by Debt Recovery Tribunal?

- a. Debts due to Staff of the Bank.
- b. Debts due to Small Industries.
- c. Debts due to Professional and self-employed persons.
- d. Any other debts of commercial nature.

Ans - a

.....

Which of the following modes can be used for filing a case with DRT?

- a. Personally by Representative of a Bank or the Bank Advocate.
 - b. Application can be sent through Registered Post.
-

- c. (a) or (b).
- d. None of the above.

Ans - c

.....

The Chairman of FSDC is

- a. RBI Governor
- b. Finance Minister
- c. Commerce Minister
- d. None of the above

Ans - b

.....

Which of the following is not correct regarding Loan system of credit delivery?

- a. Interest on loan portion and cash credit portion of limit can be different.
- b. Security is common for Loan portion and Cash credit portion.
- c. Demand Loan can be paid in lump sum or in instalments
- d. None of these

Ans - d

.....

As per RBI guidelines, a bank must lend through a consortium when credit facilities are more than:

- a. Rs 5 crore
- b. Rs 50 crore
- c. Rs 100 crore
- d. None of these

Ans - d

.....

Expand - FSDC

- a. Financial Security and Development Council
- b. Financial Stability and Development Council
- c. Financial Security and Development Committee
- d. Financial Stability and Development Committee

Ans – b

.....

When is it necessary for a bank to form consortium for lending a borrower though RBI has waived requirement for the same?

- a. When credit facilities are more than 15% of capital fund of the financing bank in case of single borrowers
- b. When credit facilities are more than 40% of capital fund of the financing bank in case of group.
- c. When financing an infrastructure project
- d. Only a and b

Ans - d

Members of FSDC includes (i) heads of financial sector Regulators (RBI, SEBI, PFRDA, IRDAI & FMC), (ii) Finance Secretary and/or Secretary, Department of Economic Affairs, (iii) All four Deputy Governors of the RBI

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

The whole time Directors are not appointed by (i) Reserve Bank of India, (ii) Central government in consultation with RBI, (iii) Individual Bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

Which of the following is correct about consortium financing by banks?

- a. Minimum number of consortium members should be 2 and maximum number should be 4.
- b. Every bank will have same asset classification
- c. Minimum share of a bank in the consortium should be 10%
- d. The banks will have a pari passu charge on the securities charged to them.

Ans – d

Members of FSDC Sub-Committee includes (i) heads of financial sector Regulators (RBI, SEBI, PFRDA, IRDAI & FMC), (ii) Finance Secretary and/or Secretary, Department of Economic Affairs, (iii) All four Deputy Governors of the RBI

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

What is Reverse Repo? (i) It is a method of borrowing against certain securities for a short period, (ii) It is process where lender lends against the securities with a commitment to take back the securities from the borrower against payment at a specified price, (iii) It is helpful in contracting liquidity in the system

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

Working Capital Demand Loan was recommended by

- a. Rashid Jilani
- b. N. Vaghul
- c. K. Kannan
- d. C Rangarajan

Ans - a

At the time of granting fresh facilities, which type of declarations is to be obtained from the borrowers?

- a. that they are not availing credit facilities from other bank
- b. that they are not availing working capital facilities from other bank
- c. details about the credit facilities already enjoyed by them from other banks
- d. None of these

Ans - c

What type of charge is created when the security for the loan is the document of title to goods (such as Railway receipt)?

- a. hypothecation
- b. lien
- c. pledge
- d. assignment

Ans - c

If a person seeking information is not provided information within the prescribed period (normally 30 days), he can make an appeal

- a. within 30 days
- b. within 50 days
- c. within 6 months
- d. within one year

Ans - a

A system of a secure key pair consisting of a private key for creating a digital signature and a public key to verify the digital signature, is called:

- a. digital signature
- b. asymmetric crypto system
- c. electronic monitoring
- d. e-commerce

Ans - b

If a person commits offence under Prevention of Money Laundering Act 2002, shall be liable for fine :

- a. up to Rs.10 lac
- b. up to Rs.5 lac
- c. up to Rs.2 lac
- d. up to Rs.1 lac

Ans - b

Which of the following is an exception of doctrine of indoor management, i.e. the person dealing with the company can suffer loss?

- a. where a person dealing with a company has actual knowledge of internal irregularity
- b. where the situation is such that a person dealing with a company could have obtained information about internal irregularity
- c. where an official of the company is acting unauthorisedly and the person dealing with the company has information about this.
- d. all the above

Ans - d

Which of the following can become members of a company?

- a. a partnership firm
- b. an insolvent person
- c. a person of unsound mind
- d. a company

Ans - d

A person is presumed to have gone through the Articles of Association and Memorandum of Association available with the office of RoC although he might have actually not laid his hands on these documents. This is called doctrine of:

- a. ultra-vires
- b. constructive notice
- c. indoor management
- d. outdoor management

Ans - b

As per Prevention of Money Laundering Act 2002, the banks are required to maintain record of specified transaction for a period:

- a. of 20 years
- b. of 10 years
- c. of 5-8 years
- d. of 5 years

Ans - b

.....
If a banking company is found to be not complying with requirement of Prevention of Money Laundering Act 2002, the Director can impose a fine of:

- a. Rs.10000
- b. Rs.20000
- c. Minimum Rs.10000 and maximum Rs.1 lac
- d. Minimum Rs.10000 and maximum Rs.5 lac

Ans - c
.....

The person given licence to issue digital signature certificate u/s 24 of Information Technology Act is called:

- a. Certifying authority
- b. DGC Authority
- c. Digital Signature Controller
- d. Controller of Certifying Authorities

Ans - a
.....

Authentication of an electronic record by a subscriber by means of an electronic method of procedure in accordance with provisions of Section 3 of Information Technology Act, is called:

- a. digital signature
- b. asymmetric crypto system
- c. electronic monitoring
- d. key pair

Ans - a
.....

Which of the following is not a feature of document of title to goods u/s 2(4) of Sale of Goods Act:

- a. a proof of possession of goods
- b. document of control of goods
- c. document that can be transferred by endorsement and delivery
- d. the transferee gets defect free title even when the title of the transferor is defective.

Ans - d
.....

Which of the following is not a document of title to goods:

- a. bill of lading
- b. airway bill
- c. railway receipt
- d. warehouse receipt

Ans - b

.....

What is the demerit of document of title to goods as a security:

- a. it is in the nature of not-negotiable crossed document which means that the transferee right is similar to the right possessed by the transferor.
- b. the document can be a forged document also that will not convey any title
- c. if the buyer has not paid for the goods, the goods may be stopped in transit by the seller
- d. all the above

Ans - d

.....

Under the provisions of Presidency Towns Insolvency Act 1909 or Provincial Insolvency Act 1920, the goods covered under the document of title to goods:

- a. cannot be sold by the receiver or assignee
- b. cannot be included by the receiver or assignee in the assets of the insolvent
- c. can be sold by the receiver or assignee but payment has to be made to the creditor
- d. none of the above

Ans - b

.....

Which of the following order of securities is preferable, to secure a loan, if options are available to the bank?

- a. national saving certificates, bank FDR, life insurance policy, book debts
- b. bank FDR, life insurance policy, national saving certificates, book debts
- c. life insurance policy, bank FDR, national saving certificates, book debts
- d. bank FDR, national saving certificates, book debts, life insurance policy,

Ans - b

.....

Which of the following is true in the context of a life insurance policy?

- a. the policy is issued by the life insurance corporation or general insurance corporation
- b. the contract of insurance is a contract of utmost reliability
- c. the assignee of life policy cannot sue in his own name
- d. the insured should have insurable interest in the policy

Ans - d

The transfer of interest in the immovable property by a person, to secure payment of loan obtained, is called:

- a. mortgage
- b. assignment
- c. pledge
- d. hypothecation

Ans - a

What is the punishment under Consumer Protection Act for complaints of frivolous nature?

- a. only fine up to Rs.10000
- b. only imprisonment up to 3 years
- c. Fine of Rs.2000 to Rs.10000 and/or imprisonment of 1 month to 3 years
- d. Fine of up to Rs.10000 and/or imprisonment up to 3 years

Ans - a

A Macro Financial Monitoring Group (MFMG) is chaired by

- a. Finance Minister
- b. Governor, RBI
- c. Chief Economic Adviser
- d. DG, RBI (in-charge of financial stability)

Ans - c

Identify the following types of mortgages 1) The sale is ostensible and not real. (2) The mortgagee has the right to receive rent on the property mortgaged (3) Mortgage is put through in a Notified area (4) Private Sale possible.

- a. Simple Mortgage/English Mortgage/Equitable Mortgage/Anomalous Mortgage
- b. Mortgage by way of Conditional Sale/Usufructuary Mortgage/Mortgage by way of Deposit of Title deeds/English Mortgage
- c. Registered Mortgage/English Mortgage/Equitable Mortgage/Simple Mortgage
- d. Mortgage by way of Conditional Sale/Equitable Mortgage/Usufructuary Mortgage/English Mortgage

Ans - b

The monetary and credit policy statement of RBI are not called (i) Annual Policy Statement, (ii) Credit policy of RBI, (iii) Economic Policy

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

In a Bill of exchange normally who is not the Drawee? (i) The person ordering for payment, (ii) The person directed to pay, (iii) The beneficiary

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

Inter regulatory forum for monitoring financial conglomerates (IRF-FC) was set up in

- a. November 2011
- b. June 2012
- c. August 2012
- d. January 2013

Ans - c

Which of the following are the requirements of a securitized company?

- a. It should be an independent company.
- b. It should be registered with RBI.
- c. It will be a public financial institution.
- d. All the above.

Ans - d

Under open cash credit, the goods are taken as security, without transferring (i) ownership of goods, (iii) possession of goods

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

Under the banking ombudsman scheme a complaint can be lodged with the ombudsman

- a. within in the specified jurisdiction.
- b. with the head office of the bank
- c. with the consumer of the bank
- d. any of the above

Ans - a

The secretariat staff in the baking ombudsman office will be

- a. drawn from banks.
- b. drawn from reserve bank
- c. directly appointed
- d. (a) and (b)

Ans - d

.....

Central Information Commission can impose a penalty of rupees for each day till the information is furnished.

- a. 100
- b. 150
- c. 200
- d. 250

Ans - d

.....

An Authorised person (AP) may be a (i) Authorised Dealer of Category I, (ii) Authorised Dealer of Category II, (iii) money-changer

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

General lien can be exercised by the bank on one of the following:

- a. cash remitted for DD
- b. credit balance in loan account
- c. articles in safe custody
- d. contents of locker

Ans - c

.....

Who among the following can be an Authorised Dealer of Category I? (i) Commercial Banks, (ii) RRBs, (iii) State & Urban Coop Banks

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

.....

Statutory Corporations are established under

- a. companies act
- b. Act of parliament
- c. Societies Registration act
- d. None

Ans - b

.....

..... is terminated when the buyer gets the possession of the goods

- a. lien
- b. agreement
- c. condition
- d. warranty

Ans - a

.....

A person holding Indian passport, who has gone abroad for a gainful employment or business or vocation or for any other purpose, indicating an indefinite period of stay outside India is (i) Non-Resident Indian (NRI), (ii) Person of Indian Origin (PIO)

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - a

.....

'In this type of payment transaction, all shipping documents, including title documents are handled directly by the trading parties. The role of banks is limited to clearing funds as required.' This statement is true for:

- a. Clean payments
- b. Bill for collection
- c. Documentary Credit
- d. None of these

Ans - a

.....

In bank guarantees, the bank makes payment on

- a. being convinced that the beneficiary has incurred loss
- b. on being sued by the beneficiary
- c. on the guarantee being invoked and after seeking concurrence of the debtor
- d. merely on demand by the beneficiary

Ans - d

.....

In Documentary Collection:

- a. The Importer is the "Drawee"
- b. The Exporter is the "Drawee"
- c. None of the above
- d. Depends upon undergoing transaction

Ans - a

.....

There is an implied condition on the part of the seller that he has a right to the goods.

- a. use
- b. sell
- c. retain
- d. resale

Ans - b

.....

The seller must deliver the goods to a carrier appointed by the Buyer and located in the seller's country and from thereon the buyer arranges insurance against damage to the goods in transit. Which Incoterm(s) imply this condition :

(i) CIF, (ii) FOB, (iii) FAS, (iv) FCA

- a. Only (i)
- b. (i) and (ii)
- c. (ii), (iii) and (iv)
- d. All of the above

Ans - c

.....

.....

An ancillary LC which arises when the seller(beneficiary) uses the LC opened in his favour to support another LC opened by the Seller's Bank, favouring his supplier is called

- a. Transferable LC
- b. Back to Back LC
- c. Revolving LC
- d. none of these

Ans - b

.....

The account maintained by an our Foreign Branches / Correspondents with our domestic branch (in India) is known as

- a. Loro a/c
- b. Vostro a/c
- c. Special a/c
- d. Nostro a/c

Ans - b

.....

Rate applied for a foreign exchange transaction which involves immediate conversion of currency is known as

- a. ready rate
- b. forward rate
- c. merchant rate
- d. long rate

Ans - a

.....

A rate of exchange established between any two currencies on the basis of the respective quotation of each currency in terms of a third currency is known as

- a. cross rate
- b. merchant rate
- c. wash rate
- d. composite rate

Ans - a

.....

.....

What is correct with regard to the whole-time chairman and a managing director of a banking company?

1. The whole-time chairman and a managing director shall hold office for a period not exceeding five years
2. He is also eligible for reelection or reappointment. The Reserve Bank may permit the whole-time chairman or the managing director to undertake part time honorary work not likely to interfere with the duties of the chairman or the managing director

- a. Only 1 is correct
- b. Only 2 is correct
- c. Only 1 and 2 are correct
- d. All are correct

Ans - d

The whole-time chairman or the managing director of a bank will be disqualified under the which of following circumstances ?

- a. if he/she is director of a company other than a subsidiary of the banking company or a charitable company (registered under Section 25 of the Companies Act)
- b. if he/she is a partner of any firm which carries on trade, business or industry
- c. if he/she has substantial interest in any other company or firm or is director, manager, managing agent, partner or proprietor of any trading, commercial or industrial concern
- d. All the above

Ans - d

Banking companies are not permitted to give dividend until all are written off

- a. Bad debts/NPAs
- b. Expenditure
- c. Overheads
- d. Capitalised expenses

Ans - d

Which authority is empowered under Section 36AA of the Banking Regulation Act to remove any chairman, director, chief executive officer (by whatever name called), or other officer or employee of a banking company

- a. Only RBI

- b. RBI with prior permission from Central government
- c. Only Central government
- d. Central government in consultation with RBI

Ans - a

Corporate governance what we see now a days in banks is a result of recommendations of which of the following committee?

- a. Narasimham Committee
- b. Cadbury Committee in
- c. Hilton Committee
- d. Malhotra Committee

Ans - b

As per branch authorisation policy or branch licensing policy arising out under Section 23 , Shifting of a bank's branch in the same does not require Reserve Bank's permission

- a. District
- b. State
- c. city, town or village
- d. Tehsil

Ans - c

When the board of a banking company is ordered to be reconstituted under Section 10A of the BR Act, directors will be removed for the purpose of reconstitution by

- a. By rotation
- b. By lots
- c. By majority decision
- d. By voting

Ans - b

If the Reserve Bank is of the opinion that the board of any banking company does not fulfil the requirements, it may order such a bank to reconstitute the board within

- a. 30 days
-

- b. 60 days
- c. 90 days
- d. 120 days

Ans - b

The Reserve Bank has been issuing directions from time to time under Section regulating rates of interest and other terms and conditions of acceptance of deposits and making of loans and advances by banks

- a. Section 21
- b. Section 21 read with Section 35A
- c. Section 35A
- d. None

Ans - b

Section 20 of the Banking Regulation Act imposes certain restrictions on loans and advances

- a. On the security of its own shares
- b. Granting any loans or advances to or on behalf of any of its directors
- c. TO firms in which any director of the bank is interested as a partner, manager, employee or guarantor or has beneficial interest
- d. All the above

Ans - d

The rates of interest on deposits and lending rates are regulated by

- a. RBI
- b. RBI in consultation with Cenral government
- c. Individual banks themselves as per thier whims
- d. Individual banks themselves as per the guidelines issued by RBI from time to time

Ans - d

Which of the following act prohibits lending at exorbitant rates ?

- a. BR Act 1949
 - b. RBI Act 1934
-

- c. Usurious loans Act, 1918
- d. NI Act 1881

Ans - c

.....

The Board which has the Governor of the Reserve Bank as its chairman and whose functions include prescribing policies relating to the regulation and supervision of all types of payment and settlement systems in india is

- a. The central board of RBI
- b. BFS
- c. BPSS
- d. Board constituted by Governmnet

Ans - c

.....

The provisions of Section 17(1) of the Banking Regulation Act for creating a reserve fund do not apply to foreign banks operating in India. In their case, instead of creating a reserve fund under Section 17(1), Section 11(2) of the Act requires them to deposit and keep deposited with the Reserve Bank an amount calculated at per cent of the profit for each year in respect of all the business transacted through their branches in India

- a. 20
- b. 30
- c. 40
- d. 10

Ans - a

.....

Every banking company which is a scheduled bank excepting RRBs has a duty to maintain certain cash reserves(CRR) with the Reserve Bank under section

- a. Section 42 of the Reserve Bank of India Act
- b. Section 22 of the Reserve Bank of India Act
- c. Section 42 of the BR Act
- d. Section 22 of the BR Act

Ans - a

.....

At least of the total number of directors of a public company are to be persons whose period of office is liable to determination by retirement by rotation.

- a. 1/2
- b. 1/3
- c. 2/3
- d. 1/4

Ans - c

Limitation period for filing a suit for sale of mortgaged properties in years from the date the mortgage debt becomes due.

- a. 12
- b. 15
- c. 20
- d. 30

Ans - a

Only Letters of credit can be confirmed.

- a. Revocable
- b. Irrevocable
- c. Either a or b
- d. None of these

Ans - b

Depending upon the place where the bills are made, they can be classified into

- a. Inland Bills
- b. Foreign Bills
- c. Either a or b
- d. None of these

Ans - c

Pledge means of goods for purpose of securing a payment of debt or performance of promise.

- a. Lien
- b. Bailment
- c. Assignment
- d. None of these

Ans - b

RBI undertakes banking business for the state govt under the provision of ...

- A. Sec 22 of RBI Act
- B. Sec 21 of RBI Act
- C. Sec 20 of RBI Act
- D. Agreement between RBI & Govt u/s 21 A of RBI Act

Ans - d

A Co operative bank can be which of the following ...

- A. Primary coop bank
- B. District central coop bank
- C. State coop bank
- D. All the above

Ans - d

Section 22 of RBI acts relate which aspects of banking ?

- A. RBI authority to regulate credit
- B. RBI authority to regulate banking business
- C. RBI authority to function as bank for govt business
- D. RBI authority to issue & manage currency in India

Ans - d

How may Debt Recover tribunals have been set up in India?

- a. 27
 - b. 28
-

- c. 29
- d. 50

Ans - c

.....

What is the jurisdiction area of a Debt Recovery Tribunal?

- a. Each state.
- b. One or more states/Union Territories
- c. Throughout the country.
- d. No such criteria.

Ans – b

.....

The central government has powers to authorize Tribunals to hear cases where amount involved is less than Rs. 10 lac but more than:

- a. Rs. 1 lac.
- b. Rs. 2 lac
- c. Rs. 5 lac.
- d. Rs. 7 lac.

Ans - a

.....

What central government has powers to authorize Tribunals to hear cases where amount involved is less than Rs. 10 lac but more than ;

- a. To transfer all the cases of Bank recovery from civil court to the tribunals.
- b. To set up an exclusive agency for Bank recovery.
- c. To set up Special Tribunal which can provide speedy court remedies.
- d. All the above.

Ans - c

.....

What are the various modes available to the Recovery officer for proceeding to recover the amount of debt?

- a. Attachment or sale of movable or immovable property.
 - b. Arrest the defendant or detention in jail.
 - c. Appointing a Receiver for the management of the movable or immovable
-

d. All the above.

Ans - d

Clean Loans are normally ...

- a. Secured Loans
- b. Unsecured Loans
- c. None of the above
- d. Any of the above

Ans - b

What is the maximum limit of compensation the banking ombudsman may award?

- a. Rs. 1 lac
- b. Rs. 5 lac
- c. Rs. 10 lac
- d. Rs. No such limit

Ans - c

"Bills payable after sight" is

- a. Demand Bill
- b. Clean Bill
- c. Usance Bill
- d. None of the above

Ans - c

In a Bill, a person entitled to receive payment is called

- a. Drawer
- b. Drawee
- c. Payee
- d. None of the above

Ans - c

Which of the following factors are considered while fixing BPLR by a bank? (i) Cost of funds, (ii) Operating expenses, (iii) Provision for NPAs

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans – d

The limitation period for filing a suit for sale of mortgaged property from the date mortgage debt becomes due is...

- a. 12 Years
- b. 20 Years
- c. 30 Years
- d. None of the above

Ans - a

Mandate is

- a. Signed letter to the Bank
- b. Order of the court of law
- c. Memorandum of understanding
- d. Unstamped letter to the Bank

Ans - d

Person to whom a power of attorney is given is called and the person who gives the Power of attorney is called

- a. Debtor, Creditor
- b. Bailor, Bailee
- c. Agent, Principal (donor, donee)
- d. None of these

Ans - c

Power of attorney is

- a. Signed letter to the Bank
- b. A promissory note
- c. Garnishee order
- d. Stamped documents

Ans - d

Promissory Notes, Bills of Exchange and cheque are together defined as.....

- a. Negotiable instruments
- b. Transferred instruments
- c. Trust Receipts
- d. Documents of Title to goods

Ans - a

N.I. are easily

- a. transferable
- b. gifted
- c. sold
- d. None of these

Ans - a

A cheque is drawn on a

- a. owner of ship
- b. an agent of a principal
- c. bank
- d. None of these

Ans - c

A cheque is payable on a

- a. demand
 - b. after certain days
-

- c. on a fixed future date
- d. None of these

Ans - a

.....

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 bank officer as witness to prove the contents of copy. Can it be done?

- a. Yes, as it is right of the party to get it reaffirmed in evidence.
- b. No, as the certified copy is a prima facie evidence that is admissible in evidence.
- c. No, unless the bank volunteers to do so.
- d. Yes, but if Court allows the application to call the witness.

Ans – b

.....

For the purpose of exposure norms, which of the following is true for inclusion under exposure? (i) 100% of both fund based and non fund based credit limits, (ii) Sanctioned limit or outstanding whichever is higher shall be considered, (iii) In case of fully drawn term loans outstanding and not the limit sanctioned will be considered.

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

What are the exceptions of Evidence Act?

- a. a certified copy of the original document can be produced in the court of Law if it is permitted by any law.
- b. The Bankers Books Evidence act. Is also an exception to the Evidence Act.
- c. Both (a) and (b).
- d. None of the above.

Ans - c

.....

Which of the following is included in the Bankers Book?

- a. Ledger and Day Books.
-

- b. Cash Books and Account Books.
- c. All other Books used in the ordinary business of a Bank.
- d. All the above.

Ans - d

.....

What is a certified copy?

- a. A copy of any entry in the Books of a Bank along with a certificate that copy is a True Copy.
- b. That such entry is contained in one of the Books of the Bank.
- c. And such Books are still under the custody of the Bank.
- d. A copy which includes all the above information.

Ans - d

.....

Which of the following statements is not correct regarding Bankers Books Evidence Act?

- a. The certificate issued by Bank should have signatures of the authorized person and it should be dated.
- b. It should be supported by original document.
- c. The certified copy will be original document.
- d. The Bank will ensure the accuracy of the copy.

Ans - b

.....

'A' has purchased a draft from a bank favouring 'B'. The draft is lost in transit and for duplicate draft in lieu of first bank need some formalities to be completed by 'A'. Can 'B' file a consumer case against the formalities as at is delaying payment to him.

- a. No, as he is not consumer of the bank and is not taking any service from the bank.
- b. No, as he has not paid the demand draft commission.
- c. Yes, as because of bank his payment is getting delayed.
- d. Yes, his money is lying in the bank, he is deemed as account holder of the bank.

Ans - a

.....

Which of the following statements is correct regarding Bankers Books Evidence Act?

- a. No officer of a Bank can be compelled to produce any Bankers Books unless it is specially ordered by the court.
 - b. The above provision (a) applies only when the Bank is not a party to the case.
-

-
- c. An investigating Police officer can compel a Bank officer to produce the Book without court order.
 - d. All the above.

Ans - d

.....

The Number of current Nationalised banks (As nationalised as per Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980) is

- a. 19
- b. 20
- c. 26
- d. 27

Ans - a

.....

For a paying banker to claim protection under the Negotiable Instruments Act, one of the criteria he has to satisfy, is that the payment is in due course. As to what is, payment in due course has been stated in

- a. Section 10 of Negotiable Instruments Act
- b. Section 11 of Negotiable Instruments Act
- c. Section 12 of Negotiable Instruments Act
- d. Section 13 of Negotiable Instruments Act

Ans - a

.....

Legal proceeding under Bankers Books Evidence Act, signifies:

- a. any proceeding or inquiry in which evidence is given
- b. an arbitration
- c. any investigation under the code of Criminal Procedure, 1973.
- d. All the above.

Ans - d

.....

What are the powers of the court in case of legal proceedings under the Bankers Books Evidence act?

- a. permit the affected party to inspect the Books and take copies.
- b. Order the Bank to prepare the produce within specified time the certified copies/
- c. Order the Bank to prepare certificates as desired under the Law.

.....
d. All the above.

Ans – d
.....

The acceptance of recommendations of the banking ombudsman should be conveyed by the complainant within

- a. 7 days
- b. 15 days
- c. 21 days
- d. 1 Month

Ans - b
.....

All Banks whose shares are listed with Stock Exchanges are required to publish their unaudited quarterly results as per proforma prescribed by

- a. RBI
- b. SEBI
- c. RBI and SEBI
- d. Registrar of Companies (Roc. in India)

Ans - b
.....

The management of RRB vests in the board of directors. The board consists of a chairman appointed by

- a. NABARD
- b. RBI
- c. The sponsor bank from among its officers in consultation with the NABARD
- d. Central Government

Ans - c
.....

Banks can not grant any loans or advances to any of its directors except as permitted by RBI. This is as per provisions of

- a. Section 20 (1) of RBI Act
- b. Section 19(2) of Banking Regulation Act
- c. RBI guidelines

d. Section 20 (1) of Banking Regulation Act

Ans - d

In how many days a Bank is required to comply with court orders under Bankers Books evidence act?

- a. 3 days excluding Bank holidays.
- b. 7 days excluding Bank holidays.
- c. 10 days excluding Bank holidays.
- d. 15 days excluding Bank holidays.

Ans - a

At least of the directors should have the qualifications prescribed under Section 10A(2) of the BR Act

- a. 50 per cent
- b. 75 per cent
- c. 51 per cent
- d. 25 per cent

Ans - c

If ornaments kept in the safe locker of bank is stolen in spite of due care by the bank, the bank is to the depositor of ornaments.

- a. liable
- b. not liable
- c. can be liable
- d. None of these

Ans - b

The essentials of valid equitable mortgage is debt, deposit of title deeds and

- a. Intention as security
- b. Intention of sale deposit
- c. Either a or b
- d. Neither a not b

Ans - a

If the principal debtor and creditor change the terms of guarantee without the consent of surety, the surety will be discharged from the liability for

- a. all the debts
- b. any future debts
- c. either a or b
- d. both a and b

Ans - b

.....

The maximum number of members in a public company can be

- a. 12
- b. 50
- c. 51
- d. any number

Ans - d

.....

In which of the following documents the limitation period is 3 years?

- a. Demand Pronote from the date of DP note.
- b. Overdrafts - from the date of advances.
- c. Term Loan - from the date of default in payment of each installment.
- d. All the above.

Ans - d

.....

Which of the following statements, is correct?

- a. There is no period of limitation for sale of pledged goods.
- b. In case of Hypothecation the limitation period is 3 years from the date of loan.
- c. Bill of exchange has 3 years limitation period from the due date.
- d. All the above.

Ans - d

.....

Extension of limitation period can be way of

- a. obtaining fresh set of documents.
-

- b. Acknowledgement of debt
- c. Part payment
- d. All the above.

Ans - d

.....

The process of providing documents to police or CBI is :

- a. They may seize a document set for investigation in case of fraud.
- b. They may be given certified Xerox copy.
- c. If they insist for original Xerox copy should be retained with the bank.
- d. All the above.

Ans - d

.....

Which of the following are the important cash Books being maintained by the Bank?

- a. Cash Received the Payment Book.
- b. Sectional Cash Book.
- c. Cash Balance Book.
- d. All the above.

Ans - d

.....

Which of the following can be proved in the court of Law according to Bankers Books Evidence Act?

- a. Existence of a document.
- b. Condition of a document.
- c. Contents of a document
- d. All the above.

Ans - d

.....

Which of the following statements is correct regarding the provisions of Bankers Book Evidence act?

- a. Entries in Books of Accounts regularly kept in the course of Business are relevant in the matter of court inquiry.
 - b. However, above statements shall not be alone be sufficient evidence to cheque any person with liability.
 - c. The entries in the books can be used as corroborative evidence,
-

d. All the above.

Ans - d

In which year the Bankers Books Evidence Act was enacted?

- a. 1891
- b. 1906
- c. 1934
- d. 1947

Ans – a

Which of the following statements is correct regarding the Bankers Books Evidence act?

- a. It is a special Act which provides certain privileges to Banks.
- b. The Act deals in connection with mode of proving of entries in their Books.
- c. The act also have provision regarding production of Books in the court of Law.
- d. All the above.

Ans - b

Which of the following are the essential features of Law of Evidence?

- a. The conditions and contents of a document can be proved before a court only by producing original document.
- b. So long original documents are available, a copy can not be produced.
- c. However there are certain exceptions to the Law.
- d. All the above.

Ans - d

When the is in possession of goods, a lien can be exercised.

- a. seller
- b. buyer
- c. agent of the buyer
- d. carrier

Ans - a

In a contract of indemnity the liability of the indemnifier is

- a. Primary
- b. Secondary
- c. Either Primary or Secondary
- d. None of these

Ans - a

In a contract of guarantee the liability of the surety is

- a. Primary
- b. Secondary
- c. Either Primary or Secondary
- d. None of these

Ans - b

The minimum number of directors required in a public company is

- a. 3
- b. 7
- c. 12
- d. 15

Ans - c

Where is the Appellate Tribunal located?

- a. Thiruvananthapuram.
- b. Mumbai
- c. East State Head Quarter.
- d. None of these.

Ans - b

What is the fee payable upto a loan amount of Rs. 10 lac.

- a. Rs. 10,000
 - b. Rs. 12,000
-

- c. Rs. 1,50,000.
- d. Rs. 20,000.

Ans - b

.....

Who issues Certificate of Recovery for recovery of debts?

- a. Recovery Officer.
- b. Presiding Officer.
- c. Bank Manager.
- d. Appellate Authority.

Ans - b

.....

Who is mainly responsible for recovery of debt in the DRT?

- a. Recovery Officer.
- b. Presiding Officer.
- c. Income tax Officer.
- d. Superintendent of Police.

Ans - a

.....

What is the time limit to file a Memorandum of Appeal with Debt Recovery Appellate Tribunal?

- a. Within 15 days from the date of Receipt of DRT order.
- b. Within 30 days from the date of Receipt of DRT order.
- c. Within 45 days from the date of Receipt of DRT order.
- d. Within 60 days from the date of Receipt of DRT order.

Ans - c

.....

SARFAESI Act 2002 is applicable to

- A. whole of India
- B. whole of India except J&K
- C. major cities of India
- D. only in notified towns under Transfer of property act

Ans - a

.....

How much amount the Debtor has to deposit with the Appellate Authority while filing an appeal against the DRT orders?

- a. 10% of Debt as mentioned in order of DRT.
- b. 25% of Debt as mentioned in order of DRT.
- c. 50% of Debt as mentioned in order of DRT.
- d. 75% of Debt as mentioned in order of dRT.

Ans - c

Which of the following statements, is correct regarding filing an appeal with debt Recovery Appellate Authority?

- a. An appeal can be made with Appellate Authority against the order of DRT.
- b. Appeal can be filed with requisite fee.
- c. The debtor has to deposit a specified amount of the debt with the Appellate
- d. All the above.

Ans - d

Under SARFAESI Act,2002, a minimum time of days is to be given to the borrower / guarantor after issuing demand notice under Section 13(2..

- A.90 days
- B.365 days
- C.30 days
- D.60 days

Ans - d

After the Mardia chemicals case, the government brought about an amendment stipulating the deposit amount for making an appeal under SARFAESI Act, 2002. Accordingly the amount to be deposited generally is

- A.10%
- B.25%
- C.50%
- D.75%

Ans - c

The minimum number of members required in a private & public companies are

- a. 2 & 5
- b. 7 & 20
- c. 2 & 7
- d. 5 & 20

Ans - c

Which among the following can give directions to RBI ?

- A. Central Govt
- B. Governor RBI
- C. Central Board Of Directors Of RBI
- D. Public Shareholders Of RBI

Ans - a

Who among the following are not included in the Central Board of directors of RBI ?

- A. Governor
- B. Deputy Governor
- C. Directors nominated by Govt
- D. Executive Director

Ans - d

There are parties in a contract of indemnity.

- a. 2
- b. 3
- c. 4
- d. 5

Ans - a

Surety's liability is if the principal debtor is released by the creditor.

- a. discharged
 - b. liable
-

- c. either a or b
- d. None of these

Ans - a

.....

If the liability of one surety is discharged by the creditor, liability of other surety is

- a. also discharged
- b. not discharged
- c. can be discharged
- d. None of these

Ans - b

.....

Ordinary Letter of Credit are usually, i.e, the bills drawn there under have to be immediately.

- a. Sights credits
- b. Acceptance credits
- c. Either a or b
- d. None of these

Ans - a

.....

Letter of Credit under which usance bills can be drawn is called an

- a. Sights credits
- b. Acceptance credits
- c. Either a or b
- d. None of these

Ans – b

.....

In a Revocable LC the credit can be amended or cancelled by the

- a. Confirming Bank
- b. Reimbursing Bank
- c. Issuing bank
- d. Nominated Bank

Ans - c

.....

In which places an appeal against the orders of Debts Recovery office can be filed?

- a. Appellate Tribunal.
- b. High Court.
- c. District Court.
- d. Appeal cannot be filed.

Ans - a

General lien gives the creditor right to retain which have come in his possession.

- a. all goods
- b. Some goods
- c. Specific goods
- d. None of these

Ans - a

Acts done honestly is called acts done

- a. without negligence
- b. rashly
- c. mollified
- d. in good faith

Ans - d

Mere signature of the payee on the reverse of the instrument is called endorsement

- a. full
- b. blank
- c. conditional
- d. restrictive

Ans - b

'Sans recourse' means

- a. I am not afraid
 - b. Do not touch me
-

- c. ask the drawer
- d. without liability to me

Ans - d

.....

In case of safe deposit locker the relation between Bank and Customer is Bank and Customer

- a. Agent, Principal
- b. Lessor, Lessee
- c. Creditor, Debtor
- d. Debtor, Creditor

Ans - b

.....

Working Group on resolution regime for financial institutions was set up in

- a. November 2011
- b. June 2012
- c. August 2012
- d. January 2013

Ans - d

.....

Bank's investment in equity shares, Preference shares eligible for capital status, Subordinated debt instruments, Hybrid debt capital instruments issued by other banks should not exceed % of the investing bank's capital funds (Tier I plus Tier II).

- a. 5%
- b. 10%
- c. 15%
- d. 20%

Ans - b

.....

Banks can not grant any loans or advances to any of its directors except as permitted by RBI. This is as per provisions of :

- a. Section 20 (1) of RBI Act
 - b. Section 19(2) of Banking Regulation Act
 - c. RBI guidelines
-

d. Section 20 (1) of Banking Regulation Act

Ans - d

PNs are used mainly by investors based in (i) India, (ii) Abroad

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

..... directors or trustees of a MF should be independent. (i) 1/2 (ii) 2/3 (iii) 66%

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

Banks can not grant loans to any of its directors against which of the following securities?

- a. Government Securities
- b. Life Insurance policies
- c. bank's own deposit
- d. shares

Ans - d

When a Bank lends money the relation between Bank and Customer is Bank and Customer

- a. Agent, Principal
- b. Lessor, Lessee
- c. Creditor, Debtor
- d. Debtor, Creditor

Ans - c

As per Section 20A of the Banking Regulation Act, 1949, whose permission is required for remitting in whole or in part any debt due to a bank by any of its directors, or any firm or company in which any of its directors is interested as director, partner, managing agent or guarantor, or any individual, if any of its directors is his partner or guarantor.

- a. Reserve Bank
- b. Board of Directors of the Bank
- c. SEBI
- d. Company Law Board

Ans - d

Particular lien gives the creditor right to retain in case the expenses incurred are not paid.

- a. All goods
- b. Some goods
- c. Specific goods
- d. None of these

Ans - c

A revocable LC is one which can be amended or cancelled by.....without prior notice.

- a. Any or all parties of LC
- b. The beneficiary
- c. The issuing bank
- d. None of the above

Ans - c

What are the enclosures to Paper Book to be submitted with recovery application to DRT?

- a. Statement of loan account.
- b. Purpose and circumstances under which loan was disbursed.
- c. Reasons for default.
- d. All the above.

Ans - d

Which of the following is not an enclosure to the paper Book which is enclosed to the application with DRT?

- a. All the documents based on which the claim is formed.
- b. Details of payment of Fee.
- c. Application of the Borrower.
- d. Affidavit of the Advocate if the case is filed through the Advocate.,

Ans - c

Which of the following is correct regarding filing a recovery case with DRT?

- a. The application for recovery should be filed in 4 copies.
- b. The loan documents should not be time barred at the time of filing a case.
- c. The Recovery officer has powers like an Income Tax officer.
- d. All the above.

Ans - d

Which of the following can be part of interim order of DRT?

- a. Injection.
- b. Stay
- c. Attachment.
- d. Any of the above.

Ans - d

The interim order of DRT can debar the Borrower from:

- a. transferring any property or Assets belonging to him.
- b. Alienating any property or Assets belonging to him.
- c. Disposing of any property or Assets belonging to him.
- d. Any or all of the above.

Ans - d

Which of the following is not the power of DRT?

- a. Presenting a Borrower to submit an appeal against the orders of DRT.
-

- b. Management, protection and Improvement of property attached.
- c. Collection of Rent and Profits on the attached property.
- d. Distribution of the realization proceeds among secured creditors.

Ans - a

.....

What is Lok Adalat?

- a. It is an easy process of Settlement of Bank dues.
- b. Small loans upto a specified amount can be settled through Lok Adalat.
- c. It is a process of mutual settlement.
- d. All the above.

Ans - d

.....

Which of the following are the features of Lok Adalat?

- a. Lok Adalat meets on a specified day once a month.
- b. The Bank and Borrower can have mutual settlement of their own or through
- c. The competent officer of a Bank can present himself in the process.
- d. All the above.

Ans - d

.....

The Scale III officers can participate in Lok Adalat proceedings and may arrive at the compromise where write off amount does not exceed:

- a. Rs. 2,500
- b. Rs. 5,000
- c. Rs. 10,000
- d. Rs. 12.500

Ans - a

.....

Which of the following Committee recommended a separate Act, for Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act?

- a. Rengrajan Commottee.
 - b. T.R. Andhyarjuna Committee.
 - c. Narasimham Committee.
-

d. Nayak Committee.

Ans - b

What are the advantages of Lok Adalat?

- a. Minimum Fee.
- b. Easy and fast Process.
- c. Facility of write offs.
- d. All these.

Ans - d

A Bank officer of the following rank can refer the cases to Lok Adalat:

- a. Scale II
- b. Scale III
- c. Scale IV
- d. Scale v

Ans - c

The decision of the Scale III Bank official in write off the liability will have to be approved by:

- a. Chairman
- b. General Manager
- c. Zonal Manager
- d. No ratification is required.

Ans - a

SARFAESI Act, 2002 was made effective on:

- a. 21.06.2002.
- b. 01.06.2002.
- c. 01.04.2002.
- d. 15.03.2002.

Ans - a

Bailment is the delivery of goods

- a. as security
- b. for safe custody
- c. for using on rent
- d. for sale or return

Ans - b

What are the important features of securitization?

- a. It is process through which illiquid Assets are transferred into more liquid form of Assets
- b. The lending institution's Assets are removed from it Balance Sheet
- c. These Assets are funded by investors through a negotiable financial instrument
- d. All the above

Ans - d

What is the role of special purchase vehicle (SPV) in the process of securitization?

- a. It is an intermediary between sellers of financial Assets.
- b. SPV receives money from investors and pays to the transferor.
- c. The investors are paid out of the Assets realized over a period of time.
- d. All the above.

Ans - d

The limitation period for filing a suit for foreclosure form the date money secured becomes due is

- a. 12 Years
- b. 20 Years
- c. 25 Years
- d. None of the above

Ans - d

A company which can appoint the majority of directors in another company is called

- a. Subsidiary Company
 - b. Holding Company
-

- c. Foreign Company
- d. Existing Company

Ans - b

.....

Who is the Chairman of the Central Consumer Protection Council?

- a. Chief Justice of the Supreme Court.
- b. Judge of the Supreme Court appointed by the Chief Justice of the Supreme Court.
- c. Minister in charge of Law and Judiciary in the Central Government .
- d. Minister in charge of consumer affairs in the Central Government

Ans - d

.....

District Forum has passed order to pay compensation. How recovery of the ordered amount is made?

- a. By filling execution in Civil Court.
- b. By filling execution before District forum.
- c. By filling civil Suit.
- d. By referring the order to collector for making recovery as if and revenue recovery.

Ans - d

.....

An award of banking ombudsman is

- a. a judicial decision.
- b. an arbitrary order
- c. an order on the bank
- d. an appeal to the bank

Ans - b

.....

Two parallel transverse lines across the cheque is called

- a. endorsement
- b. transfer
- c. assignment
- d. crossing

Ans – d

.....

.....

The objectives of ECR are (i) Proper accounting of foreign exchange receipts and payments, (ii) to prevent flight of scarce capital by control over remittances abroad and supervision of accounts of non-residents, (iii) to check smuggling

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

GR forms are submitted in respect of

- a. Import transactions
- b. FOCNA transactions
- c. Export transactions
- d. NRE transactions

Ans - c

.....

The services under the consumer protection includes;

- a. banking, financing and insurance.
- b. transports and processing.
- c. supply of electrician and other energy.
- d. all the above.

Ans - d

.....

Which of the following statements, is correct?

- a. Securitisation company can acquire only financial assets.
- b. The difference between securitization and factoring is that in factoring only existing Receivables can be acquired while in securitisation even future Receivables can be acquired.
- c. The purpose of Securitisation is to avoid mismatch between Assets and Liabilities.
- d. All the above.

Ans - d

.....

The bank through whom the credit is advised and who confirms the letter of credit when required and negotiates the documents tendered is called

- a. Opening Bank
- b. Foreign Bank
- c. Advising Bank
- d. None of these

Ans - b

Which of the following, is not a service under the provisions of the act?

- a. free services and personal services rendered under a contract.
- b. boarding, lodging or both .
- c. entertainment and amusement.
- d. purveying of news and other information.

Ans - a

What are the essential features of services ?

- a. it must be of a commercial nature.
- b. it must be rendered on payment.
- c. services received by a patient from a doctor or hospital may be free of charge.
- d. all the above.

Ans - d

Which of the following is not consumer under the act?

- a. beneficiary of services though not the hirer himself.
- b. nominee under a bank deposit account.
- c. actual user of a subscribers telephone.
- d. all the above.

Ans - d

Which o the following rights of a consumer are protected under the act?

- a. the right to be protected against the making of goods which are hazardous to life and property.
-

- b. the right against unfair trade practices.
- c. the right to be assured to a variety of goods and services at competitive prices.
- d. all the above.

Ans - d

.....

The unfair trade practice includes;

- a. quality and quantity.
- b. potency and purity.
- c. standard and price of goods and services.
- d. all the above.

Ans - d

.....

For filing a complaint before a district forum the limitation period prescribed is.....from the date of cause of action

- a. 90 days
- b. 1 year
- c. 2 years
- d. 3 years

Ans - c

.....

The banking ombudsman may ask the concerned bank to submit;

- a. information on the complaint.
- b. evidences and documents in support of the reply to the complaint
- c. other related document
- d. all the above

Ans - d

.....

When the Advising Bank, at the request of the issuing Bank, adds its confirmation which would constitute a definite undertaking by the former the L/C is known as a/an

- a. Irrevocable L/C
 - b. Transferable L/C
 - c. Confirmed L/C
-

d. Revolving L/C

Ans - c

.....

Under which provisions, the RBI has introduced the banking regulation act, 1949

- a. section 33 of banking ombudsman scheme
- b. RBI act, 134
- c. consumer protection act, 1986
- d. none of the above

Ans - d

.....

An award of banking ombudsman is;

- a. a judicial decision.
- b. an arbitrarily order
- c. an order on the bank .
- d. an appeal to the bank

Ans – a

.....

The right of redressal is sought for against ;

- a. unfair trade practices.
- b. restrictive trade practices.
- c. unscrupulous exploitation.
- d. all the above

Ans - d

.....

The concept of banking ombudsman is;

- a. originated on India.
- b. international concept.
- c. a scheme of world bank
- d. a part of basic committee recommendation.

Ans - d

.....

To get the protection under S / 131, a collecting bank has to collect afor credit of is customer

- a. stolen cheque
- b. stale cheque
- c. postdated cheque
- d. crossed cheque

Ans - d

.....

If a cheque is stolen in transit and presented at the drawee bank by a holder in due course case and if the cheques is paid by the bank in due course in a case the drawee bank would be

- a. be held liable
- b. would not be held liable
- c. would be found guilty
- d. None of these

Ans - b

.....

If the stipulation agreed to between the parties is essential to the main purpose of the contract then such a stipulation is known as a

- a. implied condition
- b. condition
- c. warranty
- d. guarantee

Ans - b

.....

What is the sub-target for advances to micro (manufacturing) enterprises having investment in plant and machinery up to Rs 5 lakh and micro (service) enterprises having investment in equipment up to Rs. 2 lakh out of total advances to micro and small enterprises sector?

- a. 40%
- b. 60%
- c. 20%
- d. 80%

Ans - a

.....

Who exercises the main administrative control over the functioning of cooperative banks ?

- a. RBI
- b. NABARD
- c. Central govt through coop deptt
- d. State govt through registrar of copp societies

Ans - d

In which of the following areas,RBI can't issue directions to bank ?

- a. Interest rate on deposit
- b. Interest rate on advances
- c. Margin on bank loans
- d. NONE OF THE ABOVE

Ans - d

Central govt can give directions to RBI in public interest after consulting ...

- a. Central board of RBI
- b. RBI Governor
- c. President of India
- d. Finance Secretary

Ans - b

Who should maintain the Index of Register of Charges as per the Companies Act

- a. Registrar of Companies
- b. Lending Bank
- c. Creditor
- d. Debtor Company

Ans - a

Banking companies are licensed by

- a. Reserve Bank
 - b. Registrar of companies
-

- c. Company Law Board
- d. None of these

Ans - a

Business which a banking company may undertake other than banking is as stipulated by

- a. Reserve Bank
- b. BR Act
- c. RBI Act
- d. None of these

Ans - b

BR Act was enacted for regulating acceptance of deposits from public.

- a. Regulating banking companies
- b. Creating Reserve Bank
- c. Creating RRBs
- d. None of these

Ans - a

An Adjudicating Authority can enquire contravention under FEMA only if a complaint is filed by

- a. RBI
- b. High Court
- c. Special Director (Appeals)
- d. Central Government

Ans - d

An endorsement which restricts further right of negotiation is not called as (i) Facultative Endorsement, (ii) Restrictive endorsement, (iii) Conditional Endorsement

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

Casual vacancies in the board of directors is filled in by the

- a. promoters
- b. underwriters
- c. shareholders
- d. board of directors

Ans - d

.....

A person resident in India in the preceding in India for more than days in the preceding financial year.

- a. 180
- b. 182
- c. 60
- d. 62

Ans - b

.....

Which of the following is the important provision in respect of immovable property which is subject to encumbrances?

- a. The secured creditor shall vest in the transferee all the right as it the transfer had been made by the borrower.
- b. All encumbrances know to secured creditor must be disclosed in the advertisement.
- c. The Authorised officer may allow the purchaser to deposit with him the money required to discharge the encumbrances.
- d. All the above.

Ans - d

.....

If the stipulation agreed to between the parties is essential to the main purpose of the contract then such a stipulation is known as a

- a. condition
- b. warranty
- c. implied condition
- d. guarantee

Ans - a

.....

Name the authority which issues Import Export Code (IEC).

- a. RBI
- b. FEDAI
- c. DGFT
- d. EXIM BANK

Ans - c

A swap transaction involves

- a. purchase of currency
- b. sale of currency
- c. purchase of currency against sale or forward sale of the currency.
- d. simultaneous purchase and sale of one currency against another for different settlement dates.

Ans - d

A foreign currency travelers cheque is valid for

- a. 3 months
- b. 6 months
- c. 1 month
- d. no time limit unless otherwise mentioned therein

Ans - d

The rate quoted for clean instruments returned unpaid is

- a. TT selling rate
- b. DD buying rate
- c. Inter-Office rate
- d. TT buying rate

Ans - a

Name the act that lays down the underlying regulations presently governing all foreign currency transactions in India

- a. FEMA
-

-
- b. RBI
 - c. BR
 - d. Foreign Exchange Act

Ans - a

.....

Maximum foreign exchange that can be released by an Authorised Dealer for medical treatment abroad is

- a. USD 50,000
- b. USD 75,000
- c. USD 200,000
- d. Upto USD 100,000 without any estimate from Doctor any amount exceeding request to be supported by Estimate from a Hospital/Doctor India / abroad

Ans - d

.....

How much percentage of foreign currency can be credited to EEFC Account of a customer in Special Economic Zone?

- a. 50 %
- b. 100 %
- c. 75 %
- d. 25 %

Ans - b

.....

For outward remittance other than imports, the applicant should submit

- a. Form A2
- b. Form A1
- c. Form A4
- d. Form A3

Ans - a

.....

'R' returns are submitted to RBI as on every

- a. month
 - b. 10th, 20th & 30th
-

- c. 15th & last working day of the month
- d. every week

Ans - c

.....

An L/C which can be amended or cancelled by the Issuing Bank at any time prior to its expiry without notice to the Beneficiary is called a/an

- a. Confirmed L/C
- b. Irrevocable L/C
- c. Revolving L/C
- d. Revocable L/C

Ans - d

.....

A L/C that cannot be cancelled or amended without the consent of the parties concerned is known as a/an

- a. Confirmed L/C
- b. Irrevocable L/C
- c. Transferable L/C
- d. Back to back L/C

Ans - b

.....

The rate quoted for inward remittances by TT/DD, where the cover fund has already been credited to our Nostro a/c is

- a. TT buying rate
- b. DD buying rate
- c. Inter-Office rate
- d. Cross rate

Ans - a

.....

Which of the functions of public and private key match:

- a. private key verifies the digital signatures and public key creates the digital signature
 - b. public key verifies the digital signatures and private key creates the digital signature
 - c. private key and public key are used to verify the digital signatures
-

d. private key and public key are used to create the digital signatures

Ans - b

As per Information Technology Act 2000, the penalty for damage to computers, computer systems etc. has been fixed for damages up to by way of compensation to affected person:

- a. Rs.1 lac
- b. Rs.10 lac
- c. Rs.100 lac
- d. Rs.1000 lac

Ans - c

Which of the following exercises control over banks from the opening to their winding up:

- a. Reserve Bank of India and SEBI
- b. SEBI and Govt. of India, NABARD
- c. Govt. of India and RBI
- d. Govt. of India, RBI and SEBI

Ans - c

The banks in India, fall in which of the following category:

- a. statutory corporations and private companies
- b. companies and cooperatives
- c. statutory corporations, companies and cooperative societies
- d. companies, public sector banks, public sector companies

Ans - c

Which of the following cannot accept deposits withdrawable by cheques:

- a. banks
- b. saving bank schemes run by the govt.
- c. private credit societies
- d. financial institutions

Ans - d

As per definition u/s 5 (b) of Banking Regulation Act 1934, which of the following is not correct in the context banking business:

- a. accepting deposits and giving loans out of such deposits
- b. deposits are accepted from public
- c. banks cannot refuse to accept deposits whosoever offers
- d. accepting deposits and investing such deposits

Ans - c

Which of the following cannot accept deposits from the public:

- a. banks
- b. non-bank finance companies regulated by RBI
- c. other companies regulated by Central govt.
- d. other firms that are in the business of financial institutions

Ans - d

The cooperative banks that operate in more than one State, are registered under which of the following:

- a. State coop societies Act
- b. Reserve Bank of India Act
- c. Multi-state coop societies Act
- d. all the above

Ans - c

Central govt. can exempt the banks from provisions of Banking Regulation Act:

- a. of its own, if satisfied
- b. on request of the bank concerned
- c. on recommendation of RBI
- d. any of the above, depending upon the circumstances

Ans - c

When no provision is made by a contract between the partners about the duration of the partnership, it is known as a

- a. partnership for a unlimited period
- b. partnership for a limited period
- c. partnership at will
- d. particular partnership

Ans - c

The delivery of goods or payment for goods, in a contract of sale, as per Sale of Goods Act can be.....

- a. immediate only
- b. in instalments only
- c. later on only
- d. all the above

Ans - d

If there is some ultra-vires transaction undertaken by the directors of the company, for the company.....

- a. it can be ratified by the Board of Directors
- b. It can be ratified by the shareholders
- c. it can be ratified by the Board of Directors or Shareholders
- d. It cannot be ratified either by Board or Shareholders.

Ans - d

Goods that are identified at the time of contract of sale is called goods. (i) Specific Goods, (ii) ascertained goods, (iii) clear Goods

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

How much additional exposure is permitted in exceptional circumstances with the permission of the Board of Directors of the bank in case of exposure to single borrower or group?

- a. 5%,5%
- b. 10%, 10%
- c. 5%, 10%
- d. No additional exposure without RBI approval

Ans - a

The aggregate exposure of a bank to the capital markets in all forms (both fund based and 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 / debentures, units of equity-oriented mutual funds and all exposures to Venture Capital Funds (VCFs) should not exceed % of its net worth.

- a. 20%; 40%
- b. 15%; 40%
- c. 40%; 20%
- d. 50%; 20%

Ans - c

As per Section 19(2) of the Banking Regulation Act, 1949, a banking company can hold shares in any company, whether as pledgee, mortgagee or absolute owner, up to:

- a. 30% of the paid-up share capital of that company
- b. 30% of paid-up share capital and reserves of the bank
- c. 30% of paid-up share capital and reserves of that company
- d. a or b whichever is less

Ans - d

Early Warning Group was set up in

- a. November 2011
- b. June 2012
- c. August 2012
- d. January 2013

Ans – b

Evidence means:

- a. All statements presented before a court by way of witnesses.
- b. It is in relation to a matter of fact under inquiry.
- c. Such statements are called oral evidence.
- d. All the above

Ans - d

Which of the following statements, is correct?

- a. All documents produced for inspection of court are called documentary evidence.
- b. Primary Document mean original document itself.
- c. Certified copies are secondary evidences.
- d. All the above.

Ans - d

Forex Transactions under FEMA can be classified into (i) current account, (ii) capital account

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - c

In which year the Tiwari Committee recommended for establishment of Special tribunals for Banks dues recovery?

- a. 1981
- b. 1987
- c. 1991
- d. 1995

Ans - a

Which of the following committees also recommended the set up of Debit Recovery Tribunals?

- a. Committee on Financial Sector Reforms.
-

- b. Committee on Custom Service.
- c. Committee on RRBs.
- d. None of the above.

Ans - a

.....

In which year the Recovery of Debts Due to Banks and Financial Institutions Act. was enacted?

- a. 1991
- b. 1993
- c. 1994
- d. 1995

Ans - b

.....

Exposure norms are applicable to which of the following? (i) Advance against Bank's own deposit, (ii) Advance against LIP, (iii) Advance against NSC

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

In which of the following states the Recovery of Debts due Act is under implementation?

- a. Selected States of the Country.
- b. All the state of Country.
- c. All over the country except Jammu & Kashmir.
- d. No such restriction.

Ans - b

.....

How much minimum margin should be kept by banks while issuing guarantees on behalf of stock brokers or brokers in commodity exchange?

- a. 50% of which cash margin should be minimum 25%
 - b. 25% with no sub limit for cash margin
 - c. 100% of which cash margin should be minimum 50%
-

d. 50% with no sub limit for cash margin

Ans - a

.....

Which of the following cases to the Recovery of Debts due Act, is applicable?

- a. Where amount involved is less than Rs. 10 lac.
- b. Where amount involved is Rs. 10 lac or above.
- c. Where amount involved is upto Rs. 11 lac.
- d. No such restriction.

Ans - b

.....

Coop banks operating in different states have to get themselves registered under ...

- a. RBI Act
- b. Multi state coop societies act
- c. State coop societies act
- d. B R Act

Ans - b

.....

The essential features of pass through certificate are:

- a. A direct, participation in the case flow is sold.
- b. Receipt of Asset cash flow is deposited in a designated account.
- c. The funds are passed on to certificate holders.
- d. All the above.

Ans - d

.....

Debenture is a document acknowledging

- a. Company's indebtedness
- b. Company's ownership
- c. Ownership of machinery
- d. none

Ans - a

.....

When the LC specifies the Bank that is to negotiate the bills drawn under the LC then the bank is also called ?

- a. Confirming Bank
- b. Reimbursing Bank
- c. Nominated Bank
- d. None of the above

Ans - c

The may apply to the Central Government for an order of moratorium in respect of a banking company.

- a. banking company
- b. Registrar of Companies
- c. Reserve Bank
- d. None of the above

Ans - c

The provisions of a scheme of amalgamation sanctioned by the Central Government under Section 45 of the BR Act will the provisions of other laws.

- a. not affect
- b. have overriding effect on
- c. will be subject to
- d. None of the above

Ans - b

Holder in due course is a person who became possessor of a NI for (i) valuable consideration, (ii) in good faith, (iii) after becoming due

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

A lease for agricultural or manufacturing purpose is deemed to be a lease

- a. month to month
- b. week to week
- c. with infinite period
- d. year to year

Ans - d

The seller of goods is deemed to be an unpaid seller when the has not been paid

- a. price
- b. interest
- c. damages
- d. penalty

Ans - a

A minor can be of a partnership firm

- a. partner of the firm
- b. admitted to the benefits
- c. either a or b
- d. neither a not b

Ans - b

NRNR & FCNR (B) accounts can be kept in the from of deposits

- a. Term Deposits
- b. Current Deposits
- c. Saving Deposits
- d. Recurring Deposits

Ans - a

Accounts jointly with residents can be opened in the case of accounts.

- a. FCNR (B)
 - b. NRE
-

- b. NRO
- d. None of these

Ans - c

Accounts jointly with residents cannot be opened in the case of accounts.

- a. FCNR (B)
- b. NRE
- c. NRO
- d. Both a and b

Ans - d

The banker should not the account of his customer unless there is justifiable reason for the closure.

- a. close
- b. open
- c. transfer
- d. None of these

Ans - a

Passbook is a of transactions between the customer and the bank.

- a. basis
- b. source
- c. record
- d. root

Ans - c

What does execution of document signify?

- a. It must be properly executed as per the specimen signatures recorded with the bank
- b. It should be properly stamped.
- c. It should be registered, if required.
- d. All the above.

Ans – d

In securitisation, who is the originator?

- a. Borrower
- b. Lending Bank
- c. Securitisation Company
- d. None of the above

Ans - b

Interest rate on Saving Bank deposits is decided by:

- a. RBI
- b. IBA
- c. Ministry of Finance
- d. Asset Liability Management Committee of Bank

Ans – a

The rate of CRR is fixed from time to time by:

- a. RBI
- b. IBA
- c. Ministry of Finance
- d. RBI in consultation with Ministry of Finance

Ans - a

The Working Group on BPLR headed by Mr Deepak Mohanty has suggested replacing BPLR with:

- a. Prime rate
- b. Base rate
- c. Reference rate
- d. Basis rate

Ans - b

For the purpose of exposure norms, what is the meaning of 'Group'?

- a. Majority of the directors should be common
 - b. The Managing Director should be same
-

- c. Commonality of Management and effective control
- d. All of these

Ans - c

.....

As per Section 19(2) of the Banking Regulation Act, 1949, a banking company can hold shares in any company, whether as pledge, mortgage or absolute owner, up to:

- a. 30% of the paid-up share capital of that company
- b. 30% of paid-up share capital and reserves of the bank
- c. 30% of paid-up share capital and reserves of that company
- d. a or b whichever is less

Ans - d

.....

Who implemented the banking ombudsman scheme?

- a. Indian bank association.
- b. reserve bank of India.
- c. national institute of bank management
- d. national consumer commission

Ans - b

.....

Maximum advance from the banking system that can be allowed to an individual against shares, convertible bonds, convertible debentures and units of equity oriented mutual funds is restricted to:

- a. Rs:10 lakh if the securities are held in physical form
- b. Rs: 20 lakhs if the securities are held in dem-at form.
- c. Rs 20 lakhs whether securities are in physical or demat form
- d. Both a & b

Ans - d

.....

How much minimum margin should be kept by banks while issuing guarantees on behalf of stock brokers or brokers in commodity exchange?

- a. 50% of which cash margin should be minimum 25%
 - b. 25% with no sub limit for cash margin
 - c. 100% of which cash margin should be minimum 50%
-

d. 50% with no sub limit for cash margin

Ans - a

.....

Which of the following the complaint need not contain?

- a. the name of the bank official
- b. the nature extent of loss caused to the complaint.
- c. relief sought from banking ombudsman .
- d. statement about the compliance of the condition.

Ans - a

.....

The aggregate exposure of a bank to the capital markets in all forms (both fund based and 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 / debentures, units of equity-oriented mutual funds and all exposures to Venture Capital Funds (VCFs) should not exceed % of its net worth.

- a. 20%; 40%
- b. 15%; 40%
- c. 40%; 20%
- d. 50%; 20%

Ans - c

.....

Additional directors are appointed by the

- a. promoters
- b. underwriters
- c. shareholders
- d. board of directors

Ans - d

.....

Central Information Commission can impose a penalty subject to a maximum of rupees

- a. 15000
 - b. 20000
 - c. 25000
-

d. 30000

Ans - c

.....

Only personal security of the borrower is available in the case of loans.

- a. Secured
- b. Unsecured
- c. Both a and b
- d. None of these

Ans - b

.....

Secured loans are normally secured by

- a. Pledge
- b. hypothecation
- c. mortgage or assignment of debts
- d. All of the above

Ans – d

.....

Charge means any form of for

- a. Security, Debt
- b. Debt, Security
- c. pledge, Security
- d. None of these

Ans - a

.....

Fixed charge means non registration of charge for the following

- a. book debts
- b. supply bills
- c. immovable property
- d. pledge

Ans - d

.....

Limitation period for term loans repayable in installments is

- a. 3 years from date of loan document
- b. 3 years from due date of each installment
- c. 3 years from date of disbursement
- d. 12 years from date of loan documents

Ans - b

.....

Negative lien means

- a. cancellation /release of lien marked on securities
- b. prohibition of second encumbrance
- c. prohibition of creating any charge
- d. undertaking by executants not to encumber the unencumbered securities

Ans – b

.....

Person who is not entitled to receive the benefit under a LC is

- a. Exporter
- b. Beneficiary
- c. Buyer
- d. Seller

Ans - c

.....

As per Information Technology Act 2000, punishment for data theft can be (i) Fine up to Rs.2 lac, (ii) imprisonment up to 3 years

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - c

.....

Registration of charge with Roc need not be done

- a. for hypothecation of stocks
-

- b. for pledge of property
- C for mortgage of property
- d. for hypothecation of vehicles

Ans - b

.....

ABC Co.Ltd. have a current account operated by anyone of the three directors A, B and C of which A dies. A cheque for Rs 50000 signed by A previously, is presented for payment. The bank will

- a. dishonour the cheque with the reason : "Signatory is dead "
- b. honour the cheque as the company, the account holder has perpetual life
- c. seek the company's advice
- d. ask the company to stop the payment and issue a new cheque

Ans - b

.....

Pari passu is a charge indicating

- a. first charge over securities
- b. 2nd charge over securities
- c. equal charge to charge holders
- d. proportionate share to charge holders

Ans - d

.....

When a person by his words or conduct appoints someone as his agent it is known as agency by

- a. promise
- b. conduct
- c. action
- d. estoppel

Ans - d

.....

Which of the following activities is not commercial?

- a. goods bought by a consumer to be used exclusively by him for the purpose of earning his livelihood by means of self-employment
 - b. a retailer.
 - c. small scale industry
-

d. a car of a transport company being operated by a driver.

Ans - a

.....

What kind of banking complains can be lodged with the consumer banking forum?

- a. charging ed cess interest on loans
- b. payment of less interest on deposits
- c. forgery in the account
- d. all the above

Ans - d

.....

Which of the following complaints cannot be redressed by the forum?

- a. non-enhancement in the credit limit
- b. non- payment of cheque without valid reason
- c. negligence in bank transactions.
- d. not providing the required service

Ans - a

.....

When was the first asset reconstruction company was set up?

- a. august, 2003.
- b. dec,2003
- c. march,2004.
- d. june, 2003.

Ans - a

.....

Which of the following banks were major promoters of first asset reconstruction company?

- a. state bank of India.
- b. icicibank.
- c. IDBI
- d. all these

Ans - d

.....

Which of the following statements are False?

1. A banking company is registered under the Banking Regulation Act
2. Co-operative banks are registered under the Multi-State Co-operative Societies Act or a State Co-operative Societies Act
3. Accepting deposits for lending would fall within the definition of "banking"
4. Subsidiaries of the State Bank are companies registered under the Companies Act

- a. 1 and 2 are false
- b. 1 and 3 are false
- c. 2 and 4 are false
- d. 1 and 4 are false

Ans - d

Corresponding new banks" means

- a. new banks [nationalised banks] constituted under the Banking Companies [Acquisition and Transfer of Undertakings] Act, 1970 and 1980
- b. All private sector banks incorporated after independence
- c. All private sector banks incorporated after Liberalisation policies in India during 1991-92
- d. New banks being licences recently

Ans - a

Section 11 of BR Act specifies the minimum capital and reserves requirements of a banking company. As per new guide lines issued by RBI what is the minimum capital and capital reserves requirements of private banks?

- a. 200 Crores of capital and 20 percent of net profit as capital reserve
- b. 300 Crores of capital and 20 percent of net profit as capital reserve
- c. 500 Crores of capital and 25 percent of net profit as capital reserve
- d. 300 Crores of capital and 25 percent of net profit as capital reserve

Ans - c

Banks can not grant loans to any of its directors against which of the following securities?

- a. Government Securities
 - b. Life Insurance policies
 - c. bank's own deposit
-

d. shares

Ans - d

.....

What is the minimum CRR as per the relevant Act?

- a. No minimum
- b. 4%
- c. 3%
- d. 6%

Ans - a

.....

Which kind of assistance is provided by EXIM Bank to Indian companies?

- a. Direct loans to exporters
- b. Technology services
- c. Consultancy services
- d. All the above

Ans - d

.....

Which of the following includes 'banking business' as per Banking Regulation Act?

- a. Acceptance of deposit
- b. Collection of bills
- c. Buying of foreign exchange
- d. a to c

Ans - d

.....

Which of the following acts deals with the Right of Appropriation?

- a. Indian Contract Act
- b. Companies Act
- c. Negotiable Instruments Act
- d. All of the above

Ans - a

.....

Who of the following is Garnishee under a Garnishee Order?

- a. Judgement Creditor
- b. Judgement Debtor
- c. Bank
- d. None of these

Ans - c

Many times, banks do not take revival letters and the debts concerned become time-barred. Here the underlying contract can say to have become

- a. Unenforceable
- b. Unlawful
- c. Illegal
- d. Bad

Ans - a

As per Indian Contract Act 1872, consideration can be

- a. Past
- b. Present
- c. Future
- d. Any of the above

Ans - d

Essential features of a of bailment are

- a. Contract
- b. Delivery of possession
- c. Purpose / return of specific goods
- d. All of the above

Ans - d

A hire-purchase contract is a

- a. Contract of bailment
-

- b. Contract of sale
- c. Contract of bailment followed by Contract of sale
- d. Contract of lease followed by Contract of bailment

Ans - c

.....

Association, Agreement, Business, sharing of profits and sum up the features of a partnership:

- a. Consideration
- b. Mutual agency
- c. Liability
- d. Interest

Ans - b

.....

As per Banking Regulation Act, banks will be required to maintain minimum SLR of % of NDTL

- a. 25%
- b. 20%
- c. 30%
- d. None of these as it is fixed by RBI

Ans - d

.....

As per Banking Regulation Act, what can be the maximum rate of SLR?

- a. 25%
- b. 40%
- c. 15%
- d. None of these as it is fixed by RBI

Ans - b

.....

Banks have to limit their commitment by way of unsecured guarantees in such a manner that of the bank's outstanding unsecured guarantees plus the total of outstanding unsecured advances do not exceed %of total outstanding advances.

- a. 10%, 15%
 - b. 15%, 20%
 - c. 15%, 40%
-

d. None of these as there is no such stipulation.

Ans - d

.....

Exposure norms are not applicable to which of the following?

- a. Advance against Bank's own deposit
- b. Advance against LIP
- c. Advance against NSC
- d. Seasonal Industries

Ans - a

.....

For the purpose of exposure norms, which of the following is true for inclusion under exposure?

- a. 100% of both fund based and non fund based credit limits
- b. Sanctioned limit or outstanding whichever is higher shall be considered.
- c. In case of fully drawn term loans outstanding and not the limit sanctioned will be considered.
- d. All of these

Ans - d

.....

For the purpose of exposure norms, what is the meaning of 'Group'?

- a. Majority of the directors should be common
- b. The Managing Director should be same
- c. Commonality of Management and effective control
- d. All of these

Ans - c

.....

Banks can not grant advance against their own shares as per provisions of

- a. Section 20 (1) of RBI Act
- b. Section 19(2) of Banking Regulation Act
- c. RBI guidelines
- d. Section 20 (1) of Banking Regulation Act

Ans - d

.....

Under letter of Credit, Bill means

- a. Bill of entry
- b. Bill of Lading
- c. Bill of exchange
- d. Invoice

Ans - c

In winding up proceedings the depositors shall for the amounts shown in the books of the bank standing to their credit.

- a. be deemed to have filed claim
- b. have to file claim
- c. have no claim
- d. None of the above

Ans - a

Income earned by a shareholder on a company shareholding is called

- a. Interest
- b. Discount
- c. Dividend
- d. None

Ans - c

..... may apply to the High Court for winding up of a banking company under Section 38 of the BR Act.

- a. Registrar of Companies
- b. Reserve Bank
- c. Central Government
- d. None of the above

Ans - b

The High court shall order winding up of a banking company if the banking company is unable to

- a. pay its debts
-

- b. file returns in time
- c. eliminate non-performing assets
- d. None of the above

Ans - a

.....

When the confirming bank confirm the credit it

- a. does not take any liability
- b. undertakes on its part the liability under the LC
- c. undertakes to make timely of the documents and bills to the buyer or his bank
- d. None of the above

Ans - b

.....

From the following which function is of securitisation company?

- a. Acquisition of loan transaction from the lender.
- b. Help the lender in recovery by sale of charged property.
- c. Take legal steps against the defaulter borrower on behalf of the lender.
- d. Acquisition of financial assets from the originator

Ans - d

.....

When the LC specifies the Bank that is to negotiate the bills drawn under the LC, then the bank is also called.....

- a. Confirming Bank
- b. Reimbursing Bank
- c. Nominated Bank
- d. None of the above

Ans - c

.....

Acceptance of deposits by non banking financial bodies and companies is regulated by which of the following ?

- a. SEBI & RBI
 - b. RBI & Govt
 - c. Registrar of companies & SEBI
-

d. Stock exchange & SEBI

Ans - b

Who exercises the main administrative control over the functioning of cooperative banks ?

- a. RBI
- b. NABARD
- c. Central govt through coop deptt
- d. State govt through registrar of co-op societies

Ans - d

The confirming bank is

- a. the issuing bank when it confirms the issue of the LC
- b. the negotiating bank when it confirms the negotiation of the bills
- c. the advising bank when it confirms the LC
- d. None of the above

Ans - c

The minimum number of directors required in a public & Private companies are

- a. 3 & 1
- b. 7 & 2
- c. 3 & 2
- d. 5 & 2

Ans - c

The LC issuing bank is also called.....

- a. the importers bank or the opening bank
- b. the advising bank or the confirming bank
- c. the negotiating bank or the nominated bank
- d. the reimbursement bank

Ans – a

.....
A company has to obtain a from the Reserve Bank to commence banking business in terms of Section 22 of the BR Act.

- a. registration
- b. license
- c. commencement certificate
- d. None of the above

Ans - b
.....

Every public company, or a private company which is a subsidiary of a public company, having a paid-up share capital of Rupees must have a managing or whole-time director or a manager.

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - b
.....

Foreign banks are required under Section 11 of the BR Act to deposit arising out of their business in India with the Reserve Bank

- a. 20 per cent of profit of each year
- b. 30 per cent of profit for each year
- c. 20 per cent of the deposits collected each year
- d. None of the above

Ans - c
.....

Shareholders of banking companies can exercise voting rights up to of the total voting rights of all shareholders.

- a. 1 per cent
- b. 10 per cent
- c. 20 per cent
- d. 100 per cent

Ans - b
.....

Central Govt can give directions to RBI in public interest after consulting ...

- a. Central board of RBI
- b. RBI Governor
- c. President of India
- d. Finance Secretary

Ans - b

In which of the following areas, RBI can't issue directions to bank ?

- a. Interest rate on deposit
- b. Interest rate on advances
- c. Margin on bank loans
- d. NONE OF THE ABOVE

Ans - d

Max penalty for damage to computers or computer systems can be.....

- a. 5 Lakhs
- b. 50 Lakhs
- c. 1 Crore
- d. 10 Crores

Ans - c

When the confirming bank confirm the credit it

- a. does not take any liability
- b. undertakes on its part the liability under the LC
- c. undertakes to make timely of the documents and bills to the buyer or his bank
- d. None of the above

Ans - b

Shifting of a bank's branch in the does not require Reserve Bank's permission under Section 23.

- a. same district
 - b. same state
-

- c. same city , town or village
- d. None of the above

Ans - c

.....

Reimbursing Bank is the Bank

- a. that reimburses the seller
- b. that reimburses the Negotiating/Paying or Confirming Bank
- c. that reimburse the buyer on the goods being found defective
- d. None of the above

Ans - b

.....

Agreement can be

- a. Oral
- b. Written
- c. Either a or b
- d. None of these

Ans - c

.....

Banking companies are not permitted to give dividend until all are written off.

- a. bad debts
- b. expenses
- c. capitalised expenses
- d. None of the above

Ans - c

.....

A director of a banking company should not have in any other company.

- a. any interest
- b. substantial interest
- c. beneficial interest
- d. None of the above

Ans – b

.....

Which of the following is not relevant to documentation?

- a. It is an evidence of creating a change over the security.
- b. It can recognize forget transactions.
- c. It provides a right to the Bank of file a summary suit.
- d. It defines rights and obligations of the parties thereto.

Ans - b

.....

The requirement of execution of documents depends on:

- a. Nature of credit facility.
- b. Nature of security of loan.
- c. Constitution of business.
- d. All the above.

Ans - d

.....

The security documents can be by way of :

- a. Personal Security.
- b. Primary Security.
- c. Collateral Security.
- d. Any or all the above.

Ans - d

.....

Which of the following one stamps where documents are required to be stamped?

- a. Adhesive Revenue Stamp.
- b. Special Adhesive/Embossed stamp.
- c. Bill of Exchange Stamps.
- d. All the above.

Ans - d

.....

..... have to maintain cash reserve under Section 18 of the BR Act. Coop.

- a. banks
 - b. Banking companies which are not scheduled banks
-

- c. Nationalised banks
- d. None of the above

Ans - b

The payment of penalty under Section 24 of BR Act can be enforced by making an application before

- a. the government
- b. civil court
- c. high court
- d. None of the above

Ans - b

In a government company the government holds at least per cent.

- a. 12
- b. 15
- c. 50
- d. 51

Ans - d

RTI application should be accompanied by a fee of rupees...

- a. 10
- b. 20
- c. 50
- d. 100

Ans - a

A contract without is void.

- a. Indemnity
- b. Guarantee
- c. Consideration
- d. Cash

Ans - c

The firm is bound by an act of a partner done without any express or implied authority if such act is
(i) Done in emergency, (ii) Done to protect the firm from loss-threatened by the emergency, (iii)
Reasonable in the circumstances

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

For the PIO to disclose certain information, the Competent Authority should be satisfied that larger public interest warrants its disclosure. This information pertains to (i) commercial confidence, (ii) trade secrets, (iii) intellectual property

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The Term "Consent" means

- a. Voluntary accordance with or concurrence in what is done or proposed by another
- b. Free mind
- c. Free will
- d. All of the above

Ans - d

The right to sue for the hire of boat accrue to A during his minority. He attains majority four years after such accrual. He may institute his suit at any time within

- a. Two years from the date of his attaining majority
- b. Three years from the date of his attaining majority
- c. ive years from the date of his attaining majority
- d. None of above

Ans - c

The income of transferred property may be accumulated for an unlimited time where the property is transferred with condition (i) For the payment of debts taken by the transferor, (ii) For the maintenance of the property itself, (iii) For the maintenance of the descendants of the transferor generation after generation

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Right to Information includes the right to (i) inspect works, documents, records, (ii) take notes, extracts or certified copies of documents or records, (iii) obtain information in form of printouts, diskettes, floppies, tapes, video cassettes or in any other electronic mode or through printouts

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

What is the prescribed time period for deposit of income tax deducted on salary

- a. within the month during which deducted
- b. within one week of close of the month during which deducted
- c. within one week of date of deduction of tax
- d. immediately on deduction in case of online payment

Ans - b

In banker's Parlance, 'Set off' refers to

- a. setting off legal proceedings if the borrower agrees to make payments
- b. setting off dues from one customer against dues to another customer to save reserve requirement
- c. setting off amount due from bank to one customer against amounts due from the same customer to the bank
- d. adjusting interest due from the customer on the loan against the due on Fixed deposit account

Ans - c

.....

If information sought has been supplied by third party or is treated as confidential by that third party, the third party must be given a representation before the PIO in reply to the notice issued to him within days from the date of receipt of such notice.

- a. 5 days
- b. 15 days
- c. 10 days
- d. 7 days

Ans - c

.....

As per section 2(1)(nnn) of Consumer Protection Act 1986, 'restrictive trade practice' include (i) delay beyond the period agreed to by a trader in supply of goods or in providing the services which has led to rise in the price, (ii) any trade practice which requires a consumer to buy, hire or avail of any goods or services as condition precedent to buying, hiring or availing of other goods or services

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

Which of the following are the member of the selection committee constituted for appointing chairman and members of the District Forum (CDRF)? (i) Minister in charge of the Department dealing with consumer affairs in the State, (ii) Secretary in charge of the Department dealing with consumer affairs in the State, (iii) Secretary, Law Department of the State

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

How much minimum margin should be kept by banks while issuing guarantees on behalf of stock brokers or brokers in commodity exchange?

- a. 50% of which cash margin should be minimum 25%
- b. 25% with no sub limit for cash margin
- c. 100% of which cash margin should be minimum 50%

d. 50% with no sub limit for cash margin

Ans - a

What is the minimum margin for financing against physical and demat shares?

- a. 50%, 25%
- b. 50%, 50%
- c. 50%, 40%
- d. 25%, 50%

Ans - a

The right of lien is available to the banker

- a. only when there is legally enforceable debt within the limitation period
- b. even in respect of time barred debts
- c. upto 12 years from the date of advance
- d. only for those debts for which the securities were offered

Ans - b

'Certificate of commencement of business' is issued in the case of

- a. Association of persons
- b. Public Limited company
- c. Private Limited Company
- d. Company Ltd. by Guarantee

Ans - b

Which of the following is not correct with regard to TDS provisions

- a. Section 192 – salary
- b. Section 194 A – Interest payments other than interest on securities ,
- c. Section 194-C – Payment to contractor or sub-contractor
- d. Section 194-D – Payment of brokerage

Ans - d

Bank's investment in equity shares, Preference shares eligible for capital status, Subordinated debt instruments, Hybrid debt capital instruments issued by other banks should not exceed % of the investing bank's capital funds (Tier I plus Tier II).

- a. 5%
- b. 10%
- c. 15%
- d. 20%

Ans - b

Which of the following are the provisions for joint secured creditors?

- a. Individual secured creditors cannot take any action unless such right is agreed upon.
- b. Decision will be taken jointly by secured creditors having 75 per cent of liability.
- c. The decision take as above.(b) will be binding in all the remaining secured creditors.
- d. All the above.

Ans - d

Bancassurance is not (i) An insurance scheme to insure bank deposits, (ii) A composite financial service offering both bank and insurance products, (iii) An insurance scheme to insure bank advances

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - b

Whose assistance can be taken for taking over assets if the borrower resists giving possession of the asset?

- a. Chief Metropolitan Magistrate.
- b. District Magistrate.
- c. (a) or (b)
- d. Superintendent of police.

Ans - c

How the amount received from sale of secured assets would be applied?

- a. Payment of cash, changes incurred in taking over the assets and maintaining it.
- b. Discharge of due of secured creditor.
- c. The remaining amount will be paid to the borrower entitled.
- d. In the above manner (a), (b) and (c).

Ans - d

Which of the following statements, is correct?

- a. Secured creditor may file a case with DRT for the remaining unrealise amount.
- b. No suit can be filed against the secured creditor if it has acted in good faith.
- c. Action against the secured creditor can be taken only if malafied is alleged and established.
- d. All the above.

Ans - d

Inter regulatory forum for monitoring financial conglomerates (IRF-FC) is chaired by

- a. Governor, RBI
- b. DG, RBI (in-Charge of the Department of Banking Supervision)
- c. DG, RBI (in-charge of financial stability)
- d. DG, RBI (in-charge of Financial Markets Department)

Ans - b

Interest is calculated on actual/365 days basis in respect of the following products (i) GOI dated securities, (ii) Call Money, (iii) Notice Money

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

Why RBI has advised banks to desist from sanctioning advances against FDRs, of other banks?

- a. Other bank will not mark lien of lending bank

- b. It may result in double financing
- c. There may be possibility of fake term deposit receipts being used for obtaining advance
- d. All of these

Ans - b

.....

Which of the following is not correct?

- a. Banks may negotiate bills drawn under LCs, on 'with recourse' or 'without recourse' basis
- b. Banks can not purchase/discount the bills drawn otherwise than under LC on 'without recourse' basis
- c. Banks should not rediscount bills earlier discounted by non-bank financial companies (NBFCs) except in respect of bills arising from sale of light commercial vehicles and two / three wheelers.
- d. Banks can not negotiate bills drawn under LCs, on 'with recourse' or 'without recourse' basis

Ans - d

.....

Monetary and credit policy helps in (i) Efficient Payment Mechanism, (ii) Adequate money supply, (iii) Expansion of Financial system

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

When the board of a banking company is ordered to be reconstituted under Section 10A of the BR Act, directors will be removed for the purpose of reconstitution.

- a. by rotation
- b. by lots
- c. by majority decision
- d. None of the above

Ans - b

.....

The provision of Section 36AA of the BR Act regarding removal of managerial personnel have over other laws.

- a. no effect
-

-
- b. overriding effect
 - c. persuasive effect
 - d. None of the above

Ans - b

.....

As per Fair Practice Code, in case of receipt of request for transfer of borrower account, either from the borrower or from a bank/financial institution, which proposes to take- over the account, the consent or objection of the lender, if any, should be conveyed within from the date of receipt of request.

- a. 21 days
- b. 15 days
- c. 7 days
- d. one month

Ans - a

.....

Loan Delivery System was recommended by Committee headed by:

- a. Rashid Jilani
- b. N. Vaghul
- c. K. Kannan
- d. C Rangarajan

Ans - a

.....

Loan Delivery System-is applicable in case of borrowers enjoying :

- a. working capital credit limits of Rs. 10 crore and above from the banking system
- b. working capital credit limits of Rs 10 crore and above from a bank.
- c. fund based limits of Rs 10 crore and above from the banking system
- d. fund based limits of Rs 10 crore and above from a bank.

Ans - a

.....

As per RBI, for borrowers availing working capital credit facilities of Rs 10 crore and above from the banking system, the loan component should normally be % and cash credit component should be %.

- a. 80%, 20%
 - b. 20%, 80%
-

- c. 75%, 25%
- d. 60%, 40%

Ans - a

.....

Spurious Goods are defined under

- a. sale of Goods act
- b. contract act
- c. consumer protection act
- d. companies act

Ans - c

.....

The document of title to goods enables the holder

- a. to transfer the goods
- b. ownership by endorsement
- c. possession of goods by delivery
- d. all of above

Ans - d

.....

Imprisonment for money laundering can be years

- a. 2 to 5
- b. 2 to 7
- c. 3 to 5
- d. 3 to 7

Ans – d

.....

Fine for money laundering can be upto rupees.

- a. 3 Lakhs
- b. 4 Lakhs
- c. 5 Lakhs
- d. 7 Lakhs

Ans - c

.....

Base rate is not fixed by (i) RBI, (ii) Ministry of Finance, (iii) Asset Liability Management Committee of Bank

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

Bills co-acceptance facility is a

- a. Fund based facility
- b. Non-Fund based facility
- c. Either a or b
- d. None of these

Ans – b

Banker is entitled to charge interest on temporary overdraft under

- a. RBI Act
- b. BR Act
- c. Indian contract Act
- d. Banking Custom

Ans - d

Limitation period for filing a suit in Term Loans is years from the date of default of installment.

- a. 2
- b. 3
- c. 4
- d. 5

Ans – b

Period of repayment in the case of medium-term loan is

- a. 1 year

- b. 2-4 years
- c. 5-7 Years
- d. More than 7 years

Ans - c

.....

A public company should have a minimum paid-up capital of Rupees

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - d

.....

Coop banks operating in different states have to get themselves registered under ...

- A. RBI Act
- B. Multi state coop societies act
- C. State coop societies act
- D. B R Act

Ans - b

.....

Central govt can exempt a banking co. from the provisions of banking regulation act under which of the following circumstances ...

- a. On its own
- b. On recommendation of state govt
- c. On recommendation of RBI
- d. on request from the concerned banking co.

Ans - c

.....

What is the necessary condition to be complied with before lodging a complaint to banking ombudsman?

- a. have made a representation to the concerned bank.
 - b. bank might have reject ed the complaint or not replied the complaint
 - c. the reply might have not to the satisfaction of complainant.
-

d. (a) or (b) or (c)

Ans - d

The acceptance of recommendations of the banking ombudsman should be conveyed by the bank within?

- a. 7 days
- b. 15 days
- c. 15days
- d. 30days

Ans - d

How many offices the banking ombudsman have at present ?

- a. 5
- b. 10
- c. 21
- d. 29

Ans - b

Before passing an award the banking ombudsman will be guided by;

- a. evidences produced by the parties.
- b. banking law and practice.
- c. instructions and guidelines issued by RBI
- d. all the above

Ans - d

An award by banking ombudsman will contain;

- a. specific performance of operations.
- b. loss / cost to be borne by the bank.
- c. reasons for making the award.
- d. all the above.

Ans – d

What are the formalities the banking ombudsman will comply before passing an award ?

- a. if the complaint is not settled within 2months from the date of receipt of the complaint, the baking ombudsman will inform parties about his intention to pass an award.
- b. both the parties may submit further representation or evidences in support their case within 15 days.
- c. the banking ombudsman will pass an award.
- d. all the above

Ans - d

.....

When condition is imposed by endorser along with endorsement is not called as (i) Facultative Endorsement, (ii) Restrictive endorsement, (iii) Conditional Endorsement

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

An award will be executed the bank in the following manner;

- a. complainant must submit acceptance letter within one month he will accept the award in full and final settlement
- b. the bank shall comply the award within 5 days of receipt of acceptance from the complaint
- c. the bank shall intimate the banking ombudsman about compliances of the award within 15 days.
- d. all the above.

Ans - d

.....

Co operative societies that function as banks have been brought to the regulatory framework of RBI for certain aspects as a result of ...

- A. Section 6 of B R Act
- B. Section 43 of RBI Act
- C. Section 54 of registered societies act
- D. Section 56 of B R Act

Ans - d

.....

.....
Circumstances where Bank is not liable under Consumer Protection Act 1986 is/ are

- a. The refusal to provide cheque book facility to a customer on the ground of not maintaining the minimum balance in his account may not amount to deficiency in service
- b. An increase in charges levied by a bank for its services do not fall within the provisions of the Consumer Protection Act.
- c. Only 1
- d. Both 1 and 2

Ans - d
.....

Section 171 of the Indian Contract Act, 1872, gives to the banker an absolute right of general lien on all goods and securities received by the banker. In which of the following circumstances that the banks cannot exercise general lien?

- a. The right cannot be exercised when the debtor has a joint account
- b. When a customer deposits securities, ornaments and other valuable for their safe custody with a banker, the banker acts as a trustee/bailee, therefore the bank cannot exercise the right of lien
- c. Documents/money deposited with a specific purpose cannot be taken under lien
- d. All the above

Ans - d
.....

In the case of a banker, the right of set-off enables him to adjust a debit balance in a customer's accounts, with any balance outstanding to his credit in the books of the bank. What are the essential elements of such banker's right to set off?

- a. There should be mutual debts and the debts should be for certain sums, while the claim and the cross claim should be for certain sums
- b. The set-off can be applied only to those debts, which are due and recoverable on the date of exercising the set-off
- c. Only 1 is correct
- d. Both 1 and 2 holds good

Ans - d
.....

An order of the Court obtained by a judgment creditor attaching the funds belonging to a judgment debtor held with a bank is called Garnishee order. Here Bank is called as

- a. Principal
- b. Judgement Surety for execution of order

- c. Garnishee
- d. None of the above

Ans - c

The Prevention of Money Laundering Act, 2002 (PMLA) is the legal framework to combat money laundering. To implement the provisions of the Act, which of the following entity/ies have been conferred with exclusive and concurrent powers under relevant sections of the Act?

- a. Only RBI
- b. Financial intelligence unit (FIU)-India (FIU-IND)
- c. Financial intelligence unit (FIU)-India (FIU-IND) and Director (Enforcement Directorate) jointly
- d. Central Government only

Ans - c

Know Your Customer' (KYC) guidelines have been revisited in the context of the recommendations made by

- a. Financial Action Task Force (FATF) on Anti Money Laundering (AML) standards and on Combating Financing of Terrorism (CFT)
- b. paper issued on Customer Due Diligence (CDD) for banks by the Basel Committee on Banking Supervision (BCBS)
- c. RBI
- d. Both 1 and 2

Ans - d

When a customer deposits certain valuables, bonds, securities or other documents with the bank, for their safe custody, the bank, besides becoming a trustee, also becomes a

- a. Agent
- b. Lessee
- c. Bailee
- d. Pawnee

Ans - c

According to Section 124 (Indian Contract Act, 1872)- A contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself or the conduct of any other person is called a contract of indemnity. In banking parlance which of the following circumstances necessitates contract of indemnity?

- a. In transactions of issue of duplicate demand draft
- b. In transactions of issue of fixed deposit receipt
- c. 1 and 2
- d. No such contract is possible in banking context

Ans - c

In a civil suit, to which bank is not a party, one of the parties has produced certified copy of books of account. One party to the suit wants to call bank officer as witness to prove the contents of copy. Can it be done?

- a. Yes, as it is the right of the party to get it reaffirmed in evidence
- b. No, as the certified copy is a prima facie evidence that is admissible in evidence as per The bankers' books evidence act, 1891
- c. No, unless the bank volunteers to do so
- d. Yes, but if Court allows the application to call the witness

Ans - b

Under Debt Recovery Act

- a. If a bank has filed recovery application, other bank can join the application if the defendants are same
- b. A person who has to file appeal before the Appellate Tribunal has to pay 75 per cent of the debt ordered by the Tribunal
- c. DRT jurisdiction for a bank is where the head office of the bank is located
- d. Only 1 and 2 are correct

Ans - d

Under Section 49A of the Banking Regulation Act, no organisation other than a bank is authorised to accept deposits withdrawable by cheque. Which of the following entities are exempted from this prohibition?

- 1. The Savings Bank Scheme run by the government
- 2. A Primary credit society
- 3. Any other person or firm notified by the government

4. Post Offices

- a. Only 1,2,4
- b. Only 1,2,3
- c. Only 2,3,4
- d. All the above

Ans - d

Banking is defined as the acceptance of deposits of money from the public for the purpose of lending or investment.

- a. Under Section 5b. of the Banking Regulation Act 1949
- b. Under Section 5c. of the Banking Regulation Act 1949
- c. Under Section 5b. of the RBI Act 1934
- d. Under Section 5d. of the RBI Act 1934

Ans - a

Acceptance of deposits by non-banking financial companies(NBFCs) is regulated by the Reserve Bank of India under

- a. Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- b. Directions issued by it under Chapter IIIB of the Reserve Bank of India Act 1934
- c. RBI Act 1934
- d. 1 and 2

Ans - d

With regard to 'Public deposits mobilisation' which of the following statement is/are true?

1. Under Section 49A of the Banking Regulation Act, no organisation other than a bank is authorised to accept deposits withdrawable by cheque
2. A Primary credit society and any other person or firm notified by the government can run a Savings Bank scheme if permitted by government.
3. Non-Banking Financial Companies(NBFCs) too can accept only fixed deposits as per Acceptance of Public Deposits (Reserve Bank) Directions, 1998
4. Certain companies can also accept fixed deposits with permission from Central Government under the Companies (Acceptance of Deposit) Rules, 1975 issued under Section 58A of the Companies Act, 1956

- a. Only 1 and 3 are correct

- b. Only 1 ,2 and 3 are correct
c. Only 1 ,2 and 4 are correct
d. All are correct

Ans - d

Section 6(1) of the Banking Regulation Act lists permissible businesses of a bank. But Section 8 of the Banking Regulation Act prohibits a banking company from engaging directly or indirectly in which business activities?

- a. Trading
b. Undertaking trading risks
c. Buying or selling or bartering of goods
d. All the above

Ans - d

As regards immovable properties, Section 9 prohibits a banking company from holding such immovable properties, howsoever acquired, except as is required for its own use. The banking company shall be required to dispose of such property within the permitted period of

- a. Only seven years from the acquisition of the property
b. Only Ten years from the acquisition of the property
c. Seven years from the acquisition of the property + five years extended time as permitted by RBI as required
d. Ten years from the acquisition of the property + five years extended time as permitted by RBI as required

Ans - c

The Reserve Bank is the sole authority for issue and management of currency in India under Section 22 of the RBI Act. The bank may issue notes of different denominations fromto as the recommendations of the Central Board of the bank

- a. Rs. 1 to Rs. 10,000
b. Rs. 2 to Rs. 10,000
c. Rs. 5 to Rs. 1000
d. Rs. 2 to Rs. 1000

Ans - b

Which of the following instruments is not dealt by the Negotiable Instruments Act, 1881?

- a. Promissory notes
- b. Bills of exchange
- c. Cheque
- d. Currency Note

Ans - d

.....

According to The Negotiable Instruments Act, 1881, which of the following instrument is the only one which is payable to 'bearer 'on demand?

- a. Promissory Note
- b. Cheque
- c. Bill of Exchange
- d. Demand draft

Ans - b

.....

Which of the following statement is false?

- a. An open cheque can be presented by the payee to the paying banker and is paid over the counter
- b. A crossed cheque cannot be paid across the counter but must be collected through a banker
- c. A crossed order cheque may be negotiated by endorsement and delivery
- d. If a cheque bears a date three months prior to the date of presentation, it is considered to be a valid cheque

Ans - d

.....

Where a cheque bears across its face an addition of the name of a banker, either with or without the words "not negotiable" that addition constitutes a crossing and the cheque is deemed to be crossed.....

- a. crossed Generally
- b. crossed specially
- c. A/C payee crossed
- d. crossed indefinitely

Ans - b

.....

Statutory Corporations are established by Acts of

- a. Parliament
- b. Indian Trust
- c. Wakf
- d. Religious and Charitable Endowments

Ans - a

.....

Private Trusts are governed by the

- a. Parliament Act
- b. Indian Trust Act
- c. Wakf Act
- d. Religious and Charitable Endowments Act

Ans - b

.....

The period stipulated in the Act for filing details of security interest is ___ days.

- a. 10 Days
- b. 20 Days
- c. 30 Days
- d. 60 Days

Ans - c

.....

Who among the following are included in the Central Board of directors of RBI ? (i) Executive Director, (ii) Governor , (iii) Deputy Governor

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

.....

Securitisation or SARFAESI Act is not applicable to assets

- A. in possession of the creditor
-

- B. charge on which is in favour of the creditor
C. both
D. none

Ans - b

Who among the following are not included in the Central Board of directors of RBI ?

- a. Governor
b. Deputy Governor
c. Directors nominated by Govt
d. Executive Director

Ans - d

RBI undertakes banking business for the state govt under the provision of ...

- a. Sec 22 of RBI Act
b. Sec 21 of RBI Act
c. Sec 20 of RBI Act
d. Agreement between RBI & Govt u/s 21 A of RBI Act

Ans - d

Which among the following are classified as Current Account Forex Transactions? (i) payments due as interest on loans and as net income from investments, (ii) taking out an insurance policy from an insurance company outside India, (iii) remittances for living expenses of parents, spouse and children residing abroad

- a. Only (i) and (ii)
b. Only (i) and (iii)
c. Only (ii) and (iii)
d. (i), (ii) and (iii)

Ans - b

A Co operative bank can be which of the following ...

- a. Primary coop bank
b. District central coop bank
-

- c. State coop bank
- d. All the above

Ans - d

.....

The banking ombudsman scheme covers the following banks;

- a. scheduled commercial banks.
- b. regional rural banks.
- c. co-operative banks.
- d. all these

Ans - d

.....

Which of the following statements is correct regarding banking ombudsman scheme?

- a. it is an opportunity to public to redress their grievances of banking services
- b. it is an additional grievances settlement mechanism
- c. it is not substitution of consumer protection ant.
- d. all the above.

Ans - d

.....

The objectives of the banking ombudsman scheme are;

- a. to promote settlement through conciliation
- b. prompt settlement of customer grievances .
- c. inexpensive settlement of grievances.
- d. all the above.

Ans - d

.....

Who can make the complaint to ombudsman?

- a. the customer himself
- b. the authorized representative of customer.
- c. (a) or (b) above
- d. all the above

Ans – c

.....

Under what circumstances a complaint can be lodged with the banking ombudsman

- a. if the bank has not settled the issue within a period of two months.
- b. the bank has rejected the complaint of the customer
- c. the reply given by the bank to the customer was not satisfactory.
- d. all the above

Ans - d

At least of the total number of directors of a public company are to be persons whose period of office is liable to determination by retirement by rotation.

- a. 2
- b. 2/3
- c. 1/3
- d. 5

Ans - b

What is the true limit for a bank to dispose customer's complaints?

- a. 1 month
- b. 2 month
- c. 3 month
- d. 6 month

Ans - b

What kind of complaint can be lodged with the banking ombudsman?

- a. delay in collection of cheques
- b. deficiency in cash transaction.
- c. non- issue of demand drafts
- d. all the above

Ans - d

The ombudsman signifies;

- a. an institution established to content and prevent abuses of power by Public official.
-

- b. redress individual grievances
- c. acts as an external agency to probe in to administration faults.
- d. all the above

Ans - d

.....

The role of banking ombudsman is;

- a. resolution of complaints against banks regarding deficiency in services
- b. it is an external agency includes mediation persuasion and adjudication
- c. it is an external agency having independent identity
- d. all the above

Ans - d

.....

When any bank or financial institution creates a charge against property, with which authority the transaction will have to be registered under the SARFAESI Act, 2002?

- a. With the Central Registry.
- b. With the ROC.
- c. With the Registrar of Assurances within whose jurisdiction the property lies.
- d. With the Reserve Bank of India.

Ans - a

.....

When the provisions of SARFAESI Act, 2002 can be invoked for proceeding against the charged property?

- a. When the bank feels that it is necessary for the recovery at any time.
- b. When the RBI directs to do so.
- c. When there is default in repayment by the borrower.
- d. When there is default in repayment and the bank declares the account as NPA.

Ans - d

.....

Section 22 of RBI acts relate which aspects of banking ?

- a. RBI authority to regulate credit
 - b. RBI authority to regulate banking business
 - c. RBI authority to function as bank for govt business
-

d. RBI authority to issue & manage currency in India

Ans - d

.....

A Banking co. having operations in India could be constituted as a ...

- a. Body corporate under special act
- b. Registered under the companies act
- c. A Foreign co. under provisions of co. act
- d. All the above

Ans - b

.....

Organisational or constitutional aspects of banking co. are regulated by ...

- a. RBI
- b. SEBI
- c. Authorities under companies act
- d. All the above

Ans - a

.....

Agent can be appointed by

- a. express appointment
- b. implication of law
- c. ratification by principal
- d. any of the three modes

Ans - d

.....

..... is terminated when the buyer gets the possession of the goods

- a. agreement
- b. lien
- c. condition
- d. warranty

Ans - b

.....

FIMMDA's general principles and procedures are applicable to (i) Fixed Income Markets, (ii) Money Markets, (iii) Derivatives Markets

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

A is free when the parties to the contract agree to the same thing in the same sense.

- a. consent
- b. contract
- c. agreement
- d. None of the above

Ans - a

Casual vacancies in the board of directors is filled in by the

- a. board of directors
- b. promoters
- c. underwriters
- d. shareholders

Ans - a

Reserve Bank is authorised to appoint under Section 36AB of the BR Act.

- a. directors
- b. additional directors
- c. managing director
- d. None of the above

Ans - b

Reserve Bank may issue directions to banking companies under Section 21 of BR Act on

- a. audit
-

- b. deposits
- c. loans and advances
- d. capital structure

Ans - c

.....

Before removing the Chairman of a bank from office, Reserve Bank has to

- a. give compensation for loss of office,
- b. give opportunity of being heard
- c. give an option to continue as director
- d. None of the above

Ans – b

.....

Which of the following forms of business are permissible under BR Act? (i) Borrowing , (ii) Issuance of Letters of Credit, (iii) Buying and selling of bullion

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

.....

Unless the context otherwise require, the reference to a in the Banking Regulation Act shall be construed as reference to a cooperative bank.

- a. cooperative society
- b. banking company
- c. body corporate
- d. None of the above

Ans - b

.....

Non-registration of charge with ROC makes a bank to

- a. become unsecured creditor against other charge holders
 - b. share the securities with other charge holders
 - c. lose the remedy to file suit for the debt
-

d. lose both the security and the right to file suit

Ans - a

.....

The majority of shares of subsidiary banks are held by

- a. Reserve bank
- b. Central Government
- c. State bank
- d. None of the above

Ans - a

.....

Regional rural banks operate in

- a. a notified area
- b. the whole of a state
- c. only a district
- d. None of the above

Ans – a

.....

..... may regulate acceptance of deposits including rate of interest on deposit By banking companies under Section 35A of the BR Act.

- a. Central Government
- b. State Govt
- c. Reserve Bank
- d. Board of Directors

Ans - c

.....

The management of the affairs of a regional rural bank is vested in

- a. the Sponsor Bank
- b. its Board of Directors
- c. National Bank
- d. None of the above

Ans - b

.....

Which of the following is not correct regarding to Right to Information Act 2005?

- a. RTI Act came into force wef Oct 12, 2005
- b. RTI Act replaced Freedom of Information Act 2002
- c. RTI Act extends to whole of India including J & K
- d. Objective of RTI Act is to enable Indian citizens to access information under control of public authority

Ans - c

Which of the following is not a statutory right of member of a company:

- a. to transfer shares
- b. to receive copies of annual accounts of the company
- c. to receive dividend if declared
- d. priority to have new shares offered if company proposes to increase capital

Ans - c

A company wants to invite deposits from the public. For this purpose it has to issue:

- a. a public notice
- b. a circular
- c. a prospectus
- d. an instruction

Ans - c

Which of the following statement is correct?

- a. in every suit, the defendant has to set up plea of limitation
- b. acknowledgement through a document not directly addressed to the bank, does not extend the limitation period
- c. limitation in case of demand promissory note is 3 years from date of promissory note
- d. in Limitation Act, the definition of suit includes the appeal or application also.

Ans - c

For the purpose of limitation, a suit is deemed to have been filed when:

- a. the application is prepared by the plaintiff
-

- b. the application is presented before the proper officer
- c. the application has been accepted by the property officer
- d. the date of first hearing of the case.

Ans - b

.....

A right has been conferred on a member of a company by virtue of Memorandum of Association or Articles of Association, this called right of the member:

- a. statutory right
- b. proprietary right
- c. documentary right
- d. basic right

Ans - c

.....

A member of a company can inspect the register of members by virtue of his ___ right:

- a. statutory right
- b. proprietary right
- c. documentary right
- d. basic right

Ans - a

.....

Under RTI Act 2005, the information can be accessed under control of a public authority. For this purpose, the public authority means an authority established

- a. by or under the Constitution
- b. by any other law made by the Parliament of India or by the State legislature
- c. by any notification issued or order made by the appropriate govt.
- d. all the above

Ans - d

.....

Right to information available to Indian citizen under RTI Act 2005 does not include the following right

- a. inspection of documents or records
 - b. taking notes of documents
-

- c. taking certified samples of the material
- d. none of the above

Ans - d

.....

The Income Tax Act envisages the taxation of income of an assessee on the basis of:

- a. only residence of the assessee
- b. only place of source of income of the assessee
- c. only place of business of the assessee
- d. place of residence or place of source of income of the assessee

Ans - d

.....

As per provisions of Income Tax Act, the definition of income is:

- a. exhaustive
- b. inclusive
- c. fully exhaustive
- d. all the above

Ans - b

.....

Under RTI Act 2005, the information can be taken in the form of

- a. diskettes or floppies
- b. tapes or video cassettes
- c. printouts or in any other electronic form
- d. all the above

Ans - d

.....

The income tax is calculated on the basis of income of a person on the basis of:

- a. assessment year
- b. calendar year
- c. financial year
- d. previous year

Ans – a

.....

When a borrower has availed credit facilities from more than one bank, banks should exchange information about the conduct of the borrowers' accounts with other banks at least at intervals.

- a. monthly
- b. quarterly
- c. half yearly
- d. yearly

Ans - b

Expand - FSLC

- a. Financial Security Lending Reforms Commission
- b. Financial Sector Lending Reforms Commission
- c. Financial Security Legislative Reforms Commission
- d. Financial Sector Legislative Reforms Commission

Ans - d

One of the objectives of monetary policy is to maintain exchange stability because (i) It is necessary for smooth international trade, (ii) Exchange fluctuations lead to lack in confidence in a particular currency, (iii) Any Fluctuation in the exchange rate has direct effect

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Maximum advance from the banking system that can be allowed to an individual against shares, convertible bonds, convertible debentures and units of equity oriented mutual funds is restricted to:

- a. Rs:10 lakh if the securities are held in physical form
- b. Rs:20 lakhs if the securities are held in dem-at form.
- c. Rs 20 lakhs whether securities are in physical or demat form
- d. Both a & b only

Ans - d

DICGC will be subsumed into

- a. Financial Sector Appellate Tribunal
- b. Resolution Corporation
- c. Financial Redressal Agency
- d. Public Debt Management Agency

Ans - b

.....

In which of the following Tribunals, a case for recovery under DRT Act, can be filled?

- a. Any of the Tribunals in India.
- b. Only in the Tribunal in whose jurisdiction the Bank of Financial institution is working.
- c. None of the above
- d. Any of the above.

Ans - b

.....

Which of the following are the enclosures to be enclosed with the recovery application to be filed with DRT?

- a. Prescribed Fee.
- b. Paper Book.
- c. Particulars of Assets financed through loans.
- d. All the above.

Ans - d

.....

The power of sale without intervention of the Court is given to the mortgagor in the case of the following mortgage

- a. Equitable mortgage
- b. English mortgage
- c. Simple mortgage
- d. Usufructuary Mortgage

Ans - b

.....

A is a stipulation collateral to the main purpose of the contract.

- a. condition
- b. warranty
- c. implied condition
- d. guarantee

Ans - b

.....

The maximum number of members in a private company can be

- a. 7
- b. 12
- c. 50
- d. 2

Ans - c

.....

Section 22 of RBI acts relate which aspects of banking ?

- a. RBI authority to regulate credit
- b. RBI authority to regulate banking business
- c. RBI authority to function as bank for govt business
- d. RBI authority to issue & manage currency in India

Ans – d

.....

Any person aggrieved by an order of Adjudicating Authority can appeal to

- a. RBI
- b. High Court
- c. Special Director (Appeals)
- d. Appellate Tribunal for Foreign Exchange

Ans - c

.....

RBI is under obligation to undertake banking business for the central govt under the provision of ...

- a. Section 22 of RBI Act
 - b. Section 21 of RBI Act
-

- c. Section 20 of RBI Act
- d. Result of agreement between RBI & Govt

Ans - c

In a Bill of exchange normally who is not the Drawer? (i) The person ordering for payment, (ii) The person directed to pay, (iii) The beneficiary

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

The public sector banks, namely State Bank and its subsidiaries, the nationalized banks and the regional rural banks are statutory corporations (or body corporate) established

- a. Under special statuses
- b. As banking Companies
- c. Under BR Act 1934
- d. a & c

Ans - a

Ombudsman scheme is framed under which Act?

- a. Section 35 A of BR Act
- b. Section 35 A of RBI Act
- c. Section 42 of RBI Act
- d. Ombudsman scheme rules 1995

Ans - a

Section 12(2) of the BR Act puts certain restrictions on voting rights of shareholders. Accordingly, no shareholder can exercise voting rights in respect of the shares held by him in excess of per cent of the total voting rights of all the shareholders of the banking company

- a. Ten
 - b. Twenty
-

- c. Five
- d. twelve

Ans - a

.....

SARFAESI Act, 2002 is not applicable in the cases?

- a. Any security interest not exceeding 1 lac rupees
- b. Any security interest in agriculture land
- c. Pledge of movable as per Section 172 of Contract Act
- d. All of the above

Ans - d

.....

Govt. has hiked the monetary ceiling for referring cases for compromise settlement of dues of banks using the forum of LokAdalat from Rs. 10 lac to

- a. Rs. 12.5 lac
- b. Rs. 15 lac
- c. Rs. 17.5 lac
- d. Rs. 20 lac

Ans - d

.....

Formation of Subsidiaries by commercial banks are permissible for which of the following purposes?

- a. Undertaking any business which is permissible for banking companies as provided under Section 6(1) clauses a. to (o)
- b. Carrying on the business of banking exclusively outside India
- c. Undertaking any other business which Reserve Bank with prior approval of the Central Government permits
- d. All the above

Ans - d

.....

The directors of a banking company shall not hold office for more thanyears continuously

- a. Five
 - b. Six
 - c. Seven
-

d. Eight

Ans - d

What are the restrictions imposed by Section 19(2) of BR Act on on banks holding shares in companies other than subsidiaries?

- a. Holding of shares by a banking company in any company as pledgee, mortgagee or absolute owner shall not be exceeding thirty per cent of the paid-up share capital of that company or the paid-up share capital and reserves of the banking company
- b. holding of shares in any company in which the managing director or manager of a banking company is interested in or concerned with in any manner, is prohibited except in the case of subsidiaries
- c. Only 1 is correct
- d. Both 1 and 2 are correct

Ans - d

The directors of a banking company shall not have a substantial interest in or be connected with as employee, manager or managing agent in a company or firm which carries on trade, commerce or industry as per Section 10A (2)b. of the BR Act. 'Substantial interest' for this purpose is defined in Section 2 of the Banking Regulation Act as

- a. holding of beneficial interest by any individual or his spouse or minor child, whether singly or taken together in the shares of a company exceeding Rs. 5 lacs
- b. holding of beneficial interest by any individual or his spouse or minor child, whether singly or taken together in the shares of a company exceeding ten per cent of the paid-up capital of the company
- c. Both 1 and 2
- d. Only 1

Ans - c

When the chairman or a whole-time director of a bank is removed from office, he/she ceases to be a director of the bank and shall not be eligible for further appointment as director of that banking company for a period of

- a. 4 years
- b. 5 years
- c. 3 years
- d. No such restriction

Ans – a

..... goods means goods identified and agreed upon at the time a contract of sale is made.

- a. Future
- b. Specific
- c. Moveable
- d. Immoveable

Ans - b

.....

The maximum number of directors in a public company can be

- a. 3
- b. 7
- c. 12
- d. 15

Ans - c

.....

When a person by his words or conduct appoints someone as his agent it is known as agency by

- a. promise
- b. conduct
- c. estoppel
- d. action

Ans - c

.....

Cooperative bank operating in different states are regulated by ...

- a. State Cooperative Societies Act
- b. Multi-Unit Cooperative Societies Act
- c. Banking Laws (application to Cooperative Societies Act)
- d. None of these

Ans - b

.....

Government can exempt a bank from provision of BR Act

- a. On the recommendation of RBI
 - b. Whenever the government is satisfied
-

- c. If requested by a bank
- d. None of these

Ans - a

.....

Which of the following statements, is correct?

- a. the secured creditor can take possession of Asset 60 days after giving notice.
- b. The Asset can be sold or transferred.
- c. It is mandatory for District Magistrate to take possession of Asset once written request is received from secured creditor.
- d. All the above.

Ans - d

.....

What are the provisions for appointment of manager for secured Assets:

- a. the Board of Directors of secured creditor may appoint a manager in consultation with the borrower to manage secure assets.
- b. The manager will be deemed to be an agent of borrower.
- c. The borrower solely would be responsible for the acts of manager.
- d. All the above.

Ans - d

.....

Which of the following are the powers of manager?

- a. To recover any money form any person who has acquired secured asset, from the borrower.
- b. Such amount should become due or may become due in future.
- c. The manager will give valid discharge to person making payment as if the payment has been made to the borrower.
- d. All the above.

Ans - d

.....

What is the procedure of acquiring a secured movable Asset?

- a. The authorized officer of secured creditor shall prepare a panchnama.
 - b. The panchnama should be witnessed by two persons.
 - c. If the property is subject to natural decay, the authorized person may sell it at once.
-

d. All the above.

Ans - d

.....

What is process of valuation of movable secured Assets?

- a. The authorized officer shall obtain estimated value of asset.
- b. Officer can fixed reserve price of Asset to be sold.
- c. The borrower need not be involved in the process of valuation.
- d. All the above.

Ans - d

.....

The movable Asset can be sold:

- a. obtaining quotations from interested buyers.
- b. Inviting tenders
- c. Holding public action
- d. Any of the above.

Ans - d

.....

How many days notice is required to be given to borrower for sale of movable secured Asset?

- a. 30 days
- b. 15 days
- c. 7 days
- d. 3 day

Ans - a

.....

Which of the following are the steps for taking over immovable secured Asset?

- a. The authorized person shall take possession by delivering possession notice to the Borrower.
- b. A copy of the possession notice shall be affixed on the outdoor of the property.
- c. The possession receipt is also required to be published in two leading newspapers locally.
- d. All the above.

Ans – d

.....

In the ownership of goods is yet to pass from the seller to the buyer.

- a. agreement to sell
- b. contract of sale
- c. contract of future goods
- d. contract of specific goods

Ans - a

The power of sale without intervention of the Court is given to the mortgagor in the case of the following mortgage:

- a. Equitable mortgage
- b. English mortgage
- c. Simple mortgage
- d. Usufructuary Mortgage

Ans - b

A is a stipulation collateral to the main purpose of the contract.

- a. condition
- b. warranty
- c. implied condition
- d. guarantee

Ans - b

There is an implied condition on the part of the seller that he has a right to the goods.

- a. use
- b. sell
- c. retain
- d. resale

Ans - b

Guarantee obtained by is invalid..

- a. consent
-

- b. agreement
- c. misrepresentation
- d. contract

Ans - c

A private company should have a minimum paid-up capital of Rupees

- a. five crore
- b. five lakh
- c. one crore
- d. one lakh

Ans - d

An LC which authorises the Advising Bank, to transfer, at the request of the Beneficiary (First Beneficiary) the credit available in whole or in part to one or more other beneficiaries (Second Beneficiaries) is known as

- a. Anticipatory LC
- b. Revolving LC
- c. Transferable LC
- d. Back to back credit

Ans - c

Where the foreign banks fail to achieve the lending target for SSI under priority sector:

- a. they have to deposit the amount of shortfall with NABARD
- b. they have to deposit the amount of shortfall with KVIC
- c. they have to deposit the amount of shortfall with RBI
- d. they have to deposit the amount of shortfall with SIDBI

Ans - d

The exchange control copy of import license submitted by the importer for opening LC/making remittance should, after full utilisation, be

- a. forwarded to RBI along with 'R' Return
 - b. retained by AD for scrutiny by inspecting officials
-

- c. handed over to the importer
- d. forwarded to the Trade Control authorities

Ans - b

.....

Section 31 of RBI Act permits only RBI and Central Govt. to issue/draw:

- a. bills payable to bearer on demand
- b. promissory notes payable to bearer on demand
- c. cheques payable to bearer on demand
- d. a & b above e a to c

Ans - d

.....

Importers should retire the demand bills drawn under LC on

- a. the day on which the bill is received at the branch
- b. before the expiry date of license
- c. within 10 days from the date of receipt of the bill
- d. no specific period

Ans - c

.....

Dollar has shown increase in its value compared to Indian rupee. Which of the following would be true ?

- a. Exports from India will go up
- b. Imports into India will become costly
- c. Trade with other nations will be reduced
- d. b or c

Ans - b

.....

Interest and principal can be repatriated by an NRI, in the following accounts ?

- a. FCNR
- b. NRE
- c. EEFC
- d. a & b

Ans - d

.....

Inco terms are defined by :

- a. World Trade Organization (WTO)
- b. International Chamber of Commerce (ICC)
- c. Director General of Foreign Trade (DGFT)
- d. Foreign Exchange Dealers Association of India (FEDAI)

Ans - b

.....

When any bank or financial institution creates a charge against property, with which authority the transaction will have to be registered under the SARFAESI Act, 2002?

- a. With the Central Registry.
- b. With the ROC.
- c. With the Registrar of Assurances within whose jurisdiction the property lies.
- d. With the Reserve Bank of India.

Ans – a

.....

When the provisions of SARFAESI Act, 2002 can be invoked for proceeding against the charged property?

- a. When the bank feels that it is necessary for the recovery at any time.
- b. When the RBI directs to do so.
- c. When there is default in repayment by the borrower.
- d. When there is default in repayment and the bank declares the account as NPA.

Ans - d

.....

On giving default notice by the creditor, the borrower gives a reply to it. What the creditor should do?

- a. Ignore the notice as the law does not provide for any reply option to the bank.
- b. Wait till the borrower initiates any legal action based on his reply.
- c. Give due consideration to the reply and reply to it.
- d. Take the matter before DRT for resolving issues raised in reply.

Ans – c

.....

In respect of the following types of loans, the limitation does not have relevance:

- a. if the loan is to be recovered under SARFAESI Act
- b. if the loan is against pledge of goods
- c. if the loan is to be recovered under Recovery of Debt due to Banks/FIs Act
- d. all the above cases.

Ans - b

.....

If a suit is instituted by the bank after the limitation period and the defendants has not raised the period as a defence:

- a. the suit will be accepted by the court
- b. the suit is acceptable at the discretion of the court
- c. the suit shall dismissed by the court
- d. the suit has to be accepted by the court

Ans - c

.....

A loan with a limitation period of 3 years was granted on January 12, 2014. If the limitation is with reference to date of document, the suit can be filed latest by:

- a. January 11, 2017
- b. January 12, 2017
- c. January 13, 2017
- d. at the discretion of the bank

Ans - b

.....

A loan with a limitation period of 3 years was granted on July 12, 2014. If the limitation is with reference to date of document and the court is closed from July 10 to July 12, 2009, the suit can be filed latest by:

- a. Jul 11, 2017
- b. Jul 12, 2017
- c. Jul 13, 2017
- d. at the discretion of the bank

Ans - c

.....

.....

If the applicant or appellant has sufficient cause not to file the application or appeal within the limitation period, the courts may admit the same. But it is not possible in case of:

- a. application for a fresh suit
- b. appeal against the judgement of a court
- c. execution petition
- d. none of the above

Ans - c

.....

If a review or revision application or appeal is to be filed within a given limitation period, the calculation shall be made:

- a. from date of receiving the copy of the order
- b. from date of issuing the order of judgement
- c. from date of judgement of the court
- d. from the date at discretion of the court

Ans - a

.....

Which of the following period shall be excluded from calculation of limitation period, as per provisions of Limitation Act?

- a. the period when defendant was away from India
- b. the period required for obtaining consent or sanction of the Govt.
- c. period required to obtain copy of the judgement in case of appeal or revision
- d. all the above

Ans - d

.....

The period of limitation can be extended by the action of parties which include the following:

- a. specific acknowledgement of the debt by the borrower
- b. part payment of the debt by the borrower
- c. specific acknowledgement of the debt or part payment of debt by the agent of the borrower
- d. all the above cases

Ans - d

.....

If the acknowledgement of debt by the borrower is for part amount only:

- a. the limitation is extended for the entire loan
- b. the limitation is extended for that portion of the loan
- c. the limitation is not extended for the loan
- d. such method of extension of limitation is unlawful

Ans - a

.....

Period of Limitation, as per provisions of Limitation Act means ___ by the Schedule

- a. period prescribed for any suit
- b. period prescribed for any appeal
- c. period prescribed for any application
- d. all the above

Ans - d

.....

While calculating the limitation period, the calculation is made in the following manner:

- a. the date of transaction is excluded
- b. the date of transaction is included
- c. the date of transaction is excluded only if the date was a holiday
- d. the date of transaction is excluded if the date of expiry of limitation is holiday

Ans - a

.....

The acknowledgement or the part payment, for the purpose of extension of limitation:

- a. can be any time
- b. can be any time before expiry of limitation
- c. can be any time after expiry of limitation
- d. can be before or after expiry of limitation

Ans - b

.....

The period of limitation for a loan under an agreement that it shall be payable on demand is ___ and begins from ___:

- a. 3 years, when there was loan default
-

- b. 3 years, from date of loan/document
- c. 2 years, from due date
- d. 3 years, from due date of the loan

Ans - b

.....

The bank discounted a usance bill of exchange. The limitation in this case is ___ and begins from ___:

- a. 3 years, when there was dishonour
- b. 3 years, from date of discount
- c. 2 years, from due date
- d. 3 years, from due date of the bill

Ans - d

.....

The bank granted a term loan payable in half-yearly instalments in 5 years. The limitation in this case is ___ and begins from ___:

- a. 3 years, when there was loan default for the first instalment
- b. 3 years, from date of loan
- c. 2 years, from due date of the last instalment
- d. 3 years, from due date of each instalment of the loan

Ans - d

.....

There is an agreement between the parties for specific performance of a contract. The limitation in this case is:

- a. 3 years, from date fixed for performance
- b. 3 years, from the date of contract
- c. 12 years, from date fixed for performance
- d. 30 years, from date fixed for performance

Ans - c

.....

If a loan is secured by mortgage of an immovable property, the limitation period is ___ and begins from ___:

- a. 30 years, from date of mortgage
 - b. 12 years, from date of mortgage
-

- c. 3 years, from date of mortgage
- d. 3 years, from date of default

Ans - b

.....

If a person wants to file suit for a matter for which no period of limitation is provided in the Schedule to the Limitation Act, the period of limitation is:

- a. 3 years and begins from date of contract
- b. 12 years, begins when the right to sue, accrues
- c. 30 years, begins when the right to sue, accrues
- d. no limitation period

Ans - c

.....

What are the pre-requisites for formatting a securitized company?

- a. it must obtain registration certificate from the RBI.
- b. minimum owned funds of Rs. 2 crore.
- c. the maximum amount of owned funds should not exceed 15% of total financial assets acquired or to be acquired.
- d. all the above

Ans - d

.....

Maximum directors of a Public Limited Company can be (i) 12, (ii) No Limit but if the no. goes beyond 12, they have to seek Central Govt. permission

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - b

.....

A banker who collects a cheque for and on behalf of his customer is

- a. Collecting banker
 - b. Paying banker
 - c. Advising banker
-

d. Confirming banking

Ans - a

.....

Section 131 of N.I. Acts extends protection to the

- a. Collecting banker
- b. Paying banker
- c. Advising banker
- d. Confirming banking

Ans - a

.....

What kind of complaint can be lodged with the banking ombudsman?

- a. Delay in collection of cheques
- b. Deficiency in cash transaction
- c. Non-issue of demand drafts
- d. All the above

Ans - d

.....

What is the limit for a bank to dispose customers' complaints?

- a. 1 month
- b. 2 months
- c. 3 months
- d. 6 months

Ans - b

.....

The bank can seek review of award before;

- a. deputy governor of RBI
- b. chief justice of supreme court.
- c. consumer protection act, 1986
- d. none of the above

Ans - a

.....

There are restrictions on cooperative banks on in other cooperative societies under Section 49 of the BR Act.

- a. holding of shares
- b. keeping deposits
- c. acquiring any interested
- d. None of the above

Ans - a

What are the steps an asspt reconstruction company can take?

- a. proper management of he business of the borrow.
- b. sale or lease of a part of whole of business of borrower.
- c. Re-scheduling the payment of dept.
- d. all the above

Ans - d

Which of the following measures the asset reconstruction company can not undertake?

- a. it can acquire standand assets of banks.
- b. it can enforce security interest.
- c. it can settle the dues payable by the borrower.
- d. it can take possession of secured assets.

Ans - a

..... exercises the central banking function in India,

- a. State Bank of India
- b. Central Bank of India
- c. Reserve Bank of India
- d. None of these

Ans - c

Company matters of a banking company are regulated by

- a. Reserve Bank
-

- b. Authorities under Companies Act
- c. SEBI
- d. None of these

Ans - b

.....

Section 22 of RBI acts relate which aspects of banking ? (i) RBI authority to function as bank for govt business, (ii) RBI authority to issue & manage currency in India

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - b

.....

Securitisation Company, for the purposes of asset reconstruction, can take which of the following measures?

- a. The sale or lease of a part or whole of the business of the borrower
- b. Rescheduling of payment of debts payable by the borrower
- c. Taking possession of secured assets in accordance with the provisions of SARFAESI Act.
- d. Any/all of the above

Ans - d

.....

Co operative societies that function as banks have been brought to the regulatory framework of RBI for certain aspects as a result of ...

- a. Section 6 of B R Act
- b. Section 43 of RBI Act
- c. Section 54 of registered societies act
- d. Section 56 of B R Act

Ans - d

.....

For scheduled Commercial banks, Cash Reserve Ratio is prescribed by RBI as per which Act?

- a. Section 42(1) of RBI Act
 - b. Section 42 of Banking Regulation Act
-

- c. Section 42 of RBI Act
- d. Section 24 of Banking Regulation Act

Ans - a

.....

Trading in shares and securities by banks is subject to control by

- a. Controller of Capital Issues
- b. SEBI
- c. Company Law Board
- d. None of these

Ans - b

.....

An import license is valid for :

- a. 12 months from the date of issue
- b. 18 months
- c. upto the validity of import license and if no period is specified until 31st March of the licensing year.
- d. no time limit

Ans - b

.....

In a private limited company the minimum and maximum no. of shareholders can be:

- a. 1 and 20
- b. 20 and 100
- c. 100 and 1000
- d. 2 and 50

Ans - d

.....

What is the meaning of a scheduled bank?

- a. The bank functioning under provisions of Banking Reg. Act 1949.
- b. The bank included in 2nd schedule of RBI Act 1934.
- c. The bank incorporated under Banking Companies Act 1956.
- d. The bank authorised to do banking functions.

Ans - b

.....

Who fixes the scale of finance for crop loan for agricultural advances in India?

- a. Distt Crop Committee
- b. Distt Technical Committee
- c. State Agri. Deptt
- d. State Technical Committee

Ans - b

.....

DRT deals with the cases of recovery of debts above

- a. 5 Lakhs
- b. 10 Lakhs
- c. 15 Lakhs
- d. 20 Lakhs

Ans - b

.....

How much additional exposure is permitted in exceptional circumstances with the permission of the Board of Directors of the bank in case of exposure to single borrower or group?

- a. 5%,5%
- b. 10%, 10%
- c. 5%, 10%
- d. No additional exposure without RBI approval

Ans - a

.....

An irrevocable LC which authorises the advising bank to extend pre-shipment/packing credit upto a certain amount to the beneficiary to enable him to meet pre-shipment expenses is known as a/an

- a. Irrevocable LC
- b. Transferable LC
- c. Revolving LC
- d. Red Clause LC

Ans - d

.....

A hires a carriage of B. The carriage is unsafe but B is not aware of it and A is injured. Then B is

- a. Responsible for the injury
- b. Not responsible for the injury
- c. either a or b
- d. None of these

Ans - a

Which from amongst the following is a reason for cancellation of registration of the Securitisation company and reconstruction company without giving hearing opportunity?

- a. The company does not keep accounts as per RBI norms.
- b. The company ceases to carry on the business of securitisation or reconstruction.
- c. The company fails to hold investment from qualities investor.
- d. The company does not fulfill any of the conditions imposed at the time of registration.

Ans - b

In case of grievance, what are the various forums available to the borrower to appeal?

- a. DRT and DRAT.
- b. high court.
- c. supreme court.
- d. all the above

Ans - d

Which of the following are the redressal agencies under the consumer protection act?

- a. district forum
- b. state commission
- c. national commission
- d. all these

Ans - d

The district forum deals with the complaints where value of goods does not exceed;

- a. Rs. 20 lac
-

- b. Rs. 25 lac
- c. Rs. 50lac
- d. Rs. No such limit.

Ans - a

.....

The feature deals with the complaints where value of goods and service exceeds;

- a. it is set up state governments for the respective state
- b. it is headed by the judge of a high court
- c. it hears appeals against the orders of district forums within the state
- d. all the above

Ans - d

.....

The state commission deals with the complaints where value of goods and services exceeds;

- a. Rs. 20 lac but does not exceed Rs. 50 lac
- b. Rs. 20 lac but does not exceed Rs. 75 lac
- c. Rs. 20 lac but does not exceed Rs. 1 crore
- d. no such limit is fixed.

Ans - c

.....

In a Bill of exchange normally who is not the Payee? (i) The person ordering for payment, (ii) The person directed to pay, (iii) The beneficiary

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Which of the following instruction the forum is not authorized to issue in case of defects or deficiency in service?

- a. to return the defected goods along with addition new goods free of cost.
 - b. to pay compensation for any loss or injury suffered by the consumer.
 - c. to discontinue the unfair trade practice.
-

d. to provide for adequate costs to the parties.

Ans - a

.....

The national commission is headed by;

- a. commission nominated by center govt.
- b. judge of the supreme court.
- c. official of home ministry.
- d. an individual of high integrity.

Ans - d

.....

The complaints attended by nation commission are where value of goods and services exceeds;

- a. Rs. 50 lac
- b. Rs. 1crore
- c. Rs. 1.25 crore
- d. Rs. 2 crore

Ans - b

.....

In which of the forums appeals can be filed with against the orders of state commission?

- a. national commission.
- b. high court.
- c. central government.
- d. any of these.

Ans - a

.....

A complaint can be lodged in relation to any goods or services in the following circumstances;

- a. loss or damage suffered on account of unfair trade practice.
- b. the goods suffer from one a more defects.
- c. the services suffer from deficiency in any respect.
- d. all the above.

Ans - d

.....

A complaints under the consumer protection act, can be lodged by;

- a. consumer himself or one or more consumers having common interest.
- b. a recognized consumer association
- c. the central of state government
- d. any of the above.

Ans - d

What is the limitation period in which, a complaint can be filed with any of the forums?

- a. 2 years from the date of cause of action.
- b. 1 years from the date of cause of action.
- c. 6 months from the date of cause of action.
- d. 3 months from the date of cause of action.

Ans - a

In how many days the opposite party can give the version of the case?

- a. 7 days
- b. 15 days
- c. 30 days
- d. no such time limit

Ans - c

In how many days laboratory should submit its report regarding the defect of the goods?

- a. 55days
- b. 60days
- c. 75days
- d. 90 days

Ans - a

A bearer instrument is negotiated by (i) mere delivery, (ii) endorsement required.

- a. Only (i)
 - b. Only (ii)
-

- c. Either (i) or (ii)
- d. Neither (i) nor (ii)

Ans - a

.....

What kind of instructions the forum can issue to the opposite party?

- a. to remove the defect of the goods.
- b. to replace the goods with new goods which shall be free from defect.
- c. to return to the complaint the price of goods or charges for services
- d. any one of the above

Ans - d

.....

Memorandum & Articles of any company are available for inspection in

- A. the printing press where they are printed
- B. SEBI
- C. on the notice board of companies
- D. office of the Registrar of Companies

Ans - d

.....

Reserve Bank was constituted under

- a. BR Act
- b. RBI Act
- c. Companies Act
- d. None of these

Ans - b

.....

A Regional Rural Bank is

- a. A body corporate created under a special statute
- b. A cooperative society
- c. A Private Bank
- d. None of these

Ans - a

.....

Bank's investment in equity shares, Preference shares eligible for capital status, Subordinated debt instruments, Hybrid debt capital instruments issued by other banks should not exceed % of the investing bank's capital funds (Tier I plus Tier II).

- a. 5%
- b. 10%
- c. 15%
- d. 20%

Ans - b

What can be the min & max denomination of bank notes under the provisions of RBI act?

- a. Rs 1 to Rs 1000
- b. Rs 2 to Rs 1000
- c. Rs 2 to Rs 10000
- d. Rs 10 to Rs 10000

Ans - c

To take care of temporary liquidity problems of central and state govt, what kind of loan is given by RBI ?

- a. Treasury bills
- b. Dated Securities
- c. Short duration bonds
- d. Ways & Means advances

Ans - d

Acceptance of deposits by non banking financial bodies and companies is regulated by which of the following ?

- a. SEBI & RBI
- b. RBI & Govt
- c. Registrar of companies & SEBI
- d. Stock exchange & SEBI

Ans - b

Which act lays down provisions for constitution or setting up of banking company and which act lays down provisions for business of banking companies?

- a. Both provisions are provided under Banking regulation Act
- b. A banking company has to be set up under Banking companies act and business of Banking companies are governed by Banking regulation Act
- c. A banking company may be a company constituted under Section 3 of the Companies Act 1956 and A banking company has to be set up under Banking companies act
- d. A banking company has to be set up under RBI act 1934 A banking company has to be set up under Banking companies act

Ans - c

Provisions of which of the following act/s apply to co-operative banks?

- a. Banking Laws (Application to Co-operative Societies) Act, 1965
- b. Banking Regulation Act 1949
- c. Reserve Bank of India Act 1934
- d. All the above

Ans - d

The regulation and control of NBFCs is done by which of the following Act?

- a. Companies Act 1956
- b. RBI act 1934
- c. BR Act 1949
- d. None of the above

Ans - b

Section 3 of the Reserve Bank of India Act, 1934 speaks about

- a. Constitution or setting up of of RBI
- b. Capital of RBI
- c. Control of RBI
- d. None

Ans - a

The temporary advances provided by RBI to meet immediate needs of Central and state governments are

- a. Liquidity Adjustment Facility(LAF)
- b. Ways and Means of Advances (WMA)
- c. Temporary Means of Advances (TMA)
- d. Government Overdraft

Ans - b

Whom does the appeal lies for commercial banks in respect of cancellation of banking licence (under Section 22) and refusal of certificate regarding floating charge on assets (Section 14a. by RBI?

- a. Central Board of RBI
- b. Supreme Court
- c. Central government
- d. nONE

Ans - c

Which of the following types of banks are under dual control of State Governments and the Reserve Bank?

- a. RRBs
- b. Co-operative banks
- c. Small Payments banks
- d. Local Area Banks

Ans - b

In the case of co-operative banks which are registered under the Deposit Insurance and Credit Guarantee Corporation Act, Who has the power to order their winding up?

- a. State Government
- b. Central Government
- c. Reserve Bank
- d. Any of the above

Ans - c

Reserve Bank is empowered to conduct..... of a banking company under Section 35(1) of the BR Act.

- a. inspection
- b. special audit
- c. audit
- d. None of the above

Ans - a

.....

A copy of the inspection report relating to a banking company to that

- a. banking company.
- b. should be given
- c. need not be given
- d. should be given at request

Ans - b

.....

Which of the following statements is/are False?

1. Tax deducted at source is to be deposited within one week from the end of the month in which it is to be deducted
2. Person deducting tax at source is required to file a quarterly return of TDS
3. Liability to pay income tax arises on account of residential status and place of the source of income

- a. All are correct
- b. 1 is false
- c. 2 is false
- d. 3 is false

Ans - a

.....

Licence for Banking in India is given by RBI under which provision of Banking Regulation Act?

- a. Section 20
- b. Section 21
- c. Section 22
- d. Section 23

Ans - c

.....

When the transfer of the property in the goods is to take place at a contract is called

- a. contract of sale
- b. agreement to sell
- c. contract of future goods
- d. contract of specific goods

Ans - b

.....

Who among the following can be an Authorised Dealer of Category II? (i) Upgraded FFMCs, (ii) RRBs, (iii) Financial and other Institutions

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - a

.....

Under Section 35(4) of the BR Act, Central Government can prohibit a banking company from accepting fresh deposits if the business of the banking company is conducted

- a. not profitably
- b. not in compliance with the Act
- c. to the detriment of interest of its depositors
- d. None of the above

Ans - c

.....

The undertaking of a banking company may be acquired by the Central Government if it is satisfied on a report from the Reserve Bank that the banking company has failed on more than one occasion to comply with the

- a. directions of the government
- b. directions under Sections 21 and 35A of BR Act
- c. provisions of the Companies Act
- d. None of the above

Ans - b

.....

Which of the following statement is incorrect?

- a. Every country has only one central which is managed by government officials
- b. RBI is a profit making institution acting in the interest of government
- c. RBI does not perform any ordinary commercial banking functions
- d. RBI has adopted minimum reserve system of note issue

Ans - b

.....

Service tax is not payable on any service provided to

- a. an undertaking in a free trade zone
- b. an undertaking in a software technological park
- c. an undertaking in a special economic zone
- d. a developer or unit in a special economic zone

Ans - d

.....

'Subprime lending' is a term applied to the loans made to

- a. Those borrowers who do not have a good credit history
- b. Those borrowers who have a good credit history
- c. Those borrowers who do not have a good debit history
- d. Those borrowers who have a good debit history

Ans - a

.....

The `RTI Act, 2005` stipulates that a Public Authority should transfer an RTI application or a part thereof to another Public Authority if the application or a part of it pertains to information". (i) held by another Public Authority, (ii) the subject matter of which is more closely connected with the functions of another Public Authority

- a. Only (i)
- b. Only (ii)
- c. Either (i) or (ii)
- d. Both (i) and (ii)

Ans - d

.....

Which of the following includes 'banking business' as per Banking Regulation Act? (i) Acceptance of deposit, (ii) Collection of bills, (iii) Buying of foreign exchange

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

If a bank refuses to make payment of a cheque wrongfully, the bank is liable to compensate the, in case he suffers any loss

- a. holder
- b. payee
- c. endorsee
- d. drawer

Ans - d

A customer lost his cheque book, but he could not inform the bank about loss of cheque book

- a. customer is negligent and cannot claim damages from the bank, if there is loss to the customer due to negligence of the bank
- b. If cheque leave is misused, by forgery, the bank shall not be liable
- c. customer should inform the bank as it is his duty to do so.
- d. none of the above

Ans - d

A collecting bank gets protection for collecting a cheque, subject to certain conditions, u/s of

- a. 131, NI Act
- b. 31, NI Act
- c. 31, RBI Act
- d. 131A, NI Act

Ans - a

If a bank fails to maintain the required amount of SLR, it shall be liable to pay the penal interest for that day at the rate of per annum above the bank rate on the shortfall and if the default continues on the next succeeding working day, the penal interest may be increased to a rate of per annum above Bank Rate for concerned days of default on shortfall.

- a. 2 percent, 3 percent
- b. 2 percent, 4 percent
- c. 3 percent, 4 percent
- d. 3 percent, 5 percent

Ans - d

If there is delay in getting the registration with Central Registry, who can condone such delay and allow the registration, under SARFAESI Act.

- a. Central Registrar can condone the delay up to 10 day after initial period of 30 days
- b. Central Registrar can condone the delay up to 15 day after initial period of 30 days
- c. Central Registrar can condone the delay up to 30 day after initial period of 30 days
- d. Central Registrar can condone the delay up to 60 day after initial period of 30 days

Ans - c

Which of the following, saves the outsiders, by ensuring that his contract is not inconsistent with the Memorandum of Association and Articles of Association?

- a. doctrine of ultra-vires
- b. doctrine of constructive notice
- c. doctrine of indoor management
- d. doctrine of outdoor management

Ans - c

Under Sale of Goods Act, if the stipulation agreed to between the parties is essential to the main purpose of the contract, such stipulation is called.....

- a. condition
- b. warranty
- c. guarantee
- d. implied condition

Ans - a

The SARFAESI Act has introduced which of the following (which one is not correct)?

- a. securitization and reconstruction of financial assets
- b. financial assets means the non-performing loans only
- c. enforcement of security interest without court intervention
- d. setting up of central registry for registration of securitization transactions

Ans - b

.....

Which of the following statement does not match?

- a. Right of acquisition of financial asset by securitization or reconstruction company subject to prior agreement about the assets - false
- b. offer document, debenture, agreement and security receipt are the documents involved in a securitization transaction - true
- c. Acquisition of a financial assets by securitization or reconstruction company is with the liability attached to such asset - true
- d. on the basis of security receipt, the holder is entitled to undivided interest in the security - true

Ans - c

.....

The penalty for not maintaining the required amount of SLR shall be paid within a period of from the date on which a notice issued by the Reserve Bank demanding payment of the same is served.

- a. 7 days
- b. 10 days
- c. 14 days
- d. 15 days

Ans - c

.....

If a bank is wound up, what type of right, the payee of a cheque, has?

- a. payee has no claim against the bank
- b. payee has a claim against the drawer only
- c. payee has a claim as a creditor of the bank
- d. payee can either recover the amount from the bank or from the drawer

Ans - c

.....

No banking company can hold any immovable property howsoever acquired, except such as is required for its own use, for any period exceeding 7 years from the acquisition thereof. Reserve Bank may in any particular case extend the period not exceeding 5 years where it is satisfied that such extension would be in the interests of the depositors of the banking company.

- a. 3 years
- b. 5 years
- c. 7 years
- d. 9 years

Ans - b

Reserve Bank had removed Chairman/Director/Chief Executive Officer/other officer/employee of the banking company from office. Such person

- a. Can appeal to the Central Government within 30 days from the date of communication of the order
- b. Can appeal to the Central Government within 60 days from the date of communication of the order
- c. Can appeal to the Central Government within 90 days from the date of communication of the order
- d. Can't appeal

Ans - a

No banking company shall hold shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding

- a. 30% of the paidup share capital of that company
- b. 30% of its own paid-up share capital and reserves
- c. whichever is less between a and b
- d. None of the above

Ans - c

U/s 210 of Income Tax Act, there is requirement of payment of advance tax in four instalments. The amount that should be paid by that period, for which of the following is not matching.....

- a. by Jun 15 - 15% of the advance tax payable
- b. by Sep 15 - 30% of the advance tax payable
- c. by Dec 15 - 75% of the advance tax payable
- d. by Mar 15 - 100% of the advance tax payable

Ans - c

Which of the following statement is correct?

- a. the risk in goods in a sale is with the seller
- b. where parties have performed their part, it is an agreement to sell
- c. if the risk is yet to pass on to the buyer, it is an agreement to sell
- d. where the parties are yet to perform their part, it is a sale

Ans - c

Under the current KYC norms, which of the following documents cannot be obtained for the purpose of identification of the customer?

- a. letter from a recognised public authority
- b. telephone bill
- c. identity card issued by his employer to bank satisfaction
- d. passport or PAN

Ans - b

Statutory Liquidity Ratio (SLR) is maintained as per which of the following?

- a. Section 42(1) of RBI-Act
- b. Section 42 of Banking Regulation Act
- c. Section 42 of RBI Act
- d. Section 24 of Banking Regulation Act

Ans - d

No Director of a banking company, other than its Chairman or whole-time Director, by whatever name called, shall hold office continuously for a period exceeding

- a. 7 years
- b. 8 years
- c. 9 years
- d. 10 years

Ans - b

Which of the following terms are mandatorily included in a deferred payment guarantee? (i) the supply of capital goods is on a long term credit basis, (ii) the schedule for payment of instalment and interest, (iii) unconditional and irrevocable undertaking of the bank to make payment on invocation of the guarantee by the supplier

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

In case of indemnity, the risk covered is.....

- a. subsisting
- b. continuous
- c. contingent
- d. all the above

Ans - c

When the loan is given by accepting shares as a security, the shares can be (i) ordinary shares, (ii) equity shares, (iii) preference shares

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - c

The period of transaction that is covered by a deferred payment guarantee is generally

- a. between 6 months to 3 years
- b. between 6 months to 7 years
- c. between 3 years to 7 years
- d. between 1 year to 5 years

Ans - c

When the goods are supplied to a govt. department and the payment is covered by a bill of exchange. Such bills are called

- a. clean bills
- b. documentary bills
- c. supply bills
- d. sight bills

Ans - c

How term loan and deferred payment guarantee are different from each other (which one is not correct)?

- a. term loan is fund based and DPG is non-fund based
- b. the outlay of funds in TL is immediate and in DPG it is contingent
- c. DPG is recorded in the main part of the balance sheet of the bank while the TL is recorded as a contingent liability in notes on accounts
- d. none of the above

Ans - c

As per definition u/s 5 (b) of Banking Regulation Act 1934, which of the following is not correct in the context banking business?

- a. accepting deposits and giving loans out of such deposits
- b. deposits are accepted from public
- c. banks cannot refuse to accept deposits whosoever offers
- d. accepting deposits and investing such deposits

Ans - c

Bank is required to make payment against DPG, if

- a. if one or more instalments have become due and not paid by the applicant (buyer)
- b. the major portion has become due for payment and not paid by the applicant (buyer)
- c. the entire amount has become due for payment and not paid by the applicant (buyer)
- d. the entire amount has become due but partly paid by the borrower

Ans - a

In the situation of a compromise, the indemnity holder need to satisfy which of the following conditions for recovering the amount from the indemnifier? (i) the compromise is in line with the order of the indemnifier, (ii) the compromise is otherwise prudent, (iii) the indemnifier had specifically authorized the indemnity holder to compromise

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Which of the following exercises control over banks from the opening to their winding up?

- a. Reserve Bank of India and SEBI
- b. SEBI and Govt. of India, NABARD
- c. Govt. of India and RBI
- d. Govt. of India, RBI and SEBI

Ans - c

The banks in India, fall in which of the following category?

- a. statutory corporations and private companies
- b. companies and cooperatives
- c. statutory corporations, companies and cooperative societies
- d. companies, public sector banks, public sector companies

Ans - c

What is the disadvantage to a bank, if the loan is given by accepting partly paid shares as security (which one is not correct)?

- a. bank does not get any charge on such shares
- b. bank may be called up on to pay the unpaid amount
- c. the value of such shares may violently fluctuate
- d. the bank may not be able to maintain proper margin once it has to pay the unpaid amount to avoid forfeiture.

Ans - a

If the indemnity holder wants to be compensated he should ensure that (which one is not correct)?

- a. he acts within the scope of his authority
- b. he does not contravene any direction of the indemnifier
- c. he does not suffer any loss
- d. none of the above

Ans - c

If land and building is accepted as a security, which type of charge is created?

- a. assignment
- b. pledge
- c. mortgage
- d. hypothecation

Ans - c

Which of the following cannot accept deposits withdrawable by cheques?

- a. banks
- b. saving bank schemes run by the govt.
- c. private credit societies
- d. financial institutions

Ans - d

Which of the following cannot accept deposits from the public?

- a. banks
- b. non-bank finance companies regulated by RBI
- c. other companies regulated by Central govt
- d. other firms that are in the business of financial institutions

Ans - d

Which of the following is not correct statement in the context of Banking Regulation Act?

- a. for carrying business of banking, licence from RBI is required
 - b. each banking company has to use the word bank as part of its name
-

- c. no firm is allowed to use the word bank, banking or banking company as part of their name
- d. subsidiaries of banks or in certain cases, the primary credit societies can not use the word bank.

Ans - d

.....

As per UCPDC-600, the opening bank gets a reasonable period, maximum _ days after receiving the documents from the negotiating bank to examine whether the documents are as per LC or not.....

- a. 5 working days
- b. 5 banking days
- c. 7 working days
- d. 7 banking day

Ans - b

.....

Which of the following is not correct in connection with UCPDC-600?

- a. it has come into operation wef July 01, 2007
- b. it has 39 Articles
- c. it has 12 additional articles to cover the electronic transactions called eUCP
- d. it has totally changed the UCPDC 500 document

Ans - d

.....

Which of the following provisions regarding rate of interest on a bill of exchange is correct, if the rate of interest is not stated?

- a. Rate at 18% p.a. is payable
- b. Rate at 12% p.a. is payable as per Section 80 NI Act
- c. no interest is payable on such bill of exchange
- d. bill of exchange is not a valid, if the interest is not mentioned.

Ans - a

.....

What is the similarity between a term loan and a deferred payment guarantee (which one is not correct)?

- a. these are sanctioned for a common purpose i.e. purchase of capital assets
 - b. these are repaid over a long period of 3 to 7 years or more
 - c. these are repaid out of the future profits and not by sale of the asset purchased
-

.....
d. both are recorded in schedule 9 of balance sheet of the bank

Ans - d
.....

A share is different from a debenture in respect of which of the following (which one is not correct)?

- a. a debenture earns dividend and a share earns interest
- b. a debenture is a loan to a company and the share confers ownership rights
- c. a debenture is redeemable and a share is not redeemable
- d. none of the above

Ans - a
.....

Which of the following parties is properly matched in case of a bill of exchange?

- a. the person who is make the order - drawee
- b. the person who is to make the payment as per order - drawer
- c. the person who is to receive the payment as per order - payee
- d. none of the above

Ans - c
.....

Normally, what is the amount of advance payment made by the buyer to the seller.....

- a. 15-20%
- b. 10-15%
- c. 10-20%
- d. 5-10%

Ans - b
.....

Which of the following forms of business, other than banking business, can not be undertaken by banks?

- a. buying and selling of foreign exchange or bullion and specie
- b. providing of safe deposit vault
- c. undertake and execute trusts
- d. buying or selling of goods, directly or indirectly

Ans - d
.....
.....

Which of the following does not match in the context of formation of banks?

- a. State Bank of India constituted under SBI Act 1955
- b. Nationalised Banks constituted under Nationalisation Act 1970 and 1980
- c. RRBs constituted under RRB Act 1976
- d. State Bank associate banks constituted under State Bank (Subsidiary Bank) Act 1959

Ans - b

The document issued by a company acknowledging its indebtedness to the registered holder is called

- a. equity share
- b. debenture
- c. preference share
- d. ordinary share

Ans - b

What is the maximum extent up to which the indemnity holder can be indemnified? (i) for the damage suffered, (ii) for the costs associated with the transactions, (iii) for the amount paid for compromise of a suit

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

The banks retain very high margin on the security of shares. Which of the following is not a reason for that?

- a. the value may violently fluctuate due to market sentiment
- b. the value may decline due to poor performance of the company whose shares have been accepted as security.
- c. the amount of loan may increase due to non-servicing the interest by the borrower
- d. bank may not be able to sell the shares.

Ans - d

To treat a payment as a payment in due course which of the following conditions need not be satisfied?

- a. payment as per apparent tenor of the cheque
- b. in good faith and without negligence
- c. payment must be made to a customer
- d. payment to the person in possession of the instrument

Ans - c

The cooperative Banks fall under the following type of organisation?

- a. cooperative society
- b. banking company
- c. public sector bank
- d. any of the above

Ans - a

Which of the following is not correct regarding the purpose for which RBI was created under Reserve Bank of India Act 1934?

- a. to regulate the issue of bank notes
- b. to directly undertake regulation of banking system
- c. to keep reserves for securing monetary stability in India
- d. to operate the currency and credit system of India

Ans - b

Banking Regulation Act, in addition to commercial banks, is applicable to which of the following?

- a. primary agricultural credit societies
- b. cooperative land mortgage banks
- c. cooperative banks
- d. none of the above

Ans - c

Deferred payment guarantee is issued by bank in case of following type of business transactions

- a. guarantee for purchase of raw material by the applicant (buyer)
-

- b. guarantee for purchase of capital goods by the applicant on instalment basis
- c. guarantee for performance of a contract
- d. guarantee for payment of tax liabilities over a no. of year

Ans - b

U/s 31 of NI Act, the banker is under obligation to pay when duly required to do so, which means that (i) cheque should be properly drawn, only, (ii) cheque should be signed by the drawer (customer) only, (iii) cheque can be signed by agent of drawer only

- a. Only (i) and (ii)
- b. Only (i) and (iii)
- c. Only (ii) and (iii)
- d. (i), (ii) and (iii)

Ans - d

Banking Regulation Act deals with (which one is not correct)?

- a. regulation of banking business of banking companies
- b. control over the management of banking companies
- c. suspension or winding up of banking business or levying of penalties for violation of provisions of the Act
- d. appointment of board of directors by RBI

Ans - d

Which of the following is not a member of Central Board of directors of RBI?

- a. Governor
- b. 4 deputy governors appointed by Govt
- c. Other directors nominated by RBI
- d. Directors nominated by Govt

Ans - c

RBI has the authority under Section 22 of Reserve Bank of India Act to issue bank notes with a denomination of

- a. minimum Re. 1 and maximum Rs. 1000
-

- b. minimum Rs. 2 and maximum Rs. 1000
- c. minimum Re. 1 and maximum Rs. 10000
- d. minimum Rs. 2 and maximum Rs. 10000

Ans - d

.....

Protection is available to bank u/s of NI Act, for making payment of a cheque, which is materially altered, if the alteration is not apparent?

- a. Section 10
- b. Section 85
- c. Section 89
- d. Section 128

Ans - c

.....

In a contract of indemnity, the indemnifier is to make good the loss

- a. as soon as it occurs
- b. within the prescribed period in the contract of indemnity
- c. after the person on whose behalf the indemnity is given has not made good the loss
- d. all the above

Ans - a

.....

Section 10 of NI Act deals with which of the following aspects?

- a. obligation of the bank to make payment of a cheque
- b. payment in due course
- c. protection to the paying bank for making payment of a bearer cheque
- d. protection to the collecting bank for collecting a cheque for a customer

Ans - b

.....

RBI undertakes govt. business as per Reserve Bank of India Act. Which of the following is not correct regarding this?

- a. u/s 20, it has obligation to undertake business of Central Govt
 - b. in case of state governments, RBI undertakes banking business based on the agreement with State governments u/s 21 A
-

- c. RBI provides temporary advances to Govt. which are called liquidity adjustment facility
- d. none of the above

Ans - c

.....

Which of the following is not power of RBI under Banking Regulation Act as a regulator and a supervisor of banks?

- a. to issue licence for opening of a bank
- b. to regulate cash reserves and statutory reserves
- c. to undertake audit and inspection of banks
- d. to give directions in public interest

Ans - b

.....

Govt. of India can give directions to RBI (which one is not correct)?

- a. u/s 7 (1) of Reserve Bank of India Act
- b. u/s 22 of Banking Regulation Act
- c. after consultation with Governor RBI
- d. the direction should be in public interest

Ans - b

.....

Which of the following powers are not available with Central Govt. as per provisions of Banking Regulation Act 1949?

- a. issue of licence for formation of banks u/s 22
- b. approval to banks for formation of subsidiary for certain business u/s 19
- c. power to acquire undertaking of banks
- d. suspension of business and amalgamation of banks u/s 45

Ans - a

.....

The bill of exchange is defined as unconditional order of the drawer to pay a certain sum of money to or to the order of a particular person. This definition is as per.....

- a. Section 13 of NI Act
 - b. Section 5 of NI Act
 - c. Section 5 of Indian Contract Act
-

d. Section 22 of B R Act

Ans - b

.....

What is the liability of the drawer of a usance bill of exchange?

- a. before acceptance secondary and after acceptance, primary
- b. before acceptance primary and after acceptance secondary
- c. since the drawee is liable to make payment, the drawer has no liability
- d. the liability of the drawer remains even though the payment is made by the drawee

Ans - b

.....

Which of the following securities will be more preferable by a bank from liquidity point of view?

- a. land and building
- b. shares and debentures
- c. goods and merchandise
- d. book debts of reputed companies

Ans - b

.....

Which of the following statement is not matched correctly?

- a. Central Govt. can give direction to RBI - correct
- b. Central govt. is primary regulator of banks - false
- c. if license of a bank is cancelled, the appeal lies with Central govt. - true
- d. State govt. have also control over cooperative banks - false

Ans - d

.....

Central govt. can exempt the banks from provisions of Banking Regulation Act.....

- a. of its own, if satisfied
- b. on request of the bank concerned
- c. on recommendation of RBI
- d. any of the above, depending upon the circumstances

Ans - c

.....

The cooperative banks that operate in more than one State, are registered under which of the following?

- a. State coop societies Act
- b. Reserve Bank of India Act
- c. Multi-state coop societies Act
- d. all the above

Ans - c

Which of the following is not a feature of a debenture?

- a. it ranks in priority in case of repayment on liquidation of the company
- b. it is normally issued on a secured basis
- c. it earns interest on a regular basis
- d. there is no fluctuation in its market price like in case of share where there are violent fluctuations

Ans - d

Before the deferred payment guarantee is issued, the appraisal of the proposal is carried by banks, similar to

- a. letter of credit limit
- b. term loan
- c. cash credit limit
- d. any of the above

Ans - b

Which is not the essential requirement, if mortgage is created through a written agreement?

- a. it can be created through a mortgage deed
- b. mortgage deed requires payment of stamp duty
- c. mortgage deed requires witnessing
- d. mortgage deed requires compulsory registration

Ans - d

ALL THE VERY BEST FOR YOUR EXAMS

SAMPLE QUESTIONS FOR JAIIB LEGAL & REGULATORY ASPECTS OF BANKING

Though we had taken enough care to go through the questions, we shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents. We advise everyone to update yourself with the latest information through RBI website and other authenticated sources. In case you find any incorrect/doubtful information, kindly update us also (along with the source link/reference for the correct information) as lot of questions were shared by many people.

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