

## ALL THE VERY BEST FOR YOUR EXAMS

# SAMPLE QUESTIONS FOR JAIIB PRINCIPLES & PRACTICES OF BANKING

Though we had taken enough care to go through the sample questions provided here, we shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents. Creation of these short notes is the efforts of so many persons. First of all we thank all of them for their valuable contribution. We request everyone to go through the Macmillan book and 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).

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**Principles & Practices of Banking**

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### JAIIB / DBF – GENERAL INFORMATION

- **Consists of 4 papers :**
  1. Indian Economy & Indian Financial System
  2. Principles & Practices of Banking
  3. Accounting & Financial Management for Bankers
  4. Retail Banking & Wealth Management
- 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 Saturdays/Sundays.
- The duration of the examination will be of 2 hours.
- **Examination Pattern :** Each Paper will contain 100 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 200 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 5 attempts or 3 years (whichever is earlier) from the 1st attempt. If not passed in 5 attempts or 3 years, you need to appear in all the 4 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.
  - ❖ Candidates 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 to July of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers.

- ❖ In respect of the exams to be conducted by the Institute for the period from August to January of a calendar year, instructions/guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

➤ **Exam Fees**

**JAIIB**

- First attempt fee Rs. 4,000/-\*
- 2nd attempt fee Rs. 1,300/-\*
- 3rd attempt fee Rs. 1,300/-\*
- 4th attempt fee Rs. 1,300/-\*
- 5th attempt fee Rs. 1,300/-\*

**CAIIB**

- First attempt fee Rs. 5,000/-\*
- 2nd attempt fee Rs. 1,300/-\*
- 3rd attempt fee Rs. 1,300/-\*
- 4th attempt fee Rs. 1,300/-\*
- 5th attempt fee Rs. 1,300/-\*

**DBF**

- First attempt fee Rs. 3,500/-\*
- 2nd attempt fee Rs. 1,300/-\*
- 3rd attempt fee Rs. 1,300/-\*
- 4th attempt fee Rs. 1,300/-\*
- 5th attempt fee Rs. 1,300/-\*

\* Plus convenience charges and Taxes as applicable

**Please Note: Candidates are required to register for every attempt separately**

## 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: GENERAL BANKING OPERATIONS**

#### **Banker-Customer Relationship**

Requirements to be Called a Bank, Banker-Customer Relationship, Bank as a Trustee, Bailee-Bailor Relationship, Agent-Principal Relationship, Lessor and Lessee, Indemnifier and Indemnified, Different Deposit Products or Services, Services to Customers and Investors

#### **AML-KYC Guidelines**

Money Laundering & Financing of Terrorism Risks, AML Framework in India, Know Your Customer Policy, Organisational Set-up for AML, Obligations under PMLA, Risk Management, Obligations under International Agreements, FATF identified Jurisdictions, Correspondent Banks, Reporting Under FATCAI CRS, Reporting Obligations, Implications of Non-compliance of PMLA Obligations, Secrecy Obligations

#### **Operational Aspects of KYC**

Know Your Customers (KYC) Norms, Wire Transfers, Other Operations - Regulations, Central KYC Records Registry (CKYCR), Monitoring of Transactions

#### **Opening Accounts of various Types of Customers**

Personal Accounts, Accounts of Other Customers, Norms for Opening Current Accounts, Obtaining Photographs of Account Holders, Legal Entity Identifier

#### **Operational Aspects of Deposit Accounts**

Salient Feature of Deposit Accounts, Interest on Deposit Accounts, Prohibitions & Exemptions, Inoperative Accounts & Unclaimed Deposits, Operational Instructions in Joint Accounts,

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Nomination Facility, Other Operational Guidelines, Attachment Orders, Procedure for Submission of Records to Statutory Authorities

### **Operational Aspects of Handling Clearing/Collection/Cash**

Cheque Truncation System (CTS), RBI Guidelines on Collection of Instruments, Cash and its Custody, Security Arrangements at Branches and ATMs

### **Banker's Special Relationship**

Mandate — Definition, Power of Attorney (POA) — Definition, Banker's Lien, Right of Set-off, Right of Appropriation

### **Foreign Exchange Remittance Facilities for Individuals**

Evolution of FEMA, Definitions, Bringing in and Taking out Foreign Exchange, Inward Remittances, Outward Remittances, Indo - Nepal Remittance Scheme

### **Operational Aspects of NRI Business**

Permitted Accounts in India for NRIs and PIOs, Accounts in India of Foreign Nationals Visiting India, Special Non-Resident Rupee Account — SNRR Account, Remittance of Assets Held by NRIs/PIOs, Acquisition and Transfer of Immovable Property in India by a Non-Resident Indian (NRI), Creation of Charge on Immovable Property in India, Repatriation of Income and Sale Proceeds of Assets Held Abroad by NRIs, Investments by NRIs/PIOs

### **Foreign Currency Accounts for Residents and Other Aspects**

Types of Accounts Permitted, Foreign Currency Denominated Accounts in India, Permitted Foreign Currency Accounts Outside India, Remittance of Assets by Foreign Nationals not Being PIOs, Modes of Acquiring Property Outside India by a Resident, Foreign Contribution (Regulation) Act 2010

### **Cash Management Services and Its Importance**

Developments in CMS, Importance of Cash Management System, Types of Cash Management Services, Challenges and Issues

### **Payment and Collection of Cheques and Other Negotiable Instruments**

Negotiable Instruments Act, Payment of a Cheque, Payment in due course — Section 10, Liability of the Paying Bank — Section 31, Collection of Cheques — Duties of a Collecting Bank, Endorsement of Cheques, Crossing of Cheques, Forged Instruments, Bouncing (Dishonour) of Cheques, Cheque Truncation System

### **Responsibility of Paying Bank**

Negotiable Instruments Act and Paying Banks, Liability of Paying Banker when Customer's Signature on the Cheque is Forged, Payment to be in Due Course for Bank to Seek Protection, Payment in Good Faith without Negligence of an Instrument on which Alteration is not Apparent, Payment by Bank Under Mistake Whether Recoverable, Cheque Truncation

### **Responsibility of Collecting Bank**

Statutory Protection to Collecting Bank, Duties of the Collecting Bank

### **Ancillary Services**

Remittances: Introduction, Demand Drafts (DD) and Banker's Cheques (BC), Mail Transfer (MT), Telegraphic Transfer (TT), National Electronic Funds Transfer System (NEFT), Real Time Gross Settlement System (RTGS), Electronic Benefit Transfer (EBT) Scheme, Mobile Banking in India, Electronic/Digital Payments, Safe Deposit Lockers, Portfolio Management Services, Merchant Banking, Government Business, Levying of Service Charges

### **Financial Inclusion & Financial Literacy**

Financial Inclusion by Extension of Banking Services, Use of Mobiles/Tablets in Financial Inclusion Drive, Financial Literacy, Rural Self Employment Training Institutes (RSETI)

### **Customer Service Guidelines**

Customer Service in Banks, Policy for General Management of the Branches, ATM Operations, Security Issues and Risk Mitigation Measures, Service at the Counters, Information to the Customers, Special Arrangements at Branches, Other Provisions

### **Duties & Rights of a Banker and Customer Rights**

Duty of Secrecy & Confidentiality, Duty of Reasonable Care, Garnishee or Attachment Order, Bank's Rights, Customer Awareness, BCSBI, Obligations on the Customer

### **Grievance Redressal & RBI Integrated Ombudsman Scheme 2021**

Model Policy on Grievance Redressal, Internal Machinery to Handle Customer Complaints/Grievances, The RBI - Integrated Ombudsman Scheme

### **The Consumer Protection Act. 2019: Preamble, Extent and Definitions**

Purpose of The Act, Preamble and Extent, Act not Overriding on Any Other Law, Salient New Aspects of CPA 2019, Definitions, Various Fora, Consumer Protection Councils, Central Consumer Protection Authority, Consumer Disputes Redressal Commissions, Jurisdictions of Commissions, Complaints to District Commissions, Complaints to State Commissions/National Commission, Appeals Against Orders of District/ State Commission, Other Aspects, Mediation Process, Product Liability, Unfair Contracts, Data Protection, The CPA 2019 and Banking Services

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### **The Right to Information Act, 2005**

Applicability, Definitions, Right to Information, Obligations of Public Authorities, Designation of Public Information Officers, Procedure for Obtaining Information, Disposal of Request, Appeal, Orders in Appeal, Central Information Commission, State Information Commission, Penalties, Act to Have Overriding Effect

### **MODULE B: FUNCTIONS OF BANKS**

#### **Principles of Lending. Different Type. of Borrowers, and Types of Credit Facilities**

Principles of Lending, Types of Borrowers, Types of Credit Facilities, Fund Based Working Capital Facilities, Term/Demand Loans, Non-fund Based Facilities, Other Credit Facilities

#### **Appraisal and Assessment of Credit Facilities**

Credit Appraisal, Credit Appraisal techniques, Methods of Assessment of Loans, Assessment of Working Capital, Assessment of Term Loan

#### **Operational Aspects of Loan Accounts**

Interest Rates on Loans, Credit Management, Credit Monitoring, Common Operational Terms/Aspects in Loan Functions, Operational Process of Handling Loans, Accounting Aspects of Loan Products, Basic Operating Instructions on Loan Products, Operating Manual for Loans and Advances, Sample Operating Instructions, Operational Aspects of a Few Common Loan Products, Guidelines on Recovery Agents Engaged by Banks, Fair Practices Code for Lenders

#### **Types of Collaterals and Their Characteristics**

Effectiveness of Securities, What are 'Secured Loans' and 'Unsecured Loans'?, Types of Securities, Land and Buildings, Goods, Documents of Title to Goods, Advances against Life Insurance Policies, Advance Against Shares, Advance Against Debentures, Loan against Book Debts, Loan against Term Deposits, Loan against Gold Ornaments, Supply Bills, Vehicle Finance

#### **Different Modes of Charging Securities**

Meaning and Essentials of a Contract, Contract of Agency, Contract of Bailment, Types of Charges, Registration of Charges

#### **Documentation**

Different Types of Documents, Documentation Procedure

#### **Non-Performing Assets! Stressed Assets**

Definition, Income Recognition, Computation of Gross Advances, Gross NPA, Net Advances, and Net NPA, Asset Classification, Provisioning Norms, Writing Off of NPAs, NPA Management —

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Requirement of Effective Mechanism and Granular Data, Framework for Resolution of Stressed Assets, Prudential Norms Applicable to Restructuring , Other Aspects

### **Important laws relating to Recovery of Dues**

Introduction to Recovery of Debts and Bankruptcy Act, 1993 (DRB), Introduction to SARFAESI Act, Introduction to The Insolvency and Bankruptcy Code, 513, Introduction To The Legal Services Authorities Act, 513, Introduction To The Law of Limitation

### **Contracts of Indemnity**

Contract of Indemnity Defined, Distinctive Features of Indemnity Contract and Guarantee, Rights of an Indemnity Holder, Implied Indemnity, Enforceability of Contract of Indemnity, Scope and Application of Indemnity Contracts to Banks

### **Contracts of Guarantee & Bank Guarantee**

Parties to the Contract, Basic Principles of Contract to be Complied, Consideration, The Liability of the Surety, Continuing Guarantee, Revocation of a Continuing Guarantee, Death of Surety, Variance in Terms of the Contract, Discharge of Principal Debtor, Forbearance to Sue, Surety can Claim His Dues from the Principal Debtor, Security, Implied Promise by the Principal Debtor to Indemnify the Surety, Misrepresentation Made by the Creditor, Co-sureties for the Same Debt, Release of One Co-surety does not Discharge Other, Bank Guarantees, Various Types of Bank Guarantees, Banker's Duty to Honour Guarantee, Issuance of Bank Guarantee — Precautions to be Taken, Payment Under Bank Guarantee — Precautions to be Taken

### **Letters of Credit**

Letters of Credit — General Consideration, Parties to a Letter of Credit, Types of Letters of Credit, Documents Under a Letter of Credit, Uniform Customs and Practices for Documentary Credits — UCPDC 600, Payment Under Letter of Credit — Banks Obligation Primary

### **Deferred Payment Guarantee**

Purpose of Deferred Payment Guarantee, Method of Payment

### **Law Relating to Bill Finance**

Class of Bills and Laws Governing Bills, Classification of Bills, Various Types of Bill Finance, Bill Finance and Legal Position of a Banker

### **Personal Finance**

Credit Card, Home Loans, Personal Loans, Consumer Loans

### **Priority Sector Advances**

Applicability, Targets/Sub-Targets for Priority Sector, Categories of Priority Sector, Non-Achievement of Priority Sector Targets, Common guidelines for Priority Sector Loans, Other Modes of Lending to Priority Sectors, Other Aspects Related to Priority Sector Lending

### **Agricultural Finance**

Short-Term Loans, Medium/Long-Term Loans, Crop Loan, Revised Scheme for Issue of Kisan Credit Card (KCC), Selected Activities Under Agricultural Financing, Minimum Support Prices Scheme, Prime Minister Fasal Bima Yojana (PMFBY)

### **Finance to MFIs/Co-Lending Arrangements With NBFCs**

Background, Bank Borrowings - Source Of Finance for NBFCs, Bank Finance to NBFCs, Bank Loans to NBFCs for On-Lending, Bank Loans to NBFCs-MFIs, NBFC-MFI — Channelising Agent for Special Government Schemes, Co-Lending by Banks and NBFCs to Priority Sector, Framework for Scale Based Regulation (SBR) for Non-Banking Financial Companies

### **Micro, Small and Medium Enterprises in India**

Aim of MSMEs, Micro, Small and Medium Enterprises Development (MSMED) Act, 667, Policy Package for MSMEs — Credit/Finance, Measures for Promotion, Development and Enhancement of Competitiveness of Micro, Small and Medium Enterprises, Delayed Payments, Trade Receivables Discounting System (TReDS), Performance and Credit Rating Scheme, Credit Guarantee Fund Scheme for Micro and Small Enterprises, Cluster Based Approach in Financing MSMEs, Common Guidelines / Instructions for Lending to MSME Sector

### **Government Sponsored Schemes**

Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM), Pradhan Mantri Jan Dhan Yojana (PMJDY), MUDRA Loans, Khadi Village Industries Commission (KVIC)

### **Self-Help Groups**

SHG Definition, Need for SHGs, Forming SHGs, SHGs Under DAY-NRLM/ DAY-NULM Schemes, SHG-Bank Linkage Programme

## **MODULE C: BANKING TECHNOLOGY**

### **Essentials of Bank Computerisation**

Bank Computerisation, Networking Technologies in Banks, Uninterrupted Power System (UPS), Core Banking, Data Warehousing and Data Mining

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### **Operational Aspects of CBS Environment**

Functions Performed by CBS, Flow of Transactions in CBS, The Accounting of Transactions in CBS, End of Day (EOD) And Begin of Day (BOD) Operations, End of Day (EOD) Operations, Password Control, Parameter/Master File, Logical Access Control, Operational Aspects of Security Control in CBS, Role and Responsibilities of the Bank Under CBS

### **Alternate Delivery Channels - Digital Banking**

Alternate Delivery Channels, Automated Teller Machines (ATMs), Electromagnetic Cards, Electronic Banking, Customer Protection-Limiting Liability of Customers in Unauthorised Electronic Banking Transactions, Harmonization of Turn Around Time (TAT) and Customer Compensation for Failed Transactions Using Authorised Payment Systems

### **Data Communication Network and EFT Systems**

Data Communications Networks, Network Scenario in India: Major Networks, Emerging Trends in Communications Networks for Banking, Evolution of EFT Systems, Structured Message Transfer System Using SWIFT, Automated Clearing Systems, Two-Level Funds Transfer System, Emergence of Electronic Payment Systems in India

### **Digital Payment Systems - NPCI**

Electronic Clearing Systems in India, National Payment Corporation of India (NPCI), Digital Initiatives by the Government of India

### **Impact of Technology Adoption and Trends in Banking Technology**

Trends in Technology Developments, Role and Uses of Technology Upgradation, Global Trends in Banking Systems, Impact of Information Technology on Banks, Some emerging technology trends in Banking

### **Security Considerations and Mitigation Measures in Banks**

Risk Concern Areas, Different Types of Threats, Control Mechanism, Computer Audit, Information System Audit (IS Audit), Information System Security (IS Security), Modus Operandi of Online Frauds and Cyber Security Awareness, IT Resources Evaluation Requirements, Disaster Recovery Management Objective, Legal Framework for Electronic Transactions Information Technology Act, a Gopalakrishana Committee Report, Cyber Security Framework in Banks, Integrated Ombudsman Scheme, 2021 by RBI

### **Operational Aspects of Cyber Crimes/Fraud Risk Management in Cyber Tech**

Fraud vs Crime, Phases of an Effective Incident Response Plan

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**Technology Trends in Banking, e-RIPI, Fintech - RegTech, SupTech, Hashtag Banking etc.**

e-RUPI, Fintech/Reg Tech/Sup Tech, Social Media Banking, Flashtag Banking, Account Aggregators, Open Banking

**MODULE D: ETHICS IN BANKS AND FINANCIAL INSTITUTIONS**

**Ethics, Business Ethics & Banking: An Integrated Perspective**

Values and Ethics, Ethics and Business Values, Business Ethics — Definition, Principles and Practice, An Ethical Crisis: Is Business Ethics an Oxymoron?, Ethical Foundation of Banking: Finance Depends on Trust, Ethical Foundation of Being a Professional, Banking Ethics in Global Context: Enron and Its Lesson, Global Financial Crisis, Ethics in Indian Context: Satyam and Its Lessons, An Indian Bank Case Study

**Ethics at the Individual Level**

Values, Norms, Beliefs and Their Role, Core Values: The Value of a Value, Morality and Personal Values, Value — Conflicts: How Should I Live?, Personal Ethics and Business Ethics: Individual Integrity and Responsibility, The Golden Rule, Understanding Right and Wrong: Doing the Right Thing, Ethical Reasoning and Real-World Application. Ethical Dilemmas: Resolving Ethical Dilemmas, A Framework of Ethical Decision-Making.

**Ethical Dimensions: Employees**

Abuse of Official Position: Insider Trading, Proprietary Data, Bribes, etc., Obligations to Third Parties, Job Discrimination, Sexual Harassment, Managing Conflict of Interests, Fair Accounting Practices: Related Party Transactions, HRM Ethics, Principles of Representation and Work Environment, Employees as Ethics Ambassadors & Managers as Ethical Leaders

**Work Ethics and the Workplace**

What Is Work Ethics? Something Bigger Than the Self, Ethical Behaviour at The Workplace: Benefits, Recognising Ethical Workplaces, Unethical Behaviours: Causes and Remedies, Conducting Personal Business During Office Time, Taking Credit for Others' Work, Ethical Lapses and Organizational Culture, Ethics of a Banker, Whistleblowing in Banks, Whistleblowing Law in India

**Banking Ethics: Changing Dynamics**

Ethics and Technology, Data Security and Privacy, Intellectual Property Rights, Patents and Proprietary Rights, Ethics of Information Security

## Principles & Practices of Banking

### Important Sample Questions

Which of the following Guarantees are considered as Performance Guarantees?

- (i) Shipping Guarantee
- (ii) Deferred Payment Guarantee
- (iii) Guarantee for Earnest Money Deposits
- (iv) Guarantee in favour of Customs Department
- (v) Bank Guarantee in respect of any disputed liabilities

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

Ans - c

.....  
A cheque for Rs 10000 is received in an account showing a balance of Rs 80000 attached by a Garnishee order for Rs 15000. In this case .....

- a. The cheque should be returned unpaid
- b. Rs 15000 should be blocked and then cheque can be honoured
- c. Cheque can be paid after it is permitted by the court
- d. Such a Garnishee Order cannot be issued

Ans - b

..... suggests that people should aspire to treat each other as they would like to be treated themselves - with tolerance and consideration (Select the most appropriate option from the following)

- a. The Golden Rule
- b. Ethical Rule
- c. Universal Rule
- d. Rule of morality

Ans - a

As per large exposure framework, the sum of all the exposure values of a bank to a single counterparty and to a group of connected counterparties must not be higher than ..... % and ..... % respectively of the bank's available eligible capital base at all times, in normal circumstances.

- a. 5, 10
- b. 10, 15
- c. 15, 20
- d. 20, 25

Ans - d

Mr A has a current a/c with your Bank. He had deposited a cheque for Rs.5000/in to the a/c which is to be sent for collection. A Garnishee order is issued and he has also deposited into his overdraft a/c and the account is in credit balance. In this case .....

- a. Cheque deposited will be attached
- b. The credit balance in the a/c of overdraft will be attached
- c. Cheque sent for collection being future debts will not attach
- d. A and C

Ans - d

Director, FIU-India can take action against ..... for violation of PMLA obligations.

- (i) the bank
- (ii) any employee
- (iii) the Principal Officer

- 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 coupon bonds, which of the following statements is correct? (Select the most appropriate option from the following)

- a. These bonds are issued at a discount
- b. The coupons in such bonds refer to the amount of principal that will be redeemed periodically

- .....
- c. These bonds are traded in secondary market at Yield to Maturity (YTM) based on market rate of interest
  - d. In the secondary market, the price of these bonds are determined by the financial performance of the company

Ans - c

.....

As per RBI Act, 1934 there should be at least ..... meetings of the Monetary Policy Committee in a year

- a. Two
- b. Four
- c. Six
- d. Eight

Ans - b

.....

NEFT transactions are settled in ..... batches, every day. The settlement of the first batch of NEFT transactions begins at .....

- a. 24, 00.00 AM
- b. 24, 00.30 AM
- c. 48, 00.00 AM
- d. 48, 00.30 AM

Ans - d

.....

In CDR category-1, what type of loan accounts are eligible? (i) Standard, (ii) sub-standard

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

Ans - d

.....

Net working capital is Rs.80000. Current ratio is 3:1. The current assets are .....

- a. Rs. 100000
- b. Rs. 120000
- c. Rs. 160000

.....

d. Rs. 200000

Ans - b

.....  
A director of the bank wants to raise loan from your bank. The loan can be given against .....

- a. FDR of other bank
- b. Share of same bank
- c. Surrender value of Life Policy
- d. All the above

Ans - c

.....  
A company has been sanctioned cash credit-pledge limit. Internal auditor finds that charge has not been registered with Registrar of Companies in time. In how much time it is to be done?

- a. 1 week
- b. 15 days
- c. 1 month
- d. In case of pledge, not required

Ans - d

.....  
RegTech can be used for the following broad purposes

- (i) Regulatory Monitoring
- (ii) Regulatory Obligations
- (iii) Compliance Management
- (iv) Execution of Compliance

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

Ans - d

When Customer deposits certain valuable bonds, Securities, for safe custody to bank. Such relationship between Bank and Customer is .....

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

Ans - a

Which type of merger was there during the Bank merger of 2019?

- a. Vertical
- b. Horizontal
- c. Either a or b
- d. Neither a or b

Ans - b

..... are the sets of independent organizations involved in the process of making a product or service available for use or consumption:

- a. Selling entities
- b. Retailers
- c. Wholesalers
- d. Marketing channels

Ans - d

A QR code consists of .....

- (i) Black squares
- (ii) A square grid
- (iii) White background

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

Ans – d

Bank should maintain records for atleast ..... years from the date of transaction between Customer and bank.

- a. 3 years
- b. 5 years
- c. 7 years
- d. 8 years

Ans - b

..... is the international standard for integrated-circuit cards (commonly known as smart cards)

- a. ISO 7168
- b. ISO 7618
- c. ISO 7816
- d. ISO 7861

Ans - c

Gandhiji's Philosophy of "Trusteeship" is based on principle of .....

- (i) Selfless Work
- (ii) Non-cooperation
- (iii) Non-Possession

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

Ans - a

The Central Government has set up a 'Central Registry' for registration of following transactions

- (i) Securitisation of financial assets,
- (ii) Reconstruction of financial assets, and
- (iii) Creation of security interest under SARFAESI Act.

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

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

Ans - d

Garnishee order is issued by court under .....

- a. Order 46, Rule 21
- b. Order 42, Rule 21
- c. Order 21, Rule 46
- d. Order 22, Rule 60

Ans - c

Marginal Cost of funds based Lending Rate (MCLR) consists of ..... (Select the most appropriate option from the following)

- (i) Marginal Cost of Funds
- (ii) Negativity carry on account of CRR
- (iii) Operating Costs
- (iv) Tenor premium
- (v) Interest paid on deposit

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

Ans - a

The number of members belonging to BPL families in a SHG under SGSY may consist of ..... persons in normal cases

- a. 5-10
- b. 10-15
- c. 10-20
- d. 20-25

Ans - c

.....

In any Core banking Solution, there are three types of Transactions

- (i) Cash
- (ii) Clearing
- (iii) Transfer

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

Ans - d

.....

A garnishee order is received at Head Office of the Bank. The customer's account at the following branch will not be attached by this order?

- a. Fort Mumbai branch
- b. Mount Road, Chennai Branch
- c. Salt Lake City, Calcutta branch
- d. Singapore (a foreign Branch of the Bank)

Ans - d

.....

Standing Committee on Customer Service may be chaired by the ..... of the bank

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

Ans - c

.....

The invention of BNA machines helped banks to ease the pressure with queues at the tellers. Which of the following statements regarding BNA is incorrect?

- a. BNAs are installed onsite as well as offsite
- b. The deposited amount is credited into the customer's account immediately

- .....
- c. BNAs have the multi-functional ability to offer deposits or dispense transactions of bundle notes upto 300 mixed notes
  - d. RBI subsidised the cost of BNAs upto 50% in urban areas and 75% in semi urban areas

Ans - c

.....

Product Seller means a person who, in the course of business is involved in placing the products for commercial purpose and includes .....

- (i) a manufacturer who is also a product seller
  - (ii) a service provider
  - (iii) a seller of immovable property not engaged in the sale of constructed house or in the construction of homes or flats
- a. Only (i) and (ii)
  - b. Only (i) and (iii)
  - c. Only (ii) and (iii)
  - d. (i) (ii) and (iii)

Ans - a

.....

Appeal against the award given by the Ombudsman can be made by the bank within ..... days of date of .....

- a. 20 days, receipt of intimation from the customer
- b. 30 days, receipt of acceptance from the customer
- c. 30 days, receipt of intimation from the customer
- d. 30 days, receipt of acceptance from the customer

Ans - c

.....

Under CTS process ..... image(s) is/are to be taken of each cheque.

- a. two
- b. one
- c. three
- d. four

Ans - c

Objectives of KYC are .....

- (i) To ensure appropriate customer identification
- (ii) To monitor transaction of suspicious nature
- (iii) To ensure that she would not deceive bank

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

Ans - a

.....

What is the minimum age of the subscriber in APY?

- a. 10
- b. 15
- c. 18
- d. 21

Ans - b

.....

Mr A has Rs 5000 balance in his account. The Bank received two Garnishee orders, one for Rs 6000 and another for Rs 3000 in the name of A. The first order was received by the bank at 10,30 AM while the second at 1.30 pm. The Bank will .....

- a. Act on the first order and ignore the second
- b. Act on the second order as balance is sufficient for the same
- c. Attach in proportion of 6:3
- d. Attach Rs 3000 for the second order and Rs 2000 for the first

Ans - a

.....

Provision Coverage Ratio does not relate to .....

- (i) NIM of banks
- (ii) Margin money which will be contributed by a borrower
- (iii) Non-performing assets of banks
- (iv) Depreciation of assets

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

.....

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

Ans - b

Ethical Foundation of Banning depends on .....

- (i) Dealing with dilemmas for right versus less right  
(ii) Guard Reputation / Goodwill  
(iii) Helps in Avoiding Risk

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

Ans - d

An irrevocable confirmed Letter of Credit cannot be amended or cancelled without the agreement of the .....

- a. Beneficiary and applicant  
b. Confirming bank and issuing bank  
c. Applicant, confirming bank and issuing bank  
d. Beneficiary, confirming bank and issuing bank

Ans - d

M/s xyz is maintaining a current account with ABC Bank. The firm is having 5 partners and one of them being very old, is a dormant partner. The account is operated by two other partners jointly. A cheque of Rs. 1650, in favour of State Electricity Board is presented through clearing. The bank received a stop payment of the cheque, from the dormant partner

- a. the cheque being of a small amount should be paid  
b. the cheque being in favour of an important payee, dues should be paid  
c. the cheque should be paid, as the stop payment instruction from a dormant partner  
d. Cheque should not be paid, as dormant partner also has authority to stop operations of the account

Ans - d

Which of the following persons are restricted on Acceptance of Foreign Hospitality?

- (i) A member of a Legislature
- (ii) An office-bearer of a political party
- (iii) A Judge
- (iv) A Government servant

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

Ans - d

1-7. Case Study - Education Loan Abroad

Course Duration - 2 years  
Cost of the course - 30 Lakhs  
Margin - 15 %  
Tuition Fees - 15 Lakhs  
Hostel Fees - 4 lakhs  
Caution Deposit - 2 lakhs  
Books & other equipment - 4 lakhs  
Computer & other equipment - 2 lakhs  
Air fare (one way) - 1 lakh  
Other Misc expenses - 2 lakh  
Total - 30 lakhs

1. What is the maximum amount of tuition fees can be taken for sanctioning the loan?

- a. 1275000
- b. 1350000
- c. 1500000
- d. 1997500

2. What is the maximum amount of Air Fare can be taken for sanctioning the loan?

- a. 100000
- b. 225000
- c. 300000
- d. 352500

3. What is the maximum amount of Hostel Fees can be taken for sanctioning the loan?

- a. 100000
- b. 225000
- c. 300000
- d. 352500

4. What is the maximum amount of Caution Deposit can be taken for sanctioning the loan?

- a. 100000
- b. 225000
- c. 300000
- d. 352500

5. What is the maximum amount of Books, Computer and other expenses can be taken for sanctioning the loan?

- a. 100000
- b. 225000
- c. 300000
- d. 352500

6. What is the maximum amount of Loan can be sanctioned based on the above data?

- a. 1275000
- b. 1350000
- c. 1500000
- d. 1997500

7. What is the margin amount to be brought by the student?

- a. 100000
- b. 225000
- c. 300000
- d. 352500

Explanation:

1-c. Entire amount of Tuition fees can be taken for sanctioning the loan.

So, Maximum amount of tuition fees can be taken for sanctioning the loan = Rs. 15 Lakhs

2-a. One way Air Fare can be can be taken for sanctioning the loan

So, maximum amount of Air Fare can be taken for sanctioning the loan = Rs. 1 Lakh

3-b. Maximum amount of Hostel Fees can be taken for sanctioning the loan = 15% of Tuition Fees

.....  
 $= 1500000 * 15 \% = 225000$

4-b. Maximum amount of caution deposit can be taken for sanctioning the loan = 15% of Tuition Fees  
 $= 1500000 * 15 \% = 225000$

5-c. Amount of Books, Computer and other expenses = 400000 + 200000 + 200000 = Rs. 8 Lakhs  
But, Maximum amount of Books, Computer and other expenses can be taken for sanctioning the loan = 20% of Tuition Fees  
 $= 1500000 * 20 \% = 300000$

6-d. Maximum amount of Loan can be sanctioned = Tuition Fees + Air fare + Hostel Fees + Caution Deposit + Books, Computer and other expenses  
 $= 1500000 + 100000 + 225000 + 225000 + 300000$   
Total eligible loan amount = 2350000  
Margin for abroad study - 15 % = 2350000 \* 15 % = 352500  
Total loan amount to be sanctioned = 2350000 - 352500 = 1997500

7-d. Margin amount to be brought by the student = 2350000 \* 15 % = 352500  
.....

RBI's revised Prompt Corrective Action (PCA) framework is based on following three parameters with certain thresholds. Which one of the following is not a parameter?

- a. High NPA percentage
- b. Negative Return on Assets (ROA)
- c. CRAR should be less than Basel III requirement
- d. Provision Coverage Ratio (PCR) above threshold

Ans - d  
.....

State Consumer Disputes Redressal Commission shall have jurisdiction to entertain complaints against unfair contracts, where the value of goods or services paid as consideration does not exceed Rs. ....

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

Ans - d  
.....

Which of the following is a key feature of UPI 2.0?

- (i) One-time Mandate
- (ii) Invoice Verification
- (iii) Link an Overdraft Account
- (iv) Additional Security through Signed Intent and QR

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

Ans - d

No dues certificate in case of small and marginal farmers is exempted up to a loan of .....

- a. Rs.30000
- b. Rs.50000
- c. Rs.75000
- d. Rs.100000

Ans - b

Liability of a coparcener in case of loan raised by HUF is .....

- a. Restricted
- b. Restricted to his share in HUF property/assets
- c. Unlimited
- d. None of the above

Ans - b

Upon Receipt of a Garnishee Order(NISI) the Bank should .....

- a. Immediately send the amount to the court
- b. Inform the customer and the court and wait for Order Absolute
- c. Pay the amount to the judgement creditor and inform the court
- d. None of the above

Ans - b

.....  
X draws a cheque for Rs 2000 favouring Y, (aged 13 years) or bearer, Y presents cheque on counter duly signed on back ? What bank should do?

- a. Refuse since no contractual capacity
- b. Pay cheque after inquiring with X
- c. Pay to Y without any responsibility of bank
- d. Ask Y to bring his parents

Ans - c  
.....

Peer groups based on the asset size of banks as on March 31 of the previous year are identified, and peer group averages of maintainable complaints received in OBOs computed on the following

- (i) Average number of maintainable complaints per branch
- (ii) Average number of maintainable complaints per 1,000 accounts (total of deposit and credit accounts)
- (iii) Average number of maintainable digital complaints per 1,000 digital transactions executed through the bank by its customers

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

Ans - d  
.....

Composite vouchers generally pertain to accounts of .....

- (i) Credit transactions
- (ii) Internal accounts transactions
- (iii) Debit transactions

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

Ans - d  
.....

.....

Banks are required to report particulars of (fund and non-fund based) borrowers with cut-off exposure of Rs. ....., classified as 'non-cooperative' as per the prescribed procedures

- a. 5 million
- b. 10 million
- c. 50 million
- d. 100 million

Ans - c

.....

The Banker customer relationship stands terminated upon the .....

- (i) Death of customer
- (ii) Lunacy of customer
- (iii) Insolvency of customer

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

Ans - d

.....

RBI has the powers to print currency notes of up to ..... denomination

- a. Rs. 2,000
- b. Rs. 5,000
- c. Rs. 10,000
- d. Rs. 20,000

Ans - c

.....

Which of the following statements are True?

- (i) In a Contract of Guarantee the liability of the surety is secondary.
- (ii) Anything done for the benefit of the principal debtor is a sufficient consideration to the surety for giving the guarantee.

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

d. Both (i) and (ii)

Ans - d

3rd Stage of Money Laundering is .....

- a. Layering
- b. Integration
- c. Placement
- d. None of these

Ans - b

Which of the following statements are true in respect of factoring services?

- (i) The factor acquires the invoiced debts from the buyers
- (ii) Factoring services can be provided either with recourse or without recourse
- (iii) In non-recourse factoring, the factor provides both finance and credit protection
- (iv) The factor shall make payments on bills which are accepted by the buyer

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

Ans - a

RBI injects liquidity through .....

- (i) Repo
- (ii) Reverse Repo

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

Ans - a

.....  
In banker's parlance, credit risk in lending refers to .....

- a. default of repayment by a borrower
- b. default of bankers in maintaining SLR
- c. default of a banker to release credit to a borrower
- d. None of above

Ans - a

.....

Which of Facility are available to visually challenged people?

- (i) ATM, Net bank facility
- (ii) Locker facility
- (iii) Retail loan, credit card

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

Ans - d

.....

Nomination should be made by the depositor/depositors in the format prescribed. .... is used for cancellation of the said nominations of the depositors and ..... for variations of the said nominations to be made by the depositors. (Select the most appropriate option from the following)

- a. Form DA-2, Form DA-3 respectively
- b. Form DA-3, Form DA-2 respectively
- c. Form DA-3, Form DA-4 respectively
- d. Form DA-5, Form DA-6 respectively

Ans - a

.....

What is the full form of MMID and UPI?

- a. Mobile Money Identifier, United Payment Interface
- b. Mobile Money Identifier, Unified Payment Interface
- c. Mobile Money Identifier, United Processing Interface
- d. Money Message Identifier, Unified Payment Interface

Ans - b

.....

.....

This policy is helpful in avoiding situation and encourage employee to come forward with any information pertaining to illegal or unethical activities called .....

- a. Wing Blow Policy
- b. Wind Blower Policy
- c. Whistle Blower Policy
- d. Working Blower Policy

Ans - c

.....

EOD for the bank as a whole is done at .....

- a. CBS Centre
- b. EDP Centre
- c. Central Data Centre
- d. Switch Centre

Ans - c

.....

Which of the following are Responsive Capabilities?

- (i) Containment
- (ii) Eradication
- (iii) Detection Analysis
- (iv) Recovery

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

Ans - b

.....

Garnishee order is issued as per section 60 of ..... Act

- a. NI Act
- b. Indian contract act
- c. Civil Procedure Code
- d. Money laundering act

Ans - c

.....

.....

SARFAESI Act is applicable to cases where security interest for securing repayment of any financial asset is more than Rs. and the amount due is ..... or more of the principal amount and interest thereon.

- a. 1 lakh, 15%
- b. 1 lakh, 25%
- c. 2 lakh, 20%
- d. 2 lakh, 25%

Ans - b

In a contract of Indemnity there are .....

- a. 3 parties and one contract
- b. 2 parties and 2 contracts
- c. 3 parties and 3 contracts
- d. 2 parties and one contract

Ans - d

A minor admitted for benefits in a firm wants to withdraw from the firm on attaining majority. How much time is available to him to do so :

- a. 6 months from date of majority
- b. 6 months from date of information to him that he was admitted for benefits
- c. Either a or b whichever is later
- d. Either a or b whichever is earlier

Ans - c

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

- a. In joint names of A & B
- b. In the name of a firm wherever A is the sole proprietor
- c. In the name of a partnership firm where A is a partner
- d. All of these

Ans - b

.....  
The computer audit covers .....

- (i) Review of operations to establish if there is compliance to the established policies, standards and procedures.
  - (ii) Review of the quality of formal policies, standards, procedures and efficiency of operations and the adequacy of procedures and controls.
  - (iii) Integrity review focused on fraud detection/prevention, application programme and operating system integrity, system design and implementation strategy and monitoring of employees activities.
- a. Only (i) and (ii)
  - b. Only (i) and (iii)
  - c. Only (ii) and (iii)
  - d. (i) (ii) and (iii)

Ans - d  
.....

A confirming bank receives a Letter of Credit containing the following additional condition 'carrying vessel must not be older than 15 years'. Upon receipt of the documents from the beneficiary, the confirming bank must .....

- a. Look for this statement on one of the documents
- b. Deem such a condition as not stated and disregard it
- c. Require the beneficiary to issue a statement of compliance
- d. Refuse payment to the beneficiary until receipt of the issuing bank's clarification

Ans - b  
.....

In case of NBFC-MFI, the difference between the rate to the borrower and the cost of funds should not be more than ..... for large MFIs (portfolio exceeding 100 crore) and ..... for others

- a. 8%, 10%
- b. 8%, 12%
- c. 10%, 12%
- d. 10%, 15%

Ans - c  
.....

..... offers technological solutions that assist financial supervisory authorities in managing regulatory compliance

- a. Fintech

- b. SupTech  
c. RegTech  
d. None of the above

Ans - b

.....

An unit with projected turnover of Rs.30 lakh approaches your branch for sanction of working capital limits. What will be the minimum amount of working capital & margin to be assessed for this firm as per Projected Turnover method?

- a. Rs.6 lakh, 0.5 lakh  
b. Rs.1.50 lakh, 6 lakh  
c. Rs.15 lakh, 2.0 lakh  
d. Rs.7.50 lakh, 1.50 lakh

Ans - d

Solution:

Projected Turnover method

-> Working Capital required : 25% of the projected Annual turnover. (Projections accepted by the bank)

-> Borrower's margin : 1/5th of the Working capital required

-> Bank loan : 4/5th of the working capital required

$$WC = 30 \text{ lakh} * 25\%$$

$$= 30/4 = 7.5 \text{ lakh}$$

$$\text{Borrower's margin} = WC/5$$

$$= 7.5 \times 1/5 = 1.5 \text{ lakh}$$

.....

Resident outside India may invest in an Indian company as .....

- (i) Foreign Direct Investment  
(ii) Foreign Portfolio Investment

- a. Only (i)  
b. Only (ii)  
c. Either (i) or (ii)  
d. None of the above

Ans - c

Legal status of nominee is that of a .....

- a. Trustee for legal heirs
- b. Owner of the property
- c. Will have priority before nominee
- d. Will have priority only after nominee

Ans - a

.....

The President and every member of the State/ District Commission shall hold office for a term of ..... years or up to the age of ..... years, whichever is earlier

- a. 3, 60
- b. 3, 65
- c. 4, 60
- d. 4, 65

Ans - d

.....

A reimbursing bank has received a valid claim under its reimbursement undertaking and is simultaneously instructed by the issuing bank not to honour the claim. The reimbursing bank should .....

- a. Request the claiming bank to cancel the claim
- b. Instruct the claiming bank to contact the beneficiary
- c. Honour the claim and debit the issuing bank's account
- d. Dishonour the claim as per the issuing bank's instruction

Ans - c

.....

The sum total of the accruals in EEFC/RFC(D)/DDA Accounts during a calendar month should be converted into Rupees on or before ..... of the succeeding calendar month after adjusting for utilization for approved purposes or forward commitments.

- a. 5th
- b. 7th
- c. 15th
- d. last day

Ans - d

.....

Basic Elements of Values in an organisation are .....

- (i) Identifying Core Values
- (ii) Communicating Core Values
- (iii) Aligning Core Values and Practices

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

Ans - d

A Cheque written in different language half in English, a part in Hindi and rest in vernacular language. Can the bank pay the same?

- a. Yes
- b. No
- c. Depends on manager discretionary
- d. Cheque is wrong

Ans - a

e-RUPI may be issued in following core categories .....

- (i) Business to Business (B2B)
- (ii) Person-to-Person (P2P)
- (iii) Business to Consumer (B2C)

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

Ans - c

For obtaining loan against shares, the charge on shares is .....

- a. Assignment
- b. Right of set off
- c. Pledge

d. Lien

Ans - d

Which of the following is NOT a credit rating agency in India?

- a. ICRA
- b. CRISIL
- c. IFCI
- d. CARE

Ans - c

When two separate entities combine forces to create a new, joint organization, it is called as .....

- a. Merger
- b. Acquisitions
- c. Alliances
- d. None of the above

Ans - a

Full KYC exercise will be required to be done at least every ..... years for high risk individuals and entities

- a. 2
- b. 5
- c. 8
- d. 10

Ans - a

Which of the following is/are NOT fundamental principles relating to ethics?

- (i) The Principle of Integrity
- (ii) The Principle of Objectivity
- (iii) The Principle of Subjectivity

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

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

Ans - a

As per Official language policy for B region, branch target to reply in Hindi letter received in Hindi is .....

- a. 50%
- b. 60%
- c. 80%
- d. 100%

Ans - d

The purpose of computer usage in MKIS is primarily to .....

- a. Generate reports
- b. To meet specific user needs
- c. Retrieval of data
- d. For day to day operations

Ans - a

Which among the following fall under the category of Information as defined in Section 2(f) of RTI Act, 2005?

- (i) Records
- (ii) E-mails
- (iii) Documents

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

Ans - d

SupTech services are used by .....

- a. Suppliers of Hardware
- b. Third-Party vendors

- c. Emerging technology vendors  
d. Financial supervisory authorities

Ans – d

All transaction of value ..... should be included in Cash transaction Report.

- a. More than 50000  
b. More than 5 lakh  
c. More than 20 lakh  
d. More than 10 lakh or its equivalent

Ans - d

In a contract for import of goods on deferred payment terms, over a period of time (may range from 1 to 7 years), the payment is usually done on the following terms

- (i) Advance payment of 10% to 15% of the price of the goods is made by the buyer.  
(ii) Another 10% to 15% is paid on receipt of documents under letter of credit.  
(iii) The balance amount is paid in instalments over 1 to 7 years, secured by a 'Deferred Payment Guarantee'.
- a. Only (i) and (ii)  
b. Only (i) and (iii)  
c. Only (ii) and (iii)  
d. (i) (ii) and (iii)

Ans – d

Scheduled Offence means an offence specified in the Schedule of Fugitive Economic Offenders Act, 2018, if the total value involved in such offence is .....

- a. Rs. 10 crore or more  
b. Rs. 50 crore or more  
c. Rs. 100 crore or more  
d. Rs. 200 crore or more

Ans - c

Whistle Blower Policy for public sector bank and RBI has been brought under the purview of ..... with effect from 21 April, 2004.

- a. Serious Fraud investigation Office
- b. Central Vigilance Commission
- c. Comptroller and Auditor general of India
- d. Chief Information Commissioner

Ans - b

Which is truly defined here?

- (i) Neutrality - Don't be biased behaviour among employees and customers
- (ii) Reliability - Should be understandable and clear without any glitch
- (iii) Transparency - Updated, about rights for the product, services and quality

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

Ans - d

Customer identification is required to be done for international transfer of funds of .....

- a. 50,000 and above
- b. over 50,000
- c. any value
- d. None of the above

Ans - c

Which of the following steps an organisation may take for moving towards setting up an ethical workplace?

- (i) Caring for reputation apart from results
- (ii) Rewarding good behaviour
- (iii) Focussing on the ends rather than on the means
- (iv) Developing an Ethical Manual

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

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

Ans - b

When a time draft is to be drawn on the reimbursing bank, the claim must include the following .....

- (i) General description of the good  
(ii) Country of origin  
(iii) Place of destination or performance

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

Ans - d

A fraud committed by a large number of customer on bank would basically result in .....

- a. Credit risk  
b. Liquidity risk  
c. Market risk  
d. Reputation risk

Ans - d

Purpose of setting up of CRESAI .....

- a. Prevention of frauds  
b. Increased revenue of central Government  
c. Compile statistics related to movable property  
d. Cash transactions allowed

Ans - a

Which of the following is/are not the capability of Chatbots?

- (i) Chatbots can mimic speech for simulating interaction with humans

- (ii) Chatbots can be deployed for data mining  
(iii) Chat Bots are used for orchestrating DDOS attacks

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

Ans – c

Any manufacturer or service provider who causes a false or misleading advertisement to be made shall be punished for every subsequent offence, with imprisonment up to ..... years and with fine up to Rs. .... lakh

- a. 2, 10  
b. 5, 10  
c. 2, 50  
d. 5, 50

Ans - d

MODEM does the following .....

- (i) Modulates digital signals into analogue  
(ii) Demodulates analogue signals into digital  
(iii) Converts data into image

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

Ans - d

The terms of the original irrevocable reimbursement authorization (or an authorization incorporating previously accepted irrevocable reimbursement authorization amendments) will remain in force for the reimbursing bank until it communicates its acceptance of the amendment to the .....

- a. Issuing bank  
b. Advising Bank  
c. Nominated Bank

d. Confirming Bank

Ans - a

.....  
A person having a grievance may, himself or through his authorised representative, file a complaint with CRPC through .....

- (i) Online portal (cms.rbi.org.in)
- (ii) Electronic mode (e.g. e-mail)
- (iii) Physical mode (by post/ courier or hand delivery)
- (iv) Through an advocate

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

Ans - a

..... is the international standard for integrated-circuit cards (commonly known as smart cards)

- a. ISO 7168
- b. ISO 7618
- c. ISO 7816
- d. ISO 7861

Ans - c

..... A person promising to save another from loss is called .....

- a. indemnified
- b. indemnifier
- c. collecting Banker
- d. paying banker

Ans – b

.....  
The loan accounts of Mr. X are overdrawn. Which of the following steps is not appropriate?

- a. The Bank's lawyer issues a legal notice containing various details of the loan accounts.
- b. The Bank discusses the matter with the guarantor with complete details of the loan account.
- c. The Bank informs the status of the account to CIBIL.
- d. The Bank contacts a firm that provides informally recovery services and gives the details to them.

Ans – d  
.....

Insider trading refers to .....

- (i) Employee making use of confidential information
- (ii) Passing on confidential information to relatives, friends
- (iii) Trading in the stock market without informing the bank

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

Ans – d  
.....

If a fraud takes place in a bank branch. Report is sent to the controlling office on form .....

- a. FMR 1
- b. FMR 1a
- c. FMR 2
- d. FMR 2a

Ans - a  
.....

An NBFC-MFI is defined as a non-deposit taking NBFC with minimum Net Owned Funds of Rs. ....

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

Ans - c  
.....

.....  
In respect of distinctions between Base Rate and BPLR, which of the following statements is appropriate?

- a. BPLR was less profitable for banks, base rate gave better NIM
- b. Barring few permitted exceptions, lending below base rate cannot be done whereas in case of BPLR lending below BPLR was done for various reasons
- c. Base Rate is not transparent whereas BPLR was too transparent
- d. BPLR was adverse for customers whereas base rate was more customer friendly

Ans - b  
.....

In CDR category-1, what types of loan accounts are eligible? (i) Standard, (ii) sub-standard

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

Ans - d  
.....

All saving all well as current accounts should be treated as inoperative/dormant if there are no transactions in account for period of ..... years

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

Ans - b  
.....

Branch Level Customer Service Committees should meet at least once .....

- a. 15 days
- b. 1 month
- c. 2 months
- d. 3 months

Ans - b  
.....

.....

NCPI provides which of the following interoperability services to NFS networked Cash Recyclers/Cash Deposit Machines of participating member banks? (Select the most appropriate option from the following)

- (i) PAN card registration/verification
- (ii) Card-to-Card fund transfer
- (iii) Mobile Banking Registration
- (iv) Interoperable cash deposit

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

Ans - d

.....

Relationship between bank and customer in case of goods left by mistake in custody of the bank .....

- a. Beneficiary & Trustee
- b. Trustee & beneficiary
- c. Creditor & Debtor
- d. Debtor & Creditor

Ans - b

.....

Scientific cash management in branch results in ..... (Select the most appropriate option from the following)

- (i) Significant savings in time
- (ii) Decrease in interest cost
- (iii) Less paperwork
- (iv) More Liquidity

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

Ans - a

Complaints regarding wrongful debit on account of ATM transactions should be resolved within ..... working days of receipt of customer complaint

- a. T+3
- b. T+5
- c. T+7
- d. T+10

Ans - b

Term loans mean loans .....

- (i) payable over a period of one year to ten years
- (ii) repaid in installments over a period
- (iii) utilised for acquisition of fixed assets

- 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 full form of MMID?

- a. Mobile Money Identifier
- b. Mobile Money Identifying Direction
- c. Mobile Money Identifier and Decoder
- d. None of the above

Ans - a

After how many days an account becomes SMA 2?

- a. Principal or interest payment overdue upto 30 days
- b. Principal or interest payment overdue between 31-60 days
- c. Principal or interest payment overdue between 61-90 days
- d. Principal or interest payment overdue above 90 days

Ans - c

GOI holds 100 stake in ..... (i) NABARD, (ii) SBI, (iii) NHB

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

Ans - b

Foreign currency denominated accounts maintained in India cannot be in the form of .....

- a. savings account
- b. fixed deposit
- c. current account
- d. recurring deposit

Ans – d

Which is false in terms of limited company?

- a. They implied power to borrow for trading companies
- b. Introduction is not necessary for opening a company account
- c. Death of authorised signatory does not demand stoping of payment
- d. A cheque payable to company can be deposited in personal account of director

Ans - d

If the default is above Rs. .... the creditor may initiate insolvency resolution process

- a. 20 lakh
- b. 50 lakh
- c. 1 crore
- d. 2 crore

Ans - c

In KYC guidelines, the small account where simple KYC is applicable are those account where the amount deposited in the account is restricted to .....

- a. Rs. 50000

- b. Rs. 1 lac  
c. Rs. 5 lac  
d. All the above

Ans - b

.....  
If a credit is available with any bank, amendment of reimbursement authorization must be sent to .....

- (i) Reimbursing bank  
(ii) Advising Bank

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

Ans - d

.....  
Which one of these is an indirect rate?

- a. One \$ = Rs. 39.56  
b. One pound = Rs.89.56  
c. One yen = Rs. 0.30  
d. Rs.100 = \$ 2.60

Ans - d

.....  
Preshipment credit is available in which type of letter of credit? (i) Red clause, (ii) Green clause

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

Ans - a

.....  
Record under RTI Act, 2005 includes .....

- (i) Any document, manuscript  
(ii) Any microfilm, microfiche

.....

(iii) Facsimile copy of a document

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

Ans - d

.....

X maintains SB a/c with Balance of Rs 20000 nominee being Y. On 15 June the branch receives the notice of death of X and on 17 June garnishee Order for Rs 15000 is received on that a/c. On the same day nominee claims the amount. You will .....

- a. Pay to nominee the entire amount
- b. Attach the amount for garnishee order and pay balance
- c. Settle in the ratio of 20:15
- d. Settle depending on the priority of claim

Ans - a

.....

Garnishee order is issued by .....

- a. Judgement Debtor
- b. Judgement Creditor
- c. Judgement Debtors Debtor
- d. Civil Court

Ans - d

.....

Appointment of Ombudsmen can be for maximum ..... years at a time

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

Ans - c

.....

.....

Funds in ..... cannot be freely repatriated outside India.

- a. NRE Account
- b. NRO Account
- c. FCNRb. Account
- d. SNRR Account

Ans – d

.....

In a contract of guarantee .....

- a. there are two parties and one contract
- b. there are two parties and two contracts
- c. there are three parties and three contracts
- d. there are three parties and one contract

Ans - d

.....

As per large exposure framework, the sum of all the exposure values of a bank to a single counterparty and to a group of connected counterparties must not be higher than ..... % and ..... % respectively of the bank's available eligible capital base at all times, in normal circumstances.

- a. 5, 10
- b. 10, 15
- c. 15, 20
- d. 20, 25

Ans - d

.....

Which crossing is not recognized by NI Act?

- a. Special
- b. Payee's account
- c. Not negotiable
- d. All the above

Ans - b

.....

.....  
In an organisation, managing by values has three basic elements. Which of the following are correct?  
(Select the most appropriate option from the following)

- (i) Identification of core values
- (ii) Specifying punishments for violating core values
- (iii) Communicating core values
- (iv) Aligning values and practices

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

Ans - c

.....  
..... are the sets of independent organizations involved in the process of making a product or service available for use or consumption:

- a. Selling entities
- b. Retailers
- c. Wholesalers
- d. Marketing channels

Ans - d

.....  
..... are concept of desirable behaviour, or an internalised standard or principle which evaluates, what is braced by an individual.

- a. Beliefs
- b. Values
- c. Ethics
- d. Norms

Ans - b

.....  
What is the right of nominee in case of term deposit that has not matured? (i) To obtain premature payment, (ii) Raise loan against the security of such term deposit

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

d. Both (i) and (ii)

Ans - a

Which is of the following is used for detecting, analysing, and responding to security threats?

- a. Firewall
- b. IDS
- c. SIEM
- d. IPS

Ans – c

e-RUPI can be issued upto INR ..... per voucher

- a. 5,000
- b. 10,000
- c. 20,000
- d. 50,000

Ans - b

Under Prevention of Crisis, threats or Crisis in the making, a firm needs to monitor all the factors which are beyond its control in future are called .....

- a. Screening Internally
- b. External Screening
- c. Immediate Screening
- d. Excess Screening

Ans - b

AD banks can issue International Credit Cards (ICC) to NRIs/ PIOs, and the transactions may be settled by .....

- (i) Inward remittance
- (ii) From the cardholder's FCNR (B) Accounts
- (ii) From the cardholder's NRE / NRO Accounts

a. Only (i) and (ii)

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

Ans - d

A Garnishee Order is received in the joint names of X and Y. This will attach the following balances .....

- a. RD account in the name of Y maturing after one year  
b. SB account in the name of X jointly with Mrs X  
c. Current Account of Y-Executor Estate Of Late Mr Z  
d. All the above

Ans - a

In which one of the following cases the drawee bank is required to pay the cheque presented in clearing for payment? (Select the most appropriate option from the following)

- a. A cheque for Rs. 5000/- drawn by Mr. X on this SB account. An email intimating about the death of Mr. X with a copy of death certificate has been received. The amount is debited to the account  
b. A cheque for Rs. 15000/- drawn by Mr. X on Elite Savings Bank account. The credit balance in Savings account is Rs. 20000/-. The minimum balance requirement is Rs. 10000/-  
c. A cheque for Rs. 150000/- issued by M/S ABC on their CA. The credit balance in the current account is Rs. 300000/-. A lien for Rs. 200000/- has been marked on the balances held in the current account  
d. A cheque for Rs. 500000/- drawn by ABC Ltd. on their current account. An authentic communication asking the bank to stop payment has been received before making the payment.

Ans - b

Mr. X had a 5 year TDR for Rs. 5,00,000 with Bank A maturing on 30.6.2024. Mr. X suddenly passed away on 1.2.2023. The nominee of Mr. X approached the bank with the relevant papers for payment of the deposit. The bank should .....

- a. prematurely close the deposit without any penalty  
b. pay the amount only on maturity  
c. prematurely close the deposit and charge penal interest  
d. close the deposit and pay no interest

Ans - a

VAPT (Vulnerability Assessment and Penetration Testing) aims at Identifying vulnerabilities in the .....

- (i) Network
- (ii) Server
- (iii) System infrastructure

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

Ans - d

In which of the following situation, is the bank authorised to share information?

- a. Mrs. B, wife of Mr. A comes and asks the balance in his savings bank account in single name.
- b. The balance in a savings bank account is blocked as per the attachment order of the Income Tax Officer, under advice to the customer and the Income Tax Department.
- c. Mr. T, the Teller speaks out the balance in the account of Mr. X, who has just withdrawn cash from his account.
- d. The balance in the savings account of Mr. Y, is told to an Income Tax Officer making a telephonic inquiry.

Ans – b

Core banking offers various features except .....

- a. It offers integrated products and services to customers round the clock
- b. Multiple delivery channels are possible through respective interfaces
- c. It uses centralised database where all the transactions are recorded on central server
- d. It deploys distributed database where all the transactions are maintained on branch personal computers

Ans - d

The Chairperson of DRAT holds office for a term of ..... years from the date on which he assumes his office, or until he attains the age of ..... years, whichever is earlier

- a. 3, 65
- b. 3, 70
- c. 5, 65

d. 5, 70

Ans - d

What is Gem Portal?

- a. It is a centralised online trading platform for precious stones
- b. It is a Government e-Marketplace for the procurement of goods and services
- c. It is a Government portal for emerging technologies
- d. All of the above

Ans – b

Which of the following statements are true in respect of Countercyclical Capital Buffer (CCCB) under Basel III?

- (i) CCCB is generally maintained in the form of CET-I capital only
- (ii) CCCB requires banks to build up a buffer of capital in good times which may be used to maintain flow of credit to the real sector in difficult times
- (iii) The main objective of CCCB is to achieve the broader macro-prudential goal of restricting the banks from indiscriminate lending in the period of excess credit growth

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

Ans - d

The preliminary order issued by the court while issuing Garnishee Order is called .....

- a. Preliminary Order
- b. Court Order to Bank
- c. Order Nissi
- d. Order Absolute

Ans - c

Which one of the following ethics-related actions by management is least effective in encouraging acceptance by employees of an organization's code of ethics?

- a. Management appoints an ethics officer to monitor and report to management on employee compliance
- b. Management follows ethical principles in decisions made on behalf of the organization
- c. Management keeps promises and commitments made to employees, customers, and vendors
- d. Management supports employees in adhering to ethics standards

Ans - a

X and Y go into the shop. Y says to the shopkeeper 'let him have the goods, I will see you paid'. This is a contract of .....

- a. Guarantee
- b. Bailment
- c. Indemnity
- d. Pledge

Ans - c

Which of the following is/are Characteristic of Values?

- (i) Provides standard of competence and morality
- (ii) Large in number with selective values
- (iii) Act as a measure and carry judgemental values
- (iv) Relatively perpetual and resilient to change

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

Ans - c

..... suggests that people should aspire to treat each other as they would like to be treated themselves - with tolerance and consideration (Select the most appropriate option from the following)

- a. The Golden Rule
- b. Ethical Rule
- c. Universal Rule

d. Rule of morality

Ans - a

Due date of a bill of exchange drawn on 30th January 2023 for one month will be .....

- a. 5th March 2023
- b. 3rd March 2023
- c. 29th February 2023
- d. 4th March 2023

Ans - b

ABC Bank is looking to introduce a new feature in its doorstep banking services. Which of the following would be an external factor with respect to pricing of service?

- a. Characteristics of service
- b. Price Elasticity of demand for service
- c. Social consideration
- d. Objectives of the bank

Ans - c

All complaints under IOS 2021 are received at the Central Receipts and Processing Centre (CRPC) .....

- a. New Delhi
- b. Mumbai
- c. Chandigarh
- d. Chennai

Ans - c

As a step for moving towards capital account convertibility FEMA regulations have been modified to permit residents to maintain accounts denominated in Foreign Currency in India.

- (i) Exchange Earner's Foreign Currency (EEFC) Account - EEFC Account
- (ii) Resident Foreign Currency (RFC) Account - RFC Account
- (iii) Resident Foreign Currency (Domestic) Account – RFC (D) Account
- (iv) Diamond Dollar Account (DDA) Scheme – DDA Account

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

Ans - d

.....

Bank note which is misprinted by RBI is replaced by issuing a ..... note

- a. Sun series
- b. Moon series
- c. Planet series
- d. Star series

Ans - d

.....

Provision for standard accounts in direct agriculture and SME accounts is to be made at .....

- a. 0.20%
- b. 0.25%
- c. 0.50%
- d. 0.75%

Ans - b

.....

NRIs and PIOs are permitted to maintain accounts in Foreign Currency with ADs in India under FCNR(B) Scheme. Tenor of Deposit will be: Minimum ..... and maximum .....

- a. 1 year, 2 years
- b. 1 year, 3 years
- c. 1 year, 5 years
- d. 2 year, 5 years

Ans - c

.....

Authorised capital is Rs.10 lac. Paid up capital Rs.6 lac. The loss of previous year is Rs.1 lac. Loss in current year is Rs.2 lac. The tangible network is .....

- a. Rs.1 lakh
  - b. Rs.2 lakhs
- .....

- c. Rs.3 lakhs  
d. Rs.4 lakhs

Ans - c

In case a customer protests any Credit card bill, the bank/NBFC should provide an explanation and if necessary, documentary evidence to the customer, within a maximum period of ..... days of complaint.

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

Ans - c

Which is true for Business Ethics?

- (i) It is a moral principle system  
(ii) It asks about what morally correct or incorrect in a situation  
(iii) It includes thinking and based on principle and ideas

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

Ans - d

Provisions of SRFAESI Act, 2002 is not applicable to .....

- a. Pledge of movables property  
b. Hypothecation of immovable property  
c. Lien  
d. a & c

Ans - d

Direct sales agent should not call customers, who have expressed their lack of interest for the offering for the next ..... with the same offer

- a. 1 month
- b. 3 months
- c. 6 months
- d. 9 months

Ans - b

.....

What is the limit on the amount of compensation as specified in an Award by banking ombudsman?

- a. Rs. 10 lakhs
- b. Rs. 20 lakhs
- c. Rs. 30 lakhs
- d. Rs. 50 lakhs

Ans – b

.....

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

.....

Bank credit to NBFCs (including HFCs) for on-lending, as per Loans to NBFCs and Loans to HFCs, should be within ..... of its total priority sector lending, averaged across four quarters

- a. 5%
- b. 10%
- c. 20%
- d. 25%

Ans - a

.....

Return on Large Borrowers (Form A) [Part D of Return on Large Credit in the revised XBRL based system] covered borrowers with exposure (both fund and non-fund based) of more than Rs. ....., for creation of central repository of large credits across banks

- a. 10 Lakh
- b. 100 Lakh
- c. 10 million
- d. 100 million

Ans - d

The maximum debt period in case of domestic factoring normally permitted is ..... inclusive of maximum grace period of ..... (Select the most appropriate option from the following)

- a. 120 days, 30 days
- b. 150 days, 30 days
- c. 120 days, 60 days
- d. 150 days, 60 days

Ans - d

Which of these are factors of Organisational Factors?

- (i) Company Policies, Rules, Work-Procedures and Systems
- (ii) Organisational Culture and Shared Values
- (iii) Organisational Structure, authority- orientation and hierarchy in the organisation
- (iv) Attitude of top management towards ethical problem solving

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

Ans - d

If an employee who is in possession of the information sells the stocks or advised friends to sell and get out of stock called .....

- a. Bribe
- b. Sexual Harassment
- c. Insider Trading

d. Whistle blower

Ans - c

.....

Which insurance does not have indemnity contract?

- a. Life
- b. Health
- c. Either a or b
- d. Neither a nor b

Ans - a

.....

In case of SMEs, the registration is mandatory in case of .....

- a. Medium enterprises in servicing
- b. Small manufacturing enterprises
- c. Manufacturing medium enterprises
- d. None of the above

Ans - c

.....

Who can't be a nominee of a deposit account?

- a. A single individual
- b. Non-relative
- c. Non-resident
- d. Trust

Ans - d

.....

The term liquid surplus refers to .....

- a. Gross working capital
- b. Excess of current assets over current liabilities
- c. Excess of owned funds over outside borrowings
- d. Excess of limit sanctioned less availed by the borrower

Ans - b

.....

.....

Banks should place a detailed statement of complaints, received at branches or Head Office on their website for information of the general public at the end of each financial year. This should exclude those resolved within the .....

- a. following day
- b. following working day
- c. 7 days
- d. 14 days

Ans - b

.....

A loan granted for short duration crops will be treated as NPA, if the instalment of principal or interest thereon remains overdue for ..... crop seasons

- a. 1
- b. 2
- c. 3
- d. 4

Ans - b

.....

Bill of lading, Railway Receipt are negotiable instruments under .....

- a. NI Act
- b. Sec 3 of Transfer of Property Act
- c. Sec 137 of Transfer of Property Act
- d. Sale of Goods act

Ans - c

.....

On receipt of a Garnishee Order on the customers account the bank .....

- a. Loses its right of set off
- b. must stop operation of all accounts of the customer (Both debit & credit)
- c. is no more obliged to honour customer's cheques
- d. All of these

Ans - c

.....

.....  
In cases where the responsibility is not with the bank or the customer, but elsewhere in the system and when there is a delay (4 to 7 working days after receiving bank's the communication) in notifying the bank of such a transaction, the per transaction liability of the BSBD Account customer shall be limited to .....

- a. 1000
- b. 5000
- c. 10000
- d. 25000

Ans - b  
.....

The quarterly financial results of companies and banks are to be declared / published under directions provided by .....

- a. RBI
- b. SEBI
- c. Govt of India
- d. None of the above

Ans - b  
.....

In bank guarantees, the bank makes payment on .....

- a. being convinced that the beneficiary has incurred loss
- b. being sued by the beneficiary
- c. the guarantee being invoked after seeking concurrence of the debtor
- d. merely on demand by the beneficiary

Ans - d  
.....

For opening a Sukanya Samridhhi Yojana Account (SSY), the child's age on the date of opening the account should be .....

- a. 8 years or younger
- b. 8 years or older
- c. 10 years or younger
- d. 10 years or older

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

BCSBI had in collaboration with the Indian Banks' Association (IBA), evolved and issued following Code/s

- (i) Code of Bank's Commitment to Customers (issued in 2006 and revised in 2018)
- (ii) Code of Bank's Commitment to Micro and Small Enterprises (MSE Code)

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. None of the above

Ans - c

Protection in Patent is granted for a limited period of .....

- a. 5 years
- b. 10 years
- c. 15 years
- d. 20 years

Ans - d

Clip system refers to a few notes in a section which are clipped together at .....

- a. The end of the section
- b. Middle of the section
- c. Top of the section
- d. Any one of the above

Ans - c

Bank should settle claims in respect of deceased depositors and release payment to survivors /nominee on production of proof of death of depositor and suitable identification of claimants to bank's satisfaction within a period not exceeding .....

- a. 7 days
- b. 15 days
- c. 21 days
- d. 30 days

Ans - b

.....  
The party which is ordered to pay the amount of bill of exchange is called .....

- a. Drawee
- b. Payee
- c. Drawer
- d. None of the above

Ans - a  
.....

What is the extent of CGTMSE Guarantee Coverage for the Units located in in Sikkim, where credit facility is 40 lakhs?

- a. 50 %
- b. 75 %
- c. 80 %
- d. 85 %

Ans - c  
.....

The Right to Information Act has been divided into how many chapters?

- a. 6 Chapters
- b. 4 Chapters
- c. 5 Chapters
- d. 7 Chapters

Ans - a  
.....

e-RUPI can not be issued for the ..... category.

- a. Person-to-Person (P2P)
- b. Business to Consumer (B2C)
- c. Business to Business (B2B)
- d. None of the above

Ans – c  
.....

Which of the following is one of the reasons for unethical behavior among banking professionals?

- (i) Emphasis on short term results
- .....

- (ii) Ignoring small unethical issues  
(iii) Economic cycles

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

Ans - d

.....

A joint account is in the name of Hari and Krishna with instructions "either or survivor" Hari grants a power of attorney in favour of Lakshman. We should .....

- a. Not allow Lakshman to operate the account without oral confirmation of Krishnan  
b. Allow Lakshman to operate account as either of a/c holder is Competent to appoint an attorney  
c. Not allow Lakshman to operate the account  
d. None of the above

Ans - c

.....

Loan to Value Ratio (LTV) for vehicle loans upto 10 lacs is ..... of 'on road price' of the car

- a. 75%  
b. 80%  
c. 85%  
d. 90%

Ans - c

.....

Which is true in context of Trust account?

- (i) Death of one trustee, authority to remaining trustee) & when all dead new trustee by court appointed  
(ii) In case of two or more trustees, unless specially stated in trust deed all trustee can operate it  
(iii) Insolvency of trustee is not the insolvency of trust

- 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 coupon bonds, which of the following statements is correct?

- a. These bonds are issued at a discount
- b. The coupons in such bonds refer to the amount of principal that will be redeemed periodically
- c. These bonds are traded in secondary market at Yield to Maturity (YTM) based on market rate of interest
- d. In the secondary market, the price of these bonds are determined by the financial performance of the company

Ans - c  
.....

A person wants to raise loan from the bank. The loan can be given against .....

- a. FDR of other bank
- b. Share of same bank
- c. Surrender value of Life Policy
- d. All the above

Ans - c  
.....

In KYC guidelines, the small account where simple KYC is applicable are those account where the amount deposited in the account is restricted to .....

- a. Rs. 50000
- b. Rs. 1 lac
- c. Rs. 5 lac
- d. All the above

Ans - b  
.....

In a deferred payment guarantee, which of the following terms are mandatory?

- (i) there is supply of goods by the seller to the buyer, and the seller agrees to postpone the payment of the price - this is the consideration of the guarantee
- (ii) the payment schedule of both the instalment and the interest
- (iii) unconditional and irrevocable assurance of the bank that it would make payments on the invocation of the guarantee.

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

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

Ans – d

With a view to encourage availability of affordable housing to economically weaker sections (EWS) and low income groups (LIG), where the cost of the house/dwelling unit does not exceed Rs. ....., banks may add stamp duty, registration and other documentation charges for calculating LTV ratio.

- a. 5 lakh
- b. 6 lakh
- c. 10 lakh
- d. 12 lakh

Ans - c

5G network technology uses .....

- a. Micro waves
- b. Nano waves
- c. Centimetre waves
- d. millimetre waves

Ans – d

The risks broadly lead to .....

- (i) Incorrect decision making leads to setbacks to the business
- (ii) Interruption in activities due to loss of data, hardware, software, peopleware
- (iii) Violation of privacy
- (iv) Direct financial loss due to computer frauds

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

Ans – d

.....  
Ceilings for Exposure of Banks to a single NBFC (excluding gold loan companies) is maximum ..... of the bank's Tier I capital

- a. 20%
- b. 25%
- c. 30%
- d. 50%

Ans - a  
.....

The amount in a cheque is written differently in words and figures and amount written in words is higher of the two. In that case, .....

- a. Amount written in number will be paid
- b. Amount written in words will be paid
- c. Lesser Amount will be paid
- d. Higher Amount will be paid

Ans - b  
.....

Under the contract of guarantee, a creditor .....

- a. has to avail his remedies first against the principal debtor
- b. can avail his remedies against the principal debtor as well as the surety
- c. can avail his remedy against the surety alone
- d. both b and c

Ans - a  
.....

Promotion seeks to influence the buyer in decision-making through .....

- (i) Persuasion
- (ii) Reminding
- (iii) Compulsion

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

Ans - a  
.....  
.....

What is the full form of CORE in core banking solution?

- a. Customer online Rupee exchange
- b. Customer online real-time environment
- c. Centralised online rupee exchange
- d. Centralized online real-time environment

Ans - d

The asset of the mutual fund are held by .....

- a. Custodian
- b. AMC
- c. Trustees
- d. Registrar

Ans - a

Activities that cannot be outsourced .....

- (i) Internal audit
- (ii) Decision making functions
- (iii) Management of Investment Portfolio

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

Ans - d

Time limit for periodic updation of KYC for existing low/medium/high risk customers is .....

- a. 5/10/2 years
- b. 7/10/2 years
- c. 10/8/2 years
- d. 5/3/2 years

Ans - c

.....  
You receive a Garnishee Order at 11 AM. It will attach the following .....

- a. Money deposited in the account at 1 PM
- b. Money withdrawn at 10.50 AM which is yet to be paid by the cashier
- c. The proceeds of clearing cheque credited at 10 AM subject to clearance by the drawee Bank
- d. The sale of shares of customer which is sold by Bank as agent are yet to be deposited in SB a/c

Ans - b  
.....

The consequences of errors in computerised systems are more serious than in manual systems because .....

- (i) Computer systems process huge amounts of data.
- (ii) Errors in computer systems are generated at high speed, and the cost to correct may be high
- (iii) Users of computer systems perceive the computer outputs to be always correct

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

Ans – d  
.....

Keeping goods in safe custody is as per provisions of .....

- a. NI Act
- b. Indian Partnership Act
- c. Indian Contract Act
- d. All the above

Ans - c  
.....

Bank note which is misprinted by RBI is replaced by issuing a ..... note

- a. Sun series
- b. Star series
- c. Planet series
- d. Moon series

Ans - b  
.....  
.....

Right to retain goods is called .....

- a. Assignment
- b. Right of set of
- c. Pledge
- d. Lien

Ans - d

.....

Compensation for consequential loss (directly out of the act or omission of the bank) - to the extent of actual loss, with ceiling of .....

- a. Rs. 5 lakh
- b. Rs. 10 lakh
- c. Rs. 15 lakh
- d. Rs. 20 lakh

Ans - d

.....

Who can make a valid pledge?

- a. Owner of the goods
- b. A mercantile agent
- c. Seller of goods, who continues to be in possession of the goods even after sale
- d. All the above

Ans - d

.....

NARCL has been set up with a strategic initiative to clean up the legacy stressed assets with an exposure of Rs ..... crores and above in the Indian Banking system

- a. 10
- b. 50
- c. 100
- d. 500

Ans - d

.....

Central Consumer Protection Council (CPC) can have maximum ..... members

- a. 12
- b. 25
- c. 36
- d. 50

Ans - c

Which of the following is a remedy for Unethical Behaviour?

- (i) Develop Ethics Manual
- (ii) Nipping of Unethical behaviour in bud
- (iii) Appreciation and rewards for Ethical behaviour

- 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 minimum credit rating of company to be eligible to issue commercial paper?

- a. A-1
- b. A-2
- c. B-1
- d. B-2

Ans - b

NRIs/ PIOs, can remit up to ..... per FY from NRO deposits and assets acquired from parents/relatives

- a. USD 1 lakh
- b. USD 5 lakh
- c. USD 1 mn
- d. USD 5 mn

Ans - c

What is the frequency of publication of MIBOR?

- a. Daily
- b. Weekly
- c. Monthly
- d. Yearly

Ans - a

Corporate Governance refers to ..... (Select the most appropriate option from the following)

- a. A set of rules outlining the norms, rules and responsibilities of and or proper practices for, an individual
- b. A guide of principles designed to help professionals conduct business honestly and with integrity
- c. The developed formal systems of accountability, oversight and control of the company to eliminate the opportunity for employees to make unethical decisions
- d. The regulations and related rules that define the working conditions and terms of employment for staff in an organisation

Ans - c

Customers are eligible for ..... free transactions (inclusive of financial and non-financial transactions) every month from their own bank ATMs

- a. 3
- b. 4
- c. 5
- d. 6

Ans - c

According to turnover method, for calculation of working capital limits, working capital requirement (Gross current Asset is ) is: .....

- a. 20% of projected annual sales
- b. 25 % or last two years sales average
- c. 25% of projected annual sales
- d. 20% of sale of previous year

Ans - c

What can be the group size of SHG in case of difficult areas, deserts, hill areas, areas scattered with sparse population & in case of minor irrigation and disabled?

- a. 10 to 20
- b. 5 to 20
- c. 5 to 30
- d. 10 to 30

Ans - b

.....

DAY-NRLM will have both men and women in the Self-Help Groups, only for groups to be formed with .....

- a. Persons with disabilities
- b. Elders
- c. Transgender
- d. All the above

Ans - d

.....

Without end to end encryption transfer up to Rs ..... is permitted through mobile

- a. 1000
- b. 5000
- c. 10000
- d. 25000

Ans - b

.....

If the drawer is in need of money and cannot wait till the due date and receive the money from the bank, is called?

- a. Endorsement of bill
- b. Discounting of bill
- c. Retirement of bill
- d. Dishonor of bill

Ans - b

.....

.....

A distribution channel has several ..... points

- a. Exchange
- b. Distribution
- c. Selling
- d. Buying

Ans - a

.....

Mortgagee enjoys the income of the mortgaged property in case of which mortgage .....

- a. Simple Mortgage
- b. Usufructuary mortgage
- c. English mortgage
- d. Mortgage by deposit of title-deeds

Ans - b

.....

CDR in case of SME account, which is not correct?

- a. SME financed by any bank for any amount
- b. For corporate account, financing by one bank
- c. For corporate account from many banks for amount above Rs.10 lac
- d. None of the above

Ans - c

.....

SHG save regularly and convert their savings into a common fund known as .....

- a. Capital of group
- b. SHG corpus
- c. Group Corpus
- d. Funds of SHG

Ans - c

.....

A direct marketing channel is also called ..... level channel

- a. Zero
- b. One

.....

- c. Two  
d. Three

Ans - a

Golden Rule Says .....

- a. Don't react to others  
b. Do as you wish to behave  
c. Do as you want others to do to you  
d. All of the above

Ans - c

Under the interest subvention scheme included in Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM), in ..... districts ..... are eligible for interest subvention on credit upto Rs. 3 lakh at subvented rate of ..... per annum. (Select the most appropriate option from the following)

- a. 200, women SHGs, 4 percent  
b. 200, women SHGs, 7 percent  
c. 250, women SHGs, 4 percent  
d. 250, women SHGs, 7 percent

Ans - d

..... is the use of customer-direct (CD) channels to reach and deliver goods and services to customers without using marketing middlemen.

- a. Direct selling  
b. Direct marketing  
c. Both the above  
d. None of the above

Ans - c

The letter of credit is opened on the request of .....

- a. Issuing bank  
b. Applicant  
c. Beneficiary

d. Confirming bank

Ans – b

Which is true for CHAPS?

- (i) Clearing House Automated Payment system
- (ii) It's a UK based clearing house
- (iii) They do high value payments and messages by passing it through encryption and authentication messages

- 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 not a main function performed by labels?

- a. Identifying the product or brand
- b. Increasing shareholder's value
- c. Describing information about the product, manufacturer, user instructions and other prescribed particulars
- d. Promoting the product through attractive graphics

Ans - b

Bank to return the securities /documents /title deeds to mortgaged property within how many working days of payment of all dues to it ?

- a. 7 days
- b. 10 days
- c. 15 days
- d. 30 days

Ans - c

.....

A bond issued at a discount & repaid at its face value is called a .....

- a. Coupon bond
- b. Convertible bond
- c. Commercial paper
- d. Zero coupon bond

Ans - d

.....

If a customer has any other existing saving bank account in that bank, he will be required to close it within ..... days from date of opening BSBDA account

- a. 15
- b. 21
- c. 30
- d. 60

Ans - c

.....

In reference to the right of set-off, which one of the following statements is incorrect?

- a. If deposit is in the name of partnership firm and the loan is in the name of partner, the right of set off is not available
- b. If deposit is in the name of trust and the loan is in the name of trustee, the right of set off is available
- c. If deposit is in the name of proprietor and the loan is in the name of proprietorship firm, the right of set off is available
- d. If deposit is in the name of dividend account of the company and the loan is in the name of company, the right of set off is not available

Ans - b

.....

Which of the following is not part of the chain between producer & consumer?

- a. Distributor
- b. Vendor
- c. Wholesaler
- d. Retailer

Ans - b

.....

Which of the following statements is correct?

- a. Rights share is a share issued to a subscriber of warrants in a public issue
- b. Participating Preference shares provide the right to the shareholders to participate in the management of the company
- c. Bonus shares are issued to the subscribers to a public issue at premium for allotment below certain threshold
- d. Cumulative preference share is a type of preference share on which dividend accumulates if it remains unpaid

Ans - b

Which of these is/are applicable in Golden Rule?

- (i) Everything u want others to do to you, you should do to others.
- (ii) Do not do to others that you wish them to do to you.
- (iii) Do not do anything to others something, which if done to you can cause harm to you
- (iv) Do to others that you wish them to do to you

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

Ans - c

A customer wrote the date on a cheque in Hindi, in the following manner, 'Asadha 10, 1933'. What should the paying banker do when present with the cheque?

- a. Cheque should be accepted for payment if otherwise in order
- b. Cheque should be returned to the customer.
- c. Customer should be asked to replace the cheque with a fresh cheque with English date.
- d. Cheque should be cancelled and destroyed

Ans - a

A contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself, is called .....

- a. frustrated contract
- b. contract of guarantee

- c. contract of indemnity  
d. contingent contract

Ans - d

To treat each other with utmost respect. Courtesy is a major element of Dignity. It deals with which principle of business Ethics?

- a. Goodwill  
b. Prudence  
c. Dignity  
d. Honesty

Ans - c

What is the minimum premium life for APY?

- a. 10 years  
b. 15 years  
c. 20 years  
d. 25 years

Ans - c

Which of the following are Proactive Capabilities?

- (i) Preparation  
(ii) Eradication  
(iii) Detection Analysis

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

Ans - b

The following will be attached by a Garnishee Order .....

- a. proceeds of cheque purchased and credited to account pending realisation of the cheque

- b. Proceeds of cheque sent in clearing and credited to account pending realisation  
c. Proceeds of cheque sent on collection, realised but not credited to the account  
d. All of these

Ans - a

.....

Loan to minor can be given in the following case

- a. Against DBD  
b. Against LIC policy  
c. In the name of minor  
d. In the name of father

Ans - d

.....

There are multiple Electronic Payment Systems in India. Which of the following statements are true with respect to these payment systems? (Select the most appropriate option from the following)

- (i) The upper limit for a transaction through NEFT is Rs. 2 crore  
(ii) IMPS is available on multiple channels like mobile, internet, ATM, Branch etc.  
(iii) NACH facilitates interbank, low volume transactions which are payable monthly  
(iv) BBPS is umbrella system for payment of all bills

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

Ans - d

.....

A minor admitted for benefits in a firm wants to withdraw from the firm on attaining majority. How much time is available to him to do so .....

- a. 6 months from date of majority  
b. 6 months from date of information to him that he was admitted for benefits  
c. Either a or b whichever is later  
d. Either a or b whichever is earlier

Ans - c

.....

NSC pledged with post office with nomination in favour of XYZ. Bank's claim against these NSCs .....

- a. Will have priority only after nominee
- b. Has to be decided in court
- c. Will have priority
- d. None of the above

Ans - c

Who cannot be a partners?

- a. HUF
- b. Illiterate
- c. Blind person
- d. company

Ans - a

Which of the following statements are correct?

- (i) Social Media Network is dynamic and a flexible medium that keeps changing in terms of content
- (ii) in Social Media Marketing, marketers are able to interact with the customers in 'real time' basis
- (iii) Social Media Network spreads across variety of channels and medium

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

Ans - d

Under lien, the lien holder has a right .....

- a. to sell the security by given notice
- b. to retain the security till the loan is repaid fully
- c. the ownership of security is transferred to bank
- d. possession remain with the bank

Ans - b

.....  
Garnishee order will be applicable to accounts if the relation between the banker and customer is .....

- a. Debtor and creditor
- b. Creditor and debtor
- c. Agent and principal
- d. Bailor and bailee

Ans - a

.....

Marketing channel refers to .....

- a. A set of independent org involved in process of making product or service available for consumption
- b. A set of firms who handle the physical movement of goods from one point to another
- c. A physical channel for movement of goods from the seller to the buyer
- d. Different deptt of the producer firm which are associated in ensuring delivery of goodsto the buyer

Ans - a

.....

What is the Relationship between the Bank and the customer in Safe custody?

- a. Bailee and Bailor
- b. Debtor and Creditor
- c. Trustee and Beneficiary
- d. Lessor and Lessee

Ans - a

.....

Credit Voucher of Rs 100 favouring Tarun was wrongly posted to Vicky by bank, the relationship of Vicky and Bank is .....

- a. Trustee - Beneficiary
- b. Agent - Principal
- c. Bailor - Bailee
- d. Creditor - Debtor

Ans - d

.....

There should be two partners to open a partnership account in bank. Which is correct?

- a. X aged 20 years and Y aged 17 years

.....

- b. X aged 34 years and Y aged 50 years but not sound minded  
c. X aged 25 years and Y aged 16 years with guardian Mohan  
d. X aged 39 years and Y aged 24 years and Z aged 15 years is only added to enjoy benefits as partner

Ans - d

If the garnishee/attachment order is for a limited amount which is less than the credit balance in the account, then .....

- (i) The attached amount can be transferred to a sundry deposit account for eventual payment to the court/income-tax authority  
(ii) Thereafter operations may be permitted in the account  
(iii) Thereafter operations may not be permitted in the account

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

Ans - a

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

If a card is issued/ existing card upgraded and activated without explicit consent of the recipient and is billed for the same, the card-issuer shall reverse the charges, and also pay a penalty of ..... the charges.

- a. Equal to  
b. Twice  
c. Thrice  
d. None of the above

Ans - b

Maximum Insurance charges payable by a farmer for Food & Oilseeds crops (Kharif) is ..... % of Sum Insured or Actuarial rate, whichever is less.

- a. 1.5
- b. 2
- c. 2.5
- d. 5

Ans - b

Which of the following statement is false?

- (i) In a deferred payment guarantee, the guarantee is to ensure delivery of goods.
- (ii) A deferred payment guarantee is mostly based on a primary contract between the buyer and the seller.
- (iii) A deferred payment guarantee differs from other kinds of guarantee issued by banks as regards payment liability of the bank on invocation.
- (iv) In a deferred payment guarantee the banks liability comes into existence only if all the instalments are not paid and not on the non-payment of any one instalment by the customer.

- a. (i), (ii) and (iii)
- b. (ii) and (iii)
- c. (i), (iii) and (iv)
- d. All the statements are false.

Ans – c

Area covered under LAN generally .....

- a. 100 Meters
- b. 150 Meters
- c. 200 Meters
- d. 500 Meters

Ans - b

Discounting Charges = .....

- a. Amount of Bill Discounted × Rate × Unexpired Period
- b. Amount of Bill Discounted × Rate / Unexpired Period
- c. Amount of Bill Discounted × Rate + Unexpired Period

d. Amount of Bill Discounted + Rate × Unexpired Period

Ans - d

As per Family Life Cycle, "Married with young children" are in the ..... stage.

- a. Young Bachelor
- b. Half Nest
- c. Full Nest
- d. Empty Nest

Ans - b

Bank employees are expected not to accept bribes while .....

- (i) Credit appraisal & Loan Disbursement
- (ii) Monitoring and recovery of loans
- (iii) Marketing of bank products and services

- 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 maximum amount of loan for obtaining guarantee under CGTMSE of SIDBI?

- a. Rs. 20 lac
- b. Rs. 30 lac
- c. Rs. 40 lac
- d. Rs. 50 lac

Ans - d

Banks can extend financial assistance for factoring business of Factoring Companies where receivables purchased/ financed, on 'with recourse' or 'without recourse' basis, form at least ..... of the assets

- a. 25%
- b. 50%

- c. 75%  
d. 80%

Ans - b

Multiplexer is used to .....

- (i) Store and forward data to large number of terminals over single communication channel.  
(ii) Send more than one signal simultaneously over single Communication channel  
(iii) Intercept and Handle communication activities for host computer

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

Ans - d

Who will sign in the HUF Bank Account opening form?

- a. Only Karta  
b. Karta & all coparceners  
c. Karta & all signatories  
d. All the members of HUF

Ans - c

In case the company on whose behalf the invoked bank guarantee was issued is in liquidation the bank should .....

- a. must make payment to the liquidator and not to 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 applicant company being liquidated

Ans – c

Loan system of credit delivery is not applicable in case of .....

- a. Software industry
- b. Pharma industry
- c. Steel industry
- d. None of the above

Ans - a

.....

Presiding Officer of DRT holds office for a term of ..... years from the date on which he assumes his office, or until he attains the age of ..... years, whichever is earlier

- a. 3, 65
- b. 3, 70
- c. 5, 65
- d. 5, 70

Ans - c

.....

Certification Test for marketing & selling of mutual fund products is conducted by .....

- a. SEBI
- b. NSE or BSE
- c. AMFI
- d. RBI

Ans - c

.....

Information Technology (IT) has broadly been used under two different avenues in banking. One is communication and connectivity, and the other is .....

- a. Digital Rights Management (DRM)
- b. Business Process Re-engineering (BPR)
- c. Intellectual Property Rights (IPR)
- d. Data Leak Prevention (DLP)

Ans – b

.....

.....

The nomination facilities in bank accounts have been introduced as per the recommendations of ..... committee?

- a. Talwar
- b. Tambe
- c. Nayak
- d. Damodaran

Ans - a

.....

Cash-out at any ATM of more than ten hours in a month attracts a flat penalty of Rs. .... per ATM

- a. 2,000
- b. 5,000
- c. 10,000
- d. 20,000

Ans - c

.....

To sell an NPA, the account must remain in the books of seller bank .....

- a. for 12 months as NPA
- b. for 18 months as NPA
- c. for 24 months as NPA
- d. for 30 months as NPA

Ans - c

.....

What is the highest limit of POS withdrawal per day per card in Tier I and II centres?

- a. Rs. 1000
- b. Rs. 2000
- c. Rs. 5000
- d. Rs. 10000

Ans - b

.....

Factors influencing the management of dilemma can be classified into .....

(i) Business Factor

.....

(ii) Organisational Factors

(iii) Individual Factor

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

Ans - a

.....

Risk weight for bill purchased under LC, for capital adequacy purposes is .....

- a. 0.20%
- b. 0.25%
- c. 0.50%
- d. 0.75%

Ans - a

.....

Ethical Dilemma occurs when there is a clash between .....

- a. Two wrongs
- b. Two rights
- c. One right and one wrong
- d. Two rights and one wrong

Ans - b

.....

Which of the following are the Factors which influence the ethical behaviour at work?

- (i) Individual moral standards
- (ii) The influence of managers and co-workers
- (iii) Internal politics

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

Ans - a

.....

For a projected Net Working Capital, a borrower should maintain a current ratio of .....

- a. 1.15 to 1.27
- b. 1.17 to 1.25
- c. 1.16 to 1.24
- d. 1.19 to 1.27

Ans - b

Suspicious transaction report (STR) should be furnished within ..... days of arriving of conclusion of any transaction.

- a. 5 days
- b. 7 days
- c. 10 days
- d. 15 days

Ans - b

Which of the following statements is/are true?

- (i) There are three parties to a contract of indemnity, the indemnifier, the indemnity holder and the person on whose behalf the indemnity is given.
- (ii) Indemnifier's liability occurs only if the indemnity holder suffers loss.
- (iii) Customers as a matter of right and without an indemnity can obtain duplicate of demand drafts or travellers' cheques.
- (iv) Indemnities are required by banks purely as a formality and does not serve any other purpose.

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

Ans – b

A minor has a deposit account which is operated by his father & natural guardian. If the latter dies, who can receive the proceeds during the minority of the minor?

- a. Minor himself
- b. grandfather
- c. court appointed guardian.

d. None of these

Ans - c

.....  
Beyond what period, interest on delay in collection is to be paid for cheques drawn on State Capitals/Major Cities/other locations.....

- a. 5/7/8 days
- b. 7/10/14 days
- c. 4/7/10 days
- d. 10/14/20 days

Ans - b

.....  
What is full form of FRBM?

- a. Financial Responsibility & Budget Management Act
- b. Financial Responsibility & Budget Maintenance Act
- c. Fiscal Responsibility & Budget Management Act
- d. Fiscal Responsibility & Budget Maintenance Act

Ans - c

.....  
A resident is permitted to acquire or hold property outside India in specified situations like .....

- (i) Property acquired when the person was resident outside India
- (ii) Property inherited/received as a gift from such a person
- (iii) Purchased out of funds in RFC account
- (iv) Jointly with a person resident outside India

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

Ans - d

.....  
A banker is expected to honour the cheques within the specified banking hours as per Section ..... of NI Act, 1881

- a. 22
- b. 25
- c. 40
- d. 65

Ans - d

.....

In case of certain customer-bank situations, the customer completely depends and believes the advice of the bank. This relationship is called .....

- a. Banker-customer relationship
- b. Agent-principal relationship
- c. Trustee-beneficiary relationship
- d. Client relationship

Ans - c

.....

Under PMSBY, the risk coverage available for permanent partial disability is .....

- a. Rs. 100000
- b. Rs. 200000
- c. Rs. 300000
- d. Rs. 500000

Ans - a

.....

Which of the following requirements of a borrower are met out by way of cash credit account?

- a. Non-current Assets
- b. Fixed assets
- c. Working capital
- d. Current liabilities

Ans - c

.....

.....

RBI maintains the list of willful defaulters with a cut of limit of Rs. .... & above.

- a. 10 lacs
- b. 20 lacs
- c. 25 lacs
- d. None of the above

Ans - c

.....

Cross-selling is not effective for which one of the following products?

- a. Debit Cards
- b. Savings Accounts
- c. Internet Banking
- d. Pension loans

Ans - d

.....

Under DEAF, any amount remained unclaimed for more than ..... years shall be credited to this fund within a period of ..... months from expiry of said period.

- a. 3 years, 3 months
- b. 5 years, 6 months
- c. 10 years, 3 months
- d. 10 years, 6 months

Ans - c

.....

Which of the following statements is/are correct?

- (i) Ethics and morals are synonymous
- (ii) Ethics and morals are different
- (iii) Ethics deals with individual character

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

Ans - d

.....

.....

When a bank confirms an irrevocable transferable Letter of Credit, it assumes the credit risk of which party?

- a. The applicant
- b. The issuing bank
- c. The first beneficiary
- d. The second beneficiary

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

Network behaviour anomaly detection (NBAD) based systems are particularly helpful in detecting security threat vectors where signature-based systems cannot .....

- (i) new zero-day attacks
- (ii) when the threat traffic is encrypted such as the command and control channel for certain Botnets

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. None of the above

Ans - c

What is the tenure of banking ombudsman?

- a. 1 years
- b. 3 years
- c. 5 years
- d. no such time limit

Ans - b

Which utilitarianism articulates that for an action to be right, it should conform to valid rules of conduct, and if rules are violated, it is considered as wrong?

- a. Hedonistic Utilitarianism
- b. Rule Utilitarianism
- c. Act Utilitarianism
- d. Agathistic Utilitarianism

Ans - b

A locker hirer who is visually challenged wants to take a person with him to operate the locker. What bank should do?

- a. Bank will not permit as he is a stranger.
- b. Yes will permit if authorized by the account holder in writing
- c. Yes will permit in that case the locker will be operated in presence of the manager or an officer of the bank
- d. Yes if he is a kith or kin

Ans - b

Which of the following is not function of distribution or marketing channels?

- a. Market information
- b. Promotion of the product
- c. Contact with the buyers
- d. None of the above

Ans - d

Personal values serve which of the following purposes? (1) standard of behavior, (2) decision making and conflict resolution, (3) perception and motivation of employees, (4) strong influence on behaviour and attitude

- a. 1 and 2
- b. 1 to 4
- c. 2 to 4
- d. 1 only

Ans - b

Bank loan to Housing project for Economically weaker section comes under Priority Sector if the total cost per unit does not exceed Rs. ....

- a. 2 lac
- b. 5 lac
- c. 10 lac
- d. None

Ans - c

Which of the following best describes the term Bancassurance?

- a. An insurance scheme to insure bank deposits
- b. An insurance scheme to insure bank advances
- c. A composite financial service offering both bank and insurance products
- d. A bank deposit scheme exclusively for employees of insurance companies

Ans - c

Banks will comply with any request for cancellation promptly and confirm cancellation/closure of the card to customer within ..... working days of the request received

- a. 3
- b. 5
- c. 7
- d. 10

Ans - c

What is the limit for housing loans in metropolitan centers under priority sector?

- a. Rs 15 lakh
- b. Rs 20 lakh
- c. Rs 28 Lakh
- d. Rs 35 lakh

Ans - d

Banking services mainly depend upon which of the following distribution channel?

- a. Consumer distribution channel
- b. Business distribution channel
- c. Direct distribution channel
- d. All the above

Ans - d

..... is the use of customer-direct (CD) channels to reach and deliver goods and services to customers without using marketing middlemen.

- a. Direct selling
- b. Direct marketing
- c. Both the above
- d. None of the above

Ans - c

What is the relationship of a banker & customer in case of goods left by the customer by mistake in the bank?

- a. Bailee- bailor
- b. Lessor-lessee
- c. Creditor-debtor
- d. Trustee-beneficiary

Ans - d

Higher Working Capital means .....

- a. More Risk and More Profits
- b. Less Risk and More Profits
- c. Less Risk and Less Profits
- d. More Risk and Less Profits

Ans - c

.....  
A Letter of Credit calls for the beneficiary's invoice in three copies. Which of the following requirements is mandatory for a complying presentation?

- a. All must be signed
- b. All must be original
- c. At least one of the three must be signed
- d. At least one of the three must be original

Ans - d  
.....

ABC is a manufacturing company. XYZ is the supplier of goods to ABC. Both these companies are merged. This merger is known as .....

- a. Horizontal merger
- b. Vertical merger
- c. Conglomerate merger
- d. Concentric merger

Ans - b  
.....

Mr. Raj issues a power of attorney in favour of Mr. Ram in 10.04.2021 and dies on 15.10.2021. Your branch receives two cheques through clearing house on 25.10.2021, one of which is signed by Mr. Raj on 08.10.2021 and the second one signed by Mr. Ram on 23.10.2021. Which cheques will be paid?

- a. Both the cheques will be paid, if there is balance in the account
- b. Both the cheques will be returned
- c. Cheques signed by Mr. Raj will be paid as the cheque was signed before death
- d. Cheques signed by Mr. Ram will be paid, as he is alive

Ans - b  
.....

Mr. Raj is a clerk at a bank that had recently terminated several employees due to budgetary cutbacks. Accidentally he has viewed his manager's monthly payslip which was inclusive of an annual bonus. Mr. Raj erroneously multiplied the gross pay by 12 to find annual earnings. Mr. Raj was amazed that his manager appeared to earn more than twice the average for employees in a manager's position. Mr. Raj has discussed this situation with a friend, who is a recently terminated employee of the bank who now works for a local newspaper. As a result of this discussion, the manager's "outrageous" salary was made public. Which one of the standards of Ethical Practice did Mr. Raj's actions violate?

- a. Competence
- b. Confidentiality

- c. Integrity  
d. Credibility

Ans - b

Which of the following persons are totally barred from accepting any foreign contribution?

- (i) Candidate for election  
(ii) Persons engaged in newspaper publishing, Public servant, Judge, etc.  
(iii) Political party or office bearers thereof  
(iv) Organisations of a political nature as may be specified

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

Ans - d

ABC branch receives a garnishee order in the name of its customer Mr. Raj. Mr. Raj has the following deposits accounts with your branch. Which of these can be attached under this garnishee order?

- a. Raj - Executor of Ram deceased  
b. Raj Enterprises in which Mr. Raj is one of the partner  
c. Joint savings bank account with his wife  
d. None of the above

Ans - d

ABC Bank made payment of a cheque with following endorsements. In which of the following cases the payment will not be deemed to be a payment in due course?

- a. Endorsement by X, to Y, Y to Z and Z to A  
b. Endorsement by X the payee in favour of Mr. Y while the cheque is having payee's account crossing  
c. Endorsement by X the payee, in favour of Mr. Y and the cheque has not negotiable crossing  
d. Endorsement by Shanthi wife of Mr. Raj, while the cheque is in favour of Mrs. Raj

Ans - b

Where by any case other than the wrongful act or default of the mortgage or mortgagee, the mortgaged property is wholly or partially destroyed or the security is rendered insufficient and the mortgagor has not provided enough further security, the mortgagee has a right to file a suit in a court of law for the mortgage money. A security is considered insufficient unless the value of the mortgaged property exceed the amount for the time being, by .....

- a. one-third, or if consisting of building, exceeds by one-half
- b. one-half or if consisting of building exceeds by one-third
- c. one-third in both cases
- d. one-half in both cases

Ans - a

Which of the following activities not eligible for NBFC Bank Credit?

- (i) Bills discounted/rediscounted by NBFCs
  - (ii) Investments of NBFCs both of current and long-term nature, in any company/entity by way of shares, debentures, etc.
  - (iii) Unsecured loans/inter-corporate deposits by NBFCs to/in any company
  - (iv) All types of loans and advances by NBFCs to their subsidiaries, group companies/ entities
- a. (i), (ii), (iii)
  - b. (i), (ii), (iv)
  - c. (ii), (iii), (iv)
  - d. (i), (ii), (iii), (iv)

Ans - d

Mr. Vinay had invested in a Mutual Fund. Following are the characteristics of this Mutual Fund. (i) It allows investors to enter and exit as per their convenience, (ii) The units can be purchased and sold even after the initial offering (NFO) period (in case of new funds), (iii) The units are bought and sold at the net asset value (NAV) declared by the fund. What kind of Mutual Fund is this?

- a. Open-End Mutual Funds
- b. Closed-End Mutual Funds
- c. Either (a) or (b)
- d. Neither (a) nor (b)

Ans - a

Mr. Prabu wants a demand draft striking the word 'Order' and writing the word 'Bearer'. Which of the following will be correct step to be taken by the bank?

- a. Bearer Draft is unlawful under section 31 of RBI
- b. Bearer Draft can be issued like a cheque
- c. Signature of the payee should be attested on the back of draft by the issuing branch
- d. Attestation of the signature of the payee on a separate slip of paper by bank (without striking out the word 'Order' on draft)

Ans - d

A and his wife B have a locker in joint names and A is residing abroad. B informs about loss of key of the locker and asks for breaking open the locker. Which is not the correct option? (i) Bank will not accept the request, (ii) Bank can accept on basis of indemnity, (iii) Bank can accept the request accompanied by power of attorney in her favour from A

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

Ans - a

Mr. Raj has his own Website that carries ads for a dozen retailers. At night, Mr. Raj spends hours clicking on these sites so he can collect commissions from the advertisers. Mr. Raj is engaged in the scandal referred to as .....

- a. click fraud
- b. work-at-home scam
- c. cyber squatting
- d. backdating Websites

Ans - a

On the request of its customer B, Commercial Bank's branch, transferred the account to its branch. A cheque was presented on the first (transferor) branch which it returned with the reason 'refer to drawer'. Customer claimed damages from the bank

- a. Bank is liable to the customer for not having returned the cheques with a proper reason
- b. Bank is liable to the customer for having returned the cheques if the balance in the other branch was adequate, where account was transferred.

- .....
- c. Bank is not liable to the customer, as the cheque could not have been paid, otherwise
  - d. None of the above

Ans - a

.....

Mrs. X who maintained a safe deposit locker had expired and her husband Mr. X produces a power of attorney executed in his favour by Mrs. X authorizing him to operate the locker during her life time or even after her demise and request the bank to allow him to take contents of locker.

- a. He may be allowed
- b. Since power attorney is not considered for operation of locker he will not be allowed
- c. Authority to operate the locker comes to an end on the death of Mrs. X
- d. As Mr. X is the legal heir and also holding the power of attorney, he can be allowed

Ans - c

.....

You received a garnishee order for a current account maintained in your branch. A cheque is received for payment. What memo should be appended while returning the cheque?

- a. Garnishee order received
- b. Refer to drawer
- c. Insufficiency of funds due to garnishee order
- d. None of the above

Ans - b

.....

Mr. Raj, a business owner is thinking about giving an expense paid vacation to Maldieves for a potential customer. When asked if he is being ethical, Mr. Raj replies, "Look whatever works, works". Which ethical principle is Mr. Raj most likely using?

- a. focus on the rights of individuals
- b. pragmatism
- c. utilitarianism
- d. focus on integrity

Ans - b

.....

The fear psychosis rings the air with the spread of IT and the impact is felt cutting across all levels of management of functional areas. These fears may be described as ..... (i) Job Content-losing of one's skills and expertise, (ii) Job Security, (iii) Authority Dilution

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

Ans - d

.....

A bank receives a cheque for collection from its customer. Bank gives credit before collection of the cheque. It also allows the customer to withdraw the amount. In such case, the .....

- a. Bank is holder
- b. Bank is holder for value
- c. Bank becomes holder in due course
- d. Representative of the drawer

Ans - b

.....

A detailed memorandum on customer service aspects should be submitted to BoD of banks once every .....

- a. 1 month
- b. 2 months
- c. 3 months
- d. 6 months

Ans - d

.....

A customer (KYC compliant) wants to transfer her account from one branch to another branch. The transferee branch must .....

- a. Obtain fresh KYC documents before permitting any transaction
- b. Permit transaction up threshold limit as set by Bank till fresh KYC documents have been obtained
- c. Left to the discretion of the Branch Manager to obtain or not fresh KYC documents
- d. Fresh documents need not be obtained and operations to be permitted by the transferee branch

Ans - d

.....

.....

Main features and benefits of SIEM software are .....

- (i) Consolidation of multiple data points
- (ii) Custom dashboards and alert workflow management
- (iii) Integration with other products

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

Ans - d

A bank grants a loan of Rs. 75000 to Mr. Raj and obtains a demand promissory note and forgets to affix revenue stamp by oversight. The account has become sticky and bank wants to file a suit for recovery of the amount on the strength of the demand promissory note.

- a. Revenue stamp should be affixed and crossed before filing the suit
- b. ten times the value of the stamp can be paid and suit can be filed
- c. Omission can't be condoned
- d. The court has the power to condone the omission on being satisfied about the cause of omission

Ans - c

The hirer of a safe deposit locker reports that the loss of key of the locker. In that case .....

- a. He has to surrender the locker
- b. The safe will be broken open by the representative of the manufacturer in the presence of hirer
- c. He will be advised to lodge FIR with police authorities and thereafter it will be broken open in the presence of police inspector and a witness
- d. He will be issued a duplicate key on executing an indemnity bond

Ans - b

We read about future trading in the newspapers. What is 'future trading'?

- a. It is an agreement between two parties to buy or sell an underlying asset in the future at a predetermined price.
- b. It is nothing but a trade between any two stock exchanges, wherein it is decided to purchase the stocks of each other on a fixed price throughout the year.
- c. Future trading is an agreement between stock Exchanges that they will not trade the stocks of each other under any circumstances in future or for a given period of time.

d. All of these

Ans - a

Team leader Raj is scheduled to prepare a performance of Rani, a team member who also happens to be his wife's closest friend. The ethical temptation Raj faces is .....

- a. sexual harassment
- b. misuse of corporate resources
- c. dealing with confidential information
- d. conflict of interest

Ans - d

Core banking solutions supports strong passwords access control mechanisms by enforcing the following controls in Password

- (i) Minimum length eight characters—the more characters, the better
- (ii) Should contain both uppercase and lowercase letters
- (iii) Must be a mixture of letters, numbers and at least one special character
- (iv) Passwords are not disabled during the employees' leave of absence.

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

Ans - a

ABC company is publicly listed in New York Stock Exchange (NYSE). It wants to raise money from India. It may list its securities (stocks or equities) in Bombay Stock Exchange (BSE). Now Indian investors can buy the securities in the form of .....

- a. Bullion
- b. Fixed Deposits
- c. Depository Receipts
- d. None of the above

Ans - c

Ethics of duty – categorical imperatives. (i) Universality - I ought never to act except in such a way as I can also will that my maxim should become a universal law Human Dignity - Act in such a way that you always treat humanity. Never simply as a means, but always at the same time as an end, (ii) Universality – I ought to always act in a way that will allow me to act within the universal law of Human Dignity – Act in such a way that you never treat humanity’s means as an end

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

Ans - a

Bank A and Bank B have been combined into a single bank. Where bank A survived and Bank B lost its corporate identity. This is called .....

- a. Alliance
- b. Merger
- c. Acquisition
- d. Consolidation

Ans - b

Which one of the following is a true statement regarding organizational ethics?

- a. Paying attention to “whistle-blowers” plays a significant role in maintaining an effective ethical atmosphere
- b. If an organization has a strong code of ethical conduct in place, the role of employee training can be downplayed
- c. As long as officer and employee behaviour meet the requirements of the law, the organization can be considered to have a functioning system of ethical behaviour
- d. A strong sense of ethics on the part of employees who are in the best position to appropriate cash and other assets is the most vital part of a functioning system of ethical behaviour

Ans - a

Banks should have Board approved policy for general management of the branches covering .....

- (i) Infrastructure facilities at branches (adequate space, proper furniture, drinking water, facilities for pensioners/ senior citizens/ disabled persons, clean environment, etc.).
- (ii) Multi-lingual indicator boards at all the counters.

- (iii) Providing multilingual booklets on services and facilities.  
(iv) Periodical visits by senior officials from Controlling/ Head Office for on the spot study.

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

Ans - d

It is a characteristic of the English mortgage that .....

- a. the personal liability of the mortgagor remains notwithstanding the absolute transfer of the property to the mortgagee  
b. in case of default in repayment of mortgage money the mortgagee has a right to sell the mortgaged property outside the court in special circumstances mentioned in Sec. 69 of the Transfer of Property Act. 1882  
c. Both of the above  
d. None of the above

Ans - c

A and B maintain an FD account with a locker and want to make single nomination for both the accounts. In this case .....

- a. Nomination can be made in both the accounts separately  
b. Nomination cannot be allowed in lockers in joint names  
c. It will depend on bank's discretion  
d. Nomination can be accepted

Ans – a

ABC Bank has granted cash credit limit of Rs. 50 Lakhs to a partnership firm M/s XYZ traders. The account is showing a debit balance of Rs. 45 Lakhs when the notice is received about the insolvency of one of the partners. Which among the following steps should be initiated by the bank to safeguard its interest?

- (i) Operations in the account to be stopped and notice of demand to be issued on the remaining partners  
(ii) Operations in the account to be stopped and balance confirmation letter to be obtained from all the partners

(iii) Notice about the outstanding dues to be sent to the official assignee in whom the estate of the insolvent partner has been vested

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

Ans - b

In XYZ branch of ABC Bank, Mr. Raj a new Probationary Officer, went to cashier's cabin for some work leaving his system and user ID open. Another employee Mr. Ravi on pretext of checking balance comes to Raj's system and authorized an entry by debiting branch's income head and crediting a customer's account. The transaction was entered by Mr. Ravi from his login Id. Now, the branch manager while checking the vouchers and matching with system noticed this unauthorized work done by Mr. Anand and issued a show cause notices to both Raju and Anand. BM also discussed this matter with manager of another nearby branch. Who among the following have performed unethically? (i) Mr. Raju, (ii) Mr. Anand, (iii) Mr. BM

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

Ans - d

Appeal against the award given by the Ombudsman can be made by the bank within ..... days of date of .....

- a. 20 days, receipt of intimation from the customer
- b. 30 days, receipt of acceptance from the customer
- c. 30 days, receipt of intimation from the customer
- d. 30 days, receipt of acceptance from the customer

Ans - c

ABC bank's deposits increased by Rs 100. If the cash reserve ratio is 4%, the banks will be able to use only ..... for investments and lending or credit purpose.

- a. 4 %
- b. 94 %

- c. 96 %  
d. 100 %

Ans - c

.....

State Consumer Protection Council has to meet at least ..... in a year

- a. once  
b. two times  
c. three times  
d. four times

Ans – b

.....

**PPB RECOLLECTED QUESTIONS - MAY 2023**

What is the maximum number of members in a Self Help Group (SHG)?

- a. 10
- b. 15
- c. 20
- d. 25

Ans - c

Under Point of Sale (PoS) facility, a cardholder can withdraw cash up to ..... per transaction within an overall monthly limit of .....

- a. ₹1,000, ₹2,000
- b. ₹1,000, ₹5,000
- c. ₹2,000, ₹5,000
- d. ₹2,000, ₹10,000

Ans - d

Which of the following is true regarding a negotiating bank?

- a. It acts as an intermediary between the importer and exporter
- b. It is responsible for issuing the letter of credit
- c. It assists the importer in obtaining financing for the transaction
- d. It helps the exporter to receive payment for the goods

Ans - d

M/s. ABC is a manufacturer of moulded plastic household goods like buckets, mugs etc. The annual turnover for FY2022-23 was Rs. 80.00 lakh, and it has targeted 25% growth in FY 2023-24.

1. What is the working capital requirement for it?

- a. 5 lakh
- b. 15 lakh
- c. 20 lakh
- d. 25 lakh

2. What is the Bank finance for working capital for it?

- a. 5 lakh
- b. 15 lakh
- c. 20 lakh
- d. 25 lakh

Solution:

1-d.

Growth in turnover during FY2023-24 @ 25% over FY2022-23 = Rs. 80.00 lakh \* 0.25 = Rs. 20.00 lakh

Projected turnover during FY2023-24 = 80.00 lakh + 20.00 lakh = Rs. 100.00 lakh

Working capital requirement @ 25% of turnover = 100.00 lakh \* 0.25 = Rs. 25.00 lakh

2-c.

Growth in turnover during FY2023-24 @ 25% over FY2022-23 = Rs. 80.00 lakh \* 0.25 = Rs. 20.00 lakh

Projected turnover during FY2023-24 = 80.00 lakh + 20.00 lakh = Rs. 100.00 lakh

Working capital requirement @ 25% of turnover = 100.00 lakh \* 0.25 = Rs. 25.00 lakh

Bank finance for working capital @ four-fifth (i.e. 80%) of Working capital requirement = 25.00 lakh \* 0.8 = Rs. 20.00 lakh

Which of the following functionalities is provided by UPI but not by IMPS?

- a. Push functionality to send money
- b. Pull functionality to request money
- c. Single-click two-factor authentication
- d. All of the above

Ans – b

Number of UPI settlement Cycles are .....

- a. 6
- b. 8
- c. 12
- d. 24

Ans - b

Which of the following statement(s) is/are correct about "Ethics"?

- (i) It is the discipline dealing with what is good and bad

- .....
- (ii) It is a set of moral issues or aspects
  - (iii) It is a discipline that requires an individual to choose among actions that may need evaluation as just or unjust
  - (iv) It is the principle of conduct governing an individual or a group

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

Ans – b

.....

Which of the following requirement is not mandatory for cheques under CTS 2010 standards?

- a. Security thread
- b. Pre-filled account field
- c. Watermark
- d. Field placement as prescribed

Ans - a

.....

Which of the following best describes the principal-agent relationship?

- a. A relationship where the agent has the right to control the principal's actions
- b. A relationship where the principal has the right to control the agent's actions
- c. A relationship where both the principal and agent have equal control over each other's actions
- d. A relationship where the principal and agent have no control over each other's actions

Ans - b

.....

What is the primary function of a data warehouse center?

- a. To store and manage large amounts of data
- b. To process and analyze data in real-time
- c. To act as a web hosting platform
- d. To provide customer service and support

Ans - a

Which of the following is true regarding the operational period of a Self Help Group (SHG) for loan?

- a. The operational period should be at least 6 months
- b. The operational period should be at least 1 year
- c. The operational period should be at least 2 years
- d. The operational period is not a requirement for obtaining a loan from an SHG

Ans - a

Which of the following is the correct time period given to a customer to submit another address proof, if the full address is not available in the officially valid document (ovp\_)?

- a. 3 months
- b. 6 months
- c. 9 months
- d. 12 months

Ans - b

Under CTS process, how many images are to be taken of each cheque?

- a. 2
- b. 3
- c. 4
- d. 5

Ans - b

The golden rule for ethics is also known as .....

- a. Ethic of morality
- b. Ethic of reciprocity
- c. Ethics of honesty
- d. Ethic of integrity

Ans – b

Which of the following is not considered as OVD document?

- a. Passport

- b. PAN
- c. Voter ID
- d. Driving license

Ans - b

Banks have started the facility of positive pay system in CTS issuing cheque for amounts of .....

- a. 50000 and above
- b. 1 lakh and above
- c. 5 lakh and above
- d. 50lakh and above

Ans - a

Which of the following was implemented by National Payments Corporation of India (NPCI) for Banks, Financial Institutions, and Corporate Houses etc?

- a. National Automated Clearing House (NACH)
- b. National Automatic clearing House (NACH)
- c. National Automated Cleared House (NACH)
- d. National Automatic Cleared House (NACH)

Ans - a

What is a White label ATM?

- a. An ATM that only dispenses white-colored currency notes
- b. An ATM owned and operated by a non-bank entity, but branded with the logo of a bank
- c. An ATM that only accepts deposits from customers
- d. An ATM that dispenses currency notes without charging any transaction fees

Ans - b

Repayment of NBFC-MFI loan should be in ..... Installments

- (i) Weekly
- (ii) Fortnightly
- (iii) Monthly

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

Ans - d

.....

Which network is used by the Banks in India?

- a. VCNET
- b. RBINET
- c. INFINET
- d. None of the above

Ans - c

.....

NACH was implemented by NPCI for .....

- a. Clearing Normal Cheques
- b. Clearing MICR Cheques
- c. High Volume Electronic Transaction
- d. All of the above

Ans - c

.....

Which of the following options describes the appropriate time frame for issuing a duplicate DD for a reported lost demand?

- a. Immediately upon receiving the report of loss
- b. Within 24 hours of receiving the report of loss
- c. Within 3-5 business days of receiving the report of loss
- d. Within 2 weeks of receiving the report of loss

Ans - c

.....

Principal Agent relation is defined under .....

- a. Section 181 of the Indian Contract Act, 1872
  - b. Section 182 of the Indian Contract Act, 1872
  - c. Section 32 of the RBI Act, 1934
- .....

d. Section 43 of the RBI Act, 1934

Ans - b

What is the main advantage of digital currency compared to traditional currencies?

- a. It is accepted even/where in the world
- b. It is backed by physical assets like gold or silver
- c. It can be used for instant, secure transactions without intermediaries
- d. It is immune to fluctuations in the global economy

Ans - c

When did the concept of ethics in Indian business evolve?

- a. During the 1950s
- b. During the 1980s
- c. During the 1990s
- d. During the 2000s

Ans – b

What is the main objective of the PMFBY scheme?

- a. To provide crop Loans to farmers
- b. To promote organic farming practices
- c. To provide insurance cover and financial support to farmers in case of crop loss or damage
- d. To distribute free seeds and fertilizers to farmers

Ans - c

Which of the following is true about the Cheque Truncation System (CTS)?

- a. It involves physically moving cheques from one bank to another
- b. It is a paper-based clearing system
- c. It eliminates the need for physical movement of cheques and allows for faster clearing
- d. It is only applicable to government-issued cheques

Ans - c

.....  
Sec. 80 of NI Act stipulates that if no rate of interest is specified in the Bill of exchange, interest due thereon shall be calculated at the rate of ..... p.a.

- a. 8 percent
- b. 12 percent
- c. 15 percent
- d. 18 percent

Ans - d  
.....

What is insider trading?

- a. Trading by investors who have inside information about a company
- b. Trading based on rumors or speculation
- c. Trading by foreign investors
- d. Trading by retail investors

Ans - a  
.....

What is the percentage of Adjusted Net Bank Credit (ANBC) that commercial banks are required to lend to priority sectors as per the guidelines of the Reserve Bank of India?

- a. 20%
- b. 25%
- c. 30%
- d. 40%

Ans - d  
.....

One of the directors of a limited company has passed away and cheques signed by him are presented for payment. Should the bank pay those cheques?

- a. Yes, the bank should pay the cheques as per the director's signature
- b. No, the bank should not pay the cheques as the director is deceased
- c. The bank should seek legal advice before making any payment
- d. The bank should inform the other directors of the company before making any payment

Ans - b  
.....

Which of the following is not a business component of CBS ?

- a. Government business modules
- b. Deposits, loans, bills, remittance
- c. Follow up to the customer
- d. Trade Finance

Ans - c

Which of the following is NOT a primary purpose of an Uninterruptible Power Supply (UPS)?

- a. To provide backup power during an outage
- b. To protect equipment from power surges and spikes
- c. To reduce the electricity consumption of equipment
- d. To ensure a stable and reliable supply of electricity

Ans - c

UTR number of NEFT transactions is ..... characters long and UTR number of RTGS transactions is ..... characters long

- a. 12, 20
- b. 20, 14
- c. 16, 22
- d. 22, 16

Ans - c

Which organization operates the e-RUPI digital payment system in India?

- a. Reserve Bank of India (RBI)
- b. National Payments Corporation of India (NPCI)
- c. Securities and Exchange Board of India (SEBI)
- d. Ministry of Finance

Ans - b

What type of account can a person who will reside for only 4 months open for a research paper?

- a. NRE account

- b. NRO account  
c. NRE Rupee account  
d. Savings account

Ans - b

Which of the following is a guideline for NBFC-MFI in determining their interest rates according to RBI regulations?

- a. Maximum difference between the rate to the borrower and the cost of funds is 10% for large MFIs (portfolio exceeding 100 crore)  
b. Maximum difference between the rate to the borrower and the cost of funds is 12% for others  
c. The average base rate of the five largest commercial banks by assets (to be advised by RBI on quarterly basis) multiplied by 2.75  
d. All of the above

Ans - d

What is the significance of Section 131 of the NI Act?

- a. It outlines the procedure for filing a complaint in case of a dishonored cheque  
b. It lays out the punishment for individuals found guilty of cheque bouncing  
c. It provides guidelines for banks to follow when processing cheques  
d. It specifies the jurisdiction where cases related to cheque bouncing can be filed

Ans - d

RTGS operates in which mode?

- a. Batch  
b. Intermittent  
c. Immediate  
d. All of the above

Ans - c

Who is not allowed to open a locker in a bank?

- a. Company  
b. Partnership

- c. Minor  
d. Illiterate

Ans - c

.....

A customer has a credit balance of 1 lakh in his account. A garnish order has been received for an amount of 65,000. There is also a cheque of Rs. 45000/- due for clearance. What would be the balance in the account and should the cheque be cleared?

- a. Balance of 1,00,000, cheque should be deared  
b. Balance of 35,000, cheque should not be cleared  
c. Balance of 1 lakh, cheque should be cleared  
d. Balance of 1 lakh, cheque should not be cleared

Ans - b

.....

What is the difference between a router and a hub?

- a. A hub is used to connect multiple devices in a network, while a router is used to connect different networks  
b. A router is used to connect multiple devices in a network, while a hub is used to connect different networks  
c. A hub sends data packets to all connected devices while a router forwards data packets to their intended destination  
d. A router sends data packets to all connected devices, while a hub forwards data packets to their intended destination

Ans - c

.....

Banks make mandatory of positive pay system in CTS of cheques for amounts of .....

- a. 50000 and above  
b. 1 lakh and above  
c. 5 lakh and above  
d. 50 lakh and above

Ans - c

Which type of bank cannot issue Certificate of Deposit (CD)?

- a. Scheduled Commercial Banks (SCBs)
- b. Small Finance Banks (SFBs)
- c. Regional Rural Banks (RRBs)
- d. Payment banks

Ans - d

Which of the following factors determines the risk of the Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme for Insurance company?

- a. The premium charged to the farmers
- b. The level of government subsidy provided
- c. The geographical area covered by the scheme
- d. All of the above

Ans - d

INFINET stands for .....

- a. Indian Financial Communication Network
- b. Institute of Financial Network
- c. Indian Financial Network
- d. None of these

Ans - c

Which of the following is a mandatory requirement for making IMPS transactions?

- a. Customer Aadhaar
- b. Customer PAN
- c. Beneficiary IFSC
- d. Beneficiary Bank MMID

Ans - c

What is the main difference between Factoring and Forfaiting?

- a. Factoring involves the sale of accounts receivable while Forfaiting involves the sale of accounts payable
- b. Factoring is a short-term financing option while Forfaiting is a long-term financing option
- c. Factoring involves the sale of invoices at a discount while Forfaiting involves the sale of trade receivables without recourse
- d. Factoring is only applicable to small and medium-sized enterprises while Forfaiting is only applicable to Large corporations

Ans - c

## ALL THE VERY BEST FOR YOUR EXAMS

# SAMPLE QUESTIONS FOR JAIIB PRINCIPLES & PRACTICES OF BANKING

Though we had taken enough care to go through the sample questions provided here, we shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents. Creation of these short notes is the efforts of so many persons. First of all we thank all of them for their valuable contribution. We request everyone to go through the Macmillan book and 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).

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