

ALL THE VERY BEST FOR YOUR EXAMS

SAMPLE QUESTIONS FOR JAIIB RETAIL BANKING & WEALTH MANAGEMENT

Though we had taken enough care to go through the notes 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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Retail Banking & Wealth Management

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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: RETAIL BANKING

Retail Banking : Introduction

Characteristics of Retail Banking; Advantages of Retail Banking; Constraints in Retail Banking; Evolution of Retail Banking; Prerequisite for Success of Retail Banking; Challenges for Retail Banking; Future of Retail Banking

Retail Banking: Role within the Bank Operations

Business Models

Applicability of Retail Banking Concepts and Distinction between Retail and Corporate/ Wholesale Banking

Applicability of Retail Banking Concepts; Distinction between Retail and Corporate/Wholesale Banking

Branch Profitability

Banking System: An Introduction; Banking in India; What is Profitability; What is Profit; Gross Profit, Operating Profit and Net Profit; Profit and Profitability in the context of Banking; Traditional Measures of Profitability; The ROA (Return on Asset); Return on Equity (ROE) for Banks; Branch Operating Efficiency; Strategies for Improving Efficiencies of Banking Operations; Factors Affecting Profitability of Banks in India; Profitability Analysis of Bank Branches; Steps to Improve Branch Profitability; Essential Factors to Make Continuous Improvement in Profitability

MODULE B: RETAIL PRODUCTS AND RECOVERY

Customer Requirements

Maslow's Theory and Customer Requirements; Customer Requirements about Service Quality; Service Quality

Product Development Process

Product Development Process; Product Life Cycle; Product Lines of a Banker; Deposit Products or Liability Products; Credit Products or Asset Products; Other Products and Services; Other Fee Based Services — Distribution of third party products; New Product Development; Stages in New Product Development; Constraints in New Product Development; Product Management; Product Policy

Credit Scoring

What is a Credit Score?; Evolution of Credit Scoring; What's a Good Credit Score?; Credit Scoring Model; Managing the Credit Score; Positive Side of Credit Score; Warning Signs in Credit Score; Credit Information Companies in India; Issues in Credit Scoring; Mistakes in Credit Scoring; Troubleshooting Credit Score

Important Retail Liability Products

Demand Deposits : An Introduction; Current Deposit: An Introduction; Main features of Current Deposit Account; Advantage of Current Deposit Account; Documents required for opening various types of Current Accounts; Opening of Current Account; Operational Instructions in Current Account; Transfer of Accounts; Inoperative Accounts; Closure of Current Account; Savings Bank Account: An Introduction; Advantages and Importance of Savings Bank Deposits to Customers; Who Can Open a Savings Bank Account?; Deregulation of interest in Savings Deposit Account; Maintenance of Balance in Savings Bank Account and Interest Payment; Restrictions on Transactions in SB Account; Services offered in Savings Bank Accounts; Time Deposit — An Introduction; Periodicity of Time Deposit; Operational instructions; Interest on Fixed Deposit; Term Deposit accounts of minors; Premature Payment of FD; Operational Issues of FD; Advances Against Bank's own Time Deposit Receipts; Renewal of FD; Recent Rule of RBI on overdue FD; Form 15 G/ 15 H; Deposit of TDS to Income Tax Department by Banks; 2 in 1 Account; Recurring Deposit (RD)

Important Retail Asset Products

Home Loans; Housing Loan under Prime Minister's Awas Yojana (PMAY); Home Improvement Loans; Home Decor Loans; Auto Vehicle Loans; Personal Loans; Educational Loans; Other Retail Loans; Processing of Retail Loans

Credit and Debit Cards

Credit Cards; Charge Cards; Pre-paid Cards; Debit Cards; Co-branded Cards; Contactless Cards

Remittance Products

Electronic Payment Systems; National Electronic Funds Transfer (NEFT); Real Time Gross Settlement (RTGS); Electronic Clearing Services (ECS); National Automated Clearing House (NACH) System; Aadhaar enabled Payment System (AePS); Bharat Bill Payment System (B BPS); Benchmarking India's Payment System

Digitisation of Retail Banking Products

Technology in Retail Banking; Technology Processes in Retail Banking; Some Important User Friendly Features; Customer Analytics; Institute for Development and Research on Banking Technologies (IDRBT); Indian Financial Network (INFINET); Structured Financial Messaging System (SFMS); National Financial Switch (NFS); Indian Banking Community Cloud (IBCC); Wealth Management Solutions; Digital Lending

Role of AI and Technology in Retail Banking

Dimensions of Banking Technology; Banking Today; Relationship between Banking and Technology; Evolution of Banking Technology; A New Era in Banking; Evolution of Banking Technology in India; Challenges towards adoption of Technology by Indian Banks; Technology in Retail Banking; Benefits of Technology in Retail Banking; Artificial Intelligence (AI); Difference between Artificial Intelligence (AI) and Automation; Evolution of Artificial Intelligence; Artificial Intelligence Industry in India; Artificial Intelligence in Indian Banking Industry; Indian Banks and the Technology; Why AI in Banking Industry?; Benefits of Artificial Intelligence Technology in Banking and Finance; Artificial Intelligence in Retail Banking; Artificial Intelligence in Retail Banking in India; The Challenges Facing India's AI Development; Benefits of AI in Retail Banking

Recovery of Retail Loans

Repayment in Retail Loans; Default and Re-scheduling in Retail Loans; Monitoring of Loan Accounts; Classification of Irregular Loan Accounts; Recovery Policy of Banks; Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act); DRT; Recovery through Lok Adalat; Engaging Direct Recovery Agents

Management Information Systems

The main elements of MIS; Role of Management Information Systems; Role of MIS in Improving decision making; Role of MIS in Banking Industry; Designing MIS for a Bank; Issues Related to Management Information System (MIS); Suggestions for Solution to MIS related Issues

Securitization

Securitization of Assets

MODULE C: SUPPORT SERVICES — MARKETING OF BANKING SERVICES/PRODUCTS

Marketing: An Introduction

Marketing in Retail Banking; Marketing Mix in Retail Banking

Delivery Channels in Retail Banking

Channel Experience; Physical/Direct Channels — Branch; Automated Teller Machines; Point of Sale Terminal; Mobile Banking; Internet Banking; Customer's Liability on Unauthorized Electronic Transactions

Delivery Models

Delivery Models; Internal Customers — Staff at the Branch Level; Dedicated Marketing Managers; Direct Selling Agents (DSAs); Tie-up with Institutions/OEMs/Dealers, etc.

Customer Relationship Management in Retail Banking

Customer Relationship Management in Retail Banking; Why CRM?; Implementation Aspects of CRM in Banks; Implementation Process of CRM in Banks; Implementation Stages in CRM; Benefits of CRM; Impact of CRM on Customer Satisfaction

Service Standards for Retail Banking

Members of BCSBI; Main Aims and Objects; Code of Banks' Commitment; Code of Banks Commitment to Micro and Small Enterprises; Function of BCSBI; Code Compliance Rating; Customer Grievances Handling Mechanism; General Information

Marketing Information Systems- A Longitudinal Analysis

Functions of MKIS; Components of MKIS; The MKIS Model; Observations; Usage of Computers in MKIS; Supports for Marketing Management; Supports for Marketing Mix Decisions; Use of Decision Models; Performance of MKIS; Recommendations; Advantages of MKIS

MODULE D: WEALTH MANAGEMENT

Importance of Wealth Management

Wealth Management — Broad View; Wealth Management Business Structures; Wealth management process; Wealth Management Products and Services; Alternative asset; Bond; Insurance; Mutual fund; Real estate Service; Retirement Planning; Strategic Business Strategy; Will Writing; Private Wealth Management; Personal Financial Planning; Wealth Management Assessment; Private Banking; Benefits of Wealth management; Importance of Wealth Management

Investment Management

Element of Investment; Basics of Investment Management; Steps in Investment Management; Investment Banking; Services being offered by Full-service Investment Banks; Investment Bank Organizational Structure; Investment Management Vs Investment Banking; Portfolio Management; Objectives of Portfolio Management; Key Elements of Portfolio Management; Portfolio Management Vs Investment Banking; Role of Portfolio Manager; Portfolio Management Service Vs Mutual Funds (MFs); Types of Portfolio Management Services; Steps of the Portfolio Management Process; Adv of Portfolio Management Services; Disadvantages of PMS; Recent developments in the Portfolio Management Services area in India

Tax Planning

Classification of Tax Structure in India; Financial Year; Assessment Year; Previous Year; Concept of Previous Year & Financial Year vis-a-vis Assessment Year; Residential Status for Income Tax; A few important terms in Income Tax; Heads of Income for computation of the total income; Income Tax Slab rate for FY 2021-22 (AY 2022-23); Conditions for opting New Tax Regime; Example for Old Tax Regime Vs New Tax Regime & which is better; Income Tax Slabs for non-individual entities; Investment Products for Tax Savings; Estate Planning-Tax Planning through Wills/ Trusts; Capital Gains Tax

Other Financial Services provided by Banks

Distribution of Third Party Products in Retail Banking; Mutual Fund Business; Insurance Business; Some Social Security Insurance Schemes; Cross Selling; Depository Services by Banks; Portfolio Management Services; Factoring; Other Agency Business by Banks

ADDITIONAL READING MATERIAL ON HOME LOANS

Lender's Appraisal Procedure - Appraisal Procedures; Application Form; Documents to be Submitted for Availing a Home Loan; Application Received through Agent; Appraisal of Loan Request; Other Relevant Issues at Pre-sanction Stage; Documentation; Mortgage; Registration of Documents; Detection of Forged and Fabricated Title Deeds; Other Securities; Registration of Charges with CERSAI on Security Internet; Monitoring; Closure of Account; Home Loan Frauds

Housing Finance and Tax Planning - Tax Benefits in Respect of Housing Finance

Mortgage Advice - Development of "Home Information Packs"; Time Value of Money-interest and Annuities; Capital Gains; Loan Calculator and Loan Amortization Schedule

Valuation of Real Property - Who does Valuation? Land with Building; Life of Structures; Sinking Fund; Reverse Mortgage

RETAIL BANKING & WEALTH MANAGEMENT

Important Sample Questions

Advantages of retail banking include

- (i) Risk is less as client base is large
- (ii) Income is relatively more as spread is more
- (iii) Stable model with less volatility

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

Ans – d

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In New Tax Regime, the exemption limit for super senior citizen of age 80 years and above for Financial year 2021-22 is

- a. 5/ lac
- b. 3/- lac
- c. Nil
- d. 2.5 lac

Ans – d

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Registration of charges with SERSAI in case of housing loan should mandatorily be made on-line within how many days of creation of equitable mortgage

- a. 30 days
- b. 45 days
- c. 90 days
- d. Four months

Ans – a

Which one of the following statements is appropriate?

- (i) Customers are different.
- (ii) Needs of the customers are different.
- (iii) Each customer will have different sets of need for financial services.

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

Ans – d

The documents relating to the following transactions of immovable properties are required to be compulsorily registered

- (i) Gift
- (ii) Lease of immovable property where period is more than one year
- (iii) Instruments which create any right in an immovable property of a value of more than one hundred rupees.

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

Ans – d

Para banking refers to

- a. Distribution of life insurance policies only
- b. Distribution of non-life insurance policies only
- c. Distribution of mutual fund schemes only
- d. All the above

Ans – d

Banks distribute the following types of products in life and non-life insurance business such as

- (i) Regular Premium Individual Policies
- (ii) Single Premium Individual Policies
- (iii) Group Insurance Policies

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

Ans – d

As a Corporate agent, Banks can distribute the products of

- (i) One Life insurer
- (ii) One Non-Life (general) insurer
- (iii) Standalone health insurance companies

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

Ans – d

Which one of the following statements in respect of Reverse Mortgage Loan (RML) is appropriate?

- a. RML provides the person who owns the house to retain and release capital without effecting sale.
- b. Persons beyond the age of 55 are not eligible for RML.
- c. Under RML the borrower is required to service the interest when called for.
- d. The borrower's stake is low initially under RML.

Ans – a

According to Income Tax rule, a term deposit/ FD may be paid in cash

- a. If the amount of matured proceeds is less than ₹20,000/-.
- b. If the amount of matured proceeds is up to ₹20,000/-.
- c. If the amount of matured proceeds is more than ₹20,000/-.
- d. Banks can pay any amount after being satisfied of the genuineness and integrity of the customer.

Ans – a

The customer segment whose income level is between ₹10 lakh to ₹50 lakh is referred to as

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

Ans – a

Mr X has been enjoying a credit card from ABC Bank. The bank has fixed a spending limit of Rs. 200000 lac on his card. During July 2020, he made purchase of Rs. 150000 and paid on due date (10 Aug 2020) Rs. 120000 being a part of the outstanding amount of Rs. 150000. On 11 Aug 2020, he made additional purchase of Rs. 70000. Rate of interest charged by bank is 2 % per month.

Answer the following questions

01. What would be the minimum payment requirement on credit card dues during any month?

- a. 3% of due
- b. 5% of due
- c. 8% of due
- d. 10% of due

Ans - b

Minimum payment require 5%

02. As the bank charges interest at 2% per month, what would be the annual effective rate to the user?

- a. 24.52%
- b. 26.82%
- c. 27.92%
- d. 28.64%

Ans - b

Solution

$$\begin{aligned}\text{Effective interest rate} &= (1+r)^n - 1 \\ &= (1+0.02)^{12} - 1 \\ &= 1.26824 - 1 \\ &= 0.26824 \\ &= 26.82\%\end{aligned}$$

03. Daily interest charged on outstanding balance as on 11 Aug 2020 will be

- a. Rs.60.50
- b. Rs.65.75
- c. Rs.70.10
- d. Rs.75.25

Ans - b

Solution

$$\begin{aligned}\text{Daily interest charged} &= \text{Due outstanding} * 12/365 * r \\ &= (30000 + 70000) * 12/365 * 0.02 \\ &= 100000 * 12 * 0.02 / 365 \\ &= 24000 / 365 \\ &= 65.75\end{aligned}$$

04. Total interest Charged on 10 Sep 2020 will be

- a. Rs.1865
- b. Rs.1908
- c. Rs.1973

d. Rs.2036

Ans - c

Solution

Total interest charged= no of days outstanding * Daily interest

From 11 Jul 2016 to 10 Aug 2016 = 30 days

= $30 * 65.75$

=1973.05

05. If Mr A wants to clear all his dues on the due date on 10 Sept 2020, what amount would be required to pay

- a. Rs.30000
- b. Rs.70000
- c. Rs.100000
- d. Rs.101913

Ans - d

Solution

Outstanding amount+additional purchase+interest

= $30000 + 70000 + 1973$

= 101973

Which of the following needs fall within the classification of Maslow's Hierarchy of Needs?

- (i) Physiological Needs
- (ii) Safety Needs
- (iii) Social Needs
- (iv) Urgent Needs

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

Ans – c

The objectives of the NEFT System are

(i) To establish an Electronic Funds Transfer System to facilitate an efficient, secure, economical, reliable and expeditious system of funds transfer and clearing in the banking sector throughout India

(ii) To relieve the stress on the existing paper based funds transfer and clearing system

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Nither (i) nor (ii)

Ans – c

Find out the value of the usable FSI from following particulars of the property :

Land area - 600 Sq Sq m

Total built-up area - 400 Sq m

Permissible FSI - 1

Rate of construction cost - Rs. 10000 per Sq m

Rate of land cost - Rs. 4000 per Sq m

Desired rate of return - 10%

Usable carpet area - 200 Sq m

Monthly Rent on carpet area basis - Rs. 100 per Sq m

Usual outgoings - 1/6 of yield

- a. 556400
- b. 565400
- c. 664600
- d. 666400

Ans - d

Solution :

Cost of construction = $400 \times 10000 = 4000000$

Cost of FSI used = $400 \times 4000 = 1600000$

Total cost = 5600000

Desired Yield @ 10% = $5600000 \times 0.1 = 560000$
Estimated Yield = $100 \times 200 \times 12 = 240000$
Usual outgoings = $1/6$ of yield = $240000/6 = 40000$
Net annual yield = 200000

Hence, encumbrance factor = $200000/240000 = 0.833$
Usable FSI = $600 - 400 = 200$ Sq m
Value of usable FSI = $200 \times 0.833 \times 4000 = 666400$

The characteristics of RTGS are

- (i) Remittances and Funds Transfers are transmitted through a series of process inputs and travel from the customer end to the beneficiary end
- (ii) Remittances are communicated through a structured messaging process
- (iii) Settlement for the message is made on a gross basis from the liquidity maintained by the sender bank with the settlement bank

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

Ans – d

Husband & Wife jointly raise a loan in April 2014 for constructing a house for selfoccupation. The construction was completed in July 2011 They have been paying the housing loan instalments on 50:50 basis from their respective Incomes. During F.Y. 2016–17 they paid Interest of 4,25,000. The maximum interest which each of them can claim as deduction is

- a. 1,00,000
- b. 2,00,000
- c. 1,50,000
- d. 1,75,000

Ans – b

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The maximum number of Mutual Funds that can be distributed by banks as a Corporate Agent is

- a. One
- b. Two
- c. Five
- d. No Limit

Ans – d
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To consider the loan amount under housing loan scheme which of the following statements are true?

- (i) The property is jointly held with the spouse and the spouse is co-borrower
- (ii) The property is held in single name and the spouse stands as a guarantor
- (iii) The borrower's son or daughter who has a steady income, the salary is routed through Bank account and joins as a co-borrower
- (iv) Expected rental less taxes, cess, etc., in case the house/flat being purchased is proposed to be rented
- (v) Regular income from all sources can be considered to arrive at total eligible loan amount

- a. All the above
- b. (i), (ii), (iv) and (v)
- c. (i), (iv) and (v)
- d. (i), (ii), (iii) and (v)

Ans – a
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The terms and conditions for repossession as per the recovery policy should contain the following provisions

- (i) Notice period before taking possession
- (ii) Circumstances under which the notice period can be waived
- (iii) The procedure for taking possession of the security

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

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

Ans – d

Rebate under Sec 87A of Income Tax Act helps tax payers to reduce their tax to Nil, if the total income after deductions under chapter VIA does not exceed ₹5/- lac in a financial year. This provision is applicable in

- (i) New Tax Regime only
- (ii) Old Tax Regime only

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Nither (i) nor (ii)

Ans – c

The implementation models followed by banks for retail banking include

- (i) Horizontally Organised Model
- (ii) Vertically Organised Model
- (iii) Predominantly Vertically Organised Model
- (iv) Predominantly Horizontally Organised Model

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

Ans – d

Out of the followings, which one is not a measure of Profit?

- a. Gross Profit
- b. Operating Profit
- c. Netted Profit

d. Net Profit

Ans – c

Banking Codes and Standards Board of India is aimed at the following

- (i) Promote good and fair banking practices by setting minimum standards increase transparency in services
- (ii) Encourage market forces, through competition, to achieve higher operating standards
- (iii) Promote a fair and cordial relationship between the customer and their bank

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

Ans – d

Reverse Mortgage Loan (RML) Scheme, though apparently enables senior's regular income by pledging home with the lending bank, the product has not met with much success due to obvious reasons such as non-availability of regular income beyond tenure leading to uncertainty as to how manage without payment after the loan term, quantum etc. To overcome the weakness of the scheme, an improved Reverse Mortgage Loan enabled Annuity Scheme (RMLeA) has evolved as significant improvement over the initial RML product variant. Answer the following question:

01. RMLeA scheme has been promoted by

- (i) National Housing Bank
- (ii) HDFC Ltd
- (iii) Central Bank of India
- (iv) Star Union Daichi life insurance Company Ltd.

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

Ans - b

02. Which of the following features are true in respect of RMLeA?

- (i) Married couples will be eligible as joint borrower for financial assistance
- (ii) Joint borrower will have the option to receive the annuity separately in their respective individual names on proportionate basis that may decide
- (iii) The senior Citizen borrower are eligible to receive assured life-time payments even after completion of the fixed term with increased quantum of annuity
- (vi) The periodic annuity payments are subject to Income Tax and Taxable in the hand of the annuity recipients.

- a. (i),(iii) and (vi) are correct
- b. (ii),(iii) and (vi) are correct
- c. (iii),(ii) and (i) are correct
- d. All (i),(ii),(iii) and (vi) are correct

Ans - a

03. The LTV in respect of Senior Citizen in the age bracket of 70-80 as per the scheme is

- a. 50%
- b. 75%
- c. 70%
- d. 60%

Ans - c

04. Under reverse Mortgage Loan Enabled Annuity(RMLeA), which of the following are considered as the primary annuity sourcing institution?

- a. Scheduled Commercial Banks
- b. Housing finance Companies
- c. Life insurance Corporations*
- d. All the above

Ans - c

Mr. X wants to receive Rs. 40000 p.a. for 20 years by investing @ 5%. How much he will have to invest now?

- a. 498489
- b. 498849
- c. 498948
- d. 498984

Ans - a

Explanation :

Here,

P = 40000
R = 5% p.a.
T = 20 yrs

$$PV = P / R * [(1+R)^T - 1]/(1+R)^T$$

$$PV = (40000 \div 0.05) * \{(1.0520 - 1) \div 1.0520\}$$
$$= 498489$$

An Individual took a Loan of ₹25 Lakh for purchasing a flat for self-occupation on 30/03/2015 & paid ₹2,20,000 towards Interest during F.Y. 2016–17. The maximum amount of Interest which he can claim as a deduction would be

- a. 1,50,000
- b. 1,20,000
- c. 2,00,000
- d. 30,000

Ans – c

The business model followed by banks for retail banking are

- a. Strategic Business Unit (SBU) Approach
- b. Departmental Approach

- c. Integrated Approach
d. Any one of the above

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

Mr. Satish Kumar working as a Senior Gazetted Officer in a Government Department having 20 years left over service was recently transferred to Hyderabad. He approached a branch and requested that he is in pursuit of a good house or apartment in Hyderabad for immediate purchase and he requires in principle sanction. Whether the bank accedes to his request? If so, it is valid for how many months?

- a. No. Bank cannot accede to such request
b. Yes, it is valid for one month
c. Yes, it is valid for three months
d. Yes, it is valid for six months

Ans – c

Types of credit cards issued by banks in general are

- (i) Silver Card
(ii) Gold Card
(iii) Platinum Card
(iv) Titanium Card

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

d. (i), (ii), (iii) & (iv) above

Ans – d

Human interventions in the delivery of services are

- (i) Internal Customer – Staff of the Branch
- (ii) Specialised Marketing Personnel
- (iii) Direct Selling Associates (DSAs)

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

Ans – d

SEBI has mandated that one must have a minimum corpus of INR to start investing with PMS.

- a. 100 lakh
- b. 50/- lakh
- c. 5/- Crore
- d. 25/-lakh

Ans – b

Recovery of loans through Lok Adalats can be resorted to by banks upto a limit of

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

Ans – c

.....
If a person with higher income invests more in tax-saving schemes, out of the followings which option is better from tax saving point of view?

- a. New Tax Regime
- b. Old Tax Regime
- c. Either of a or b
- d. Tax outgo is same in Old and New Tax Regimes

Ans – b
.....

Stages involved in a CRM initiative are

- (i) Capturing the customers' profile and dissecting the profiles into common information buckets
 - (ii) Designing suitable products and services to cater to the different information buckets
 - (iii) Offering the products and services to the targeted and segmented customers from the information buckets, with the right pricing and providing the right sales and service processes to achieve total customer satisfaction
- 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 fall under the purview of the BCSBI?

- (i) Current accounts
 - (ii) PPF accounts
 - (iii) Non-resident accounts
- a. Only (i) and (ii)
 - b. Only (i) and (iii)
 - c. Only (ii) and (iii)
 - d. (i), (ii) and (iii)

Ans – d
.....
.....

.....

The advantages of ECS payments are

- (i) No need for issuing any cheque to the beneficiary
- (ii) Payment defaults will not happen if there is sufficient balance in the account
- (iii) No follow up needed by the beneficiary as payment will be received automatically based on the mandate obtained

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

Ans – d

.....

Electronic Channels in retail banking refers to

- (i) ATMs
- (ii) Internet Banking
- (iii) Mobile Banking

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

Ans – d

.....

With regards to card less cash withdrawal from ATM, which of the following statement is correct?

- a. Customer has to scan UPI QR code of ATM
- b. Card Less cash withdrawal is interoperable as per RBI directives.
- c. Debit Card is not required.
- d. All the above

Ans – c

.....

Bank Marketing refers to

- (i) Identifying the most profitable markets now and in the future
- (ii) Assessing the present and future needs of customers
- (iii) Setting business development goals and making plans to meet them
- (iv) Adapting to a changing environment in the market place

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

Ans – d

Which of the following situation falls under the purview of Marketing Research System?

- a. Riddhi Vriddhi Bank wants to send Diwali greeting cards to all its fixed deposit account holders with deposits of `10,000 or more
- b. Money Honey Bank wants to have a profile of Kalahandi District to decide about opening a new branch there
- c. Get Rich Fast Bank wants some comparative business statistics with other ten peer level banks in the country
- d. Baroda branch of Prosperous Customer Bank is twelve-year-old and it recorded a compounded annual growth rate of 20 per cent in deposits during the first ten years, which has been better than the industry average. However, during the last two years the branch has witnessed a significant decline in its deposits. Managing director of the bank desires to know the causes for this reversal in the business trend and suggestions for ameliorating the situation

Ans – d

As we know today private, public and foreign banks issues ATM to his customers. ATM is now 24 hour banking service provider. Customer use ATM not only to withdraw cash from machine but also to make shopping on various sites. Some banks offer additional facilities on ATM card i.e Accidental cover and some give a facility to withdraw money beyond the limit. It has changed the banking scenario globally, today a person who don't have money in a foreign country can withdraw money from ATM.

Answer the following questions on ATM/Debit card

1. Max cash withdrawal limit for POS in Tier I and II centres?

- a. Rs.1000/- in one transaction
- b. Rs.1000/- can be withdrawn daily
- c. Rs.5000/- in one transaction
- d. Rs.5000/- can be withdrawn daily

2. Max withdrawal on other bank's ATM in one transaction?

- a. Rs 5,000/-
- b. Rs 10,000/-
- c. Rs 15,000/-
- d. Rs 20,000/-

3. Max free allowed limit in a month on other banks ATM Machine?

- a. 2
- b. 3
- c. 5
- d. 10

4. Max free allowed limit in a month on other banks ATM Machine located in the six metro centres?

- a. 2
- b. 3
- c. 5
- d. 10

5. The bank promote using of ATM because

- a. to reduce staffs
- b. to earn commission
- c. to avoid customers at banks
- d. to Reduce human cost on small payments

Ans

1-b, 2-b, 3-c, 4-b, 5-d

Auto Loans are given by banks for the following purposes such as

- a. Purchase of New Car
- b. Purchase of Used Car
- c. Purchase of Two Wheelers
- d. Purchase of all the above

Ans – d

.....

An individual took a loan of ₹10 Lakh for purchasing a plot of land during F.Y. 2010–11 and has paid around ₹1,10,000 towards Interest and around ₹57,000 towards principal during F.Y. 2016–17. He has not made any other contribution under Sections 80C, 80CCC, or 80CCD. He will be able to claim deduction of

- a. 1,50,000
- b. 57,000
- c. 2,07,000
- d. 0 (NIL)

Ans – d

.....

Business models of retail banking are being drawn based on various aspects. In this context which one of the following aspects is incorrect?

- a. Product
- b. Capacity
- c. Delivery channels
- d. Technology

Ans – b

.....

Which one of the following statements is correct in respect of Product Cycle?

- (i) In the 'Introduction' stage of a product, the sales volume will be low and revenue from the products will not be sufficient to cover the cost of producing, marketing and servicing it.
- (ii) In the 'growth' stage, which is the second stage in the product life cycle, the sales volumes remains stagnant.

(iii) In the 'maturity' stage, there is more growth and sales volume peaks.

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

Ans – c

The requirements for delivering effective service to the customers are

- (i) Understanding the customer, his income level, his financial profile, his needs, his requirements of financial products and his life stage
- (ii) Selling and Cross selling the right products to match their requirements
- (iii) Post sales service follow up for customer satisfaction

- 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 step towards conversion of data into decision?

- a. Process
- b. Information
- c. Inaction
- d. Decision

Ans – c

The ultimate users of the Marketing Information System are

- a. The customers of the firm
- b. The competitors of the firm
- c. The decision-makers in the firm

d. Both a and b above

Ans – c

Default in repayment in Credit Cards and Personal Loan segments is mainly due to

- (i) Genuine Defaults due to reasons beyond the borrowers' control
- (ii) Wilful defaults where the default is intentional

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

Ans – c

Which of the followings is not the salient feature of Mutual Fund?

- a. Professional management
- b. Diversification
- c. Complexity
- d. Liquidity

Ans – c

What is the objective behind recovery process?

- a. Increasing number of corporate loans
- b. Increasing NPAs
- c. Reducing NPAs
- d. Reducing number of loans

Ans – c

Reverse sweep facility in 2 in 1 account is applicable on

- a. Last in last out (LIFO) basis
- b. First in first out basis (FIFO)
- c. First in last out (FILO) basis
- d. Last in first out (LIFO) basis

Ans – d

Which one of the following parameters the Credit Information Companies normally give higher weightage?

- a. New credit
- b. Length of credit history
- c. Amounts owed
- d. Payment history

Ans – d

Which one of the following is not an advantage of retail banking?

- a. High Cross Selling potential
- b. High customer loyalty
- c. Less volatility in business
- d. High default rates

Ans – d

Out of the followings, which one is not the use of Artificial Intelligence in Retail banking?

- a. Passbook updation kiosk
- b. Chatbot
- c. Cash Deposit Machine
- d. Teller counter being managed by an employee

Ans – d

What is the risk associated with the DSA Marketing Model?

- a. Market Risk
- b. Control Risk
- c. Operational Risk
- d. Reputation Risk

Ans – d

Home Loans are sanctioned by banks for the following purposes such as

- (i) Purchase/Construction of house
- (ii) Purchase/Construction of flat
- (iii) Purchase of land and construction
- (iv) Additions to the existing house

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

Ans – d

The customers choose a bank mainly on which of the factors

- (i) The ease of doing business
- (ii) The quality of personnel and service
- (iii) The range of the financial services

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

Ans – d

.....
A perpetual bond is a financial instrument with

- a. 3 years maturity date
- b. 5 years maturity date
- c. 10 years maturity date
- d. No maturity or unlimited maturity date

Ans – d
.....

TReDS was launched in 2016 for MSME to extend credit

- (i) At a very competitive interest rate
- (ii) Mitigate credit risk
- (iii) Discount trade receivables of MSME

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

Ans – d
.....

Personal Loans are sanctioned by banks based on

- (i) Salary in case of employees
- (ii) Monthly/Annual Income in case of business persons
- (iii) Number of years of service/in business

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

Ans – d
.....

Bharat QR - A QR code consists of black squares arranged in a square grid on a white background, which can be read by an imaging device such as a camera. QR contains information about the item to which it is attached.

Answer the following questions regarding Bharat QR.

1. Bharat QR is Mobile payment solution

- a. P2P (Person to Person)
- b. P2M (Person to Merchant)
- c. M2P (Merchant to Person)
- d. M2M (Merchant to Merchant)

2. Bharat QR is mutually derived among payment networks. (i) NPCI, (ii) Visa, (iii) Mastercard

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

3. What are the charges for using Bharat QR?

- a. No additional charges for making transaction through Bharat QR
- b. Depends on the Bank
- c. Depends on the App
- d. Depends upon the transaction amount

4. Can multiple bank cards be linked on same App?

- a. No. Multiple cards can't be linked in a single app
- b. Yes. Multiple cards of multiple banks can be linked in a single app
- c. Yes. Multiple cards of the same bank can be linked in a single app
- d. None of the above

5. First factor of 2FA for Bharat QR is MPIN for the mobile application login. Second factor is taken as (i) MPIN, (ii) OTP, (iii) ATM pin

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

- c. Only (ii) or (iii)
d. (i) or (ii) or (iii)

6. What is the Daily transaction limit?

- a. Rs. 10000
b. Rs. 20000
c. Rs. 50000
d. Set at Bank's end

7. How many Bharat QR transactions can be done in a day?

- a. 25
b. There is no limit on number of transactions
c. There is no limit on number of transactions but subject to daily transaction amount limits on your Debit/Credit Cards
d. Set at Bank's end

Answers :

1-b, 2-d, 3-a, 4-c, 5-d, 6-d, 7-c
.....

The term EFT means which one of the following?

- a. Electronic foreign transfers
b. Electronic financial transfers
c. Electronic funds transfers
d. Electrical funds transfers

Ans – c
.....

Advantages of a good branch layout include

- a. Promotes efficiency as it will ensure smooth flow of services
b. Internal communication effectiveness increases thereby facilitating better coordination among the staff resulting in better customer service
c. Provides a comfortable and congenial work environment to the staff which results in high employee motivation and acts as a morale booster

d. All the above

Ans – d

Which one of the following is not included under Retail Banking?

- a. Online Banking
- b. Medium Business
- c. High Net Worth Individuals
- d. Corporate Entities

Ans – d

As per Securities and Exchange Board of India (SEBI) guidelines, minimum net worth requirement of a portfolio manager should be,

- a. 10/-crore
- b. 100/-crore
- c. 5/-crore
- d. No such requirement

Ans – c

Which of the following payment apps works without internet facility?

- a. Mobile banking app
- b. UPI App
- c. UPI 123PAY
- d. Mobile wallets

Ans – c

Which one of the following statements is appropriate in respect of Securitization Process?

- (i) The lender first selects the assets they want to securitise
- (ii) The issuer (Special Purpose Vehicle) makes payment to the lender for the loans securitised

(iii) The assets are converted into a pool of securities by the lender for the purpose of issuing Pass through Certificate (PTC)

(iv) The PTCs are sold to other investors who are willing to invest

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

Ans – d

Commitments to customers under BCSBI cover

- (i) Savings Accounts
- (ii) Loan Accounts
- (iii) Remittances

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

Ans – d

The components of Marketing Information System do not include

- a. Marketing intelligence system
- b. Internal records system
- c. Information technology system
- d. None of above

Ans – c

Tie-ups are entered into by banks for bulk sale of the following assets

- (i) Home Loans
- (ii) Auto Loans

(iii) Personal Loans

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

Ans – d

.....

The services offered for Internet Banking Customers are

- (i) View of balance and last few transactions
- (ii) Generate statement of Account
- (iii) Transfer of funds between accounts within the bank

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

Ans – d

.....

Why CRM?

- (i) Need to increase operational efficiencies and to derive more value from employees
- (ii) The increasing Competition in retail banking
- (iii) The increasing Importance of Fee Based Income

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

Ans – d

.....

"Housing for All by 2022" aimed for urban areas with following components/options to States/Union Territories and cities:-

- a. Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource;
- b. Promotion of affordable housing for weaker section through credit linked subsidy;
- c. Affordable housing in partnership with Public & Private sectors and
- d. Subsidy for beneficiary-led individual house construction or enhancement.

Answer the following questions.

1. Central grant of Rs. per house, on an average, will be available under the slum rehabilitation programme.

- a. Rs. 1 lakh
- b. Rs. 1.5 lakhs
- c. Rs. 2.3 lakhs
- d. Rs. 2.7 lakhs

2. Under the Credit Linked Interest Subsidy component, what will be the interest subsidy on housing loans availed upto a tenure of 15 years will be provided to EWS/LIG categories?

- a. 5.6 percent
- b. 6.5 percent
- c. 5.8 percent
- d. 8.5 percent

3. Under the Credit Linked Interest Subsidy component, what will be the subsidy pay-out on NPV basis per house for both the categories?

- a. Rs. 1 lakh
- b. Rs. 1.5 lakhs
- c. Rs. 2.3 lakhs
- d. Rs. 2.7 lakhs

4. Central assistance at what rate per house for EWS category will be provided under the Affordable Housing in Partnership house construction or enhancement?

- a. Rs. 1 lakh
- b. Rs. 1.5 lakhs

- c. Rs. 2.3 lakhs
d. Rs. 2.7 lakhs

5. Central assistance at what rate per house for EWS category will be provided under the Affordable Housing in Beneficiary-led individual house construction or enhancement

- a. Rs. 1 lakh
b. Rs. 1.5 lakhs
c. Rs. 2.3 lakhs
d. Rs. 2.7 lakhs

Answers :

1. a - Rs. 1 lakh
2. b - 6.5 percent
3. c - Rs.2.3 lakhs
4. b - Rs.1.5 lakhs
5. b - Rs.1.5 lakhs

Under which category, the sale of insurance products falls?

- a. Retail Liability
b. Retail Asset
c. Third Party Products
d. None of the above

Ans – c

The rate of interest in case of Recurring Deposit for a particular period

- a. Is less than FD
b. Is same as FD
c. Is more than FD
d. It is discretion of the bank to stipulate rate of interest in RD different than FD.

Ans – b

What does securitization mean?

- a. Disposal of securities towards recovery of loan overdue
- b. Pooling individual loans and selling as a package
- c. Trading in securities and other market instruments
- d. Issuing new securities for a bank to raise money for lending

Ans – b

.....

The factors affecting issues related to MIS are mainly

- (i) Humanistic Factors
- (ii) Organisational Factors
- (iii) Environmental factors

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

Ans – d

.....

As per provisions of Income Tax Act, 1961, any long term capital gains arising from transfer of any capital asset would be exempt from tax under section 54EC of the Act if, the entire capital gain realized is invested within months of the date of transfer in eligible bonds.

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

Ans – a

.....

Towards the evolution of banking technology, the first most notable technological advancement in the financial industry was the advent of

- a. Dinner's Club Credit Card

.....

- b. ATM
- c. Online Banking
- d. Mobile Banking

Ans – a

.....

The features available, generally, in all types of cards are

- (i) Facility for payment of purchases
- (ii) Facility to withdraw cash from ATMs upto a fixed limit
- (iii) Reward Points for usage of cards
- (iv) Cash Back offers upto a certain limit for purchases made

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

Ans – d

.....

A settlement system in which the processing and final payment of funds transfer instructions takes place continuously, is called

- a. Debit clearing system
- b. Credit clearing system
- c. National clearing system
- d. Real time gross settlement

Ans – d

.....

Securitization can be effected for

- (i) Standard assets only
- (ii) Rated accounts only
- (iii) Standard & Sub-standard assets

- a. Only (i) and (ii)

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

Ans – d

.....

Bharat QR is developed by NPCI in collaboration with

- (i) Master card
- (ii) Visa
- (iii) Amex

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

Ans – a

.....

Marketing Mix refers to

- (i) Product & Price
- (ii) Promotion & Place
- (iii) People & Process & Physical evidence

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

Ans – d

.....

Customers' expectations of service quality mainly depend on the following:

- (i) Tangibility in services
 - (ii) Reliability
 - (iii) Responsiveness
-

(iv) Assurance

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

Ans – d

.....

An effective MIS fulfils these

- (i) Analysis of quantitative information
- (ii) Coordination among functional and specialists executives
- (iii) Limited to the current scenario

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

Ans – a

.....

Banking Technology is a discipline which deals with

- (i) Finance and Risk Management
- (ii) Information Technology and Communication Technology
- (iii) Computer Science and Marketing Science

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

Ans – d

.....

Which one of the following is not a credit information company approved by RBI?

- a. CRISIL
- b. Experian Inc
- c. Equifax Inc
- d. CIBIL

Ans – a

ABC Bank has decided to launch a new deposit product viz. 'Core Savings account' with some special features to attract the customers. Under which category of customer needs the product falls?

- a. Security/Safety Needs
- b. Physiological Needs
- c. Self-Actualization Needs
- d. Self-Esteem Needs

Ans – b

Retail Loan Processing Centres of banks are designed to

- (i) Source retail asset business
- (ii) Process retail loans
- (iii) Do the valuation/legal opinion wherever necessary
- (iv) Release the loan either at their end or advise sanction to branches

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

Ans – d

Process models in retail banking are structured as

- a. Horizontally Organised Model where individual process platform supports one product only

- b. Vertically Organised Model where functionality is provided across all products
c. Predominantly Horizontally Organised Model with some modularization within a product oriented feedback
d. Any one of the above

Ans – d

RBI has since revised/reduced Minimum Holding Period (MHP) for securitization

- a. From 12 months to 6 months
b. From 24 months to 12 months
c. From 12 months to 9 months
d. No change

Ans – a

Which of the following statement is incorrect?

- a. Profit is an absolute amount whereas profitability is a relative one.
b. Profitability is an absolute amount whereas profit is relative one.
c. Profitability is a measurement of efficiency of a company in relation to size of the business whereas profit is an absolute number determined by the amount of income or revenue above and beyond the costs or expenses an entity incurs.
d. Although a company can realize a profit, this does not necessarily mean that the company is profitable.

Ans – b

Which of the following statement is correct about India's Payment System?

- (i) India is categorized as a 'leader' or 'strong' in more than 50% indicators of the Benchmark report
(ii) India is in leadership position in large payment systems and fast payment systems
(iii) India is weak on certain indicators such as people per ATM/ POS terminal

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

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

Ans – d

Integrated Ombudsman does not include the following concept

- a. One Nation One Ombudsman
b. Single portal for all the grievances
c. Integration of all the existing scheme of Ombudsman
d. None of the above

Ans – d

Bharat Interface for Money (BHIM) is a UPI based payment interface which allows real time fund transfer using a single identity like your mobile number or name. Answer the following questions regarding BHIM.

1. Which one is not correct regarding money sent to a wrong user?

- a. Matter can be referred to NCPI
b. A successful transaction cannot be reversed
c. You have to try and raise a collect request and hope that the user will return the same
d. There is no guarantee that your amount will be reversed

2. What is correct in respect of BHIM? (i) You can't use BHIM outside India, (ii) You can use BHIM outside India to send and collect money for your local accounts, (iii) NRI/NRE accounts cannot be used for the same.

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

3. What are the methods available on BHIM for sending Money? (i) VPA/Mobile No (Registered on UPI), (ii) Aadhaar Number (Should be linked to a bank account), (iii) Account Number and IFS code

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

4. What are the charges to use BHIM?

- a. Depends upon the transaction limit
- b. Depends on the Bank
- c. Depends on the App
- d. NPCI does not charge any user for transacting on BHIM

5. Which is not correct regarding sending money using BHIM?

- a. Maximum of Rs. 10,000 per transaction
- b. Maximum of Rs. 20,000 per day
- c. Limit is available per app from a mobile
- d. Limit is available per bank account linked on BHIM

6. Which is correct regarding collect request using BHIM?

- a. Maximum of Rs. 10,000 per transaction
- b. Maximum of Rs. 20,000 per transaction
- c. Maximum of Rs. 10,000 per day
- d. Maximum of Rs. 20,000 per day

7. A failed transaction amount should normally be reversed to you in

- a. T+1 days
- b. T+2 days
- c. T+3 days
- d. T+4 days

Answers :

1-a, 2-c, 3-d, 4-d, 5-d, 6-a, 7-c

Product architecture components include

- (i) The Generic Product – the core product.
- (ii) The Expected Product – adding additional features.
- (iii) The Augmented Product – adding value in addition to features.
- (iv) The Potential Product – futuristic features in anticipation.

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

Ans – d

.....

Benefits of CRM

- (i) Improves the customer satisfaction and cross selling potential for the banks
- (ii) Helps the banks to derive increased share of wallet of the customer
- (iii) Helps to understand Customer Lifetime Value

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

Ans – d

.....

From the functional perspective, Banking Technology has mainly important dimensions

- a. Five
- b. Four
- c. Three
- d. Two

Ans – c

.....

Reserve Bank of India (RBI) has decided to dissolve the Banking Codes and Standards Board of India (BCSBI). Out of the followings, which will act as nodal department for BCSBI?

- a. Consumer Education and Protection Department (CEPD)
- b. Banking Ombudsman Scheme, 2006
- c. Ombudsman Scheme for NBFCs
- d. Ombudsman Scheme for Digital Transactions, 2019

Ans – a

Increased staff productivity is one of the most important tool to increase branch profitability. Out of the followings, which one is not true.

- a. Reducing process costs
- b. Clearly defined expectations and scorecards
- c. Improved motivation and rewards systems
- d. Technology alone is sufficient to increase staff productivity

Ans – d

Which one of the following is not part of retail banking?

- a. Internet banking
- b. Mobile Banking
- c. Providing term loans for projects
- d. Credit card facility

Ans – c

The most common mistakes in credit score will be due to

- (i) Confusion of names
- (ii) Human Input Error
- (iii) Identity Theft

- a. (i) only
- b. (i) & (ii) only

- c. (ii) & (iii) only
d. (i), (ii) & (iii) above

Ans – d

Firms need to collect and analyse the data pertaining to marketing for

- a. Projecting their organization as knowledge-oriented
b. Enabling the top management to keep control over the sales force
c. Taking the required steps for effective marketing of their products
d. For utilizing their information technology capabilities

Ans – c

The Indian Financial Technology and Allied Services (IFTAS) has been acquired by

- a. Institute for Development and Research in Banking Technology (IDRBT)
b. Indian Institute of Banking and Finance (IIBF)
c. Reserve Bank of India
d. Ministry of Finance, Govt. of India

Ans – c

NARCL has been set up by

- a. Government of India
b. State Governments
c. By Banks
d. None of the above

Ans – c

After outbreak of Covid-19, the future of Retail Banking will depend mainly on

- a. Branch Banking
b. Brick and Mortar banking

- c. Digital banking
d. None of above

Ans – c

A professional service provided by wealth managers includes

- (i) Investment Planning
(ii) Tax Planning
(iii) Retirement Planning

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

Ans – d

The characteristics of Debit Cards are

- (i) Payments for purchases are directly debited into the account
(ii) Cash Withdrawals through ATMs are debited to the account immediately
(iii) Payments made for purchases/usage will be debited subsequently after a certain period

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

Ans – c

In which stage of the marketing process does an organization answer questions like “who, where, when, and how” for the offering?

- a. Marketing planning
b. Marketing control
c. Marketing analysis

d. Marketing implementation

Ans – d

.....

The technology models adopted by banks are

- a. Fully outsourced model
- b. Partially outsourced model
- c. In house model
- d. Anyone of the above

Ans – d

.....

Foreign banks cited in the topic, which entered in retail banking activities, when not able to achieve the business objectives:

- a. Continued with their business in spite of not being profitable
- b. Moved out of the business
- c. Changed their focus with some strategic changes
- d. None of the above

Ans – b

.....

The suitability of a business model or approach of a bank depends upon

- (i) Corporate strategy
- (ii) Business objectives
- (iii) Business mix

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

Ans – d

.....

Which one of the following ways, the price structuring for products and services is attempted by banks?

- (i) Standalone pricing for different products and services.
- (ii) Special quotes for high value deposits.
- (iii) Bundled pricing/Holistic pricing based on total relationship.

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

Ans – d

Payment Default Risk (chances of failure to pay the card dues) is embedded in

- (i) Debit Cards
- (ii) Credit Cards

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Nither (i) nor (ii)

Ans – b

What is the full form of BCSBI?

- a. Banking Codes and Standards Bank of India
- b. Banking Codes and Standards Board of India
- c. Basic Customs and Standards Board of India
- d. Basic Codes and Standards Bank of India

Ans – b

Which one of the following forms is the backbone of retail banking income?

- a. Liability products
- b. Asset products
- c. Treasury products
- d. Both a and b

Ans – b

.....

The proportion of Housing Loan in Retail Loan segment is more than

- a. 50%
- b. 60%
- c. 75%
- d. 45%

Ans – a

.....

Harmonisation of TAT and customer compensation scheme is applicable to

- (i) All customer transaction
- (ii) All Digital transaction in the banks and All Digital transaction across all authorized payment systems

- a. Only (i)
- b. Only (ii)
- c. Both (i) and (ii)
- d. Nither (i) nor (ii)

Ans – c

.....

Out of the followings which is the definition of profitability?

- (i) Profitability is a measure of an organization's profit relative to its expenses.
- (ii) It compares how much profit a company makes compared with its overall revenue and costs.
- (iii) Profitability is a measurement of efficiency – and ultimately its success or failure.

.....

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

Ans – d

.....

Which one of the following products is not a retail asset product?

- a. Auto Loans
- b. Term deposits
- c. Personal Loans
- d. Home Loans

Ans – b

.....

Credit Scoring Models are based on the of applicants.

- (i) Defaults on previous credit transactions
 - (ii) Payment behaviour/Payment history
 - (iii) Previous searches/inquiries
 - (iv) Annual income
- a. (i) & (iii) only
 - b. (ii) & (iii) only
 - c. (ii), (iii) & (iv) only
 - d. (i), (ii) & (iii) only

Ans – d

.....

Bharat Bill Payment System (BBPS) is an integrated bill payment system which will offer interoperable bill payment service to customers online as well as through a network of agents on the ground. The system will provide multiple payment modes and instant confirmation of payment.

Answer the following questions regarding BBPS.

1. Who has been identified to act as Bharat Bill Payment Central Unit (BBPCU)?

- a. RBI
- b. SBI
- c. NCPI
- d. Govt of India

2. Banks and non-bank entities presently engaged in any of the above bill payment activities falling under the scope of BBPS and desirous of continuing the activity are

- a. mandatorily required to apply for approval/authorisation to become BBPOUs
- b. allowed to decide whether they want to become BBPOUs or not
- c. Any one of the above
- d. Neither of the above

3. Approval/authorisation to become BBPOUs should be applied to

- a. RBI
- b. SBI
- c. NCPI
- d. Govt of India

4. Net worth of the non-bank entities for seeking authorisation as BBPOUs should be atleast

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

5. Whether the non-bank entities will be required to show upfront that they are meeting the capital requirement for BBPOUs?

- a. Yes
- b. Not required
- c. If an entity applying for authorisation for BBPOU does not have the required network, then they are required to demonstrate unequivocal commitment/sources for raising the funds and also specify the time period within which the funds will be raised
- d. If they don't show upfront that they are meeting the capital requirement for BBPOUs, their application will be rejected

Answers :

1-c, 2-a, 3-a, 4-c, 5-c

Ordinarily there are only two kinds of cards (plastic money) viz. Credit cards and debit cards. Is there any other card to be given as gift and issued by corporate? (i) Smart Card, (ii) Pre Loaded Cards, (iii) Prepaid Cards

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

Ans - c

AB Bank has collected data with respect to the needs of its customers. It developed a product based on the information collected. What type of information has the bank collected and analysed?

- a. Strategic
- b. Tactical
- c. Operational
- d. Managerial

Ans – a

Which of the following is not the element of investment?

- a. Illiquidity

- b. Return
- c. Safety
- d. Risk

Ans – a

.....

The banks pay interest on the balance in Savings Account but no interest is being paid in current Deposit. However, the requirement of minimum balance stipulated by banks in Current Deposit Account is more as compared to Savings Bank Account. This is so, because

- a. The transaction cost in Current Deposit Account is more than Savings Bank due to provision of unlimited number of transactions being allowed in Current Deposit by Banks.
- b. Current Deposit is not preferred by the bank because it is highly volatile.
- c. It is the discretion of the bank whether to pay interest on current deposit or not.
- d. Payment of interest on current deposit depends on individual bank's policy.

Ans – a

.....

What does Customer Relationship Management (CRM) deal with in retail banking?

- a. Storing client data and understanding the client's requirements
- b. Establishing close personal relationship with customers
- c. Keeping in touch with customers to ensure that their needs are understood
- d. All the above

Ans – d

.....

All the Ps in marketing mix are interlinked. In order to effectively develop and market a product or service in the retail banking space, which one of the element is not relevant?

- a. Product
- b. Promotion
- c. Priority
- d. Process

Ans – c

.....

Consequent to deregulation of interest rate in savings bank account by RBI now banks can pay
(i) Any interest rate to any of its customer on any balance lying in his SB Account on selective basis.

(ii) Banks will have to offer a uniform interest rate on savings bank deposits up to ₹1/-lac irrespective of the amount in the account within this limit.

(iii) It is applicable in case of NRIs Savings deposit only.

(iv) Banks may differential rate of interest, if it so chooses, without any discrimination to all such customers to any of its offices, on savings bank deposit balance over ₹1/ lac

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

Ans – c

The Integrated Ombudsman Scheme is applicable to

- a. All Public Sector Banks
- b. All NBFC's
- c. All Commercial Bank
- d. All Regulated Entities

Ans – d

Out of the followings, which type of asset management is not followed by Wealth Management?

- a. Asset Allocation Management
- b. Concentrated Management
- c. Diversified Management
- d. Tactical Management

Ans – b

Technology and Retail Banking are

- a. Inseparable
- b. Separable
- c. Complementary
- d. Supplementary

Ans – a

.....

Full Service Investment Bank offer the following services

- a. Underwriting
- b. Mergers & Acquisitions (M&A)
- c. Equity Research
- d. All of above

Ans – d

.....

The facilities available for mobile banking customers are

- (i) Facility for using banking facility from anywhere
- (ii) Easy operations – instructions carried out by self
- (iii) Option to pay utility bills

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

Ans – d

.....

Define the eligibility norms for availing housing loans? (i) Individual/group of individual/members of residential co-op. society, (ii) Should not be enjoying credit facility elsewhere and should not be defaulter in any other credit facility, (iii) Should has regular income from salary or business. Salaried class should have minimum 3 years confirmed service. Applicant's age should not be more than 55 to 60 years at the time of loan application

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

Ans - d

Demerits to issuers of credit cards (i) High cost of local made plastic card, (ii) High cost of imported plastic card/marketing cost, (iii) High cost of credit checks on applicants

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

Ans - c

With reference to the Credit Card number, which digits identify the Credit Card Network?

- a. Initial two
- b. Initial Four
- c. Last two
- d. Last four

Ans - a

A newly constructed building stands on a plot costing Rs. 100000.

The construction cost of building is Rs. 2000000 and the estimated life of building is 66 years.

The investor wants a 5% return on land cost and 6% return on the construction cost.

Calculate the annual rent to be charged if annual repairs cost 0.5% of cost of construction and other outgoings equal 30% of gross rent.

The co-efficient for sinking fund at 3% for 66 years may be taken as 0.005.

- a. 17261
- b. 15200
- c. 15500
- d. 15550

.....
Ans - a

Return on land cost = 5% of 100000 = 5000

Return on construction cost = 6% of 2000000 = 120000

Total Income desired = Rs. 125000 (a)

Let gross annual rental be 'r'

Outgoings:

Annual repairs = 0.5% of 2000000 = 10000

Other outgoings = 30% of r or 0.30 r

Amount towards sinking fund = $0.005 \times 2000000 = 10000$

Hence, net income = $r - 0.30 r - 20000$ (b)

Equating (a) and (b),

$$0.70r - 20000 = 125000$$

$$0.70r = 125000 + 20000$$

$$0.70r = 145000$$

$$r = 145000 / (0.70 \times 12)$$

$$= 17261$$

.....

RBWM RECOLLECTED QUESTIONS - MAY 2023

What is the trade-off involved in portfolio management?

- a. Risk and return
- b. Diversification and liquidity
- c. Active and passive management
- d. Income and capital appreciation

Ans - a

.....

Which of the following statements best describes the role of a Banking Ombudsman?

- a. They provide financial advice and investment guidance to customers
- b. They mediate disputes between banks and their employees
- c. They handle customer complaints and grievances against banks
- d. They regulate the interest rates and lending practices of banks

Ans - c

.....

What is the transaction limit for UPI (Unified Payments Interface) for normal transaction?

- a. Rs. 10,000 per day
- b. Rs. 1,00,000 per day
- c. Rs. 2,00,000 per day
- d. Rs. 5,00,000 per day

Ans - b

For normal UPI the transaction limit is up to Rs 1 Lakh per transaction. For few specific categories of transaction in UPI like Capital Markets, Collections, Insurance, Foreign Inward Remittances the transaction limit is up to 2 lakh and for Initial Public Offering and Retail Direct Scheme the limit is up to Rs 5 lakh per transaction.

.....

What is the loan-to-value ratio (LTV) for a housing loan based on the sanction amount?

- a. It depends on the borrower's credit score.
- b. It is typically 80% of the sanction amount.
- c. It is always equal to the sanction amount.
- d. It varies based on the loan tenure.

Ans - b

.....

What is the taxable limit for gifts received from a person other than a relative?

- a. 10,000
- b. 25,000
- c. 50,000
- d. 1,00,000

Ans - c

.....

Are Government of India bonds tax-free?

- a. Yes, they are completely tax-free
- b. No, they are subject to certain taxes
- c. It depends on the tenure of the bond
- d. It depends on the type of bond

Ans - b

.....

In mutual funds, which charge is not borne by the bank?

- a. Expense Ratio
- b. Front-end Load
- c. Back-end Load
- d. Redemption Fee

Ans - a

.....

Which forum does not address the grievances of individual customers in banking?

- a. Banking Ombudsman
- b. Consumer Court
- c. Reserve Bank of India (RBI)
- d. Securities and Exchange Board of India (SEBI)

Ans - d

.....

Which form is used for issuing TDS certificate by a bank?

- a. Form 15A
- b. Form 16A
- c. Form 26/15
- d. Form 16

Ans - b

.....

According to the SARFAES1 Act, what is the time limit for issuing a demand notice by the secured creditor?

- a. 14 days
- b. 30 days
- c. 60 days
- d. 90 days

Ans - d

.....

Which of the following is considered the first stage of evaluation in banking technology?

- a. Credit Card
- b. ATM (Automated Teller Machine)
- c. Internet Banking
- d. Mobile Banking

Ans - b

.....

Who coined the term AI (Artificial Intelligence)?

- a. Alan Turing
- b. John McCarthy
- c. Marvin Minsky
- d. Herbert Simon

Ans - b

Which of the following statements best describes the role of a Banking Ombudsman?

- a. They provide financial advice and investment guidance to customers
- b. They mediate disputes between banks and their employees
- c. They handle customer complaints and grievances against banks
- d. They regulate the interest rates and lending practices of banks

Ans - c

If a housing loan is sanctioned for INR 75 crore, what is the Loan-to-Value (LTV) ratio based on the loan amount?

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

Ans - b

What is the main objective of investing in gold bonds?

- a. Capital appreciation
- b. Diversification of investment portfolio
- c. Regular income in the form of interest
- d. Hedging against inflation

Ans - c

What is the target number of houses under the Pradhan Mantri Awas Yojana (PMAY) for the year 2024?

- a. 1.95 crore houses
- b. 2.45 crore houses
- c. 2.95 crore houses
- d. 3.45 acme houses

Ans - c

What is the purpose affair practice guidelines in banking?

- a. To ensure equal treatment for all customers
- b. To promote transparency and accountability in banking operations
- c. To prevent unfair practices and protect customer rights
- d. All of the above

Ans - d

Which of the following is not a credit rating agency?

- a. Standard & Poor's
- b. Moody's Investors Service
- c. Roserve Bank of India
- d. ICRA Limited

Ans - c

Can a minor open an overdraft account?

- a. Yes, a minor can open an overdraft account
- b. No, a minor cannot open an overdraft account
- c. Only with parental consent, a minor can open an overdraft account
- d. It depends on the bank's policy regarding minor accounts

Ans - b

What is the correct order of the product life cycle stages?

- a. Introduction, Growth, Maturity, Decline
- b. Growth, Introduction, Maturity, Decline
- c. Introduction, Maturity, Growth, Decline
- d. Maturity, Introduction, Growth, Decline

Ans - a

.....

What is the meaning of the term "leverage ratio" in finance?

- a. The ratio of debt to equity in a company's capital structure
- b. The ratio of current assets to current liabilities
- c. The ratio of net income to total assets
- d. The ratio of market value to book value of a company's shares

Ans - a

.....

Which of the following options is incorrect regarding opening an account in the name of a minor?

- a. Cheque
- b. Debit card
- c. Passbook
- d. Credit card

Ans - d

.....

Return on equity (ROE) is a financial metric that measures

- a. The profitability of a company's operations
- b. The liquidity of a company's assets
- c. The solvency of a company's debt
- d. The efficiency of a company's inventory management

Ans - a

.....

.....
Analysis of securities helps to maximize the return based on principles of

- a. Risk management
- b. Market timing
- c. Diversification
- d. Financial leverage

Ans - c
.....

In a financial institution, the minimum retention requirement for assets is set at 5% of the book value. What does this mean?

- a. The financial institution must retain at least 5% of its assets as reserves
- b. The financial institution must retain at least 5% of its liabilities as reserves
- c. The financial institution must retain at least 5% of its total equity as reserves
- d. The financial institution must retain at least 5% of its outstanding loans as reserves

Ans - a
.....

When a bank buys unsold shares in an underwriting agreement, it is done

- a. According to market conditions
- b. As per the bank's discretion
- c. As per the agreement
- d. Based on investor demand

Ans - c
.....

General insurance is primarily based on

- a. Event-based coverage
- b. Time-based coverage
- c. Individual-based coverage
- d. Risk-based coverage

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

.....

In a joint fixed deposit (FD) account where one of the holders has died, will penal interest rate apply to premature withdrawal?

- a. Yes, penal interest rate will apply
- b. No, penal interest rate will not apply
- c. It depends on the bank's policies
- d. It depends on the terms and conditions of the FD agreement

Ans - b

.....

What is the objective of gold monetisation?

- a. Encouraging individuals to invest in gold
- b. Reducing the import of gold
- c. Promoting gold industry
- d. Facilitating gold loans for small businesses

Ans - b

.....

What does TReDS stand for in the financial context?

- a. Trade Receivables Discounting System
- b. Treasury Risk Evaluation and Data System
- c. Transaction Reporting and Data Storage
- d. Trust and Estate Distribution Services

Ans - a

.....

Why is retail lending considered successful in the banking industry?

- a. Higher interest rates on retail loans
- b. Lower default rates compared to corporate lending
- c. Government subsidies for retail lending
- d. Availability of collateral for retail loans

Ans - b

.....

.....

.....

In the context of the banking sector, what is the purpose of FRO Position Notice and PN to Paper Published?

- a. To notify customers about changes in fixed deposit interest rates
- b. To inform employees about new job positions within the bank
- c. To announce the closure of a bank branch or ATM location
- d. To provide information to the public about fraudulent activities in the banking sector

Ans - c

.....

What is the daily limit for cardless cash withdrawal?

- a. Rs. 5,000
- b. Rs. 10,000
- c. Rs. 15,000
- d. Rs. 20,000

Ans - b

.....

If a loan is taken against sovereign gold, how should the lien be marked?

- a. Gold should be physically marked with a stamp or seal
- b. The loan agreement should be registered with the relevant authority
- c. The borrower's credit score should be updated to reflect the lien
- d. The gold should be deposited in a designated bank account

Ans - a

.....

What is the formula for calculating operating profit?

- a. Revenue - Expenses
- b. Gross Profit - Taxes
- c. Net Profit - Cost of Goods Sold
- d. Gross Profit - Operating Expenses

Ans - d

.....

.....

What is a white-label ATM?

- a. An ATM that exclusively dispenses white-colored currency notes
- b. An ATM that is operated by a non-bank entity on behalf of a bank
- c. An ATM that is reserved for exclusive use by high-net-worth individuals
- d. An ATM that provides additional services such as balance inquiry and fund transfers

Ans - b

.....

What is a co-branded card?

- a. A credit card with two different colors on its design
- b. A card issued by a single bank that can be used at multiple retail stores
- c. A card that is jointly issued by a bank and a non-financial brand
- d. A card exclusively offered to VIP customers by luxury brands

Ans - c

.....

What does a vertically organized model refer to?

- a. A business model where a company operates in multiple industries simultaneously.
- b. A business model where a company focuses on a specific stage of the value chain.
- c. A business model where a company operates across different geographical regions.
- d. A business model where a company vertically integrates its supply chain.

Ans - d

.....

Under the IT Act, what is the maximum limit of deduction allowed for health check-up schemes under Section 80D?

- a. Rs. 5,000
- b. Rs. 10,000
- c. Rs. 15 000
- d. Rs. 25,000

Ans - d

.....

What does a horizontally organized model refer to?

- a. A business model where employees have a flexible work schedule
- b. A business model where employees work in different geographical locations
- c. A business model where departments collaborate and work together on cross-functional projects
- d. A business model where employees are organized based on their job roles and responsibilities

Ans - c

What is the key amendment introduced in the RBI Internal Ombudsman Scheme in 2021?

- a. Increase in the monetary limit for filing complaints
- b. Extension of the tenure of the Internal Ombudsman
- c. Introduction of complaint filing facility
- d. Inclusion of NBFCs under the scheme

Ans - d

ALL THE VERY BEST FOR YOUR EXAMS

SAMPLE QUESTIONS FOR CAIIB RETAIL 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).

Dr. K Murugan, DMS, MBA (Finance), MBA (HR), MCA, MSc (IT), CAIIB