JAIIB PPB Practice Questions (Set -1)

Q1. Alok, a salaried employee, is concerned about the financial security of his family in case of any unforeseen events. He wants to opt for a government scheme that provides life insurance coverage along with affordable premiums. Which government scheme would be the most suitable choice for Alok to ensure financial protection for his family?
(a) Alok should enroll in the Atal Pension Yojana to secure his family's financial future in case of any unforeseen events which offers a pension component
(b) Alok should consider the Pradhan Mantri Suraksha Bima Yojana (PMSBY), which offers accidental death and disability coverage at affordable premiums
(c) Alok should purchase RBI Bonds, which are government securities that offer a fixed interest rate and is a secure investment option
(d) He shoul [redacted] ial inclusion
and providi [redacted]

Q2. Which [redacted]?
(a) Banker's [redacted]
(b) Banker's [redacted]
(c) Banker's [redacted].
(d) Banker's [redacted] s).

Q3. What a [redacted] under Sec 131?
(i) Acts in g [redacted]
(ii) Receive [redacted]
(iii) The ch [redacted]
(a) Only i [redacted]
(b) Only i an [redacted]
(c) Only i an [redacted]
(d) All from [redacted]

Q4. Which [redacted]
Statement [redacted] bution and capital repa [redacted]
Statement [redacted] so consider listed pref [redacted] equity or preference shares, are accepted as collateral only in specific situations.
(a) Only Statement 1
(b) Only Statement 2
(c) Both Statements 1 and 2
(d) Neither Statement 1 nor 2

Q5. If the working capital gap for a borrowing unit is ₹4,00,000, what is the maximum amount that the bank can finance using the first method of lending?
(a) 1,00,000
(b) 3,00,000
(c) 2,00,000
(d) 3,50,000

Q6. The bank shall report to the Central Government within ______any transaction in respect of receipt or utilization of any foreign contribution by any person whether or not such person is registered or granted prior permission under the FCRA.
(a) 12 hours
(b) 24 hours
(c) 48 hours
(d) 72 hours

Q7. For a fiscal year, the company reported an Opening Stock of FG of ₹50,000 and a Closing Stock of FG of ₹60[redacted]Excise Duty of ₹40,000 [redacted]
(a) ₹3,30,00[redacted]
(b) ₹3,40,00[redacted]
(c) ₹3,20,00[redacted]
(d) ₹3,10,00[redacted]

Q8. Who a[redacted] a nation's transaction[redacted]
A. Traders,[redacted]
B. Individu[redacted]
C. Investor[redacted]
D. Students[redacted]
(a) A, B, and[redacted]
(b) B, C, and[redacted]
(c) A, C, and[redacted]
(d) All of the[redacted]

Q9. Under[redacted]e primary obligations[redacted]
(a) To provi[redacted]
(b) To authenticate the identity of customers and beneficial owners
(c) To ensure customers maintain a minimum balance
(d) To monitor the daily withdrawal limit of customers

Q10. In the scenario where a cheque goes missing during the clearing process or at the paying bank's branch, what immediate actions should the bank take?
(a) Notify the account holder to halt payment and prevent dishonored cheques.
(b) Advise the drawer of the cheque to take necessary actions.
(c) Ensure that the lost cheque's amount is not credited to avoid dishonored cheques.
(d) All of the above.

Q11. What is the purpose of making the complaint handling process policy document available at all branches of the bank?

(a) To ensure that only the management is aware of the complaint handling process.

(b) To enhance customer service and ensure that all employees are aware of the complaint handling process.

(c) To restrict the information to senior-level employees only.

(d) To keep the document as a reference for auditors only.

Q12. Which of the following entities is included under Authorised Dealer Category II by the RBI?

(a) Large multinational banks

(b) Full Fled[redacted]

(c) Non-Ban[redacted]

(d) Insuranc[redacted]

Q13. Why s[redacted]

(a) To avoid [redacted]

(b) To ensur[redacted]

(c) To avoid [redacted]

(d) Stamp la[redacted]

Q14. A co[redacted] r non-cash expenses o[redacted] mmitment including i[redacted],000. What will be its D[redacted]

(a) 1.5

(b) 2.4

(c) 3.45

(d) 2.89

Q15. In cal[redacted] m the total stock value[redacted] e the final drawing po[redacted]

(a) Gross sto[redacted] value

(b) Net stock value

(c) Paid-up stock value

(d) Residual stock value

Q16. The person who creates a Bill of Exchange or a Cheque and directs another party to pay a specified sum of money is known as the _________.

(a) Payee

(b) Drawee

(c) Drawer

(d) Endorser

Q17. The Presiding Officer (PO) holds office until which of the following occurs first?

(a) Completion of 5 years of service or attaining the age of 65 years.
(b) Completion of 5 years of service or attaining the age of 60 years.
(c) Completion of 6 years of service or attaining the age of 60 years.
(d) Completion of 4 years of service or attaining the age of 65 years.

Q18. Which of the following statements best captures the essence and impact of Open Banking on the financial industry?

In the evolving landscape of the financial industry, Open Banking is gaining traction as a transforma[redacted] banks and non-bank [redacted] access to consumer [redacted] link their accounts a[redacted]ion among service pr[redacted]ystem, the potential f[redacted]haping the way financi[redacted]

(a) Open Ba[redacted] data private and inacces[redacted]

(b) Open B[redacted] consumer financial dat[redacted]

(c) Open B[redacted]ng services through phy[redacted]

(d) Open B[redacted] a few large institutions,[redacted]

Q19. XYZ C[redacted]pplier with deferred p[redacted] of 10% of the total co[redacted] a letter of credit. The[redacted]cured by a Deferred P[redacted]

Which of the following risks might the supplier face in the contract with XYZ Corporation, despite the deferred payment terms being secured by a Deferred Payment Guarantee?

(a) The supplier may face exchange rate fluctuations, which could affect the value of payments received in the supplier's currency over the five-year period.
(b) XYZ Corporation may default on the installment payments, leading to potential delays in the supplier receiving the full payment.
(c) The Deferred Payment Guarantee may not cover the full amount of the installments, leaving the supplier exposed to partial non-payment.
(d) The supplier may not receive the advance payment on time, which could delay the production and shipment of the goods.

Q20. Which statement(s) accurately describe regulations related to foreign currency transactions and remittances under RBI guidelines?
Statement 1: Individuals are allowed to open and maintain foreign currency accounts with banks outside India for remittances under LRS without RBI approval, and these accounts can be used for related transactions.
Statement 2: Outward remittance in the form of a Demand Draft is permitted in the name of the individual or the beneficiary for permissible transactions during a private visit abroad, with a self-declaration by the remitter.
(a) Only Statement 1
(b) Only Statement 2
(c) Both Sta[redacted]
(d) Neither [redacted]

Q21. What [redacted]
(i) To uplift[redacted]
(ii) To mob[redacted]
(iii) To assi[redacted]
(a) Only ii
(b) Only ii a[redacted]
(c) Only i an[redacted]
(d) All of the[redacted]

Q22. A farm[redacted] is ₹25,000 per acre. W[redacted]wards post-harvest/ho[redacted]epairs and maintenan[redacted]
(a) ₹1,96,00[redacted]
(b) ₹2,31,00[redacted]
(c) ₹2,05,00[redacted]
(d) ₹2,27,50[redacted]

Q23. Why a[redacted]
(a) To prote[redacted]eceived lost instruments for value.
(b) To ensure that customers have sufficient funds to cover the cost of lost instruments
(c) To limit the amount of liability that the bank may have to pay in the event of a lost instrument.
(d) To provide customers with a guarantee that they will not be held responsible for lost instruments

Q24. In the context of leasing capital assets, what is the primary financial rationale behind a sale and leaseback arrangement for the lessee?
(a) It allows the lessee to write off the full value of the asset through depreciation
(b) It provides the lessee with liquidity by converting a fixed asset into cash while retaining the right to use the asset
(c) It enables the lessee to transfer the risk of asset depreciation to the lessor
(d) It gives the lessee ownership of the asset at the end of the lease term without any upfront payment

Q25. A bank has an infrastructure loan classified as 'Sub-standard (unsecured ab initio)' that has been an NPA for 5 months. The loan amount is 150,000. What is the regular provisioning percentage and the corresponding monetary value?
(a) 25%, 37,500
(b) 20%, 30,000
(c) 15%, 22,500
(d) 40%, 60,000

Q26. When a bank receives an order under Section 133 of the Income Tax Act, 1961, to furnish specific information, what must the bank do?
(a) The bank can refuse to provide the information if it considers it confidential.
(b) The [redacted]
(c) The [redacted]
(d) The [redacted]

Q27. Who [redacted] public authority? [redacted]
(a) The [redacted]
(b) The [redacted]
(c) The [redacted]
(d) The [redacted]

Q28. If an [redacted] wire transfer, [redacted]
(a) One [redacted]
(b) Three [redacted]
(c) Five [redacted]
(d) [redacted]

Q29. What [redacted]
(a) All [redacted]
(b) Only [redacted]
(c) Costs [redacted]
(d) None of [redacted]

Q30. Fill in the Blanks:
1. RegTech or regulatory technology refers to technological solutions that __________ and improve regulatory processes.
2. Financial institutions are often overwhelmed by the number of __________, rules, and regulations they need to implement, execute, and monitor.
3. Fintechs and regulators are currently using RegTech to address increasingly __________ compliance processes.
(a) streamline, laws, cumbersome
(b) enhance, orders, streamlined
(c) build, directives, simple
(d) modernize, instructions, clear

Q31. Which of the following is NOT a characteristic of the debtor-creditor relationship when a customer deposits money with a bank?
(a) The bank is obligated to use the money in a way most beneficial to the customer.
(b) The customer should make a demand for payment in a specified manner.
(c) The customer does not have any security from the bank for the deposited amount.
(d) The law of limitation does not begin to run until a demand has been made for repayment.

Q32. A minor, Rohan, approached a bank for a loan to cover his educational expenses, which were considered necessities. The bank, aware of the legal implications, approved the loan. However, Rohan's guardian disputes the repayment, claiming the loan was unnecessary. The bank is now contemplating recovering the loan amount from Rohan's estate under the provisions of the Indian Con[redacted]
If the bank [redacted] l provision would this [redacted]
(a) The ban[redacted] sible for his financial ob[redacted]
(b) The bank[redacted] ble for loans under any c[redacted]
(c) The bank[redacted] ian Contract Act, as the l[redacted]
(d) The ban[redacted] loan, as the guardian is [redacted]

Q33. Durin[redacted] pt in bank accounts o[redacted]
(a) To ensu[redacted] e.
(b) To gene[redacted]
(c) To conc[redacted]
(d) To accu[redacted]

Q34. A com[redacted] ful life of 5 years with [redacted] traight-line method?
(a) $12,000
(b) $18,000
(c) $12,500
(d) $17,500

Q35. Which of the following statements is correct?
A. The UCP 600 was approved by the ICC Banking Commission on 25 October 2006.
B. UCP 600 contains 59 articles, the same as UCP 500.
C. UCP 600 introduces new provisions for the discounting of deferred payment credits.
(a) A, and C
(b) B only
(c) A, and B
(d) B, and C

Q36. What is the difference between Ordinary Term deposits and Reinvestment or Special Term deposits?
(a) Interest is paid periodically in Ordinary Term Deposit, while it is paid on maturity in Reinvestment or Special Term Deposit
(b) Interest is paid on maturity in Ordinary Term Deposit, while it is paid periodically in Reinvestment or Special Term Deposit
(c) Ordinary Term Deposit is for a shorter duration, while Reinvestment or Special Term Deposit is for a longer duration
(d) There is no difference between Ordinary Term Deposit and Reinvestment or Special Term Deposit

Q37. If a co[redacted]r non-cash expenses o[redacted]al payment commitme[redacted]sums up to Rs. 3,50,00[redacted]
(a) 1.5
(b) 2.8
(c) 1.7
(d) 0.8

Q38. What [redacted]?
(a) To provi[redacted]
(b) To redre[redacted]
(c) To monit[redacted]
(d) To evalu[redacted]

Q39. When[redacted] unfamiliar recipient, w[redacted]
(a) Postal Ba[redacted]
(b) Checks i[redacted]
(c) Drafts D[redacted]
(d) Automated Clearing House (ACH) Direct Deposit.

Q40. Which groups in the Indian economy are in need of financial literacy?
1. Financially excluded and resource-poor individuals.
2. Individuals from lower and middle-income brackets.
3. High net worth individuals.
(a) 1, 2, and 3
(b) Only 2 & 3
(c) Only 1 & 3
(d) Only 1 & 2

Q41. Under which of the following circumstances will XYZ Bank be entitled to protection under Section 128 of the Negotiable Instruments Act, 1881, after paying a crossed cheque in due course?
XYZ Bank received a crossed cheque from one of its customers, Mr. P, who requested the amount be credited to his account. The cheque was crossed generally and was drawn on ABC Bank. XYZ Bank, after verifying the cheque, made the payment in due course. Later, a dispute arose questioning whether XYZ Bank was entitled to protection under Section 128 of the Negotiable Instruments Act.
(a) XYZ Bank pays the cheque in due course, but the cheque was crossed specially, and the payment was made to a different bank.
(b) XYZ Ban[redacted]yment made to a banker.
(c) XYZ Ban[redacted]he payment was made t[redacted]
(d) XYZ Ban[redacted]he payment was made d[redacted]

Q42. Which[redacted]f a contract of indemni[redacted]
Statement [redacted]mnifier, the indemnifie[redacted]
Statement [redacted]e principal debtor bei[redacted]
Statement [redacted]f guarantee involves su[redacted]
Statement [redacted]ts, while a contract of[redacted]
(a) Stateme[redacted]
(b) Stateme[redacted]
(c) Statemen[redacted]
(d) Stateme[redacted]

Q43. Which[redacted]the Indian Partnershi[redacted]
(a) Registration of a partnership is compulsory throughout India
(b) Registration is optional, except in the states of Gujarat and Maharashtra
(c) Registration is mandatory only for businesses earning above a certain threshold
(d) Registration is optional but grants no legal benefits to an unregistered partnership

Q44. If a borrower from "All other eligible category of borrowers" defaults on Rs. 200 lakh, how much will be considered in default according to the policy?
(a) 100 lakh
(b) 150 lakh
(c) 160 lakh
(d) 200 lakh

Q45. Why is security and trust considered critical in electronic transmission of corporate data?
(a) Because electronic transactions are always unreliable
(b) To prevent loss of funds due to internal and external frauds
(c) Because digital systems are inexpensive to maintain
(d) To encourage more employees to work remotely

Q46. Mr. Kumar, a long-time customer of ABC Bank, maintains both a savings account and a current account with the bank. Due to recent financial difficulties, his current account is overdrawn by a significant amount. Meanwhile, his savings account has a substantial balance. ABC Bank decides to exercise its right of set-off, adjusting the debit balance in the current account [redacted]
Which of [redacted] governing the right of [redacted]
(a) The [redacted] depleting his savings [redacted]
(b) The [redacted] with another individual, [redacted]
(c) The [redacted] marked for Mr. Kumar's [redacted]
(d) The [redacted] which is not yet matured [redacted] for a loan.

Q47. The [redacted] operations are influenced [redacted] occasion, all branches of [redacted] bank officer at that [redacted] operations were [redacted] specified.
(a) Ravi is [redacted] heavily on the data [redacted] due to the festival and [redacted]
(b) Ravi [redacted] the day as a business day; this involves executing various set functions such as initiating a new day, executing standing instructions, and processing time deposits concerning interests and maturities, among other tasks.
(c) Ravi is supposed to hold off and wait for a green signal from the central data center to go ahead with the BOD operations given the special circumstance of only his branch being operational, thereby necessitating higher-up authorization.
(d) Ravi has the liberty to only partially initiate the BOD operations by starting with vital functions such as inaugurating a new day and managing the value date processing of cheques, and he can defer other tasks, expecting to resume them the following business day when all branches reopen and resume their normal operations.

Q48. What banking services are required to be provided to visually impaired individuals without discrimination, as per the directives of the Indian Banks' Association (IBA) and the Chief Commissioner for Persons with Disabilities?
(a) Exclusive provision of cheque book services
(b) Access to both cheque book and ATM services
(c) Availability of cheque book, ATM, and net banking services
(d) Comprehensive access to cheque book, ATM, net banking, locker facilities, retail loans, credit cards, etc.

Q49. Which of the following statements can be inferred
regarding [redacted]
(SHGs) wit [redacted]
1. SHGs, wh [redacted] **anks only if**
they are pr [redacted]
2. Banks ar [redacted] **hich cannot**
exceed 1:4. [redacted]
3. The inte [redacted] **cannot be**
independe [redacted]
4. No servic [redacted] **nember for**
eligible pri [redacted]
(a) Only 3, 4 [redacted]
(b) Only 2, 3 [redacted]
(c) Only 1, 3 [redacted]
(d) Only 1, 4 [redacted]

Q50. What [redacted]
(a) Ownersh [redacted]
(b) An oblig [redacted]
(c) Legal do [redacted] ansfer.
(d) Declarat [redacted]

Q51. The S [redacted] **ll required**
protocols a [redacted] **their third**
business expansion phase, they plan to apply for their third term loan under the DAY-NRLM scheme, armed with a detailed Micro Credit Plan and a good credit history. What is the minimum amount they can request, and what factors will influence the approval?
(a) They can apply for a minimum loan amount of Rs. 6 lakhs, and the loan amount will be determined based on their existing corpus, being a fixed criterion for the third dose of term loan.
(b) The group has the choice to apply for a loan amount that is a minimum of Rs. 1 lakh, considering their credit history and the evaluation of their Micro Credit Plan by the Federations/Support agency.
(c) Uplift Together can request a term loan where the minimum amount is set at Rs. 2 lakhs, relying heavily on their previous credit history to decide the final amount sanctioned.
(d) The SHG can apply for a minimum loan of Rs. 6 lakhs. The determining factor for the approved loan amount will be the details and strategies laid out in their Micro Credit Plan, coupled with the appraisal by Federations/Support agency and their previous credit history.

Q52. What is the bank required to do immediately upon receiving a garnishee order from a court or an attachment order from the Income Tax Authorities under section 226 of the Income-tax Act?
(a) Announce the order to the media
(b) Increase the interest rate on the attached account
(c) Proceed with the account's operations as normal
(d) Cease debit transactions in the specified account

Q53. Which of the following individuals does not require prior permission from the Central Government to accept foreign hospitality while visiting abroad?
Mr. Gupta, [redacted]ited States,
with all exp[redacted] hospitality,
Mr. Gupta s[redacted]s, members
of legislatu[redacted]permission
from the Ce[redacted]any foreign
country.
(a) A memb[redacted]
(b) An office[redacted]
(c) A judge [redacted]
(d) An empl[redacted]t.

Q54. Kuma[redacted]enchmarks
from Prime[redacted]nding Rate
(MCLR), an[redacted]n March 1,
2023, he ha[redacted]an interest
rates. Whic[redacted]
(a) Suggest [redacted]nding Rate,
arguing it's [redacted]
(b) Advocate[redacted]R for being a
more robust[redacted]
(c) Encoura[redacted]est internal
benchmark [redacted]n the rate
determinati[redacted]
(d) Recommend opting for a loan with an interest rate guided by an external benchmark, citing RBI's latest guidelines encouraging the switch to external benchmarks for a more realistic and market-aligned rate determination.

Q55. What is the significance of Section 148 of the Indian Contract Act, 1872, in the context of the bailee-bailor relationship between a bank and its customer?
(a) It establishes the bank as a trustee of the customer's securities.
(b) It makes the bank liable for any loss caused to the customer due to its negligence as a bailee.
(c) It exempts the bank from liability in case of loss or damage caused due to circumstances beyond its control.
(d) It defines the procedure for resolving disputes between the bank and the customer in case of loss or damage to the securities.

Q56. How long do banks have to resolve customer complaints regarding wrongful debit on account of ATM transactions in India, and what penalty shall be charged by the customer from the bank in case of any delay?
(a) T+1 working day; Rs. 50 per day of delay
(b) T+3 working days; Rs. 100 per day of delay
(c) T+5 working days; Rs. 100 per day of delay
(d) T+7 working days; Rs. 50 per day of delay

Q57. GlobalTech Corp, a multinational corporation with subsidiaries across five continents, implements an advanced cash management strategy to optimize liquidity. By pooling cash surpluses f [redacted] **s profitable ones, the c** [redacted] **artment is tasked wit** [redacted] **competitive advantage.** [redacted]
Which of th [redacted] **n's strategy of pooling c** [redacted]
(a) The poo [redacted] ularly if the cash surplu [redacted]
(b) The cent [redacted] sidiary level, as local man [redacted]
(c) The stra [redacted] arying rules regarding th [redacted]
(d) The rel [redacted] within the company, pa [redacted] ies.

Q58. What [redacted]
(a) To encou [redacted]
(b) To mand [redacted] .S. accounts.
(c) To ensur [redacted] the relevant government [redacted]
(d) To simpl [redacted] tions.

Q59. Who i [redacted] **)?**
(a) Only Non-resident Indians (NRIs)
(b) Only Persons of Indian Origin (PIOs)
(c) Non-residents of any nationality
(d) Both (a) and (b)

Q60. What is the relationship between the customer and the bank when the customer deposits money with the bank?
(a) Customer and banker
(b) Debtor and creditor
(c) Promiser and promisee
(d) None of the above

Q61. Which of the following statements is/are correct regarding the Standing Committee on Customer Service, as recommended by the Committee on Procedures and Performance Audit of Public Services (CPPAPS)?
1. The Standing Committee is a permanent body within banks tasked with evaluating customer service and implementing feedback across various departments.
2. The Committee acts as a link between different bank departments and the Board/Customer Service Committees, which review and modify customer service initiatives.
3. The Standing Committee must be chaired by a non-official member to ensure independent feedback and compliance with RBI customer service instructions.
(a) Only 1 and 2 are correct
(b) Only 2 a[redacted]
(c) Only 1 a[redacted]
(d) All 1, 2, [redacted]

Q62. Whic[redacted] funds are considered[redacted]
(a) When th[redacted]
(b) When th[redacted]
(c) When th[redacted]
(d) When t[redacted] error in the signature

Q63. Whic[redacted] Kharavela Industries [redacted]sa 153 (A)) regarding t[redacted]
A. The Cou[redacted] the debtor must be ap[redacted]
B. The rul[redacted]tor is to be applied fir[redacted]wards the principal.
C. The judg[redacted]f payments either towa[redacted]greement.
D. The case[redacted]ce with the general legal principle that favors reducing the outstanding principal before settling interest dues.
(a) Only A, C
(b) Only B
(c) Only C, D
(d) Only A, B, D

Q64. Who can invest in Security Receipts (SRs) issued by an ARC?
(a) Only Qualified Buyers (QBs)
(b) Only institutional investors
(c) Only non-institutional investors
(d) Individuals are also allowed to invest

Q65. A borrower in the MSME sector takes a loan of ₹150 lakh without any collateral security. Is this loan amount covered by MLIs?
(a) Yes, the loan is covered because it is less than ₹200 lakh.
(b) No, the loan is not covered because it is without collateral security.
(c) Yes, the loan is covered only if it is fund-based.
(d) No, the loan is not covered because it is more than ₹100 lakh.

Q66. When a bank receives a garnishee order from a court, what are the required steps regarding a customer's account that has a credit balance?
(a) The bank must immediately freeze debit transactions in the affected account and notify the customer about the or[redacted]
(b) If the am[redacted] moved to a sundry depo[redacted]
(c) The bank[redacted] do not apply to subseque[redacted]
(d) Garnishe[redacted] with others.

Q67. What [redacted] ter-related damage?
(a) Ensure t[redacted]
(b) Install fl[redacted]
(c) Regularl[redacted]
(d) Use fire-[redacted]

Q68. What [redacted] s customer complaints[redacted]
(a) The RBI [redacted]
(b) The RBI [redacted] anks whose maintainabl[redacted]
(c) The RBI [redacted]
(d) The RBI [redacted] eas.

Q69. Accor[redacted] y qualified individual [redacted]
(a) The specific dates on which the foreign contributions were received.
(b) The identification details of the beneficiary organization.
(c) The intended use of the received foreign contributions.
(d) A comprehensive account of how the foreign contributions were calculated.

Q70. Under Rule 13 of the mentioned rules, where is an individual, who has received a certificate of registration or prior approval, mandated to publish information about foreign contributions?
(a) On their social media profiles.
(b) On a personal blog or their own website.
(c) On an official website as directed by the Central Government.
(d) None of the above

Q71. How can a person competent to enter into a contract authorize another person to open and operate a bank account on their behalf?
(a) By providing a verbal agreement
(b) By obtaining a notarized certificate
(c) By issuing a mandate or a power of attorney
(d) By signing a blank cheque

Q72. What is the minimum amount of default for matters relating to the insolvency and liquidation of corporate debtors under IBC?
(a) One thousand rupees
(b) One lakh rupees
(c) One cror[redacted]
(d) One billi[redacted]

Q73. Who i[redacted] Scheme for Private Sec[redacted]
(a) The Cent[redacted]
(b) The Min[redacted]
(c) The Rese[redacted]
(d) The Dep[redacted]

Q74. Which [redacted] e form of a promissory[redacted]
(a) Demand[redacted]
(b) Overdra[redacted]
(c) Commer[redacted]
(d) Treasury[redacted]

Q75. Which [redacted] Networks (LANs)?
1. LAN is a [redacted] als within a localized a[redacted]
2. LAN use[redacted] on medium between co[redacted]
3. The dist[redacted] um used to establish the network.
4. LAN usually extends beyond 100 meters for Cat5e cables.
(a) 1,2, and 3
(b) Only 4
(c) 1, 2, and 4
(d) Only 1, 2

Q76. What defines a general crossing on a cheque?
(a) Drawing two parallel transverse lines on the cheque's face.
(b) The crossing may contain specific words or directives.
(c) Its purpose is to enhance security and restrict unauthorized transfers.
(d) It signifies that the cheque needs to be deposited into a bank account.

Q77. Fill in the blanks:
Cash management has evolved significantly due to factors like ___ and ___. Firstly, there was ___ in interest rates, which increased the ___ of holding cash. Secondly, the advancement in ___ technologies, especially ___ mechanisms, has transformed financial transactions.
(a) an upward trend, technological developments, a decrease, cost of opportunity, computerized, electronic funds transfer.
(b) a downward trend, technological stagnation, an increase, cost of opportunity, manual, traditional banking.
(c) an upward trend, technological developments, an increase, opportunity cost, computerized, electronic fu [redacted]
(d) a downw [redacted] l, electronic funds transf [redacted]

Q78. For a b [redacted] iteria must be met?
A. The bank [redacted]
B. The bank [redacted] ction agent.
C. The indiv [redacted]
D. The cheq [redacted] he bank.
(a) Only B, C [redacted]
(b) Only A, E [redacted]
(c) Only A, C [redacted]
(d) All of the [redacted]

Q79. In a c [redacted] tive way to manage co [redacted] idering the structure o [redacted]
A large cor [redacted] entral root node man [redacted] unction as intermedia [redacted] individual employees, who do not have any further subordinates or child nodes under them.
(a) Assigning dedicated communication channels between leaf nodes to prevent overloading the root node and ensuring direct data transfers between employees.
(b) Implementing a protocol where intermediate nodes communicate directly with the root node, bypassing child nodes, to reduce the communication burden on lower levels.
(c) Allowing any node, including leaf nodes, to establish direct connections with any other node in the network to improve flexibility and data flow.
(d) Ensuring that communication and data flow follow the hierarchical structure, where leaf nodes communicate through their respective intermediate nodes, which relay the data to the root node when necessary.

Q80. What is lease financing?
(a) A type of financing that involves leasing out assets owned by a bank to other companies
(b) A type of financing that involves lending money to a company to purchase assets
(c) A type of financing that involves leasing out assets owned by a company to other companies
(d) A type of financing that involves leasing out assets owned by an individual to other companies

Q81. What is the total limit for repairs and maintenance expenses, crop insurance, and accident insurance for a farmer cultivating 4 acres of land with a scale of finance of Rs. 30,000 per acre in the first year?
(a) Rs. 15,000
(b) Rs. [redacted]
(c) Rs. [redacted]
(d) Rs. [redacted]

Q82. [redacted] surrender period of [redacted]
(a) Foreign [redacted] purpose.
(b) A [redacted] exchange to an [redacted]
(c) An [redacted] 180 days, based [redacted]
(d) After [redacted] currency notes up [redacted], for future [redacted]

Q83. Why [redacted] and the time [redacted] Bank?
(i) Due to [redacted]
(ii) Due to [redacted]
(iii) Due to [redacted]
(a) Only i
(b) Both i [redacted]
(c) Both i [redacted]
(d) All from i to iii

Q84. Which of the following statements accurately describe the conditions for claims under the Schemes of CGTMSE?
Statement 1: MLIs (Member Lending Institutions) are required to inform the date on which the account is classified as NPA within the quarter of it becoming an NPA.
Statement 2: The guarantee can be invoked within 3 years from the date the account is classified as NPA or the end of the lock-in period, whichever is earlier.
Statement 3: The Trust will pay 75% of the guaranteed amount within 30 days if the claim is found in order and complete, and the remaining 25% will be paid upon conclusion of recovery proceedings or when the decree gets time-barred.

Statement 4: Action for recovery must be initiated by the lending institution after issuing the loan recall notice before invoking the guarantee.
(a) Statements 1 and 3 only
(b) Statements 2 and 4 only
(c) Statements 1, 3, and 4 only
(d) Statements 2 and 3 only

Q85. What is the upper limit for paying in cash in Indian Rupees for acquiring foreign currency notes and/or travelers' cheques from a resident?
(a) Up to INR 1,000 or its equivalent
(b) Up to INR 3,000 or its equivalent
(c) Up to IN[redacted]
(d) Up to IN[redacted]

Q86. What [redacted] for legal authorizati[redacted]
A. General [redacted]
B. Specific [redacted]
C. Dual or [redacted]
D. Compreh[redacted]
(a) C, and D [redacted]
(b) A, and B [redacted]
(c) B, and C [redacted]
(d) None of [redacted]

Q87. How [redacted] easures for Money Lau[redacted]
(a) Quarterl[redacted]
(b) Semi-an[redacted]
(c) Annually[redacted]
(d) Biennial[redacted]

Q88. A com[redacted] 00. What is the compar[redacted]
(a) 2.5
(b) 3.7
(c) 3.4
(d) 2.8

Q89. What is the maximum tenure for an account?
(a) The tenure of the account is indefinitely extendable without any specific limit.
(b) The account can be maintained for a maximum of ten years, with automatic renewals.
(c) The account's tenure is aligned with the contract period or the account holder's business operation, but not exceeding seven years, unless specified otherwise.
(d) The account duration is fixed at five years, with possibilities for extension based on the account holder's request.

Q90. Why can't a demand draft be payable to the bearer?
(a) Because it would incur additional fees
(b) Because it would be considered a currency note and violate Sec.31 of the RBI Act 1934
(c) Because it is not a negotiable instrument
(d) Because it must be endorsed by a bank manager

Q91. What is a key requirement for firearms used by armed guards according to the guidelines?
(a) Firearms should be replaced annually regardless of their condition
(b) Firearms must always be kept in a secure vault and only used when necessary
(c) Firearms should always be in working condition, regularly cleaned, and maintained
(d) Firearms can be used without maintenance as long as they are licensed

Q92. A fint [redacted] ggregates a user's finan [redacted] app offers personalize [redacted] data across accounts. H [redacted] ner privacy concerns w [redacted] Which of t [redacted] anking for consumers [redacted]
(a) Increase [redacted] ing the need for multiple [redacted]
(b) Enhance [redacted] and services for consume [redacted]
(c) The pos [redacted] ders do not adhere to st [redacted]
(d) Simplifi [redacted] aggregated consumer d [redacted]

Q93. Which [redacted]
(i) An empl [redacted]
(ii) An emp [redacted]
(iii) An em [redacted]
(iv) An emp [redacted]
(a) ii and iii [redacted]
(b) iii and iv
(c) ii and iv
(d) ii, iii, and iv

Q94. Why does Section 25(3) of the Indian Contract Act not govern a mortgage by deposit of title deeds made in lieu of a barred debt, as per the Calcutta High Court's decision?
(a) Because the debt is barred and cannot be acknowledged.
(b) Because the mortgage discharges the debt by assigning an interest in the property.
(c) Because the mortgage does not constitute a valid contract.
(d) Because Section 25(3) only applies to secured debts.

Q95. Statement 1: Merchant bankers assist in the preparation of a detailed project report and market survey report, help in obtaining regulatory clearances, and plan the timing of the IPO or FPO. They also handle underwriting, selection of brokers, and the printing and distribution of prospectus/application forms.
Statement 2: Merchant bankers are primarily responsible for managing the company's operational activities and overseeing its daily financial transactions during the IPO process. They also handle all investor relations and are responsible for securing long-term debt financing for the company.
Which of the following statements correctly describe the role and functions of merchant bankers in the context of an Initial Public Offering (IPO) or Follow-on Public Offering (FPO)?
(a) Only Sta[redacted]
(b) Only Sta[redacted]
(c) Both Sta[redacted]
(d) Neither [redacted]

Q96. If the [redacted] pens to the surety's lia[redacted]
(a) The sure[redacted]
(b) The sure[redacted]
(c) The sure[redacted]
(d) The sure[redacted]

Q97. In rel[redacted]
(a) A docum[redacted]
(b) A docum[redacted]
(c) A docum[redacted]
(d) A docum[redacted]

Q98. A loa[redacted] If the loan amount is R[redacted] monetary terms?
(a) 150,000[redacted]
(b) 300,000[redacted]
(c) 200,000[redacted]
(d) 100,000

Q99. Mr. Verma filed an RTI request seeking details about a contract awarded to XYZ Ltd. The Central Public Information Officer (CPIO) found that some of the requested information was provided by XYZ Ltd. as confidential. Before disclosing the information, the CPIO decided to consult with XYZ Ltd. to assess whether public interest justifies the disclosure.
Under what condition can the CPIO disclose the third-party information provided by XYZ Ltd.?
(a) If XYZ Ltd. gives explicit consent for disclosure.
(b) If the information is classified as a trade secret by XYZ Ltd.
(c) If the public interest in disclosure outweighs potential harm to XYZ Ltd.
(d) If the contract details are more than five years old.

Q100. Under MCLR, when can the spread charged to an existing borrower be increased?
(a) On account of any reason
(b) On account of deterioration in the credit risk profile of the customer
(c) On account of appreciation in the credit risk profile of the customer
(d) None of the above

Solutions

S1. Ans.(a)
Sol. Atal Pension Yojana not only offers a pension component but also provides life insurance coverage in case of t [redacted] ive financial protection f [redacted] nce benefits in case of a [redacted] ion scheme. Additionally [redacted] nce coverage or financial [redacted] e that offers life insuranc [redacted] is primarily focused on f [redacted]

S2. Ans.(b)
Sol. Banker [redacted] nternational transactions [redacted] rs or foreign drafts.

S3. Ans.(d)
Sol. Section [redacted] nker against any wrongfu [redacted]
(i) **Acts in g** [redacted] ld not show any negligen [redacted]
(ii) **Receive** [redacted] behalf of its customer.
(iii) **The ch** [redacted] in question must be a cr [redacted] (where the name of the [redacted]

S4. Ans.(c)
Sol. The following statements provide accurate information about preference shares:
- Preference shares enjoy a preference in both dividend payments and capital repayment when compared to equity shares.
- Banks usually accept listed equity shares as collateral, and they may also consider listed preference shares as security. However, unlisted shares, whether they are common equity or preference shares, are typically accepted as collateral only in specific circumstances.

S5. Ans.(b)
Sol. The first method of lending allows a bank to finance a maximum of 75% of the working capital gap.
= 400000×75/100 = 3,00,000

S6. Ans.(c)
Sol. The bank shall report to the Central Government within **48 hours** any transaction in respect of receipt or utilization of any foreign contribution by any person whether or not such person is registered or granted prior permission under the FCRA.

S7. Ans.(b)
Sol. Calculate the Annual Cost of Sales (CoS):
Annual Cost of Sales (CoS) = Annual Cost of Production + Excise Duty + Selling expenses + Opening Stock of FG – Closing Stock of FG
Annual Cost of Sales (CoS) = 300,000 + 40,000 + 10,000 + 50,000 – 60,000 = ₹3,40,000.

S8. Ans.(b) [redacted]
Sol. The pri [redacted] trepreneurs. Current acc [redacted] individuals and instituti [redacted] e not meant for earning [redacted]

S9. Ans.(b) [redacted]
Sol. Under t [redacted] s is to verify and authent [redacted] ensure that the individu [redacted] vent money laundering [redacted] hentication, passport ve [redacted]

S10. Ans.(d [redacted]
Sol. When a [redacted] ch, the bank should prom [redacted]
(a) Notify th [redacted] eques.
(b) Inform t [redacted]
(c) Ensure t [redacted] es for other transactions [redacted] ly.

S11. Ans.(b [redacted]
Sol. Making the policy document available at all branches and ensuring that all employees are informed about the complaint handling process is intended to improve customer service and general awareness within the bank. This ensures that employees are equipped to handle complaints effectively, contributing to better overall customer satisfaction.

S12. Ans.(b)
Sol. Entities under **Authorised Dealer Category II** include **upgraded Full Fledged Money Changers (FFMCs)**, select **Regional Rural Banks (RRBs)**, **Urban Cooperative Banks (UCBs)**, and other entities designated by the RBI. These entities are authorized to perform non-trade related current account transactions and activities specific to FFMCs, such as foreign exchange services. They play an important role in facilitating financial transactions that are non-commercial in nature.

S13. Ans.(d)
Sol. Stamp laws are revenue laws and there for changes. One should keep oneself posted about the latest changes to ensure compliance with the law.

S14. Ans.(d)
Sol.
To find the DSCR, use the formula:

$$\text{DSCR} = \frac{\text{Net Profit} + \text{Depreciation} + \text{Other Non-Cash Expenses} + \text{Interest on Term}}{\text{Total Payment Commitment}}$$

Substituting the given values:

$$\text{DSCR} = \frac{₹8,00,000 + ₹1,50,000 + ₹50,000 + ₹3,00,000}{₹4,50,000} = \frac{₹13,00,000}{₹4,50,000} \approx 2.89$$

S15. Ans.(d [redacted]
Sol. The dra [redacted] e total stock value. The s [redacted] g value after subtracting [redacted] he borrower maintains s [redacted]

S16. Ans.(c [redacted]
Sol. The dra [redacted] wee (usually a bank or an [redacted] the primary responsibili [redacted]

S17. Ans.(a [redacted]
Sol. The Pre [redacted] ing office or until he atta [redacted] 's tenure is capped eith [redacted] ent of fresh leadership a [redacted]

S18. Ans.(b)
Sol. Open Banking represents a paradigm shift in the financial industry, characterized by the use of APIs to facilitate data sharing between banks and third-party service providers. Here's a detailed explanation of why **Option (b)** is the correct choice:

- **APIs as Connectors**: Open Banking leverages APIs to allow secure access to consumer banking data, enabling third-party developers to create innovative financial products and services that integrate seamlessly with existing banking systems.
- **Fostering Innovation**: By opening access to financial data, Open Banking encourages a competitive environment where numerous fintech companies can provide tailored solutions, enhancing consumer choice and driving industry innovation.

- **Customer Convenience**: Customers benefit from the ability to manage multiple accounts and services in one place, facilitating better financial management and streamlined transactions across various platforms.
- **Data Control**: Open Banking empowers consumers by giving them more control over their financial data, enabling them to share it with trusted third-party applications that enhance their banking experience.

S19. Ans.(c)
Sol. The risk associated with the Deferred Payment Guarantee is that it may not cover the full amount of the installments, which could leave the supplier exposed to the risk of partial non-payment. Even though the Deferred Payment Guarantee provides some security, it is crucial for the supplier to ensure that the gua [redacted]
Information [redacted]
1. **Deferre** [redacted] rtion of the payment [redacted]
2. **Advance** [redacted] 5%, is paid upfront [redacted]
3. **Letter o** [redacted] documents under a [redacted] e goods are shipped. [redacted]
4. **Deferre** [redacted] nsuring that the rema [redacted]
5. **Supplie** [redacted] s, potential defaults, [redacted]
6. **Currenc** [redacted] xchange rate risks ove [redacted]

S20. Ans.(c)
Sol. Both s [redacted] actions and remittances [redacted] states that individuals [redacted] a for making remittances [redacted] roval. These accounts ca [redacted] igible under LRS.
Statement 2 accurately describes that outward remittance is allowed in the form of a Demand Draft (DD) either in the resident individual’s name or in the name of the beneficiary with whom they intend to conduct permissible transactions during a private visit abroad. This is permitted against a self-declaration by the remitter, which simplifies the process for lawful foreign transactions.

S21. Ans.(d)
Sol. Creating savings habits through Self-Help Groups (SHGs) serves the purpose of uplifting the living conditions of the poor by encouraging regular savings. It also mobilizes individual skills for the group's collective interest, fostering economic empowerment. Additionally, SHGs offer financial assistance to members in times of need, promoting financial resilience and social support.

S22. Ans.(d)
Sol.
1. **Scale of finance** = ₹25,000 per acre
2. **Total area cultivated** = 7 acres
3. **Total scale of finance** = ₹25,000 × 7 = ₹1,75,000
4. **Add 10% for post-harvest/household/consumption** = ₹1,75,000 × 10% = ₹17,500
5. **Add 20% for repairs and maintenance, insurance, etc.** = ₹1,75,000 × 20% = ₹35,000
6. **Total short-term limit** = ₹1,75,000 + ₹17,500 + ₹35,000 = ₹2,27,500

S23. Ans.(a)
Sol. The banks require indemnities from customers who have lost demand drafts, travelers' cheques, FDRs, or pay [redacted] because the bank needs [redacted] ceived these instruments [redacted]

S24. Ans.(b [redacted]
Sol. In a sal [redacted] e asset to a leasing com [redacted] to continue using the as [redacted] its from the cash inflow. [redacted]

S25. Ans.(b [redacted]
Sol. The loa [redacted] equires 20% regular pro [redacted]
150,000×20 [redacted]

S26. Ans.(b [redacted]
Sol. Upon r [redacted] obligated to furnish the [redacted] must notify the custome [redacted]

S27. Ans.(c [redacted]
Sol. The res [redacted] uthority lies with the pu [redacted] ceiving and responding [redacted] r applicable information disclosure laws.

S28. Ans.(c)
Sol. Regulatory requirements dictate that if an intermediary bank is unable to send the originator information with a related domestic wire transfer, it must retain this information for a minimum of five years. This retention period is critical for several reasons:
- **Compliance:** Maintaining records for five years helps banks comply with regulations and facilitates audits and investigations by regulatory authorities.
- **Fraud Prevention:** Retaining this information aids in the detection and prevention of fraudulent activities and money laundering.
- **Customer Transparency:** It allows banks to provide necessary information to customers regarding their transactions over an extended period.

S29. Ans.(c)
Sol. The costs paid to solicitors, travelling expenses, and also costs reasonably incurred in resisting or reducing, or ascertaining the claim, may be recovered.

S30. Ans.(a)
Sol. RegTech or regulatory technology refers to technological solutions that **streamline** and improve regulatory processes. Financial institutions are often overwhelmed by the number of **laws**, rules, and regulations they need to implement, execute, and monitor. Fintechs and regulators are currently using RegTech to address increasingly **cumbersome** compliance processes.

S31. Ans.(a[illegible]
Sol. The ban[illegible]

S32. Ans.(c[illegible]
Sol. Under S[illegible] loans taken to meet the [illegible]e lo[illegible]nses, which are conside[illegible] in reco[illegible]tate. Option (c) correctly[illegible]

S33. Ans.(a[illegible]
Sol. Funds a[illegible]financial investme[illegible]of terrorism financing to[illegible]ties of terrorist orga[illegible]an extended period. This[illegible]operations, including re[illegible]ility of their activities ov[illegible]

S34. Ans.(a[illegible]
Sol. Depreci[illegible]
= $60,000 /[illegible]
= $12,000

S35. Ans.(a)
Sol. The statements are as follows:
True - The UCP 600 was approved by the ICC Banking Commission on 25 October 2006.
False - UCP 600 reduces the number of articles from 49 in UCP 500 to 39.
True - UCP 600 does introduce new provisions for the discounting of deferred payment credits.

S36. Ans.(a)
Sol. Interest on fixed deposits is paid periodically, normally at quarterly intervals. But it may also be paid, at the customer's choice, on maturity along with the principal amount. In the latter event, the interest is compounded at quarterly rests. Based on these modes of interest payment, fixed deposits are of two types viz. Ordinary Term Deposit, and Reinvestment or Special Term Deposit.

S37. Ans.(a)

Sol. To find the DSCR, use the formula:

$$\text{DSCR} = \frac{\text{Net profit} + \text{Depreciation} + \text{Other Non} - \text{Cash Expenses} + \text{Interest on term loan}}{(\text{Interest on term loan} + \text{Instalments of term loan})}$$

$$\text{DSCR} = \frac{500000 + 100000 + 50000 + 200000}{200000 + 350000}$$

$$\text{DSCR} = \frac{850000}{550000} = 1.5$$

S38. Ans.(b [redacted]

Sol. The pu [redacted] complaints about servic [redacted] r grievances and seek tim [redacted]

S39. Ans.(c [redacted]

Sol. For secu [redacted] ecting funds to an unrec [redacted] fts function analogously [redacted] rrency. They provide a st [redacted] her methods like Postal B [redacted] remittance modes, they [redacted] enarios.

S40. Ans.(a [redacted]

Sol. In the [redacted] olders. This includes not [redacted] sic financial knowledge [redacted] h net worth individuals. [redacted] on to make informed de [redacted] for financial literacy ext [redacted] her market players, ens [redacted]

S41. Ans.(b [redacted]

Sol. Section 128 of the Negotiable Instruments Act provides protection to a drawee bank that pays a crossed cheque in due course, placing it in the same position as if the payment was made to the true owner of the cheque. For the protection to apply, certain conditions must be met: when a cheque is crossed generally, the payment must be made to a banker; when crossed specially, the payment must be made only to the specified banker. **Option (b)** is correct because XYZ Bank followed the rule by paying the cheque to a banker after confirming it was crossed generally.

- **Option (a)** is incorrect because the cheque was crossed specially, and payment should have been made to the specific banker mentioned.
- **Option (c)** is incorrect as it shows negligence on the bank's part, and Section 128 protection wouldn't apply.
- **Option (d)** is incorrect because a crossed cheque must involve a bank in the payment process to qualify for protection.

S42. Ans.(d)
Sol.
1. **Statement 1:** Incorrect. In a contract of indemnity, there are only two parties: the indemnifier and the indemnified.
2. **Statement 2:** Correct. In a contract of guarantee, the surety's liability is secondary, and the principal debtor is primarily liable.
3. **Statement 3:** Correct. A contract of indemnity involves contingent risk, while a contract of guarantee involves a subsisting liability.
4. **Statement 4:** Correct. A contract of guarantee involves at least three separate contracts, whereas a contract of indemnity involves only one contract.

S43. Ans.(b [redacted]
Sol. As per [redacted] lly optional, meaning tha [redacted] like Gujarat and Mahara [redacted] on provides legal benefit [redacted] of disputes.

S44. Ans.(b [redacted]
Sol. Althoug [redacted] nt in default is subject to [redacted] d have been higher, it is [redacted]

S45. Ans.(b [redacted]
Sol. Securit [redacted] **orate data** because co [redacted] rnal frauds. Sensitive d [redacted] to prevent unauthorize [redacted] nancial and operational [redacted]

S46. Ans.(b [redacted]
Sol. The ba [redacted] accounts in the same ca [redacted] unt is in Mr. Kumar's so [redacted] es between accounts he [redacted]

S47. Ans.(b)
Sol. The procedure for the BOD operations indicates that they are initiated as per the business days specified in the branch calendar, and according to the guidelines, days are always business days specified in Branch Calendars. Thus, even if a single branch is operational on a specific day, the BOD process should be executed, involving all standard procedures such as handling standing instructions, processing time deposit intricacies about interest and maturity, and others that are typical for a business day at that particular branch.

S48. Ans.(d)

Sol. The guidelines issued by the Indian Banks' Association (IBA) and the mandates from the Chief Commissioner for Persons with Disabilities stipulate that visually impaired persons must be provided with a full range of banking facilities without any discrimination. This includes not just basic services like cheque book and ATM facilities, but also extends to net banking, locker facilities, retail loans, and credit cards, among others. It is essential to ensure that visually impaired individuals have equal access to these services, acknowledging their legal capacity to enter into contracts. This approach reflects a commitment to inclusivity and equal opportunity in the financial sector, ensuring that visually impaired customers receive the same level of service and convenience as other clients.

S49. Ans.(d)

Sol.

- **Stateme** [redacted] pen savings accounts [redacted]
- **Stateme** [redacted] 1 to 1:4, but this is n [redacted]
- **Stateme** [redacted] to SHGs, as long as t [redacted]
- **Stateme** [redacted] to ₹25,000 per SHG [redacted]

S50. Ans.(b [redacted]

Sol. A trust [redacted] r the benefit of another o [redacted]

S51. Ans.(d [redacted]

Sol. As per t [redacted] oan amount they can ap [redacted] ount will be the Micro C [redacted] s for future sustainable [redacted] ns/Support agencies wi [redacted] y examining the viability [redacted]

S52. Ans.(d [redacted]

Sol. When a [redacted] Income Tax Authorities [redacted] alt all debit operations in the account that has been specified in the order. This action is taken to comply with the legal requirements set forth by the court or tax authorities, ensuring that the account's funds are preserved in accordance with the directives. The bank must then inform the account holder of the order, suspending any withdrawals or outgoing payment activities until the legal matters are settled, thereby preventing any transactions that could interfere with the execution of the court's or authority's decision.

S53. Ans.(d)

Sol. Option 4 is correct because the Act imposes restrictions on accepting foreign hospitality only for certain categories of individuals, including members of legislatures, office-bearers of political parties, judges, government servants, and employees of government-owned or controlled corporations. An employee of a private corporation does not fall under these restrictions and thus does not require prior permission from the Central Government to accept foreign hospitality.

S54. Ans.(d)

Sol. Following the sequence of transformations in the interest rate benchmark systems as outlined in the guidelines, RBI has been encouraging the shift to external benchmarks most recently, aiming for a more market-aligned and realistic determination of interest rates. While PLR, Base Rate, and MCLR have been used historically, Kumar, being aware of the recent trends, should guide Mrs. Patel towards the latest encouraged system for potential benefits, aligning with the market trends, which is an external benchmark according to the prevailing guidance from RBI. It is critical to always align with the most recent guidance and trends to ensure the best advisory.

S55. Ans.(b)

Sol. Section [redacted] used to the customer [redacted] customer's securities [redacted] the bank may be [redacted] beyond its control, [redacted] in such cases are [redacted]

S56. Ans.(c [redacted]

Sol. RBI has [redacted] of ATM transactions [redacted] the card issuing [redacted] be credited to the [redacted]

S57. Ans.(c [redacted]

Sol. When [redacted] varying regulations [redacted] can complicate [redacted] authorities. Ensuring [redacted] management strategy.

S58. Ans.(a [redacted]

Sol. FATCA, [redacted] financial transparency and deter tax evasion by U.S. individuals. Its primary aim is to prevent U.S. taxpayers from using foreign banks and financial entities to evade U.S. tax obligations on income generated from their offshore assets. It achieves this by compelling foreign institutions to report these holdings to the U.S. government, thereby strengthening tax enforcement and closing tax evasion loopholes on a global scale.

S59. Ans.(d)

Sol. Non-Resident (External) Rupee Accounts (NRE Accounts) are specifically designed for Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs). These accounts allow them to deposit their foreign earnings in Indian Rupees. The key advantage of an NRE Account is the ease of fund repatriation, making it a favorable option for NRIs and PIOs to manage their income earned abroad and maintain financial connections with India.

S60. Ans.(b)
Sol. When a customer deposits money into a bank account, the bank becomes the debtor, and the customer becomes the creditor. This is because the bank now owes the customer the money that has been deposited, and the customer has the right to withdraw that money. Therefore, the relationship between the customer and the bank in this context is that of a debtor and creditor.

S61. Ans.(a)
Sol. Statement 1 is correct. The Standing Committee is a permanent body within banks responsible for evaluating customer service and ensuring feedback implementation across various departments.
Statement 2 is correct. The Committee acts as a bridge between different departments and the Board/Customer Service Committees, which oversee and review customer service initiatives.
Statement [redacted] Managing Director [redacted] non-official members [redacted]

S62. Ans. [redacted]
Sol. If a [redacted] payment, but this is [redacted] payment orders, [redacted] for the cheque's [redacted]

S63. Ans. [redacted]
Sol. The [redacted] agreement, payments [redacted] principal, as per [redacted] of payment [redacted] payments unless [redacted]

S64. Ans. [redacted]
Sol. Asset [redacted] Buyers (QBs) as [redacted] entities that meet [redacted] financial instruments [redacted]

S65. Ans. [redacted]
Sol. [redacted] Institutions (MLIs) to borrowers in the MSME sector, loans up to ₹200 lakh are generally covered without the need for collateral security. Since the loan amount of ₹150 lakh is less than ₹200 lakh and is without collateral security, it is covered by MLIs.

S66. Ans.(a)
Sol. Upon receipt of a garnishee order, a bank is obligated to halt all debit operations on the customer's account that have been targeted by the order and promptly inform the customer of this legal action. This step is crucial to ensure adherence to the legal directives while safeguarding the interests of the customer. Promptly notifying the customer about the garnishee order is essential for maintaining transparency, fostering trust, and facilitating a swift resolution of any issues leading to the issuance of the order. This procedure is designed to protect both the bank and its customers from potential fraudulent activities or other related concerns.

S67. Ans.(b)
Sol. To protect lockers from water-related damage, it is essential to install **flood barriers and proper drainage systems**. These measures are designed to prevent rainwater or flood water from entering the locker area, which could cause significant damage to the contents. While cleaning and lighting are general maintenance tasks, they do not specifically address the issue of water protection. Similarly, using fire-resistant materials is important for fire safety, not water protection.

S68. Ans.(b)
Sol. To ensure that banks effectively handle customer complaints, the RBI has implemented a policy where the cost of redressing complaints will be recovered from those banks against whom the number of maintainable complaints exceeds the peer group average. This creates a financial incentive for banks to improve t[redacted]s with their peers.

S69. Ans.(c[redacted]
Sol. The law[redacted] information including th[redacted] the method of receipt, th[redacted]ses detailing the utilizati[redacted]eceiving the contribution[redacted]

S70. Ans.(c[redacted]
Sol. An indi[redacted]l to do so on an official p[redacted]his measure is aimed a[redacted]ing foreign contribution[redacted]

S71. Ans.(c[redacted]
Sol. A perso[redacted]d operate a bank accou[redacted] documents provide the [redacted]

S72. Ans.(c[redacted]
Sol. The mi[redacted]of corporate debtors under IBC is one crore rupees.

S73. Ans.(c)
Sol. The Reserve Bank of India (RBI) typically acts as the nodal agency for overseeing various aspects of banking regulation, including receiving complaints under the Protected Disclosures Scheme for Private Sector and Foreign Banks. This scheme is aimed at encouraging the disclosure of unethical behavior or malpractice in these institutions.

S74. Ans.(c)
Sol. Commercial paper is an unsecured money market instrument issued in the form of a promissory note. It enables highly rated corporate borrowers to diversify their sources of short-term borrowings and to provide an additional instrument to investors.

S75. Ans.(b)
Sol. A LAN is a computer network that connects computers, network devices, and peripherals within a localized area, such as a building. LAN uses network adapters that employ special techniques to share a common medium between connected nodes. The distance and the number of nodes supported in a LAN depend on the medium used to establish the network. However, LAN will not extend beyond 100 meters for Cat5e cables.

S76. Ans.(a)
Sol. A general crossing on a cheque is typically identified by two parallel transverse lines drawn across the face of the cheque, often accompanied by specific words or instructions. The addition of such a crossing serves to increase the security of the cheque, ensuring that it is deposited directly into a bank account and [redacted] nsfers.

S77. Ans.(c [redacted]
Sol. Cash ma [redacted] **chnological developme** [redacted] **rtunity cost** of holding c [redacted] **ronic funds transfer** me [redacted]

S78. Ans.(d [redacted]
Sol. Section [redacted]
(a) act in go [redacted]
(b) receive [redacted]
(c) act on be [redacted]
(d) handle c [redacted]

S79. Ans.(d [redacted]
Sol. Option [redacted] ture, where communicat [redacted] grity of the network and [redacted]

S80. Ans.(a [redacted]
Sol. Lease f [redacted] , to another company ag [redacted] on called the lessor provi [redacted]

S81. Ans.(d)
Sol. 20% of the limit towards repairs and maintenance expenses = 30,000×4×20%30,000 \times 4 \times 20\%30,000×4×20%
= Rs. 24,000

S82. Ans.(c)
Sol. The rule stipulates that an Authorized Person (AP) cannot refuse to purchase foreign exchange merely because it is surrendered after the prescribed period of 180 days. This means that the AP is still required to accept foreign exchange from individuals, even if it is surrendered beyond the 180-day limit, as long as there are no other grounds for refusal. The AP's obligation to purchase foreign exchange is not limited by the 180-day timeframe, and refusal cannot be based solely on the expiration of this period.

S83. Ans.(c)
Sol. The Reserve Bank of India (RBI) withdrew earlier instructions regarding the immediate credit of local/outstation cheques and the time frame for collection mainly due to technological advancements in payment and settlement systems, as well as qualitative changes in operational systems and processes. These changes made the earlier guidelines obsolete, as they streamlined the process, reduced the time frame for settlement, and increased efficiency. There was no indication that these changes were due to a financial crisis in the banking industry.

S84. Ans.(c)
Sol.
- **Statem**[redacted]e end of the subsequ[redacted]
- **Stateme**[redacted]ate **or lock-in perio**[redacted]
- **Stateme**[redacted]f the claim is found in[redacted]ngs or when the decr[redacted]
- **Stateme**[redacted]otice before invoking[redacted]

S85. Ans.(a[redacted]
Sol. In India[redacted]gn currency notes and/o[redacted]rrency. This restriction i[redacted]y exchanges among resid[redacted]countability in currency[redacted]ial activities. The limit he[redacted]ng channels, which aids i[redacted]ry.

S86. Ans.(b[redacted]
Sol. The tw[redacted]for acting in multiple tra[redacted]or a specific purpose or [redacted]

S87. Ans.(c)
Sol. Banks are required to undertake a risk assessment and implement effective measures to mitigate ML/TF risks from customers, products/services, regions/countries, delivery channels, and transactions. This exercise should be conducted at least once a year. It ensures that banks adapt to evolving risks and compliance requirements, maintaining the integrity of their anti-money laundering and counter-terrorism financing frameworks.

S88. Ans.(a)
Sol. Working Capital ratio = Current assets/ current liabilities
= 2,50,000/1,00,000
= 2.5

S89. Ans.(c)
Sol. The account's duration is concurrent with the tenure of the contract or the period of operation of the account holder's business. However, it places a cap on this duration, stating that it cannot exceed seven years, except for certain activities that were mentioned previously. This means the account's tenure can match the business's operational period or the contract's length, but this period is limited to a maximum of seven years unless there are specific exceptions. Renewal requires RBI (Reserve Bank of India) approval, indicating that it is not automatically extended beyond this period without regulatory consent.

S90. Ans.(b)
Sol. A demand draft cannot be payable to the bearer because it would amount to being a currency note, which is pr[redacted]ue of bearer instruments[redacted]

S91. Ans.(c[redacted]
Sol. Accordi[redacted]re always in **working co[redacted]**aintenance ensures that[redacted]gency, which is essential f[redacted]

S92. Ans.(c[redacted]
Sol. While [redacted]ersonalized services, it [redacted]ossibility of unauthorize[redacted]roviders do not adhere [redacted]information is protected[redacted]aramount in the adoptio[redacted]

S93. Ans.(b[redacted]
Sol. Utilizin[redacted]beyond the sanctioned [redacted]ances of the abuse of po[redacted]

S94. Ans.(b[redacted]
Sol. The Cal[redacted]osit of title deeds made in lieu of a barred debt because the mortgage effectively discharges the debt by assigning an interest in the property to the mortgagee. This transfer of interest is considered a payment or settlement of the debt, rather than a mere acknowledgment of the debt. Therefore, the situation falls outside the scope of Section 25(3), which typically applies to promises to pay a time-barred debt without any corresponding payment or discharge.

S95. Ans.(a)
Sol.
1. **Statement 1** is correct because merchant bankers play a crucial role in various aspects of the IPO or FPO process. They assist with the preparation of reports, obtaining regulatory clearances, planning the IPO timing, underwriting the public issue, selecting brokers, and handling the printing and distribution of prospectus/application forms.

2. **Statement 2** is incorrect because merchant bankers are not involved in managing a company's operational activities or overseeing daily financial transactions. Their role is more focused on facilitating capital raising activities and ensuring regulatory compliance during the IPO or FPO process. They do not handle investor relations or secure long-term debt financing as part of their primary responsibilities.

S96. Ans.(b)
Sol. When a creditor loses the security that was entitled to the surety, the surety is discharged from liability. This is because the surety's right to the security was a form of protection against the debtor's default, and losing it adversely affects the surety's rights.

S97. Ans.(b)
Sol. OVD, [redacted] entity of an individual. [redacted] Cards, and Driving [redacted]

S98. Ans.[redacted]
Sol. For the [redacted] unsecured portion of [redacted] been an NPA for 3 years [redacted]
Given that [redacted]
Provisioning [redacted]
Thus, the [redacted]

S99. Ans.[redacted]
Sol. The [redacted] disclosing the [redacted] Ltd.). This is in [redacted] dealings may sometimes [redacted] a greater public [redacted] public interest outweighs [redacted] the age of the [redacted]

S100. Ans.[redacted]
Sol. Under [redacted] framework, the spread charged to an existing borrower can be increased in situations where there is a deterioration in the credit risk profile of the customer. This essentially means that if the bank perceives a higher risk in lending to the borrower due to worsening financial conditions or other relevant factors indicating an increased risk of default, it can increase the spread to mitigate this heightened risk. It should be noted that any such change should be in line with the bank's loan policy, which would include aspects that are considered for determining changes in the spread.