

JAIIB PPB 2024 Exam Readiness Test (11-14 October)

Q1. What is the purpose of Customer Profitability Analysis (CPA)?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) To evaluate the creditworthiness of a borrower
- (b) To ensure the advance is safe
- (c) To determine the overall profitability from all businesses of a customer
- (d) To avoid concentration risk

Q2. What is the purpose of introducing Kiosk Banking?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) To facilitate primary banking services at strategic locations
- (b) To replace traditional bank branches with electronic kiosks
- (c) To provide high-end banking services to affluent customers
- (d) To restrict banking services to only urban areas

Q3. What does a borrower do before utilizing a credit facility from a bank?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Pays a fee to the bank
- (b) Signs documents and offers security to the bank
- (c) Obtains insurance from the bank
- (d) Opens a deposit account with the bank

Q4. Which of the following is a recommended practice for post-credit follow-up for Self Help Groups (SHGs)?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Issuing loan passbooks or statements of accounts only in English
- (b) Conducting meetings with SHGs only at the bank branch
- (c) Observing one fixed day in a week for staff to attend SHG meetings
- (d) Not providing any follow-up after disbursing the loan

Q5. Which of the following statements is true according to Section 133 of the Contract Act?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Any variance made in the terms of the contract guaranteed by the creditor without the consent of the debtor discharges the surety from liability
- (b) Any variance made in the terms of the contract guaranteed by the surety without the consent of the creditor discharges the debtor from liability
- (c) Any variance made in the terms of the contract guaranteed by the surety without his consent discharges the surety from liability for future transactions
- (d) Any variance made in the terms of the contract guaranteed by the debtor without the consent of the surety discharges the creditor from liability

Q6. A company has a working capital gap of ₹600,000. Using the first method of lending, how much will the bank finance, and what will be the company's contribution from long-term funds?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Bank: ₹400,000; Company: ₹200,000.
- (b) Bank: ₹450,000; Company: ₹150,000.
- (c) Bank: ₹500,000; Company: ₹100,000.
- (d) Bank: ₹300,000; Company: ₹300,000.



Q7. Which of the following statements is not correct?

Statement 1: A resident in India can acquire immovable property outside India if such property was acquired, held, or owned when a resident outside India or inherited from a person resident outside India.

Statement 2: An individual residing in India is allowed to obtain immovable property outside the country through a gift or inheritance from a person mentioned in Statement 1. Additionally, a person residing in India who acquired such property on or before July 10, 1945, and has maintained ownership with RBI permission, or an individual residing in India who has acquired such property in accordance with FEMA, is also eligible to do so.

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) Only Statement 1
- (b) Only Statement 2
- (c) Both Statements
- (d) None of the above

Q8. Which of the following statements correctly describes the relationship between a banker and a customer based on the types of transactions?

Statement 1: All banking services/procedures/transactions are offshoots of the contract act.

Statement 2: The relationship between a banker and a customer is trust-based.

Statement 3: When money is deposited in a bank, the relationship between the banker and the customer is that of debtor and creditor, not trustee and beneficiary.

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) Statement 1 and Statement 2 are correct.
- (b) Statement 2 and Statement 3 are correct.
- (c) Statement 1 and Statement 3 are correct.
- (d) Statement 1, Statement 2, and Statement 3 are correct.

Q9. Rajiv has been using his credit card extensively for various purchases, including travel, dining, and shopping. His card issuer has granted him a credit limit of ₹1,00,000. Last month, he spent ₹50,000 on the card but only paid ₹10,000 by the due date. His statement now reflects the unpaid balance, including additional interest charges. Rajiv is confused about the terms and options of credit and charge cards. Which of the following is NOT a correct statement regarding credit and charge cards in terms of repayment and usage options?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) Credit cardholders are allowed to carry forward part of their outstanding balance to the next billing cycle, but they will incur interest charges on the unpaid amount.
- (b) Charge cardholders have the flexibility to repay only a part of their outstanding balance while carrying forward the remaining amount with interest to the next period.
- (c) Credit cardholders are given a credit limit, within which they can make purchases, and they are charged interest on unpaid balances after the due date.
- (d) Charge cardholders are required to pay the entire outstanding balance by the due date, and failure to do so can lead to penalties or suspension of the card.

Q10. What is the main difference between a Red Clause Letter of Credit and a Green Clause Letter of Credit?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Green Clause Letter of Credit allows for payment after the documents are submitted
- (b) Red Clause Letter of Credit allows for advances to cover storage at the port of shipment
- (c) Green Clause Letter of Credit allows for pre-shipment advance only
- (d) Red Clause Letter of Credit allows for pre-shipment advance and advances to cover storage at the port of shipment

Q11. Which of the following statements is true regarding mandate or power of attorney for joint accounts?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Only one joint account holder needs to sign the mandate or power of attorney
- (b) A third party cannot be authorized to operate a joint account
- (c) Clear instructions about the operation of the account need not be obtained if more than one person has been authorized
- (d) All joint account holders should sign the mandate or power of attorney

Q12. What are the two types of logical access controls implemented using the access control facilities of operating systems and database systems?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Authentication and authorization
- (b) Encryption and decryption
- (c) Backup and recovery
- (d) Firewall and antivirus

Q13. A cheque is presented for payment to a collecting bank, which collects the cheque and credits the proceeds to the account of its customer. Later, it is discovered that the cheque was forged. Who is responsible for the loss?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) The drawer of the cheque
- (b) The collecting bank
- (c) The paying bank
- (d) The endorser of the cheque

Q14. Which of the following standards and guidelines is used for communication by EDI?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) SWIFT
- (b) EDIFACT
- (c) NEFT
- (d) RTGS

Q15. Which act forms the basis of all banking services/procedures/transactions?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Contract Act
- (b) Companies Act
- (c) Banking Regulation Act
- (d) Negotiable Instruments Act

Q16. Fill in the Blanks:

1. The government departments are authorized to issue cheques within the drawing limit permitted to _____. Self-drawings in cash are allowed for salary and expenses.
2. Refund orders are issued by the central excise and customs department in favor of _____. Refund orders are also issued by the income tax department with related advice.

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) themselves, taxpayers
- (b) them, payees
- (c) banks, beneficiaries
- (d) individuals, recipients

Q17. Which virtue is considered most valuable for a professional?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Honesty in actions
- (b) Leadership qualities
- (c) Integrity in dealing
- (d) Objectiveness in actions

Q18. A bank has a priority sector lending target of Rs. 150 crores for the year. If the bank has already lent Rs. 120 crores to the priority sector, how much more should the bank lend to meet the target?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Rs. 10 crores
- (b) Rs. 20 crores
- (c) Rs. 30 crores
- (d) Rs. 40 crores

Q19. What is the minimum requirement for Tier I and Tier II Capital under prudential norms for capital adequacy?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Tier I and Tier II Capital to be not less than 10% of aggregate risk-weighted assets
- (b) Tier I and Tier II Capital to be not less than 15% of aggregate risk-weighted assets
- (c) Tier I and Tier II Capital to be not less than 20% of aggregate risk-weighted assets
- (d) Tier I and Tier II Capital to be not less than 25% of aggregate risk-weighted assets

Q20. XYZ Ltd. enjoys working capital facilities with Bank A. It has approached the bank for an LC limit for the purchase of raw materials. The relevant information provided is given below.

- Projected value of raw materials consumption: Rs.4,800 lakh
- Projected value of raw material purchase on credit: Rs.3,600 lakh
- Time is taken for advising L/C: 10 days
- Time is taken for shipment and transit period: 20 days
- Credit period agreed upon between the seller and the customer OR the projected available credit period for the calculation of MPBF for funded limits, whichever is less: 30 days

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) 750 lakhs
- (b) 600 lakhs
- (c) 650 lakhs
- (d) 700 lakhs

Q21. Ms. Khan, a staff member of LMN Bank, has two savings accounts, one in her name and another in joint names with her spouse. She often uses both accounts for personal transactions and frequently issues cheques from each. The bank's audit department notices this and finds that she draws checks on her staff accounts without proper scrutiny of available balances. What action should LMN Bank take based on the RBI guidelines?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) LMN Bank should restrict the number of staff accounts held by Ms. Khan to maintain compliance with the guidelines
- (b) LMN Bank should instruct Ms. Khan to only issue checks from one of her staff accounts to ensure proper scrutiny of available balances, as per RBI guidelines
- (c) LMN Bank should allow third-party checks to be collected in Ms. Khan's staff account for added convenience, as per the RBI guidelines
- (d) LMN Bank should immediately close both of Ms. Khan's staff accounts, suspecting potentially fraudulent activity, as per the RBI guidelines

Q22. A customer of XYZ Bank, Mr. Sharma, issued a cheque in favor of a local contractor for ₹50,000. However, an unknown person intercepted the cheque and altered the payee name and amount to ₹5,00,000 before forging Mr. Sharma's signature on the endorsement. The bank, unaware of the forgery, cleared the cheque and credited the funds to the fraudster's account. Upon discovering the forgery, Mr. Sharma immediately informed the bank and demanded a reversal of the transaction. The bank is now evaluating its liability and whether it can recover the payment made to the fraudster. Which of the following statements is NOT true regarding the legal consequences of forged instruments and the rights of the parties involved?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) A transferee of a forged instrument cannot enforce payment from any party to the instrument, as the forgery invalidates the rights of the holder.
- (b) In case a bank inadvertently makes payment on a forged instrument, the drawee bank can claim recovery of the amount paid to the recipient, as no valid title is transferred.
- (c) A holder in due course of a forged instrument can claim the amount from the drawer if they can prove that they received the instrument in good faith and without knowledge of the forgery.
- (d) Forgery of signatures or alterations in the amount, date, or payee name on an instrument results in the instrument being void, with no legal title conferred to the holder.

Q23. A bank branch is responsible for handling large sums of cash for daily operations, including cash remittances and transactions at the counter. The bank has a Blanket Insurance Policy that covers all cash in transit, as well as cash kept in safes or on counters. The insurance policy sets strict limits on the amount of cash that can be carried or held at the branch. However, due to increased transactions on a particular day, the cash held in the safe exceeded the insured limit. The branch manager is now concerned about whether this excess cash is still covered under the insurance policy. Which of the following statements is incorrect regarding the bank's cash handling procedures under the Blanket Insurance Policy?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) Cash remittances in transit are covered under the bank's Blanket Insurance Policy, ensuring that any amount transported between locations is protected, regardless of the carriage limit set by the policy.
- (b) The maximum limit for any one carriage must not be exceeded under any circumstances, as exceeding this limit would mean the excess amount is not covered by insurance.
- (c) Cash stored in safes and on the counter must be maintained within insured limits as directed by the Head Office, with periodic updates on the limit as per the bank's policy.
- (d) Excess cash over the insured limit in the safe or on the counter would not be covered by the bank's insurance policy, and the branch must ensure it adheres to the prescribed limits.

Q24. Which of the following is NOT a way in which IT has been used in the banking sector?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Communication and connectivity
- (b) Business process reengineering (BPR)
- (c) Product development
- (d) Manual transaction processing

Q25. What is the purpose of the IT policy required for banks?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) To ensure data integrity and data security
- (b) To have manual processing of key transactions
- (c) To generate major exceptional reports
- (d) None of the above

Q26. According to the precautions for an advance against goods, what should be ensured while giving loans against specific stock?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) The loans should be given for long periods
- (b) The borrower should not be a genuine trader or producer
- (c) The quality and value of the security are likely to increase
- (d) The loans should be given for short periods

Q27. What is the stance of banks towards defaulting members of an SHG?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Banks do not lend to SHGs that have defaulting members
- (b) Banks lend to SHGs regardless of the defaulting members
- (c) Banks only lend to SHGs if the defaulting members are removed
- (d) Banks reduce the loan amount if the SHG has defaulting members

Q28. What is the main objective of BCSBI?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) To regulate banks under the Banking Regulation Act, of 1949
- (b) To ensure that customers get what they are promised by the banks
- (c) To promote the interests of banks
- (d) To monitor the performance of the RBI

Q29. Can banks ask for additional documents during the CDD procedure?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Yes, always
- (b) No, never
- (c) Only in case of high-risk customers
- (d) If considered necessary

Q30. A shopkeeper took a fire insurance policy for his godown, and the insurance company undertakes to pay a certain amount to the policyholder in the event of a fire in the godown, subject to the conditions of the policy and payment of premium by the shopkeeper. Which of the following statements is true?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) The insurance company is liable to indemnify the shopkeeper for any loss suffered by him
- (b) The shopkeeper is liable to indemnify the insurance company for any loss suffered by them
- (c) The shopkeeper is not entitled to claim any amount under the policy if he fails to pay the premium
- (d) The insurance company is not liable to indemnify the shopkeeper if the fire is caused due to the shopkeeper's negligence

Q31. According to Sec. 332 of the Companies Act, 2013, when does a floating charge on the undertaking or property of a company become invalid?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) When created within a period of twelve months preceding the commencement of the winding up
- (b) When the charge is not registered within a period of 30 days of its creation
- (c) When there is depreciation in the value of the security or any adverse change in the borrower's financial position
- (d) When the borrower sells marketable stocks and keeps only obsolete and slow-moving stocks for the banker to realize

Q32. Considering the following data:

- Net advances: 200 lakhs
- Gross NPA: 100 lakhs
- Deductions: 40 lakhs

Find the value of Net NPA and Net NPA as a percentage of Net advances:

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) 60 lacs, 30%
- (b) 80 lacs, 20%
- (c) 40 lacs, 15%
- (d) 70 lacs, 25%

Q33. Mr. Kumar, a resident of India, is a talented and successful professional jockey who participates in racing events worldwide. He has achieved significant acclaim and earns substantial income from his racing career. Being a responsible family member, Mr. Kumar wants to remit a portion of his earnings to his family in India to support their financial needs. Which of the following options best explains the rules for Mr. Kumar's remittance of his racing income?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) Mr. Kumar can freely remit his racing income to his family in India without any restrictions under Schedule I of the Foreign Exchange Management (Current Account Transactions) Rules, 2000
- (b) Mr. Kumar is prohibited from remitting his racing income to his family in India, as the regulations explicitly state that remittance of income from racing is not allowed under Schedule I of the Foreign Exchange Management (Current Account Transactions) Rules, 2000
- (c) Mr. Kumar can remit a portion of his racing income to his family in India, but he must seek prior approval from the concerned Ministry/Department of the Government of India for the remittance

(d) Mr. Kumar can remit his racing income to his family in India only if the amount is within a specified threshold, and he must obtain prior approval from the Reserve Bank of India (RBI) for remittances beyond that threshold

Q34. Mr. Ramjas issued a bearer cheque in favor of Mr. Chauhan for Rs. 15,000 payable in cash. Mr. Chauhan, who had to make payment to his friend, Mr. Sharma endorsed the cheque. The cheque was stolen from Mr. Sharma's office by a fraudster. The fraudster presented the stolen bearer cheque to a bank for payment. The bank accepted the cheque and made a cash payment of Rs. 15,000 to the fraudster. What protection is available to the paying banker in this scenario?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) The bank is protected as they made the payment in due course to the bearer, and endorsements are irrelevant for bearer cheques under Section 85(2)
- (b) The bank is not protected because the cheque was stolen, and they should have verified the authenticity of the endorsement before making the payment under Section 10
- (c) The bank is not protected because the bearer cheque, once endorsed automatically becomes an order cheque in the favor of the endorsee only, so the bank must have checked the endorsement before making payment under Section 85(1)
- (d) The bank is not protected because bearer cheques require specific endorsee information to be valid, and the endorsement was forged

Q35. On December 10, 2025, Mr. Johnson, an account holder at XYZ Bank, aged 65 years, unfortunately passes away in a major accident, leaving behind his account. The bank receives official information about his death and promptly takes action. How would the bank proceed in handling Mr. Johnson's account after receiving notice of his death?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) The bank would allow debit transactions to continue in Mr. Johnson's account, but credits would not be permitted. The balance in the account would be given to his nominee after obtaining the letter of administration within 30 days of receiving the information about Mr. Johnson's death
- (b) The bank would close Mr. Johnson's account immediately upon receiving notice of his death and would provide the balance to his legal representatives, or executor only after obtaining an indemnity bond signed by all the legal representatives/claimants
- (c) The bank would stop all debit transactions in Mr. Johnson's account, but credits would be permitted. The balance in the account would be given to his nominee, legal representative, or executor after the necessary legal procedures are followed
- (d) The bank would temporarily suspend all transactions (debit as well as credit transactions, excluding the interest credited by the bank) in Mr. Johnson's account until his nominee provides a formal request for the closure of the account

Q36. When did ethics as a concept in Indian business evolve?

(1/2 Mark)

pmarks: 0.5, nmarks:0.00

- (a) 1990s
- (b) 1970s
- (c) 1980s
- (d) 1960s



Q37. What is the scope of the System Audit required for banks to ensure the safe and secure operation of payment systems?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Evaluation of hardware structure only
- (b) Evaluation of operating systems and critical applications only
- (c) Evaluation of security and controls only
- (d) All of the above

Q38. A bank's total advances are Rs. 1,000 crore and its investments in SLR securities are Rs. 250 crore. The bank has an outstanding priority sector loan of Rs. 150 crores. Calculate the Adjusted Net Bank Credit (ANBC).

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Rs. 600 crores
- (b) Rs. 700 crores
- (c) Rs. 800 crores
- (d) Rs. 850 crores

Q39. Which supplement to UCP 600 governs the presentation of documents in electronic or part-electronic form?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) eUCP
- (b) iUCP
- (c) URR
- (d) ISBP

Q40. How can customers register with the UPI platform?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) By downloading the UPI application and creating a profile
- (b) By visiting the bank branch and submitting a form
- (c) By calling the bank's customer care and requesting registration
- (d) By sending an email to the bank's customer support team

Q41. A company's Opening Stock of WIP is 2,400 units, while its Closing Stock of WIP is 3,600 units. Assuming the company has an Annual Cost of Production of Rs.720,000 and there are 360 days in its financial year, determine the WIP Conversion Period.

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) 3.5 days
- (b) 3 days
- (c) 2.5 days
- (d) 1.5 days

Q42. What is the role of BBPOU in the Bharat Bill Payment ecosystem?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Setting business standards, rules, and procedures for technical and business requirements for all participants
- (b) Operating unit authorized by RBI for bill payment, collection, and aggregation business
- (c) Customer touch points and service points in the Bharat BillPay ecosystem
- (d) Service providers who shall receive payments from customers for services rendered

Q43. Which rule of the Foreign Contribution (Regulation) Rules mandates the disclosure of audited statements of accounts related to foreign contributions?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Rule 13
- (b) Rule 9
- (c) Rule 7
- (d) Rule 15

Q44. Which of the following is true about the nodal department/ official for customer service in banks?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) They only handle grievances related to loans
- (b) They are not required to be present at each controlling office
- (c) They act as a point of contact for customers with grievances
- (d) They cannot be contacted by the RBI or Ombudsman

Q45. Which of the following is a holistic approach to business that includes a focus on the well-being of the consumer and society as a whole?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Ethics of human resource management
- (b) Ethics of sales and marketing
- (c) Ethics of production
- (d) Ethics of finance

Q46. Why is the deposit condition required at the time of filing an appeal?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) To discourage borrowers from routinely using the remedy of appeal to delay the recovery procedure and actual recovery
- (b) To ensure that only the parties to the appeal can file an appeal
- (c) To encourage borrowers to use the remedy of appeal to delay the recovery procedure and actual recovery
- (d) To increase the burden on the Appellate Tribunal

Q47. The deposits may be withdrawable by the customers by cheque, draft, order, or otherwise. This is a transaction authorized to be carried out by banks under which section of the Banking Regulation Act, of 1949?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Section 5(b)
- (b) Section 6
- (c) Section 7(1)
- (d) Section 7(2)

Q48. What is the usual payment term in a contract for the import of goods on deferred payment terms?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Payment on delivery
- (b) Payment in advance
- (c) Payment in instalments over 1 to 7 years
- (d) Payment within 30 days of receipt of invoice

Q49. Which of the following statements is incorrect?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Cybercrime is growing at an alarming rate
- (b) Unauthorized access to devices and online bank information theft are common types of cyberattacks
- (c) Conventional security solutions such as intrusion prevention systems and log analyzers are adequate defences against cyberattacks
- (d) Financial institutions must protect their customer-facing portals from Man-in-the-Middle and Distributed Denial of Service attacks

Q50. M/s. XYZ is engaged in the manufacturing of electronic gadgets. The average holding periods for stocks and the duration of creditors and debtors are as given below. Its annual turnover is Rs.90 lakh and annual operating expenses are Rs. 80 lakh.

- A. Procurement of raw material is 30 days
- B. Conversion/process time is 15 days
- C. Average time of holding of finished goods is 15 days
- D. Average collection period is 30 days.

Find the working capital requirement.

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) 30 lakh
- (b) 25 lakh
- (c) 35 lakh
- (d) 20 lakh

Q51. A company has core current assets valued at ₹500,000 and balance current assets valued at ₹300,000. Under the third method of lending, how much would the company be required to fund from long-term funds?

(1 Mark)

marks: 1, nmarks:0.00

- (a) ₹500,000, as the company only needs to fund the entire core current assets using long-term funds without considering the balance of current assets.
- (b) ₹200,000, because the company needs to finance a portion of the core current assets alongside a quarter of the balance current assets.
- (c) ₹700,000, assuming the company decides to fund both the core and balance current assets fully using long-term funds to avoid bank finance entirely.
- (d) ₹575,000, which is obtained by summing the entire core current assets (₹500,000) and 25% of the balance current assets (25% of ₹300,000 is ₹75,000).

Q52. Read the following statements carefully-

Statement 1: The PIO is required to respond to the request for information within 20 days of its receipt. In cases where the information sought pertains to the life or liberty of a person, the response must be provided within 46 hours of receipt. If the PIO fails to make a decision within the specified timeframes, it will be considered as a refusal.

Statement 2: If the decision is made to provide the information on payment of an additional fee to cover the cost of providing the information, the PIO will send a suitable notification to the person who made the request.

Statement 3: If a person with sensory disabilities requires access to the record or a portion of it, the Public Information Officer (PIO) is responsible for offering assistance to facilitate their access.

(2 Marks)

marks: 2, nmarks:0.00

- (a) Statement 3 is correct only
- (b) Statements 1 and 3 are correct
- (c) Statements 1 and 2 are correct
- (d) Statements 2 and 3 are correct

Q53. In the village of Prospera, banks were advised to consider lending to Self-Help Groups (SHGs) as a regular part of their banking operations. The RBI's SHG-Bank Linkage Programme aimed to improve financial inclusion by making banking services accessible to more people. How does this initiative impact the financial relationship between banks and SHGs?

(2 Marks)

marks: 2, nmarks:0.00

- (a) The initiative requires SHGs to open joint bank accounts with all their members, ensuring equal financial contribution from everyone fairly and collaboratively, fostering financial unity.
- (b) Through the initiative, banks can offer savings-linked loans to SHGs. The loan amount can range from 1 to 4 times the SHG's savings, allowing SHGs to access larger funds based on their prudent savings practices.
- (c) The initiative mandates banks to set a fixed interest rate on loans to SHGs, however, they can fix their interest rates as per their regulatory guidelines, making borrowing predictable for SHGs and offering stability.
- (d) The initiative suggests that banks can charge a reasonable fee from the SHGs for the financial transactions at their discretion, as a reward for taking the risk of granting loans to the Self-Help Group, the members of which are socially and economically backward.

Q54. Why is social media important for banks?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) To increase cybersecurity
- (b) To reduce the number of bank officials
- (c) To reach out to customers where they are
- (d) To decrease customer expectations

Q55. What is the UAPA notification dated 2nd February 2021?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) A notification regarding the freezing of assets of individuals/entities associated with the Taliban
- (b) A notification regarding the freezing of assets of individuals/entities associated with the Al-Qaida
- (c) A notification regarding the freezing of assets of individuals/entities suspected of have terrorist links
- (d) None of the above

Q56. What is the reason for banks shifting their sales mix toward non-interest income?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) To generate more interest income
- (b) To increase their comparative advantages
- (c) To charge explicit fees for services that were earlier bundled with the main banking product
- (d) To respond to the competition from non-bank competitors

Q57. Which of the following is NOT a channel for the identification of beneficiaries for PMMY?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Community Organizers (COs)
- (b) Professionals from Urban Local Body (ULB)
- (c) Non-governmental organizations (NGOs)
- (d) Banks identifying prospective beneficiaries

Q58. Which method of inward remittance is generally advisable for making payments for business transactions or when the payment is to be made to an unknown person?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Bank Money Orders
- (b) Foreign Currency Cheques
- (c) Foreign Currency Drafts
- (d) Direct Deposit/ACH Transfer

Q59. What is the CGTMSE scheme related to MSMEs?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) A skill development program
- (b) An online service for entrepreneurs
- (c) A credit facility
- (d) A procurement policy

Q60. Which of the following is NOT a cardinal principle of lending?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Safety
- (b) Liquidity
- (c) Profitability
- (d) Sustainability

Q61. Which of the following is not true regarding credit card statements?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) The statement is free of cost
- (b) The statement is only sent to the registered e-mail ID
- (c) The statement is sent on a predetermined date every month
- (d) The statement helps customers manage their credit card account

Q62. What is the requirement for keeping the names of minor coparceners on record?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) It is not necessary to keep the names of minor coparceners on record
- (b) The names should be kept on record, but their guardians need not sign any documents
- (c) The names should be kept on record and their guardians must sign the documents on their behalf
- (d) The names should be kept confidential and not disclosed to anyone

Q63. What should be done while making payments to any managing committee member or any other member in their capacity?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) No inquiry is required
- (b) Inquiry is required only if the amount is above a certain limit
- (c) Inquiry is required only if the amount is below a certain limit
- (d) Inquiry is required carefully irrespective of the amount

Q64. A company has an opening balance of creditors (accounts payable) of Rs. 30,000 and a closing balance of Rs. 50,000. The annual credit purchases are Rs. 18,00,000. What is the Average Payment Period in days? any other member in their capacity?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) 5 days
- (b) 7 days
- (c) 8 days
- (d) 6 days

Q65. Ms. Kapoor, a customer of XYZ Bank, noticed an unauthorized transaction for ₹25,000 on her credit card statement, which was done via a Card Not Present (CNP) transaction through an online shopping website. The bank's records show that the transaction was completed without the use of any additional factor of authentication, such as a One-Time Password (OTP) or other validation measures. Ms. Kapoor immediately filed a complaint with the bank, stating that she did not authorize the transaction. The bank is now reviewing the situation and determining whether they are liable to reimburse Ms. Kapoor for the unauthorized charge. Which of the following is correct with respect to Card Not Present (CNP) transactions and bank liability?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) In CNP transactions, the issuer bank is required to ensure an additional factor of authentication that is visible on the card, such as the CVV code, to protect customers from fraudulent transactions.
- (b) If a CNP transaction, including Mail Order Telephone Order (MOTO) or Standing Instructions (SI), is processed without an additional factor of authentication and the customer disputes the transaction, the bank is obligated to reimburse the customer without dispute.
- (c) Banks are not liable for any fraudulent CNP transactions if the customer's card details, including the CVV code, were compromised, as long as the bank has informed the customer about security measures.
- (d) In the case of Mail Order Telephone Order (MOTO) transactions, the bank is only required to reimburse the customer if the fraud occurs within the first 90 days of setting up the payment.

Q66. ABC Ltd., a leading electronics manufacturer, introduced a promotional offer in which customers must purchase an extended warranty for ₹5,000 in order to buy a new smartphone model that costs ₹30,000. The company also delayed the delivery of pre-ordered smartphones beyond the agreed date, leading to a price increase in the market. Several consumers raised complaints, claiming that the promotional offer forced them to buy services they did not need and that the delayed delivery caused them financial loss due to the rise in smartphone prices. Which of the following is NOT an example of a Restrictive Trade Practice under the given definition?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) A company that delays the supply of pre-ordered goods beyond the agreed period, leading to a rise in the market price of the goods, thus forcing consumers to bear higher costs.
- (b) A business that requires customers to purchase additional services, such as an extended warranty, as a condition for buying a primary product, like a smartphone.
- (c) A supplier who offers consumers a discount if they purchase a bundle of products and services, but allows them the option to buy each item individually without restriction.
- (d) A retailer that withholds the supply of essential goods during high-demand periods, causing the market price to rise, resulting in increased consumer costs.

Q67. XYZ Ltd., a manufacturing company, approached a bank for working capital finance. The company provided its financial details, showing that it needs funds for core current assets like raw materials, process stock, and finished goods to ensure continuous production. The company's total current assets amounted to ₹1 crore, of which ₹40 lakh represented core current assets. The bank, following the Third Method of Lending, calculated the amount of working capital to be financed based on this core current asset figure and required the company to contribute a portion from its long-term funds. XYZ Ltd. must now adjust its finances to meet these requirements for the bank loan.

Which of the following is NOT correct in relation to the Third Method of Lending for working capital financing?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) The company's long-term funds must cover the entire core current assets, which includes raw materials, process stock, and finished goods that are critical for continuous production.
- (b) At least 25% of the remaining current assets, after accounting for core current assets, must be funded through long-term sources, with the bank financing the balance.
- (c) The bank will provide financing for 100% of the company's fluctuating current asset levels, regardless of seasonal or occasional factors that affect production needs.
- (d) The company's current liabilities must be netted off against its current assets to determine the balance current assets eligible for bank finance under the working capital loan.

Q68. ABC Bank conducted an internal audit of its loan portfolio and identified a large loan of ₹50 lakhs granted to a small business, which has not made any payments in the last 18 months. The business has closed down, and the assets are not sufficient to cover the loan. The bank's auditors classified the loan as a loss asset, meaning the loan is deemed uncollectible, though there might be a small amount recoverable through the sale of some collateral. The loan has not yet been fully written off by the bank.

Which of the following statements is NOT correct regarding Loss Assets in banking?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) A loss asset is one that has been classified as uncollectible by the bank, internal auditors, or RBI, but some part of the asset may still hold potential recovery value.
- (b) The bank continues to show a loss asset on its balance sheet, even though it is considered of such little value that its continuation as a bankable asset is no longer justified.
- (c) Loss assets are immediately written off from the bank's books as soon as they are identified, and no further recovery is possible from the borrower.
- (d) Although the bank has identified the loan as a loss asset, it has not written off the entire amount, as there may still be some salvage or recovery value left in the asset.

Q69. If a farmer's first-year medium-term loan limit for farm machinery purchase is Rs. 3,50,000, what would be the limit for the second year assuming a 12% increase due to cost escalation?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Rs. 3,92,000
- (b) Rs. 3,85,000
- (c) Rs. 4,00,000
- (d) Rs. 4,20,000

Q70. Which of the following statements are true regarding the closing of SB accounts?

- (i) SB account may be closed on the written request of the single account holder only
- (ii) The passbook may be returned after updating and marking "account closed" on all pages
- (iii) All unused cheque leaves must be surrendered and the passbook presented
- (iv) For the balance in the account a cheque/ withdrawal form must be obtained for effecting the payment

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Only ii
- (b) Only i and ii
- (c) Only ii, iii and iv
- (d) All from i to iv

Q71. In which situation is a banker liable to the true owner of the cheque for any loss he may sustain owing to payment of a crossed cheque to a person other than a banker or the specified banker?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) When the cheque is crossed generally and payment is made to a banker
- (b) When the cheque is crossed generally and payment is made to a person other than a banker
- (c) When the cheque is crossed specially and payment is made to the specified banker
- (d) When the cheque is crossed specially and payment is made to a person other than the specified banker

Q72. How does a token-ring system send data?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) It uses a random media-access control system
- (b) It sends data in both directions using a token
- (c) It sends data in one direction by using a token
- (d) It sends data in one direction by using a frame

Q73. Why do bankers not prefer the form of a usufructuary mortgage?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Because the mortgaged money can only be recovered through the appropriation of rents and profits
- (b) Because the mortgagee has the right to sell the mortgaged property
- (c) Because there is a personal liability for the mortgagor to repay the debt
- (d) Because the mortgagor does not deliver possession of the property to the mortgagee

Q74. Which technology enables devices to communicate with each other via a protocol in LAN or WAN?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Token-ring
- (b) Ethernet
- (c) CSMA/CD
- (d) Adapter

Q75. What is the maximum tenure of an SNRR account?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) 5 years
- (b) 7 years
- (c) 10 years
- (d) No maximum tenure



Q76. What is a money mule?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) A type of bank account
- (b) A person who recruits third parties for illegal activities
- (c) A fraudulent scheme for collecting cheques and drafts
- (d) A term for account payee cheques

Q77. What are Decision Support Systems (DSS)?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Computer-based systems designed to facilitate decision making
- (b) Computer-based systems designed to replace decision making
- (c) Computer-based systems designed to automate decision making
- (d) Computer-based systems designed to eliminate decision making

Q78. Which of the following is a permitted credit in an EEFC account?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Investment in foreign stocks and bonds
- (b) Payment of salary to employees in India
- (c) Advance remittance received towards export of goods or services
- (d) Payment of rent for office space in India

Q79. What is the 'gross check' that is performed before closing the Strong Room?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) The verification of the correctness of notes and coins before taking them into the 'Joint Custody' balance
- (b) The verification of the entire Head Cashier's/Cashier's/Cash Officer's hand balance of loose notes
- (c) The counting of all notes of denominations above Rs. 100 in the Strong Room/Safe
- (d) The test check of different denominations of the whole of the bank Cash Balance

Q80. As per PMLR, who is responsible for overall compliance with the obligations of the bank related to AML and KYC requirements?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Designated Director
- (b) Principal Officer
- (c) AML Team
- (d) Managing Director

Q81. What is the restriction imposed on banks about guarantees for the placement of funds with NBFCs?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Banks cannot execute guarantees for inter-company deposits/loans between NBFCs
- (b) Banks can issue guarantees for indirectly enabling the placement of deposits with NBFCs
- (c) Banks can provide full credit enhancement (FCE) to bonds issued by NBFC-ND-SIs and HFCs
- (d) Guarantees can be issued for a refund of any type of deposit/loan accepted by NBFCs/firms

Q82. Under MCLR, when can the spread charged to an existing borrower be increased?

(½ Mark)

marks: 0.5, nmarks:0.00

- (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

Q83. Section 31 of the NI Act applies only to ____.

(½ Mark)

marks: 0.5, nmarks:0.00

- (a) cheque is drawn on a specified banker
- (b) cheque is drawn on any bank
- (c) demand draft
- (d) promissory note

Q84. M/s. LMN is a retail clothing store. The projected annual turnover is Rs. 150 lakh. The available net working capital (NWC) is Rs. 6 lakh. Calculate the working capital requirement, margin money, and the bank finance for the clothing store.

(2 Marks)

marks: 2, nmarks:0.00

- (a) Working Capital Requirement: Rs. 35.5 lakhs, Margin Money: Rs. 3.5 lakhs, Bank Finance: Rs. 28 lakhs
- (b) Working Capital Requirement: Rs. 37.5 lakhs, Margin Money: Rs. 1.5 lakhs, Bank Finance: Rs. 30 lakhs
- (c) Working Capital Requirement: Rs. 30.5 lakhs, Margin Money: Rs. 2.5 lakhs, Bank Finance: Rs. 28 lakhs
- (d) Working Capital Requirement: Rs. 34.5 lakhs, Margin Money: Rs. 4.5 lakhs, Bank Finance: Rs. 35 lakhs

Q85. A company has a net profit of Rs. 6,00,000, depreciation of Rs. 1,50,000, other non-cash expenses of Rs. 70,000, and interest on a term loan of Rs. 1,80,000. The total payment commitment, including interest on the term loan and installments of the term loan, sums up to Rs. 4,00,000. What will be its DSCR?

(2 Marks)

marks: 2, nmarks:0.00

- (a) 1.9
- (b) 2.3
- (c) 1.5
- (d) 1.7

Q86. LMN Corp. has taken a large loan from a syndicate of banks led by Bank Alpha. Bank Beta, a part of the syndicate, is reviewing its asset classification as of October 1, 2023. The repayment record of LMN Corp is irregular, with varying repayments made to different banks in the syndicate. The last repayment received by Bank Beta was on June 30, 2023. Given the scenario, how should Bank Beta proceed with the asset classification?

(2 Marks)

marks: 2, nmarks:0.00

- (a) Bank Beta should classify the asset as NPA based on its recovery record, which shows no recovery in the last three months.
- (b) Bank Beta should retain the asset as a standard asset because the consortium, led by Bank Alpha, has received a substantial repayment in September 2023.
- (c) Bank Beta should wait for an update from Bank Alpha, the lead bank, to get a clearer picture of its share of the recovery before deciding on the asset classification.
- (d) Bank Beta should classify the asset based on the average recovery record of all banks in the consortium, taking into account the most recent repayments made to other banks.

Q87. 'Trader B' has a bill valued at Rs. 5,000, which is payable after a specified period. Needing immediate liquidity, 'Trader B' decides to discount this bill with their bank. Upon discounting, the bank becomes the holder in due course, taking on all the rights and obligations associated with the bill. A few weeks later, 'Trader B' reviews their finances and becomes unhappy with the discount rate charged by the bank. They then attempt to dispute this rate with the bank. Can 'Trader B' successfully dispute the discount rate applied by the bank?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) No, 'Trader B' forfeits their right to contest the discount rate once the bill is discounted and the bank becomes the holder in due course.
- (b) Yes, 'Trader B' reserves the unconditional right to challenge or dispute the discount rate that the bank has applied, even after the bill has been discounted.
- (c) 'Trader B' can initiate a dispute about the discount rate only after the bill reaches its maturity date, not before.
- (d) If 'Trader B' raises a dispute about the discount rate, the bank is legally obligated to refund the amount that was discounted, rendering the original transaction null and void.

Q88. Mr. B, who owns a small micro-enterprise, is planning his financial strategy for the next fiscal year considering the policy package for MSMEs. He is exploring various lending channels and financial avenues to aid his business growth. Based on the provisions and directives available for MSMEs, which strategy should Mr. B primarily consider?

(2 Marks)

pmarks: 2, nmarks:0.00

- (a) Mr. B should aim to secure a loan from a commercial bank due to their goal of a 20% yearly growth in credit to small enterprises, and explore help from SIDBI while utilizing the provisions of Priority Sector Lending.
- (b) Mr. B should mainly opt for funding through State Financial Corporations (SFCs) and State Industrial Development Corporations (SIDCs), which are known to be the principal avenues for long-term funds, while also exploring opportunities in the primary/secondary securities market.
- (c) Mr. B should think about transforming his business to a Limited Liability Partnership as per the LLP Act, 2008, to ease corporatization, enhancing his credit facility eligibility.
- (d) Mr. B should quickly diversify his financial portfolio by considering modern financial services such as venture capital and private equity, moving away from traditional lenders like SIDBI and commercial banks which have lesser growth opportunities, aiming to achieve substantial lending from these new avenues.

Q89. Suppose an MSE unit with a projected annual turnover of Rs. 2 crore has a working capital cycle duration of 4 months. What would be the working capital requirement according to the turnover method?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Rs. 20 lakh
- (b) Rs. 50 lakh
- (c) Rs. 40 lakh
- (d) Rs. 10 lakh

Q90. What do customers expect from banks through social media?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) To increase cybersecurity
- (b) To reduce customer expectations
- (c) To receive the services they require
- (d) To decrease the number of bank officials

Q91. Which of the following is true regarding RTGS credit?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Credit is based solely on the beneficiary's name and account number
- (b) Cross-matching of beneficiary name and account number is mandatory
- (c) Credit is provided only during banking hours
- (d) Minimum amount for RTGS is Rs. 1 lakh

Q92. How many non-bank ATM operators are currently authorized to install and operate WLAs?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Two
- (b) Three
- (c) Four
- (d) Five

Q93. What is the time limit for making a demand for payment under Section 138 of the Negotiable Instruments Act?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) 15 days from the return of the cheque
- (b) 30 days from the return of the cheque
- (c) 60 days from the return of the cheque
- (d) 90 days from the return of the cheque

Q94. Which communication software is used by RBI for free format messaging and file transfer?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) SWIFT
- (b) RBI Net
- (c) BANKNET
- (d) X.25 protocol

Q95. What is the purpose of the central registry that the IBA would create?

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) To store information about all Wilful Defaulters
- (b) To store information about all auditors
- (c) To store information about all advocates and valuers
- (d) To store information about all banks

Q96. Which institution assists in undertaking cluster-based local area development in developing and transitioning economies?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) Ministry of Finance
- (b) Reserve Bank of India
- (c) Foundation for MSME Clusters
- (d) Small Industries Development Bank of India

Q97. If the creditor loses the security to which the surety is entitled to, what happens to the surety's liability?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) The surety's liability is increased
- (b) The surety is discharged from liability
- (c) The surety's liability remains the same
- (d) The surety is only partially discharged from liability

Q98. Asha, a resident of a rural village, does not have access to banking facilities. She is unaware of the various financial products and services offered by banks. She is hesitant to approach the bank as she does not understand the procedures involved. What steps can be taken to promote financial inclusion in Asha's case?

- (i) Providing financial education through various channels such as radio, television, and newspapers**
- (ii) Conducting financial literacy camps in rural areas to educate people about the benefits of banking**
- (iii) Offering doorstep banking services to customers who are unable to visit the bank due to various reasons**

(1 Mark)

pmarks: 1, nmarks:0.00

- (a) Only ii
- (b) Only ii and iii
- (c) Only iii
- (d) All from i to iii

Q99. What happens once a document is executed?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) It becomes a concluded contract
- (b) It becomes invalid
- (c) It can be altered
- (d) It can be filled later without consent

Q100. What is the role of system administration in managing authentication and authorization facilities in operating systems?

(½ Mark)

pmarks: 0.5, nmarks:0.00

- (a) To authenticate users
- (b) To authorize users to access files and directories
- (c) To provide just-minimum access to files and directories
- (d) To manage both authentication and authorization facilities

Solutions

S1. Ans.(c)

Sol. CPA helps price a product and it is prudent to consider the overall profitability from all businesses of a customer instead of for product or service availed separately.

S2. Ans.(a)

Sol. The purpose of introducing Kiosk Banking is to facilitate primary banking services at strategic locations, depending on the services offered. It helps customers transact without visiting a bank branch and also provides banking services to those living in remote villages or areas without a bank branch nearby.

S3. Ans.(b)

Sol. The borrower executes documents and offers security to the bank before utilizing the credit facility.

S4. Ans.(c)

Sol. Bank branches may observe one fixed day in a fortnight (i.e., once in two weeks) to enable the staff to go to the field and attend the meetings of the SHGs. This is a recommended practice for post-credit follow-up for SHGs. Option (a) is incorrect as loan passbooks or statements of accounts in regional languages should be issued to the SHGs. Option (b) is incorrect as meetings can be conducted in the field where the SHGs are located. Option (d) is incorrect as follow-up is an important part of the lending process.

S5. Ans.(c)

Sol. Section 133 of the Contract Act states that any variance made without the surety's consent in the terms of the contract guaranteed by him between the principal debtor and the creditor discharges the surety as to transactions after the variance.

S6. Ans.(b)

Sol. According to the first method of lending, the bank finances a maximum of 75% of the working capital gap and the company is required to contribute at least 25% from long-term funds. Therefore, for a ₹600,000 gap:

Bank financing = $0.75 * ₹600,000 = ₹450,000$.

Company contribution = $0.25 * ₹600,000 = ₹150,000$.

Thus, the correct answer is B.

S7. Ans.(b)

Sol. An individual residing in India is allowed to obtain immovable property outside the country through a gift or inheritance from a person mentioned in Statement 1. Additionally, a person residing in India who acquired such property on or before July 8, 1947, and has maintained ownership with RBI permission, or an individual residing in India who has acquired such property in accordance with FEMA, is also eligible to do so.

S8. Ans.(c)

Sol. The relationship between a banker and a customer is not a trust-based relationship. While trust plays a role in the relationship between a bank and its customers, the fundamental legal relationship is that of debtor and creditor. The bank holds the customer's deposits as a debtor and owes them the deposited money.

S9. Ans.(b)

Sol. Option B is the incorrect statement because charge cardholders do not have the flexibility to carry forward part of their outstanding balance. Unlike credit cards, charge cards require the entire outstanding balance to be paid by the due date. Failure to make full payment can result in penalties or suspension. On the other hand, credit cards allow partial payments, though interest is charged on the remaining balance. Options A, C, and D correctly describe the functionalities of credit and charge cards.

S10. Ans.(d)

Sol. Green Clause Letter of Credit is a refinement of the Red Clause Letter of Credit. It allows for pre-shipment advance and also permits advances to the exporter to cover storage at the port of shipment. Both types of LCs are anticipatory credits since payment is provided in advance, in anticipation of the seller making shipment.

S11. Ans.(d)

Sol. For a joint account, all joint account holders should sign the mandate/ power of attorney empowering a third party to operate it.

S12. Ans.(a)

Sol. There are two types of logical access controls, namely authentication, and authorization, which are implemented using the access control facilities of operating systems and database systems.

S13. Ans.(b)

Sol. As per Section 131 of the Negotiable Instruments Act, a collecting bank is responsible for the drawer of the cheque for any loss or damage caused due to the wrongful collection of a cheque. In this case, since the cheque was forged, the collecting bank should have taken reasonable care in verifying the authenticity of the cheque before collecting it

S14. Ans.(b)

Sol. Electronic Data Interchange for Administration, Commerce, and Transport (EDIFACT) is the universal set of standards and guidelines for communication by EDI.

S15. Ans.(a)

Sol. All banking services/procedures/transactions are the offshoots of the contract act.

S16. Ans.(b)

Sol. The government departments are authorized to issue cheques within the drawing limit permitted to them. Self-drawings in cash are allowed for salary and expenses. Refund orders are issued by the central excise and customs department in favor of payees. Refund orders are also issued by the income tax department with related advice.

S17. Ans.(c)

Sol. For a professional, the most valuable virtue is ethical decision-making with moral judgment, which includes integrity in dealing.

S18. Ans.(c)

Sol. The bank's priority sector lending target for the year is Rs. 150 crores. If the bank has already lent Rs. 120 crore to the priority sector, it needs to lend an additional Rs. 30 crore to meet the target. Therefore, the answer is $(150 - 120) = \text{Rs. } 30 \text{ crores}$.

S19. Ans.(b)

Sol. According to the prudential norms, Tier I, and Tier II Capital should not be less than 15% of aggregate risk-weighted assets. Tier II capital should not exceed Tier I capital.

S20. Ans.(b)

Sol. The time required for one cycle of operation of L/C will be $10+20+30=60$ days.

Number of cycles in a year (assuming 360 days in a year) = 6

The projected value of raw materials purchased on credit during the year is Rs. 3,600.

The value of L/C per cycle is –

Rs.3600 lakh = Rs.600 lakhs

6

The letter of credit limit required would be Rs. 600 lakhs.

S21. Ans.(b)

Sol. LMN Bank should instruct Ms. Khan to only issue checks from one of her staff accounts to ensure proper scrutiny of available balances. As per the RBI guidelines, staff members of a bank may have a restricted number of savings accounts in their individual names or joint names with family members. This measure ensures proper monitoring and avoids potential misuse of multiple accounts. Instructing Ms. Khan to use only one staff account for transactions will help ensure adherence to the guidelines and prevent unauthorized actions.

S22. Ans.(c)

Sol. Option C is incorrect because the rule of forgery gives no title applies even to a holder in due course. In cases involving forgery, no matter how innocent the holder in due course may be, they cannot enforce the instrument because the instrument is considered void from the start. The forgery invalidates any legal claim to the instrument. Options A, B, and D correctly outline the legal consequences of forgery, emphasizing that no valid title is transferred in such cases, and the drawee bank can seek recovery of any payments made due to the forgery.

S23. Ans.(a)

Sol. Option A is incorrect because the Blanket Insurance Policy does not provide coverage for unlimited cash remittances in transit. The policy explicitly states that there is a maximum limit for any one carriage, and this limit must not be exceeded under any circumstances. If the limit is breached, the excess amount is not covered by insurance. Options B, C, and D correctly explain the importance of adhering to the insured limits for both cash in transit and cash stored at the branch.

S24. Ans.(d)

Sol. IT has been used in two avenues in banking: communication and connectivity, and business process reengineering (BPR). It further states that IT enables sophisticated product development.

S25. Ans.(a)

Sol. The IT Policy required for banks is to ensure data integrity and data security. It is one of the minimum checks and balances that banks must introduce to minimize the impact of cyber-attacks and to arrest/minimize the damage.

S26. Ans.(d)

Sol. Loans against specific stock must be given for short periods according to the precautions for an advance against goods. This is because the quality and thereby the value of the security is likely to diminish over time. Therefore, it is important to ensure that the loan is repaid within a short period to avoid any losses for the bank.

S27. Ans.(b)

Sol. If an SHG is not in default, the presence of some defaulting members should not detract from financing the SHG. Therefore, banks lend to SHGs regardless of the defaulting members.

S28. Ans.(b)

Sol. The main objective of BCSBI is to plan, develop, promote, and publish comprehensive Codes and Standards for banks, for providing fair treatment to their customers, and to monitor and ensure that the Codes and Standards adopted by banks are adhered to, in letter and spirit, while delivering services to their customers.

S29. Ans.(d)

Sol. Banks can ask for additional documents during the CDD procedure if considered necessary.

S30. Ans.(a)

Sol. The insurance contracts are examples of contracts of indemnity because all insurance contracts are contracts that indemnify a person from certain losses which he may suffer. In this case, the shopkeeper is the indemnified or indemnity holder, and the insurance company is the indemnifier.

S31. Ans.(a)

Sol. Sec. 332 of the Companies Act, 2013, states that any floating charge on the undertaking or property of the company created within a period of twelve months preceding the commencement of the winding up becomes invalid under certain circumstances.

S32. Ans.(a)

Sol. To find the Net Advances, we use the formula:

Net NPA = Gross NPA – Deductions

Substituting the given values:

Net NPA = 100 – 40 = 60 lacs

Net NPA as a percentage of Net advances = (Net NPA/Net advances) × 100%

Net NPA as a percentage of Net advances = (60/200) × 100% = 30%



S33. Ans.(b)

Sol. According to the regulations, Mr. Kumar, as a resident of India, is prohibited from remitting his income from racing or any other hobby to his family in India. The remittance of income from racing/riding or any other hobby is not allowed under Schedule I of the Foreign Exchange Management (Current Account Transactions) Rules, 2000. Options (a), (c), and (d) are not applicable since the regulations prohibit the remittance of income from racing or any other hobby.

S34. Ans.(a)

Sol. As per Section 85(2), if a cheque is payable to the bearer, the drawee is discharged by payment in due course to the bearer, regardless of any endorsement appearing on the instrument. In this case, the cheque was a bearer instrument payable to "Cash," making it payable to anyone who possessed it. The fraudster presented the stolen bearer cheque to the bank and received a cash payment. The bank is protected because endorsements are not relevant for bearer cheques. The payment to the bearer is considered in due course as per Section 10, irrespective of whether the endorsement was genuine or forged. Therefore, the bank is protected from liability in this situation as they made the payment in due course to the bearer.

S35. Ans.(c)

Sol. In the unfortunate event of a customer's passing, such as in the case of Mr. Johnson, the bank would take specific steps. Firstly, the bank would put a stop to any further debit transactions in the deceased customer's account. However, it would still allow credits, like incoming deposits or transfers, to be processed. This ensures that any funds owed to the customer can still be added to the account. Afterward, the bank would follow a carefully outlined legal process to handle the remaining account balance. This involves verifying and confirming the identity of Mr. Johnson's nominee, legal representative, or executor. Once the necessary verification is completed, the bank would proceed to distribute the remaining balance to the authorized individual as per the prescribed legal procedures, and then ultimately proceed to close Mr. Johnson's account.

S36. Ans.(c)

Sol. Ethics as a concept in Indian business evolved during the 1980s, following the rise of corrupt business practices such as bribery, deceptive advertising, price collusion, product hazards, and environmental degradation.

S37. Ans.(d)

Sol. The System Audit required for banks to ensure the safe and secure operation of payment systems should include evaluation of the hardware structure, operating systems and critical applications, security and controls in place, including access controls on key applications, disaster recovery plans, training of personnel managing systems and applications, documentation, etc.

S38. Ans.(a)

Sol. ANBC = (Total Bank Credit - (Investments in SLR Securities + Priority Sector Advances))

ANBC = (Rs. 1,000 crore - (Rs. 250 crores + Rs. 150 crores))

ANBC = Rs. 600 crores

S39. Ans.(a)

Sol. The 12 articles of the eUCP, ICC's supplement to the UCP, govern the presentation of documents in the electronic or part-electronic form

S40. Ans.(a)

Sol. To register with the UPI platform, customers need to (1) Download the UPI application from the App Store/Play Store/Banks website (2) Create his/her profile by entering details like name, virtual id (payment address), password, etc. (3) Link his/her Bank Account and account number with the virtual id (4) Generate UPI PIN for the selected bank account using OTP, last six digits of the Debit card number, and expiry date of debit card.

S41. Ans.(d)

Sol.

First, determine the average stock of WIP = $\frac{\text{Opening Stock of WIP} + \text{Closing Stock of WIP}}{2}$

$$\text{Average Stock of WIP} = \frac{2400 + 3600}{2} = 3000 \text{ units}$$

Next, find the Average Daily Cost of Production:

$$\text{Average Daily Cost of Production} = \frac{7,20,000}{360} = 2,000$$

Now, determine the WIP Conversion Period:

$$\text{WIP Conversion Period} = \frac{\text{Average stock of WIP}}{\text{Average daily cost of production}} = \frac{3000}{2000} = 1.5 \text{ days}$$

S42. Ans.(b)

Sol. BBPOU stands for Bharat Bill Payment Operating Unit which is an entity authorized by RBI for bill payment, collection, and aggregation business. It can be a Bank or a Non-Bank.

S43. Ans.(a)

Sol. Rule 13 of the Foreign Contribution (Regulation) Rules require a person who has been granted a certificate of registration or prior permission to disclose the audited statement of accounts on receipts and utilization of foreign contribution.

S44. Ans.(c)

Sol. The nodal department/ official for customer service acts as a point of contact for customers with grievances. The other options are incorrect as they either provide incomplete information or are completely untrue.

S45. Ans.(c)

Sol. Manufacturing ethically is a holistic approach to business that includes a focus on the well-being of the consumer and society as a whole. It involves considering the impact of production processes and products on the environment, as well as the social and economic consequences of production.

S46. Ans.(a)

Sol. The condition of the deposit is intended to dissuade borrowers from routinely using the remedy of appeal to delay the recovery procedure and actual recovery.

S47. Ans.(b)

Sol. The deposits may be withdrawable by the customers by cheque, draft, order, or otherwise. This is a transaction authorized to be carried out by banks under Section 6 of the Banking Regulation Act, of 1949.

S48. Ans.(c)

Sol. The usual payment term in a contract for the import of goods on deferred payment terms is payment in installments over 1 to 7 years, secured by a deferred payment guarantee.

S49. Ans.(c)

Sol. Conventional security solutions are no longer adequate defences against cyberattacks, which means statement c) is incorrect.

S50. Ans.(d)

Sol. Total operating cycle = $30 + 15 + 15 + 30 = 90$ days

No. of operating cycle = $360/90 = 4$ times

Working capital requirement = $80/4 = 20$ lakh

S51. Ans.(d)

Sol. According to the third method of lending, the company is required to fund the entire core current assets (₹500,000) and at least 25% of the balance current assets (25% of ₹300,000 is ₹75,000). Therefore, the total amount to be funded from long-term sources is $₹500,000 + ₹75,000 = ₹575,000$.

S52. Ans.(d)

Sol. The PIO is required to respond to the request for information within 30 days of its receipt. In cases where the information sought pertains to the life or liberty of a person, the response must be provided within 48 hours of receipt. If the PIO fails to decide within the specified timeframes, it will be considered a refusal.

S53. Ans.(b)

Sol. The banks can give loans to SHGs. These loans are connected to how much money the SHGs have saved. If an SHG has saved some money, the bank can lend them more money based on what they've saved. It's like a reward for saving. The loan amount can be from 1 to 4 times the SHG's savings. So, the more an SHG saves, the more money they can borrow from the bank. This helps SHGs get more funds to do things that benefit their members.

S54. Ans.(c)

Sol. Customers nowadays expect to be heard and answered through social media and receive the services they require. Banks need to be active across social media platforms to meet these expectations and reach out to customers where they are.

S55. Ans.(c)

Sol. The UAPA notification dated 2nd February 2021 is a notification regarding the freezing of assets of individuals/entities suspected to have terrorist links. Banks are required to advise FIU-IND and the Ministry of Home Affairs of details of such accounts as per this notification.

S56. Ans.(d)

Sol. Banks have shifted their sales mix toward products that generate non-interest income due to the competition from non-bank competitors who have entered into hitherto exclusive banks' domains.

S57. Ans.(c)

Sol. The channels for identification of beneficiaries for PMMY include Community Organizers (COs), professionals from Urban Local Bodies (ULB), SHGs and Area Level Federations (ALFs), Banks identifying prospective beneficiaries, and beneficiaries directly approaching ULB or its representatives.

S58. Ans.(c)

Sol. Foreign currency drafts are similar to ordinary bank drafts except that they are sent overseas. This method is generally advisable for making payments for business transactions or when the payment is to be made to an unknown person.

S59. Ans.(c)

Sol. The CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) scheme is a credit facility for MSMEs, which provides collateral-free credit up to a certain limit to eligible borrowers, with the Government of India acting as a guarantor.

S60. Ans.(d)

Sol. The cardinal principles of lending are safety, liquidity, profitability, purpose, diversification of risks, and security.

S61. Ans.(b)

Sol. The statement may be sent by post/courier to the given mailing address or, by e-mail to the registered e-mail ID.

S62. Ans.(c)

Sol. As per the rules, the names of all minor coparceners should be kept on record and their guardians must sign the documents on their behalf.

S63. Ans.(d)

Sol. Payments to any managing committee member or any other member in their capacity should be inquired carefully.

S64. Ans.(c)

Sol.

First, calculate the average daily credit purchases:

$$\text{Average Daily Credit Purchases} = \frac{\text{Annual Credit Purchases}}{360} = \frac{18,00,000}{360} = \text{Rs. 5000 per day}$$

Next, calculate the average balance of sundry creditors:

$$\text{Average Balance of Sundry Creditors} = \frac{\text{Opening balance} + \text{Closing balance}}{2} = \frac{30,000 + 50,000}{2} = 40,000$$

Now, find the average payment period:

$$\text{Average Payment Period} = \frac{\text{Average Balance of Sundry Creditors}}{\text{Average Daily Credit Purchases}} = \frac{40,000}{5,000} = 8 \text{ days}$$

S65. Ans.(b)

Sol. Option B is correct because banks are required to implement an additional factor of authentication for Card Not Present (CNP) transactions. In cases where such transactions, including **Mail Order Telephone Order (MOTO)** or **Standing Instructions (SI)**, occur without this additional authentication and a customer disputes the transaction, the bank must reimburse the customer without demur. Option A is incorrect because the additional factor of authentication should be information **not visible** on the card, such as OTP or a biometric measure, rather than just the CVV code. Option C is incorrect, as banks are liable if there is no proper authentication, regardless of how the card details were compromised. Option D is incorrect, as bank liability is not limited by a specific time frame for MOTO transactions.

S66. Ans.(c)

Sol. Option C is **not** an example of a restrictive trade practice because offering a discount on bundled goods or services while still allowing consumers the freedom to buy items individually does not impose unjustified costs or restrictions on consumers. It gives them a choice without manipulating the market conditions or forcing unnecessary purchases. Options A, B, and D are examples of restrictive trade practices as they involve delaying goods to increase prices, mandating unnecessary purchases, and restricting the flow of goods to manipulate prices, all of which impose unjustified costs on consumers.

S67. Ans.(c)

Sol. Option C is incorrect because, under the **Third Method of Lending**, the bank does not finance 100% of the company's fluctuating current asset levels. Instead, the method requires that a portion of the balance current assets (at least 25%) be financed by the company's long-term funds, and only the remaining portion is eligible for bank financing. The bank finances the additional working capital required due to seasonal or occasional fluctuations in current assets, but not the entire amount. Options A, B, and D are correct explanations of how the Third Method of Lending operates, ensuring that the company shares responsibility for financing its current assets.

S68. Ans.(c)

Sol. Option C is incorrect because loss assets are not immediately written off as soon as they are identified. While they are considered uncollectible and of little value, they may still have some salvage or recovery potential. The bank does not fully write off the amount until it becomes certain that no further recovery is possible. Instead, the bank may maintain the asset on its balance sheet while attempting to recover some value. Options A, B, and D correctly describe the characteristics of loss assets, highlighting that the bank may still retain a small recovery value, despite the asset being classified as uncollectible.

S69. Ans.(a)

Sol. Limit for the second year = Rs. 3,50,000 + 12% = Rs. 3,50,000 + Rs. 42,000 = Rs. 3,92,000
The correct answer is Rs. 3,92,000

S70. Ans.(c)

Sol. SB account may be closed on the written request of the single/ all joint account holder(s), the passbook may be returned after updating and marking "account closed" on all pages, all unused cheque leaves must be surrendered, and the passbook presented, and for the balance in the account, a cheque/ withdrawal form must be obtained for effecting the payment.

S71. Ans.(d)

Sol. Section 128 of the Negotiable Instruments Act protects drawee banks when paying crossed cheques. If the cheque is crossed generally, it can only be paid to a banker, and if it is crossed specially, it can only be paid to the specified banker. The payment must be made in due course. If a banker pays a crossed cheque to someone other than a banker or the specified banker, they lose their protection and can be held liable to the true owner of the cheque.

S72. Ans.(c)

Sol. In a token-ring system, data is sent in one direction by using a token.

S73. Ans.(a)

Sol. Bankers do not prefer this form of mortgage because the mortgaged money can only be recovered by the appropriation of rents and/or profits, which takes a very long time to recover.

S74. Ans.(b)

Sol. Ethernet is a technology for connecting devices in LAN or WAN. It enables devices to communicate with each other via a protocol, which is a set of rules or common network language.

S75. Ans.(b)

Sol. The tenure of an SNRR account is concurrent to the tenure of the contract/period of operation/the business of the account holder, a maximum of seven years, except for the activities specified in the SNRR guidelines. RBI approval is required for renewal.

S76. Ans.(b)

Sol. A money mule is an individual who is recruited by criminals or fraudsters to assist in the transfer of illegally obtained funds. They are often used to launder money or facilitate financial fraud schemes. Money mules may be unaware of the illegal nature of their activities, but their involvement enables criminals to move funds across different accounts and jurisdictions, making it harder for authorities to trace the illicit transactions. It's important to note that acting as a money mule is illegal and can result in severe legal consequences for those involved.

S77. Ans.(a)

Sol. DSSs are computer-based systems designed to facilitate decision-making.

S78. Ans.(c)

Sol. An EEFC account can only be credited with foreign exchange earnings received through permitted channels. Advance remittance received towards the export of goods or services is one such permitted credit.

S79. Ans.(b)

Sol. Before the Strong room is closed, the Supervising Official, Head Cashier/Cash Officer/Cashier should check the bundles kept in the vault and verify the same with the Reserve Cash Register. This is called a gross check.

S80. Ans.(a)

Sol. PMLR mandates banks to designate a Designated Director who is responsible for overall compliance with the obligations of the bank related to AML and KYC requirements.

S81. Ans.(a)

Sol. Banks should not execute guarantees covering inter-company deposits/loans between NBFCs, thereby guaranteeing a refund of any type of deposits/loans accepted by NBFCs/firms from other NBFCs/firms, irrespective of the source, including deposits/loans received by NBFCs from trusts and other institutions.

S82. Ans.(b)

Sol. The spread charged to an existing borrower shall not be increased except on account of deterioration in the credit risk profile of the customer.

S83. Ans.(a)

Sol. Section 31 of the NI Act applies only to a cheque which is a “bill of exchange drawn on a specified banker” as per Section 6 of the NI Act.

S84. Ans.(b)

Sol. Given the projected annual turnover = Rs. 150 lakhs
 Net working capital = Rs. 6 lakhs
 Working Capital Requirement (25 % of turnover) = Rs. 37.5 lakhs
 Maximum bank finance (80% of WCR) = Rs. 30 lakhs
 Borrower margin (20% of WCR) = Rs. 7.5 lakhs
 Additional margin money = 7.5 lakhs - 6 lakhs = Rs. 1.5 lakhs

S85. Ans.(d)

Sol. To find the DSCR, use the formula:

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

Given values:

Net Profit = Rs. 6,00,000

Depreciation = Rs. 1,50,000

Other Non-Cash Expenses = Rs. 70,000

Interest on Term Loan = Rs. 1,80,000

Total Payment Commitment = Rs. 4,00,000

$$\text{DSCR} = \frac{6,00,000 + 1,50,000 + 70,000 + 1,80,000}{1,80,000 + 4,00,000}$$

$$\text{DSCR} = \frac{10,00,000}{5,80,000} = 1.7$$

S86. Ans.(a)

Sol. The asset classification of accounts under syndicate should be grounded on the individual recovery record of each bank involved. Bank Beta has not received any repayment from LMN Corp. since June 30, 2023, which means it has not seen any recovery for three months as of October 1, 2023. Consequently, it should classify the asset as NPA, based on its recovery record, irrespective of the recovery status at other banks in the syndicate. Bank Beta needs to adhere to the guidelines of individual recovery records to maintain an accurate representation of its financial status in its books.

S87. Ans.(a)

Sol. Once 'Trader B' has discounted the bill with the bank, the deal is pretty much done. The bank now owns the bill and has all the legal rights that come with it. 'Trader B' should have agreed to the discount rate before handing over the bill to the bank. So, if 'Trader B' later thinks the rate was too high or unfair, it's too late to complain or argue about it with the bank. The time to discuss the rate was before finishing the deal, not after.

S88. Ans.(a)

Sol. Securing a loan from a commercial bank should be a primary consideration given that banks have been directed to aim for a 20% year-on-year growth in credit to micro and small enterprises. This objective actively encourages banks to lend to enterprises like that of Mr. B's, potentially easing the loan acquisition process. Besides, the involvement of SIDBI can further be a resourceful channel as it is delineated as the principal institution for promoting, financing, and developing the MSME sector. Moreover, tapping into the Priority Sector Lending provisions will align with the policy's directive to encourage lending to the MSME sector.

S89. Ans.(c)

Sol. The basic premise underlying the level of working capital to be fixed at 25% of the turnover is that an operating/business cycle will be of 3 months. However, in cases where the working capital cycle is significantly longer or shorter, it may be necessary to determine the operating cycle duration and hence the working capital requirement. In this case, since the working capital cycle duration is 4 months, the working capital requirement would be higher than the standard 25%.

Working capital requirement = Projected annual turnover x 25% x (Working capital cycle duration/12 months)

= 2 crore x 25% x (4/12) = 40 lakh

S90. Ans.(c)

Sol. Customers expect to be heard and answered through social media and receive the services they require.

S91. Ans.(a)

Sol. The credit of RTGS is afforded solely based on the beneficiary's account number. As the transaction is executed on a real-time basis, at the receiving bank, cross-matching the beneficiary name and account number is not feasible.

S92. Ans.(c)

Sol. As of 1 Jan 2022, four non-bank ATM operators (India1 Payments, Tata Communications Payment solutions, Hitachi Payment Services, and Vakrangee) are authorized to install and operate WLAs.

S93. Ans.(b)

Sol. Section 138 of the Negotiable Instruments Act specifies that a demand for payment must be made by notice within 30 days of the return of the cheque.

S94. Ans.(b)

Sol. RBI Net is a communication software developed in 'C' and is used for free format messaging and file transfer on the existing BANKNET infrastructure with the help of servers installed at the four metros.

S95. Ans.(c)

Sol. The IBA would create a central registry to circulate the names of such advocates/valuers among its members for consideration before availing of their services in the future.

S96. Ans.(c)

Sol. Foundation for MSME Clusters assists institutions in undertaking cluster-based local area development, effectively and inclusively in developing and transitioning economies.

S97. Ans.(b)

Sol. If the creditor loses a security to which the surety is entitled to, then the surety is discharged to the extent of the value of the security.

S98. Ans.(d)

Sol. Financial education can be provided through various channels such as radio, television, and newspapers. Financial literacy camps can be conducted in rural areas to educate people about the benefits of banking. Doorstep banking services can be offered to customers who are unable to visit the bank due to various reasons. All of these steps can promote financial inclusion and enable Asha to access banking services.

S99. Ans.(a)

Sol. Once a document is executed, it becomes a concluded contract and any subsequent filing by the bank without the consent of the executant will invalidate it.

S100. Ans.(d)

Sol. To manage both authentication and authorization facilities in all operating systems, there is a facility called system administration.

