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## **ALL THE VERY BEST FOR YOUR EXAMS**

# **SAMPLE QUESTIONS FOR CAIIB BANKING REGULATIONS AND BUSINESS LAWS**

Though we had taken enough care to go through the sample questions provided here, we shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents. Creation of these short notes is the efforts of so many people. First of all, we thank all of them for their valuable contribution. We request everyone to go through the Macmillan book and update yourself with the latest information through RBI website and other authenticated sources. In case you find any incorrect/doubtful information, kindly update us also (along with the source link/reference for the correct information).

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

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### **CAIIB – GENERAL INFORMATION**

**Consists of 4 papers :**

#### **I. Compulsory Paper**

1. Advanced Bank Management
2. Bank Financial Management
3. Advanced Business & Financial Management
4. Banking Regulations and Business Laws

#### **II. Elective Papers (Candidates to choose any one of their Choice)**

1. Rural Banking
2. Human Resources Management
3. Information Technology & Digital Banking
4. Risk Management
5. Central Banking

- Only existing employees of banks who had cleared JAIIB can appear for CAIIB Exam.
- CAIIB exams are conducted in on-line mode only.
- The examination will be conducted normally twice a year in May / June and November / December on Sundays.
- The duration of the examination will be of 2 hours.
- **Examination Pattern :**
  - (i) Question Paper will contain 100 objective type multiple choice questions for 100 marks including questions based on case studies/ case lets. The Institute may however vary the number of questions to be asked for a subject.
  - (ii) There may be some numerical questions in some of the CAIIB subjects where, no options will be provided. These questions will not be in the MCQ pattern and the answer has to be keyed in by the candidate.
  - (iii) The examination will be held in Online Mode only.
  - (iv) There will be no negative marking for wrong answers.
  - (v) Questions for the examination will be asked for:
    - a. Knowledge testing
    - b. Conceptual grasp
    - c. Analytical/ logical exposition
    - d. Problem solving
    - e. Case analysis

➤ **Passing Criteria :**

1. Minimum marks for pass in the subject is 50 out of 100.
2. Candidates securing at least 45 marks in each subject with an aggregate of 50% marks in all subjects of examination in a single attempt will also be declared as having completed the Examination.
3. Candidates will be allowed to retain credits for the subject they have passed in an attempt till the expiry of the time limit for passing the examination.

Note : A candidate will be given 5 attempts for completion of exam (CAIIB) but, within a maximum period of three years, whichever is earlier, from the time he/she registers for the exam. These 5 attempts need not be consecutive.

➤ **"Class of Pass" Criteria :**

- ❖ **First Class** : 60% or more marks in aggregate and pass in all the subjects in the FIRST PHYSICAL ATTEMPT.
- ❖ **First Class with Distinction** : 70% or more marks in aggregate and 60% or more marks in each subject in the FIRST PHYSICAL ATTEMPT.
- ❖ Candidates who have been granted exemption in the subject/s will be given "**Pass Class**" only.

➤ **Cut-off Date of Guidelines /Important Developments for Examinations :**

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

➤ **Exam Fees**

Description	Fees*
First attempt fee	5,000
Second attempt fee	1,300
Third attempt fee	1,300
Fourth attempt fee	1,300
Fifth attempt fee	1,300

\* Plus Convenience charges and Taxes as applicable.

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

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## **SYLLABUS**

The details of the prescribed syllabus which is indicative are furnished in the booklet. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject.

Candidates appearing for the examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subject/s of the said examination although those topics may not have been specifically included in the syllabus. Further, questions based on current developments in banking and finance may be asked. **Candidates are advised to refer to financial news papers / periodicals more particularly "IIBF VISION" and "BANK QUEST" published by IIBF.**

### **MODULE A: REGULATIONS AND COMPLIANCE**

#### **Legal Framework of Regulation of Banks**

Business of Banking, Constitution of Banks, Reserve Bank of India Act, 1934, Banking Regulation Act, 1949, Reserve Bank as a Central Bank and Regulator of Non-Banking Financial Institutions/Banks, Government as a Regulator of Banks, Control over Co-operative Banks, Regulation by Other Authorities

#### **Control over Organisation of Banks**

Licensing of Banking Companies including RBI Licencing Policy for Universal Banks and Small Finance Banks/Branch Licensing, Paid-up Capital and Reserves, Shareholding in Banking Companies, Subsidiaries of Banking Companies, Board of Directors, Chairman of Banking Company, Appointment of Additional Directors, Restrictions on Employment, Controls over Management, Corporate Governance, Directors and Corporate Governance

#### **Regulation of Banking Business**

Power to Issue Directions, Acceptance of Deposits, Nomination, Loans and Advances, Regulation of Interest Rates, Regulation of Payment Systems, Internet Banking Guidelines, Regulation of Money Market Instruments, Banking Ombudsman, Regulation to Strengthen Financial Stability

#### **Returns, Inspection, Winding Up, Mergers & Acquisitions**

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

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**Public Sector Banks, Private Sector Banks, Regional Rural Banks, Differentiated Banks and Co-operative Banks, Local Area Banks**

State Bank of India, Regional Rural Banks, Other Public Sector Banks, Application of Banking Regulation Act to Public Sector Banks, Disinvestment of Shares by Government, Co-operative Banks, Private Sector Banks, Differentiated Banks, Local Area Banks

**Non-Banking Financial Companies (NBFCs)**

Regulators of NBFCs, Role of NBFC in promoting Inclusive Growth, Registration, Revised Scale Based Regulatory Structure, Nomenclature and Regulatory Norms, Capital Guidelines, Prudential Guidelines, Corporate Governance, Fair Practices Code for applicable NBFC, Bank Finance to NBFCs registered/not requiring registration with RBI, Co-Lending by banks and NBFCs to PSA

**Financial Sector Legislative Reforms and Financial Stability and Development Council**

Narasimham Committees 1/2, Banking Sector Reforms, Reforms in Monetary Policy, Reforms in Financial Markets, Reforms in Forex Market, Financial Sector Development Council (FSDC), Function of the FSDC, Wings of FSDC

**MODULE B: IMPORTANT ACTS/LAWS & LEGAL ASPECTS OF BANKING OPERATIONS – PART A**

**The Prevention of Money Laundering Act, 2002**

Offence of Money Laundering, Punishment for Money Laundering, Obligations of Banking Companies, Financial Institutions and Intermediaries, Enhanced Due Diligence, Rules Framed, Records to be Maintained, Information Contained in the Records, Procedure for Maintaining Information, Procedure for Furnishing Information to the Director, Verification of Records of the Identity of Clients, Maintenance of Records of Identity of Clients, Some Cases pertaining to the Act

**Negotiable Instruments Act, 1881**

Negotiable Instruments, Types and Characteristics, Drawer/Acceptor, Payment of Cheques – Protection to Bankers' /Customers', Material Alteration, Where Alteration is not apparent, Protection to the Collecting Banker

**Foreign Exchange Management Act, 1999**

Meaning of Certain Important Terms Used in FEMA, Regulation and Management of Foreign Exchange, Powers of RBI with Respect to Authorized Persons, Contravention, Penalties, Adjudication and Appeals, Directorate of Enforcement, Special Provisions relating to Assets held outside India

**Payment & Settlement Systems Act, 2007**

Definitions, Designated Authority/Authorization, Regulation and Supervision by the RBI, Settlement and Netting, Power of RBI to make regulations

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**Law Relating to Securities and Modes of Charge – I**

Mortgage, Document of Title to Immoveable Property – Meaning, Copy of Document of Title to Immoveable Property Where Acceptable

**Law Relating to Securities and Modes of Charge – II**

Appropriation, Assignment, Pledge, Hypothecation, Bankers lien, Set-off

**Creation/Registration and Satisfaction of Charges**

What is a Charge?, Procedure for Registration of Charge, Effect of Registration of Charges, Effect of Non- registration of Charges, Provisions of Companies Act 2013 Relating to Registration of Charges

**MODULE C: IMPORTANT ACTS/LAWS & LEGAL ASPECTS OF BANKING OPERATIONS – PART B**

**Reserve Bank – Integrated Ombudsman Scheme, 2021**

Coverage and Definitions, Ombudsman–Appointment/Location of Offices/Establishment of a Centralized Receipt and Processing Centre, Procedure for Redressal of Grievance, Procedure for Filing a Complaint / its Initial Scrutiny and Resolution, Passing of an Award and Right to Prefer to Appeal, Suspension of the Scheme

**The Micro, Small and Medium Enterprises Development Act, 2006**

Coverage and Definitions, Summary of Regulation, National Board for Micro, Small and Medium Enterprises (NBMSME)/Advisory Committee, Memorandum of Micro, Small and Medium Enterprises, Delayed Payments to Micro and Small Enterprises, Micro and Small Enterprises Facilitation Council and Reference to the Council in case of Disputes, Disclosures and Penalty for Contravention of the Provisions of the Statute

**Introduction to Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ( SARFAESI Act, 2002)**

Constitutional Validity of the Act

Definitions Under SARFAESI Act, 2002

Preamble, Appellate Tribunal, Asset Reconstruction, Bank, Board, Borrower, Central Registry, Debt Recovery Tribunal, Default, Financial Assistance, Financial Asset, Financial Institution, Hypothecation, Non-performing Asset, Originator, Obligor, Property, Qualified Institutional Buyer, Scheme, Securitization, Security Agreement, Secured Asset, Secured Creditor, Secured Debt, Security Interest, Security Receipt, Sponsor

Regulation of Securitisation and Reconstruction of Financial Assets of Banks and Financial Institutions

Registration of Asset Reconstruction Company, Cancellation of Certificate of Registration, Acquisition of Rights of Interest in Financial Assets, Notices to Obligor and Discharge of Obligation of Such Obligor, Issue of Security Receipts and Raising of Funds by Securitization or Reconstruction Company, Exemption from

Registration of Security Receipt, Measures of Assets Reconstruction, Other Functions of the Securitization Company or Reconstruction Company, Resolution of Dispute, Powers Available with RBI

### **Enforcement of Security Interest**

Enforcement of Security Interest, Chief Metropolitan Magistrate or District Magistrate's Assistance for Taking Possession of Secured Asset, Manner and Effect of Takeover of Management, No Compensation to Directors for Loss of Office, Application against Measures to Recover Secured Debt, Appeal to Appellate Authority, Right of the Borrower for Compensation and Costs

### **Central Registry**

Central Registry, Central Registrar, Register of Securitization, Reconstruction and Security Interest Transactions, Filing of Transactions of Securitization, Reconstruction and Creation of Security Interest, Modification of Security Interest Registered, Satisfaction of Security Interest, Right to Inspect Particulars of Securitization, Reconstruction of Security Interest Transactions

### **Offences and Penalties**

Penalties, Penalties for Non-compliance of Directions of Reserve Bank of India, Offences, Cognizance of Offences, Power of Adjudicating Authority to Impose Penalty/Appeals against Penalty and Adjudicating Appellate Authority

### **Miscellaneous Provisions**

Non-Applicability of the Provisions of the SARFAESI Act in Certain Cases, Exemption of Certain Classes of Banks /Financial Institutions, Protection of Action Taken in Good Faith, Offences by Companies, Civil Court not to have Jurisdiction, Overriding Effect on Other Laws, Limitation, Power of the Central Government to Make Rules, Amendments to Certain Other Enactments

Registration of Security Interest by Secured Creditors and Other Creditors/ Rectification by Central Government in Some Cases

Registration by Secured Creditors and Other Creditors, Rectification by Central Government in Matters of Registration, Effect of the Registration of Transactions, Right of Enforcement of Securities and Priority Allowed to Secured Creditors

### **The Recovery of Debts and Bankruptcy Act, 1993**

Constitutional Validity of the Act, Extent, Commencement, Application and Definitions

### **Establishment of Tribunal and Appellate Tribunal**

Establishment of Tribunal, Composition of Tribunal, Qualification for Appointment as Presiding Officer and Term of Office, Staff of Tribunal, Establishment and Composition of Appellate Tribunal, Qualification for Appointment as Chairperson of the Appellate Tribunal and Term of Office, Filling up of Vacancies at Tribunal and Appellate Tribunal, Finality of Orders Constituting Tribunal or an Appellate Tribunal



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### **Jurisdiction, Powers & Authority of Tribunals**

Jurisdiction, Powers and Authority of Tribunals, Bar of Jurisdiction of Civil Courts

### **Procedure of Tribunals**

Application to the Tribunal, Appeal to the Appellate Tribunal, Deposit of Amount of Debt Due for Filing

Appeal, Procedure and Powers of the Tribunal and the Appellate Tribunal, Limitation

Recovery of Debts Determined by Tribunal and Miscellaneous Provisions

Modes of Recovery of Debts, Validity of Recovery Certificate and Amendment Thereof, Stay and Amendment for Recovery Proceeding and Certificate, Other Modes of Recovery, Application of Certain Provisions of the Income Tax Act, Appeal against the Order of Recovery Officer, Transfer of Pending Cases, Power of Tribunal to Issue Certificate of Recovery in Case of Decree or Order, Chairperson, Presiding Officer and Staff of Appellate Tribunal and Tribunal Public Servants, Protection of Action Taken in Good Faith, Overriding Effect of the Act, Powers to Make Rule

### **Introduction to the Insolvency and Bankruptcy Code, 2016**

Definitions, Coverage, Pillars of IBC, 2016, The Insolvency Resolution Process for Companies and Limited Liability Entities, Corporate Insolvency Resolution Process (CIRP), Initiation of Corporate Insolvency Resolution Process by a Financial Creditor, Suspension of Initiation of CIRP, Persons not Entitled to Make Application, Time – Limit for completion of Insolvency Resolution Process and withdrawal of application admitted under the Code, Declaration of Moratorium and Public Announcement by the Adjudicating Authority, Appointment/Tenure of the Interim Resolution Professional, Committee of Creditors, Appointment of Resolution Professional, Liquidation, Order of Priority of Payment of Debts, Fast Track Insolvency Resolution Process, Voluntary Liquidation of Corporate Person

### **The Bankers' Books Evidence Act, 1891**

Applicability and Definitions, Conditions in the Printout, Mode of Proof of Certain Entries in Bankers' Books, Case in which Officer of Bank not Compellable to Produce Books, Inspection of Books by Order of Court or Judge, Costs of Application

### **The Legal Services Authorities Act, 1987: Lok Adalats**

Organization of Lok Adalats, Jurisdiction of Lok Adalats, Cognizance of Cases by Lok Adalats, Disposal of Cases by Lok Adalats, Nature of Award of the Lok Adalats and Powers

### **The Consumer Protection Act, 2019**

Definitions, Unfair Contract and Unfair Trade Practice, Central, State and District Consumer Protection Councils, Central Consumer Protection Authority, District, State and National Consumer Disputes Redressal Commission, Ministry of Consumer Affairs, Food and Public Distribution

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(Department of Consumer Affairs) Notification dated 30th December, 2021, Finality of Orders and Limitation Period, Consumer Mediation Cell

### **The Law of Limitation**

Definitions, Limitation and Its Computation, Computation of the Period of Limitation, Acts Giving Rise to Fresh Period of Limitation, Certain Important Provisions in Schedule to the Limitation Act

### **Tax Laws**

Income Tax, Commodity Transaction Tax, Goods and Services Tax

## **MODULE D: COMMERCIAL & OTHER LAWS WITH REFERENCE TO BANKING OPERATIONS**

### **Meaning and Essentials of a Contract**

Meaning of Contract, Key Components to Form a Contract Essentials of a Valid Contract, Contract Act and Banking

### **Contracts of Indemnity**

Rights of Indemnity Holder, Implied Indemnity, Enforceability of Contract of Indemnity

### **Contracts of Guarantee**

Parties to the Contract, Basic Principles of Contract to be complied, Consideration, The Liability of the Surety, Continuing Guarantee, Death of Surety, Variance in Terms of the Contract, Discharge of Principal Debtor, Forbearance to Sue, Release of One Co-surety does not Discharge Other, Surety can Claim His Dues from the Principal Debtor, Security, Misrepresentation made by the Creditor, Implied Promise by the Principal Debtor to Indemnify the Surety, Co-sureties for the Same Debt, Revocation of a Continuing Guarantee

### **Contract of Bailment**

Meaning of Bailment, Essential Features of Bailment, Bailor Bound to Disclose to the Bailee, Bailee to take care of Goods, Effects of mixing of Goods and Expenses, Duties of the Bailee with regard to Goods, Bailee's Lien

### **Contract of Pledge**

Ingredients of Pledge, Nature of Pledge, Pledge by Way of Hypothecation, Pledge by Pledgee

### **Contract of Agency**

Definition, Contract of Agency, Essential Characteristics of a Contract of Agency, Rules of Agency, Types of Agents, Rights and Duties of the Agent and Principal

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### **Meaning and Essentials of a Contract of Sale**

Meaning of some of the Important Terms Defined Under the Sale of Goods Act, 1930, Meaning of Contract of Sale of Goods, Features of Contract of Sale of Goods, Sale and Agreement to Sell, Distinction between a Sale and an Agreement to Sell

### **Conditions and Warranties**

Meaning of Condition and Warranty, Implied Conditions and Warranties

### **Unpaid Seller**

Rights of an Unpaid Seller

### **Definition, Meaning and Nature of a Partnership**

Meaning and Definition of Partnership, Essential Characteristics, Types of Partnership, Limited Liability Partnership (LLP)

### **Relations of Partners to One Another**

General Duties of Partners, Duty to Indemnify the Loss caused by Fraud, Determination of Rights and Duties of Partners by Contract between the Partners, The Conduct of the Business, Mutual Rights and Liabilities, The Property of the Firm, Profits Earned by Partners, Rights and Duties of Partners

### **Relations of Partners to Third Parties**

Partner is an Agent of the Firm, Implied Authority of Partner as Agent of the Firm, Extension and Restriction of Partner's Implied Authority, Partner's Authority in an Emergency, Mode of Action to Bind Firm, Liability of a Partner for Acts of the Firm, Liability of the Firm for Wrongful Acts of a Partner, Liability of Firm for Misapplication by Partners, Holding Out, Rights of Transferee of a Partner's Interest

### **Minor Admitted to the Benefit of a Partnership**

Minor cannot be a Partner, Legal position after the Minor attains majority, Retirement of a Partner, Insolvency of a Partner

### **Dissolution of a Firm**

Dissolution, Dissolution by Agreement, Compulsory Dissolution, Dissolution on the Happening of Certain Contingencies, Dissolution by the Court, Liability for Acts of Partners Done after Dissolution

### **Effect of Non-Registration**

Registration

### **Definition and Features of a Company**

Definition of a Company, Features of a Company, Distinction between a Company and Partnership

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### **Types of Companies**

Classifications of Companies on the basis of mode of Incorporation, Classifications of Companies on the basis of Liability, Classifications of Companies on the basis of Public Interest, Holding and Subsidiary Companies

### **Memorandum of Association and Articles of Association**

Memorandum of Association, Articles of Association, Effect of Memorandum and Articles, Distinction between the Memorandum of Association and Articles of Association

### **Doctrines of Ultra Vires/ Constructive Notice/ Indoor Management**

Doctrine of Ultra Vires, Effects of Ultra Vires Transaction, Constructive Notice of Memorandum of Association and Articles of Association, Effect of the Doctrine of Constructive Notice, Doctrine of Indoor Management

### **Membership of Company**

Who is a Member of a Company? Various Modes of Becoming Member of a Company, Who can be Members of a Company?, Cessation of Membership in a Company, Register of Members, Place of Keeping and Inspection of Register of Members, Rights and Duties (Liabilities) of Members of a Company, Rights of Members

### **Prospectus**

What is a Prospectus? Compliance with Respect to Prospectus, Mis-statements in a Prospectus and Remedies

### **Directors**

Minimum Number of Directors, Appointment of Directors and Proportion of those who are to Retire by Rotation, Ascertainment of Directors Retiring by Rotation and Filing of Vacancies, Right of Persons other than Retiring Directors to stand for Directorship, Additional Directors, Filling of Casual Vacancies among Directors, Consent to the Company, Consent to be filed with Registrar of Companies, Whole-time Director, Qualification Shares, Maximum Number of Directorships, Vacation of Office by Directors, Certain Powers can be exercised only at Meetings of the Board, Restrictions on Powers of Board, Loan to Director, Contracts in which Directors are Interested, Alternate Director, Compensation for Loss of Office.

### **Limited Liability Partnership Act, 2008**

Definitions, A Body Corporate, Partner/Designated Partner, Liabilities of and changes in Designated Partners, Incorporation of a Limited Liability Partnership, Partners and their Relations, Conversion

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**Transfer of Property Act, 1882**

Sale of Immoveable Property, Mortgage of Immoveable Property, Types of Mortgage, Sale without Court Intervention, Enforcement of Mortgages through Court, Leases of Immoveable Property, Actionable Claims

**The Right to Information Act, 2005**

Applicability, Definitions

**Right to Information and Obligations of Public Authorities**

Obligations of Public Authorities, Procedure for obtaining Information, Disposal of Request, Appeal, Orders in Appeal, Penalties

**Information Technology Act, 2000**

Definitions, Electronic Governance, Certifying Authorities, Digital Signature Certificates, Penalties, Appeal, Investigation, Critical Information Infrastructure –Protected System, Application of the Act to Electronic Cheque and Truncated Cheque,

**Prevention of Corruption Act, 1988**

Definitions, Special Judges, Offences and Penalties, Fixing of Fine, Persons authorized to investigate, Powers to inspect 'Bankers Books', Appeal and Revision

**APPENDIX**

Important Provisions / Sections of certain Acts

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## **Banking Regulations and Business Laws**

### **Very Important Sample Questions**

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

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

Ans - d

.....

Which of the following is/are False?

- (i) Directors are the actual owners of a company.
- (ii) A company has to be compulsorily registered under the Companies Act, 2013.
- (iii) A company cannot enter into contracts in its own name.

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

Ans - b

.....

If the cash balance with RBI is less than that of required CRR balance, bank is required to pay penalty on the amount of shortfall for that day at the rate of ..... and if default continues next day also then at the rate of .....

- a. Bank Rate, Bank Rate plus 1%
- b. Bank Rate plus 1% and Bank Rate plus 3%
- c. Bank rate plus 2% and Bank rate plus 4%

.....

d. Bank Rate plus 3% and Bank Rate plus 5%

Ans - d

Which one of the following is not the holder of a cheque?

- a. A cheque made out to the order of X and couriered but not received
- b. A bearer cheque found lying on the road by Y
- c. A duplicate cheque issued to Z who had misplaced it
- d. None of the above

Ans - b

After liberalization and globalization initiated in 1991 reforms have been introduced in

- (i) Monetary Policy
- (ii) Banking sector
- (iii) Forex Market
- (iv) Capital Market

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

Ans - a

The State Bank of India is a ..... constituted under the State Bank of India Act.

- a. Banking company
- b. Body corporate
- c. Society
- d. Financial Institution

Ans - b

.....  
The term Currency defined under FEMA does not include .....

- a. Letter of credit
- b. Travelers cheque
- c. Promissory Notes
- d. Bonds and debentures

Ans - d  
.....

Which of the following is/are False?

- (i) The Right to Information Act, 2005 came into force on October 12, 2005. (True or False)
- (ii) The Right to Information Act, 2005 applies to all organizations. (True or False)
- (iii) Central Public Information Officers are appointed by the Central Government. (True or False)

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

Ans - d  
.....

Master A has been admitted to the benefit of partnership firm on 02.01.2023. Master A become Major on 02.05.2023 and he gave a public notice on 05.08.2023 about his interest to continue as a partner. Mr. A is personally liable to third parties for all the act of the firm w.e.f .....

- a. 02.05.2023 (date of becoming Major)
- b. 05.08.2023 (date of public notice)
- c. 02.01.2023 (date of admission)
- d. 05.02.2023 (date of completion of six months)

Ans - b  
.....

When a customer having two or more debts to the banker, pays in money which is not sufficient to discharge all the debts, without any specific direction for its appropriation. In that case .....

- a. The amount will be appropriated in order of time the debts were incurred
- .....



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

Ans - c

Which of the following statement is/are true?

- (i) Reserve Bank can issue directions on loans and advances under Section 21 of the Banking Regulation Act.  
(ii) Regulation of credit to different sectors of the economy is known as selective credit control.  
(iii) Banks are free to lend any amount to their directors.  
(iv) Banks have to file a return to Reserve Bank regarding unclaimed deposits under Section 26 of the BR Act.

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

Ans - b

A Financial Instruments whose value is derived from change in interest rate, foreign exchange rate, credit rating or credit index, price of securities etc. (also called "underlying"), or any other underlying or a combination of more than one of the aforesaid are called\_\_\_\_\_ .

- a. Repos  
b. Reverse Repos  
c. Derivatives  
d. None of the above

Ans - c

As per section 9 of BR act, bank can hold immovable property upto ..... years

- a. 5

- b. 7  
c. 10  
d. 15

Ans - b

Which of the following is/are False?

- (i) In case of a company limited by shares the creditors of the company can recover the money from the members if the company is not making profits.  
(ii) A member cannot transfer shares in a public company without the consent of other members.  
(iii) A prospectus is generally issued by a Public Limited Company

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

Ans - a

Which of the following is/are True?

- (i) Director under the Act is appointed by the Reserve Bank of India.  
(ii) Record of transactions specified under the Act is to be maintained for Five years  
(iii) RBI and SEBI can prescribe the nature of records to be maintained by a banking company  
(iv) Documents to be verified depend upon the type of the client.

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

Ans - c

.....  
In case of an unlisted startup company, the sweat equity share should not increase more than ..... of paid up capital up to 5 years from the date of incorporation?

- a. 30%
- b. 35%
- c. 40%
- d. 50%

Ans - d  
.....

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

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

Ans - d  
.....

ABC Bank had sanctioned a loan to Mr. Raj but it found to be inadequate to start the business by the borrower. In that case .....

- a. A complaint under Consumer Protection Act is possible
- b. A complaint under Consumer Protection Act is tenable if court finds the case genuine
- c. A complaint under Consumer Protection Act is not tenable
- d. A complaint under Consumer Protection Act is possible only if the borrower suffers loss and able to prove that

Ans - c  
.....

Which of the following is/are True?

- (i) In case of conflict between the memorandum of association and articles of association, the articles of association prevail.
  - (ii) One of the clauses contained in the Memorandum of Association is known as the 'Objective Clause'
- .....

(iii) The memorandum and articles of a Company, once registered, bind the firm.

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

Ans - c

Income Tax deductions on donations comes under section ..... of Income Tax Act

- a. 80C
- b. 80CCD
- c. 80G
- d. 80J

Ans - c

Which of the following is/are True?

- (i) The Right to Information Act, 2005 was enacted to contain corruption. (True or False)
- (ii) The Right to Information Act, 2005 came into force on October 12, 2005. (True or False)
- (iii) The Right to Information Act, 2005 repealed the Freedom of Information Act, 2002. (True or False)

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

Ans - b

Which is not consider as Negotiable Instrument?

- a. Bill of exchange
- b. Share Certificate
- c. Cheques

d. Bill of exchange

Ans - b

The objectives of FSDC include .....

- (i) To strengthen financial stability
- (ii) Promoting financial sector development
- (iii) To promote competition
- (iv) Maintaining financial stability

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

Ans - b

Pledge means ..... of goods for purpose of securing a payment of debt or performance of promise.

- a. Set off
- b. Hypothecation
- c. Safe deposit
- d. Bailment

Ans - d

Which, from amongst the following, is a reason for the cancellation of registration of the Asset Reconstruction Company without giving a hearing opportunity?

- a. The company does not keep accounts as per the RBI norms.
- b. The company ceases to carry on the business of securitization or reconstruction.
- c. The company fails to hold investment from the qualified investor.
- d. The company does not fulfil any of the conditions imposed at the time of registration.

Ans - b

Which of the following is/are False?

- (i) Bailor is a person who delivers his goods to the surety to enable him to give a guarantee.
- (ii) Bailee can use the goods given by the bailor, in the manner as he likes.
- (iii) The bailee can keep the goods bailed to him and he need not return the same to the bailor.
- (iv) Giving a product on rent for use to another person is a contract of bailment.

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

Ans - a

At the time of receipt of a garnishee order, your customer Mr. Raj's accounts was showing (i) SB a/c uncleared balance Rs. 55000 (Cleared balance Rs. 43000) (ii) An overdue fixed deposit for Rs. 60000 matured one week earlier (iii) OD account showed a credit balance of Rs. 20000 (iv) CC account showed a credit balance of Rs.10000. Indicate the amount which can be attached by the garnishee order?

- a. Rs. 113000
- b. Rs. 123000
- c. Rs. 133000
- d. Rs. 145000

Ans - c

Under Section 82 of the Companies Act 2013, a company shall give intimation to the Registrar of the payment or satisfaction in full of any charge within a period of ..... days from the date of such payment or satisfaction.

- a. 120 days
- b. 300 days
- c. 30 days
- d. 45 days

Ans - c

Which of the following is/are False?

- (i) Doctrine of ultra vires lays down that every outsider is assumed to have read the memorandum of association and articles of association.
- (ii) Doctrine of constructive notice states that the outsiders are not required to see the compliance of internal regulations of the company.
- (iii) Doctrine of indoor management lays down that a company cannot carry on the objects not permitted by its memorandum of association.

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

Ans - d

The Prevention of Corruption Act requires that offences be tried by .....

- a. Supreme Court Judges
- b. District Court Judges
- c. Special Judges
- d. High Court Judges

Ans - c

Which of the following section in the Companies Act,2013 mentions about Red Herring Prospectus?

- a. Section 30
- b. Section 31
- c. Section 32
- d. Section 33

Ans - c

The minimum and maximum number of members in a private company can be .....

- a. 2 & 50

- b. 2 & 200  
c. 5 & 50  
d. 5 & 200

Ans - b

.....

An equitable mortgage was created on 15.04.2021 with your bank and ROC registration was made on 23.05.2021. Again simple/legal mortgage was created on the same property on 17.04.2021 with Canara Bank and ROC registration was made on 20.04.2021. Which mortgage will get priority?

- a. It will be a kind of paripassu charge with both the Banks  
b. Mortgage with Canara Bank as it was registered with ROC earlier  
c. Mortgage with our Bank as it was created earlier  
d. Mortgage with Canara Bank as it was a Simple mortgage

Ans - c

.....

Which of the following is/are True?

- (i) Every citizen is entitled to seek information under the Right to Information Act from a public authority.  
(ii) Every public authority is required to display information about their organization, employees, etc., and update them periodically.  
(iii) Central Government appoints Central Public Information Officer in every public authority. (True/False)  
(iv) Central Assistant Public Information Officer has to forward the request for information to the concerned public authority within five days of the receipt of the request if it does not relate to his organization.
- a. (i), (ii), (iii)  
b. (i), (ii), (iv)  
c. (ii), (iii), (iv)  
d. (i), (ii), (iii), (iv)

Ans - b



Which of the following is/are True?

- (i) A minor can be a member of a private company but not of a public company.
- (ii) A member can inspect the register of members.
- (iii) In a Company Limited by Shares, the member is liable to pay the full nominal value of the shares and the liability of the member ends there.

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

Ans - c

A director of a banking company should not have ..... in any other company.

- a. Beneficial interest
- b. Any interest
- c. Substantial interest
- d. Majority interest

Ans - c

Mortgage is ..... in the immoveable property.

- a. Transfer of title
- b. Transfer of interest
- c. Pledge
- d. Hypothecation

Ans - b

Which one of the following is the Chairperson of the Central Consumer Protection Council?

- a. The Prime Minister
- b. The President of India
- c. The Finance Minister

d. Minister-in-charge of the Department of Consumer Affairs

Ans - d

In case of indemnity, which type of liability exists?

- a. subsisting
- b. continuous
- c. contingent
- d. all the above

Ans - c

Which of the following is/are False?

- (i) A enters into an agreement with B to rob C and share the money. B runs away with all the money. A can file a suit against B to recover the money.
- (ii) Mr. X (aged 17) can enter into an agreement with Mr. Y (aged 25) to buy a car.
- (iii) A contract is concluded only when the party to whom the proposal is made, accepts the proposal.

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

Ans - a

Tax deducted from salary has to be paid on ..... basis

- a. Monthly
- b. Quarterly
- c. Half Yearly
- d. Yearly

Ans - a

.....

In a joint account of A and B, a cheque is presented in clearing and paid. Later on it is found that signature of A is genuine but that of B is forged. In that case .....

- a. The bank cannot debit the account of the customer. Hence the bank is liable
- b. The bank is not liable if the forgery is done in connivance with the drawer
- c. The bank is liable for forgery, even if the payment of the cheque has not been made
- d. The bank cannot debit the account but if the forgery is in the knowledge of the customer, bank is not liable

Ans - a

.....

Which of the following is/are False?

- (i) A person seeking information has to disclose the reason for seeking information.
- (ii) No third party information can be sought from a public authority.
- (iii) The request for information has to be disposed of ordinarily within thirty days.

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

Ans - a

.....

Four statements are given below. Some statements are not possible. Choose the statement which is possible

- a. There is no difference between pledge and third party pledge
- b. For transfer of goods assignment is used
- c. A mortgage is applicable to Vehicle as security
- d. A hypothecation can become pledge

Ans - d

.....

How many persons are involved in contract of indemnity?

- a. 1
- .....

- b. 2  
c. 3  
d. 4

Ans - b

Mr. A had lost a FD and requested the bank to reissue duplicate FD. Bank issues it. What is the role of Mr. A here?

- a. Creditor  
b. Debtor  
c. indemnified  
d. indemnifier

Ans - d

Which of the following statement is/are false?

- (i) Central Government can acquire the undertaking of a banking company under Section 36AE of the Banking Regulation Act in the interest of banking policy without any report from the Reserve Bank on the affairs of the banking company.  
(ii) On the application of Reserve Bank, the High Court may stay the commencement or continuance of proceedings against any banking company for any period.  
(iii) The Reserve Bank or State Bank or another person as specified by the Reserve Bank in its application before the High Court may be appointed as liquidator of a banking company.

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

Ans - a

Co-operative banks have to prepare their balance sheet and profit and loss account in the forms set out in the Third Schedule to \_\_\_\_\_.

- a. Banking Regulation Act

- b. Reserve Bank of India Act  
c. State Co-operative Societies Act  
d. Central Cooperative Societies Act

Ans - a

Which is not one of the criteria to be fulfilled for a person to be a 'holder in due course' of a cheque?

- a. The cheque should be crossed  
b. It should have been acquired for consideration  
c. It should have been acquired before its maturity  
d. All the above

Ans - a

Which of the following circumstances indicate a material alteration?

- a. When the operation of the instrument and the liabilities of the parties are altered.  
b. When the 'business effect' is altered when used for business purposes  
c. When a change impacts an instrument in such a way that it starts speaking a different language in legal terms from that which it originally spoke or which changes the legal identity or character of the instrument.  
d. All the above

Ans - d

Which of the following is/are False?

- (i) A current account transaction alters the assets or liabilities outside India of persons resident in India.  
(ii) Civil Court has the jurisdiction to entertain any suit or proceeding in respect of any matter under the FEMA.  
(iii) RBI can revoke any authorization given to an authorized person.  
(iv) Any person aggrieved by any order passed by the Competent Authority, in respect of assets held abroad and seized, may prefer an appeal to the High Court.

a. (i), (ii), (iii)

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

Ans - b

Which of the following is/are True?

- (i) There are no remedies available for misstatements in prospectus by directors.  
(ii) A company proposing to issue a red herring prospectus shall file it with the Registrar at least three days prior to the opening of the subscription list and the offer.

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

Ans - b

A banker on whom the cheque is drawn should pay the cheque, when it is presented for payment. It is his obligation by section 31 of the NI Act. A banker is bound to honor his customer's cheque to the extent of the fund available. But a banker refuses payment during which of the following circumstances?

- a. A/c holder is bankrupt  
b. A/c holder is deceased and insane  
c. Garnishee Order is issued by the court  
d. All the above

Ans - d

Under the Payment and Settlement Systems Act 2007, which entity is authorized to approve commencement or operation of a payment system?

- a. SEBI  
b. RBI  
c. Ministry of Finance

d. SBI

Ans - b

Under RTI Act 2005, what are the information not open to be disclosed? (i) disclosure of which would prejudicially affect the sovereignty and integrity of India, the security, strategic, scientific or economic interests of the State, relation with foreign State or lead to incitement of an offence, (ii) information including commercial confidence, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party, unless the competent authority is satisfied that larger public interest warrants the disclosure of such information, (iii) information which has been expressly forbidden to be published by any court of law or tribunal or the disclosure of which may constitute contempt of court

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

Ans - d

Which of the following is not correct?

- a. Banks may negotiate bills drawn under LCs, on 'with recourse 'or 'without recourse 'basis
- b. Banks can't purchase/discount the bills drawn otherwise than under LC on 'without recourse 'basis
- c. Banks should not rediscount bills earlier discounted by non-bank financial companies (NBFCs) except in respect of bills arising from sale of light commercial vehicles and two / three wheelers.
- d. Banks can't negotiate bills drawn under LCs, on 'with recourse 'or 'without recourse 'basis

Ans - d

Which of the following is/are False?

- (i) The pawnee/pledgee can re-pledge the pledged goods
- (ii) The pawnee can sell the goods without giving notice to the pawnor.
- (iii) The pawnee can keep the goods even after the pawnor has paid the dues.

- a. Only (i) and (ii)

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

Ans - c

Before making payment of a bank guarantee, the bank is to ensure that the invocation is properly made. Which of the following may not be an important element for treating the invocation as proper?

- a. the invocation has been made by the person competent to make the invocation  
b. the cause of action arose during the validity period  
c. the amount is within the amount limit of the guarantee  
d. the invocation is within the claim period given in the guarantee

Ans - d

Which of the following is/are True?

- (i) The agent is appointed to act as a connecting link and bring the principal into a binding contractual relationships with third persons.  
(ii) An agent could be a minor, as per the provisions of the Indian Contract Act, 1872  
(iii) By implication, the work done by an agent for a principal is equivalent to work done by the principal himself/herself  
(iv) In the absence of contract to the contrary, an agent may retain goods, papers etc. whether movable or immovable, belonging to the principal received by him or in his possession until the amount due to him in respect of such goods etc. has been paid or accounted for to him

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

Ans - b



.....

The power of sale without intervention of the Court is given to the mortgagee in the case of:

- a. Equitable mortgage
- b. English mortgage
- c. Simple mortgage
- d. Usufructuary mortgage

Ans - b

.....

What is the latest period by which a trial under the Prevention of Corruption Act has to be concluded in all respects?

- a. 4 years
- b. 2 years
- c. 6 years
- d. 3 years

Ans - a

.....

Reserve Bank may issue directions to banking companies under Section 21 of BR Act on

- a. Audit
- b. Loans and advances
- c. Capital structure
- d. None of the above

Ans - b

.....

Which of the following is/are True?

- (i) A partner of an unregistered firm can file a suit against other partners to get his share of profits.
- (ii) The enforcement of any right to sue, for matters relating to the dissolution of a firm is not affected and can be brought before the Court of Law.

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

d. Neither (i) nor (ii)

Ans - b

Under RTI Act 2005, the period for providing information is .....

- a. 5 days
- b. one week
- c. 21 days
- d. 30 days

Ans - d

Within how many days can a consumer file complaint if he is not satisfied with the service?

- a. 15 Days
- b. 30 Days
- c. 60 Days
- d. 90 Days

Ans - b

The whole-time chairman or the managing director of a bank will be disqualified under the which of following circumstances ?

- a. if he/she is director of a company other than a subsidiary of the banking company or a charitable company (registered under Section 25 of the Companies Act)
- b. if he/she is a partner of any firm which carries on trade, business or industry
- c. if he/she has substantial interest in any other company or firm or is director, manager, managing agent, partner or proprietor of any trading, commercial or industrial concern
- d. All the above

Ans - d

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

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

Ans - c

Which of the following is/are True?

- (i) A minor who is admitted to the benefits of a partnership firm, has a choice when he attains majority as to whether he wants to continue as a partner or not.
- (ii) A minor partner on attaining majority has to give a public notice within 15 days of attaining majority.
- (iii) A minor partner who has attained majority may give public notice to the effect whether he has elected to become a partner or not.

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

Ans - b

The Appellant Authority under the Act is appointed by .....

- a. RBI
- b. Finance Ministry
- c. The Supreme Court
- d. None of the above

Ans - a

.....  
If a property worth Rs. 1000000 is insured for Rs. 800000/- and the loss occurred is to the extent of Rs. 600000/-, then insurance company is liable to pay .....

- a. Rs. 100000
- b. Rs. 480000
- c. Rs. 600000
- d. Rs. 800000

Ans - b

.....  
Which of the following is/are True?

- (i) A decree passed by the foreign court can be executed by the Tribunal. (True or False)
- (ii) For certain valid reasons the Chairperson of the Appellate Tribunal can transfer any case from one Tribunal to other Tribunal within his jurisdiction. (True or False)
- (iii) For the matters for which the Tribunals are empowered the Civil Courts have no jurisdiction. (True or False)

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

Ans - d

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

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

Ans - b

Relationship between bank and customer in case of pledge .....

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

Ans - d

The power to look into issues of capital reduction of a company vests with which of the following organization?

- a. High courts and appeal with Supreme court
- b. Supreme Court
- c. NCLT
- d. SEBI

Ans - c

Minimum paid-up share capital requirement for a private company is ..... and for a public company is .....

- a. 1 lakh, 2 Lakhs
- b. 1 Lakh, 5 Lakhs
- c. 2 Lakhs, 5 Lakhs
- d. No minimum paid-up capital required

Ans - d

Which of the following is/are False?

- (i) A minor can be a partner in a partnership firm.
- (ii) A minor can be admitted to the benefits of a partnership firm.
- (iii) A minor is personally liable like other partners to pay the debts of the firm

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

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

Ans - b

.....

In respect of third party information, which one of the following statement is correct in the context of Right of Information Act?

- a. Chief Public Information officer can disclose the information in the normal course
- b. Chief Public Information officer is not allowed to disclose the information
- c. Chief Public Information officer shall give a notice to the third party about the the intention to disclose
- d. The third party has no recourse against the decision of the Chief Public Information officer to disclose the information

Ans - c

.....

A cheque dated 10.06.2023 was paid on 08.05.2023. The account holder gives stop payment instruction of the above cheque on 24.05.2023. The bank .....

- a. will accept the stop payment instruction
- b. Will refuse as per the recent Supreme court Judgement
- c. will refuse as issuance of post dated cheque is illegal
- d. will refuse to accept the instruction as the cheque is already paid

Ans - a

.....

Which of the following is/are False?

- (i) Every partner has a right to receive remuneration.
- (ii) It is necessary that all the partners in the partnership firm must receive equal share of profits in the partnership firm.
- (iii) No partner is entitled to use the partnership property for his private purposes.

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

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

Ans - a

How many types of LCs are there?

- a. 5
- b. 6
- c. 8
- d. 10

Ans - c

The limitation period for filing a suit for foreclosure from the date money secured becomes due is .....

- a. 12 Years
- b. 20 Years
- c. 25 Years
- d. 30 Years

Ans - d

A 'Co-operative Bank' means .....

- (i) A primary co-operative bank
- (ii) A central co-operative bank
- (iii) A state co-operative bank

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

Ans - d

Which of the following is/are True?

- (i) Consent of all the partners is necessary to change the nature of business carried on by the firm.
- (ii) A partnership at will can be dissolved by notice.
- (iii) A partnership can arise out of an inheritance
- (iv) The contract of partnership can be express or implied.

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

Ans - b

Right to Information means the right to .....

- a. Inspection of work, documents and records;
- b. Taking notes, extracts, or certified copies of documents or records;
- c. Taking certified samples of materials;
- d. All the above and obtaining information in the form of diskettes, floppies, etc., of information stored in a computer or in any other device.

Ans - d

Mr. Raj had issued a cheque for Rs. 500000 and the cheque was dishonoured due to insufficiency of funds. Mr. Raj may be punished .....

- a. Imprisonment for a term of 2 years
- b. fine up to twice the cheque amount
- c. Imprisonment for a term up to 1year or fine upto twice the amount of the cheque or with both
- d. imprisonment upto 2 years or fine which may extend to twice the amount of the amount of cheque or with both

Ans - d



Under the IBC 2016, which one of the following persons/entities is entitled to make an application to initiate the corporate insolvency resolution process?

- a. A corporate debtor already undergoing corporate insolvency resolution process.
- b. A corporate debtor in respect of whom a liquidation order has been made
- c. A financial creditor of a corporate debtor, undergoing a pre-packaged insolvency resolution process.
- d. None of the above

Ans - d

Which of the following is/are True?

- (i) The partners can mutually agree and dissolve the firm.
- (ii) On the death of a partner the partnership firm is compulsorily dissolved.

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

Ans - a

Hypothecation is an implied pledge in cases where .....

- a. Constructive possession of goods is given
- b. Delivery of goods is given
- c. Constructive possession of obligation is given
- d. None of the above

Ans - a

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

- a. No, amount is required to be deposited until the appellate tribunal decides.
- b. Yes, Court-fee on the appeal amount is required to be paid.

- .....
- c. Yes, 50 per cent of the amount determined by the tribunal is required to be deposited at the time of filing of the appeal.
- d. Yes, after admission of the appeal 50 per cent of the amount determined by the tribunal is required to be deposited.

Ans - c

.....

A endorses a cheque SANS RECOURSE to B. B endorses it to C and C to A. If the cheque is dishonoured, then .....

- a. A can claim from B only
- b. A can claim from C only
- c. A is not liable to B and C and also can't claim from them
- d. A is not liable to B & C but can claim from them as an endorsee

Ans - d

.....

Which of the following statement is/are true?

- (i) The undertaking of an acquired bank may vest in the Central Government or in any company or corporation as directed by the Central Government.
- (ii) On the application of Reserve Bank, the High Court may stay the commencement or continuance of proceedings against any banking company for any period.
- (iii) The Reserve Bank or State Bank or another person as specified by the Reserve Bank in its application before the High Court may be appointed as liquidator of a banking company.

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

Ans - b

.....

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

- a. the bank was negligent in accepting such instruction. Hence bank is liable

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

Ans - c

.....

Which of the following is/are False?

- (i) In a mortgage by deposit of title-deeds the property given as a mortgage has to be situated in notified towns.
- (ii) A lease from year to year or for any term exceeding one year can be made by transfer of possession.
- (iii) The debtor has to be given a notice of transfer of actionable claim.

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

Ans - d

.....

Which of the following is not correct?

- a. Banks may negotiate bills drawn under LCs, on 'with recourse 'or 'without recourse 'basis
- b. Banks can't purchase/discount the bills drawn otherwise than under LC on 'without recourse 'basis
- c. Banks should not rediscount bills earlier discounted by non-bank financial companies (NBFCs) except in respect of bills arising from sale of light commercial vehicles and two / three wheelers.
- d. Banks can't negotiate bills drawn under LCs, on 'with recourse 'or 'without recourse 'basis

Ans - d

.....

What is the pecuniary jurisdiction (maximum value of the goods or services and the compensation claimed) of the district Forum under Consumer Protection Act, 1986?

- a. Rs. 10 lac
- b. Rs. 20 lac
- c. Rs. 05 lac

d. Rs. 08 lac

Ans - b

Y's current account is over drawn by Rs. 12500/-. The bank can exercise right of setoff against .....

- a. credit balance in the partnership account where y is a partner
- b. cash deposited by y for buying a DD
- c. credit balance in the account of a minor with y as Guardian
- d. credit balance in the account of y maintained with another branch of the same bank

Ans - d

In which of the following instances a banker may refuse to honor the customer's cheques?

- (i) Where a post dated cheque is presented for payment prior to the date it bears
- (ii) Where after debiting the cheque the balance will fall below the minimum balance required
- (iii) Where the banker receives notice of customer death
- (iv) Where signature on the cheque differ from the specimen signature

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

Ans - d

Which of the following is/are True?

- (i) In a pledge, the goods are delivered to be kept as security for a debt or for performance of a promise.
- (ii) The pawnee can sell the goods, if the pawnor fails to pay.
- (iii) The pawnee can sell the goods without giving notice to the pawnor.

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

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

Ans - a

Which one of the following is a promoter of FSDC?

- a. RBI
- b. SEBI
- c. IRDAI
- d. Gol

Ans - d

Which of the following statements are True?

- (i) The maximum period of office that may be held continuously by an ordinary director in a banking company is eight years.
- (ii) The post of chairman of a banking company may be on part-time basis.
- (iii) The chairman of a banking company can hold office only for a maximum period of eight years

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

Ans - a

The minimum amount, out of the net profit which is transferable to the reserve fund each year after adjustment/provision towards bonus to staff by the banks incorporated in India is\_\_\_\_\_.

- a. 25 per cent
- b. 20 per cent
- c. 10 per cent
- d. There are no specifications

Ans - a

Which one of the following is not an example of material alteration necessitating for refusal of payment of a cheque?

- a. When a bearer cheque is made into an order cheque
- b. When date is overwritten
- c. When crossing is obliterated
- d. All the above

Ans - a

Which of the following is/are False?

- (i) The Prevention of Money Laundering Act, 2002 does not apply to banking transactions.
- (ii) The term money laundering has been defined in the Prevention of Money Laundering Act, 2002.
- (iii) Director under the Act is appointed by the Reserve Bank of India.
- (iv) Record of transactions specified under the Act is to be maintained for Five years

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

Ans - a

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

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

Ans - b

On sale of the security asset, the sale proceeds are appropriated firstly .....

- a. Towards the satisfaction of dues of secured creditor.

- .....
- b. Towards the payment of dues of labour.
  - c. Towards payment of cost, charges and expenses for the preservation and protection of securities, insurance premiums, etc.
  - d. Towards payment of legal costs incurred by the creditor for taking possession and for effecting sale.

Ans - c

.....

A endorses a cheque SANS RECOURSE to B. B endorses it to C and C to A. If the cheque is dishonored, then .....

- a. A can claim from B only
- b. A can claim from C only
- c. A is not liable to B and C and also can not claim from them
- d. A is not liable to B & C but can claim from them as an endorsee

Ans - d

.....

Which of the following is/are True?

- (i) A single partner can be authorized to carry on business and sign documents on behalf of the firm.
- (ii) Every partner is liable jointly with all other partners and also severally for all acts of the firm done while he is a partner.
- (iii) Misapplication means taking property or money from a third party and using it for the purpose for which it was taken in the interest of the partnership firm.

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

Ans - a

.....

Which one of the following statements is correct in respect of the transfer of an actionable claim?

- a. It can be done for valid consideration only by the execution of an instrument in writing signed by the transferor

- .....
- b. It can be done with or without consideration in case of insurance polices
  - c. It can be done with or without consideration only by the execution of an instrument in writing signed by the transferor
  - d. It can be done with or without consideration only in case f immovable properties

Ans - c

.....

In civil suit to which bank is not a party, one of the parties has produced the certified copy of the books of account. One party to the suit want to call the bank officer as a witness, to prove the contents of copy. Can it be done in the normal Course?

- a. Yes, as if it is right of the party to get it re-affirmed in evidence
- b. No, As the certified copy as prima facie document that is admissible as evidence
- c. No, Unless the bank voluntary to do so
- d. Yes, if the party obtain consent of the bank

Ans - b

.....

What is the maximum period of punishment by imprisonment which may be meted out for abetment of offences under the Prevention of Corruption Act?

- a. 5 years
- b. 8 years
- c. 10 years
- d. 7 years

Ans - d

.....

In case of ..... letter of credit, the beneficiary cannot be sued for payment

- a. Revocable
- b. Irrevocable
- c. With recourse
- d. Without recourse

Ans - d



Which of the following statements are true?

- (i) A temporary branch for less than thirty days in a town, where a bank has an existing branch, does not require permission from Reserve Bank.
- (ii) A company whose banking licence is rejected can undertake business as a moneylender or undertake other business.
- (iii) The decision of Reserve Bank to revoke licence is final and no appeal lies from it.
- (iv) Banking companies are permitted to give brokerage up to two-and-half per cent of the paid-up value of shares.

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

Ans - b

The minimum number of directors required in a public & Private companies are .....

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

Ans - c

Mr. Raj is the whole-time chairman or the managing director of a bank. He will be disqualified under which of the following circumstances?

- a. if he/she is director of a company other than a subsidiary of the banking company or a charitable company (registered under Section 25 of the Companies Act)
- b. if he/she is a partner of any firm which carries on trade, business or industry
- c. if he/she has substantial interest in any other company or firm or is director, manager, managing agent, partner or proprietor of any trading, commercial or industrial concern
- d. All the above

Ans - d

Simple mortgage is created by .....

- a. An instrument in writing
- b. A oral agreement
- c. A oral assent
- d. Unwritten promise

Ans - a

Which of the following is a function of the FSDC?

- (i) Enhancing inter regulatory coordination
- (ii) Focusing attention on financial literacy and financial inclusion.
- (iii) Monitoring of macro-prudential supervision of the economy

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

Ans - d

In which of the following mortgages the mortgagor is required to deliver possession of the mortgaged property to the mortgagee?

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

Ans - b

How many times Income tax can be filed on advance basis in a financial year?

- a. One
- b. Two
- c. Three

d. Four

Ans - d

Which of the following statements are false?

- (i) The decisions of the board of directors, during the period when the board's constitution is defective shall be void.
- (ii) The post of chairman of a banking company may be on part-time basis.
- (iii) The chairman of a banking company can hold office only for a maximum period of eight years

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

Ans - b

Before making payment of a bank guarantee, the bank is to ensure that the invocation is properly made. Which of the following may not be an important element for treating the invocation as proper?

- a. the invocation has been made by the person competent to make the invocation
- b. the cause of action arose during the validity period
- c. the amount is within the amount limit of the guarantee
- d. the invocation is within the claim period given in the guarantee

Ans - d

The scale based regulatory framework for NBFCs to be introduced by RBI will be effective from .....

- a. 31-03-2022
- b. 01-10-2023
- c. 01-10-2022
- d. None of the above

Ans - c

Right to Information includes the right to .....

- (i) inspect works, documents, records
- (ii) take notes, extracts or certified copies of documents or records
- (iii) obtain information in form of printouts, diskettes, floppies, tapes, video cassettes or in any other electronic mode or through printouts

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

Ans - d

Mortgage is defined under .....

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

Ans - c

Transfer of Property Act basically contains provisions relating to transfer of .....

- a. Moveable property and goods
- b. Immovable property
- c. Either a or b
- d. None of the above

Ans - b

Which among the following is type of share issued to existing shareholders to increase its subscribed share capital?

- a. Bonus Shares
- b. ESOP

- c. Right Issue  
d. Preference Shares

Ans - c

Which of the following is/are correct regarding to Right to Information Act 2005?

- (i) RTI Act came into force wef Oct 12, 2005  
(ii) RTI Act replaced Freedom of Information Act 2002  
(iii) Objective of RTI Act is to enable Indian citizens to access information under control of public authority
- a. Only (i) and (ii)  
b. Only (i) and (iii)  
c. Only (ii) and (iii)  
d. (i), (ii) and (iii)

Ans - d

As per Section ..... of Banking Regulation Act, 1949, no banking company shall directly or indirectly deal in the buying or selling or bartering of goods, except in connection with the realisation of security given to or held by it, or engage in any trade, or buy, sell or barter goods for others otherwise than in connection with bills of exchange received for collection or negotiation.

- a. 6  
b. 7  
c. 8  
d. 9

Ans - c

If a property worth Rs. 1000000 is insured for Rs. 800000/- and the loss occurred is to the extent of Rs. 600000/-, then insurance company is liable to pay .....

- a. Rs. 100000  
b. Rs. 480000  
c. Rs. 600000

d. Rs. 800000

Ans - b

A cheque dated 10.06.2021 was paid on 08.05.2021. The account holder gives stop payment instruction of the above cheque on 24.05.2021. The bank .....

- a. will accept the stop payment instruction
- b. Will refuse as per the recent Supreme Court Judgement
- c. will refuse as issuance of post dated cheque is illegal
- d. will refuse to accept the instruction as the cheque is already paid

Ans - a

Which of the following statements are True?

- (i) Only scheduled banks have a duty to maintain cash reserve under Section 42 of the Reserve Bank of India Act.
- (ii) Every banking company has to maintain the liquid assets as required under Section 24 of the Banking Regulation Act.
- (iii) The share capital and reserves of a banking company form part of its demand and time liabilities for the purpose of Section 42 of the RBI Act.

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

Ans - a

Mr. Raj had issued a cheque for Rs. 500000 and the cheque was dishonoured due to insufficiency of funds. Mr. Raj may be punished .....

- a. Imprisonment for a term of 2 years
- b. fine up to twice the cheque amount
- c. Imprisonment for a term up to 1year or fine upto twice the amount of the cheque or with both

d. imprisonment upto 2 years or fine which may extend to twice the amount of the amount of cheque or with both

Ans - d

Who is the chairman of Financial Stability and Development Council (FSDC)?

- a. Finance Minister
- b. Governor, RBI
- c. Any Deputy Governor, RBI
- d. None of the above

Ans - a

DRAT is headed by .....

- a. Secretary
- b. Registrar
- c. Principal Officer
- d. Chairperson

Ans - d

Bonus shares shall be issued from which of the following reserves? (i) Capitalizing reserves created by revaluation of assets, (ii) Capital Redemption Reserve Account, (iii) Free Reserves

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

Ans - c

Which of the following is/are True?

(i) The partners are free to decide their mutual rights and liabilities.

(ii) A partnership deed can even provide that a particular partner would not take part in the day- to-day business decisions of the partnership firm.

(iii) A Limited Liability Partnership Firm can be constituted as per the provisions of the Partnership Act, 1932

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

Ans - a

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

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

Ans - b

The area of operation of an LAB is usually restricted to a maximum of ..... geographically contiguous districts.

- a. Four
- b. Two
- c. Six
- d. None of the above

Ans - d

Hypothecation is defined in which act?

- a. SARFAESI Act
- b. Transfer of Property Act
- c. The Sale of Goods Act



d. Indian Contract Act

Ans - a

Generally, Casual Vacancy in the Office of Director happens under the following situations.

- (i) Resignation by the Director
- (ii) Disqualification of the Director
- (iii) Insolvency of the Director

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

Ans - b

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

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

Ans - c

When a bill is transferred for consideration to any person so as to entitle the person to claim the amount represented by the bill, such a transfer is called .....

- a. Notification
- b. Negotiation
- c. Endorsement
- d. followed by delivery

Ans - b

When a Bank is paying a cheque presented for payment for debit from the Savings Bank Account of the customer, what is the relationship between banker and customer?

- a. Principal and Agent
- b. Lessee and Lessee
- c. Debtor and Creditor
- d. None of the above

Ans - c

Which one of the following is essential for a valid contract of agency?

- a. The agent need not have capacity to contract
- b. The principal should have capacity to contract
- c. Consideration is a must for appointing an agent
- d. All the above

Ans - b

Which of the following statement is appropriate of a consumer Redressal Mechanism?

- a. The limitation period for filing complaint before a consumer Forum is three year from the date of cause of action
- b. The limitation period for filing a complaint before a Consumer Forum is Two years from the date of action
- c. If an interim order passed by the a Consumer Forum is not complied with, the property of the person who is not complying can be attached but attached property cannot sold
- d. All offences under the consumer Disputes Redressal Act are not tried on summary basis

Ans - a

As per Section 161(2) of Companies Act, 2013, Board of Directors can appoint Alternate Director to act for the original director during his absence from India for a period of not less than .....

- a. 1 Month
- b. 2 Months
- c. 3 Months

d. 6 Months

Ans - c

.....  
If a bank account opened on 27.05.2023 and a cheque dated 26.05.2023 was presented 28.05.2023, can we pass the cheque or not?

- a. Yes, you can pass the cheque
- b. No, you can't pass the cheque
- c. Branch manager can decide
- d. Should be confirmed from the account holder

Ans - a

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

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

Ans - c

.....  
The limitation period for filing a suit for sale of mortgaged property from the date mortgage debt becomes due is .....

- a. 12 Years
- b. 20 Years
- c. 25 Years
- d. 30 Years

Ans - a

.....

ABC Co-operative Union maintains a current account with X branch. The account is to be operated jointly by the Joint secretary and the treasurer. On 26.03.2021, your branch had paid a cheque for Rs. 25000, Which was a loose leaf and not from the cheque book issued to the Union. Though two signatures appeared on the cheque, The signature of the Joint Secretary on it was forged. The Union has claimed from your branch, refund of the amount paid. What would be the legal position of the branch in this case?

- a. Branch can refuse the union's claim on the ground of negligence on the part of the Union
- b. Since the signature of the treasurer of the joint authorised signatory, on the cheque was genuine, the union 's claim can't be declined
- c. Since the signature of one of the joint authorised signature was forged, there was no valid mandate in favour of the bank and the bank is liable to pay the amount to the union
- d. bank can decline the claim as the payment was made against a loose leaf cheque

Ans - c

.....

Which of the following statements is/are false?

- (i) Foreign banks have to prepare accounts and balance sheet in respect of all business transacted by them in India.
  - (ii) Reserve Bank requires the permission of the Central Government for ordering special audit of a banking company.
  - (iii) A copy of scrutiny report has to be given to the banking company whether requested by it or not.
- a. Only (i) and (ii)
  - b. Only (i) and (iii)
  - c. Only (ii) and (iii)
  - d. (i) (ii) and (iii)

Ans - c

.....

Which of the following statements is/are true?

- (i) Foreign banks have to prepare accounts and balance sheet in respect of all business transacted by them in India.
- (ii) Reserve Bank requires the permission of the Central Government for ordering special audit of a banking company.

.....

(iii) Three copies of the balance sheet, profit and loss account, and auditor's report of a banking company have to be submitted to the Reserve Bank as returns.

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

Ans - b

.....

Section 35 of RBI act deals with .....

- a. Liabilities of the Issue Department
- b. Initial assets and liabilities
- c. Inspection
- d. Submission of returns

Ans - b

.....

Which of the following alterations of share capital requires the approval of NCLT (National Company Law Tribunal)?

- a. Increase of authorized share capital
- b. Consolidation and division all or any share capital which results in increase in voting percentage of shareholders
- c. Conversion of all or any of the fully paid-up shares into stock
- d. Cancellation of shares

Ans - b

.....

In Metropolitan areas notified as such under sub-section (1) of section 8 of the Code of Criminal Procedure, 1973 (2 of 1974), no police officer below which rank is authorized to investigate offences under the Prevention of Corruption Act?

- a. Inspector of Police
  - b. Deputy Inspector General of Police
  - c. Assistant Commissioner of Police
- .....

d. Commissioner of Police

Ans - c

The term hypothecation has been defined in which of the following acts?

- a. Indian Contract Act 1872
- b. Negotiable Instrument Act 1881
- c. Transfer of Property Act 1882
- d. SARFAESI Act 2002

Ans - d

UCP 600 is a set of rules agreed by the International Chamber of Commerce, which apply to finance institutions which issue .....

- a. Bill of exchange
- b. Letters of Credit
- c. Bank Guarantee
- d. All the above

Ans - b

A contract of indemnity differs from a contract of guarantee in the following ways ..... (i) there are 2 parties in indemnity and 3 in case of guarantee, (ii) the liability in case of indemnity is contingent and in case of guarantee it is subsisting, (iii) in case of indemnity there is only one contract but in case of guarantee there are three contracts

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

Ans - d

Section 35 of Banking Regulation Act, 1949 deals with .....

- a. Liabilities of the Issue Department
- b. Initial assets and liabilities
- c. Inspection
- d. Submission of returns

Ans - c

Places where the mortgage by Deposit of title deeds can be created are generally notified by the .....

- a. Registrar of companies
- b. State Government
- c. Registrar of Assurances
- d. Competent Legal Authority

Ans - b

Which of the following is/are False?

- (i) If one partner cheats a customer of the partnership firm then all the partners of the partnership firm are liable to compensate the customer.
- (ii) Registration of firms is compulsory under the Partnership Act.
- (iii) It is compulsory to enter into a partnership deed.

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

Ans - c

Which of the following is/are True?

- (i) If ornaments kept in the safe locker of bank are stolen, in spite of due care by the bank, the bank is liable to the depositor of ornaments.
- (ii) It is the obligation of the bailee to keep his goods separate from the goods of the bailor.

(iii) The bailor is liable for any loss to the bailee if the goods bailed are defective and the bailor knowingly does not disclose this fact to the bailee.

(iv) If the bailee has rendered any service involving the exercise of labour or skill in respect of the goods bailed to him, he has a right to retain such goods until he receives due remuneration for the services he has rendered.

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

Ans - c

For RBI to consider authorizing a company or corporation to operate or regulate the existing clearing houses or new clearing houses of banks, in order to have a common retail clearing house system for the banks throughout the country, what percent of the equity of such company should be held by a "Public Sector Bank"?

- a. Not less than Fifty one percent
- b. Not less than Sixty percent
- c. Not less than Eighty percent
- d. Not less than ten percent

Ans - a

Absolute possession of property is not given to the mortgage in case of .....

- (i) Simple Mortgage
- (ii) Mortgage by Deposit of title Deeds
- (iii) English Mortgage

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

Ans - a



.....

A banking company, not being a scheduled bank, is also required to furnish a return to Reserve Bank of India relating to cash reserve. This based on the provision of Sec 18(1) of the .....

- a. Indian companies Act, 1956
- b. Banking Regulation Act, 1949
- c. Reserve Bank of India Act, 1934
- d. Banking companies (Acquisition & transfer of under takings) Act

Ans - b

.....

Which one of the following is the Appellate Tribunal under the Information Technology Act 2000?

- a. The Telecom Disputes Settlement and Appellate Tribunal
- b. Cyber Regulations Appellate Tribunal.
- c. Securities Appellate Tribunal
- d. Information Technology Tribunal

Ans - a

.....

Which of the following is/are false?

- (i) The State Bank can make statutory regulations for carrying out the purposes of the State Bank of India Act, in consultation with Reserve Bank and with previous approval of the Central Government.
- (ii) The Central Government is not authorized to give any directions to the State Bank in matters of policy involving public interest.
- (iii) The State Bank has to transmit to the Central Government and the Reserve Bank within three months of the date of annual closing of account, the particular of its shareholders as on that date.

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

Ans - c

.....

SARFAESI Act 2002 is applicable to .....

- a. whole of India
- b. whole of India except J&K
- c. major cities of India
- d. only in notified towns under Transfer of property act

Ans - a

Under section 77, within how many days after creation of charge a company is required to register the 1. Charges created by company shall be registered with .....

- a. Registrar of Assurances
- b. Registrar of firms
- c. Registrar of Companies
- d. All the above

Ans - c

If there is delay in getting the registration with Central Registry, Central Registrar can condone the delay up to ..... after initial period of 30 days and allow the registration, under SARFAESI Act.

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

Ans - c

For which of the following reasons, pledge is advantageous over Hypothecation?

- (i) The goods are in the custody of the pledgee and therefore it can be easily enforced
- (ii) The goods are in the custody of the pledger and therefore it can be easily enforced
- (iii) The pledger cannot manipulate the goods
- (iv) If the goods are lost due to flood or fire, insurance cover can be availed

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

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

Ans - a

.....

The right to receive copies of annual accounts of the company by the member is called .....

- a. Statutory right
- b. Documentary right
- c. Proprietary right
- d. Absolute right

Ans - a

.....

Public authority means .....

- a. An authority established by the Government;
- b. An authority established by law;
- c. A non-Government organization;
- d. Any authority or body or institution of self-government established or constituted by or under the Constitution, by any other law made by Parliament; by any other law made by State Legislature; by notification issued or order made by the appropriate Government.

Ans - d

.....

How much time is given by an adjudicating authority to rectify a defect in the application of a Financial Creditor for initiation of corporate insolvency resolution process against a corporate debtor who has defaulted?

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

Ans - a

.....

.....

Which of the following is/are True?

- (i) When property in the goods has not passed to the buyer and the buyer becomes insolvent before the price is paid, the seller can withhold the delivery of goods.  
(ii) A seller who has accepted a negotiable security as an absolute payment is no longer an unpaid seller.

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

Ans - c

Which one of the following statements is correct with reference to FEMA in India?

- a. Enforcement Directorate have the power to arrest persons for violation of foreign exchange rules  
b. Under FEMA, violation of foreign exchange rules has ceased to be a criminal offence  
c. FERA was replaced by FEMA on 01.06.2010  
d. None of the above

Ans - b

SARFAESI Act, 2002 is not applicable in the cases? (i) Any security interest not exceeding 1 lac rupees, (ii) Any security interest in agriculture land, (iii) Pledge of movable as per Section 172 of Contract Act

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

Ans - d

What is the minimum regulatory Net Owned Funds (in INR Crores) prescription for IDF-NBFC?

- a. 20  
b. 500

- .....
- c. 600
  - d. 300

Ans - d

.....

In civil suit to which bank is not a party, one of the parties has produced the certified copy of the books of account. One party to the suit wants to call the bank officer as a witness, to prove the contents of copy. Can it be done in the normal Course?

- a. Yes, as if it is right of the party to get it re-affirmed in evidence
- b. No, As the certified copy as prima facie document that is admissible as evidence
- c. No, Unless the bank voluntary to do so
- d. Yes, if the party obtain consent of the bank

Ans - b

.....

Under SARFAESI Act 2002, a minimum time of ..... days is to be given to the borrower / guarantor after issuing demand notice under Section 13(2)

- a. 30 days
- b. 60 days
- c. 90 days
- d. 180 days

Ans - b

.....

After the Mardia chemicals case, the government brought about an amendment stipulating the deposit amount for making an appeal under SARFAESI Act, 2002. Accordingly the amount to be deposited generally is .....

- a. 10%
- b. 25%
- c. 50%
- d. 75%

Ans - c

.....

.....

.....

All the offences under the FEMA are considered as which of the following type?

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

Ans - a

.....

The practical procedure followed for mortgage of lease hold right include .....

- a. Xerox copy of the lease agreement can constitute the title deeds
- b. The unexpired lease period may be shorter than the period of the banks advance
- c. A tripartite agreement may be entered into among the lender bank, the lessor and the lessee(borrower)
- d. The consent of lessor would not be necessary, if original lease deed is available

Ans - c

.....

In mortgage by way of conditional sale the property is .....

- a. sold with a condition for re-conveyance
- b. sold unconditionally
- c. sold by mutual oral consent
- d. All the above are correct

Ans - a

.....

Which of the following is/are True?

- (i) In a mortgage by conditional sale the condition of sale is that on default of payment of the mortgage money on a certain date the sale shall become absolute.
- (ii) In a usufructuary mortgage the mortgagor delivers possession of the mortgaged property to the mortgagee.

.....

.....  
(iii) In an English mortgage the property is transferred absolutely by the mortgagor to the mortgagee with a condition for retransfer.

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

Ans - d  
.....

The rate at Which Reserve Bank of India is prepared to buy or rediscount bills of exchange other commercial paper eligible for purchase under the RBI Act is known as .....

- a. Yield to Maturity
- b. Prime Lending Rate (PLR)
- c. Base Rate
- d. Bank Rate

Ans - d  
.....

Which of the following is/are True?

- (i) All cash transactions of the value of more than ten lakhs or its equivalent in foreign currency are covered by the Act
- (ii) As per Rule 8, the Principal Officer is required to furnish the information in respect of transactions referred to in clauses (A), (B),(BA),c. and (E) cf sub-rule (1) of rule 3 every month by 25th of the month. True/False
- (iii) As per the Rules framed under the statute (Rule 4), the records to be maintained should also contain the date on which an individual transaction was conducted. True/False

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

Ans - b  
.....

.....

In regard to the Bills of Exchange, which of the following statement is correct

- a. Ownership of goods can be transferred by endorsement and delivery of goods
- b. Bill of Exchange means a conditional direction to the drawer to pay the money
- c. In case of Bills co-acceptance facility, the banker undertakes a joint liability along with the borrower and enters into an agreement with borrower for reimbursement
- d. Bills purchase facility is granted in case of Usance bills only

Ans - c

.....

Banking companies are not permitted to give dividend until all ..... are written off.

- a. Bad debts
- b. Expenses
- c. Capitalised expenses
- d. Amortisation of dividends

Ans - c

.....

The right of a transferee of a partner's interest in a firm include .....

- (i) To receive the share of profit of the transferring partner
- (ii) To interfere in the conduct of the business
- (iii) Entitled to a share in the Assets of the firm on dissolution of firm or cessation of the partner
- (iv) Right to verify the annual accounts of the partnership firm

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

Ans - b

.....

..... may apply to the High Court for winding up of a banking company under Section 38 of the BR Act.

- a. Registrar of Companies
- b. Reserve Bank



- .....
- c. Central Government
  - d. Finance ministry

Ans - b

.....

Securitisation or SARFAESI Act is not applicable to assets

- a. in possession of the creditor
- b. charge on which is in favour of the creditor
- c. both
- d. none

Ans - b

.....

Which of the following is/are True?

- (i) Transfer of Property Act basically contains provisions relating to transfer of moveable property and goods.
  - (ii) Mortgage is a transfer of an interest in a specific immoveable property to secure the payment of money given by way of loan.
  - (iii) In a simple mortgage the mortgagor does not deliver possession of the mortgaged property to the mortgagee.
- a. Only (i) and (ii)
  - b. Only (i) and (iii)
  - c. Only (ii) and (iii)
  - d. (i) (ii) and (iii)

Ans - c

.....

Which of the following statements correct regarding the Jurisdiction and power of Debt Recovery Tribunal?

- (i) A decree passed by the civil court can be executed by the tribunal
  - (ii) A person heading of the office of the Appellate Tribunal can transfer any case from one Tribunal to other Tribunal within his Jurisdiction
  - (iii) For the matter for which Tribunals are empowered, the civil Courts have no jurisdiction
- .....

(iv) There is remedy available against the order passed by the Appellate Tribunal

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

Ans - a

Monetary limit for filing cases in DRT is .....

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

Ans - c

Which of the following is/are True?

- (i) A LLP has Perpetual Succession
- (ii) The minimum number of 'designated partners' in a LLP is 5
- (iii) Under the LLP Act the term "resident in India" means a person who has stayed in India for a period of not less than one hundred and eighty-two days during the immediately preceding one year.

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

Ans - b

Which of the following statements are appropriate?

- (i) Capital clause of the MOA mentions about the amount of capital a company will be authorized to raise
- (ii) Main objective clause and other objective clause of MOA are not interchangeable

- (iii) Article of Association must be filed by unlimited companies also  
(iv) The AOA cannot be altered by a special resolution with approval from the NCLT

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

Ans - d

Indirect rate in foreign exchange means .....

- a. Units of foreign currency rates quoted kept fixed  
b. Units of Home currency rates quoted kept fixed  
c. The rate quoted in terms of a third currency  
d. None of the above

Ans - b

Which of the following legislations regulate the public issue in India?

- (i) Companies Act 2013  
(ii) Securities (Contract) Regulation Act,1952  
(iii) Securities and Exchange Board of India,1992

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

Ans - d

A lease for an agricultural or manufacturing purpose is deemed to be a lease for:

- a. year to year  
b. month to month  
c. week to week

d. with infinite period

Ans - a

Out of the total number of Directors of a banking company, not less than 2 shall be persons having special knowledge or practical experience in respect of .....

- (i) agriculture and rural economy
- (ii) co-operation
- (iii) small-scale industry

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

Ans - d

For realization of the acquired financial assets by an asset reconstruction company (ARC), under SARFAESI Act, which of the following option is/are available?

- (i) to take over the management of the business of the borrower
- (ii) to sell or lease the business or enforce security interest as per SARFAESI Act
- (iii) rescheduling the payment of debts

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

Ans - d

The maximum number of directors in a private company can be .....

- a. 3
- b. 5
- c. 12

d. 15

Ans - d

Which of the following is/are True?

- (i) Under the LLP Act the term “resident in India” means a person who has stayed in India for a period of not less than one hundred and eighty-two days during the immediately preceding one year.
- (ii) An individual shall not become a designated partner in any limited liability partnership unless he has given his prior consent to act as such.
- (iii) A limited liability partnership may appoint a designated partner within fifteen days of a vacancy arising for any reason

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

Ans - a

Buyback means repurchase by a company of its own shares. Which of the following is/are not correct with respect to buy back shares?

- (i) A company cannot buy back its equity shares
- (ii) It is exercised to increase the number of shares of a company
- (iii) It eliminates the threats from shareholders who may be looking for a controlling stake

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

Ans - a

Which of the following is/are True?

- (i) Equity Shares are goods within the meaning of the Sale of Goods Act.

.....  
(ii) Fixtures can be regarded as moveable goods only if they are intended to be severed and sold separately.

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

Ans - c  
.....

Which of the following mortgage with the value of Rs. 100 or above is not compulsory registered under Transfer of Property Act?

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

Ans - d  
.....

Any person aggrieved by an order made by controller or an adjudicating officer under the Information Technology Act 2000 may prefer an appeal to the Telecom Disputes Settlement and Appellate Tribunal within ..... days from the date on which a copy of the order made by the Controller or the adjudicating officer.

- a. 30 days
- b. 60 days
- c. 45 days
- d. 10 days

Ans - c  
.....

Wef 1st October 2022, Standalone Primary Dealers (SPDs) will be treated as part of which of the following classifications as defined under Scale Based Regulations?

- a. BL
- b. UL

- c. ML  
d. TL

Ans - c

Which of the following statements are false?

- (i) Only scheduled banks have a duty to maintain cash reserve under Section 42 of the Reserve Bank of India Act.  
(ii) The share capital and reserves of a banking company form part of its demand and time liabilities for the purpose of Section 42 of the RBI Act.  
(iii) The cash reserve required under Section 42( 1) of the RBI Act will be a minimum of three per cent of the demand and time liabilities.

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

Ans - c

For appealing to State commission, a statutory deposit of ..... % of the award is to be made by the appellant/opposite parties

- a. 10 %  
b. 25 %  
c. 50 %  
d. 75 %

Ans - c

Prior approval is required from RBI before a system provider causes any change to take place in the system, which would affect the structure or the operation of the payment system. However how many days' notice should be given to the system participants after the approval by the RBI?

- a. 31 days  
b. 28 days

- c. 20 days  
d. 30 days

Ans - d

Who normally rectify the clerical or arithmetical errors in order passed by DRT? (i) Recovery Officer, (ii) Presiding officer

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

Ans - b

Which of the following is/are True?

- (i) There is no redressal if the Central Public Information Officer refuses to provide information. (True/ False)  
(ii) If information requested is not provided it will be treated as a deemed refusal.  
(iii) Central information commission can recommend taking disciplinary action against the Central Public Information Officer if the latter failed to furnish information within the specified time. (True/ False).

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

Ans - c

Which of the following is/are True?

- (i) Authorized person is an individual authorised by the RBI to deal in foreign exchange.  
(ii) A capital account transaction includes payments due in connection with foreign trade in the ordinary course of business.  
(iii) Foreign exchange includes traveller's cheques.



.....

(iv) RBI can revoke any authorization given to an authorized person.

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

Ans - b

.....

Sweat Equity Shares can be issued to which of the following employees?

- a. A permanent employee of the company who is working in India.
- b. A permanent employee of the company who is working outside India.
- c. A director of the company working in the subsidiary of the holding company.
- d. All of the above

Ans - d

.....

Interest on CRR balances kept by banks with RBI is paid by RBI at the rate of .....

- a. Bank Rate
- b. Repo Rate
- c. 3%
- d. Nil

Ans - d

.....

Which of the following banks is called the negotiating bank?

- a. the bank that verifies the apparent authenticity of LC
- b. the bank that makes the payment to the beneficiary on receipt of documents as mentioned in LC
- c. the bank that guarantees the payment to the beneficiary in case the opening bank does not pay
- d. the bank that purchases the documents at a discount, if these are not drawn as per terms of LC

Ans - b

.....

.....

.....

The IT Act was introduced on account of the initiatives of .....

- a. IT industry of India
- b. Indian Parliament
- c. Reserve Bank of India
- d. None of the above

Ans - d

Hint - United Nations Commission on International Trade Law.

.....

Amount of TDS collected should be submitted before how many days?

- a. 7th of the next month
- b. 10th of the next month
- c. 15th of the next month
- d. 30th of the next month

Ans - a

.....

Which of the following is/are True?

- (i) The State Bank can make statutory regulations for carrying out the purposes of the State Bank of India Act, in consultation with Reserve Bank and with previous approval of the Central Government.
- (ii) The Central Government is not authorized to give any directions to the State Bank in matters of policy involving public interest.
- (iii) The provisions of Section 42 of the Reserve Bank of India Act relating to cash reserve apply to State Bank.

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

Ans - b

Which type of LC is not available under UCP 600?

- a. Transferable LC
- b. Confirmed LC
- c. Revocable LC
- d. Stand-by LC

Ans - c

Charge shall be registered by a company within ..... days from the date of creation of charge.

- a. 60
- b. 30
- c. 15
- d. At the discretion of the Bank

Ans - b

Which of the following is/are True?

- (i) A company has to be compulsorily registered under the Companies Act, 2013.
- (ii) A Company is a legal person with perpetual succession
- (iii) If all the members of a company die, then the company has to be wound up (i.e., dissolved).

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

Ans - a

The mortgage, in which the mortgagor binds himself personally to pay the mortgage money without delivering possession of mortgaged property is known as .....

- a. English mortgage
- b. Usufructuary mortgage
- c. Simple mortgage

d. Mortgage by deposit of the title deeds

Ans - c

What is the full form of the name given to the reform program 'EASE' introduced in January 2018?

- a. Enhanced Access & Service Excellence
- b. Excellence in Activities that Serve Enterprises
- c. Enhancement in the Ability to Service Entrepreneurs
- d. None of the above

Ans - a

Maintaining a foreign currency account is helpful to .....

- (i) Avoid transaction cost
- (ii) Avoid exchange risk
- (iii) Avoid exchange risk and domestic currency depreciation

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

Ans - a

Under which Act Reserve Bank was constituted?

- a. Banking Regulation Act
- b. RBI Act
- c. Companies Act
- d. None of the above

Ans - b

.....

The advantages of which forms of business organization is incorporated in the Limited Liability Partnership Act 2008?

- a. Private limited Companies and Public Limited Companies
- b. Sole Proprietorship Firm and Partnership Firm
- c. Partnership Firm and Private Limited Company
- d. All business organizations.

Ans - c

.....

Reserve Bank is empowered to conduct ..... of a banking company under Section 35(1) of the BR Act.

- a. Inspection
- b. Special audit
- c. Audit
- d. None of the above

Ans - a

.....

Which of the following is/are True?

- (i) In every contract of sale it is implied that the seller has got the right to sell the goods.
- (ii) An implied warranty as to quality or fitness for particular purpose may be annexed by the usage of trade.

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

Ans - c

.....

The minimum period for preservation of records under the PMLA 2002 for certain suspicious transactions after its reporting etc. is\_\_\_\_\_.

- a. Five years
- b. Twelve Years

.....

- c. Fifteen Years  
d. Ten Years

Ans - d

Which of the following is not correct in case of contract of indemnity and guarantee?

- a. Contract of Indemnity is a contingent contract  
b. In the case of guarantee, the liability of the guarantor is co-extensive with that of the debtor  
c. An indemnity is for the reimbursement of loss  
d. A guarantee is for bearing the loss that is caused to the principal debtor

Ans - d

Which of the following is incorrect with respect to shares with differential rights? (i) They are issued as a part of preferential shares, (ii) It cannot exceed 26% of the total post issue paid up capital, (iii) Companies (share capital and debenture) rules 2014, mention the condition for issue of shares with differential voting rights

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

Ans - a

In respect of a real estate project of a corporate debtor, what is the minimum number of allottees who have to jointly file for initiation of corporate insolvency resolution process?

- a. 50 allottees or 10% of the total number of allottees whichever is less  
b. 100 allottees or 10% of the total number of allottees whichever is less  
c. 100 allottees or 20% of the total number of allottees whichever is less  
d. None of the above.

Ans - b

Which among the following is not correct regarding the penal provisions under FEMA, to an authorised dealer, for the contravention of any condition to which an authorisation is issued by the Reserve Bank?

- a. Penalty up to thrice the sum involved if the amount of the contravention is quantifiable
- b. If the sum is not quantifiable, the penalty will be up to Rs. 2 lakhs
- c. If the contravention is a continuing one, further penalty may extend to Rs.10,000/- for every day after the first day during the period the contravention continues
- d. None of the above

Ans - c

Which of the following is/are false?

- (i) Central Government can give direction to the Reserve Bank.
- (ii) All kinds of business of banks are regulated only by the Reserve Bank.
- (iii) Central Government is the primary regulator of banks.
- (iv) State governments have no control over co-operative banks.

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

Ans - c

In case of bill finance the legal effect is that the banker who lends money, becomes a .....

- a. Holder
- b. Holder in due course
- c. Maker
- d. Guarantor

Ans - c

When a person who is not at all a partner in a firm, either represents himself, or knowingly permits himself to be represented, as a partner in a firm and as a result of this, he induces others to give credit to the firm then this act is known as .....

- a. Outsourcing
- b. Holding on
- c. Holding out
- d. Holding to

Ans - c

Which of the following is/are False?

- (i) A Company is required to keep its 'Foreign Register' in India only.
- (ii) A minor can be a member of a private company but not of a public company.
- (iii) A member can inspect the register of members.

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

Ans - a

In case of differences between pledge and bailment, which of the following is/are correct?

- (i) In Bailment, delivery of goods for a special purpose
- (ii) In Pledge, delivery of goods as a security to debt

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

Ans - d



Which Section of NI Act deals with "Protection against conversion of cheque"?

- a. Section 129
- b. Section 130
- c. Section 131
- d. Section 132

Ans - c

Registration of NBFCs is mandatory under which statute?

- a. The Banking Regulation Act, 1949
- b. The Reserve Bank of India Act, 1934
- c. The Companies Act, 1956
- d. The Banking Companies (Acquisition and Transfer) of Undertakings Act 1970

Ans - b

State which of the following statements are True?

- (i) A public sector bank is a body corporate created under a special statute.
- (ii) A banking company is registered under the Banking Regulation Act.
- (ii) Co-operative banks are registered under the Multi-State Cooperative Societies Act or a State Co-operative Societies Act.

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

Ans - b

What is the holding period for sweat shares?

- a. 1 year
- b. 2 years
- c. 3 years

d. 4 years

Ans - c

Which of the following is/are True?

- (i) For a contract of bailment to be valid there should always be a contract between parties in writing.
- (ii) For a valid bailment, possession of bailed goods with the bailee is a must.
- (iii) If the bailee has rendered any service involving the exercise of labour or skill in respect of the goods bailed to him, he has a right to retain such goods until he receives due remuneration for the services he has rendered.

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

Ans - c

Preference shareholders have the right to vote in which of the following cases? (i) On every resolution of the company, (ii) Resolutions which affect their rights, (iii) Resolution for winding up of the company

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

Ans - c

Central Consumer Protection Authority (CCPA) is empowered to ..... (i) conduct investigations into violation of consumer rights, (ii) order recall of unsafe goods and services, (iii) order discontinuation of unfair trade practices and misleading advertisements

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

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

Ans - d

What is the qualification for DRT presiding officer?

- a. Any Advocate with minimum 10 years of experience
- b. A District Judge
- c. A High Court Judge
- d. Any one of the above

Ans - b

As per the Companies Act, 2013, dividends can be declared on which of the following conditions (Choose the wrong one)? (i) The amount of declared dividend can't be more than that of an average rate of dividends which was declared in past 2 years, (ii) The amount drawn from the reserves shall not exceed the amount which is equal to 1/10th of the sum paid up capital and free reserves, (iii) The remaining balance of the reserve shall not fall below 20% of the paid up capital

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

Ans - b

Adjudicating Authority, in relation to insolvency resolution and liquidation for corporate persons is ..... having territorial jurisdiction over the place where the registered office of the corporate person is located.

- a. DRT
- b. DRAT
- c. NCLT
- d. NCLAT

Ans - c

Which of the following is/are False?

- (i) Bank is not required to enquire the financial status of the client.
  - (ii) All cash transactions of the value of more than ten lakhs or its equivalent in foreign currency are covered by the Act
  - (iii) As per Rule 8, the Principal Officer is required to furnish the information in respect of transactions referred to in clauses (A), (B),(BA),c. and (E) cf sub-rule (1) of rule 3 every month by 25th of the month. True/False
- a. Only (i) and (ii)
  - b. Only (i) and (iii)
  - c. Only (ii) and (iii)
  - d. (i) (ii) and (iii)

Ans - b

Limitation period for filing a suit for sale of mortgaged properties is ..... years when the money sued for becomes due.

- a. 3
- b. 5
- c. 10
- d. 12

Ans - d

Co-operative banks operating in different states are registered under the following:

- a. State Co-operative Societies Act
- b. Multi-State Co-operative Societies Act
- c. RBI Act
- d. Banking Regulation Act

Ans - b

According to Section 23 of Companies Act,2013, in how many ways can a public company raise funding?

- (i) Through Public Offering,
- (ii) Through Private placement
- (iii) Through existing shareholders

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

Ans - d

Which of the following is/are False?

- (i) DRT jurisdiction for a bank is where the head office of the bank is located.
- (ii) Since DRT is not a Civil Court it cannot pass interim orders such as attachment, injunction, receiver, etc.
- (iii) If a bank has filed recovery application, other bank can join the application if the defendants are same.
- (iv) When a case get transferred from Civil Court to tribunal, fresh court fee is required to be paid.

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

Ans - b

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## **ALL THE VERY BEST FOR YOUR EXAMS**

# **SAMPLE QUESTIONS FOR CAIIB BANKING REGULATIONS AND BUSINESS LAWS**

Though we had taken enough care to go through the sample questions provided here, we shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents. Creation of these short notes is the efforts of so many persons. First of all we thank all of them for their valuable contribution. We request everyone to go through the Macmillan book and update yourself with the latest information through RBI website and other authenticated sources. In case you find any incorrect/doubtful information, kindly update us also (along with the source link/reference for the correct information).

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