



JAIIB Exam

(Practice Module)

**Principles and Practices of
Banking**

Physicswallah



- Q1** Which of the following statement accurately defines the term cash management?
- (A) It refers to improving the flow of funds.
(B) It refers to the cash payout of funds.
(C) It is the procedure for gathering and overseeing cash flows.
(D) None of the above
- Q2** Which of the following is a product offered by banks under collections?
- I: Customer cheques
II: House cheque collections
III: Magnetic ink character recognition (MICR)
- (A) I, II & III
(B) II & III
(C) I & III
(D) I & II
- Q3** State the codes of advantages offered by the Cash Management System.
- I: Timely access to information is provided
II: Number of cheques issued are reduced
III: Electronic payments is supported
- (A) I, II
(B) II, III
(C) I, II, III
(D) I, and III
- Q4** The RBI had constituted a Committee on Currency Movement (CCM) in 2016 for the purpose of reviewing the entire gamut of security of treasure in transit. It was headed by _____.
- (A) Dilip Babasaheb Bhosale
(B) D.K. Mohanty
(C) Biju Patnaik
(D) Ajay Kumar Tripathi
- Q5** Which of the following is a type of Treasury Management Service?
- (A) Automated Clearing House

- (B) Sweep & Zero Balance Accounts
(C) Lockbox Service
(D) All of the above

- Q6** Which of the following is true in the context of NPCI?
- 1) National Payments Corporation of India (NPCI) was founded in December 2008.
2) 20 core promoter banks are currently associated with NPCI.
3) Both the Reserve Bank of India and the Indian Banks' Association established the NPCI.
4) Retail payments are the primary focus of NPCI.
- (A) 1,3 and 4
(B) All are correct
(C) Both 1 and 4
(D) Both 1 and 2
- Q7** ECS/NEFT/RTGS/CTS/IMPS/UPI/NACH are some of the electronic clearing systems in India which are also called SIFMIs. Expand SIFMI correctly.
- (A) Systematically important financial money infrastructures.
(B) Systematically crucial financial market infrastructures
(C) Systematically important financial market infrastructures
(D) Systematically important financial money investments
- Q8** Which of the following is not true in the context of NFS?
1. The National Financial Switch (NFS) was developed and deployed in 2008.
2. Institute for Development and Research in Banking Technology (IDRBT) developed and

deployed the National Financial Switch (NFS).

3. In December 2019, NPCI took over NFS from IDRBT

- (A) Both 1 and 3
- (B) Both 1 and 2
- (C) Only 3
- (D) None is incorrect

Q9 Who manages the IMPS system in India?

- (A) National Financial Switch (NFS)
- (B) Reserve Bank of India (RBI)
- (C) National Payments Corporation of India (NPCI)
- (D) Payment and Settlement System Act 2007

Q10 How can IMPS funds transfer be made if the beneficiary's mobile number is not registered with any bank account?

- (A) By using the beneficiary's account number and IFS code
- (B) By using the beneficiary's MMID and MPIN
- (C) By using the beneficiary's mobile number and MMID
- (D) By using the beneficiary's Aadhaar number and OTP

Q11 Which of the following entities are authorised by the RBI to carry out specific foreign exchange transactions which are incidental to their business or activities?

- (A) Authorised Dealer Category I
- (B) Authorised Dealer Category II
- (C) Authorised Dealer Category III
- (D) Authorised Person Category V

Q12 Which of the following is not a current account transaction?

- (A) Transactions involving purchase immovable property outside India
- (B) Transactions in connection with foreign travel, education and medical care
- (C) Transactions that are in connection with foreign trade
- (D) Remittances for living expenses of parents, spouse or children that are residing abroad

Q13 The Indo-Nepal Remittance Facility Scheme was launched by the RBI in May 2008 to transfer funds from India to Nepal. What is the ceiling fixed per remittance?

- (A) Rs. 1 lakh
- (B) Rs. 50,000
- (C) Rs. 2 lakh
- (D) Rs. 2.5 lakh

Q14 The Liberalised Remittance Scheme allows Indian residents to remit up to USD _____ per financial year for current or capital account transactions or a combination of both.

- (A) 250,000
- (B) 350,000
- (C) 450,000
- (D) 550,000

Q15 Under the sub-section 206C (1G) of the Finance Act 2020, all remittances under the Liberalised Remittance Scheme are subject to a Tax Collected at Source (TCS) at the rate of _____.

- (A) 10%
- (B) 12%
- (C) 5%
- (D) 15%

Q16 The Foreign Exchange Management (Current Account Transactions) Rules, 2000 have categorised current account transactions in three categories. Which schedule includes transactions that are expressly prohibited?

- (A) Schedule I
- (B) Schedule II
- (C) Schedule III
- (D) None of the above

Q17 Which of the following statements is correct in the context of the Indo-Nepal Remittance Facility?

I: One can remit up to Rs. 2 lakhs per transaction to a person residing in Nepal, provided the sender has an account with any NEFT-enabled bank branch in India.

II: The scheme operates on NEFT.

III: The beneficiary receives funds in Nepalese Rupees through credit to the account maintained with the Nepal SBI Bank Limited or through an agency arrangement.

- (A) I & II
- (B) II & III

- (C) I & III
(D) I, II, & III

Q18 What is the sub-target for lending to micro-enterprises under the priority sector lending?

- (A) 7.5% (B) 10%
(C) 12% (D) 15%

Q19 The Legal Entity Identifier (LEI) is a 20-character alphanumeric identifier that is unique to a legal entity involved in financial transactions. It provides transparent and unique identification, reducing risks in financial markets. It is based on the international standard developed by _____ and is maintained by the Global Legal Entity Identifier Foundation (GLEIF), which is overseen by _____.

- (A) SWIFT, Central Banks
(B) UN, World Bank
(C) OECD, International Monetary Fund
(D) ISO, Financial Stability Board

Q20 Deposit accounts in a bank are designed to hold money and sometimes offer interest on the amount deposited. They come in various forms, such as savings accounts, current accounts, fixed deposits, and recurring deposits. Which of the following is NOT a salient feature of deposit accounts?

- (A) They are generally insured up to a certain limit.
(B) They usually offer a convenient method of payment through cheques and electronic transfers.
(C) They can be leveraged to invest directly in stock markets.
(D) They often provide an interest income on the deposited amount.

Q21 The Cheque Truncation System (CTS) is a system for clearing cheques, introduced to speed up the collection of cheques and enhance security by minimizing physical movement of cheques. In this system, an electronic image of the cheque is transmitted to the paying bank

through the clearing house and the actual physical cheque is _____.

- (A) returned to the issuer
(B) stored in a secure vault
(C) destroyed
(D) archived for future reference

Q22 Power of Attorney (POA) is a legal document that allows an individual to grant specific or broad powers to another person to act on their behalf. In banking, POA is often used to enable another person to manage accounts, make transactions, or handle other financial matters. Which of the following is NOT a common feature of Power of Attorney in the context of banking?

- (A) The person granting the power must be mentally competent at the time of granting the POA.
(B) The POA can be specific, relating only to certain activities, or general, covering a wide range of activities.
(C) The POA can be revoked by the grantor at any time, even without notifying the bank.
(D) The person receiving the power, known as the agent or attorney-in-fact, is legally obligated to act in the grantor's best interest.

Q23 John holds a savings account with Unity Bank. He also took out a personal loan from the same bank. Due to some financial difficulties, he defaulted on his loan repayments. Unity Bank, citing the principle of Banker's Lien, decided to offset John's loan by using the funds available in his savings account. John argues that the bank cannot do so without his explicit consent. Given the situation, what best describes Unity Bank's rights and liabilities?

- (A) Unity Bank cannot exercise a Banker's Lien as John did not consent to it.
(B) Unity Bank is within its rights to exercise a Banker's Lien to recover the loan amount.
(C) Unity Bank can only exercise a Banker's Lien if it notifies John at least 30 days in advance.
(D) Unity Bank can exercise a Banker's Lien, but must first offer John an alternative repayment

plan.

Q24 Alex issued a cheque for Rs. 50,000 to Brian for a business transaction. Brian deposited the cheque, but it was returned due to 'insufficient funds.' Brian informed Alex about the dishonour, and Alex promised to deposit the required funds within two days. Brian redeposited the cheque after two days, but it bounced again. Brian now wants to take legal action against Alex.

Which of the following statements is accurate concerning the bouncing of the cheque?

- (A) Brian can file a legal suit against Alex immediately since the cheque was dishonoured twice.
- (B) Brian can only file a legal suit after sending a formal notice to Alex and waiting for 15 days for his response.
- (C) Brian has no legal recourse as he redeposited the cheque after being informed of its dishonour.
- (D) Alex can avoid legal action by depositing the funds within five days of the second dishonour.

Q25 Under the Negotiable Instruments Act, 1881, collecting banks are provided some form of statutory protection for carrying out their duties. Which of the following best describes this statutory protection?

- (A) A collecting bank is not liable if it collects a cheque with a forged signature, provided it has exercised due care and caution.
- (B) A collecting bank is completely exempt from any kind of liability under any circumstance.
- (C) A collecting bank is liable only if it does not obtain identification from the payee before cashing the cheque.
- (D) A collecting bank has no statutory protection under the Negotiable Instruments Act, 1881.

Q26 Fill in the blanks in the given statements:

I. One of the primary duties of a collecting bank is to present the (a) for payment within a reasonable time.

II. The collecting bank should exercise (b) in verifying the genuineness of the instruments and endorsements.

III. In case of dishonor, the collecting bank must give (c) of cheque to the customer without delay.

IV. A collecting bank is expected to adhere to (d) prescribed by regulatory authorities.

- (A) (a): cheque
(b): caution
(c): notice
(d): guidelines
- (B) (a): bill of exchange
(b): due diligence
(c): notice
(d): regulations
- (C) (a): cheque
(b): due diligence
(c): immediate dispatch
(d): guidelines
- (D) (a): bill of exchange
(b): caution
(c): immediate refund
(d): regulations

Q27 Financial inclusion through the extension of banking services is a pivotal strategy to ensure that financial products and services reach all segments of the society. Which of the following measures is NOT associated with promoting financial inclusion by extending banking services?

- (A) Introduction of no-frills accounts with minimal documentation.
- (B) Mandatory provision of loans only to high net-worth individuals.
- (C) Deployment of banking correspondents in rural and unbanked areas.
- (D) Use of mobile banking and digital platforms to reach remote areas.

Q28 Rural Self Employment Training Institutes (RSETIs) are established with the objective to facilitate training and skill development of unemployed youth in rural areas. RSETIs are sponsored by _____.

- (A) State Governments
- (B) Public Sector Banks
- (C) RBI (Reserve Bank of India)
- (D) Ministry of Skill Development

Q29 In the context of banking and financial services, customer awareness is crucial for preventing fraud and ensuring the safe and secure usage of financial products. The best practices for customer awareness often include regularly updating _____ and being cautious when receiving unsolicited communications asking for _____.

- (A) passwords, sensitive information
- (B) account balance, login credentials
- (C) contact information, account balance
- (D) mobile apps, contact information

Q30 Which of the following statement(s) is correct concerning Garnishee or Attachment Orders in the context of banking?

I: A Garnishee Order is an instruction issued by a court to attach the debtor's bank account.

II: An Attachment Order refers to the voluntary act by the debtor to transfer the ownership of an asset to the creditor.

III: Garnishee Orders and Attachment Orders serve the same purpose but are initiated by different parties.

IV: Banks are legally obligated to comply with a valid Garnishee Order issued by a court.

- (A) II & III
- (B) I & III
- (C) II & IV
- (D) I & IV

Q31 The Reserve Bank of India introduced the "Integrated Ombudsman Scheme" to streamline the grievance redressal process. The scheme aims to create a _____ for resolving customer complaints against entities regulated by the RBI.

- (A) centralized mechanism
- (B) decentralized mechanism
- (C) peer review system
- (D) ad hoc committee

Q32

XYZ Bank has recently opened a new branch in a residential area. In accordance with local regulations, the branch has special arrangements such as ramps for wheelchair access, a separate counter for senior citizens, and braille-enabled ATMs. A local disability rights organization, however, filed a complaint that the ramps are too steep for comfortable use, and the branch is thus not fully accessible.

Which of the following statements is most accurate concerning the bank's compliance with special arrangements?

- (A) The bank is not liable as it has already made special arrangements like ramps and braille-enabled ATMs.
- (B) The bank is liable as the special arrangements should not only exist but must also be user-friendly.
- (C) The bank is not liable if it can prove that making a less steep ramp would be unreasonably costly.
- (D) The bank is liable only if the disability rights organization can prove the steepness of the ramp directly led to an incident.

Q33 Gross Non-Performing Assets (NPAs) in the banking sector primarily represent _____.

- (A) the total assets that are earning revenue for the bank
- (B) the total value of assets that are written off by the bank
- (C) the total value of loans where borrowers have failed to make interest or principal payments for 90 days or more
- (D) the assets that have been securitized by the bank

Q34 Rachel entered into an indemnity contract with Sam, where Sam agreed to indemnify her for any losses she might incur in a business venture. Rachel ended up losing Rs. 5 lakhs in the venture. However, when Rachel approached Sam for indemnification, he refused, arguing that Rachel had not taken reasonable care to minimize the losses.

Which of the following statements is most accurate concerning Rachel's rights as an indemnity holder?

- (A) Rachel has no right to be indemnified as she did not minimize her losses.
- (B) Rachel is entitled to be indemnified because the loss is covered by the contract, irrespective of whether she minimized it.
- (C) Rachel must prove that she took all reasonable steps to minimize her losses before she can be indemnified.
- (D) Rachel has forfeited her right to be indemnified because she entered a risky venture.

Q35 Which of the following statement(s) is correct concerning other modes of lending to priority sectors in the Indian banking system?

I: The RIDF (Rural Infrastructure Development Fund) is one such mode where banks can contribute if they fall short of priority sector lending targets.

II: Co-lending with NBFCs is not permitted for meeting priority sector lending requirements.

III: Banks can buy priority sector lending certificates (PSLCs) from other banks to meet their targets.

IV: Financing Self Help Groups (SHGs) does not qualify as a mode of lending to priority sectors.

- (A) I & III
- (B) II & IV
- (C) I & II
- (D) III & IV

Q36 A contract for the supply of the necessities of life, as per the status of the party, to a minor, is a valid contract. This statement is:

- (A) True
- (B) False
- (C) Partly False
- (D) Cannot be determined

Q37 In which Indian states is the registration of a partnership mandatory?

- (A) Gujarat and Maharashtra
- (B) Tamil Nadu and Kerala
- (C) Rajasthan and Madhya Pradesh

(D) Punjab and Haryana

Q38 Which of the following statement(s) is correct concerning the selected activities that qualify under agricultural financing in the Indian banking system?

I: Crop loans for Kharif and Rabi seasons are considered under agricultural financing.

II: Purchase of tractors is not included under agricultural financing.

III: Financing for poultry farming is considered under agricultural financing.

IV: Fishery and aquaculture-related activities do not qualify for agricultural financing

- (A) I & III
- (B) II & IV
- (C) I & II
- (D) II & IV

Q39 Which of the following statements is not correct?

I- Under the FCNR (B) Scheme, Recurring Deposits (RD) are not accepted.

II- In the event of foreclosure of an RD, the interest is paid without compounding for the incomplete quarter.

- (A) Only I
- (B) Only II
- (C) Both I and II
- (D) Neither I nor II

Q40 In India, banks are subject to various regulatory limits on their exposure to the capital market to mitigate risks. According to the Reserve Bank of India's guidelines, the maximum exposure of a bank's total advances to the capital market should not exceed _____ of its net worth.

- (A) 10%
- (B) 20%
- (C) 5%
- (D) 40%

Q41 Under the CTS process, how many images are required to be taken of each cheque?

- (A) Two
- (B) Three
- (C) Four
- (D) Five

Q42 Which of the following bank generates the return file for unpaid instruments?

- (A) Presenting Bank
- (B) Paying Bank

- (C) Remitting Bank
- (D) None of the above

- Q43** Unless stated otherwise in an agreement, what is the default rule for applying payments made by debtors in case of debt due with interest?
- (A) Towards the satisfaction of Interest
 - (B) Towards the satisfaction of the Principal amount
 - (C) Towards the satisfaction of the Principal as well as Interest
 - (D) None of the above
- Q44** Mr. Raghav, a valuable art collector, entrusts a collection of rare paintings to the “Bank of Highness” for safekeeping. He specifies that the bank should administer the paintings on his behalf and utilize them in an upcoming art exhibition. Over time, the paintings gain immense value, and the bank ensures their security and preservation. Unfortunately, due to an unforeseen circumstance, the paintings suffer significant damage. In this scenario, what legal relationships are established between Mr. Raghav and the “Bank of Highness”?
- (A) Bank- Lessee; Mr. Raghav – Lessor.
 - (B) Bank – Bailee; Mr. Raghav - Bailor.
 - (C) Bank –Agent; Mr. Raghav -Principal.
 - (D) Bank – Indemnifier; Mr. Raghav -Indemnity Holder.
- Q45** Which court case defined a customer broadly as someone who resorts to the same place for business and whose money has been accepted by the bank?
- (A) Mahalaxmi Bank Limited vs. V. Gopinathan Nair
 - (B) Mahalaxmi Bank Limited vs. Registrar of Companies
 - (C) Kadiresan Chettiar vs. Ramanathan Chettiar
 - (D) Central Bank of India Ltd. vs. V. Gopinathan Nair
- Q46** Vikas, a software developer, was arrested for his involvement in a money laundering scheme connected to drug trafficking under the Narcotics

Drugs and Psychotropic Substances Act. After a lengthy trial, Vikas has been found guilty of money laundering. According to Section 4 of the Prevention of Money Laundering Act (PMLA), what is the maximum duration of imprisonment that Vikas could face for his money laundering offence, considering the connection to offences under the Narcotics Drugs and Psychotropic Substances Act?

- (A) 3 years of rigorous imprisonment.
- (B) 7 years of rigorous imprisonment.
- (C) 10 years of rigorous imprisonment.
- (D) Life imprisonment.

- Q47** The Bank of Phoenix has implemented a risk categorization system for its customers based on various parameters. This system helps the bank classify customers into low, medium, or high-risk categories. Yama-Mala Jewelers, a well-established jewelry store with a significant volume of cash transactions and a stable financial history, approaches The Bank of Phoenix for a business account. How should the Bank of Phoenix categorize Yama-Mala Jewelers in terms of risk category?

- (A) Yama-Mala Jewelers should be categorized as a low-risk customer due to its stable financial history and easily identifiable sources of wealth.
- (B) Yama-Mala Jewelers should be categorized as a high-risk customer due to its involvement in a cash-intensive business with a high turnover.
- (C) Yama-Mala Jewelers should be categorized as a very high-risk customer, given its cash-intensive nature and high turnover.
- (D) Yama-Mala Jewelers should be categorized as a medium-risk customer, considering its financial stability but also its cash-intensive nature.

- Q48** Mr. Sharma, a resident of a rural area, has recently opened a bank account using OTP-based e-KYC of Aadhaar. The account was convenient for Mr. Sharma as he didn't have to

visit the bank in person, and he quickly completed the e-KYC process. He deposited Rs. 80,000 in this account. However, a few months later, Mr. Sharma received an unexpected inheritance of Rs. 50,000, which he decided to deposit into his bank account. His total balance now stands at Rs. 1,30,000. Based on the restrictions for accounts of non-face-to-face customers with OTP-based e-KYC of Aadhaar, what action should the bank take regarding Mr. Sharma's account?

- (A) The bank should continue to allow normal operations of Mr. Sharma's account without any action.
- (B) The bank should made the account non-operational till the submission of an Officially Valid Document.
- (C) The bank should send a notice to Mr. Sharma requesting him to reduce his account balance to Rs. 1 lakh or less within a specified time frame.
- (D) The bank should impose a penalty on Mr. Sharma for exceeding the threshold but allow him to keep the account operational.

Q49 Within how many days of opening the NRO account, must the foreign student submit a declaration about their local address?

- (A) 14 days (B) 21 days
- (C) 30 days (D) 60 days

Q50 Mr. Tushar, an illiterate individual, visits his local bank branch to open a savings account. He has heard that banks are secure places to keep his money. The bank's staff explains the rules and procedures to him, emphasizing the importance of understanding the account's terms. Mr. Tushar is willing to open an account and provide his thumb impression as required. According to the guidelines provided for accounts of illiterate persons, which of the following statements is true?

- (A) Mr. Tushar is eligible to receive a cheque book for his account upon request.
- (B)

Mr. Tushar thumb impression must be attested by two authorized bank officers.

(C) Mr. Tushar can open a current account if she wishes to do so.

(D) Mr. Tushar must personally visit the bank with her Pass Book every time she wants to withdraw money from her account.

Q51 Bank of Azkaban offers a wide range of banking services, including the opening of current accounts for various types of customers. They adhere to strict guidelines regarding who can and cannot open a current account. Asha, a highly educated woman, visits the Bank to open a current account for her business. However, the bank informs her that she cannot open a current account. What is the most likely reason for this decision?

- (A) Asha is a minor, and minors are not eligible to open current accounts.
- (B) Asha wants to open the current account for a religious institution and religious institution are not eligible to open current accounts.
- (C) Asha wants to open the current account for an unregistered society and unregistered society are not eligible to open current accounts.
- (D) Either A or B

Q52 Term Deposits of individuals for _____ and below must have premature-withdrawal facility.

- (A) Rs. 10 lakhs (B) Rs. 15 lakhs
- (C) Rs. 20 lakhs (D) Rs. 25 lakhs

Q53 The lodger's bank should pay interest to the lodger for the delayed period in respect of collection of bills at the rate of _____ p.a. above the rate of interest payable on balances of Savings Bank accounts.

- (A) 1% (B) 1.5%
- (C) 2% (D) 2.5%

Q54 The Bank of Bravos recently implemented the Cheque Truncation System (CTS) to streamline its cheque clearing process. The bank's staff attended a training session to understand the

characteristics of CTS. During the implementation of the Cheque Truncation System (CTS), what role does the drawer of a cheque play in the truncation process, based on the characteristics of CTS?

- (A) The drawer of a cheque can choose to truncate the cheque or keep it as a physical document.
- (B) The drawer of a cheque is responsible for submitting the electronic image of the cheque to the Clearing House.
- (C) The drawer of a cheque is responsible for creating an electronic image of the cheque.
- (D) The drawer of a cheque cannot participate in the truncation process.

Q55 Mr. Sachin, a customer of the Bank of Goblet, has been using their services for several years. Recently, due to a busy schedule, Mr. Sachin has decided to delegate some banking tasks to his trusted friend, Mr. Pranav. He has provided a mandate to the Bank authorizing Mr. Pranav to operate his account on his behalf. Which of the following statements regarding mandate is incorrect?

- (A) A mandate can be withdrawn anytime by the account holder.
- (B) Institutions need to issue a mandate.
- (C) The mandate is typically temporary and for a short period.
- (D) All the statements given above are correct.

Q56 NRIs and PIOs are permitted to maintain accounts in Foreign Currency with ADs in India under FCNR(B) Scheme. What is the maximum tenor of the deposit?

- (A) 1 Year
- (B) 3 Years
- (C) 5 Years
- (D) 7 Years

Q57 An Indian company receiving foreign investment under FDI route may hold a foreign currency account with an AD in India if it has impending foreign currency expenditure and the account is closed when the need is over or within _____ months, whichever is earlier.

- (A) 3
- (B) 6
- (C) 9
- (D) 12

Q58 Mr. Sharma, a resident individual in India, recently returned from a business trip to the United States. During his trip, he received some payments for services rendered and also acquired foreign exchange in the form of currency notes and travellers cheques. Which of the following sources of foreign exchange acquisition by Mr. Sharma would be eligible for opening an RFC (D) account?

I- Gift from a relative.

II- Payment for services arising from business in India.

III- Unspent foreign exchange acquired from an authorised person for travel abroad.

- (A) Only I and II
- (B) Only I and III
- (C) Only II and III
- (D) All of the above

Q59 Criminal liability in case of bouncing of a cheque cannot be fastened on the heirs or legal representatives. This statement is:

- (A) True
- (B) False
- (C) Partly True Partly False
- (D) Cannot be determined

Q60 In which of the following case law, the Calcutta High Court considered whether a bank had made payment in due course or not?

- (A) Bhutoria Trading Company vs Allahabad Bank
- (B) Bhutoria Trading Company vs Canara Bank
- (C) Bhutoria Trading Company vs Punjab National Bank
- (D) Bhutoria Trading Company vs Bank of Baroda

Q61 Bank locker rules in case of theft state that the bank will be held responsible for any loss of the locker contents caused by theft, burglary, or robbery. The bank shall be liable to pay you

_____ times the prevailing safe deposit locker annual rent.

- (A) 10
- (B) 25
- (C) 50
- (D) 100

Q62 What is the maximum charges that can be levied for an outward NEFT transactions of Rs. 10,000?

- (A) Nil
- (B) Rs. 2.5 + applicable GST
- (C) Rs. 2.90 + applicable GST
- (D) Rs. 5 + applicable GST

Q63 XYZ Bank has engaged Mr. Ayush as a Business Facilitator (BF) to provide banking services in a rural area. In the context of Mr. Ayush's engagement as a Business Facilitator (BF) for XYZ Bank, which of the following statements is true regarding his interaction with customers?

- (A) Mr. Ayush is prohibited from charging customers directly for any services on behalf of the bank.
- (B) Mr. Ayush is allowed to charge customers directly for the banking services he provides on behalf of the bank.
- (C) Mr. Ayush can charge customers directly, but it should be at a lower rate than the commission he receives from the bank.
- (D) Mr. Ayush can charge customers indirectly, if they request additional services beyond what the bank provides.

Q64 RBI has permitted banks to establish 'Ultra Small Branches' in rural centres from which BCs may operate. They should be managed by:

- (A) Self Help Groups
- (B) Full time bank officers
- (C) Business correspondents
- (D) Village knowledge Centres

Q65 Every credit institution has to become a member of at least one Credit Information Company within a period of _____ from commencement of the Credit Information Companies (Regulation) Act, 2005.

- (A) 1 month
- (B) 3 months

(C) 6 months

(D) 12 months

Q66 Mr. Shubham, a customer of XYZ Bank, has been involved in a series of suspicious financial transactions. The bank has reasons to believe that these transactions might be related to illegal activities. However, Mr. Shubham is a long-standing customer with no previous irregularities in his account. The bank's compliance team is in a dilemma regarding whether they should disclose Mr. Shubham's account details under the legally permissible circumstances. In the context of the bank's situation, which of the following circumstances would legally permit XYZ Bank to disclose Mr. Shubham's account details without violating customer confidentiality?

- (A) If the bank's compliance team deems it necessary for their internal investigation.
- (B) If Mr. Shubham has explicitly asked the bank to keep his account information confidential.
- (C) If there is a legal requirement for the bank to disclose Mr. Smith's account information.
- (D) All of the above

Q67 When did the Foreign Contribution (Regulation) Act, 2010 (FCRA) replace the Foreign Contribution (Regulation) Act, 1976?

- (A) 1st April 2010
- (B) 1st May 2010
- (C) 1st April 2011
- (D) 1st May 2011

Q68 The Central Government establishes the Central Consumer Protection Council (CPC). CPC can have maximum _____ members.

- (A) 24
- (B) 30
- (C) 36
- (D) 40

Q69 A copy of the admitted complaint relating to any goods is sent to the opposite party, within _____ days of admission, directing him to give his version within _____ days.

If the complaint is about a defect which cannot be determined without proper analysis or test, a sample of the goods obtained, sealed and authenticated is referred to an appropriate laboratory to make an analysis or test. It has to

report its findings within a period of _____ days

- (A) 15; 30; 45 (B) 21; 30; 45
(C) 15; 30; 60 (D) 21; 45; 60

Q70 Mr. Kapoor, a well-known public figure, filed an application under the Right to Information (RTI) Act seeking access to certain personal information about a government employee, Mr. Sharma. The requested information includes Mr. Sharma's medical records, details of his family members, and his financial transactions. Mr. Kapoor claims that this information is essential for public awareness and transparency. In the context of the RTI Act, should the personal information about Mr. Sharma be disclosed to Mr. Kapoor based on his request?

- (A) Yes, all personal information requested by Mr. Kapoor must be disclosed to ensure transparency in government operations.
(B) Partial disclosure can be made, allowing Mr. Kapoor access to some of the requested information while protecting Mr. Sharma's privacy rights.
(C) No, personal information that has no relation to any public activity or interest, or that would cause an unwarranted invasion of an individual's privacy, is exempt from disclosure under the RTI Act.
(D) Disclosure of personal information is at the discretion of the Information Commissioner, who will evaluate the request on a case-by-case basis.

Q71 Where information is given under the RTI Act in printed or any electronic format, further reasonable fee is charged, except from the persons who are of below poverty line. What is the additional fee for a page in A4/A3 size paper?

- (A) Rs. 2 (B) Rs. 2.5
(C) Rs. 5 (D) Rs. 10

Q72 Branches are required to function for public at least _____ hours on week days and working Saturdays.

- (A) 4 (B) 5
(C) 6 (D) 8

Q73 Which of the following statements are not correct about ATM Operations?

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

II- RBI has advised banks to resolve customer complaints regarding wrongful debit on account of ATM transactions within T+2 working days of receipt of customer complaint.

III- Cash-out at any ATM of more than five hours in a month attracts a flat penalty of Rs.10,000/- per ATM.

- (A) Only I and II
(B) Only I and III
(C) Only II and III
(D) All the statements given above are correct

Q74 Which of the following principles of lending emphasizes that the money lent should return within the specified schedule and that the assets should be saleable in case of non-payment?

- (A) Safety (B) Liquidity
(C) Profitability (D) Security

Q75 A resident individual may open _____ account to retain in a bank account in India the foreign exchange acquired by him/ her.

- (A) RFC(D) Account (B) DDA Account
(C) EEFC Account (D) RFC Account

Q76 Which of the following steps in the Documentation Procedure are incorrect?

Step 1: Selection of Correct Set of Documents

Step 2: Stamping of Documents

Step 3: Amount of Stamp Duty

Step 4: Filling

Step 5: Execution

Step 6: Legal Procedures

Step 7: Keeping Documents Valid (in force)

Step 8: Safekeeping and Preservation of Documents

- (A) 2 and 4

- (B) 2, 4 and 5
- (C) 1, 2 and 4
- (D) All the steps are correct

- Q77** Which form in the CMA format focuses on inventory, receivables, and creditor payment periods to help identify deviations from norms and trends?
- (A) Form I - Particulars of Existing Limits
 - (B) Form II - Operating Statement
 - (C) Form III - Analysis of Balance Sheet
 - (D) Form IV - Comparative Statement of Current Assets and Liabilities
- Q78** ABC Corp approaches XYZ Bank for a Letter of Credit to facilitate the purchase of raw materials for its production line. Given the following options, what key information would XYZ Bank ideally require from ABC Corp to effectively assess its Letter of Credit limit?
- (A) Projected value of raw material consumption for the upcoming year only.
 - (B) Time taken for shipment and transit to reach ABC Corp's destination and the credit period agreed between the beneficiary and ABC Corp.
 - (C) Time taken for advising the L/C to the beneficiary and credit period projected for calculating the Maximum Permissible Bank Finance (MPBF).
 - (D) All of the above
- Q79** Which of the following accounts would immediately be classified as a Non-Performing Asset (NPA) without going through various stages of asset classification?
- (A) Accounts with temporary deficiencies such as insufficient drawing power
 - (B) Accounts regularized near the balance sheet date without inherent weaknesses
 - (C) Accounts where the value of security has been eroded due to borrower fraud
 - (D) Agricultural advances ceded to a commercial bank through PACS/FSS

Q80

The Recovery of Debts and Bankruptcy Act, 1993 was enacted to establish _____ for the purpose of speedy debt recovery.

- (A) Special Economic Zones (SEZs)
- (B) Debt Recovery Tribunals (DRTs)
- (C) National Company Law Tribunals (NCLTs)
- (D) Financial Stability Boards (FSBs)

- Q81** Which of the following statements is incorrect regarding the Procedure of Tribunals for Debt Recovery?
- (A) The Debt Recovery Tribunal (DRT) should aim to dispose of applications within 180 days from receipt.
 - (B) The Tribunal can attach the defendant's property in case of disobedience or breach of a Tribunal order.
 - (C) Another bank or financial institution can join an already filed application at the Tribunal only at the initial stages of the proceedings.
 - (D) The application to the Debt Recovery Tribunal (DRT) should include complete details of borrowers, guarantors, credit facilities, and other claims.
- Q82** In the case of "Secretary of State vs Bank of India," the principle of _____ was highlighted, wherein a party can claim indemnity for an action performed at the request of another, even if it harms a third party.
- (A) Express Indemnity
 - (B) Contributory Negligence
 - (C) Implied Indemnity
 - (D) Vicarious Liability

- Q83** Which of the following statements is true regarding exceptions to a bank's duty to pay?
- (A) Banks are obliged to make payment even if they have clear evidence of fraud.
 - (B) Courts never intervene in stopping a bank from making payments.
 - (C) In cases of irretrievable harm to a debtor, courts may restrain banks from making payments
 - (D)

Banks can unilaterally decide not to pay in any circumstances they deem fit.

- Q84** In international trade, _____ serves as a bank's guarantee to pay the beneficiary when the required documents are presented according to the specified terms.
(A) Bill of Exchange
(B) Letter of Credit
(C) Promissory Note
(D) Certificate of Deposit
- Q85** What type of bill is associated only with an order for payment and does not have any accompanying documents?
(A) Documentary bills
(B) Bills drawn under credit
(C) Clean bills
(D) Usance bills
- Q86** A Holder in Due Course is a person who, for _____, becomes the possessor of the bill, whereas Payment in Due Course involves payment according to the bill's terms to the holder or holder in due course in _____ and without negligence.
(A) consideration, good faith
(B) consideration, due diligence
(C) payment, good conscience
(D) None of the above
- Q87** Who among the following is responsible for not only licensing card issuers but also facilitating the settlement services for both card issuers and merchant acquirers?
(A) Card issuers acting under regulatory compliance
(B) Credit card associations in conjunction with international financial institutions
(C) Merchants affiliated with a specific card issuer
(D) Merchant acquirers in partnership with regulatory bodies
- Q88** What is the crucial requirement that banks look for in stocks when granting advances against

Warehouse Receipts?

- (A) Stocks must be of any quality as long as they are recent.
(B) Stocks of foodgrains classified as Grade II, III, or IV are preferred.
(C) Stocks should be of Grade I quality and of recent dates.
(D) Stocks must be insured for half of the market value.
- Q89** All domestic banks (other than UCBs) and foreign banks with more than 20 branches are directed to ensure that the overall lending to Non-Corporate Farmers does not fall below the _____ average of the last three years' achievement. The applicable target for lending to the non-corporate farmers for FY 2022-23 will be _____ of ANBC or CEOBE whichever is higher.
(A) quarterly, 14.23%
(B) system-wide, 15.56%
(C) monthly, 13.78%
(D) system-wide, 13.78%
- Q90** Farmers' credit needs are met through _____ and _____ financing. Loans against gold ornaments are offered for agricultural purposes under the category of short-term loans.
(A) secure, indirect
(B) direct, indirect
(C) formal, informal
(D) seasonal, non-seasonal
- Q91** How is the short-term limit calculated for farmers raising more than one crop in a year according to the Kisan Credit Card scheme?
(A) Based on the proposed cropping pattern for the first year, with no annual increase.
(B) The limit is fixed at the beginning and remains unchanged for five years.
(C) Based on the proposed cropping pattern for the first year, and an additional 10% of the limit is added for each successive year.
(D) It is equal to the Maximum Permissible Limit (MPL).

Q92

Which of the following measures is NOT a part of the Government of India's promotion and development initiatives for MSMEs?

- (A) The establishment of the Ministry of Micro, Small, and Medium Enterprises (MSME) to offer various online services to entrepreneurs.
- (B) A Public Procurement Policy that mandates 50% of government procurement should be from the MSE sector.
- (C) The MSME SAMADHAAN Scheme, which provides an online portal for MSEs to file applications concerning delayed payments.
- (D) The Certified Credit Counsellors (CCC) Scheme, under which CCCs assist MSMEs in preparing project reports to aid banks in making informed credit decisions.

Q93 Which of the following is NOT one of the objectives of Deendayal Antyodaya Yojana – National Livelihoods Mission (DAY–NRLM)?

- (A) Promoting poverty reduction through building strong institutions of the poor.
- (B) Providing direct financial aid to individual households below the poverty line.
- (C) Enabling institutions of the poor to access a range of financial services and livelihood services.
- (D) Promoting financial inclusion and strengthening livelihoods of the poor.

Q94 What type of crossing involves drawing two parallel transverse lines across the face of a cheque?

- (A) Special crossing
- (B) Specific crossing
- (C) General crossing
- (D) Non-negotiable crossing

Q95 In practice, an endorsement is made on the back of the check. This statement is:

- (A) True
- (B) False
- (C) Partly False
- (D) Cannot be determined

Q96 In a prominent manufacturing company, there has been a growing concern about the ethical conduct of some employees. The company's management believes that strengthening business ethics is essential to address these issues effectively. They are considering implementing an ethics program to guide employee behavior. The management is concerned about a common myth related to business ethics. What is this myth, and what is the reality concerning business ethics and its impact on people's behavior?

- (A) The myth is that business ethics can completely change people's behaviors, making them unrecognizable. The reality is that business ethics focuses on managing values and resolving conflicts while aligning individual and organizational ethics.
- (B) The myth is that business ethics is irrelevant in the workplace. The reality is that business ethics has no impact on employee behavior.
- (C) The myth is that business ethics is primarily about promoting dishonesty. The reality is that business ethics encourages employees to act unethically to achieve organizational goals.
- (D) The myth is that business ethics only applies to top-level management. The reality is that business ethics is solely the responsibility of employees.

Q97 The organization's ethical dilemmas are often resolved and decisions taken by:

- I- Formal Groups
- II- Informal Groups
- III- Individual
- (A) Only I
- (B) Only I and II
- (C) Only I and III
- (D) All of the above

Q98 Ethics in _____ is a philosophy that promotes honesty, fairness and responsibility.

- (A) Finance
- (B) Production

- (C) Marketing
- (D) Human Resource Management

- Q99** Rajesh, a successful professional in his mid-40s, has reached a point in his life where he is reflecting on the hierarchy of purposes. He has achieved considerable success in his career, his children are well-educated and settled, and he has been an active member of his community. According to "Something Bigger Than the Self" hierarchy, which level involves an individual's engagement with issues like dealing with the underprivileged, rural poverty, and women oppression on a national level?
- (A) Community
 - (B) Global Causes
 - (C) Domestic Causes
 - (D) Society
- Q100** What are the two primary avenues in which IT has been used in banking?
- (A) Marketing and Customer Service; Business process reengineering
 - (B) Loan Origination and Credit Scoring; Bank process reengineering
 - (C) Communication and Connectivity; Business process reengineering
 - (D) Customer Service and Connectivity; Bank process reengineering
- Q101** The Reserve Bank of India (RBI) has issued comprehensive guidelines on information security, electronic banking, technology risk management, and cyber fraud prevention to all commercial banks. These guidelines encompass various aspects of data security and risk management. A commercial bank is in the process of implementing the RBI's guidelines on information security. Which of the following measures, as outlined in the guidelines, pertains specifically to the secure storage?
- (A) Implementing encryption for customer account and transaction data.
 - (B) Blocking and filtering electronic mechanisms like e-mail.

- (C) Implement physical and environmental controls.
- (D) Ensuring uniform data protection both within and outside the institution.

- Q102** Which type of authentication is specifically required for transactions through alternate channels in Core Banking Solution (CBS)?
- (A) User ID and password
 - (B) Multi-factor authentication
 - (C) Biometric authentication
 - (D) Maker checker functionality
- Q103** Which of the following is NOT a responsibility of the bank under Core Banking Solutions (CBS) as per RBI guidelines?
- (A) Address cyber threats and electronic payment misuse
 - (B) Document e-banking controls, manual processes, and financial disclosures
 - (C) Manage investment portfolios of customers
 - (D) Conduct System Audit by Chartered Accountants for secure operations
- Q104** Riya, a college student, wants to purchase a PPI for occasional online shopping and dining out. She is not keen on sharing a lot of personal information and doesn't need to withdraw cash. She also wants to have the flexibility to reload the PPI through her bank account. Which type of PPI is most suitable for Riya?
- (A) Closed System Payment Instruments
 - (B) Small Prepaid Payment Instruments
 - (C) Full-KYC PPIs
 - (D) None of the above
- Q105** Which committee recommended the establishment of a cooperative communication network for the banking industry in India?
- (A) First Rangarajan Committee
 - (B) Second Rangarajan Committee
 - (C) Committee chaired by Shri T.N. Anantharam Iyer
 - (D) Committee chaired by Shri Raghuram Rajan

Q106

Which advanced technology does NPCI introduce for RuPay to ensure secure card payments without revealing sensitive information?

- (A) Blockchain
- (B) Tokenisation
- (C) Data Encryption
- (D) Near Field Communication (NFC)

Q107 Technology upgradation in banks enables various convenient services such as 24/7 ATMs and global account access. It also plays a pivotal role in _____, such as fund transfer and FOREX information. Electronic Data Interchange (EDI) involves the exchange of structured business documentation with minimal manual intervention and is a standard for _____.

- (A) data and message transfer, credit and debit clearing
- (B) communication standards for EDI, intra-office and inter-office correspondence
- (C) email, global account access
- (D) data and message transfer, intra-office and inter-office correspondence

Q108 ABC Bank has recently adopted new Information Technology (IT) solutions to modernize its operations. The new systems promise efficiency, security, and cost reduction. However, despite these upgrades, the bank is witnessing a decline in customer satisfaction. Which of the following reasons could be primarily responsible for the drop in customer satisfaction?

- (A) The IT solutions made the bank's operations more efficient, reducing the waiting time for customers.
- (B) The new security protocols in place are complicated, causing difficulty for some customers in accessing services.
- (C) The bank saved operational costs due to IT solutions and passed some of these savings to the customers in the form of lower fees.
- (D) The bank is able to offer more services online, reducing the need for customers to visit branches.

Q109 What was the primary objective of the G. Gopalakrishna Committee Report commissioned by the RBI?

- (A) To promote digital banking in rural areas.
- (B) To regulate the fintech industry in India.
- (C) To strengthen the resilience of the banking sector against cyber threats and technology-related risks.
- (D) To facilitate the introduction of blockchain technology in the banking sector.

Q110 XYZ Bank recently established a Security Operations Center (SOC) to handle its cybersecurity risks more effectively. Despite this initiative, the bank experienced a major security breach that compromised the data of thousands of customers. Which of the following could be a likely reason for the security breach even after the establishment of the SOC?

- (A) The SOC continuously monitored and assessed the security status, eliminating the chance for any cyber threats.
- (B) The SOC personnel did not collaborate effectively with the incident response teams, causing a delay in resolving the security issue.
- (C) The SOC was successful in detecting, analyzing, and responding to cybersecurity issues using the latest technology solutions and policies.
- (D) The SOC only monitored servers and databases, neglecting to monitor network traffic and endpoints.

Q111 In what relationship does the bank compensate the customer for any loss arising from wrong/excess payment?

- (A) Debtor-Creditor relationship
- (B) Agent-Principal relationship
- (C) Indemnifier-Indemnified relationship
- (D) Bailee-Bailor relationship

Q112 Which of the following is covered as a bank under the Banking Regulation Act 1949?

I- The Companies that are accepting deposits for

trading and manufacturing.

II- Cooperative societies that accept deposits from their members.

- (A) Only I
- (B) Only II
- (C) Both I and II
- (D) Neither I nor II

Q113 S&M Corporation, a rapidly growing tech company, is planning to go public with an Initial Public Offering (IPO) to raise capital for its expansion. They have engaged the services of a merchant banker to assist them in this process. Which of the following statements are correct in relation to the merchant banker?

I- The merchant banker assists in obtaining regulatory clearances primarily for marketing purposes to enhance the IPO's image.

II- The merchant banker assists a company to obtain regulatory clearances only if requested by the company's management.

III- The merchant banker assists in monitoring and reporting the progress of the offering to the company and regulatory bodies.

IV- The merchant banker assists in selecting bankers to the issue that will maintain the bank account for collecting and holding the funds to be raised till successful closure of the issue.

- (A) Only I and III
- (B) Only I, III, and IV
- (C) Only I, II, and III
- (D) All of the above

Q114 The Bank of Royals, a leading financial institution, has a well-established Know Your Customer (KYC) Policy to ensure compliance with anti-money laundering (AML) and counter-terrorism financing (CTF) regulations. The bank's KYC Policy outlines key requirements and responsibilities for effective risk management. In the context of the Bank of Royals KYC Policy, who is responsible for keeping the KYC Policy updated?

- (A) Chief Compliance Officer
- (B) Board of Directors

- (C) Principal Officer
- (D) AML Task Force

Q115 The Bank of Elites is a reputable financial institution that operates in compliance with the Prevention of Money Laundering Act (PMLA). As part of its obligations, The Bank of Elites diligently maintains records of various transactions and identity documents of clients and beneficial owners. A client of the Bank of Elites closed their account on January 15, 2023. According to the provisions of the PMLA, for how long should the Bank of Elites maintain the records of this client's identity documents, account files, and business correspondence?

- (A) 3 years from the date of account closure.
- (B) 5 years from the date of account closure.
- (C) 5 years from the date of the last transaction.
- (D) 10 years from the date of account closure.

Q116 In the case of joint accounts, what procedure should be carried out according to the customer acceptance policy?

- (A) Customer Due Diligence procedure for only one account holder.
- (B) Customer Due Diligence procedure for the primary account holder.
- (C) Customer Due Diligence procedure for all joint account holders.
- (D) No Customer Due Diligence procedure required for joint accounts.

Q117 The Bank of Golds, a public sector bank operating in India, has implemented certain restrictions for accounts of non-face-to-face customers with OTP-based e-KYC of Aadhaar. These restrictions are designed to ensure compliance and security.

Satyam opens an account with the Bank of Golds through OTP-based e-KYC of Aadhaar. In the financial year, he receives credits totaling Rs. 1.9 lakhs in all their deposit accounts combined. He also has a borrowal account with a sanctioned term loan of Rs. 65,000/-. How will the bank respond to this situation?

- (A) The customer's deposit accounts will remain open, but the bank will restrict further disbursements on the borrowal account.
- (B) The bank will close the customer's deposit accounts as the credits exceed the Rs. 1 lakh limit but will allow them to keep their borrowal account.
- (C) The bank will close both the deposit and borrowal accounts, citing a breach of the restrictions.
- (D) The bank will close the customer's borrowal account due to the term loan exceeding Rs. 60,000/-, but the deposit accounts will remain open.

Q118 Mr. Kunal, a blind individual, decides to open a bank account at a local bank. During the account opening process, the bank follows its standard procedure, including obtaining passport size photographs of Mr. Kunal. How many passport size photographs should be obtained by the bank?

- (A) 1 (B) 2
- (C) 3 (D) 5

Q119 Mr. Gupta, a long-time customer of the Northern Bank, had a term deposit with the bank that matured a few months ago. The maturity amount was Rs. 25,000/-. However, Mr. Gupta has not yet claimed the proceeds from the matured term deposit. According to the bank's policy, if Mr. Gupta's matured term deposit of Rs. 25,000/- remains unclaimed, what rate of interest will it attract?

- (A) The rate of interest applicable to a savings account.
- (B) The contracted rate of interest on the matured deposit.
- (C) The average of the rates of interest for savings accounts and matured deposits.
- (D) The rate of interest as applicable to savings account or the contracted rate of interest on the matured deposit, whichever is lower.

Q120

Which of the following is not a salient aspect of the Certificate of Deposits?

I- Certificate of Deposits are traded in the primary market.

II- Interest rate is linked to the benchmark rate specified by FIMMDA.

III- Issuance of Certificate of Deposits attracts stamp duty.

IV- Certificate of Deposits can only be issued at a discounted value.

- (A) Only I and II
- (B) Only II, III, and IV
- (C) Only I and IV
- (D) Only I, II, and IV

Q121 As per the advisory issued by the Reserve Bank of India (RBI), what is the maximum amount for which banks may consider collecting account payee cheques drawn in favor of co-operative credit societies, provided that the payees are constituents of these societies?

- (A) Rs. 25,000 (B) Rs. 50,000
- (C) Rs. 60,000 (D) Rs. 1,00,000

Q122 What key factor led to the bank's negligence in the case of Harding vs London Joint Stock Bank [1914]?

- (A) Failure to obtain an introduction from an existing customer.
- (B) Failure to verify the authenticity of the customer's employer.
- (C) Allowing the customer to deposit a forged cheque.
- (D) None of the above

Q123 Mr. Sumit, a small business owner, approaches ABC Bank for a loan to finance the purchase of new machinery for his manufacturing unit. To secure the loan, Mr. Sumit provides the bank with a letter of lien, stating that the machinery is entrusted to the bank as security for the loan. What is the primary purpose of the letter of lien provided by Mr. Sumit to ABC Bank?

- (A) To create a separate contractual agreement between Mr. Sumit and the bank.

- (B) To allow the bank to sell the machinery in case of default on the part of Mr. Sumit.
- (C) To transfer ownership of the machinery to the bank as security.
- (D) None of the above

Q124 The additional interest rate for staff and senior citizens is permitted under NRE Account. This statement is:

- (A) True
- (B) False
- (C) Partly True Partly False
- (D) Cannot be determined

Q125 What is the reset period for floating rates on FCNR (B) accounts?

- (A) 3 months
- (B) 6 months
- (C) 9 months
- (D) 12 months

Q126 Which bank's branch should be chosen to open an "FCRA Account" for receiving foreign contributions?

- (A) New Delhi Main Branch of State Bank of India
- (B) Mumbai Main Branch of State Bank of India
- (C) Pune Main Branch of State Bank of India
- (D) Chennai Main Branch of State Bank of India

Q127 A prominent jewelry manufacturing company in India, "Shine Gems Pvt. Ltd.," is engaged in the export and local sale of diamonds. They meet the eligibility criteria outlined in the Foreign Trade Policy of the Government of India and decide to open a Diamond Dollar Account. Which of the following statement is true about Diamond Dollar Account?

I- The account should be a non-interest bearing current account.

II- Realization of export proceeds, local sales, and pre/post shipment finance can be credited to the account.

- (A) Only I
- (B) Only II
- (C) Both I and II
- (D) Neither I nor II

Q128 Mr. Sharma received a cheque from Mr. Gupta as payment for services rendered amounting Rs. 10,000. To his surprise, when he examined the cheque, he noticed that the amount written in words and figures did not match. The cheque stated the amount in words as "Ten Thousand Rupees" but in figures as "Rs. 9,999."

In accordance with Section 18 of the Negotiable Instruments Act, what is the correct course of action when the amounts in words and figures on a cheque differ?

- (A) The amount in figures shall be paid, as specified by Section 18 of the Negotiable Instruments Act.
- (B) The cheque shall be deemed invalid, and no payment shall be made.
- (C) The amount in words shall be paid, as specified by Section 18 of the Negotiable Instruments Act.
- (D) The bank may choose to pay either the amount in words or figures, depending on its discretion.

Q129 Mr. Raghav, a business owner, received a bearer cheque as payment from a customer, Mr. Sagar. The cheque was payable to bearer, and Mr. Sagar handed it over to Mr. Raghav as part of a business transaction. However, when Mr. Raghav went to his bank to deposit the cheque, he noticed that it had a restrictive endorsement on the back, supposedly made by Mr. Sagar. The endorsement limited the cheque's use to a specific purpose that Mr. Raghav did not agree to.

What is the legal status of Mr. Raghav's deposit of the bearer cheque with a restrictive endorsement?

- (A) Mr. Raghav's deposit is not valid because the cheque had a restrictive endorsement, which contradicted the bearer nature of the cheque.
- (B) Mr. Raghav's deposit is valid because a bearer cheque can be negotiated by mere delivery, and the endorsement is not relevant.
- (C) Mr. Raghav's deposit is subject to approval by the bank, which will determine whether the

restrictive endorsement is valid.

- (D) Mr. Raghav's deposit is considered a forgery because the restrictive endorsement contradicted the intended purpose of the cheque.

Q130 Akash, a bank manager at XYZ Bank, received a telephonic request from one of the bank's customers, Mr. Ayush, to make a payment to Mr. Ayush's supplier, Achint Electronics. Akash processed the payment as requested and transferred the funds to Achint Electronics' account. However, a dispute arose when Achint Electronics claimed they did not receive the payment. In light of the Supreme Court's decision in Bank of Bihar vs Mahabir Lal, can XYZ Bank seek protection under Section 85 of the Negotiable Instruments Act for the disputed payment made to Achint Electronics?

- (A) Yes, XYZ Bank can seek protection under Section 85 since they made the payment to Achint Electronics, a third party, as instructed by the bank's customer, Mr. Ayush.
- (B) No, XYZ Bank can seek protection under Section 85 only if Mr. Ayush's payment instructions were in writing.
- (C) No, XYZ Bank cannot seek protection under Section 85 because the payment was not made to the holder, his servant, or agent, and thus, not in due course.
- (D) Yes, XYZ Bank can seek protection under Section 85 if Mr. Ayush confirms the payment in writing.

Q131 Demand Drafts are valid for _____ months and can be revalidated by the issuing branches.

- (A) Three (B) Six
(C) Nine (D) Twelve

Q132 Within what maximum number of days after receiving the funds would the drawee branches credit the Telegraphic Transfer amount to the beneficiary's account?

- (A) One day (B) Two days
(C) Five Days (D) Seven Days

Q133 Under Section 131 of the Negotiable Instruments Act, what is a condition for protection to the collecting banker?

- I- The cheque must be crossed generally or specially to any bank.
- II- The collecting banker must verify the prima facie genuineness of the cheque.
- III- The collecting banker must always act without negligence.

- (A) Only I and II
(B) Only II and III
(C) Only I and III
(D) All of the above

Q134 Mr. Sharma, a customer of Bank A, attempted to withdraw Rs. 5,000 from an ATM belonging to Bank B. Unfortunately, the transaction failed, but his account was debited with the amount. Mr. Sharma contacted Bank A to report the issue and seek a refund. Which of the following statements stand correct about disputes regarding ATM failed transactions?

- I- These shall be settled by the issuing bank and the acquiring bank through the ATM System Provider only.
- II- Bilateral settlement arrangement outside the dispute resolution mechanism of the system provider is permissible.

- (A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Q135 ABC Bank, a leading financial institution, has a comprehensive institutional setup in place to ensure top-notch customer service. This setup includes a Customer Service Committee of the Board, a Standing Committee on Customer Service, Branch Level Customer Service Committees, and designated Nodal departments/officials for customer service. The Reserve Bank of India (RBI) has stressed the importance of the Board's involvement in reviewing customer service matters.

As a member of the Customer Service Committee of the Board at ABC Bank, what is your primary responsibility, and how often should you submit a detailed memorandum to the Board regarding customer service matters?

- (A) Your primary responsibility is to oversee the operations of branch-level Customer Service Committees. You should submit a memorandum to the Board once every year.
- (B) Your primary responsibility is to handle customer complaints. You should submit a memorandum to the Board once every quarter.
- (C) Your primary responsibility is to review and deliberate on customer service aspects within the bank. You should submit a memorandum to the Board once every six months.
- (D) Your primary responsibility is to ensure the security of customer data. You should submit a memorandum to the Board once every month.

Q136 What is the basis for identifying peer groups for banks, as per the RBI's approach to handling complaints?

- (A) Geographical location of the bank branches.
- (B) Asset size of the banks as of the current year.
- (C) Number of customer accounts held by the bank.
- (D) Average number of maintainable complaints per branch.

Q137 ABC Bank, a leading financial institution, has recently implemented a customer-centric approach to address complaints related to unauthorized electronic transactions. As part of this initiative, they have set specific guidelines for lodging complaints and resolving them within a stipulated timeframe. Rohit, a customer of ABC Bank, reports an unauthorized electronic transaction through the provided online complaint portal. What is the maximum duration within which the bank should aim to resolve the complaint and establish the customer's liability, as per the RBI guidelines?

- (A) 30 days from the date of receipt of the complaint.
- (B) 45 days from the date of receipt of the complaint.
- (C) 60 days from the date of receipt of the complaint.
- (D) 90 days from the date of receipt of the complaint.

Q138 How often is a State Consumer Protection Council (SPC) required to hold meetings?

- (A) At least once every year.
- (B) At least two meetings every year.
- (C) At least four times a year.
- (D) As and when necessary, with no specific frequency.

Q139 Adish, a manufacturer of electronic gadgets, received a notice from the Central Consumer Protection Authority (CCPA) to recall a batch of smartphones due to a potential safety issue. The CCPA issued this directive after receiving several complaints from consumers about the safety of these devices. What are the potential consequences for Adish, the manufacturer, if he fails to comply with the CCPA's recall directive for the smartphones?

- (A) Adish may face both imprisonment for up to two years or a fine of up to Rs. 50 lakh or both.
- (B) Adish may face both imprisonment for up to one year or a fine of up to Rs. 10 lakh or both.
- (C) Adish may face both imprisonment for up to one year or a fine of up to Rs. 50 lakh or both.
- (D) Adish may face both imprisonment for up to six months or a fine of up to Rs. 20 lakh or both.

Q140 With effect from 31 March, 2005, an asset would be classified as doubtful if it has remained in the substandard category for a period of _____ months.

- (A) 3
- (B) 6

(C) 9

(D) 12

- Q141** Rural Self Employment Training Institutes is an initiative based on the model of Rural Development and Self Employment Training Institute of ____.
- (A) 1962 (B) 1964
(C) 1972 (D) 1974
- Q142** Who recommended the introduction of prudential norms for income recognition and asset classification in the Indian banking system?
- (A) Committee on the Financial System Chaired by Shri M. Narasimham.
(B) Committee on the Financial System Chaired by Shri C. Rangarajan.
(C) Committee on the Financial System Chaired by Shri S.S Tarapore
(D) Committee on the Financial System Chaired by Shri Y.V Reddy.
- Q143** Mr. Sharma, a business owner, holds a Cash Credit (CC) account with a sanctioned limit of Rs. 10 lakhs for his manufacturing business. However, for the past 90 days, the outstanding balance in his account has consistently been Rs. 12 lakhs. According to the bank's policy, is Mr. Sharma's account considered 'out of order'?
- (A) Yes, because the outstanding balance has exceeded the sanctioned limit for 90 days.
(B) Yes, because there have been no credits in the account for 90 days.
(C) No, because the outstanding balance has exceeded the sanctioned limit for 120 days.
(D) No, because the outstanding balance has exceeded the sanctioned limit for 180 days.
- Q144** According to the case of Gajanan Moreshwar vs. Moreshwar Madan Mantri, when does the liability of the indemnifier commence?
- (A) Only when the promisee pays for the loss.
(B) As soon as the promisee notifies the indemnifier of the loss.
(C) When the loss of the indemnified becomes absolute, certain, or imminent.
(D)

When the promisee files a lawsuit against the indemnifier.

- Q145** Mr. Singh, a successful entrepreneur, had obtained a substantial loan from Capital Bank Ltd. to expand his business operations. To secure the loan, the bank required Mr. Singh to provide a surety, and his close friend, Mr. Kumar, willingly agreed to act as the surety. Unfortunately, Mr. Singh's business encountered financial difficulties, and he became unable to repay the loan. As a result, Capital Bank Ltd. turned to Mr. Kumar, the surety, to fulfill the outstanding debt. In the context of the surety's role, which of the following statement stands correct?
- (A) Mr. Kumar is now responsible for repaying only the principal amount borrowed by Mr. Singh, excluding any interest.
(B) Mr. Kumar assumes full responsibility for repaying both the principal amount and any interest owed by Mr. Singh.
(C) Mr. Kumar assumes partial responsibility for repaying both the principal amount and any interest owed by Mr. Singh.
(D) Mr. Kumar's role as a surety has no impact on her financial responsibilities.
- Q146** _____ is the person who is entitled to receive the benefit under a letter of credit.
- (A) Importer (B) Exporter
(C) Opener (D) Applicant
- Q147** What is a key feature of a Red Clause letter of credit?
- (A) Beneficiary receives payment upon presentation of documents.
(B) Beneficiary receives an advance payment before shipment.
(C) Beneficiary receives a payment after shipment.
(D) Both A and C
- Q148** Which of the following statements are correct about Net Working Capital?

I- It tells the business about how the assets are funded.

II- When the current assets exceed the current liabilities, the Net Working Capital is positive.

III- The net working capital should be higher than 1:2 to ensure sufficient liquidity and availability of working funds.

IV- It indicates the margin of protection available to the short term and long term creditors.

- (A) Only I and II
- (B) Only I, II and III
- (C) Only I, II, and IV
- (D) All of the above

Q149 In a typical deferred payment contract for the import of goods, the importer is required to make payments over a period of how many years?

- (A) 1 to 3 years (B) 1 to 5 years
- (C) 1 to 7 years (D) 1 to 10 years

Q150 ABC Electronics, a global importer of electronic components, enters into an international trade agreement with XYZ Tech, a supplier based in another country. ABC Electronics opens a Letter of Credit (LC) with their bank, Global Bank Ltd., to facilitate the import of electronic components from XYZ Tech. As part of the LC requirements, Global Bank Ltd. issues a deferred payment guarantee to XYZ Tech.

Upon receiving the shipment of electronic components, ABC Electronics discovers that some of the goods are defective and not up to the required quality standards. Can ABC Electronics request Global Bank Ltd. to stop payment on the deferred payment guarantee due to the receipt of defective goods?

- (A) Yes, ABC Electronics can request the bank to stop payment on the deferred payment guarantee, regardless of the documents' validity.
- (B) No, ABC Electronics cannot request the bank to stop payment on the deferred payment guarantee if the documents are valid, even if the goods are defective.
- (C)

Yes, ABC Electronics can request the bank to stop payment, but only if they provide documentary evidence of the defective goods.

- (D) Yes, ABC Electronics can request the bank to stop payment on the deferred payment guarantee if the goods are found to be defective.

Q151 Which financial factors are used to determine if a company qualifies as a "Small Company" under the Companies Act 2013?

- (A) Paid-up share capital not exceeding Rs. 1 crore and a turnover not exceeding Rs. 5 crore.
- (B) Paid-up share capital not exceeding Rs. 50 lakh and a turnover not exceeding Rs. 2 crore.
- (C) Paid-up share capital not exceeding Rs. 10 lakh and a turnover not exceeding Rs. 1 crore.
- (D) Paid-up share capital not exceeding Rs. 25 lakh and a turnover not exceeding Rs. 50 lakh.

Q152 AAA & Co., a trading partnership engaged in importing and distributing electronic goods, consists of three partners: Ayush, Akash, and Achint. They operate under an implied partnership agreement that outlines certain implied powers. Meanwhile, DEF Associates, a non-trading partnership of lawyers, operates with two partners: Daksh and Ekanshi. The partners in both firms are aware of their respective implied powers. As a partner in AAA & Co., Ayush wishes to enter into an arbitration process to resolve a dispute with a supplier. Can he do so based on her implied powers as a partner in a trading partnership?

- (A) Yes, Aysh can submit the dispute to arbitration based on his implied powers as a partner in a trading partnership.
- (B) Yes, Aysh can submit the dispute to arbitration but he needs the consent of any one more partner.

(C) No, Aysh must first consult with the other partners, Akash and Achint, before considering arbitration.

(D) No, Ayush cannot submit the dispute to arbitration as it exceeds his implied powers in a trading partnership.

Q153 In terms of RBI's Large Exposure Norms, what is the maximum limit on the sum of all exposure values a bank can have to a single counterparty?

- (A) 10 percent of the bank's eligible capital base
- (B) 15 percent of the bank's eligible capital base
- (C) 20 percent of the bank's eligible capital base
- (D) 25 percent of the bank's eligible capital base

Q154 Banks give loans against gold ornaments for agricultural as well as for non-agricultural purposes. While granting advances against the gold coins, the bank must ensure, without fail, that the end use of the funds is for approved, and non- speculative purposes. As per the guidelines in force the loans sanctioned by banks should not exceed _____ per cent of the value of gold ornaments and jewellery.

- (A) 50
- (B) 75
- (C) 80
- (D) 90

Q155 ABC Banking Corporation is a well-established banking company with a diverse investment portfolio. Recently, the bank has acquired a significant number of shares in XYZ Enterprises, a prominent manufacturing company. However, this acquisition has raised concerns regarding compliance with the regulatory limits on shareholding. In the context of the regulatory limits on shareholding, what is the maximum threshold of shares that ABC Banking Corporation can hold in XYZ Enterprises, considering both the paid-up share capital of XYZ Enterprises and the paid-up share capital and reserves of ABC Banking Corporation?

- (A) ABC Banking Corporation can hold shares in XYZ Enterprises up to thirty percent of the paid-up share capital of XYZ Enterprises.
- (B)

ABC Banking Corporation can hold shares in XYZ Enterprises up to forty percent of the paid-up share capital of XYZ Enterprises.

(C) ABC Banking Corporation can hold shares in XYZ Enterprises up to fifty percent of the paid-up share capital of XYZ Enterprises.

(D) ABC Banking Corporation can hold shares in XYZ Enterprises up to fifty-one percent of the paid-up share capital of XYZ Enterprises.

Q156 Mr. Singh, an individual investor, holds a substantial portfolio of shares and convertible debentures in his demat account with a well-known bank. He is considering taking a loan against these securities to fund a business venture. However, he wants to ensure that he stays within the regulatory limits. What is the maximum loan limit that Mr. Singh can avail of against his dematerialized (demat) securities without violating the regulatory guidelines?

- (A) Rs. 5 lakhs per individual.
- (B) Rs. 10 lakhs per individual.
- (C) Rs. 20 lakhs per individual.
- (D) Rs. 25 lakhs per individual.

Q157 Does a Negative Lien require registration with the Registrar of Companies or similar authorities?

- (A) Yes, it must be registered with the Registrar of Companies.
- (B) No, it does not require registration with any authorities.
- (C) It depends on the total value of assets involved.
- (D) Only if the assets are immovable properties.

Q158 What percentage of the debt due per the DRT order must be deposited with the Appellate Tribunal when filing an appeal under the SARFAESI Act?

- (A) 10%
- (B) 20%
- (C) 25%
- (D) 50%

Q159 The Central Government has established a Debt Recovery Appellate Tribunal (DRAT) to handle appeals related to debt recovery matters. The

DRAT consists of a Chairperson, who is responsible for presiding over the tribunal's proceedings and making decisions on various applications. To be eligible for the position of Chairperson in a Debt Recovery Appellate Tribunal (DRAT), what qualifications are required?

- (A) The candidate must have experience as a practicing lawyer for a minimum of five years.
- (B) The candidate must qualified to be a Judge of a High Court.
- (C) The candidate must qualified to be a Judge of the Supreme Court.
- (D) The candidate must have served as a Presiding Officer of a Tribunal for at least five years.

Q160 What is the timeframe within which banks must confirm the cancellation or closure of a credit card to a customer upon receiving a cancellation request?

- (A) 2 working days
- (B) 5 working days
- (C) 7 working days
- (D) 14 working days

Q161 What type of bill is typically considered for Bills Discounting?

- (A) Clean Bill
- (B) Documentary Bill
- (C) Fixed Bill
- (D) Usance Bill

Q162 Which of the following is an example of a document of title to goods?

- I- Lorry receipt
- II- Railway receipt
- III- Bill of lading
- (A) Only I and II
- (B) Only II and III
- (C) Only I and III
- (D) All of the above

Q163 Under the specified regulation, if a bank's Tier I Capital is INR 1,000 crores, what would be the maximum exposure limit to a group of connected

NBFCs or counterparties with NBFCs in the group?

- (A) Rs. 100 crore
- (B) Rs. 200 crore
- (C) Rs. 250 crore
- (D) Rs. 300 crore

Q164 When was the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) established?

- (A) August 2000
- (B) August 2002
- (C) August 2005
- (D) August 2010

Q165 Mr. Gupta, a 28-year-old entrepreneur, is interested in availing a loan and subsidy under the Individual Enterprises (SEP-I) scheme to start a small business. He plans to establish a small manufacturing unit with a project cost estimated at Rs. 2,15,000. Mr. Gupta is now preparing his loan application and considering the eligibility criteria for the SEP-I scheme. According to the eligibility criteria for the SEP-I scheme, would Mr. Gupta be eligible to apply for the loan and subsidy?

- (A) Yes, Mr. Gupta is eligible because he meets the minimum age requirement of 18 years.
- (B) No, Mr. Gupta is not eligible because his project cost is more than the maximum unit project cost of Rs. 2,00,000.
- (C) Yes, Mr. Gupta is eligible because his project cost is less than the maximum unit project cost of Rs. 2,50,000.
- (D) No, Mr. Gupta is not eligible because he hasn't mentioned the initial moratorium period for repayment.

Q166 What is the composition of beneficiaries targeted by DAY-NRLM under Universal Social Mobilization in terms of caste, minority, and disability representation?

- (A) 70% SC/STs, 10% minorities, and 2% persons with disability.
- (B) 40% SC/STs, 10% minorities, and 5% persons with disability.
- (C) 50% SC/STs, 15% minorities, and 3% persons with disability.
- (D)

40% SC/STs, 15% minorities, and 5% persons with disability.

Q167 Which of the following statement is not true about LAN?

I- Sharing common cabling and pooling resources within a workgroup are the key elements of LAN operation.

II- Generally, LAN will not extend beyond 50 meters for Cat5e cables.

- (A) Only I
- (B) Only II
- (C) Both I and II
- (D) Neither I nor II

Q168 _____ topology cannot handle large traffic, as every transaction has to pass through the central node.

- (A) Ring
- (B) Bus
- (C) Star
- (D) Tree

Q169 Raj is a bank customer who frequently uses the Cash Deposit Machine (CDM) to deposit money into his savings account. He has not provided his PAN number to the bank. One day, he visits the CDM to make a deposit. Raj wants to deposit Rs. 55,000 into his savings account using the Cash Deposit Machine. According to RBI guidelines, what is the maximum amount he can deposit in his account on that day if his PAN number is not recorded with the bank?

- (A) Rs. 49,500
- (B) Rs. 49,950
- (C) Rs. 50,000
- (D) Rs. 54,950

Q170 For optimizing the cost of investments in ATMs, banks joined in small clusters to share their ATM networks. There are many such ATM network clusters functioning in India. Which of the following statements are correct in relation to the Networking of ATMs?

I- Indian Banks' Association (IBA) was the first organisation to set up a shared payment network system.

II- The primary objective behind the creation of the SWADHAN network by the Indian Banks' Association (IBA) was to provide 24*7 electronic

banking services to the customers of member banks in New Delhi.

- (A) Only I
- (B) Only II
- (C) Both I and II
- (D) Neither I nor II

Q171 The second Rangarajan Committee recommended interconnecting of branches and interfacing them with the public data networks. This statement is:

- (A) True
- (B) False
- (C) Partly True Partly False
- (D) Cannot be determined

Q172 What is the purpose of tools that test what-if scenarios in a Decision Support System (DSS)?

- (A) To pre-test potential outcomes of different decisions.
- (B) To conduct statistical analyses.
- (C) To generate query languages.
- (D) To create ad hoc reports.

Q173 RBI relies on data submitted by banks hence quality of data is of great importance. In order to meet the need for correct and consistent data, RBI has initiated a project called _____.

- (A) Automated Data Flow
- (B) Automatic Data Feeder
- (C) Automated Data Framework
- (D) Automatic Data Framework

Q174 How many e-RUPI vouchers can be issued for a single program using one mobile number or per individual beneficiary?

- (A) Up to 5 vouchers
- (B) Up to 10 vouchers
- (C) Up to 15 vouchers
- (D) Up to 20 vouchers

Q175 Fintech or Financial technology can be described as the use of technology to deliver financial solutions. Fintech refers to technologically enabled financial innovations. The Fintech

ecosystem (FE) consists of _____ elements that synergise to stimulate the economy,

- (A) 3 (B) 4
- (C) 5 (D) 7

Q176 What does "peopleware" refer to in the context of computerized systems?

- (A) Software used by people in managing computer systems.
- (B) The role played by individuals directly or indirectly involved in managing and running computerized systems.
- (C) The physical infrastructure of computer data centers.
- (D) None of the above

Q177 In a medium-sized manufacturing company, the leadership has been emphasizing the importance of business ethics to all employees. They believe that fostering an ethical culture is crucial for the company's long-term success. However, there seems to be a common myth among some employees that business ethics is solely about good individuals lecturing the bad ones. How does the case study challenge the myth that business ethics is solely about good individuals lecturing the bad ones?

- (A) The case study shows that ethical culture is established through the collective efforts of all individuals, not just the "good guys."
- (B) The case study demonstrates that good managers are immune to making wrong ethical decisions.
- (C) The case study highlights that ethical dilemmas are rarely ambiguous and stressful.
- (D) The case study suggests that business ethics primarily involves lecturing individuals on moral values.

Q178 What are the key principles that financial professionals should adhere to according to the ethics of finance?

- (A) Honesty, integrity, and avoidance of conflict of interest

(B) Fairness, and Prudence

(C) Fairness, Prudence, and Honesty

(D) Honesty, integrity, and Prompt decision-making

Q179 ABC Corporation is a multinational company with a strong presence in various industries. Over the years, they have developed a reputation for their commitment to business ethics and moral principles. ABC Corporation has a well-defined code of conduct that guides its employees in making ethical decisions. In the context of ABC Corporation's commitment to business ethics, determine how the organization's culture plays a pivotal role in determining the difference between good and bad decision-making and behavior among its employees.

- (A) The organization's culture at ABC Corporation reflects the legal and regulatory requirements governing business ethics.
- (B) The culture at ABC Corporation sets standards for ethical behavior that go beyond legal requirements and provide employees with clear guidelines for making ethical decisions.
- (C) ABC Corporation's culture does not influence decision-making and behavior; it is solely determined by the organization's code of conduct.
- (D) ABC Corporation's culture primarily focuses on achieving financial success and profitability, with less emphasis on moral principles.

Q180 ABC Bank, a leading financial institution, has outsourced its certain operations to a third-party service provider, XYZ Solutions. The bank and XYZ Solutions have a well-documented contract that includes service level agreements. Why is it crucial for ABC Bank to have clear and transparent contracts with third-party service providers like XYZ Solutions?

- (A) To ensure that the third party does not cause any inconvenience to the customer.
- (B)

To transfer ownership of customer support operations to the third party.

- (C) To minimize costs associated with outsourcing.
(D) All of the above.

Q181 ABC Corporation, a large multinational company, has been facing challenges related to unethical behavior within the organization. There have been instances of data leakage, misuse of official email, and employees using their positions to help friends in social decisions. The company's leadership is concerned about these issues and is exploring remedies to foster a more ethical work environment. Which remedial measure should ABC Corporation consider implementing to address the issue of employees misusing official email for unethical activities?

- I- Developing Ethics Manual.
II- Appreciation and Rewards for ethical behaviour.
III- Care for reputation rather than results.
IV- Frequent utilization of the Manual.
(A) Only I and II
(B) Only I, II, and IV
(C) Only I, III, and IV
(D) All of the above

Q182 The Chief Information Commissioner shall hold office up to the age of _____ years.

- (A) 58 (B) 62
(C) 65 (D) 70

Q183 Fill in the blanks in the given statements:

- I. Equity securities represent (a) in a company.
II. Debt securities are obligations to pay (b) at specified intervals.
III. Hybrid securities combine characteristics of both (c) and (d).

Option.

- (A) (a): ownership
(b): dividends
(c): equity
(d): debt
(B) (a): liability

(b): dividends

(c): debt

(d): equity

(C) (a): ownership

(b): interest

(c): equity

(d): debt

(D) (a): liability

(b): interest

(c): debt

(d): equity

Q184 What is considered a reasonable average Debt Service Coverage Ratio (DSCR) for the repayment period of the loan?

- (A) 1 (B) 1.5
(C) 2 (D) 2.5

Q185 A credit card is a payment card issued by a financial institution to users (cardholders) as a method of payment. The cardholder can borrow funds, usually at a point of sale, and is obligated to pay back the full amount borrowed within a grace period or be subject to _____. The maximum amount that can be borrowed at any one time is referred to as the card's _____.

- (A) interest, credit limit
(B) penalty, balance
(C) credit limit, interest
(D) balance, penalty

Q186 Non-Banking Financial Companies (NBFCs) in India rely on various sources of finance to carry out their operations. Among the following, _____ is a short-term borrowing instrument often utilized by NBFCs to meet immediate funding needs, while _____ is a longer-term debt security that may be used to finance more substantial or long-term requirements.

- (A) Commercial Paper, Debentures
(B) Term Loans, Equities
(C) Debentures, Treasury Bills
(D) Equities, Treasury Bills

Q187 FinancePlus,' a Non-Banking Financial Company (NBFC), has been experiencing significant

growth in its operations and asset size. The regulatory authority is reviewing 'FinancePlus' to determine its classification under the newly implemented Framework for Scale Based Regulation (SBR). Under the SBR, NBFCs are classified into different tiers based on factors such as size, complexity, systemic importance, etc.

Which of the following options correctly identifies the action that the regulatory authority is most likely to take under the SBR framework in assessing 'FinancePlus'?

- (A) The regulatory authority will classify 'FinancePlus' based solely on its profit margins.
- (B) The regulatory authority will classify 'FinancePlus' into a tier without considering its impact on financial stability.
- (C) The regulatory authority will classify 'FinancePlus' into a specific tier based on factors such as its size, complexity, interconnectedness, and potential impact on financial stability.
- (D) The regulatory authority will exempt 'FinancePlus' from SBR as it is experiencing growth, focusing solely on stagnant or declining NBFCs.

Q188 Ravi, a laborer in a small village, has never had a bank account due to his low income and lack of awareness about banking services. The local bank's manager learns about Ravi's situation and informs him about the Pradhan Mantri Jan Dhan Yojana (PMJDY), a government scheme that aims to ensure access to financial services.

Which of the following options correctly identifies a feature of PMJDY that is most relevant to Ravi's situation?

- (A) PMJDY offers high-interest savings accounts to all individuals, regardless of income.
- (B) PMJDY provides a platform for high-value investments and financial planning for affluent individuals.
- (C) PMJDY aims to provide access to various financial services including a no-minimum-

balance savings account, especially to those in rural areas and low-income groups.

- (D) PMJDY focuses exclusively on providing loans and does not offer any savings account services.

Q189 Unsecured loans are also known as:

- (A) Clean Loans
- (B) Pledge
- (C) No-strings loans
- (D) Biased Loans

Q190 A _____ loan is a type of secured loan that is backed by a borrower's asset, such as property, and a _____ is a legal claim against the asset that grants the lender the right to take possession of the property if the borrower defaults on the loan.

- (A) collateralized, mortgage
- (B) mortgage, lien
- (C) unsecured, collateral
- (D) lien, mortgage

Q191 When a HUF (Hindu Undivided Family) account needs to be opened in a bank, the four members are Rajveer (the father), Krinshna (the eldest son), Mitra (the middle son), and Titu (the youngest son). Identify the Karta.

- (A) Rajveer
- (B) Krishna
- (C) Rajveer & Titu
- (D) All of the family members

Q192 A guardian is someone who is responsible for the person of a minor, his property, or both. Which of the following categories cannot be used to group guardians?

- (A) Natural Guardian
- (B) A court-appointed legal guardian
- (C) Testamentary Guardian
- (D) Relatives appointed guardian

Q193 Non-fund-based credit Facilities are a type of promise made by Banks to a third party to pay financial recompense on behalf of its clients. Examples of non-fund facilities are:

1. Letters of credit
2. Letters of guarantee
3. Bill Finance
4. Acceptance Facility

- (A) Only 1
(B) Only 1 & 2
(C) Only 1, 2 & 3
(D) Only 1, 2, & 4

Q194 NEFT and RTGS are two popular electronic funds transfer (EFT) systems in India. NEFT stands for National Electronic Funds Transfer. It is a batch-based system that settles funds transfers in batches, typically at the end of the day. NEFT is used for smaller transactions. RTGS stands for Real-Time Gross Settlement. It is a real-time system that settles funds transfers instantly. RTGS is used for larger transactions. What is the minimum amount for RTGS?

(A) Rs. 1 lakh (B) Rs. 2 lakh
(C) Rs. 3 lakh (D) Rs. 4 lakh

Q195 What is the primary objective of the "Direct Benefit Transfer" (DBT) program under the "One District One Bank" Model?

(A) To transfer subsidies and cash benefits directly to individuals through Aadhaar seeded bank accounts
(B) To provide free banking services to all citizens in one district
(C) To establish new banks in every district for direct cash withdrawals
(D) To promote digital payments for online shopping

Q196 What is the highest amount of compensation the RBI Ombudsman can grant for the complainant's lost time, expenditures incurred, and harassment/mental anguish?

(A) Rs. 5 Lakh (B) Rs. 1 Lakh
(C) Rs. 1.5 Lakh (D) Rs. 2 Lakh

Q197 When did the Whistle Blowers Protection Act, 2011 receive the assent from the President of India?

(A) May 2010 (B) May 2011

- (C) May 2013 (D) May 2014

Q198 In which of the following landmark judgment, the Supreme Court of India decided the question of whether withdrawal of the Original Application of the DRT Act, 1993 is a condition precedent to taking recourse to the SARFAESI Act, 2002?

(A) Andhra Bank vs Official Liquidator
(B) M/s Rising Sugars vs Union Bank of India and Another
(C) Allahabad Bank vs Canara Bank
(D) M/s Transcore vs Union of India and Another

Q199 Which of the following cities is the location of the Centralised Receipt and Processing Centre (CRPC) under the Integrated Ombudsman Scheme, 2021, established by the RBI?

(A) Chandigarh (B) Kolkata
(C) Bangalore (D) Pune

Q200 If any person has a complaint against a bank on any one or more of the grounds mentioned in which of the clauses of the Banking Ombudsman Scheme?

(A) Clause 3 (B) Clause 5
(C) Clause 8 (D) Clause 11

Q201 What is the recommended frequency for updating customer data and documents for high-risk customers?

(A) One Year (B) Two Years
(C) Three Years (D) Five Years

Q202 The National Consumer Disputes Redressal Commission shall have the jurisdiction to entertain complaints where the value of the goods or services paid as consideration exceeds _____.

(A) Rs. 10 Lakhs (B) Rs. 50 Lakhs
(C) Rs. 1 crore (D) Rs. 2 crores

Q203 Which of the following statements defines the term Spurious goods?

(A) Goods which are falsely claimed to be genuine.
(B) Goods whose demand drops when people's incomes rise.

- (C) Goods which are not in conformity with the Purchase Order.
(D) None of the above

Q204 What is the time frame within which the Public Information Officer is required to provide information when it pertains to the life or liberty of a person?
(A) 12 hours of the receipt of the request
(B) 24 hours of the receipt of the request
(C) 48 hours of the receipt of the request
(D) 72 hours of the receipt of the request

Q205 The State Chief Information Commissioner shall hold office for _____.
(A) 1 year (B) 2 years
(C) 3 years (D) 5 years

Q206 All complaints under the RBI- Integrated Ombudsman Scheme 2021 are received at:
(A) Central Receipts and Processing Centre, Delhi
(B) Central Receipts and Processing Centre, Chandigarh
(C) Central Receipts and Processing Centre, Mumbai
(D) Central Receipts and Processing Centre, Surat

Q207 Which of the following statements is true in reference to the Integrated Ombudsman Scheme, 2021?
(A) A person having a grievance may himself or through his advocate can, file a complaint with Central Receipts and Processing Centre.
(B) The Integrated Ombudsman Scheme redresses customer complaints at a minimal cost of Rs. 100.
(C) As of May 2023, 22 Ombudsmen were appointed with their offices located at the RBI offices.
(D) All of the above

Q208 Which Indian statute offers statutory protection to the Collecting Bank?
(A) The Banking Regulation Act

- (B) The Negotiable Instruments Act
(C) SARFAESI Act
(D) The Reserve Bank of India Act

Q209 M/S Greg & Wilson Pvt. Ltd. had a current account with 'Bank of Gold', which was operated by Eric, the company's Managing Director. Ron, the company's accountant, had custody of the chequebook. Over a period, Ron forged the signature of Eric on 20 cheques totalling Rs. 1 crore. M/S Greg & Wilson Pvt. Ltd. immediately, on detection of the fraud demanded the amount from the bank. Bank of Gold refused payment, and the company filed a suit against the bank. Decide the liability of the bank.

- (A) Bank is not liable to pay as Company was negligent in providing custody of the chequebook to Ron.
(B) Bank is liable to pay as a banker is not entitled to debit the customer's account on such a forged cheque.
(C) Bank is not liable to pay as there is contributory negligence.
(D) Bank is not liable to pay as there is no negligence on Bank's part.

Q210 What is the relevant section in the Negotiable Instruments Act that offers protection to a paying banker who unknowingly accepts a cheque with material alterations as long as the payment is made based on its original appearance and in accordance with standard procedures?

- (A) Section 72 (B) Section 81
(C) Section 89 (D) Section 138

Q211 Which of the following statements is true in reference to a cheque?

- (A) A cheque dated three months before the date of presentation is considered to be stale and cannot be paid.
(B) If a cheque is payable to a limited company, it can be paid to a third party.
(C) An order cheque may be presented for payment only by the original payee.
(D) All of the above

- Q212** Which one of the following statements is true about Rural Self Employment Training Institutes?
- (A) Rural Self Employment Training Institutes are initiatives of the Reserve Bank of India.
- (B) Rural Self Employment Training Institutes are managed by banks with active cooperation from the Government of India and the State Governments.
- (C) Each Rural Self Employment Training Institute is expected to offer 10 to 20 skill development programs in a financial year of 8 to 12 weeks.
- (D) All of the above

- Q213** Which USSD code is universally provided by NPCI for Mobile Banking across all banks and telcos?
- (A) *11# (B) *55#
(C) *77# (D) *99#
- Q214** Which of the following statements is not true about Exchange Earner's Foreign Currency Account?

- I. These accounts can be opened only by NRIs essentially from foreign exchange earnings.
- II. Only 75% of foreign exchange earnings by way of inward remittance through normal banking channels are permitted under these accounts.
- III. Payments received for the purpose of countertrade are permitted under these accounts.

- (A) Only I and II
(B) Only II and III
(C) Only I and III
(D) All of the above

- Q215** What is the maximum tenor for a special non-resident rupee account?
- (A) One year (B) Five years
(C) Seven years (D) Ten years

Q216

Which among the following statements is correct about the Contract of Indemnity?

- I. There are three parties involved in the contract of indemnity.
- II. An indemnity is for the security of the creditor.

- (A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

- Q217** M/S Raichand and Sons Private Limited enjoys working capital facilities with Bank "R". It has approached the bank for a Letter of Credit limit for the purchase of raw materials.

The relevant information provided is given below.

- I. The projected value of raw materials consumption: Rs. 10,000 lakhs
- II. The projected value of raw material purchase on credit: Rs. 6,000 lakhs
- III. Time taken for advising Letter of Credit: 30 days.
- IV. Time taken for shipment and transit period: 45 days.
- V. Credit period agreed upon between the seller and the customer OR the projected available credit period for the calculation of Maximum Permissible Bank Finance for funded limits, whichever is less: than 45 days.
- What shall be the value of a Letter of Credit per cycle, assuming 360 days in a year?

- (A) Rs. 1000 lakhs
(B) Rs. 1500 lakhs
(C) Rs. 2000 lakhs
(D) Rs. 2100 lakhs

- Q218** M/S H&L is a manufacturer of computer hardware like mouse, keyboard etc. The annual turnover for the Financial Year (FY) 2022-23 was Rs. 80 lakhs, and it has targeted 20% growth in FY 2023-24. Calculate the working capital requirement.

- (A) Rs. 17.5 Lakhs (B) Rs. 18.4 Lakhs
(C) Rs. 19.2 Lakhs (D) Rs. 20.4 Lakhs

Q219 Bank of Royals lends a sum of Rs. 1 lakh to Suresh, a 16-year-old boy, to meet the expenses for purchasing necessities of life. Is the bank entitled to recover the money?

- (A) No, as agreement with a minor is void ab initio.
(B) Yes, but the bank can recover the money only from Suresh's natural guardian.
(C) Yes, but the bank can recover the money only from the Union Government.
(D) Yes, but the bank can recover the money from the estate of the minor.

Q220 A One Person Company may lose its status if the average annual turnover is more than:

- (A) Rs. 2 crores in three immediately preceding consecutive years.
(B) Rs. 5 crores in three immediately preceding consecutive years.
(C) Rs. 2 crores in five immediately preceding consecutive years.
(D) Rs. 5 crores in five immediately preceding consecutive years.

Q221 What is the threshold for exemption of service charges/inspection charges on eligible priority sector loans granted to Self Help Groups?

- (A) 15,000 per member
(B) 20,000 per member
(C) 25,000 per member
(D) 30,000 per member

Q222 Which records are required to be maintained by Self-Help Groups as a mandatory practice?

- I. Loan Ledger
II. Cashbook
III. Attendance register
IV. General Ledger

- (A) Only I, II, and IV
(B) Only I, III, and IV
(C) Only II, III, and IV

- (D) All of the above

Q223 An enterprise where the investment in plant and machinery does not exceed one crore rupees is classified as:

- (A) Micro (B) Small
(C) Medium (D) Large

Q224 Which one of the following statements is true in reference to Vehicle loans?

I. For loans above Rs. 10 lakhs, the maximum permissible Loan to Value ratio is 75% of the on-road price of the car.

II. To be eligible for a vehicle loan, the age of the individual should not be more than 65 years.

III. The maximum tenure of the loan is 84 months.

- (A) Only I and II
(B) Only II and III
(C) Only I and III
(D) All of the above

Q225 Ankur sells and delivers goods to Mohit. Afterwards Shivam, out of nothing and without any request or promise to him by any party, agrees to pay for the goods in default of Mohit. This is a _____.

- (A) valid contract of guarantee
(B) valid contract of indemnity
(C) valid contract of bailment
(D) void agreement

Q226 Ashish gives Vaibhav a continuing guarantee to the extent of 30,000 rupees for any goods supplied by Vaibhav to Brijesh on credit. Afterwards, Brijesh becomes embarrassed, and, without the knowledge of Ashish, Brijesh and Vaibhav contract that Vaibhav shall continue to supply Brijesh with goods for ready money and that the payments shall be applied to the then-existing debts between Brijesh and Vaibhav. Decide.

- (A)

Ashish will be liable for his guarantee for any goods supplied after this new arrangement.

- (B) Ashish will be liable to the extent of Rs. 15,000 for his guarantee for any goods supplied after this new arrangement.
- (C) Ashish is not liable for his guarantee for any goods supplied after this new arrangement.
- (D) Ashish will be liable to the extent of Rs. 10,000 for his guarantee for any goods supplied after this new arrangement.

Q227 Which of the following statements is true about Hypothecation?

- I. In hypothecation, possession of the movable property is delivered to the secured creditor.
- II. Hypothecation can be created on the existing movable property only.

- (A) Only I
- (B) Only II
- (C) Both I and II
- (D) Neither I nor II

Q228 Pradhan Mantri Jan Dhan Yojana provides a life insurance cover of _____ to the account holder with a RuPay debit card.

- (A) Rs. 30,000
- (B) Rs. 50,000
- (C) Rs. 1 Lakh
- (D) Rs. 2 Lakhs

Q229 What is the minimum net owned funds requirement for an NBFC-MFI registered in the North-Eastern Region of India?

- (A) Rs. 50 lakhs (B) Rs. 1 crore
- (C) Rs. 2 crores (D) Rs. 5 crores

Q230 The regulatory structure for Non-Banking Financial Companies shall comprise of:

- (A) Two Layers (B) Three Layers
- (C) Four Layers (D) Five Layers

Q231 Which form of security is considered best and most reliable when compared to other types of security?

- (A) Fixed Deposit Receipt

- (B) Life Insurance Policies
- (C) Land/Real Estate
- (D) Stocks and Shares

Q232 Which of the following statements is correct about Demand Promissory Notes?

- I. Where a fixed period for the repayment of the loan is not specified, the bankers take a Demand Promissory Note.
- II. Demand Promissory Note should be in conformity with the Indian Contract Act.
- III. Demand Promissory Note attracts stamp duty.
- IV. The borrower agrees to repay the loan amount whenever requested by the banker, along with an interest rate of 7.5% per annum.

- (A) Only I, II, IV
- (B) Only I and III
- (C) Only II, and IV
- (D) Only I, III, and IV

Q233 Which of the following statements is not true about Forms?

- (A) Forms are in the nature of a promise.
- (B) Forms are obtained to clearly specify the intention of the borrower.
- (C) When a payment is to be made out of loan proceeds to a supplier of goods is taken by means of a form.
- (D) None of the above

Q234 What is the minimum threshold of security interest required for the application of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002?

- (A) Rs. 1 Lakh and the amount due is 25% or more of the principal amount and interest thereon.
- (B) Rs. 2 Lakhs and the amount due is 20% or more of the principal amount and interest thereon.
- (C)

Rs. 1 Lakh and the amount due is 20% or more of the principal amount and interest thereon.

(D) Rs. 2 Lakhs and the amount due is 25% or more of the principal amount and interest thereon.

Q235 What is the maximum monetary limit for civil disputes that can be resolved through a Lok Adalat?

- (A) Rs. 10 lakhs (B) Rs. 20 lakhs
(C) Rs. 25 lakhs (D) Rs. 50 lakhs

Q236 Which of the following statements is true about the Recovery of Debts and Bankruptcy Act?

- (A) The Debt Recovery Tribunal mechanism is applicable to dues of Cooperative banks.
(B) The Debt Recovery Tribunals Act is applicable to Multistate Co-operative Banks.
(C) The Debt Recovery Tribunal entertains the cases where the amount of debt due to any bank is 10 lakh rupees or more.
(D) Both B and C

Q237 Which among the following is a type of bill payable otherwise than on demand?

- (A) Clean Bill
(B) Documentary Bill
(C) Demand Bill
(D) Usance Bill

Q238 What is the default interest rate to be used for calculating interest if no specific rate is mentioned in the negotiable instrument?

- (A) 6% p.a. (B) 9% p.a.
(C) 12% p.a. (D) 18% p.a.

Q239 Which of the following terms defines the process of substituting actual card details with an alternate code?

- (A) Tokenization (B) Cloning
(C) Imitation (D) Shadowing

Q240 Which of the following statements is not true about Consumer loans?

I. Banks allow a period of 1 to 3 years for repayment of consumer loans.

II. For security purposes, there is a pledge of the article purchased out of the bank loan.

- (A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Q241 Foreign Banks with more than 20 branches are expected to enlarge credit to the priority sector and ensure that priority sector advances constitute _____.

- (A) 25% of adjusted net bank credit
(B) 40% of adjusted net bank credit
(C) 50% of adjusted net bank credit
(D) 75% of adjusted net bank credit

Q242 What is the maximum loan amount per borrower for individual women beneficiaries to be classified as priority sector loans in the Weaker Section Category?

- (A) Rs. 50,000
(B) Rs. 75,000
(C) Rs. 1,00,000
(D) Rs. 1,50,000

Q243 Which one of the following statements is true about Agricultural Term Loans?

- (A) Agricultural Term Loans are provided for the repayment of debts.
(B) The loan amount is to be repaid within 1 to 3 years.
(C) All categories of farmers are eligible for this loan.
(D) All of the above

Q244 Which of the following is the nodal agency for the procurement of Oilseeds and pulses?

- (A) FCI (B) NAFED
(C) OSHEE (D) NABARD

Q245 Which of the following is a hardware device that creates a single, aggregate network from multiple networks?

- (A) Repeater (B) Bridge

(C) Hub

(D) NIC

Q246 What is the recommended minimum character length for passwords in CBS access control mechanisms?

(A) Six

(B) Eight

(C) Ten

(D) Twelve

Q247 What are the three types of transactions involved in a Core Banking Solution?

(A) Cash, Deposit, and Automation

(B) Cash, Clearing, and Transfer

(C) Cash, Deposit and Transfer

(D) Cash, Transfer and Automation

Q248 Cash Recycler allows cardless transactions up to Rs. _____ per day.

(A) 5000

(B) 10000

(C) 20000

(D) 25000

Q249 Which of the following statements is not true about BANKNET?

(A) BANKNET was established in the year 1999.

(B) BANKNET operates as a virtual private network.

(C) BANKNET is operated by VISA.

(D) Both (A) and (C)

Q250 Assertion (A): Coaxial cables are the most popular cables currently in use.

Reason (R): Coaxial cables are useful for connecting terminals to computers up to a distance of 150 metres.

(A) Both A and R are true, and R is the correct explanation of A.

(B) Both A and R are individually true, but R is not the correct explanation of A

(C) A is true and R is false, and R is the not correct explanation of A

(D) Both A and R is false, and R is not the correct explanation of A

Q251 Which of the following layers is not involved in the Defence-in-Depth security strategy?

(A) Physical

(B) External Network

(C) Internal Network

(D) Data

Q252 NBAD provides one approach to network security threat detection. What does the letter 'A' in NBAD stand for?

(A) Anomaly

(B) Address

(C) Advanced

(D) Access

Q253 Which one of the following statements is true about RuPay?

I. RuPay is a card payment scheme launched by the Reserve Bank of India.

II. RuPay is the coinage of two terms Rupee and Payment.

(A) Only I

(B) Only II

(C) Both I and II

(D) Neither I nor II

Q254 Which of the following banks is not a core promoter of the National Payments Corporation of India?

(A) Bank of Baroda

(B) HSBC Bank

(C) Union Bank of India

(D) IndusInd Bank

Q255 Which one of the following statements is true about e-RUPI?

I. The e-RUPI was launched by the National Payments Corporation of India.

II. The e-RUPI can be issued only by banks authorized by the Reserve Bank of India to issue PPIs and who are participating as Payment Service Providers (PSP) in the UPI ecosystem.

III. e-RUPI can be issued up to INR 25,000 per voucher.

(A) Only I and II

(B) Only II and III

(C) Only I and III

(D) All of the above

- Q256** Which among the following is a service provided using Hashtag banking?
(A) Fixed Deposit services
(B) FASTag services
(C) Block/Unblock Services
(D) All of the above
- Q257** With the formation of SEBI, and the addition of clause 49 (listing agreements), business ethics gained the center stage of business operations. When was SEBI formed?
(A) 1990 (B) 1991
(C) 1992 (D) 1993
- Q258** _____ is the first and foremost principle of ethical banking.
(A) Honesty (B) Integrity
(C) Trust (D) Reliability
- Q259** Ayush is an employee of State Bank. One day, he got to know that one of the account holders, "M/S RZE Ltd., a small-cap company listed on the Bombay Stock Exchange", is going to become insolvent. The information is yet to be announced publicly. He advised Akash, his brother-in-law, to sell all the stock in his portfolio belonging to M/S RZE Ltd. This amounts to _____.
(A) Insider Trading
(B) Advantage Trading
(C) Proprietary Trading
(D) Biased Trading
- Q260** Who is responsible for safeguarding the genuine complainant under the Whistle Blowers Protection Act?
(A) Principal Officer
(B) COO
(C) CEO
(D) CVC
- Q261** A Patent can be granted for:
(A) Music (B) Invention
(C) Films (D) Literary work
- Q262** What is the timeframe within which banks must report any suspicious transaction noticed by

them to FIU-IND?

- (A) 3 days (B) 5 days
(C) 7 days (D) 10 days

- Q263** Within what timeframe should a cheque be presented from the date of the instrument in order to receive payment?
(A) 3 months (B) 6 months
(C) 9 months (D) 12 months
- Q264** Which one of the following statements is true about the Positive Pay System?
(A) RBI has introduced the Positive Pay System for CTS with effect from April 1, 2021.
(B) Banks must make such a facility available to all account holders, issuing cheques for amounts of Rs. 25,000 and above.
(C) Banks have the option of making it mandatory in the case of cheques for amounts of Rs. 5,00,000 and above.
(D) All of the above
- Q265** In November 2003, RBI constituted the Committee on Procedures and Performance Audit of Public Services under the Chairmanship of _____ to address the issues relating to the availability of adequate banking services to the common man.
(A) S.S. Tarapore (B) Amitav Ghosh
(C) C. Rangarajan (D) Raghuram Rajan
- Q266** What is the maximum number of days from the date of receiving the claim for settling the claims regarding deceased locker hirers and releasing the contents of the locker?
(A) 7 days (B) 10 days
(C) 14 days (D) 15 days
- Q267** Prevention of Money Laundering Act lays down an obligation upon the bank to maintain records of all transactions as specified, and furnish the information of prescribed transactions, including attempted transactions. These records shall be kept for a period of _____ years from the date of the transaction.
(A) 3 (B) 5

(C) 7

(D) 10

Q268 Which of the following statements is not true in relation to a minor's account?

- I. Banks allow minors above the age of 14 years to open and operate a deposit account.
- II. RBI only permits banks to open a minor's account with the father as a guardian.
- III. Two minors cannot open a joint account.

- (A) Only I and II
- (B) Only I and III
- (C) Only II and III
- (D) All of the above

Q269 Which of the following is a stage of Money Laundering?

- (A) Placement
- (B) Layering
- (C) Integration
- (D) All of the above

Q270 Which of the following goods/services are exempted from the application of the Consumer Protection Act 2019?

- I. Goods for resale
- II. Goods for personal consumption.
- III. Services rendered in exchange for money.
- IV. Services under a contract for personal service.

- (A) Only I and II
- (B) Only I and IV
- (C) Only I, III, and IV
- (D) Only II, III, and IV

Q271 Self Help Groups may be sanctioned savings-linked loans by banks varying from a saving-to-loan ratio of 1:1 to _____.

- (A) 1:2
- (B) 1:3
- (C) 1:4
- (D) 1:5

Q272 Which of the following types of mortgages are generally obtained by a banker?

I. Simple Mortgage

II. Mortgage by Conditional Sale

III. Mortgage by deposit of title deeds

IV. English Mortgage

- (A) Only II and III
- (B) Only I and III
- (C) Only I, III, and IV
- (D) Only II, III, and IV

Q273 Which of the following statements is true in relation to the Self-Help Groups?

- I. Normally, members in the group should not exceed 20.
- II. Generally, all members should belong to families below the poverty line.

- (A) Only I
- (B) Only II
- (C) Both I and II
- (D) Neither I nor II

Q274 The person who gives the guarantee is known as:

- (A) Beneficiary
- (B) Trustee
- (C) Surety
- (D) Creditor

Q275 Which section of the Indian Contract Act defines the contract of Indemnity?

- (A) Section 124
- (B) Section 131
- (C) Section 148
- (D) Section 152

Q276 Which of the following statements is true?

- (A) Farmers with landholdings upto 0.5 hectare are categorized as Marginal Farmers.
- (B) Farmers with landholdings of more than 1 hectare and upto 2 hectares are categorized as Small Farmers.
- (C) Both (A) and (B)
- (D) Neither (A) nor (B)

Q277 If a promissory note is attested, it becomes a bond. This statement is:

- (A) True
- (B) False
- (C) Partly True

(D) Cannot be determined

Q278 Every instrument, other than a bill of exchange and promissory note, which are chargeable with duty and executed out of India may be stamped within _____ after it has been first received in India.

- (A) One month (B) Three months
(C) Six months (D) Twelve months

Q279 Logical controls are implemented using the access control facilities of _____ and _____.

- (A) Operating System and Cloud Computing
(B) Cloud Computing and database systems
(C) Operating System and database systems
(D) Internet and cloud computing

Q280 Which one of the following statements is true?

I. Ethernet and Token-RING are commonly used types of adapters.

II. In the Ethernet system, the listen-before-transmit media sharing system is called Carrier-Sense Multiple Access with a Collision Detection system.

III. Ethernet enables devices to communicate with each other via a protocol.

- (A) Only I and II
(B) Only II and III
(C) Only I and III
(D) All of the above

Q281 Which Committee's recommendations led to the Reserve Bank of India's decision to establish INFINET, a nationwide data communication network?

- (A) Saraf (B) Urjit Patel
(C) Y.V. Reddy (D) Raghuram Rajan

Q282 Which one of the following statements is true about Checksum?

I. The checksum is generated to ensure the integrity of data stored in a computer file.

II. Checksum usually involves at least the account number, balances and names of the account holders.

- (A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Q283 What is the term used to describe a network that utilizes separate dedicated data lines between two or more computers?

- (A) Dial up network
(B) Leased line network
(C) Microwave link network
(D) Satellite link network

Q284 Import Data Processing and Monitoring System and Central Repository of Information of Large Credits are examples of:

- (A) FinTech (B) RegTech
(C) SupTech (D) DigTech

Q285 A central bank digital currency is also known as:

- (A) Ethereum
(B) Digital Fiat Currency
(C) Ripple
(D) None of the above

Q286 _____ is a platform for detecting, analyzing, and responding to security threats of the next generation.

- (A) VAPT (B) C-SOC
(C) SIEM (D) NBAD

Q287 Which of the following statements is not true in relation to the term "Account Aggregator"?

I. An Account Aggregator is a type of SEBI regulated entity.

II. Account Aggregator retrieves or collects information related to the financial assets of a customer from the holders of such information.

III. Account Aggregator is empowered to share the data even without the consent of the individual.

- (A) Only I and II

- (B) Only I and III
- (C) Only II and III
- (D) All of the above

Q288 In how many categories can threat actors be broadly classified?

- (A) 4
- (B) 5
- (C) 6
- (D) 7

Q289 Who was the chairman of the committee that proposed the establishment of ATMs in India?

- (A) Urjit Patel
- (B) Y.V. Reddy
- (C) Bimal Jalan
- (D) C. Rangarajan

Q290 What was the ranking of Satyam Computer Services Ltd. in Corporate Governance according to the 2005 Global Institutional Investors Survey?

- (A) 1st
- (B) 3rd
- (C) 5th
- (D) 7th

Q291 Accounting standard 15 is applied in reporting related party relationships, and transactions between a reporting enterprise and its related parties. This statement is:

- (A) True
- (B) False
- (C) Partly True
- (D) Cannot be determined

Q292 Akash has been recently recruited to the 'Bank of Lords' as a loan manager. He is having financial troubles back at home and is in dire need of Rs. 5 lakhs to get his father medically treated. One day, he was approached by Ayush, a merchant, who offers to pay him Rs. 5 lakhs in exchange for the approval of a fictitious loan application of Rs. 50 lakhs. In the given scenario, what should Akash do?

- (A) Accept the bribe and approve the loan application.
- (B) Accept the bribe as he is in dire need of money but refuse the loan application.
- (C) Accept the bribe but report the incident.
- (D) Refuse the bribe and report the incident.

Q293

Based on the recommendation of the Working Group on Fintech and Digital Banking, RBI put in place an 'Enabling Framework for Regulatory Sandbox'. It is a formal regulatory programme for:

- (A) Capturing Customer Data
- (B) Market participants to test new products, services or business models with customers in a live environment
- (C) Preventing Data Leak and safeguarding Customer Data.
- (D) Monitoring the activities of Bank Employees

Q294 Which organization is designated as the nodal agency for receiving complaints under the 'Protected Disclosures Scheme for Private Sector and Foreign Banks'?

- (A) SEBI
- (B) NCLT
- (C) RBI
- (D) CVC

Q295 Who bears the primary responsibility for communicating with different stakeholders during a crisis?

- (A) CEO
- (B) Managing Director
- (C) COO
- (D) Principal Director

Q296 Which one of the following statements is not true?

- I. Business values indicate the magnitude of rightness or wrongness of one's opinion.
- II. Business values explain the core principles or standards that guide the way business is done.

- (A) Only I
- (B) Only II
- (C) Both I and II
- (D) Neither I nor II

Q297 Term deposits in banks are also referred to as _____ and they do not permit _____ before the expiry of a specified period, as per the definition by _____.

- (A)

time deposits, withdrawal, the Reserve Bank of India

(B) demand deposits, withdrawal, the Reserve Bank of India

(C) time deposits, deposit, the World Bank

(D) demand deposits, deposit, the World Bank

Q298 Which of the following statements with respect to Priority Sector Lending is incorrect?

I. There are a total of 8 categories in the priority sector.

II. The total Priority Sector target for Small Finance Banks is 45 percent of ANBC or CEOBE, whichever is higher.

III. The target for Agriculture is not applicable for foreign banks with less than 20 branches

(A) Only I

(B) Only I & II

(C) Only II

(D) II & III

Q299 Which section of the Negotiable Instruments Act, 1881, lays down the condition when a bank has to make payment on a cheque drawn by the customer?

(A) Section 10

(B) Section 89

(C) Section 85

(D) Section 31

Q300 What is the timeframe for a customer to report a third-party breach, along with any system deficiencies, to the bank in order to be eligible for zero liability, provided the customer has no fault in the matter, and the bank has communicated about the transaction?

(A) 3 working Days

(B) 5 working Days

(C) 7 Days

(D) 7 working Days

Answer Key

Q1 (C)
Q2 (B)
Q3 (C)
Q4 (B)
Q5 (D)
Q6 (A)
Q7 (C)
Q8 (A)
Q9 (C)
Q10 (A)
Q11 (C)
Q12 (A)
Q13 (C)
Q14 (A)
Q15 (C)
Q16 (A)
Q17 (D)
Q18 (A)
Q19 (D)
Q20 (C)
Q21 (D)
Q22 (C)
Q23 (B)
Q24 (B)
Q25 (A)
Q26 (C)
Q27 (B)
Q28 (B)
Q29 (A)
Q30 (D)
Q31 (A)

Q32 (B)
Q33 (C)
Q34 (B)
Q35 (A)
Q36 (A)
Q37 (A)
Q38 (A)
Q39 (D)
Q40 (D)
Q41 (B)
Q42 (B)
Q43 (A)
Q44 (B)
Q45 (D)
Q46 (C)
Q47 (D)
Q48 (B)
Q49 (C)
Q50 (D)
Q51 (A)
Q52 (B)
Q53 (C)
Q54 (D)
Q55 (B)
Q56 (C)
Q57 (B)
Q58 (B)
Q59 (A)
Q60 (A)
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Hints & Solutions

Q1 Text Solution:

- The word "cash management" is used to describe the gathering, storing, and distributing of cash.
- It covers a company's amount of liquidity, how cash balances are managed, and short-term investment plans.
- A cash management system's goals are to increase revenue, maximise profits, cut expenses, and set up effective management processes to support and speed up growth.
- The majority of the cash management industry in India consists of collections and payment services.

Q2 Text Solution:

- The following are the products that are offered by banks under collections (both paper and electronic):

1. Magnetic ink character recognition (MICR)
2. High value (0 Day clearing)
3. Local cheque collections
4. Outstation cheque collections
5. Cheques that are drawn on branch locations
6. Cheques that are drawn on correspondent bank locations
7. Cheques that are drawn on coordinator locations
8. House cheque collections
9. Cash collections
10. ECS-Debit
11. Outside network cheque collections
12. Invoice collections
13. Post-dated cheque collection
14. Capital market collections

- Whereas, the products offered by banks under payment (both paper and electronic) are:

1. RTGS/NEFT/ECS
2. Payments within bank
3. Cash disbursement

4. Demand drafts/banker's cheques
5. Customer cheques
6. Locally payable
7. Payable at par
8. Capital market payments

Q3 Text Solution:

- "Cash management" is used to describe the gathering, storing, and distributing of cash.
- The advantages offered by this system are:
 - a. There is more control over time and funds
 - b. Interest income is increased or interest expense is reduced
 - c. Helps in the detection of bookkeeping errors
 - d. Timely access to information is provided
 - e. The number of cheques issued is reduced
 - f. Electronic payments are supported
 - g. Helps in faster electronic reconciliation

Q4 Text Solution:

- A Committee on Currency Movement, led by DK Mohanty, was established by the RBI in 2016 with the goal of assessing all aspects of the security of treasure in transit.
- The recommendations of the committee were:
 1. In collaboration with the chest / nodal branch, the service provider must make cash indents at least one day in advance (T-1, where T is the day of cash loading).
 2. Cash withdrawals from more than one location should be avoided and limited to one per centre. Metropolitan areas, however, could have two places for cash withdrawal.
 3. Transactions must be reconciled at least once every three days (T+3) between the bank, the service provider, and its subcontractors.
 4. The bank may grant the service provider and its subcontractors' access to video footage of the ATM upon request in the case of a dispute or the reporting of an alleged or attempted breach of security or established procedures.

5. Install a reliable digital records management system to facilitate data retrieval and rebalancing.
6. Create and maintain an industry-level database of employees using any special mode or code of identification on behalf of the Self Regulatory Organisation to make sure they have clean records.

Q5 Text Solution:

- The act of managing a company's everyday cash flows and more significant financial decisions is known as treasury management. It can develop and maintain credit lines, maximise investment returns, and plan the optimal use of assets. Additionally, it can give governance over a company's liquidity.
- Treasurers or senior financial officers make sure that there is working capital available to continue operations and lower financial risks while a company raises, earns, or utilises cash.
- All of the options given are types of Treasury Management Services.

Q6 Text Solution:

1) National Payments Corporation of India (NPCI) founded in December 2008:

- This statement is true. The NPCI was indeed founded in December 2008. It is an organization that operates in the field of retail payments in India. It was established to provide efficient and secure payment systems and facilitate digital transactions in the country.

2) 20 core promoter banks are currently associated with NPCI:

- This statement is false. The correct information is that NPCI presently has ten core promoter banks. These banks were involved in the establishment of NPCI and played a significant role in its governance and operations.

- These core promoter banks provide guidance and support to NPCI in its initiatives and decision-making processes.

3) Both the Reserve Bank of India and the Indian Banks' Association established the NPCI:

- This statement is true. NPCI was established as a not-for-profit organization jointly by the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA).
- The RBI, as the central bank of India, has a regulatory role in the payment systems, while the IBA represents various banks operating in the country. The collaboration of these two entities resulted in the establishment of NPCI.

4) Retail payments are the primary focus of NPCI:

- This statement is true. NPCI primarily focuses on retail payments in India. It develops and operates various payment systems and infrastructures that facilitate secure, efficient, and convenient retail transactions. NPCI's initiatives include the Unified Payments Interface (UPI), Immediate Payment Service (IMPS), National Electronic Funds Transfer (NEFT), and other digital payment solutions that cater to retail customers, merchants, and businesses.

Overall, statements 1, 3, and 4 are true in the context of NPCI.

Q7 Text Solution:

- SIFMI stands for Systematically important financial market infrastructures. It is a set of electronic clearing systems that allow banks to transfer funds between each other. ECS, NEFT, RTGS, etc. are Systematically important financial market infrastructures used by banks to facilitate a variety of financial transactions, including:
 - Direct debits and credits
 - Inter-bank transfers

- Settlement of payments
- Money market operations
- Government payments
- Corporate payments
- SIFMIs play an important role in the Indian financial system. They help to reduce costs, improve efficiency, and increase transparency. They also help to promote financial inclusion by making it easier for people to access financial services.
- Here is a brief explanation of each of the SIFMIs mentioned above:
 - ECS: Electronic Clearing Service is a system for clearing cheques and electronic demand drafts.
 - NEFT: National Electronic Funds Transfer is a system for transferring funds between bank accounts on a real-time basis.
 - RTGS: Real-Time Gross Settlement is a system for transferring large sums of money between banks on a real-time basis.
 - CTS: Clearing House Automated Transfer System is a system for clearing high-value cheques electronically.
 - IMPS: Immediate Payment Service is a system for transferring funds between bank accounts instantly.
 - UPI: Unified Payments Interface is a system for making payments using a mobile phone number.
 - NACH: National Automated Clearing House is a system for processing bulk payments, such as salaries and pensions.

Q8 Text Solution:

Answer- Both statements 1 and 3 are incorrect.

- The National Financial Switch (NFS) is the most extensive network of ATMs shared across India.
- It was created and implemented by IDRBT in 2004, aiming to connect ATMs nationwide and make banking more convenient.
- The NPCI took over the NFS from the IDRBT on December 14, 2009.

Q9 Text Solution:

Answer- National Payments Corporation of India (NPCI) is the correct answer.

- The IMPS (Immediate Payment Service) system in India is managed by the National Payments Corporation of India (NPCI).
- NPCI is a pioneer organization in the field of retail payments in India and is responsible for the development, management, and oversight of various payment systems in the country.
- As the manager of the IMPS system, NPCI ensures the smooth operation and functionality of the inter-bank electronic fund transfer service.
- NPCI establishes and maintains the technical infrastructure required for IMPS, including the necessary network connectivity, data processing systems, and security measures.
- NPCI also formulates the operational guidelines and rules for IMPS, which are binding on all the participating members, including banks and prepaid payment instrument issuers.
- These guidelines are framed under the provisions of the Payment and Settlement Systems Act 2007, which governs the regulation and operation of payment systems in India.
- In addition to managing the IMPS system, NPCI plays a crucial role in promoting and expanding the adoption of digital payment solutions across the country.
- It collaborates with banks, government agencies, and other stakeholders to drive financial inclusion, enhance the efficiency of payment systems, and provide innovative payment solutions to meet the evolving needs of customers.
- Overall, NPCI acts as the central authority for managing the IMPS system in India, ensuring its secure and efficient operation while contributing to the development of the digital payment ecosystem in the country.

Q10 Text Solution:

Answer- "By using the beneficiary's account number and IFS code" is the correct option.

- In the IMPS (Immediate Payment Service) system, funds transfer can still be made even if the beneficiary's mobile number is not registered with any bank account. In such cases, additional information is required to initiate the funds transfer.
- The IMPS system allows for the use of beneficiary account numbers and IFS (Indian Financial System) code as an alternative to the beneficiary's mobile number and Mobile Money Identifier (MMID).
- The beneficiary account number represents the bank account where the funds need to be transferred, and the IFS code identifies the specific bank branch associated with the beneficiary's account.
- By providing these details along with the beneficiary's name and other necessary transaction information, the sender can initiate an IMPS funds transfer.
- This flexibility allows users to make transactions even if the beneficiary's mobile number is not linked to their bank account.
- It provides an alternative method to facilitate the transfer of funds securely and conveniently. It is important to note that while the mobile number and MMID combination is a commonly used method for IMPS transfers, the inclusion of account numbers and IFS code widens the scope of accessibility and convenience for users in various scenarios.

Q11 Text Solution:

- Under sub-section (1) of section 10 of FEMA, the institutions that hold a licence from the RBI to buy and sell foreign currency are known as Authorised Dealers.
- Entities to which the RBI has granted permission to conduct all permitted current and capital account operations under its current and past directives are Authorised

Dealer Category I. All nationalised banks, major non-nationalized banks, and foreign banks are selected as Category I Authorised Dealers to conduct foreign exchange business.

- Authorised Dealer Category II are entities authorised by the RBI to carry out current account transactions related to specified non-trade.
- Authorised Dealer Category III are entities authorised by the RBI to carry out specific foreign exchange transactions which are incidental to their business/ activities.
- An Authorised Person (AP) is an authorised dealer, money changer, off-shore banking unit or person authorised under sub-section (1) of section 10 to deal in foreign exchange.

Q12 Text Solution:

- Current account transactions are those that are not capital account transactions. They include trade, student, and individual remittances.
- Capital account transactions are those that change either the assets or liabilities of Indian residents or the assets or liabilities of foreign residents in India. It refers to capital inflows such as loans, investments, and grants. Foreign Direct Investment (FDI) refers to inflows into the nation, whereas External Commercial Borrowings (ECB) refers to capital debt. An investment that leaves the country is an equity outflow.
- In the given question, the purchase of immovable property outside India is a capital account transaction.

Q13 Text Solution:

- The Indo-Nepal Remittance Facility (INRF Scheme) is a cross-border remittance programme that enables money transfers from India to Nepal.
- The Reserve Bank of India (RBI) introduced the programme in May 2008 to give migrant

Nepalese employees in India a secure and affordable way to send money home to their families in Nepal.

- If the sender has an account with a bank branch in India that supports NEFT, they are permitted to send up to Rs. 2 lakhs per transaction to a recipient who resides in Nepal.
- A beneficiary who lives in Nepal may receive up to 50,000 from a walk-in or non-customer transaction.

Q14 Text Solution:

- Under the 2004-introduced Liberalised Remittance Scheme (LRS), RBI has loosened the limitations on outbound remittances for residents of the country.
- Residents, including minors, may participate in the programme. However, corporations, partnership businesses, HUFs, trusts, etc. are not eligible.
- Each person is only allowed to remit USD 250,000 within a fiscal year (April to March). The quantity of transactions is unrestricted.
- Any permitted capital account or current account transaction, or any combination thereof, may be utilised with it. It is prohibited from being used to send money to another resident's foreign currency account overseas in order to offer them a present.

Q15 Text Solution:

- A scheme for liberalising personal outward remittances was recommended by the Committee on Procedures and Performance Audit on Public Services (CPPAPS) in 2004. The RBI launched the Liberalised Remittance Scheme (or "LRS") that same year, enabling Indian citizens to conduct discrete foreign exchange transactions with a fair amount of simplicity.
- Indian citizens may freely transfer up to USD 250,000 every fiscal year for capital or current account transactions, or a combination of

both, under LRS. Any transfer that exceeds this amount needs RBI approval in advance.

- Under LRS, only individual Indian residents are allowed to send money. Corporate entities, partnership businesses, HUFs, trusts, etc. are not included in its scope. All transfers exceeding the limit of Rs. 7 lakhs are subject to 5% tax collected at source (TCS). The TCS deducted, however, can be refunded by filing an income tax return (ITR) using Form 26 AS.

Q16 Text Solution:

- The Foreign Exchange Management (Current Account Transactions) Rules, 2000 regulate the release of foreign currency to a person residing in India for a variety of current account transactions. The following three categories represent how these rules have classified current account transactions:
- Schedule I includes transactions that are expressly prohibited.
- Schedule II includes transactions that are permitted with prior approval from the concerned Ministry or Department of the Government of India.
- Schedule III includes transactions that can be permitted by Authorised Dealers up to the specified threshold ceilings.

Q17 Text Solution:

- The Indo-Nepal Remittance Facility is a remittance programme which enables money transfers from India to Nepal (one way only). It was introduced in 2008 by the RBI to provide a secure and affordable way of sending money by migrant Nepalese employees in India to their families in Nepal.
- The scheme operates on NEFT, and if a sender has an account in India with a bank that supports NEFT, he/she can send Rs. 2 lakhs in one transaction. There is no limit imposed on remittances in this case.
- However, walk-in/non-customers can only remit 12 remittances in one year, and that too

has a ceiling of Rs. 50,000 per remittance.

- The beneficiary receives the amount in Nepalese Rupees through credit to the account maintained with the Nepal SBI Bank Limited (a subsidiary of State Bank of India in Nepal) or through an agency arrangement.

Q18 Text Solution:

- The Reserve Bank of India (RBI) has set a sub-target of 7.5% for lending to micro-enterprises under the priority sector lending. This means that banks must lend at least 7.5% of their total outstanding advances to micro-enterprises.
- Micro-enterprises are small businesses with an investment in plant and machinery not exceeding Rs. 1 crore. They play an important role in the Indian economy, as they provide employment to many people and contribute to economic growth.
- There are several benefits of lending to micro-enterprises. First, micro-enterprises create jobs and boost economic growth. Second, micro-enterprises are less likely to default on loans than large enterprises. Third, micro-enterprises are more likely to use loans to invest in their businesses, which can lead to increased productivity and profitability.

Q19 Text Solution:

The Legal Entity Identifier (LEI) serves as an essential tool for enhancing transparency and reducing risk in financial markets:

1. ISO (International Organization for Standardization): The LEI is based on a standard developed by ISO, specifically ISO 17442. ISO sets out the parameters for what information the LEI can deliver, aiming to uniquely identify entities that are parties to financial transactions.
2. Financial Stability Board (FSB): The Global Legal Entity Identifier Foundation (GLEIF) is responsible for the operational aspects of the LEI system. It is overseen by the Financial

Stability Board, which is an international body that monitors the global financial system and makes recommendations for its stability.

Q20 Text Solution:

The correct answer is option (c), "They can be leveraged to invest directly in stock markets." Deposit accounts like savings accounts, current accounts, fixed deposits, and recurring deposits are primarily designed for holding money securely and often for earning interest. They do not inherently offer direct investment options into stock markets or other investment vehicles. Banks may offer investment services, but these are separate from deposit accounts.

Q21 Text Solution:

Archived for Future Reference: Unlike traditional systems where the physical cheque had to be presented for clearance, in CTS, the physical cheque is not sent to the paying bank. Instead, it is archived by the collecting bank for any future references or needs for a specific period, as per regulatory requirements.

Q22 Text Solution:

The correct answer is option (c), "The POA can be revoked by the grantor at any time, even without notifying the bank." While it is true that a POA can generally be revoked by the grantor, proper notification and procedures must be followed for the revocation to take effect, particularly in a banking context. This often includes notifying the bank and possibly filing specific documentation to formalize the revocation.

Q23 Text Solution:

Banker's Lien is a legal right that allows the bank to seize funds from a defaulting customer's account held with the same bank to offset the amount owed by the customer, without requiring explicit consent from the customer. This right is generally stipulated in the account agreement

when the account is opened or when the loan is sanctioned.

Q24 Text Solution:

Under Section 138 of the Negotiable Instruments Act, 1881, in the event of the dishonour of a cheque, the payee has to send a formal notice to the drawer within 30 days from receiving the "cheque return memo" from the bank. After the notice is sent, the drawer has 15 days to make the payment. If the drawer fails to make the payment within 15 days, the payee can file a legal suit against the drawer within 30 days.

Q25 Text Solution:

The correct answer is option (a), "A collecting bank is not liable if it collects a cheque with a forged signature, provided it has exercised due care and caution." Under the Negotiable Instruments Act, 1881, a collecting bank that acts in good faith and without negligence while collecting a cheque on behalf of its customer is granted protection from liability even if the cheque turns out to be forged or otherwise defective.

Q26 Text Solution:

I. One of the primary duties of a collecting bank is to present the cheque for payment within a reasonable time. Failure to do so may make the bank liable for any loss that may be incurred due to the delay.

II. The collecting bank should exercise due diligence in verifying the genuineness of the instruments and endorsements. This is essential to minimize the risk of fraud or forgery.

III. In case of dishonor, the collecting bank must give immediately dispatch the cheque to the customer without delay. This ensures that the customer is made aware of the dishonor as soon as possible and can take appropriate action.

IV. A collecting bank is expected to adhere to guidelines prescribed by regulatory authorities. This includes following procedures for collecting

payments, adhering to anti-money laundering protocols, and ensuring compliance with all relevant laws and regulations.

Q27 Text Solution:

The correct answer is option (b), which states, "Mandatory provision of loans only to high net-worth individuals." This measure is not aimed at promoting financial inclusion. In fact, it contradicts the very idea of financial inclusion, which is to extend financial services to all segments of the society, including those with low income and minimal financial literacy.

Q28 Text Solution:

Rural Self Employment Training Institutes (RSETIs) play a crucial role in the empowerment of rural youth through skill training and self-employment programs.

RSETIs are established, operated and sponsored by Public Sector Banks, which take up the responsibility of setting up the institutes, usually in association with the government. These institutes function with the aim of offering various courses to unemployed youth, thus enabling them to gain employable skills and participate in the country's economic activities.

Q29 Text Solution:

Customer awareness in the banking and financial sectors is critical for minimizing risks associated with fraud, unauthorized transactions, and data breaches. Here are key points for customer awareness:

1. Passwords: One of the recommended best practices for customers is to regularly update their passwords. Strong, unique passwords are the first line of defense against unauthorized access to accounts.
2. Sensitive Information: Customers should be extremely cautious when receiving unsolicited communications that ask for sensitive information such as login credentials, credit/debit card numbers, or other personal

details. Such communications are often phishing attempts aimed at stealing information.

Q30 Text Solution:

I: A Garnishee Order is a legal order issued by a court directing a bank to freeze the accounts of a debtor for the purpose of executing a judgment debt. Therefore, this statement is correct. II: An Attachment Order is not a voluntary act by the debtor but is rather a legal process by which a court designates specific property owned by the debtor to be transferred to the creditor. Therefore, this statement is incorrect. III: Garnishee Orders and Attachment Orders essentially serve the same purpose, which is to secure a debt by attaching the debtor's assets. However, they are generally initiated through a court order rather than different parties. Therefore, this statement is incorrect. IV: Banks are legally obligated to comply with a Garnishee Order if it is valid and issued by a competent court. Failure to do so can result in legal consequences for the bank. Therefore, this statement is correct.

Q31 Text Solution:

The correct answer is option (a), "Centralized Mechanism." The Integrated Ombudsman Scheme was introduced by the Reserve Bank of India to create a single, centralized mechanism for resolving customer complaints against entities that are regulated by the RBI. This approach aims to streamline and simplify the grievance redressal process, making it more effective and user-friendly.

Q32 Text Solution:

The special arrangements at branches are meant to make services accessible and user-friendly to all customer segments including those with special needs. Having a ramp that is too steep for comfortable use negates the purpose of having the ramp in the first place.

Q33 Text Solution:

Gross NPAs are loans that have turned bad or irrecoverable; these are loans where the borrower has defaulted or is unable to meet the principal and interest payments. They contribute to the non-performing asset pool of the bank.

Q34 Text Solution:

As an indemnity holder, Rachel has the right to be indemnified for any loss covered under the terms of the indemnity contract. The obligation to minimize losses is not automatically implied in an indemnity contract unless specifically stated.

Q35 Text Solution:

I: The Rural Infrastructure Development Fund (RIDF) is a fund where banks can contribute if they are not able to meet the priority sector lending targets. This allows them to meet their shortfall indirectly. Therefore, this statement is correct.

II: Co-lending with NBFCs (Non-Banking Financial Companies) is actually a permitted avenue for banks to meet their priority sector lending targets. Therefore, this statement is incorrect.

III: Banks can indeed buy Priority Sector Lending Certificates (PSLCs) from other banks that have exceeded their priority sector lending targets. This helps them meet their own targets. Therefore, this statement is correct.

IV: Financing Self Help Groups (SHGs) is considered a mode of lending to priority sectors, especially under micro-credit schemes. Therefore, this statement is incorrect.

Q36 Text Solution:

A contract for the supply of the necessities of life, as per the status of the party, to a minor, is a valid contract. In the same way, a minor can also recover money from others, if advanced, since a minor can be a beneficiary. In the case of all other contracts, a minor may repudiate his promise or consent.

Section 11 of the Indian Contract Act states that every person is competent to contract who is of the age of maturity according to the law he is subject and who is of sound mind and is not disqualified from contracting by any law to which he is subject. The essence of this is that a minor is not competent to enter into a contract. This affects his capacity to hold, acquire or dispose of property.

Q37 Text Solution:

Section 4 of the Indian Partnership Act 1932 defines a partnership as a relationship subsisting between persons who have agreed to share the profits of a business carried on by all or any of them acting for all.

Registration of a partnership is optional except in the states of Gujarat and Maharashtra.

Q38 Text Solution:

I: Crop loans for both Kharif and Rabi seasons are considered under agricultural financing, as they are crucial for seasonal agricultural activities. Therefore, this statement is correct.

II: Purchase of tractors, and other farm mechanization equipment, generally does qualify for agricultural financing. Therefore, this statement is incorrect.

III: Financing for poultry farming is indeed considered under agricultural financing as it is related to the livestock sector, which is a sub-sector of agriculture. Therefore, this statement is correct.

IV: Fishery and aquaculture-related activities do generally qualify for agricultural financing, as these are often included in the broad category of agriculture and allied activities. Therefore, this statement is incorrect.

Q39 Text Solution:

Recurring Deposits (RD) are in the nature of fixed amounts paid by the depositor every month for a predetermined period. The maturity amount is arrived at based on the cumulative amount to

be deposited on due dates over the period of deposit, plus interest computed based on compounding at quarterly rests. If the periodical installments are not paid regularly on due dates, the amount payable on maturity is adjusted for the delayed payment due to a reduction in the amount of interest payable. The rules relating to foreclosure and grant of loans against RDs are similar to those for TDs. In the event of foreclosure of an RD, the interest is paid without compounding for the incomplete quarter. No RD is accepted under FCNR (B) Scheme.

Q40 Text Solution:

The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) should not exceed 40 per cent of its net worth. Within this overall ceiling, the bank's direct investment in shares, convertible bonds/debentures, units of equity-oriented mutual funds and all exposures to Venture Capital Funds (VCFs) [both registered and unregistered] should not exceed 20 per cent of its net worth.

Q41 Text Solution:

CTS in India uses a combination of Gray Scale and Black & White images. Three images need to be taken of each cheque - front Gray Scale, front Black & White, and back Black & White. Images of cheques are taken using specific scanners. The presenting bank must digitally sign the images and data at the point of origin itself.

Q42 Text Solution:

The paying banks receive the images and data from the Clearing House for payment processing, which is done on the same day. The paying bank also generates the return file for unpaid instruments, if any.

Presenting Bank: For each cheque, the presenting bank/ branch captures the data (on the MICR band) and the images of the cheque, either at the branch level or at the service

branch. The data is consolidated for each city/town and the whole bank. The whole bank file is sent to the respective CHI. Banks also have the choice of hosting multiple Data Exchange Modules (DEM) with active setup in a grid to push the outward presentment cheques from various cities independently.

Q43 Text Solution:

In the case *M/s Kharavela Industries Pvt. Ltd. Vs. Orissa State Financial Corporation and Others* (AIR 1985 Orissa 153 (A)), The Court held that in the case of debt due with interest, any payment made by the debtor is in the first instance to be applied towards satisfaction of interest and thereafter towards the principal unless there is an agreement to the contrary.

Q44 Text Solution:

When a customer deposits certain valuables, bonds, securities or other documents with the bank, for their safe custody, the bank, besides becoming a trustee as discussed earlier, also becomes a bailee and the customer is the bailor. In the given case, Mr. Raghav entrusts his valuable paintings to the "Bank of Highness" for safekeeping, specifying that the bank should administer them on his behalf. This arrangement designates the bank as a trustee, holding and administering the paintings for the benefit of Mr. Raghav (the third party). Additionally, the bank also becomes a bailee, responsible for the safe custody of the paintings. Therefore, the correct answer is option B.

Q45 Text Solution:

Kerala High Court observed in the case of *Central Bank of India Ltd. Bombay vs. V.Gopinathan Nair and others* (A.I.R., 1979, Kerala 74): "Broadly speaking, a customer is a person who has the habit of resorting to the same place or person to do business. So far as banking transactions are concerned, he is a person whose money has been accepted on the

footing that banker will honor up to the amount standing to his credit, irrespective of his connection being of short or long-standing."

Q46 Text Solution:

Section 4 of PMLA stipulates the punishment for money laundering offence, which is rigorous imprisonment for not less than 3 years but up to 7 years and fine as per the gravity of the offence. In cases connected with offences under the Narcotics Drugs and Psychotropic Substances Act the imprisonment may extend up to maximum 10 years.

Q47 Text Solution:

Yama-Mala Jewelers should be categorized as a medium-risk customer. While the jewelry store has a stable financial history, its involvement in a cash-intensive business with a high turnover places it at a higher-than-average risk, warranting a medium-risk classification according to the bank's risk categorization system.

Customers are classified into three risk categories namely high, medium and low, based on the risk perception of the bank. Parameters of risk perception are clearly defined in terms of the nature of business activity, location of customer and his clients, mode of payments, volume of turnover, social and financial status etc. to enable categorization of customers into low, medium and high risk; customers requiring very high level of monitoring, e.g. Politically Exposed Persons may, if considered necessary, be categorised even higher. Individuals (other than High Net Worth Individuals) and entities whose identities and sources of wealth can be easily identified and transactions in whose accounts by and large conform to the known profile may be categorized as low risk. Customers who are likely to pose a higher than average risk to the bank should be categorized as medium or high risk. These could be customers engaged in cash intensive

businesses with high turnover, say jewellers, petrol pumps, etc.

Q48 Text Solution:

As per the restrictions for accounts of non-face-to-face customers with OTP-based e-KYC of Aadhaar, if the aggregate balance of all deposit accounts of the customer exceeds Rs. 1 lakh, the account should be made non-operational until the customer submits an OVD (Officially Valid Document). Therefore, Option B is the correct answer.

Q49 Text Solution:

For Accounts of Foreign Students

1. To open NRO accounts for foreign students, based on: (i) Passport (with visa & immigration endorsement) bearing the proof of identity and address in the home country, (ii) Photograph, and (iii) Letter offering admission from the educational institution in India.
2. To obtain declaration about local address, within 30 days of opening the account, and the address verified.
3. During this period, foreign remittances not exceeding USD 1000 or equivalent can be credited, not to exceed Rs.50,000/-.
4. Prior RBI approval is required to open account of students with Pakistani nationality.

Q50 Text Solution:

Accounts of Illiterate Persons:

1. The rules relating to the account have to be clearly explained to an illiterate person in a language understood by him/her. He/She should be advised that for withdrawing money from the account, he/she has to personally come to the bank with the Pass Book, every time. A current account should not be opened in the name of an illiterate person.
2. Cheque Book should not be issued to him/her under any circumstances, even in case of joint accounts.

3. Left hand thumb impression of the account holder is obtained on the account opening form in the presence of an authorised bank officer and a person well known to the bank who will attest his/her thumb impression on the account opening form.
4. Passport size photographs of the customer have to be obtained - one to be attached to account opening form and another to the pass book.
5. Every withdrawal should be orally confirmed by the account holder to the authorized official.
6. If the illiterate depositor intends to allow a literate person to operate his account, he/she has to submit an authorisation cum indemnity letter in the prescribed format, with the condition that it can be operated only jointly by both. No illiterate persons' account should be opened with operation facility of E or S or by "literate person only".

Q51 Text Solution:

Current Accounts can be opened by all types of customers, viz. Individuals, Sole Proprietary Concerns, Partnership Firms, Limited Liability Partnerships, Private/Public Sector Companies, Clubs, Associations, Trusts/Executors/Administrators, Govt./Local Bodies, Cooperative Societies, Religious/Educational/Charitable Institutions, Registered/Unregistered Societies, or any other Juridical Persons (like Special Purpose Vehicles), etc.

However, a current account cannot be opened by: Minors.(accounts of minors can be opened and operated by the natural guardian), Pardanashin women, Illiterate persons, and Blind persons.

The most likely reason for Asha not being able to open a current account is that she is a minor. Thus, Option A is the correct answer.

Q52 Text Solution:

Term deposits (TD) are for investing surplus funds for short to long term. Banks shall can offer TDs without premature withdrawal option. Provided that the TDs of individuals (held singly or jointly) for Rs. 15 lakh and below must have premature-withdrawal facility.

Q53 Text Solution:

The lodger's bank should pay interest to the lodger for the delayed period in respect of collection of bills at the rate of 2% p.a. above the rate of interest payable on balances of Savings Bank accounts. The delayed period should be reckoned after making allowance for normal transit period based upon a time frame of 2 days each for (i) Dispatch of bills (ii) Presentation of bills to drawees (iii) Remittance of proceeds to the lodger's bank (iv) Crediting the proceeds to drawer's account.

Q54 Text Solution:

Characteristics of CTS

1. It is an electronic image of a paper cheque.
2. Only the banks involved and the Clearing House can truncate a cheque (i.e. create an electronic image of a cheque). The drawer/holder of a cheque cannot truncate a cheque.
3. The electronic image of the 'cheque truncation' substitutes the physical cheque from the point and time of truncation onwards.
4. Truncation is done only during the course of a clearing cycle to reduce the time taken for realisation.
5. The paper cheque, after truncation, is kept in the custody of the bank/clearing house that truncated the cheque.
6. The addition of the digital signature of the truncating bank/Clearing House to the electronic image of the cheque truncation is optional.

Q55 Text Solution:

A mandate is an authority given by the account holder in favour of a third person to do certain acts on his behalf. This is issued by an account holder with a direction to his/her bankers authorising the person to operate the account on his/her behalf. The following are the salient points of a mandate:

1. The customer informs the bank about the authority given to the third person (mandatee).
2. The signature of the mandatee is verified by the customer in the mandate letter.
3. The mandate is normally temporary for a short period.
4. Institutions need to issue a power of attorney and not a mandate.
5. A mandate ceases to be valid on death, insanity, and insolvency/ bankruptcy of the account holder.
6. A mandate can be withdrawn anytime by the account holder/s.

Q56 Text Solution:

NRIs and PIOs are permitted to maintain accounts in Foreign Currency with ADs in India under FCNR(B) Scheme. It can be maintained with Authorized Dealers and other authorized Banks.

Minimum one year and maximum five years, with blocks as under:

- One year and above but less than two years.
- Two years and above but less than three years.
- Three years and above but less than four years.
- Four years and above but less than five years.
- Five years only

Q57 Text Solution:

An Indian company receiving foreign investment under FDI route may hold a foreign currency account with an AD in India if it has impending foreign currency expenditure and the account is closed when the need is over or within 6 months, whichever is earlier.

Q58 Text Solution:

A resident individual may open an RFC (D) account to retain in a bank account in India the foreign exchange acquired by him/ her. The account can be opened from foreign exchange acquired in the form of currency notes, bank notes and travellers cheques from overseas sources such as:

1. Payment on a visit abroad for services not arising from any business or anything done in India.
2. Honorarium or gift or for services rendered or in settlement of any lawful obligation from any person not resident in India and who is on a visit to India.
3. Honorarium or gift while on a visit to any place outside India.
4. Gift from a relative.
5. Unspent foreign exchange acquired from an authorised person for travel abroad.
6. Representing the disinvestment proceeds received by the resident account holder on conversion of shares held by him to ADRs/ GDRs.
7. By way of earnings received as the proceeds of life insurance policy claims/ maturity/ surrender values settled in foreign currency from an insurance company in India.

Q59 Text Solution:

Case Reference in Regards to Dishonor/Bouncing of Cheque:

- Criminal liability cannot be fastened on the heirs or legal representatives. (Smt. Bhupindar Lima vs. State of Andhra Pradesh (2000))
- An offence is committed even if a cheque is returned on account of closure of account. [G.Venkataramanaiah vs. Sillakollu Venkateswarlu (1999)]
- A cheque can be presented any number of times during the period of its validity. (S. Bhadram vs. M. Sunil Kumar Air 1998 SC)

Q60 Text Solution:

The Calcutta High Court considered whether a bank had made payment in due course or not in the case of Bhutoria Trading Company (BTC) vs Allahabad Bank (AIR 1977 Cal. 363).

Bhutoria Trading Company (BTC) vs Allahabad Bank:

1. Background of the Case:

- BTC sold jute and received an un-crossed cheque for payment.
- BTC's manager endorsed the cheque with the company's seal and cashed it at the bank.

2. Legal Issue

- BTC sued the bank for recovery of money, questioning if the payment was made in due course.

3. Court's Analysis:

- The cheque was un-crossed and payable to BTC, endorsed by the manager using the authentic company seal.
- The bank made the payment in good faith, and no evidence suggested otherwise.
- No negligence was proven against the bank, and identification of the manager was properly carried out.
- As payment was made in accordance with the instrument's apparent terms, in good faith, and without negligence to the rightful possessor, the bank's payment was in due course.
- Payment in due course implies payment made in the ordinary course.

Q61 Text Solution:

Bank locker rules in case of theft state that the bank will be held responsible for any loss of the locker contents caused by theft, burglary, or robbery. The bank shall be liable to pay you 100 times the prevailing safe deposit locker annual rent. This compensation also applies in case of fire, building collapse, or fraud.

Q62 Text Solution:

Transaction Value	Maximum Charges
RTGS Transactions	
₹ 2 lakh to ₹ 5 lakh	₹ 24.50 + (+ applicable GST)
Above ₹ 5 lakh	₹ 49.50 + (+ applicable GST)
NEFT Transactions	
Up to ₹10,000/-	₹ 2.50/- (+ applicable GST)
From ₹ 10,001/- to ₹ 1 lakh	₹ 5/- (+ applicable GST)
Above ₹ 1 lakh up to ₹ 2 lakh	₹ 15/- (+ applicable GST)
Above ₹ 2 lakh	₹ 25/- (+ applicable GST)

Q63 Text Solution:

Mr. Ayush is prohibited from charging customers directly for any services on behalf of the bank. The agreement between the bank and the Business Facilitator (BF) should explicitly prohibit the BF from charging customers directly for services provided on behalf of the bank, as per the terms and conditions for engagement.

As part of the engagement, Mr. Ayush will receive a commission/fee from the bank for his services.

Q64 Text Solution:

RBI has permitted banks to establish outlets ('Ultra Small Branches' - USBs) in rural centres from which BCs may operate. These are as low cost simple brick and mortar structures. Every BC outlet is under the oversight of a base branch. These USBs may be set up between the base branch and BC locations so as to provide support to about 8-10 BC Units at a reasonable distance of 3-4 kilometres. They should have CBS terminal linked to a pass book printer and a safe for cash retention. They should be managed by full time bank officers/ employees.

Q65 Text Solution:

In terms of Section 15(1) of Credit Information Companies (Regulation) Act, 2005, every credit institution has to become a member of at least one Credit Information Company within a period of three months from commencement of the Act and provide credit data in the format as required by the Credit Information Company (CIC). All Credit Institutions are required to become members of all CICs.

Q66 Text Solution:

If there is a legal requirement for the bank to disclose Mr. Shubham's account information, such as under compulsion of law, it would legally permit XYZ Bank to disclose the information without violating customer confidentiality.

A bank would be protected only if it discloses the affairs of the customers under certain legally permissible compulsions or circumstances as follows: (a) Where disclosure is under compulsion of law; (b) Where there is duty to the public to disclose; (c) Where interest of bank requires disclosure; and (d) Where the disclosure is made with the express or implied consent of the customer.

Q67 Text Solution:

Acceptance of contributions from foreign sources and foreign hospitality by certain organisations like non-government organisations, political organisations, media houses, etc. are regulated under the law.

On the 1st May 2011, the Foreign Contribution (Regulation) Act, 2010 (FCRA) replaced the then-existing Foreign Contribution (Regulation) Act, 1976. Various provisions relating to the acceptance of foreign contribution and foreign hospitality are governed by the provisions of the FCRA and the Foreign Contribution (Regulation) Rules, 2011.

Q68 Text Solution:

The Central Government establishes the Central Consumer Protection Council (CPC). The object of CPC is to render advice on promotion and protection of the consumers' rights under this Act.

CPC can have maximum 36 members comprising: Ministers from Central and State Governments; Members of Parliament; Departments of Central Govt., regulators, Chief Commissioner CCPA; Registrar NCDRC; Secretaries (Consumer Affairs) State Govts.; with Secretary in-charge of Consumer Affairs as Member Secretary and Minister in-charge of Consumer Affairs Central Govt. as Chairperson.

Q69 Text Solution:

Complaints Relating to any Goods:

1. A copy of the admitted complaint is sent to the opposite party, within 21 days of admission, directing him to give his version within 30 days or granted extended period not exceeding 15 days.
2. If the opposite party denies or disputes the allegations, or omits or fails to represent his case within the allowed time, the District Commission will proceed to settle the dispute.
3. If the complaint is about a defect which cannot be determined without proper analysis or test, a sample of the goods obtained, sealed and authenticated is referred to an appropriate laboratory to make an analysis or test. It has to report its findings within a period of 45 days, or the granted extended period. The complainant has to deposit in advance the fee for testing or analysis.
4. The laboratory report is sent to the opposite party, alongwith remarks of District Commission. Any party disputing the correctness of the findings or the methods of analysis or test shall submit its objections in writing. After giving a reasonable opportunity of being heard to the complainant and the opposite party the District Commission shall issue an appropriate order.

Q70 Text Solution:

RTI provides for exemption from disclosure of certain information including commercial confidence trade secrets, that 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. Since the third party includes a public authority, the exemption is available to the banks if the disclosure of information is likely to harm the competitive position of the bank itself. The Act exempts disclosure of personal information which has no relation to any public

activity or interest or which would cause unwarranted invasion of the privacy of the individual. Therefore, Option C is the correct answer.

Q71 Text Solution:

Additional fee for printed or electronic form: Where information is given in printed or any electronic format, further reasonable fee is charged, except from the persons who are of below poverty line, at the following rates:

- Rs.2 for each page in A-4/ A-3 size paper created or copied;
- actual charge or cost price of a copy in larger size paper;
- actual cost or price for samples or models; and
- inspection of records, no fee for the first hour, and Rs. 5 for each fifteen minutes or fraction thereof thereafter.

Q72 Text Solution:

Employees should be at their seats at the commencement of business hours. For starting exactly at the commencement of business hours, the working hours of staff is fixed 15 minutes earlier, especially at metropolitan and urban centres. Branches are required to function for public at least 4 hours on week days and working Saturdays.

Q73 Text Solution:

Free transactions at ATMs: Customers are eligible for five free transactions (inclusive of financial and non-financial transactions) every month from their own bank ATMs. They are also eligible for free transactions (inclusive of financial and non-financial transactions) from other bank ATMs viz. three transactions in metro centres and five transactions in non-metro centres.

Reconciliation of transactions at ATMs failure - Time limit: RBI has advised banks to resolve customer complaints regarding wrongful debit on

account of ATM transactions within T+5 working days of receipt of customer complaint. In case of delay the card issuing bank must compensate the customer @ Rs. 100/- per day of delay. This amount shall be credited to the customer's account automatically without any claim from the customer.

Scheme of Penalty for non-replenishment of ATMs: Banks/ WLAOs should have a robust system for availability of cash in ATMs with timely replenishment. Cash-out at any ATM of more than ten hours in a month attracts a flat penalty of Rs.10,000/- per ATM. In case of WLAs, the penalty is charged to the bank meeting cash requirement of that WLA. Bank may recover the penalty from the WLA operator.

Q74 Text Solution:

The principle of 'Liquidity' emphasizes the importance of the money lent returning within the specified schedule and also stresses the saleability of assets in case of non-payment.

Q75 Text Solution:

A resident individual may open an RFC (D) account to retain in a bank account in India the foreign exchange acquired by him/ her.

A person resident in India is permitted to open an RFC account with an AD bank in India out of foreign exchange received or acquired by him.

Residents in India can hold the following types of accounts in foreign currency:

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

Q76 Text Solution:

Step 1: Selection of Correct Set of Documents - The first step involves choosing the right set of

documents depending on the type of facility, charge mode, and borrower.

Step 2: Stamping of Documents - After selecting the correct documents, they need to be stamped as per the Indian Stamp Act.

Step 3: Amount of Stamp Duty - Ensure that the correct amount of stamp duty is used, which varies by document type and state.

Step 4: Filling - Fill in the pre-printed blanks on the documents as per the credit facility terms before moving to the next step.

Step 5: Execution - All necessary signatures, matching the borrower's application and specimen, must be placed on the documents.

Step 6: Legal Procedures - Certain legal steps may be required post-document execution, such as submission of forms to the Registrar of Companies.

Step 7: Keeping Documents Valid (in force) - Ensure all loan documents are within the limitation period for legal action to be possible.

Step 8: Safekeeping and Preservation of Documents - Finally, the completed documents should be securely stored, preferably in fireproof and pilfer-proof cabinets or strong rooms.

Q77 Text Solution:

Form IV - Comparative Statement of Current Assets and Liabilities is focused on comparing current assets and liabilities, including inventory, receivables, and creditor payment periods. It helps in identifying deviations from norms and trends.

Q78 Text Solution:

In assessing the Letter of Credit limit, the bank would require a comprehensive set of data.

- Projected value of raw material consumption in the upcoming year would help the bank gauge the volume of transactions and the associated risk.
- Projected value of raw material purchases on credit provides insights into the

company's liquidity and how much it relies on credit.

- Time taken for advising the L/C to the beneficiary would give the bank an understanding of the operational timelines.
- Time taken for shipment and transit to reach the customer's destination helps in understanding logistical efficiency and timing the credit effectively.
- Credit period (usance period) agreed between the beneficiary and the customer and credit period projected for calculating the Maximum Permissible Bank Finance (MPBF) allow the bank to properly assess the loan's risk and profitability.

By gathering all this information, the bank can make a well-informed decision on the Letter of Credit limit for ABC Corp.

Q79 Text Solution:

Option (a) Accounts with temporary deficiencies such as insufficient drawing power are not immediately classified as NPA.

Option (b) Accounts that are regularized near the balance sheet date and don't have inherent weaknesses are not immediately classified as NPA.

Option (c) Accounts where the value of the security has been eroded due to borrower fraud are to be immediately classified as doubtful or loss assets, according to the prescribed guidelines.

Option (d) Specific credit facility default in the case of PACS/FSS leads to NPA classification but not immediate classification as doubtful or loss assets.

Q80 Text Solution:

Option (a) Special Economic Zones (SEZs) are not related to debt recovery and are established mainly for promoting trade and investment.

Option (b) Debt Recovery Tribunals (DRTs) were specifically established under the Recovery of Debts and Bankruptcy Act, 1993 for speedy

recovery of debts.

Option (c) National Company Law Tribunals (NCLTs) deal with company law matters and are not specifically focused on debt recovery.

Option (d) Financial Stability Boards (FSBs) work towards international financial stability and are not related to debt recovery in India.

Q81 Text Solution:

Another bank or financial institution can join an already filed application at any stage of the proceedings, not just at the initial stages. Therefore, this statement is incorrect and is the answer to the question.

Q82 Text Solution:

Option (a) Express Indemnity refers to indemnification that is explicitly stated in a contract, which is not the focus in this case.

Option (b) Contributory Negligence pertains to the shared fault in an incident between two or more parties, not related to indemnity.

Option (c) Implied Indemnity is indemnification that arises from the specific circumstances of a contract, even when not explicitly mentioned. This is the principle highlighted in the case of "Secretary of State vs Bank of India."

Option (d) Vicarious Liability refers to the responsibility of a party for the actions of another, typically an employer for an employee, not directly related to indemnity in this context.

Q83 Text Solution:

There are specific exceptions where a bank's duty to pay may be overridden. One such exception is in cases of fraud, where the bank may refuse payment if it has clear notice of the fraud. Another exception occurs when there is "Special Equity in Favor of Debtor," and there is the possibility of irretrievable harm or injustice to one party. In such cases, the court may restrain the bank from making payment.

Q84 Text Solution:

Option (a) Bill of Exchange is a written order that binds one party to pay a fixed amount to another party either immediately or on a predetermined date. It is not a guarantee but rather an order.

Option (b) Letter of Credit (LC) is a bank's commitment to pay the seller of goods a certain amount if certain conditions are met, usually the presentation of specified documents. This is the financial instrument being described.

Option (c) Promissory Note is a financial instrument in which one party promises in writing to pay a determinate sum of money to another party at a specified future date or on-demand.

Option (d) Certificate of Deposit is a time-deposit financial product offered by banks with fixed interest rates and maturity dates.

Q85 Text Solution:

Option (a) Documentary bills are associated with relevant documents and are not just orders for payment.

Option (b) Bills drawn under credit depend on the terms of the trade transaction and usually involve credit terms, not necessarily the absence of documents.

Option (c) Clean bills are bills that have no associated documents and are only an order for payment.

Option (d) Usance bills are bills that allow a period between the delivery of goods and payment, usually associated with documents.

Q86 Text Solution:

1. First Blank: "consideration" - The term refers to the exchange of something of value that makes a contract binding. In the context of a "Holder in Due Course," the term is "consideration."
2. Second Blank: "good faith" - This term refers to honesty or sincerity of intention. In "Payment in Due Course," the payment should be made in "good faith" to avoid negligence.

Q87 Text Solution:

The correct answer is option (b) Credit card associations in conjunction with international financial institutions. Credit card associations like Visa, MasterCard, and RuPay license card issuers and also provide settlement services for their members, including both card issuers and merchant acquirers.

Q88 Text Solution:

The correct answer is option (c) Stocks should be of Grade I quality and of recent dates. According to the guidelines for advances against Warehouse Receipts, advances are not made against stocks of foodgrains classified as Grade II, III, or IV. Only Grade I stocks of recent dates are accepted for advances. This ensures that the bank has high-quality collateral in the event of loan default.

Q89 Text Solution:

1. First Blank: "system-wide" - The directive is for the overall lending to Non-Corporate Farmers to not fall below the system-wide average of the last three years' achievement, as per the guidelines.
2. Second Blank: "13.78%" - For the financial year 2022-23, the applicable target for lending to non-corporate farmers will be 13.78% of ANBC or CEOBE, whichever is higher.

Q90 Text Solution:

1. First Blank: "direct" - Farmers' credit needs are met through direct financing, which includes short-term and medium/long-term loans. These loans cover a variety of agricultural needs, such as crop cultivation, irrigation, and mechanization among others.
2. Second Blank: "indirect" - Indirect financing is another means by which farmers' credit needs are met. This form of financing involves support for agricultural operations such as distribution of fertilizers and pesticides,

electrifying pump sets, and financing storage facilities.

Q91 Text Solution:

For farmers raising more than one crop in a year, the short-term limit is determined based on the proposed cropping pattern for the first year. An additional 10% of the limit is added for cost escalation/increase in the scale of finance for each successive year (2nd, 3rd, 4th, and 5th year).

Q92 Text Solution:

The Public Procurement Policy for MSEs encourages government ministries, departments, and public sector units (PSUs) to target 25% procurement from the MSE sector, not 50% as stated in option B

Q93 Text Solution:

The correct answer is option (b) Providing direct financial aid to individual households below the poverty line. DAY-NRLM focuses on building institutions for the poor, providing them access to financial and livelihood services, promoting financial inclusion, and complementing these platforms with various kinds of services.

Q94 Text Solution:

The general crossing is done by drawing two parallel transverse lines across the face of a cheque. It may include such words as "& company" or "not negotiable" in between the transverse parallel lines. This makes a cheque payable only through a bank account. A cheque crossed generally should be paid only to a banker.

If the cheque bears across its face, in addition to the crossing, the name of a banker, the cheque is deemed to have been crossed specially to that banker.

Q95 Text Solution:

When the maker or holder of a negotiable instrument signs the same, otherwise than as

such maker, for the purpose of negotiation, on the back or face thereof or on a slip of paper annexed thereto, they are said to endorse the same. In practice, an endorsement is made on the back of the check or on a slip of paper attached called 'allonge'.

Q96 Text Solution:

Business ethics aids in prioritizing moral values in the firm and also ensures that behaviours are aligned with those values. Myths about business ethics arise from general scepticism about ethics or from elementary views on ethical dilemmas. A common myth is that business ethics modifies peoples' behaviours – they cease to be what they are, obstructing realization of their full potential. In reality, business ethics is about managing values and conflict resolution. Divergence between individual and organizational ethics can be resolved.

Q97 Text Solution:

The organization's ethical dilemmas are often resolved and decisions taken by committees and formal and informal group and not by an individual. Moreover, the decisions that are taken are based on business goals and exclude individual goals.

Q98 Text Solution:

Ethics in marketing is a philosophy that promotes honesty, fairness and responsibility. Advertising is a mode of communication and should not be misleading and manipulative.

Q99 Text Solution:

There is a hierarchy in which human beings generally think about the purpose of one's life. The hierarchy can be as under: Self; Family; Community; Religion; Society; Global causes. Society: Larger social issues like dealing with the underprivileged, physically challenged, mentally retarded and other backward members, rural poverty, rural unemployment, women oppression, etc. are some national-level challenges which

cannot be tackled by the government alone. Individuals who have reasonably settled in their work and personal lives, can contribute, financially or otherwise.

Q100 Text Solution:

IT has been used in two avenues in banking: communication and connectivity, and business process reengineering (BPR). IT enables sophisticated product development, better market infrastructure, reliable techniques for risks control and helps the financial intermediaries to reach geographically distant and diversified markets.

Q101 Text Solution:

RBI provided "Guidelines on Information security, Electronic Banking, Technology Risk Management and Cyber Frauds" to all commercial banks.

- To define and implement procedures to ensure integrity and consistency of all data electronic form (databases, data warehouses and data archives).
- To ensure uniform data protection within and outside the institution.
- There should be secure storage of media. Controls could include physical and environmental controls such as fire and flood protection, limiting access by means like physical locks, keypad, passwords, biometrics, etc., labelling, and logged access.
- Banks need appropriate disposal procedures for both electronic and paper based media.
- Banks should maintain security of media while in transit or when shared with third parties.
- Banks should encrypt customer account and transaction data which is transmitted, transported, delivered or couriered to external parties or other locations.
- A few other aspects include blocking, filtering and monitoring of electronic mechanisms like e-mail, printing, monitoring for unauthorised software and hardware like password cracking

software, key loggers, wireless access points, etc.

Q102 Text Solution:

In Core Banking Solution (CBS), transactions through alternate channels specifically require multi-factor authentication for added security. While branch users typically log in using a user ID, password, and biometric authentication, the text explicitly mentions that transactions carried out through alternate channels necessitate multi-factor authentication.

Q103 Text Solution:

Under the Core Banking Solutions (CBS), banks are mandated to follow a range of responsibilities such as addressing cyber threats, following RBI guidelines on various aspects including information security and electronic banking, and conducting system audits. However, managing investment portfolios of customers is not explicitly a responsibility of the bank under CBS as per RBI guidelines

Q104 Text Solution:

Riya's preferences point toward a Small Prepaid Payment Instrument that doesn't require full KYC, has a moderate limit for shopping and dining, and can be reloaded from a bank account.

Q105 Text Solution:

The recommendation for the establishment of a cooperative communication network for the banking industry in India was made by a committee chaired by Shri T.N. Anantharam Iyer in 1987.

Q106 Text Solution:

NPCI introduced tokenisation for RuPay to ensure secure card payments without revealing sensitive information. Tokenisation allows for the secure processing of transactions while maintaining the confidentiality of sensitive data.

Q107 Text Solution:

1. First Blank: "data and message transfer" - Technology upgradation enables various services in banking, one of which includes "data and message transfer" related to fund transfers, inter-bank settlements, loan processing, and FOREX information. This term correctly fills the first blank.
2. Second Blank: "credit and debit clearing" - Electronic Data Interchange (EDI) is specifically stated to be a standard for credit and debit clearing. Banks use EDI for electronic funds transfer, making "credit and debit clearing" the appropriate term for the second blank.

Q108 Text Solution:

While IT solutions can bring in many benefits, they can also introduce complexities that some customers might find challenging. Here's how each option would likely impact customer satisfaction:

1. (a) More efficient operations: This would likely improve customer satisfaction, as reduced waiting time is generally seen as a benefit.
2. (b) Complicated security protocols: Correct. If the new security measures are too complicated, they could deter customers from using the bank's services, causing a decline in satisfaction.
3. (c) Lower fees: This would generally improve customer satisfaction as it directly benefits the customer's pocket.
4. (d) More services online: While this generally is seen as beneficial, if the bank's customer base is more comfortable with in-person services, they might not view this as a positive change. However, this is less likely to cause dissatisfaction compared to confusing new security protocols.

Q109 Text Solution:

The G. Gopalakrishna Committee Report was commissioned by the Reserve Bank of India (RBI) to address issues related to information security, electronic banking, technology risk management, and cyber fraud. The primary objective was to strengthen the resilience of the banking sector against cyber threats and technology-related risks.

Q110 Text Solution:

1. (a) Continuous Monitoring and Assessment: This would ideally enhance security, not compromise it. Hence this is unlikely to be the reason for the breach.
2. (b) Lack of Collaboration: Correct. Even the most advanced SOC's can fail if there isn't effective collaboration with incident response teams, particularly in the swift resolution of detected security threats.
3. (c) Effective Detection, Analysis, and Response: If this were true, then a major security breach is less likely to have occurred.
4. (d) Limited Monitoring Scope: While this could be a potential vulnerability, the given information states that the SOC monitors networks, servers, endpoints, and databases. Hence, this is also less likely to be the reason for the breach.

Q111 Text Solution:

A contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself or the conduct of any other person is a contract of indemnity – Sec. 124 (Indian Contract Act, 1872). In banking, such a relationship occurs in transactions of duplicate demand drafts, fixed deposit receipts, etc. In these cases, the person availing the facility will compensate the other for any loss arising from the wrong/excess payment. Thus, the bank compensates the customer for any loss arising from wrong/excess payment in the Indemnifier-Indemnified relationship.

Q112 Text Solution:

Essentials to satisfy the requirements of the term “banking companies” as defined under the Banking Regulation Act are as follows:

- Deposits should be only for lending and investment. Companies accepting deposits for trading or manufacturing are not considered a bank.
- The deposit should be from the public. So, ‘Nidhis’ multi-benefit societies, co-operative societies that accept deposits from their members, are not covered as a bank.
- Acceptance of deposit should be in the form of money.

Q113 Text Solution:

Merchant bankers are financial intermediaries facilitating transfer of capital from those who own it (Investor or Bond Subscriber) to those who use it (Corporates or Governments). They help a corporate in Initial Public Offering (IPO) or a Follow-up Public Offer (FPO), popularly called a Public issue or Private Placement of Debt or Equity. Merchant bankers assist in introducing or selecting or appointing outside technical consultants in addition to in-house technical personnel for preparation of a detailed project report, market survey report, feasibility studies etc. It also assists in:

1. Obtaining regulatory clearances from Securities Exchange Board of India (SEBI), the stock exchanges (BSE, NSE), Registrar of Companies etc.
2. Specifically obtaining clearances from SEBI for the prospectus of the IPO or the FPO.
3. Planning and timing of the IPO/FPO.
4. Underwriting of public issue by financial institutions or brokers.
5. Selection of Principal Broker(s) and Sub-Brokers, lead-book-runners and sub-book runners.
6. Selecting the Registrar to the issue and fixing their remuneration.

7. Selecting bankers to the issue that will maintain the bank account for collecting and holding the funds to be raised till successful closure of the issue.
8. Selecting advertising consultants or agencies for publicity campaigns, investor conferences, analyst conferences and road shows.
9. Printing and distribution of prospectus/ application forms to brokers/ sub-brokers/book runners.
10. Making application to stock exchanges for listing of the security.
11. Monitoring and reporting the progress of the offering to the company and regulatory bodies.

Q114 Text Solution:

KYC Policy is a major policy for managing a bank in prudent and compliant manner mitigating ML/TF risks effectively and efficiently. Key requirements for KYC Policy are:

1. It is to be approved by the Board of Directors or any committee of the Board (if delegated).
2. It should be reviewed regularly, at least once in a year, besides based on any event impacting it, viz. changes in PMLA/ PMLR/ Regulations of RBI, etc., entering new business line, entering a new jurisdiction, etc.
3. Usually, the Principal Officer is responsible for keeping the KYC Policy updated and relevant.

Q115 Text Solution:

According to the Prevention of Money Laundering Act, the Bank of Elites should maintain records of identity documents, account files, and business correspondence of clients for a period of 5 years from the date of account closure or the end of the relationship, whichever is later. In this case, since the account was closed on January 15, 2023, the Bank of Elites should maintain these records for a period of 5 years from that date.

Q116 Text Solution:

According to the customer acceptance policy, the Customer Due Diligence procedure should be carried out for all joint account holders. The customer acceptance policy of a bank lays down the criteria for accepting a customer from the perspective of ML/TF risks.

Q117 Text Solution:

In this scenario, the customer's deposit credits are Rs. 1.9 lakhs, which is below the Rs. 2 lakh limit specified in the restrictions. However, the term loan on the borrowal account is Rs. 65,000/-, which is above the Rs. 60,000/- limit. Therefore, the bank will keep the deposit accounts open but will restrict further disbursements on the borrowal account.

Restrictions for accounts of non-face-to-face customers with OTP based e-KYC of Aadhaar:

1. aggregate balance of all the deposit accounts of the customer shall not exceed Rs. 1 lakh (on exceeding the threshold, the account to be made non-operational till submission of an OVD);
2. the aggregate of all credits in a financial year, in all the deposit accounts taken together, shall not exceed Rs. 2 lakh;
3. for borrowal accounts, only term loans shall be sanctioned and the aggregate amount of term loans sanctioned shall not exceed Rs. 60,000/- in a year.

Q118 Text Solution:

Two passport size photographs of the blind person have to be obtained by the bank one to be attached to the account opening form and another to the pass book.

Q119 Text Solution:

If a Term Deposit matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest

on the matured deposit, whichever is lower. Maturity amount of Rs. 20,000/- and above is to be paid in account only.

Q120 Text Solution:

The certificate of deposit are short-term negotiable money market instruments. CDs are not in the nature of other bank deposits, but are a distinct category. Salient aspects of CDs are enumerated below.

1. CDs can be issued by the SCBs, RRBs, and SFBs to all persons resident in India.
2. They are issued in dematerialized form in denominations of Rs. 5 lakh, with minimum Rs. 5 lakh.
3. Tenor of CDs should be minimum 7 days and maximum 1 year.
4. Interest rate may be fixed or floating linked to the benchmark rate specified by Fixed Income Money Market and Derivatives Association of India (FIMMDA).
5. CD's may be issued at discounted value or with a coupon for interest.
6. CDs are traded in the secondary market.
7. Buyback of CDs can be done, if offered to all investors in the specific issue of CDs.
8. Issuance of CDs attracts stamp duty.

Q121 Text Solution:

With a view to mitigate the difficulties faced by the members of co-operative credit societies, RBI has advised that banks may consider collecting account payee cheques drawn for an amount not exceeding Rs. 50,000/- to the accounts of co-operative credit societies, if the payees are the constituents of such co-operative credit societies.

Q122 Text Solution:

Bankers in India were obtaining an introduction by an existing customer of the bank. This was not always possible, especially for a newly opened branch. In such cases, the customers were required to get references from known

persons in the locality or from their existing bankers. In such a case, the banker was required to make enquiries with the referee to ascertain that the person whose account was being opened was a genuine person.

Harding vs London Joint Stock Bank- An account was opened for a new customer after necessary formalities. The account was not opened by deposit of cash, as was the usual practice but was opened by deposit of a third-party cheque. The bank inquired with the customer, who produced a forged letter from his employer authorizing him to deal with the cheque. The cheque was stolen by the customer and credited to his account. The bank was held negligent for failure to make necessary enquiries from the employer as to whether the customer, who was an employee, had, in fact, the necessary power to deal with the cheque.

Q123 Text Solution:

To be on the safe side, the banker takes a letter of lien from the customer mentioning that the goods are entrusted to the banker as security for a loan- existing or future. The latter gives an authority to the banker to exercise his right of lien over them and can sell the goods in case of default on the part of the customer.

Q124 Text Solution:

The additional interest rate for staff and senior citizens is not permitted under NRE Account.

Non-Resident (External) Rupee Account Scheme (NRE Account) can be maintained by Non-resident Indians (NRIs) and Person of Indian Origin (PIOs). These accounts can be opened with ADs and certain other banks (including cooperative banks) authorised by RBI to maintain such accounts.

Q125 Text Solution:

Foreign Currency (Non-resident) Account (Banks) Scheme – FCNR (B) Account:

- Types of Interest Rate: Both floating rate and fixed rates are permitted.
- Reset Period: For floating rate - 6 months.
- Reference Rate: The Overnight Alternative Reference Rate for the respective currency/ Swap rates quoted/ displayed by Financial Benchmarks India Pvt. Ltd. (FBIL).
- Ceilings for Interest Rate: Permitted mark-up on the reference rate - Tenor of less than 3 years – upto 250 basis point; and Tenor of 3 years to 5 years - upto 350 basis point.
- Calculation of Interest: The base is 360 days to a year; At 6 monthly rests; Actual number of days of the residual period at the end.
- Interest on Renewal: Renewed within 14 days, for the overdue period lower of the rate prevailing on the date of maturity or on the date of renewal.

Q126 Text Solution:

FCRA specifies the modality for receipt of foreign contribution through the banking channel. With effect from September 2020, the procedure for receiving and dealing with foreign contribution is as follows:

- A person shall receive foreign contribution only in an account designated as “FCRA Account” opened in New Delhi Main Branch of State Bank of India (SBI).
- Such person may open another “FCRA Account” in any of the scheduled bank of his choice for keeping or utilising the foreign contribution transferred from the “FCRA Account” in SBI.
- Such person may open one or more accounts in one or more scheduled banks of his choice to which he may transfer for utilising any foreign contribution received in his “FCRA Account” in SBI or held in the “FCRA Account” in another scheduled bank.
- No funds other than foreign contribution shall be received or deposited in any such account.

Q127 Text Solution:

Firms and companies which comply with the eligibility criteria stipulated in the Foreign Trade Policy of the Government of India may open Diamond Dollar Account.

- Realisation of export proceeds and local sales (in USD) of rough, cut, polished diamonds; and pre and post shipment finance availed in USD can be credited.
- Payments for purchase of rough, cut and polished diamonds can be made. Funds can be transferred to rupee account.
- The account should be a non-interest bearing current account.

Q128 Text Solution:

It should be ensured that the amounts stated in a cheque in words and figure tally. Section 18 of the Negotiable Instruments Act states that if the amounts in words and figure differ, the amount in words shall be paid. Therefore, in this case, the correct course of action would be to pay the amount mentioned in words, which is "Ten Thousand Rupees."

It is to be noted that in practice these are returned unpaid with the reason 'amount in words and figure differs'.

Q129 Text Solution:

If a cheque is payable to bearer, the drawee is discharged by payment in due course to the bearer, notwithstanding any endorsement appearing on the instrument. A bearer cheque can be negotiated by mere delivery, endorsement is not relevant. Hence, payment to the bearer is in due course as per Section 10 of the Negotiable Instruments Act, irrespective of it containing forged or restrictive endorsement.

Thus, Mr. Raghav's deposit is valid because a bearer cheque can be negotiated by mere delivery, and the endorsement is not relevant.

Q130 Text Solution:

The Supreme Court in Bank of Bihar vs Mahabir Lal (AIR 1964 Supreme Court 397) held that a

banker can seek protection under Section 85 of the Negotiable Instruments Act only where payment has been made to the holder, his servant or agent, i.e. payment must be made in due course. Thus, XYZ Bank cannot seek protection under Section 85 because the payment was not made to the holder, his servant, or agent.

Q131 Text Solution:

A Demand Draft cannot be payable to the bearer as it would amount to a currency note and will be a violation of Section 31 of the RBI Act 1934. Banker's Cheques and Demand Drafts are valid for three months and can be revalidated by the issuing branches.

The issue and payment of Banker's Cheques/Demand Drafts in cash, across the counter, is subject to Income Tax provisions and PMLR, and Banker's Cheques/Demand Drafts for Rs. 50,000/- and above is to be through banking channels and not in cash.

Q132 Text Solution:

A Telegraphic Transfer (TT) has been a form of remittance, which was advised by telegram, telex or over fax. The basic aspects of such a transfer were otherwise identical to those of a Mail Transfer (MT). Drawee branches would accord credit of TT to the beneficiary's account within maximum 2 days of the receipt of funds.

Q133 Text Solution:

The protection under Section 131 of the Negotiable Instruments Act is subject to satisfying following conditions:

1. The collecting banker acts in good faith.
2. It acts without negligence.
3. It receives payment for a customer.
4. The cheque is crossed generally or specially to the collecting bank.
5. It verifies the prima facie genuineness of the cheque for collecting payment under CTS clearing.

6. It looks for any fraud, forgery or tampering that can be verified with due diligence and ordinary care, and is apparent on the face of the cheque to be truncated.

Q134 Text Solution:

Disputes regarding ATM failed transactions: These shall be settled by the issuing bank and the acquiring bank through the ATM System Provider only. No bilateral settlement arrangement outside the dispute resolution mechanism of the system provider is permissible. This is meant to avoid disputes between the issuing and acquiring banks in payment of compensation.

Q135 Text Solution:

As a member of the Customer Service Committee of the Board at ABC Bank, your primary responsibility is to review and deliberate on customer service aspects within the bank. According to RBI's guidelines, you should submit a detailed memorandum to the Board once every six months to ensure a comprehensive overview of customer service matters.

Q136 Text Solution:

With a view to ensure that banks discharge this responsibility effectively, RBI has decided that the cost of redress of complaints be recovered from those banks against whom the maintainable complaints in the OBOs exceed their peer group average. Peer groups based on the asset size of banks as on March 31 of the previous year are identified, and peer group averages of maintainable complaints received in OBOs computed on the following:

- average number of maintainable complaints per branch;
- average number of maintainable complaints per 1,000 accounts (total of deposit and credit accounts); and
- average number of maintainable digital complaints per 1,000 digital transactions

executed through the bank by its customers.

Q137 Text Solution:

As per the RBI guidelines, the bank should aim to resolve the complaint and establish the customer's liability within 90 days from the date of receipt of the complaint. If the complaint is not resolved within 90 days, the customer should be compensated as per the RBI norms.

Q138 Text Solution:

The State Government establishes a State Consumer Protection Council (SPC). SPC has official and non-official members representing prescribed interests, other official and non-official members (maximum 10) and Minister-in-Charge of the Consumer Affairs, State Govt. as Chairperson. It meets as and when necessary, but at least two meetings every year.

Q139 Text Solution:

A person, who fails to comply with any direction of the Central Consumer Protection Authority, shall be punished with imprisonment for a term which may extend to six months or with fine which may extend to Rs. 20 lakh, or with both.

Q140 Text Solution:

Doubtful Assets: With effect from 31 March, 2005, an asset would be classified as doubtful if it has remained in the substandard category for a period of twelve months. It has all the weaknesses inherent in substandard assets, with the added characteristic that the weaknesses make collection or liquidation in full, – on the basis of currently known facts, conditions and values – highly questionable and improbable.

Q141 Text Solution:

Rural Self Employment Training Institutes (RSETI) are initiatives of Ministry of Rural Development to provide dedicated infrastructure in each district for imparting training and skill upgradation of rural youth aimed at entrepreneurship development.

RSETIs are managed by banks with active cooperation from the Government of India and the State Governments. This initiative is based on the model of Rural Development and Self Employment Training Institute of 1962.

Each RSETI is expected to offer 30 to 40 skill development programs in a financial year of 1 to 6 week duration, covering various areas: Agricultural Programs, Product Programs, Process Programs, and General Programs.

Q142 Text Solution:

In line with international practices and as per the recommendations made by the 'Committee on the Financial System' (Chairman Shri M. Narasimham), the RBI has introduced, in a phased manner, prudential norms for income recognition, asset classification and provisioning for the advances portfolio of the banks, to move towards greater consistency and transparency in the published accounts.

Q143 Text Solution:

An account shall be treated as 'out of order', if

1. the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
2. The outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

Q144 Text Solution:

In the case of Gajanan Moreshwar vs. Moreshwar Madan Mantri, it was held that the liability of the indemnifier commences as soon as the loss of the indemnified becomes absolute, certain, or imminent. It is not necessary for the promisee to have already paid for the loss.

Q145 Text Solution:

A surety is regarded as a favoured debtor. This means that once, if the principal debtor is unable to pay the debt, the surety takes the place of the principal debtor. Therefore, any sum of money owed by the principal debtor becomes payable by the surety. This includes, even the interest that the principal debtor may owe to the creditor. Again, once the surety has paid the debt, he then occupies the place of the original creditor. He can then claim from the principal debtor, the entire sum he has paid to the original creditor.

Q146 Text Solution:

Beneficiary-Exporter-Seller: He is the person who is entitled to receive the benefit under a Letter of Credit, i.e. the right to receive payment or to draw bills and receive payment as per the terms of the Letter of Credit.

A letter of credit is defined as 'a written instrument issued by a banker at the request of a buyer (applicant) in favour of the seller (beneficiary) undertaking to honour the documents or drafts drawn by the seller in accordance with the terms and conditions specified in the credit, within a specified time'.

Q147 Text Solution:

Red Clause letter of credit: In a usual Letter of Credit transaction, the beneficiary will be entitled to receive payment only on his handing over the documents and the bills drawn under the Letter of Credit to the negotiating bank. In certain credits, the beneficiary will be entitled to get an advance of the price. These credits contain a 'red clause' (printed in red) which authorises an intermediary bank to make an advance to the beneficiary before shipment.

Q148 Text Solution:

Net Working Capital: It tells the business about how the assets are funded. In a narrow sense, the term working capital refers to the net working capital (NWC) or liquid surplus which is the

difference between current assets and current liabilities. It is the excess of long term funds over long term uses. When the current assets exceed the current liabilities, the NWC is positive and when the current liabilities are more than the current assets, it would become negative. The net working capital should be higher than 1:1 to ensure sufficient liquidity and availability of working funds.

The net working capital concept, however, is also important for following reasons:

- It is qualitative concept, which indicates the firm's ability to meet to its operating expenses and short-term liabilities.
- It indicates the margin of protection available to the short term creditors.

Q149 Text Solution:

In a contract for import of goods on deferred payment terms, the importer is required to make payments in instalments over a period of time which may range from one to seven years, in a normal deferred payment contract.

The payment, is usually done on the following terms:

1. Advance payment of ten per cent to fifteen per cent of the price of the goods is made by the buyer.
2. Another ten per cent to fifteen per cent on receipt of documents under letter of credit.
3. The balance amount, is paid in instalments spread over a period of one to seven years, which is secured by a 'Deferred Payment Guarantee'.

Q150 Text Solution:

As regards the supply of goods by the seller, it is to be remembered, that banks do not take the responsibility to ensure that the goods shipped are what is required by the buyer/importer. Since the guarantee, is mostly given prior to shipment of the goods, if the documents are, as required under the letter of credit, and are valid, then the guarantee of the bank subsists and the buyer

cannot after receipt of the goods, request the bank to stop payment on a deferred payment guarantee on the grounds of defective goods. Thus, ABC Electronics cannot request the bank to stop payment on the deferred payment guarantee if the documents are valid, even if the goods are defective.

Q151 Text Solution:

Small Company is a company, other than a public company, with (i) Paid-up share capital not exceeding Rs. 50 lakh and (ii) Turnover as per its last profit and loss account not exceeding Rs. 2 crore

Q152 Text Solution:

Any partner in a trading partnership (as opposed to a non-trading one i.e., a firm of solicitors/or accountants) has certain implied powers. These are: power to borrow money on behalf of the firm for the firm's ordinary course of business; power to sell or pledge any of the partnership property. A partner in a non-trading firm has no such implied powers, except possibly in the drawing and endorsing of cheques. A partner cannot give a guarantee on behalf of the firm unless it is in the activity of furnishing guarantee that is usual practice of the particular trade. A partner does not have the authority to submit a dispute to arbitration or to commit his partners to being partners in another firm.

Q153 Text Solution:

In terms of RBI's Large Exposure Norms, the sum of all the exposure values of a bank to a single counterparty must not be higher than 20 percent of the bank's available eligible capital base at all times. The eligible capital base for this purpose is the effective amount of Tier 1 capital fulfilling the criteria defined in Basel III guidelines as per the last audited balance sheet.

Q154 Text Solution:

As per the guidelines in force the loans sanctioned by banks should not exceed 75 per

cent of the value of gold ornaments and jewellery.

Banks give loans against gold ornaments for agricultural as well as for non-agricultural purposes. While granting advances against the gold coins, the bank must ensure, without fail, that the end use of the funds is for approved, and non- speculative purposes. Banks are also required to desist from granting advances to silver bullion dealers which are likely to be utilised for speculative purpose. The nature of charge created while giving this type of loan is a pledge. Some banks allow overdraft facility also against the security of gold ornaments.

Q155 Text Solution:

No banking company shall hold shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding thirty per cent of the paid up share capital of that company or thirty per cent of its own paid up share capital and reserves, whichever is less. Thus, ABC Banking Corporation can hold shares in XYZ Enterprises up to thirty percent of the paid-up share capital of XYZ Enterprises.

Q156 Text Solution:

Loans against security of shares, convertible bonds, convertible debentures, and units of equity-oriented mutual funds to individuals from the banking system should not exceed the limit of Rs. 20 lakhs per individual if the securities are held in demat form. Therefore, Mr. Singh can avail of a maximum loan of Rs. 20 lakhs against his demat securities without violating the regulatory guidelines.

Q157 Text Solution:

Negative Lien: It commonly refers to an undertaking given by the borrower to the bank that he will not create any charge over his immovable and moveable properties and assets including uncalled capital without the prior permission of the bank. A negative lien relates to

goods, securities, etc., which are not in the possession of the bank. Negative lien does not require registration with the Registrar of Companies or similar other authorities.

Q158 Text Solution:

As per the SARFAESI Act, any person aggrieved by the order passed by DRT can file an appeal to the Appellate Tribunal (DRAT) within 30 days from receipt of DRT order, on depositing with the Appellate Tribunal 50% of debt due per the DRT order.

Q159 Text Solution:

The Central Government has powers to establish one or more appellate tribunals, known as "Debt Recovery Appellate Tribunal" (DRAT). The Central Government specifies the areas within which the appellate tribunal may exercise jurisdiction for entertaining and deciding the applications filed before it.

- Chairperson: A DRAT consists of only one person called as Chairperson.
- Qualification: A person is qualified for appointment as a Chairperson, if he is, or has been, or is qualified to be a Judge of a High Court; has been a member of the Indian legal service and has held a post in grade I of that service for at least three years; has held office as the Presiding Officer of a Tribunal for at least three years.

Q160 Text Solution:

Banks will comply with any request for cancellation promptly and confirm cancellation/closure of the card to customer within 7 working days of the request received (in writing or through registered e-mail Id) provided the outstanding amount, if any, is settled in full.

Q161 Text Solution:

Bills Discounting is a financial service typically extended for usance bills. Usance bills are bills of exchange that specify a future date for payment,

making them suitable for discounting by financial institutions.

Q162 Text Solution:

'Documentary Bill' is a bill which is supported or accompanied by a document of title to goods. A lorry receipt or railway receipt, warehouse receipt, bill of lading, etc., are some examples of documents of title to goods.

Q163 Text Solution:

Exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group: Maximum 25% of the bank's Tier I Capital.

Thus, if the bank's Tier I Capital is INR 1,000 crores, the maximum allowable exposure limit to a group of connected NBFCs or counterparties with NBFCs in the group would be 25% of INR 1,000 crores, which is INR 250 crores.

Q164 Text Solution:

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) was set up by the Ministry of MSME and SIDBI in August 2000.

The Credit Guarantee Scheme (CGS) seeks to reassure the lender that, if a MSE unit fails to discharge its liabilities, the Guarantee Trust would make good the loss incurred by the lender, as per the laid down parameters.

Q165 Text Solution:

Individual Enterprises (SEP-I) - Loan & Subsidy

1. Age: The beneficiary should be at least of 18 years.
2. Project Cost (PC): Maximum unit Project Cost should be Rs. 2,00,000.
3. Collateral Guarantee on Bank Loan: No collateral is required. Only assets financed would be charged to banks and banks avail guarantee from CGTMSE or any other fund.
4. Repayment: Over 5 to 7 Years after initial moratorium of 6-18 months.

5. Margin Money: No margin for loans up to Rs. 50,000; and for higher amount preferably 5%, and in no case more than 10% of the project cost.

6. Type of Loan Facility: Term Loan - for capital expenditure; and Cash Credit – for working capitals. Composite Loans consisting of both components.

Q166 Text Solution:

National Rural Livelihoods Mission (NRLM) replaced the Swarnjayanti Gram Swarozgar Yojana (SGSY) scheme, which was renamed as Deendayal Antyodaya Yojana – National Livelihoods Mission (DAYNRLM) with effect from March 29, 2016. Universal Social Mobilization: Initially at least one member from each identified rural poor household, preferably a woman, is brought under the Self Help Group (SHG) network in a time bound manner. Subsequently, both women and men would be organized. No poor would be left out of these institutions. The composition of beneficiaries is – 50% SC/STs, 15% minorities, and 3% persons with disability.

Q167 Text Solution:

The computer network that links computers, network devices and peripherals within a localized area, say, within a building, is known as LAN.

Generally, LAN will not extend beyond 100 meters for Cat5e cables. However, the distance and the number of nodes supported vary depending on the medium used to establish the network. In LANs, each independent system is known as a node, and when such nodes are interconnected, it is known as a LAN. Usually, there will be one central node (Server) providing and controlling all the network services. The client nodes route their requests to the server and obtain the necessary services. The server that handles these services differ depending upon the topology and protocols. A LAN distinguishably uses network adapters that

employ special techniques to share a common medium (such as a cable or a radio or light wave) between the connected nodes.

A LAN also uses some software to deal with simultaneous requests for services from many client stations. Sharing common cabling and pooling resources within a workgroup are the key elements of LAN operation.

Q168 Text Solution:

A network topology is the physical and logical arrangement of nodes and connections in a network.

Star Topology: Central node often acts as the master. All the other nodes are connected to the master by a separate medium (cable). While this topology gives the advantage of maximum ability to change and if one node fails, it will not affect the entire network. Disadvantages are it cannot handle large traffic, as every transaction has to pass through the central node.

Q169 Text Solution:

A Cash Deposit Machine (CDM) allows customers to deposit money using a debit card or account number. One of the remarkable features of CDM is that the Account is credited instantly at any time of the day on all days of the year. As per RBI guidelines, customers can deposit only up to Rs. 49,950 per account per day if the PAN number is not recorded with the Bank.

Q170 Text Solution:

For optimizing the cost of investments in ATMs, banks joined in small clusters to share their ATM networks. There are many such ATM network clusters functioning in India. Indian Banks' Association (IBA) was the first organisation to set up a shared payment network system (SPNS) or SWADHAN network of ATMs of its member banks in Mumbai. The network went live on 1 February 1997. The Objective behind the SWADHAN network is to provide 24 hours, 7 days a week electronic banking service to the

customer of a member bank anywhere in the city of Mumbai.

Q171 Text Solution:

The committees on communication networks for banks, set up in 1987 under the chairmanship of Shri T.N. Anantharam Iyer, the executive director, Reserve Bank of India, had strongly recommended the establishment of a cooperative communication network, especially for the banking industry.

The second Rangarajan Committee recommended interconnecting of branches and interfacing them with the public data networks. Banknet and SWIFT are the two networks designed exclusively for the banks and other financial institutions for their communication needs.

Q172 Text Solution:

Decision Support Systems (DSS) DSS are easy to use, flexible and interactive computer-based systems designed to facilitate decision making. These systems allow for the creation of simulations under various conditions and help the management in analysing situations under different conditions. DSS provides the management use of query languages, ad hoc reports, statistical analysers, graphics, etc. They also provide tools that can test what-if situations to pre-test the potential outcome of different decisions. In simulations, the DSS make use of complex mathematical models to aid decision making.

Q173 Text Solution:

RBI relies on data submitted by banks hence quality of data is of great importance. In order to meet the need for correct and consistent data, RBI has initiated a project called Automated Data Flow (ADF). ADF ensures submission of correct and consistent data from banks to RBI without any manual intervention.

Q174 Text Solution:

The e-RUPI can be issued only by banks authorized by the Reserve Bank of India to issue PPIs and who are participating as Payment Service Providers (PSP) in the UPI ecosystem.

e-RUPI shall be authorized for redemption only to purchase goods and services from a designated merchant, as defined by the Issuer at the time of issuance of e-RUPI. e-RUPI can not be used for cash out or cashback on redemption. Up to 10 e-RUPI vouchers can be issued for one programme on a single mobile number/per individual beneficiary.

Q175 Text Solution:

Fintech or Financial technology can be described as the use of technology to deliver financial solutions. Fintech refers to technologically enabled financial innovations. Fintechs include 'start-ups' to 'big-techs,' and established financial institutions.

The Fintech ecosystem (FE) consists of five elements that synergise to stimulate the economy, enhance customer experience and promote social inclusion: start-ups, technology firms, government, customers and traditional financial institutions like banks.

Q176 Text Solution:

Peopware refers to the role played by a group of person(s) directly or indirectly involved in managing and running the computerised systems. The risks associated with peopware are as under:

- Stagnation in knowledge and skill levels affects the efficiency of the newer systems.
- High turnover due to attrition. It affects the operations of the systems, and banks may find it increasingly difficult to get suitable replacements.

Q177 Text Solution:

Business ethics aids in prioritizing moral values in the firm and also ensures that behaviours are aligned with those values. Myths about business

ethics arise from general scepticism about ethics or from elementary views on ethical dilemmas.

Myth: Business ethics is all about good guys sermonizing the bad guys is a general perception.

Reality: Good managers might make wrong decisions in a scenario full of scepticism and apprehensions. Ethical culture requires contribution of all the individuals working together and helping everyone to adhere to ethical course of action through ambiguous and stressful ethical dilemmas.

Q178 Text Solution:

Ethics of finance: Professionals in financial services business have to serve both their customers and company with honesty and integrity. They must avoid conflict of interest and provide information to its customers in full-accurate, fair, timely and understandable manner; and respect the confidentiality of information.

Thus, Financial professionals should adhere to the principles of honesty, integrity, and avoiding conflicts of interest.

Q179 Text Solution:

The culture at ABC Corporation sets standards for ethical behavior that go beyond legal requirements and provide employees with clear guidelines for making ethical decisions. This culture plays a pivotal role in ensuring that employees understand the difference between good and bad decision-making and behavior, and it emphasizes the importance of moral principles in business conduct.

Q180 Text Solution:

It is crucial for ABC Bank to have clear and transparent contracts with third-party service providers like XYZ Solutions to ensure that the third party does not cause any inconvenience to the customer. Clear contracts and well-defined SLAs help in maintaining the expected level of

customer service and safeguarding the bank's reputation.

Q181 Text Solution:

The following measures can be tried as some of the remedies for unethical behaviour:

Developing Ethics Manual; Having conversations about ethics in the organization; Nipping of unethical behaviour in the bud; Frequent utilization of the Manual; Imitable behaviour by the Top Management; Appreciation and Rewards for ethical behaviour; Encouragement of counter viewpoints and discussions in meetings; Care for reputation rather than results

Q182 Text Solution:

The Chief Information Commissioner shall hold office for 3 years or the tenure as prescribed by the Central Government or up to the age of 65 years, whichever is earlier, and shall not be eligible for reappointment. An Information Commissioner on vacating the Office is eligible for appointment as the Chief Information Commissioner.

Q183 Text Solution:

I. Equity securities represent ownership in a company. Equity securities include stocks and represent an ownership interest in the issuer. Investors holding equity securities are typically entitled to voting rights and may receive dividends.

II. Debt securities are obligations to pay interest at specified intervals. Debt securities include bonds, notes, and other forms that represent a loan made by the investor to the issuer. In return, the issuer agrees to pay interest at specified intervals and to return the principal amount at maturity.

III. Hybrid securities combine characteristics of both equity and debt. Hybrid securities have features of both debt and equity securities, which may include paying a fixed or floating rate of interest like a debt security and having the

potential for capital growth or conversion into shares like an equity security. Examples of hybrid securities may include convertible bonds and preferred stocks.

Q184 Text Solution:

Debt Service Coverage Ratio (DSCR) indicates the ability of a concern to service its term liabilities. The ratio is applied while appraising all term loan proposals. DSCR measures whether interest and installments can be paid out of an internal generation of funds. The average DSCR (i.e. the average of DSCRs calculated for the repayment period of the loan) of 1.50 is considered reasonable. This ratio indicates that after payment of the loan installment and interest, something will be left over.

Q185 Text Solution:

- A credit card allows the cardholder to borrow funds, usually at a point of sale, and the cardholder is obligated to pay back the full amount borrowed within a grace period or be subject to interest.
- The maximum amount that can be borrowed at any one time is referred to as the card's credit limit.
- If the cardholder fails to pay back the borrowed amount within the specified grace period, interest is typically charged on the outstanding balance.
- The credit limit helps in managing the risk for the issuing financial institution and also sets a spending boundary for the cardholder.

Q186 Text Solution:

- Non-Banking Financial Companies (NBFCs) in India leverage different instruments to fulfill their financial needs. Among these, Commercial Paper is a short-term unsecured promissory note often used by NBFCs to meet immediate liquidity needs. It's typically issued at a discount to the face value and has a maturity period usually less than one year.

- On the other hand, Debentures are longer-term debt securities that may be used by NBFCs to finance more significant or long-term requirements. These are secured or unsecured bonds that pay interest to the holder and are redeemable after a specified period.
- Together, these instruments offer flexibility and options for NBFCs to manage their capital needs, aligning with their short-term and long-term financial strategies.

Q187 Text Solution:

- The Framework for Scale Based Regulation (SBR) for NBFCs is designed to classify NBFCs into different regulatory tiers, considering various factors such as their size, complexity, interconnectedness, and potential impact on financial stability.
- This tiered structure ensures that the regulatory requirements are tailored to the systemic risk posed by individual NBFCs.

Q188 Text Solution:

- The Pradhan Mantri Jan Dhan Yojana (PMJDY) is a national mission for financial inclusion, aiming to provide access to financial services like savings accounts, remittance, credit, insurance, and pension in an affordable manner.
- Specifically, it targets individuals who are excluded from the formal financial system, such as those in rural areas and low-income groups, like Ravi.

Q189 Text Solution:

All unsecured loans, usually called 'clean' loans, are dependent on the borrower's financial strength to pay in the future and his integrity to fulfill his obligations.

Unsecured loans are the antithesis of secured loans. Occasionally loans are granted without obtaining any security. Essentially, such loans are extended entirely based on confidence in the

borrower's capacity and willingness to repay. An unsecured loan is one for which the banker has to rely solely upon the personal integrity of the borrower.

Q190 Text Solution:

- A mortgage loan is a type of secured loan that is backed by a borrower's asset, such as property, and a lien is a legal claim against the asset that grants the lender the right to take possession of the property if the borrower defaults on the loan.
- In this context, the mortgage refers to the specific type of secured loan related to property, and the lien represents the legal right that the lender holds over the borrower's property until the loan is fully repaid.

Q191 Text Solution:

The karta of a Hindu Undivided Family (HUF) is the head of the family. The karta has the authority to manage the property of the HUF and to represent the family in legal matters.

In the given case, Rajveer is the father and the eldest male member of the HUF. Therefore, he is the karta of the HUF.

Krishna, Mitra, and Titu are the coparceners of the HUF. They are entitled to a share in the property of the HUF, but they do not have the authority to manage the property or to represent the family in legal matters.

The karta of a HUF can be any male member of the family. However, the eldest male member is usually the karta.

Q192 Text Solution:

The categories of guardians are as follows:

- Natural guardian: This is the person who is legally responsible for the person and property of a minor child. The natural guardian is usually the mother, followed by the father.
- Testamentary guardian: This is a guardian appointed by the will of the minor's deceased parent.

- Court-appointed legal guardian: This is a guardian appointed by the court when there is no natural guardian or when the natural guardian is unable to discharge their duties.

Q193 Text Solution:

Fund-Based Credit Facilities: These involve the outflow of funds thereby, the money of the banker is lent to the customer. They can be generally of the following types: (a) Cash credits/overdrafts (b) Term loans/ Demand loans (c) Bill finance

Non-Fund Based Credit Facilities: In this the bank's funds are not directly lent to the customer and these include: (a) Bank guarantee (b) Letter of credit facility (c) Acceptance facility

Q194 Text Solution:

The Reserve Bank of India (RBI) has set the minimum amount for RTGS transactions at Rs. 2 lakh. This means that you cannot transfer an amount less than Rs. 2 lakh through RTGS. There is no upper ceiling on the amount.

The RBI has set this minimum amount to ensure that RTGS is used for larger transactions that require a faster settlement time. NEFT, on the other hand, can be used for smaller transactions, typically up to Rs. 2 lakh.

Q195 Text Solution:

The Direct Benefit Transfer (DBT) program is a government initiative that aims to transfer subsidies and cash benefits directly to the beneficiaries' bank accounts. The program is being implemented under the One District One Bank (ODOB) model, which aims to establish a bank branch in every district of the country.

The DBT program has several advantages, including:

- It eliminates leakages and corruption in the delivery of subsidies and cash benefits.
- It ensures that the benefits reach the intended beneficiaries in a timely and efficient manner.

- It helps to improve financial inclusion by providing bank accounts to the poor and marginalized sections of society.

Q196 Text Solution:

The following ceilings apply to payments by the regulated entity to the complainant:

- (i) Actual amount involved in the dispute - without any ceiling,
- (ii) Compensation for consequential loss (directly out of the act or omission of the bank) - to the extent of actual loss, with a ceiling of Rs. 20 lakh, and
- (iii) Compensation for loss of time, expenses incurred, harassment and mental anguish suffered - up to the ceiling of Rs. 1 lakh.

Q197 Text Solution:

The Whistleblowers Protection Act, 2011 was passed by the Lok Sabha on December 27, 2011 and by the Rajya Sabha on February 21, 2014. The Act received the assent of the President on May 9, 2014.

The Act is designed to protect whistleblowers from retaliation for disclosing information about corruption or other wrongdoing. It establishes a mechanism for receiving and investigating whistleblower complaints, and provides for safeguards against victimisation.

The Act has been criticized for being too weak and for not providing adequate protection for whistleblowers. However, it is still an important step in the fight against corruption and other forms of wrongdoing.

Q198 Text Solution:

As per the amendment to DRT Act, banks and FIs, if they choose to do so, can withdraw an application made before DRT, for taking action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, if no such action had been taken earlier.

The question of whether withdrawal of the Original Application in terms of the first proviso to Section 19(1) of the DRT Act, 1993 is a condition precedent to taking recourse to the SARFAESI Act, 2002 was decided by the Supreme Court in *M/s Transcore vs Union of India and Another* (2006).

The Supreme Court observed that there are three elements of election, namely, - (i) the existence of two or more remedies; (ii) inconsistencies between such remedies, and (iii) a choice of one of them.

If anyone of the three elements is not there, the doctrine will not apply. There is no repugnancy nor inconsistency between the two remedies and therefore, the doctrine of election does not apply.

Q199 Text Solution:

- The Reserve Bank of India established the Centralised Receipt and Processing Centre (CRPC) at Chandigarh to receive complaints from all around the country.
- In India, there are 22 regional offices for the Banking Ombudsman.

Q200 Text Solution:

- Any person may file a complaint with the Banking Ombudsman whose jurisdiction includes the branch or office of the bank they are complaining about if they have a grievance against the bank on any one or more of the grounds listed in Clause 8 of the Scheme. This representative must not be an attorney.
- With the caveat that a complaint about using credit cards must be brought before the Banking Ombudsman, whose geographical jurisdiction includes the cardholder's billing address and not the location of the involved bank or credit card processing unit.

Q201 Text Solution:

As customer profile, like occupation, location, financial resources, and turnover, is likely to

change over a period it is necessary to undertake periodical updation of customer data and documents that may have expired or in case of changes. Periodic updation is required to be done at least every two years for high-risk customers, at least every ten years for low risk and at least every eight years for medium-risk customers.

Q202 Text Solution:

In exercise of powers conferred by provisos to sub-section (1) of Section 34, sub-clause (i) of clause (a) of sub-section (1) of section 47 and sub-clause (i) of clause (a) of sub-section (1) of section 58 read with sub-clauses (o), (x) and (zc) of sub-section (2) of section 101 of the Consumer Protection Act, 2019, the Central Government has notified the Consumer Protection (Jurisdiction of the District Commission, the State Commission and the National Commission) Rules, 2021.

With notification of the aforementioned rules, the new pecuniary jurisdiction, subject to other provisions of the Act, shall be as under:

- District Commissions shall have jurisdiction to entertain complaints where value of the goods or services paid as consideration does not exceed 50 lakh rupees.
- State Commissions shall have jurisdiction to entertain complaints where value of the goods or services paid as consideration exceeds 50 lakh rupees but does not exceed 2 crore rupees.
- National Commission shall have jurisdiction to entertain complaints where value of the goods or services paid as consideration exceeds 2 crore rupees.

Q203 Text Solution:

Section 2 of the Consumer Protection Act defines the term Spurious Goods. As per Section 2 (43) Goods which are falsely claimed to be genuine are known as Spurious goods.

- Inferior Goods: Goods whose demand drops when people's incomes rise.
- Defective Goods: Goods which are not in conformity with the Purchase Order.

Q204 Text Solution:

As stipulated in the Right to Information Act, 2005, The Public Information Officer shall either provide the information or reject the request within 30 days of the receipt. If it concerns the life or liberty of a person, it shall be provided within 48 hours of receipt.

Q205 Text Solution:

The State Chief Information Commissioner and State Information Commissioners shall hold office for 3 years or the tenure as prescribed by the Central Government or up to the age of 65 years, whichever is earlier, and shall not be eligible for reappointment. A State Information Commissioner on vacating the Office shall be eligible for appointment as the State Chief Information Commissioner.

Q206 Text Solution:

All complaints under THE RBI - INTEGRATED OMBUDSMAN SCHEME 2021 are received at Central Receipts and Processing Centre, Chandigarh, unlike earlier when the complaint was to be made to the Banking Ombudsman having territorial jurisdiction over the bank's office connected with the grievance. The Central Receipts and Processing Centre forwards the complaint to the concerned Ombudsman.

Q207 Text Solution:

A person having a grievance may, himself or through his authorized representative (other than an advocate), file a complaint with CRPC through:

1. Online portal (cms.rbi.org.in); or
2. Electronic mode (e.g. e-mail); or
3. Physical mode (by post/ courier or hand delivery)

The Integrated Ombudsman Scheme provides cost-free redress of customer complaints involving deficiency in services rendered by the entities regulated by RBI, if not resolved to the satisfaction of the customers or not replied to within a period of 30 days by the regulated entity. As of May 2023, 22 Ombudsmen were appointed with their offices located at the RBI offices mostly in the state capitals.

Q208 Text Solution:

Section 131 of the Negotiable Instruments Act, of 1881, grants protection to a collecting banker. The protection under Section 131 is subject to satisfying the following conditions:

1. The collecting banker acts in good faith.
2. It acts without negligence.
3. It receives payment for a customer.
4. The cheque is crossed generally or especially to the collecting bank.
5. It verifies the prima facie genuineness of the cheque for collecting payment under CTS clearing.
6. It looks for any fraud, forgery or tampering that can be verified with due diligence and ordinary care and is apparent on the face of the cheque to be truncated.

Q209 Text Solution:

In the present case, the bank is liable to pay the company as the Supreme Court of India, in the case of Canara Bank v. Canara Sales Corporation and Others, observed that when the customer's signature on the cheque is forged there is no mandate to the bank to pay. As such, a banker is not entitled to debit the customer's account on such a forged cheque.

Q210 Text Solution:

The Supreme Court of India, in the case of Maharashtra vs M/s Automotive Engineering Co., observed that Section 89 of the Negotiable Instrument Act 1881 gives protection to the paying banker of a cheque that has been

materially altered but does not appear to have been so altered if payment is made according to the apparent tenor at the time of payment and otherwise in due course.

Q211 Text Solution:

A cheque is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand, and it includes the electronic image of a truncated cheque and a cheque in the electronic form.

- A cheque dated three months prior to the date of presentation is considered to be stale and cannot be paid.

- If a cheque is payable to a limited company, it cannot be paid to a third party.

- An order cheque may be presented for payment either by the original payee or by the endorsee.

Q212 Text Solution:

Rural Self Employment Training Institutes (RSETI) are initiatives of the Ministry of Rural Development to provide dedicated infrastructure in each district for imparting training and skill upgradation to rural youth aimed at entrepreneurship development.

RSETIs are managed by banks with active cooperation from the Government of India and the State Governments. This initiative is based on the model of the Rural Development and Self Employment Training Institute of 1962.

Each RSETI is expected to offer 30 to 40 skill development programs in a financial year of 1 to 6 weeks duration, covering various areas: Agricultural Programs, Product Programs, Process Programs, and General Programs.

Q213 Text Solution:

In November 2012, the National Payments Corporation of India (NPCI) launched a "Common USSD Platform" for all banks and telcos for Mobile Banking using USSD-based

Mobile Banking. NPCI offers a common USSD Code *99# for all Telcos. In December 2016, USSD 2.0 based on UPI was launched along with BHIM. It has made UPI available for non-internet-based mobile devices (smartphones as well as basic phones) in the form of a dialling option (*99#).

Q214 Text Solution:

Exchange Earner's Foreign Currency Account: These accounts can be opened by a person resident in India essentially from foreign exchange earnings.

Payments received for the purpose of counter trade, and 100% foreign exchange earnings by way of inward remittance through normal banking channels, (other than loans or investments) are permitted under these accounts.

Q215 Text Solution:

Special non-resident rupee accounts are essential for foreign nationals or entities with business relationships with individuals/ entities in India.

The tenor of the account: Concurrent to the tenure of the contract/ period of operation/ the account holder's business, the maximum is seven years, except for the activities specified above. RBI approval is required for renewal.

Q216 Text Solution:

In a contract of indemnity, there are two parties, viz., the indemnifier and the indemnified. In a contract of indemnity, the indemnifier is required to make good the loss as soon as it occurs, and he cannot rely on the fact that the person on whose behalf the indemnity is given has not made good the loss.

An indemnity is for the reimbursement of a loss, whereas a guarantee is for the security of the creditor.

Q217 Text Solution:

Assessment of Letter of Credit Limit:

1. Time required for one cycle of operation of Letter of Credit will be $30 + 45 + 45 = 120$ days.
2. Number of cycles in a year (assuming 360 days in a year) i.e., $360/120 = 3$
3. Projected value of raw materials purchased on credit during the year is Rs. 6,000 lakhs.
4. The value of a Letter of Credit per cycle is - Rs $6000 \text{ lakh} / 3 = \text{Rs. } 2000 \text{ lakhs}$

Therefore, the letter of credit limit required would be Rs. 2000 lakhs.

Q218 Text Solution:

Calculation of Working Capital Requirement:

- Growth in turnover during FY2023-24 @ 20% over FY2022-23: $\text{Rs. } 80 \text{ lakhs} * 20/100 = 16 \text{ lakhs}$
- Projected turnover during FY2023-24: $\text{Rs. } 80 \text{ lakhs} + \text{Rs. } 16 \text{ lakhs} = \text{Rs. } 96 \text{ lakhs}$
- Working capital requirement @ 20% of turnover: $\text{Rs. } 96 \text{ lakhs} * 20/100 = \text{Rs. } 19.2 \text{ lakhs.}$

Q219 Text Solution:

According to law, a minor is not capable of entering into a contract and a contract entered into by a minor is void. Assets pledged against an advance granted to a minor are not available for an appropriation of dues.

Exceptions: The only exception recognised is the supply of necessities to him. If a bank lends money to a minor to meet the expenses for purchasing necessities of life, then the bank can recover the money from the estate of the minor.

Q220 Text Solution:

A One Person company is a company that has only one person as a member. It may lose its status if paid-up capital exceeds Rs. 50 lakh or the average annual turnover is more than Rs. 2 crores in three immediately preceding consecutive years.

Q221 Text Solution:

No service charges/inspection charges should be levied on loans up to Rs. 25,000 per member, in case of eligible priority sector loans to Self Help Groups(SHGs). The linking of SHGs with banks has been emphasized by RBI. Banks were advised that they may consider lending to SHGs as part of their mainstream credit operations.

'Self-Help Group' is a voluntary association of the poor formed with the common goal of social and economic empowerment.

Q222 Text Solution:

Self-Help Groups are required to maintain simple basic records such as minutes book, attendance register, loan ledger, general ledger, cash book, bank passbook of the group and individual members' passbooks. Thus, Option (d) is the correct answer.

Q223 Text Solution:

A micro-enterprise: where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.

A small enterprise: where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.

Medium enterprise: where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

Q224 Text Solution:

For loans up to Rs. 10 lakhs, the maximum permissible Loan to Value ratio is 85% of the on-road price of the car, and for loans above Rs. 10 lakhs, the maximum permissible Loan to Value ratio is 80% of the on-road price of the car.

To be eligible for a vehicle loan, the age of the individual should not be more than 65 years, and the maximum tenure of the loan is 84 months.

Q225 Text Solution:

This is a void (invalid) agreement as there is no consideration for Shivam's promise.

A contract of guarantee must be supported by consideration, and consideration between the creditor and principal debtor is a valid and good consideration for the guarantee given by the surety.

A Guarantee is a contract to perform the promise, or discharge the liability, of a third person in case of the latter's default.

Q226 Text Solution:

Any variance made without the surety's consent, in the terms of the contract between the principal debtor and the creditor, discharges the surety as to transactions subsequent to the variance. Thus, Ashish is not liable for his guarantee for any goods supplied after this new arrangement.

A "contract of guarantee" is a contract to perform the promise, or discharge the liability, of a third person in case of his default. The person who gives the guarantee is called the "surety"; the person in respect of whose default the guarantee is given is called the "principal debtor", and the person to whom the guarantee is given is called the "creditor".

Q227 Text Solution:

Hypothecation means a charge in or upon any movable property, existing or future, created by a borrower in favour of a secured creditor, without delivery of possession of the movable property to such creditor, as a security for financial assistance.

Q228 Text Solution:

Pradhan Mantri Jan Dhan Yojana envisages a savings bank account for each adult, linked with other benefits. Persons without an OVD could open a 'Small Account'. The benefits are:

1. No minimum balance required.

2. RuPay Debit card provided.

3. Accident Insurance Cover of Rs. 1 lakh (Rs. 2 lakhs to accounts opened after 28.8.2018) available with RuPay card. The claim is payable if a minimum of one successful financial or non-financial customer-induced card transaction is done within 90 days prior to the date of the accident including the accident date.

4. Life insurance cover of Rs. 30,000/- of the account holder with RuPay debit card.

5. Easy Transfer of money across India

6. Beneficiaries of Government Schemes get DBT.

7. After satisfactory operation of the account for 6 months, overdraft facility.

8. Eligible for PMJJBY, PMSBY, APY, and MUDRA scheme.

Q229 Text Solution:

An NBFC-MFI is defined as a non-deposit-taking NBFC other than a company licensed under Section 25 of the Companies Act, 1956 - Section 8 of the Companies Act, 2013. An NBFC-MFI shall have a minimum of Rs. 5 crores net owned funds but if Registered in the Northeastern Region, a Minimum of Rs. 2 crores net owned funds are required.

Q230 Text Solution:

The regulatory structure for Non-Banking Financial Companies shall comprise four layers based on their size, activity, and perceived riskiness., viz. NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC - UL) and NBFC - Top Layer (NBFC - TL). The Top Layer is ideally expected to be empty.

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other

marketable securities of a like nature, leasing, hire purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property.

Q231 Text Solution:

Of all the kinds of security, the fixed deposit receipt of the bank is the best and most reliable compared to other forms of security.

When money deposited by a customer is not repayable on demand and is payable on the expiry of a specified period from the date of deposit, such a deposit is called a 'Fixed Deposit'. The banker evidences a deposit by issuing a receipt known as a fixed deposit receipt.

Q232 Text Solution:

Where a fixed period for the repayment of the loan is not specified, the bankers take a Demand Promissory Note (DPN). In DPN, the borrower promises to the banker to repay the loan amount on demand with an agreed interest rate. The form of DPN should be in conformity with Section 4 of the Negotiable Instruments Act, of 1881. The form of a DPN varies normally to suit the situation such as fixed rate of interest, floating rate of interest, single borrower, joint borrowers, joint and several borrowers, etc. DPN attracts a stamp duty as per Indian Stamp Act. The rate of stamp duty on DPN is uniform throughout India. It must be ensured that the DPN is duly filled in and stamped before the borrower signs it.

Q233 Text Solution:

Forms serve the purpose of clearly expressing the borrower's intention and are not equivalent to promises or agreements. They are utilized to specify certain details in particular situations. For

instance, in the case of a loan secured by a jointly held fixed deposit, one of the depositors grants permission to the other to borrow against the deposit. This authorization is documented through a form. Likewise, when a loan payment needs to be made to a supplier using the loan funds, the borrower provides a letter to the bank authorizing the payment through a draft or a banker's cheque, which is obtained using a form. These forms are utilized as part of the documentation to demonstrate the borrower's intent in various transactions.

Q234 Text Solution:

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, is applicable to cases where security interest for securing the repayment of any financial asset is more than Rs. 1 Lakh and the amount due is 20% or more of the principal amount and interest thereon.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act introduced major changes in the legal framework for the recovery of dues of banks/ financial institutions through the enforcement of securities. SARFAESI Act has streamlined the functions of the Asset Reconstruction Companies (ARC) for dealing with the financial assets of banks and financial institutions.

Q235 Text Solution:

A Lok Adalat has the authority to resolve conflicts and reach a mutual agreement or settlement between the involved parties. It can handle disputes that are either currently being heard in a court where the Lok Adalat is organized or fall within its jurisdiction but are not currently pending before any court. However, the Lok Adalat cannot address offenses that are not eligible for compromise under any legal provision. At present, civil disputes involving amounts up to

Rs. 20 lakhs can be resolved through this mechanism

Q236 Text Solution:

It was decided by the Supreme Court of India that the DRT mechanism is not applicable to dues of Cooperative banks since the recovery mechanism in those banks is separate and is working satisfactorily. However, the DRT Act is applicable to Multistate Co-operative Banks.

The Debt Recovery Tribunal entertains the cases where the amount of debt due to any bank is 20 lakh rupees or more.

Q237 Text Solution:

A usance bill is a bill payable otherwise than on demand and normally specifies a time for payment of the value it represents. These are also called 'Bills payable after sight'.

Q238 Text Solution:

Section 80 of the Negotiable Instruments Act stipulates that if no rate of interest is specified in the instrument, interest due thereon shall be calculated at the rate of eighteen per cent per annum.

Q239 Text Solution:

Tokenization refers to the replacement of actual card details with an alternate code called the "token", which shall be unique for a combination of card, token requestor and the device. Tokenized card transactions are considered safer as the actual card details are not shared with the merchant.

Q240 Text Solution:

Consumer Loans are provided for the purpose of the purchase of consumer durables and white goods like TV, VCRs, VCPs, air conditioners, refrigerators, personal computers and accessories, vehicles, etc. Banks allow a period of 3 to 5 years for repayment of consumer loans and as a security, there is Hypothecation of the article purchased out of the bank loan.

Q241 Text Solution:

Foreign Banks with 20 branches and above are expected to enlarge credit to the priority sector and ensure that priority sector advances constitute 40% of adjusted net bank credit.

At present, there are nine categories of Priority Sector namely, (i) Agriculture, (ii) Micro, Small and Medium Enterprises, (iii) Export Credit, (iv) Education, (v) Housing, (vi) Social Infrastructure, (vii) Renewable Energy, (viii) Others, and (ix) Weaker Section.

Q242 Text Solution:

Priority sector loans to the following borrowers are considered under the Weaker Sections category:

- Individual women beneficiaries up to Rs. 1 lakh per borrower.
- Small and marginal farmers.
- Artisans, village and cottage industries where individual credit limits do not exceed Rs. 1 lakh.
- Beneficiaries under Government Sponsored Schemes
- Scheduled Castes and Scheduled Tribes.
- Beneficiaries of the Differential Rate of Interest scheme.
- Self-Help Groups.
- Distressed farmers indebted to non-institutional lenders.
- Distressed persons other than farmers with loan amounts not exceeding Rs. 1 lakh per borrower to prepay their debt to non-institutional lenders.
- Persons with disabilities.
- Minority communities may be notified by the Government of India from time to time.

Q243 Text Solution:

Agricultural Term Loans are provided for the purchase of assets like farm machinery, bullocks, sheep, etc. or the creation of assets connected

with agriculture, horticulture, plantation, sericulture, animal husbandry, fisheries, etc. The loan amount is repayable over a period exceeding three years.

Eligibility: All categories of farmers and agricultural labourers are eligible.

Q244 Text Solution:

The Minimum Support Price (MSP) Scheme is a scheme of the Government of India (GOI) under which, the covered agricultural produces are purchased from the farmers at the declared MSP thereby preventing distress sale. The Food Corporation of India (FCI) acts as the Nodal Agency of GOI. These prices are announced for 25 crops currently at the commencement of the Rabi and Kharif seasons to encourage farmers to pursue their efforts. National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) is the nodal procurement agency for Oilseeds and pulses, apart from the Cotton Corporation of India. So, when the prices of oilseeds, pulses and cotton fall below MSP, NAFED purchases them from the farmers.

Q245 Text Solution:

Network device used in LAN	Description
Bridge	A hardware device that creates a single, aggregate network from multiple networks.
Hub	A hardware device helps to connect several devices to a single network and also connects segments of LAN.
Repeaters	Network devices that amplify or regenerate an incoming signal before retransmitting it.
Network Interface Cards	A hardware component used to connect a

computer-to-computer network.

Q246 Text Solution:

Core banking solutions support strong passwords access control mechanisms by enforcing various controls in Password. One such mechanism is the minimum length which is set at eight characters.

Q247 Text Solution:

In any Core banking Solution, there are three types of Transactions, namely Cash, Clearing and Transfer-Transactions.

Core Banking Solutions (CBS) is a platform where Communication Technology and Information Technology merge to suit core banking needs.

Q248 Text Solution:

A cash Recycler machine is a self-service terminal that lets one deposit and withdraw cash. Some features of Cash Recyclers are:

- (1) Cash recyclers can accept cash from customers and dispense it as well.
- (2) They ensure the genuineness of currency.
- (3) Counterfeit notes are recognized.
- (4) Cash deposit is made with a debit card
- (5) Cardless transactions up to Rs. 20,000/- per day.

Q249 Text Solution:

BANKNET, established in 1997, is one of the world's largest global telecommunications networks. It is operated by MasterCard, enabling authorization of credit card transactions throughout the world. It links all MasterCard members and data processing centres into a single financial network.

BANKNET operates as a virtual private network, or VPN that all of its nodes are linked into. In this

way, the network is capable of completing over two million transactions per hour while keeping information secure.

Q250 Text Solution:

A twisted pair consists of two insulated copper wires. It is widely used in place of parallel wires to minimise the risk of cross-talk, i.e. mixing and distortion of signals. These are useful for connecting terminals to computers up to a distance of 150 metres. Because of the low cost and ease of convenience, these are the most popular cables currently in use.

Q251 Text Solution:

Defence-in-Depth security strategy is in which a succession of security procedures and controls are carefully placed throughout a computer network to safeguard the network and the information contained within it.

Layers involved in Defence-in-Depth security strategy: Policies, Procedures, and Awareness; Physical; Perimeter; Internal Network; Host; Application; and Data.

Q252 Text Solution:

Network behaviour anomaly detection (NBAD) provides one approach to network security threat detection. It is a complementary technology to systems that detect security threats based on packet signatures. Most security monitoring systems utilise a signature-based approach to detect threats.

Q253 Text Solution:

RuPay is a card payment scheme launched by the National Payments Corporation of India (NPCI). It has been conceived to fulfil RBI's vision to offer a domestic, open-loop, multilateral system that will allow all Indian banks and financial institutions in India to participate in electronic payments. "RuPay", the word itself, has a sense of nationality in it. "RuPay" is the coinage of two terms Rupee and Payment. NPCI

has launched various card variants catering to different segments of society.

Q254 Text Solution:

The National Payments Corporation of India (NPCI) is a pioneer organization in the field of retail payments in India. The organisation presently has ten core promoter banks (State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank, HDFC Bank, Citibank and HSBC).

Q255 Text Solution:

The e-RUPI was launched on 2nd August 2021 by the National Payments Corporation of India (NPCI). e-RUPI is an innovative digital solution, and 'e-RUPI' is a seamless one-time payment mechanism. It can be issued only by banks authorized by the Reserve Bank of India to issue PPIs and who are participating as Payment Service Providers (PSP) in the UPI ecosystem. e-RUPI can be issued up to INR 10,000 per voucher.

Q256 Text Solution:

The hashtag is used on social media sites, majorly on Twitter, to identify messages on a specific topic. A Hashtag is a word or phrase which is always preceded by a hash sign (#), Indian banks have started using the hashtag to provide services to their customers. Some examples of services offered using Hashtag banking are Banking services, Credit card services, FASTag services, Loan Services, Fixed Deposit services, and Block/Unblock cards. To participate in Hashtag Banking, the customer has to follow his Bank on Twitter.

Q257 Text Solution:

In India, with the formation of SEBI in 1992, and the addition of clause 49 (listing agreements) in

2005, business ethics gained the centre stage of business operations. Several Committees have been set up, the latest was the Uday Kotak Committee set up by SEBI.

Q258 Text Solution:

The first and foremost principle of ethical banking is Trust. It is the confidence in the quality or attribute of a person or a thing or an organisation and includes the truth of a statement. In business, trust means trustworthiness – established by truthfulness.

Q259 Text Solution:

In the given case, it amounts to insider trading. Employees trading based on the internal information of the client, which is not available to the public amounts to insider trading. Also, dealing in the stock of the bank where one is employed based on significant information that is not available to the public amounts to insider trading. SEBI has issued Insider trading rules which also include provisions regarding consequences of violation of the rules and declarations to be made by the employees on a quarterly basis.

Q260 Text Solution:

The protection of genuine complainants is the responsibility of the CVC [Central Vigilance Commission].

The Whistle Blowers Protection Act, 2011 received assent from the President of India in May 2014. It provides a mechanism to investigate alleged corruption and misuse of power by public servants and protect the complainant who exposes alleged wrongdoing in government bodies, projects and offices. The wrongdoing might take the form of fraud, corruption, or mismanagement. The Act provides punishment for false or frivolous complaints.

Q261 Text Solution:

Intellectual property is divided into two categories:

Patents: inventions, trademarks, industrial designs, and geographical indications.

Copyright: literary works, films, music, artistic works, and architectural design.

Q262 Text Solution:

Banks are obligated to promptly report any suspicious transactions they come across to FIU-IND, within a period of 7 days upon suspicion arising. This report is of paramount importance to FIU-IND as it enables them to provide valuable intelligence to law enforcement agencies.

A transaction is classified as suspicious if, from the perspective of a person acting in good faith, it appears to fulfill any of the following conditions:

- There is a reasonable doubt that it could involve proceeds from an offense listed in the Schedule to PMLA, indicating a potential involvement in money laundering.
- It seems to be conducted in circumstances that are unusually complex or unjustified.
- It lacks an economic rationale or genuine purpose.
- There is a reasonable doubt that it may be connected to financing activities related to terrorism.

Q263 Text Solution:

In India, it was the practice to make payment of a cheque/ draft/ pay order only if presented within a period of six months from the date of the instrument. It was noticed that the undue advantage of this facility was being taken by circulating these instruments in the market like cash for six months. Hence, the RBI has reduced the validity of these instruments to three months, effective from April 1, 2012, in the exercise of powers conferred by Sec. 35A of the Banking Regulation Act, 1949.

Q264 Text Solution:

RBI has introduced the Positive Pay System for CTS with effect from January 1, 2021. This involves a process of reconfirming key details of large-value cheques.

NPCI, which is managing the CTS System, has developed the facility of Positive Pay in CTS. Banks must make such a facility available to all account holders issuing cheques for amounts of Rs. 50,000 and above. The customer has the discretion of whether to avail of this facility. Banks have the option of making it mandatory in the case of cheques for amounts of Rs. 5,00,000 and above.

Q265 Text Solution:

In November 2003, RBI constituted the Committee on Procedures and Performance Audit of Public Services under the Chairmanship of Shri. S.S. Tarapore (former Deputy Governor) to address the issues relating to the availability of adequate banking services to the common man. The mandate to the committee included the identification of factors that inhibited the attainment of best customer services and suggesting steps to improve the quality of banking services to individual customers. The Committee recommended setting up of the Banking Codes and Standards Board of India (BCSBI) on the lines of the Banking Codes and Standards Board functioning in the U.K.

Q266 Text Solution:

The claims in respect of deceased locker hirers should be settled, and the contents of the locker should be released within a maximum of 15 days from the date of receipt of the claim.

The Policy for settlement of claims in case of death of a locker-hirer(s) should be based on IBA's Model Operational Procedure and regulatory instructions. Banks should normally require the death certificate of the deceased locker-hirer and the identification document(s) of the nominee(s). Banks may avoid insisting on a succession certificate, letter of administration or

probate, etc., or any bond of indemnity or surety from the survivor(s)/ nominee(s).

Q267 Text Solution:

Prevention of Money Laundering Act lays down an obligation upon the bank to maintain records of all transactions as specified and furnish the information of prescribed transactions, including attempted transactions. These records shall be kept for a period of 5 years from the date of the transaction.

PMLA was enacted to prevent money laundering and to provide for confiscation of property derived from, or involved in, money laundering and for matters connected therewith or incidental thereto.

Q268 Text Solution:

With a view to inculcating the habit of thrift and savings, banks allow minors above the age of 10 years to open and operate deposit accounts, subject to certain conditions.

The father is the natural guardian for opening the account, but RBI has permitted banks to open a minor's account with the mother as a guardian. The term natural guardian does not include stepmother or stepfather. The minor should be literate.

Two minors cannot open a joint account.

Q269 Text Solution:

The money laundering cycle comprises three stages, namely Placement, Layering, and Integration.

- Placement: In this stage, the funds from criminal activity are introduced into the financial system. Typically, this is done through deposits in multiple bank accounts.
- Layering: Next, those funds are passed through numerous financial transactions in these accounts, creating several layers of funds transfers. This helps in hiding the source of these funds.

- Integration: Next step is collecting the funds lying in multiple accounts in one or few accounts that are then deployed for investing in some legal business activity or for acquiring some asset in a legitimate manner.

Q270 Text Solution:

The Consumer Protection Act 2019 extends to the whole of India, including the Union Territory of Jammu & Kashmir. The Consumer Protection Act 2019, like the earlier 1986 Act, applies to all goods and services, excluding the following: Goods for resale; Goods for commercial purposes; Services rendered free of charge; Services under a contract for personal service.

Q271 Text Solution:

Self Help Groups may be sanctioned savings-linked loans by banks varying from a saving-to-loan ratio of 1:1 to 1:4, and for matured SHGs, even beyond this proportion.

'Self-Help Group' (SHG) is a voluntary association of the poor formed with the common goal of social and economic empowerment.

Q272 Text Solution:

'A mortgage is the transfer of an interest in specific immoveable property, for the purpose of securing the payment of money advanced or to be advanced by way of loan, on existing or future debt or the performance of an engagement which may give rise to a pecuniary liability.'

Types of mortgages generally obtained by a banker are Simple Mortgage and Mortgage by deposit of title deeds. Amongst these, Mortgage by deposit of title deeds is most widely obtained.

Q273 Text Solution:

Number of Members: Normally, members in a group should not exceed twenty; otherwise, registration becomes compulsory. Generally, a SHG may consist of 10 to 20 people. In difficult areas like deserts, hills, etc. it may have just 5 members.

Family Income Criteria: Generally, all members should belong to families below the poverty line (BPL). If necessary, a maximum of 20% and exceptionally up to 30% of members may be from families marginally above the poverty line (APL) living contiguously with BPL families.

'Self-Help Group' (SHG) is a voluntary association of the poor formed with the common goal of social and economic empowerment.

Q274 Text Solution:

A "contract of guarantee" is a contract to perform the promise, or discharge the liability, of a third person in case of his default. The person who gives the guarantee is called the "surety"; the person in respect of whose default the guarantee is given is called the "principal debtor", and the person to whom the guarantee is given is called the "creditor".

Q275 Text Solution:

Section 124 of the Indian Contract Act, 1872, defines the Contract of Indemnity. It states that a contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself or by the conduct of any other person, is called a "contract of indemnity".

Q276 Text Solution:

Farmers with landholding of up to 1 hectare are categorised as Marginal Farmers. Farmers with a landholding of more than 1 hectare and up to 2 hectares are categorized as Small Farmers.

Q277 Text Solution:

It is sometimes misconceived that if the signature of the maker is attested or witnessed on the demand promissory note, it becomes a bond. This point was challenged in Mysore High Court in the case of Raghunath Balkrishna Deshpande vs. Biharilal Krishna Prasad Dave. It was held by the court that the promissory note even if attested does not become a bond.

Q278 Text Solution:

As per Section 18 of the Indian Stamp Act every instrument, other than a bill of exchange and promissory note, which are chargeable with duty and executed out of India may be stamped within three months after it has been first received in India.

Q279 Text Solution:

All information systems involve two basic software called an operating system and a database. Both can control access to the data and applications.

Logical controls are implemented using the access control facilities of operating systems and database systems. Both provide an interface between the application controls and general Information System controls. To ensure data integrity, it is necessary to control access to the data, applications, and other resources.

Q280 Text Solution:

The network protocols depend on the adapters. Some of the commonly used types of adapters are Ethernet and Token-RING.

Ethernet is a technology for connecting devices in LAN or WAN. It enables devices to communicate with each other via a protocol, which is a set of rules or common network language. In the Ethernet system, the listen-before-transmit media sharing system is called Carrier-Sense Multiple Access with Collision Detection (CSMA/CD) system. Ethernet cards share the common wire by transmitting only when the channel is clear. If two stations try to transmit simultaneously, a collision occurs. The stations halt transmission and wait for a random period before retransmitting.

Q281 Text Solution:

As per the recommendations of the Saraf Committee, the Reserve Bank of India decided to set up a countrywide data communication network for banks linking major centers of the country. This network, christened the INFINET

(Indian Financial Network), has been set up in Hyderabad.

Q282 Text Solution:

The checksum is generated to ensure the integrity of data stored in a computer file. A checksum is a number calculated on the basis of certain key data items of the file. In a branch banking environment, the checksum generated at the time of closing of an application on the previous day is tallied with that generated at the time of day-begin function on the next day. Checksum usually involves at least the account number, balances and names of the account holders or account number.

Q283 Text Solution:

The wide area networks are formed based on the telecommunication network, and hence the type of network will differ on the basis of the method of telecommunication used. When separate dedicated data lines are used between two or more computers, such a network is called the leased line network.

A Wide Area Network (WAN) is defined as a large-scale computer network spread over a span of sizeable geographic area, normally utilizing the telecommunication network.

Q284 Text Solution:

Supervisory technology or SupTech offers technological solutions that assist financial supervisory authorities in managing regulatory compliance. Supervisory agencies manage risk in the financial sector and implement regulations. Reserve Bank of India has been using SupTech to collect and analyze data. Some examples are Import Data Processing and Monitoring System (IDPMS), Export Data Processing and Monitoring System (EDPMS) and Central Repository of Information of Large Credits (CRILC).

Q285 Text Solution:

A central bank digital currency (CBDC) which is also known as digital fiat currency, is a digital

currency issued and guaranteed by a central bank, which can be used to make digital payments. Hence CBDC can be described as a digital currency issued and controlled by the central bank, which is virtually stored and easily accessible to everyone.

Q286 Text Solution:

SIEM (Security Information and Event Management) is a platform for detecting, analyzing, and responding to security threats of the next generation. Applications and network hardware security alarms may be analyzed in real-time using SIEM software, which combines SIM and SEM technologies.

SIEM software can have many features and benefits, including Consolidation of multiple data points, Custom dashboards and alert workflow management, and Integration with other products.

Q287 Text Solution:

An Account Aggregator (AA) is a type of RBI regulated entity (with an NBFC-AA license) that helps an individual securely and digitally access and share information from one financial institution they have an account with to any other regulated financial institution in the AA network. Data cannot be shared without the consent of the individual.

Account Aggregator retrieves or collects information related to financial assets of a customer from the holders of such information (termed as Financial Information Providers (FIPs)) and aggregates, consolidates and presents it to the customers or specified users (termed as Financial Information Users (FIUs)).

Q288 Text Solution:

A threat actor is an individual or a group of people that take part in a malicious act that is intended to cause harm to the IT assets, including computers, devices, systems, or

networks. Threat actors can be broadly classified as Cybercriminals, Criminals, Business competitors, and Current or former employees.

Q289 Text Solution:

Automated Teller Machines (ATMs) are primarily used to perform some banking functions such as the withdrawal of cash or deposit of cash/cheque, etc., using an ATM/ATM cum debit cards, credit cards and prepaid cards, as permitted by the issuer. The committee headed by Dr. C. Rangarajan recommended setting up ATMs in India. These machines should be strategically located at airports, railway stations, hospitals, important commercial centres, and bank branches for use by the customers.

Q290 Text Solution:

Satyam Computer Services Ltd. (Satyam) incorporated in 1987 for software development and consultancy services, was listed in 1991. In 1996 it promoted four subsidiaries. Satyam Infoway, one of the subsidiaries, was the first Indian IT company listed on the NASDAQ. Global Institutional Investors Survey of 2005 ranked it as 3rd in Corporate Governance

Q291 Text Solution:

Accounting Standard 18 is applied in reporting related party relationships, and transactions between a reporting enterprise and its related parties.

The objective of Accounting Standard 15 is to prescribe accounting and disclosure for employee benefits.

Q292 Text Solution:

Bribes refer to paying money or a gift to a person with the motive of getting some favor done. Bank employees conduct various operations of credit appraisals, loan disbursements, monitoring, recovery, and marketing of bank products and services where elements of bribery may appear. Similarly, bank employees deal with many agencies for official purposes, any act of getting

favorable treatment in such transactions by offering bribes to the concerned officials is an offence related to bribery. Taking or giving bribes both amounts to unlawful activity and is punishable.

Q293 Text Solution:

Based on the recommendation of the Working Group on Fintech and Digital Banking, RBI put in place an 'Enabling Framework for Regulatory Sandbox'. The objective is to foster responsible innovation in financial services, promote efficiency and bring benefits to consumers. It is a formal regulatory programme for market participants to test new products, services or business models with customers in a live environment, subject to certain safeguards and oversight.

Q294 Text Solution:

On April 18, 2007, the Reserve Bank of India brought out the 'Protected Disclosures Scheme for Private Sector and Foreign Banks' in the context of whistle-blower mechanism in these two categories of banks. RBI is the Nodal Agency to receive complaints under the Scheme. The identity of the complainant is kept secret, except if the complaint turns out to be vexatious or frivolous and action has to be initiated against the complainant.

Q295 Text Solution:

The prime responsibility of communication with various stakeholders in a crisis situation lies with the CEO.

Bank, when a major borrower declares failure of business, should recognize it as a crisis event. Ethical leaders play a critical role since they are the first ones to recognize the crisis, and caution others that the organization is in danger. After recognizing the crisis situation, the leader must start implementation of crisis management plans, bring in the crisis management team and focus on controlling the damage.

Q296 Text Solution:

Business ethics indicate the magnitude of rightness or wrongness of one's opinion whereas Business values indicate a level of significance. 'Business values' is an informal term that explains the core principles or standards that guide the way business is done. They sum up what your business stands for.

Q297 Text Solution:

- Term deposits in banks are also referred to as time deposits, and they do not permit withdrawal before the expiry of a specified period, as per the definition by the Reserve Bank of India.
- Term deposits, or time deposits, are deposit accounts held at a financial institution, usually a bank, that are not to be withdrawn before a specified maturity date. If the money is withdrawn before this date, a penalty is usually assessed.
- The Reserve Bank of India (RBI) provides guidelines for these types of deposits.
- These deposits are generally made for fixed periods, such as three months, six months, one year, two years, and so on, and earn a fixed rate of interest agreed upon at the time of opening the account.

Q298 Text Solution:

The first statement is correct as the priority sector has the following 8 categories:

1. Agriculture
2. Micro, Small, and Medium Enterprises
3. Export Credit
4. Education
5. Housing
6. Social Infrastructure
7. Renewable Energy
8. Others

Statement II is incorrect as the total Priority Sector target for Small Finance Banks is 75 percent of ANBC or CEOR, whichever is higher.

Statement III is correct as the target for Agriculture is not applicable for foreign banks with less than 20 branches.

Q299 Text Solution:

The Negotiable Instruments Act lays down the law relating to the payment of a customer's cheque and the protection that is available to a banker making payment of a cheque in due course. Section 10, 85, 85A, 89 and 128 of the Act deal with the protection available to a banker whereas Section 31 lays down the condition when a bank has to make payment on a cheque drawn by the customer.

Q300 Text Solution:

A customer is entitled to zero liability: (i) if there is contributory fraud/ negligence/ deficiency on the part of the bank (even if customer does not report), and (ii) if there is third party breach and there is no deficiency with the customer or the bank but elsewhere in the system (provided the customer informs within 3 working days of receiving bank's communication for the transaction). The customer will be liable for the loss, if it is due to her negligence, until she reports the unauthorised transaction to the bank. Any loss occurring after reporting shall be borne by the bank.



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