

Legal & Regulatory Aspects of Banking

In securitisation, who is the originator?

- a. Borrower
- b. Lending Bank
- c. Securitisation Company
- d. None of the above

Ans - b

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

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

Ans - c

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After Mardia Chemical Case, the amendment made in the SARFAESI Act stipulates deposit of _____ % of amount before preferring application to DRT.

- a. 25
- b. 50
- c. 60
- d. 75

Ans - b

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The bank can seek review of award before;

- a. deputy governor of RBI
- b. chief justice of supreme court.
- c. consumer protection act, 1986
- d. none of the above

Ans - a

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The banking ombudsman may ask the concerned bank to submit;

- a. information on the complaint.
- b. evidences and documents in support of the reply to the complaint
- c. other related document
- d. all the above

Ans - d

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Under which provisions, the RBI has introduced the banking regulation act, 1949

- a. section 33 of banking ombudsman scheme
- b. RBI act, 134
- c. consumer protection act, 1986
- d. none of the above

Ans - d

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An award of banking ombudsman is;

- a. a judicial decision.
- b. an arbitrarily order
- c. an order on the bank .
- d. an appeal to the bank

Ans - a

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Under the banking ombudsman scheme a complaint can be lodged with the ombudsman

- a. within in the specified jurisdiction.
- b. with the head office of the bank
- c. with the consumer of the bank
- d. any of the above

Ans - a

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The secretariat staff in the baking ombudsman office will be

- a. drawn from banks.
- b. drawn from reserve bank
- c. directly appointed

d. (a) and (b)

Ans - d

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Whether moveable securities in possession of the bank can be sold by the Bank without intervention of the Court ?

- a. No. The Court order is required to sale the security.
- b. Yes. Bank can sell as provided in the Contract Act, 1872.
- c. Yes. As the SARFAESI Act, 2002 has made provisions to that effect.
- d. No. Till the account is not declared as NPA by the Bank.

Ans - b

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As per the laws existing today the mortgaged security cannot be sold without Court intervention. Is this correct ?

- a. Yes. Court intervention is required as per the provisions of the Transfer of Properties Act.
- b. No. SARFAESI Act, 2002 has now made enabling provisions.
- c. Yes. Since the Contract Act has made no provision about any Court intervention.
- d. No. Due to recent amendments in the Transfer of Property Act no Court intervention is required.

Ans - b

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Provisions of SARFAESI Act, 2002 apply to which securities ?

- a. Any moveable or immovable security charged to the bank or financial institution.
- b. To mortgage securities only.
- c. Where security interests are created for repayment of financial assistance given by bank or financial institution.
- d. To the properties owned by defaulter borrower but that area not charged to the bank.

Ans - c

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The most important characteristic of pledge is of goods.

- a. Assignment
- b. Lien
- c. Possession
- d. None of these

Ans - c

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Hypothecation is an implied in cases where constructive possession of goods is given.

- a. Lien
- b. pledge
- c. Assignment
- d. None of these

Ans - b

.....

Individual borrowers are governed by the

- a. RBI Act
- b. BR Act
- c. Indian contract Act
- d. None of these

Ans - c

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Banking ombudsman is;

- a. legal machinery established by subordinate legislation to provide an additional but optional legal remedy
- b. a judicial machinery
- c. NGO
- d. an administrative machinery

Ans - a

.....

The features of the award awarded by banking ombudsman are;

- a. it is binding on the banks
- b. it is not binding on the complaints unless be accepts it
- c. the complaint is free to seek alternative remedies available under general law
- d. all the above

Ans - d

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What is the tenure of banking ombudsman?

- a. 1 years
- b. 3 years
- c. 5 years
- d. no such time limit

Ans - c

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What is the provisions of remuneration of the baking ombudsman ?

- a. 60 years
- b. 62 years
- c. 65 years
- d. 68 years

Ans - c

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What are the provisions of remuneration of the banking ombudsman ?

- a. he is eligible for remuneration and other perquisites
- b. this will be determined by the RBI
- c. this has to be borne by banks proportionately
- d. all the above

Ans - d

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The necessary requirement for submitting need not contain?

- a. it must be in writing and duly signed by the complainant and or authorized person.
- b. it should contain the name address of the complainant.
- c. it must contain the bank and branch name against which complaint is being made.
- d. all the above

Ans - d

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The bank is required to comply with the execution of the award of banking ombudsman within the bank is required to comply with the execution of the award of banking ombudsman within;

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

Ans - b

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In a Hindu Undivided Family, the business of the family is managed by

- a. Karta
- b. All the male co-parceners
- c. All the co-parceners
- d. None of these

Ans - a

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A company is and from its members.

- a. Unique and Separate
- b. Separate and distinct
- c. Distinct and Unique
- d. Unique and distinct

Ans - b

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A Public Limited Company shares are transferable.

- a. Not
- b. Freely
- c. Not freely
- d. None of these

Ans - b

.....

Statutory Corporations are established by Acts of

- a. Parliament
- b. Indian Trust
- c. Wakf
- d. Religious and Charitable Endowments

Ans - a

.....

Private Trusts are governed by the

- a. Parliament Act
- b. Indian Trust Act
- c. Wakf Act
- d. Religious and Charitable Endowments Act

Ans - b

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The period stipulated in the Act for filing details of security interest is ____ days.

- a. 10 Days
- b. 20 Days
- c. 30 Days
- d. 60 Days

Ans - c

.....

Securitisation or SARFAESI Act is not applicable to assets

- A. in possession of the creditor
- B. charge on which is in favour of the creditor
- C. both
- D. none

Ans - b

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Who among the following are not included in the Central Board of directors of RBI ?

- a. Governor
- b. Deputy Governor
- c. Directors nominated by Govt
- d. Executive Director

Ans - d

.....

At least of the total number of directors of a public company are to be persons whose period of office is liable to determination by

retirement by rotation.

- a. 2

- b. 2/3
- c. 1/3
- d. 5

Ans - b

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RBI undertakes banking business for the state govt under the provision of ...

- A. Sec 22 of RBI Act
- B. Sec 21 of RBI Act
- C. Sec 20 of RBI Act
- D. Agreement between RBI & Govt u/s 21 A of RBI Act

Ans - d

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A Co operative bank can be which of the following ...

- A. Primary coop bank
- B. District central coop bank
- C. State coop bank
- D. All the above

Ans - d

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The banking ombudsman scheme covers the following banks;

- a. scheduled commercial banks.
- b. regional rural banks.
- c. co- operative banks.
- d. all these

Ans - d

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Which of the following statements is correct regarding banking ombudsman scheme?

- a. it is an opportunity to public to redress their grievances of banking services
- b. it is an additional grievances settlement mechanism
- c. it is not substitution of consumer protection act.
- d. all the above.

Ans - d

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The objectives of the banking ombudsman scheme are;

- a. to promote settlement through conciliation
- b. prompt settlement of customer grievances .
- c. inexpensive settlement of grievances.
- d. all the above.

Ans - d

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Who can make the complaint to ombudsman?

- a. the customer himself
- b. the authorized representative of customer.
- c. (a) or (b) above
- d. all the above

Ans - c

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Under what circumstances a complaint can be lodged with the banking ombudsman

- a. if the bank has not settled the issue within a period of two months.
- b. the bank has rejected the complaint of the customer
- c. the reply given by the bank to the customer was not satisfactory.
- d. all the above

Ans - d

.....

What is the true limit for a bank to dispose customers complaints?

- a. 1 month
- b. 2 month
- c. 3 month
- d. 6 month

Ans - b

.....

What kind of complaint can be lodged with the banking ombudsman?

- a. delay in collection of cheques
- b. deficiency in cash transaction.

- c. non- issue of demand drafts
- d. all the above

Ans - d

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The ombudsman signifies;

- a. an institution established to content and prevent abuses of power by Public official.
- b. redress individual grievances
- c. acts as an external agency to probe in to administration faults.
- d. all the above

Ans - d

.....

The role of banking ombudsman is;

- a. resolution of complaints against banks regarding deficiency in services
- b. it is an external agency includes mediation persuasion and adjudication
- c. it is an external agency having independent identity
- d. all the above

Ans - d

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Section 22 of RBI acts relate which aspects of banking ?

- A.RBI authority to regulate credit
- B.RBI authority to regulate banking business
- C.RBI authority to function as bank for govt business
- D.RBI authority to issue & manage currency in India

Ans - d

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A Banking co. having operations in India could be constituted as a ...

- A. Body corporate under special act
- B. Registered under the companies act
- C. A Foreign co. under provisions of co. act
- D. All the above

Ans - b

.....

Organisational or constitutional aspects of banking co. are regulated by ...

- A. RBI
- B. SEBI
- C. Authorities under companies act
- D. ALL THE ABOVE

Ans - a

.....

Agent can be appointed by

- a. express appointment
- b. implication of law
- c. ratification by principal
- d. any of the three modes

Ans - d

.....

..... is terminated when the buyer gets the possession of the goods

- a. agreement
- b. lien
- c. condition
- d. warranty

Ans - b

.....

The SARFAESI Act is applicable to secured creditors only to enforce the securities criteria

- A. without the intervention of court or tribunal
- B. after taking permission of court or tribunal
- C. in case of assets on which charge is registered
- D. none

Ans - a

.....

After using the securitisation measures a bank can proceed further in

- A. the civil court
- B. DRT

- C. both as the case may be
- D. none

Ans - b

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In Mardia case what the Supreme Court declared as invalid ?

- a. Entire SARFAESI Act, 2002.
- b. Creation of security interest.
- c. Formation of Reconstruction Companies.
- d. Condition to pay 75 per cent of the amount as pre-condition while preferring appeal to the DRT.

Ans - d

.....

When any bank or financial institution creates a charge against property, with which authority the transaction will have to be registered under the SARFAESI Act, 2002?

- a. With the Central Registry.
- b. With the ROC.
- c. With the Registrar of Assurances within whose jurisdiction the property lies.
- d. With the Reserve Bank of India.

Ans - a

.....

When the provisions of SARFAESI Act, 2002 can be invoked for proceeding against the charged property?

- a. When the bank feels that it is necessary for the recovery at any time.
- b. When the RBI directs to do so.
- c. When there is default in repayment by the borrower.
- d. When there is default in repayment and the bank declares the account as NPA.

Ans - d

.....

Whether existing or future receivables are property?

- a. Yes.
- b. No.
- c. Yes, but if and when charged to the lender.
- d. No, if hypothecated to the lender.

Ans - a

.....

Asset Reconstruction company has to get registration from

- A. RBI
- B. its own bank
- C. both
- D. none

Ans - a

.....

The minimum number of members required in a private company is

- a. 3
- b. 7
- c. 12
- d. 2

Ans - d

.....

Most of the complaints are settled through;

- a. mutual agreement
- b. award
- c. bank itself
- d. before proceeding to agreed stage

Ans - a

.....

Which of the following are the norms of awarding compensation by the banking ombudsman ?

- a. banking ombudsman does not have unlimited powers to allow compensation.
- b. the maximum limit of compensation is Rs. 10 lac
- c. no compensation will be awarded in excess of that which is necessary.
- d. all the above

Ans - d

.....

In case of non- compliance of the award by the bank the baking ombudsman will report to;

- a. reserve bank of India.
- b. supreme court
- c. finance ministry
- d. consumer protection forum

Ans - a

.....

What is the maximum limit of compensation the banking ombudsman may award?

- a. Rs. 1 lac
- b. Rs. 5 lac
- c. Rs. 10 lac
- d. Rs. No such limit

Ans - c

.....

What is the maximum time for settlement of a claim before passing an award by the banking ombudsman

- a. within 15 days from the date of receipt of complaint.
- b. within 30 days from the date of receipt of complaint.
- c. within 2 months from the date of receipt complaint ,
- d. within 3 months from the date of receipt of complaint

Ans - c

.....

What is the time limit to accept the recommendations of banking ombudsman by a bank?

- a. one week
- b. 2 weeks
- c. 3 weeks
- d. 4 weeks

Ans - b

.....

The banking ombudsman scheme was implemented in India on;

- a. 14.6 .1995
- b. 1.1.7.1995
- c. 2.10.1995
- d. 15.12.1995

Ans - a

.....

The banking ombudsman scheme 1995 was amended in

- a. 2000
- b. 2001
- c. 2002
- d. 2004

Ans - c

.....

The usual form of contract of agency is by way of a

- a. power of attorney
- b. indemnity bond
- c. guarantee bond
- d. None of the above

Ans - a

.....

The maximum number of directors in a private company can be

- a. 3
- b. 7
- c. 12
- d. 5

Ans - c

.....

At least of the total number of directors of a public company are to be persons whose period of office is liable to determination by retirement by rotation.

- a. 2
- b. 7
- c. two-third
- d. None of the above

Ans - c

.....

Every public company, or a private company which is a subsidiary of a public company, having a paid-up share capital of Rupees must have a managing or whole-time director or a manager.

- a. five crore
- b. five lakh
- c. one crore
- d. one lakh

Ans - a

.....

The term corresponding new bank under banking co. (acquisition & transfer of undertaking) act 1970 stands for ...

- A. New private banks
- B. Old private banks
- C. RRBs
- D. Nationalised banks

Ans - d

.....

Trusts of Hindus are governed by the

- a. Parliament Act
- b. Indian Trust Act
- c. Wakf Act
- d. Religious and Charitable Endowments Act

Ans - d

.....

Trusts of Muslims are governed by the

- a. Parliament Act
- b. Indian Trust Act
- c. Wakf Act
- d. Religious and Charitable Endowments Act

Ans - c

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Cash Credit facility is a

- a. Fund based facility

- b. Non-Fund based facility
- c. Either a or b
- d. None of these

Ans - a

.....

The banking ombudsman may reject the complaint on the following grounds

- a. complaint is without sufficient cause.
- b. complaint is not pursued with reasonable diligence.
- c. there is no loss or damage or inconvenience suffered by the complainant.
- d. any one or all of the above

Ans - d

.....

Which of the following the banking ombudsman does not cover?

- a. financial institutions.
- b. non- banking financial companies
- c. non- scheduled banks.
- d. all the above.

Ans - d

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The banking ombudsman receives maximum number of complaints in respect of;

- a. foreign bank
- b. public sector bank
- c. regional rural bank
- d. co- operative bank

Ans - b

.....

Which of the following are the norms of awarding compensation by the banking ombudsman ?

- a. banking ombudsman does not have unlimited powers to allow compensation.
- b. the maximum limit of compensation is Rs. 10 lac
- c. no compensation will be awarded in excess of that which is necessary.
- d. all the above

Ans - d

.....

In case of non- compliance of the award by the bank the baking ombudsman will report to;

- a. reserve bank of India.
- b. supreme court
- c. finance ministry
- d. consumer protection forum

Ans - a

.....

What is the maximum limit of compensation the baking ombudsman may award?

- a. Rs. 1 lac
- b. Rs. 5 lac
- c. Rs. 10 lac
- d. Rs. No such limit

Ans - c

.....

Bills co-acceptance facility is a

- a. Fund based facility
- b. Non-Fund based facility
- c. Either a or b
- d. None of these

Ans - b

.....

Banker is entitled to charge interest on temporary overdraft under

- a. RBI Act
- b. BR Act
- c. Indian contract Act
- d. Banking Custom

Ans - d

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Limitation period for filing a suit in Term Loans is years from the date of default of installment.

- a. 2
- b. 3

- c. 4
- d. 5

Ans - b

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Period of repayment in the case of medium-term loan is

- a. 1 year
- b. 2-4 years
- c. 5-7 Years
- d. More than 7 years

Ans - c

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A public company should have a minimum paid-up capital of Rupees

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - d

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Coop banks operating in different states have to get themselves registered under ...

- A. RBI Act
- B. Multi state coop societies act
- C. State coop societies act
- D. B R Act

Ans - b

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Central govt can exempt a banking co. from the provisions of banking regulation act under which of the following circumstances ...

- A. On its own
- B. On recommendation of state govt
- C. On recommendation of RBI
- D. on request from the concerned banking co.

Ans - c

.....

What is the necessary condition to be complied with before lodging a complaint to banking ombusman

- a. have made a representation to the concerned bank.
- b. bank might have reject ed the complaint or not replied the complaint
- c. the reply might have not to the satisfaction of complainant.
- d. (a) or (b) or (c)

Ans - d

.....

The acceptance of recommendations of the banking ombudsman should be conveyed by the bank within?

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

Ans - d

.....

How many offices the banking ombudsman have at present ?

- a. 5
- b. 10
- c. 21
- d. 29

Ans - b

.....

What are the formalities the banking ombudsman will comply before passing an award ?

- a. if the complaint is not settled within 2months from the date of receipt of the complaint, the baking ombudsman will inform parties about his intention to pass an award.
- b. both the parties may submit further representation or evidences in support their case within 15 days.
- c. the banking ombudsman will pass an award.
- d. all the above

Ans - d

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Before passing an award the banking ombudsman will be guided by;

- a. evidences produced by the parties.
- b. banking law and practice.
- c. instructions and guidelines issued by RBI
- d. all the above

Ans - d

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An award by banking ombudsman will contain;

- a. specific performance of operations.
- b. loss / cost to be borne by the bank.
- c. reasons for making the award.
- d. all the above.

Ans - d

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An award will be executed the bank in the following manner;

- a. complainant must submit acceptance letter within one month he will accept the award in full and final settlement
- b. the bank shall comply the award within 5 days of receipt of acceptance from the complaint
- c. the bank shall intimate the banking ombudsman about compliances of the award within 15 days.
- d. all the above.

Ans - d

.....

If a civil court has already given a decree then the recovery certificate can be issued by

- A. any different court
- B. at the request of any of the parties
- C. DRT only
- D. none

Ans - d

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Under the SARFAESI Act who has the power to condone delay in filling of the particulars

- A. an arbitrator
- B. registrar
- C. central registrar
- D. registrar of assurances

Ans - c

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The owner of a financial asset acquired by a securitisation company is called

- A. purchaser
- B. seller
- C. originator
- D. vendor

Ans - c

.....

From the following which function is of securitisation company?

- a. Acquisition of loan transaction from the lender.
- b. Help the lender in recovery by sale of charged property.
- c. Take legal steps against the defaulter borrower on behalf of the lender.
- d. Acquisition of financial assets from the originator.

Ans - c

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After application of SARFAESI Act what existing companies have to do about registration with RBI?

- a. They are automatically deemed to be registered.
- b. They are required to stop functioning.
- c. Existing companies do not require registration.
- d. They have to get registered within six months from commencement of the Act.

Ans - d

.....

The maximum number of members in a private company can be

- a. 7
- b. 20
- c. 50
- d. No Limit

Ans - c

.....

Who issues license to the coop societies to function as coop banks ?

- A. State Govt
- B. NABARD
- C. Central Govt
- D. RBI

Ans - d

.....

Co operative societies that function as banks have been brought to the regulatory framework of RBI for certain aspects as a result of ...

- A. Section 6 of B R Act
- B. Section 43 of RBI Act
- C. Section 54 of registered societies act
- D. Section 56 of B R Act

Ans - d

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Consumer means;

- a. any person who buys any goods.
- b. any person who hires or avails of any services.
- c. any person who makes payment in full or in installments or under hire purchase systems.
- d. all the above

Ans - d

.....

Who is not a consumer?

- a. any person who uses goods or benefited from services without making any payment.
- b. any person who obtain goods for resale or an commercial purpose.
- c. persons allotted plots or houses by housing development boards.
- d. a person hires any services for consideration.

Ans - b

.....

Which of the following is not a consumer?

- a. patient receiving medical treatment in govt. hospital.
- b. patients getting treatment in private nursing home.
- c. persons selling/buying shares from a share broker

d. none of the above.

Ans - d

.....

The goods in the consumer protection act, includes;

- a. every kind of movable property except money.
- b. actionable claims, stocks and shares.
- c. growing) crops and things attached to or forming a part of the land.
- d. all the above.

Ans - d

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The services under the consumer protection includes;

- a. banking, financing and insurance.
- b. transports and processing.
- c. supply of electrician and other energy.
- d. all the above.

Ans - d

.....

Which of the following, is not a service under the provisions of the act?

- a. free services and personal services rendered under a contract.
- b. boarding, lodging or both .
- c. entertainment and amusement.
- d. purveying of news and other information.

Ans - a

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What are the essential features of services ?

- a. it must be of a commercial nature.
- b. it must be rendered on payment.
- c. services received by a patient from a doctor or hospital may be free of charge.
- d. all the above.

Ans - d

.....

Which of the following are not consumer under the act?

- a. beneficiary of services though not the hirer himself.
- b. nominee under a bank deposit account.
- c. actual user of a subscribers telephone.
- d. all the above.

Ans - d

.....

Which o the following rights of a consumer are protected under the act?

- a. the right to be protected against the making of goods which are hazardous to life and property.
- b. the right against unfair trade practices.
- c. the right to be assured to a variety of goods and services at competitive prices.
- d. all the above.

Ans - d

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The unfair trade practice includes;

- a. quality and quantity.
- b. potency and purity.
- c. standard and price of goods and services.
- d. all the above.

Ans - d

.....

Which of the following is not the right under the consumer protection act?

- a. the right to be heard and to be assured that consumers interest will be received due consideration.
- b. right to seek redressal.
- c. right to consumer education.
- d. right to free delivery at a particular spot.

Ans - d

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The right of redressal is sought for against ;

- a. unfair trade practices.
- b. restrictive trade practices.
- c. unscrupulous exploitation.

d. all the above

Ans - d

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The concept of banking ombudsman is;

- a. originated on India.
- b. international concept.
- c. a scheme of world bank
- d. a part of basic committee recommendation.

Ans - d

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Who implemented the banking ombudsman scheme?

- a. Indian bank association.
- b. reserve bank of India.
- c. national institute of bank management
- d. national consumer commission

Ans - d

.....

Which of the following the complaint need not contain?

- a. the name of the bank official
- b. the nature extent of loss caused to the complaint.
- c. relief sought from banking ombudsman .
- d. statement about the compliance of the condition.

Ans - a

.....

Additional directors are appointed by the

- a. promoters
- b. underwriters
- c. shareholders
- d. board of directors

Ans - d

.....

Only personal security of the borrower is available in the case of loans.

- a. Secured
- b. Unsecured
- c. Both a and b
- d. None of these

Ans - b

.....

Secured loans are normally secured by

- a. Pledge
- b. hypothecation
- c. mortgage or assignment of debts
- d. All of the above

Ans - d

.....

Charge means any form of for

- a. Security, Debt
- b. Debt, Security
- c. pledge, Security
- d. None of these

Ans - a

.....

Fixed charge means non registration of charge for the following

- a. book debts
- b. supply bills
- c. immovable property
- d. pledge

Ans - d

.....

Limitation period for term loans repayable in installments is

- a. 3 years from date of loan document
- b. 3 years from due date of each installment
- c. 3 years from date of disbursement

d. 12 years from date of loan documents

Ans - b

.....

Negative lien means

- a. cancellation /release of lien marked on securities
- b. prohibition of second encumbrance
- c. prohibition of creating any charge
- d. undertaking by executants not to encumber the unencumbered securities

Ans - b

.....

Person who is not entitled to receive the benefit under a LC is...

- a. Exporter
- b. Beneficiary
- c. Buyer
- d. Seller

Ans - c

.....

Registration of charge with Roc need not be done

- a. for hypothecation of stocks
- b. for pledge of property
- c. for mortgage of property
- d. for hypothecation of vehicles

Ans - b

.....

ABC Co.Ltd. have a current account operated by anyone of the three directors A, B and C of which A dies. A cheque for Rs 50000 signed by A

previously, is presented for payment. The bank will

- a. dishonour the cheque with the reason : "Signatory is dead "
- b. honour the cheque as the company, the account holder has perpetual life
- c. seek the company's advice
- d. ask the company to stop the payment and issue a new cheque

Ans - b

.....

Pari passu is a charge indicating

- a. first charge over securities
- b. 2nd charge over securities
- c. equal charge to charge holders
- d. proportionate share to charge holders

Ans - d

.....

When a person by his words or conduct appoints someone as his agent it is known as agency by

- a. promise
- b. conduct
- c. action
- d. estoppel

Ans - d

.....

What kind of banking complains can be lodged with the consumer banking forum?

- a. charging ed cess interest on loans
- b. payment of less interest on deposits
- c. forgery in the account
- d. all the above

Ans - d

.....

Which of the following complaints cannot be redressed by the forum?

- a. non-enhancement in the credit limit
- b. non- payment of cheque without valid reason
- c. negligence in bank transactions.
- d. not providing the required service

Ans - a

.....

Which of the following activities is not commercial?

- a. goods bought by a consumer to be used exclusively by him for the purpose of earning his livelihood by means of self-employment
- b. a retailer.
- c. small scale industry
- d. a car of a transport company being operated by a driver.

Ans - a

.....

When was the first asset reconstruction company was set up?

- a. august, 2003.
- b. dec, 2003
- c. march, 2004.
- d. june, 2003.

Ans - a

.....

Which of the following banks were major promoters of first asset reconstruction company?

- a. state bank of India.
- b. icicibank.
- c. IDBI
- d. all these

Ans - d

.....

What was the capital contribution of major participating banks in promoting the first asset reconstruction company?

- a. 0.5
- b. 0.245
- c. 0.333
- d. 0.2

Ans - b

.....

What are the main objectives of consumer protection act, 1986?

- a. to provide better protection of the interest of consumers.
- b. settlement of consumer disputes.
- c. to deal with other connected matters.

d. all the above

Ans - d

.....

Which of the following statements, is correct regarding consumer protection act?

- a. the act extends to whole of India except the state of jammu&Kashmir.
- b. the act applies all goods and services except those notified by the central government .
- c. the act is called consumer protection act, 1986.
- d. all the above

Ans - d

.....

..... means the consideration for a sale of goods.

- a. Lien
- b. Delivery
- c. Price
- d. Shares

Ans - c

.....

The minimum number of members required in a public company is

- a. 3
- b. 7
- c. 12
- d. 2

Ans - b

.....

Goods as defined under Sale of Goods Act does not include

- a. grass
- b. actionable claims
- c. shares
- d. stock

Ans - b

.....

Which from amongst the following is a reason for cancellation of registration of the Securitisation company and reconstruction company without giving hearing opportunity?

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

Ans - b

.....

On giving default notice by the creditor, the borrower gives a reply to it. what the creditor should do?

- a. Ignore the notice as the law does not provide for any reply option to the bank.
- b. Wait till the borrower initiates any legal action based on his reply.
- c. Give due consideration case by the Supreme Court and reply to it.
- d. Take the matter before DRT for resolving issues raised in reply.

Ans - c

.....

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

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

Ans - c

.....

Under the Banking Ombudsman scheme an arbitrator is separately appointed by

- A. Banking ombudsman himself
- B. RBI
- C. GOI-MOF
- D. GOI-Law ministry

Ans - d

.....

IRR (internal rate of return) wherever applicable should not be less than proposed.....of loan

- a. interest rate

- B. cost
- C. cash generation
- D. fixed rate

Ans - a

.....

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

- A. 90 days
- B. 365 days
- C. 30 days
- D. 60 days

Ans - D

.....

Alternate directors are appointed by the

- a. promoters
- b. underwriters
- c. shareholders
- d. board of directors

Ans - d

.....

A private company should have a minimum paid-up capital of Rupees

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - c

.....

Which act provides regulatory powers directly or indirectly central govt for control over banks ?

- A. RBI ACT
- B. B R ACT
- C. N I ACT
- D. a & b

Ans - d

.....

Section 7(1) of RBI act concerns with which of the following aspects ?

- A.RBI authority to regulate the banks
- B.NABARD authority to regulate RRB's
- C.Govt authority to issued directions to RBI
- D.Rbi authority to issue directions to bank in india

Ans - c

.....

An appeal against the decision of national commission may be preferred with;

- a. central government.
- b. supreme court.
- c. high court.
- d. no provision for submitting an appeal

Ans - b

.....

What is the maximum period for filling an appeal against the orders of the forum /commission ?

- a. 3 days
- b. 30 days
- c. 60 days
- d. 90 days

Ans - b

.....

If the complaints lodged by the consumer is frivolous, the forum may instruct the construct the complaints to pay penalty to opposite party to the extent of;

- a. Rs. 10.001.
- b. Rs. 5,000
- c. Rs. 10,000
- d. Rs. 15,000

Ans - c

.....

In case of non compliance of the orders of the forum by the trader or a person against whom complaint was made the forum c/commission may fix the following penalties?

- a. imprisonment of one month and upto 3 years.
- b. a fine of not less than Rs. 2,000 but to more than Rs. 10,000
- c. (a) or (b)
- d. (a) and (b)

Ans - c

.....

Who will be the chairman of central consumer protection council?

- a. minister in charge of consumer affairs.
- b. judge of supreme court.
- c. any member nominated by government.
- d. none of the above.

Ans - a

.....

When was the national commission was set up set central government ?

- a. 1986
- b. 1987
- c. 1988
- d. 1991

Ans - c

.....

The district forum shall consist of;

- a. president
- b. an eminent person
- c. a lady social worker
- d. all these

Ans - d

.....

Who would be the president of district forum?

- a. district judge
- b. district magistrate
- c. additional commissioner.

d. an eminent social worker

Ans - a

.....

What are the special features of consumer protection act, from consumers point of view?

- a. a simple process of complaint redressal.
- b. inexpensive redressal of complaint.
- c. speedy redressal of consumer grievances.
- d. all the above.

Ans - d

.....

Which of the following sectors the consumer protection act applies?

- a. private sector
- b. public sector
- c. government agencies
- d. all the above

Ans - d

.....

Unclaimed Deposit means a deposit not operated for

- a. 3 years
- b. 5 years
- c. 7 years
- d. 10 years

Ans - d

.....

RBI is under obligation to undertake banking business for the central govt under the provision of ...

- A. Section 22 of RBI Act
- B. Section 21 of RBI Act
- C. Section 20 of RBI Act
- D. Result of agreement between RBI & Govt

Ans - c

.....

The director of a banking company can hold office continuously for

- a. 3 years
- b. 10 years
- c. 8 years
- d. for lifetime

Ans - c

.....

In securitisation, who is the obligor?

- a. Borrower
- b. Lending Bank
- c. Securitisation Company
- d. None of the above

Ans - a

.....

Whether breach of RBI directives is punishable offence and to what extent?

- a. Yes, fine up to five lakh rupees and for continuation of offence per day fine up to rupees ten thousand.
- b. Yes, by cancellation of licenses of the company.
- c. No, these are the administrative directions.
- d. No, the Act has not provided for any punishment in specific.

Ans - a

.....

Provision of SARFAESI Act are applicable to which of the following?

- a. Pledged goods.
- b. Only mortgaged properties.
- c. Securities that are not otherwise charged to the creditors.
- d. Securities charged to creditors and not in possession of the creditor.

Ans - d

.....

Any Securitisation Company may

- a. Act as an agent for any bank or FI for the purpose of recovering their dues from the borrower
- b. Act as a manager for the secured assets
- c. Act as receiver if appointed by any court or tribunal.

d. Any/all of the above

Ans - d

.....

Limitation period for filling of the review application against the award given by the Banking Ombudsman is

- a. 30 Days
- b. 45 days
- c. 60 Days
- d. 90 Days

Ans - b

.....

DRT Act is applicable only if the debt recoverable is above Rs

- a. Rs. 10 lakhs (only principal)
- b. Rs. 10 lakhs (only interest)
- c. Rs. 10 lakhs (principal+interest)
- d. Any one of the above

Ans - d

.....

Which from amongst the following is a reason for cancellation of registration of the Securitisation company and reconstruction company without giving hearing opportunity?

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

Ans - b

.....

An entity holding not less than 10% of the paid-up equity capital of Securitisation or reconstruction Company is called as

- a. Originator
- b. Secured Creditor
- c. Sponsor
- d. Secured debtor

Ans - c

.....

Dividends are usually paid on:

- a. Called-up-capital
- b. Subscribed-capital
- c. Paid-up-capital
- d. Issued capital

Ans - c

.....

what are the impart benefits of SARFAESI Act, 2002 to the banks?

- a. the banks can realise assets by selling or leasing without intervention or court
- b. manage asset- liability mis- matches
- c. improve liquidity and recovery position
- d. all the above

Ans - d

.....

In case of grievance, what are the various forums available to the borrower to appeal?

- a. DRT and DRAT.
- b. high court.
- c. supreme court.
- d. all the above

Ans - d

.....

Which of the following are the redressal agencies under the consumer protection act?

- a. district forum
- b. state commission
- c. national commission
- d. all these

Ans - d

.....

The district forum deals with the complaints where value of goods does not exceed;

- a. Rs. 70 lac
- b. Rs. 25 lac
- c. Rs. 50lac
- d. Rs. No such limit.

Ans - a

.....

The feature deals with the complaints where value of goods and service exceeds;

- a. it is set up state governments for the respective state
- b. it is headed by the judge of a high court
- c. it hears appeals against the orders of district forums within the state
- d. all the above

Ans - d

.....

The state commission deals with the complaints where value of goods and services exceeds;

- a. Rs. 20 lac but does not exceed Rs. 50 lac
- b. Rs. 20 lac but does not exceed Rs. 75 lac
- c. Rs. 20 lac but does not exceed Rs. 1 crore
- d. no such limit is fixed.

Ans - c

.....

The national commission is headed by;

- a. commission nominated by center govt.
- b. judge of the supreme court.
- c. official of home ministry.
- d. an individual of high integrity.

Ans - d

.....

The complaints alt by nation commission are where value of goods and services exceeds;

- a. Rs. 50 lac
- b. Rs. 1crore
- c. Rs. 1.25 crore
- d. Rs. 2 crore

Ans - b

.....

In which of the forums appeals can be filed with against the orders of state commission?

- a. national commission.
- b. high court.
- c. central government.
- d. any of these.

Ans - a

.....

A complaint can be lodged in relation to any goods or services in the following circumstances;

- a. loss or damage suffered on account of unfair trade practice.
- b. the goods suffer from one or more defects.
- c. the services suffer from deficiency in any respect.
- d. all the above.

Ans - d

.....

A complaints under the consumer protection act, can be lodged by;

- a. consumer himself or one or more consumers having common interest.
- b. a recognized consumer association
- c. the central of state government
- d. any of the above.

Ans - d

.....

What is the limitation period in which, a complaint can be filed with any of the forums?

- a. 2 years from the date of cause of action.
- b. 1 years from the date of cause of action.
- c. 6 months from the date of cause of action.
- d. 3 months from the date of cause of action.

Ans - a

.....

In how many days the opposite party can give the version of the case?

- a. 7 days.
- b. 15 days.
- c. 30 days.
- d. no such time limit.

Ans - c

.....

In how many days laboratory should submit its report regarding the defect of the goods?

- a. 55days
- b. 60days
- c. 75days
- d. 90 days

Ans - a

.....

What kind of instructions the forum can issue to the opposite party?

- a. to remove the defect of the goods.
- b. to replace the goods with new goods which shall be free from defect.
- c. to return to the complainant the price of goods or charges for services
- d. any one of the above

Ans - d

.....

Which of the following instruction the forum is not authorized to issue in case of defects or deficiency in service?

- a. to return the defected goods along with addition new goods free of cost.
- b. to pay compensation for any loss or injury suffered by the consumer.
- c. to discontinue the unfair trade practice.
- d. to provide for adequate costs to the parties.

Ans - a

.....

Memorandum & Articles of any company are available for inspection in

- A. the printing press where they are printed
- B. SEBI
- C. on the notice board of companies

D. office of the Registrar of Companies

Ans - d

.....

Reserve Bank was constituted under

- a. BR Act
- b. RBI Act
- c. Companies Act
- d. None of these

Ans - b

.....

A Regional Rural Bank is

- a. A body corporate created under a special statute
- b. A cooperative society
- c. A Private Bank
- d. None of these

Ans - a

.....

Banking companies are licensed by

- a. Reserve Bank
- b. Registrar of companies
- c. Company Law Board
- d. None of these

Ans - a

.....

Business which a banking company may undertake other than banking is as stipulated by

- a. Reserve Bank
- b. BR Act
- c. RBI Act
- d. None of these

Ans - b

.....

BR Act was enacted for regulating acceptance of deposits from public.

- a. Regulating banking companies
- b. Creating Reserve Bank
- c. Creating RRBs
- d. None of these

Ans - a

.....

Casual vacancies in the board of directors is filled in by the

- a. promoters
- b. underwriters
- c. shareholders
- d. board of directors

Ans - d

.....

A person resident in India in the preceding in India for more than days in the preceding financial year.

- a. 180
- b. 182
- c. 60
- d. 62

Ans - b

.....

An Adjudicating Authority can enquire contravention under FEMA only if a complaint is filed by

- a. RBI
- b. High Court
- c. Special Director (Appeals)
- d. Central Government

Ans - d

.....

..... goods means goods identified and agreed upon at the time a contract of sale is made.

- a. Future
- b. Specific

- c. Moveable
- d. Immoveable

Ans - b

.....

When a person by his words or conduct appoints someone as his agent it is known as agency by

- a. promise
- b. conduct
- c. estoppel
- d. action

Ans - c

.....

If the stipulation agreed to between the parties is essential to the main purpose of the contract then such a stipulation is known as a

- a. condition
- b. warranty
- c. implied condition
- d. guarantee

Ans - a

.....

The maximum number of directors in a public company can be

- a. 3
- b. 7
- c. 12
- d. 15

Ans - c

.....

Cooperative bank operating in different states are regulated by ...

- a. State Cooperative Societies Act
- b. Multi-Unit Cooperative Societies Act
- c. Banking Laws (application to Cooperative Societies Act)
- d. None of these

Ans - b

.....

Government can exempt a bank from provision of BR Act

- a. On the recommendation of RBI
- b. Whenever the government is satisfied
- c. If requested by a bank
- d. None of these

Ans - a

.....

Which of the following statements, is correct?

- a. the secured creditor can take possession of Asset 60 days after giving notice.
- b. The Asset can be sold or transferred.
- c. It is mandatory for District Magistrate to take possession of Asset once written request is received from secured creditor.
- d. All the above.

Ans - d

.....

What is the procedure of acquiring a secured movable Asset?

- a. The authorized officer of secured creditor shall prepare a panchnama.
- b. The panchnama should be witnessed by two persons.
- c. If the property is subject to natural decay, the authorized person may sell it at once.
- d. All the above.

Ans - d

.....

What is process of valuation of movable secured Assets?

- a. The authorized officer shall obtain estimated value of asset.
- b. Officer can fixed reserve price of Asset to be sold.
- c. The borrower need not be involved in the process of valuation.
- d. All the above.

Ans - d

.....

The movable Asset can be sold:

- a. obtaining quotations from interested buyers.

- b. Inviting tenders
- c. Holding public action
- d. Any of the above.

Ans - d

.....

How many days notice is required to be given to borrower for sale of movable secured Asset?

- a. 30 days
- b. 15 days.
- c. 7 days.
- d. 3 day.

Ans - a

.....

Which of the following are the steps for taking over immovable secured Asset?

- a. The authorized person shall take possession by delivering possession notice to the Borrower.
- b. A copy of the possession notice shall be affixed on the outdoor of the property.
- c. The possession receipt is also required to be published in two leading newspapers locally.
- d. All the above.

Ans - d

.....

Which of the following statements, is correct regarding valuation of immovable secured asset?

- a. Authorised officer will obtain estimated value from the approved valuer.
- b. The borrower need not involved in the valuation process.
- c. Valuation by approved valuer and fixing of reserve price is mandatory incase of immovable Assets.
- d. All the above.

Ans - d

.....

Which of the following is the important provision in respect of immovable property which is subject to encumbrances?

- a. The secured creditor shall vest in the transferee all the right as it the transfer had been made by the borrower.
- b. All encumbrances know to secured creditor must be disclosed in the advertisement.
- c. The Authorised officer may allow the purchaser to deposit with him the money required to discharge the encumbrances.

d. All the above.

Ans - d

.....

What are the provisions for appointment of manager for secured Assets:

- a. the Board of Directors of secured creditor may appoint a manager in consultation with the borrower to manage secure assets.
- b. The manager will be deemed to be an agent of borrower.
- c. The borrower solely would be responsible for the acts of manager.
- d. All the above.

Ans - d

.....

Which of the following are the powers of manager?

- a. To recover any money from any person who has acquired secured asset, from the borrower.
- b. Such amount should become due or may become due in future.
- c. The manager will give valid discharge to person making payment as if the payment has been made to the borrower.
- d. All the above.

Ans - d

.....

What are the provisions of depositing 75% amount by the borrower while submitting appeal?

- a. No appeal will be entertained unless 75% of the amount is not deposited.
- b. DRT can waive or reduce the amount required to be deposited.
- c. The amount will include installments which were not due.
- d. All the above.

Ans - d

.....

The essential features of pay through certificates are:

- a. It involves specific sale of asset cash flow to SPV.
- b. The SPV issues pay through certificates to the investors.
- c. The cash is collected by the SPV from the borrower and then distributed
- d. the cash is collected by the SPV from the borrower and then distributed to certificate holders.

Ans - d

.....

what are the pre-requisites for formatting a securitized company?

- a. it must obtain registration certificate from the RBI.
- b. minimum owned funds of Rs. 2 crore.
- c. the maximum amount of owned funds should not exceed 15% of total financial assets acquired or to be acquired.
- d. all the above

Ans - d

.....

what are the steps an asspt reconstruction company can take?

- a. proper management of the business of the borrow.
- b. sale or lease of a part or whole of business of borrower.
- c. Re-scheduling the payment of debt.
- d. all the above

Ans - d

.....

which of the following measures the asset reconstruction company can not undertake?

- a. it can acquire standard assets of banks.
- b. it can enforce security interest.
- c. it can settle the dues payable by the borrower.
- d. it can take possession of secured assets.

Ans - a

.....

..... exercises the central banking function in India,

- a. State Bank of India
- b. Central Bank of India
- c. Reserve Bank of India
- d. None of these

Ans - c

.....

Company matters of a banking company are regulated by

- a. Reserve Bank
- b. Authorities under Companies Act

- c. SEBI
- d. None of these

Ans - b

.....

Trading in shares and securities by banks is subject to control by

- a. Controller of Capital Issues
- b. SEBI
- c. Company Law Board
- d. None of these

Ans - b

.....

There are restrictions on cooperative banks on in other cooperative societies under Section 49 of the BR Act.

- a. holding of shares
- b. keeping deposits
- c. acquiring any interested
- d. None of the above

Ans - a

.....

Central and restrictions on cooperative banks have to submit their returns under Section 31 of BR Act to

- a. Reserve Bank and National Bank
- b. National Bank only
- c. Reserve Bank only
- d. None of the above

Ans - a

.....

Under Section 23 of the BR Act, without the permission of Reserve Bank, a can open a new place of business within the area of its operation.

- a. central cooperative bank
- b. state cooperative bank
- c. primary cooperative bank
- d. None of the above

Ans - a

.....

Cooperative banks have to prepare their balance sheet and profit and loss account in the forms set out in the Third Schedule to

- a. Banking Regulation Act
- b. Reserve Bank of India Act.
- c. State cooperative Society Act
- d. None of the above

Ans - a

.....

when the Rules, framed by the Central Government, under the Act get validity?

- a. After the Appellate Tribunal of DRt approves them.
- b. On Supreme Court approving the same.
- c. Immediately on framing of the Rules by the government and notifying the same.
- d. When the both the houses of Parliament approve the Rule so framed.

Ans - d

.....

What is the object of introducing the Banking Ombudsman Scheme, 2002?

- a. For effective monitoring of NPA accounts in the banks.
- b. It is RBI agency to regulate the disputes amongst the banks.
- c. To enable resolution of complaints relating to banking services.
- d. For executing the orders passed by DRT.

Ans - c

.....

Can the Banking Ombudsman undertake any other work than of his office?

- a. Yes, as the appointment of Banking Ombudsman is honorary.
- b. Yes, if RBI permits can undertake honorary work.
- c. No.
- d. Yes, if the Banking Ombudsman can handle both the jobs property.

Ans - b

.....

Can the Banking Ombudsman resolve the dispute between banks or between bank and its customer by arbitration reference?

- a. No, the Banking Ombudsman has no arbitral powers.
- b. Yes, if Banking Ombudsman himself feels and decides to so.
- c. No, as the Banking Ombudsman has no powers of Civil Court.
- d. Yes, if both the parties to the complaint agree for the same.

Ans - d

.....

Under open cash credit, the goods are taken as security, without transferring

- a. ownership of goods
- b. possession of goods
- c. both are transferred
- d. both are not transferred

Ans - d

.....

As per lending policy, repayment of term loan is generally given upto

- a. 10 years
- b. 20 years
- c. 7 years
- d. 1 year

Ans - c

.....

Which of the following statements, is correct?

- a. the qualified investors would be paid out of the realization of Financial Assets.
- b. Any dispute between Bank securitization company and qualified institutional investors would be settled through arbitration.
- c. The lending company sells its loans to the investors through special purpose vehicle.
- d. All the above.

Ans - d

.....

What are the features of asset Reconstruction?

- a. The Right or interest of any Bank is acquired for the purpose of realization of such assets.

- b. Non-performing assets alone can be acquired for asset re-construction.
- c. The assets can be acquired by the Asset Reconstruction Company by issuing Debentures and Bonds or entering into an arrangement with the Bank.
- d. All the above.

Ans - d

.....

Under what circumstances security can not be enforced?

- a. If it is an Agriculture Land.
- b. When the amount due is less than Rs. One lac.
- c. When the Borrower has repaid more than 80% of principle and interest.
- d. All the above.

Ans - d

.....

Security interest means:

- a. Right, title and interest of any kind upon property.
- b. Created in favour of any secured creditor.
- c. This includes mortgage, hypothecation and assignment.
- d. All the above.

Ans - d

.....

When an action for enforcement of security can be initiated?

- a. When a Borrower is under the liability of secured creditor.
- b. Borrower makes a default in payment of principal and interest.
- c. The loan account is classified as Non-performing Asset (NPA).
- d. All the above.

Ans - d

.....

What is a Non-performing Asset:

- a. Where payment of interest or principal or both is in arrears for more than 180 days.
- b. Where loan account is in default for 90 days and above.
- c. Where loan account is classified as sub-standard doubtful or loss Asset by the Bank as per the directions of RBI.
- d. None of the above.

Ans - c

.....

Which of the following are the requirements for finding a notice?

- a. It must be in writing giving a borrower time of 60 days to discharge the liability.
- b. It must specify that secured creditor has right to exercise any action over the assets.
- c. It must give details of amount payable by the borrower and the secured assets intended to be enforced.
- d. All the above.

Ans - d

.....

Which of the following a notice must specify in case of foreclosed loans?

- a. It should cover entire loan liability including instalments not due.
- b. It should cover entire loan liability including instalments not due.
- c. It must mention future interest payable till the date of repayment.
- d. All the above.

Ans - d

.....

Which of the following are the provisions for joint secured creditors?

- a. Individual secured creditors can not take any action unless such right is agreed upon.
- b. Decision will be taken jointly by secured creditors having 75 per cent of liability.
- c. The decision taken as above. (b) will be binding in all the remaining secured creditors.
- d. All the above.

Ans - d

.....

How the amount received from sale of secured assets would be applied?

- a. Payment of cash, charges incurred in taking over the assets and maintaining it.
- b. Discharge of due of secured creditor.
- c. The remaining amount will be paid to the borrower entitled.
- d. In the above manner (a), (b) and (c).

Ans - d

.....

Which of the following statements, is correct?

- a. Secured creditor may file a case with DRT for the remaining unrealised amount.
- b. No suit can be filed against the secured creditor if it has acted in good faith.
- c. Action against the secured creditor can be taken only if malafied is alleged and established.
- d. All the above.

Ans - d

.....

Whose assistance can be taken for taking over assets if the borrower resists giving possession of the asset?

- a. Chief Metropolitan Magistrate.
- b. District Magistrate.
- c. (a) or (b)
- d. Superintendent of police.

Ans - c

.....

Spurious Goods are defined under

- a. sale of Goods act
- b. contract act
- c. consumer protection act
- d. companies act

Ans - c

.....

The document of title to goods enables the holder

- a. to transfer the goods
- b. ownership by endorsement
- c. possession of goods by delivery
- d. all of above

Ans - d

.....

Non-registration of charge with ROC makes a bank to

- a. become unsecured creditor against other charge holders
- b. share the securities with other charge holders

- c. lose the remedy to file suit for the debt
- d. lose both the security and the right to file suit

Ans - a

.....

The majority of shares of subsidiary banks are held by

- a. Reserve bank
- b. Central Government
- c. State bank
- d. None of the above

Ans - a

.....

Regional rural banks operate in

- a. a notified area
- b. the whole of a state
- c. only a district
- d. None of the above

Ans - a

.....

The management of the affairs of a regional rural bank is vested in

- a. the Sponsor Bank
- b. its Board of Directors
- c. National Bank
- d. None of the above

Ans - b

.....

Unless the context otherwise require, the reference to a in the Banking Regulation Act shall be construed as reference to a cooperative

bank.

- a. cooperative society
- b. banking company
- c. body corporate
- d. None of the above

Ans - b

.....

..... in relation to a cooperative society, for the puposes of BR Act, includes a member of any committee or body for the time being vested with

the management of the affairs of that society .

- a. Director
- b. Member
- c. Manager
- d. None of the above

Ans - a

.....

A bank has lent Rs.8 lakhs to a pvt.ltd.co. to purchase a pick up van. Therefore the bank's charge

- a. has to be registered with RTO/ROC
- b. need not be registered with ROC
- c. registration is optional
- d. none of above

Ans - a

.....

..... goods are to be manufactured/produced/acquired by the seller after making of the contract of sale.

- a. Future
- b. Specific
- c. Moveable
- d. Immoveable

Ans - a

.....

What are the main features of SARFAESI Act, 2002?

- a. To put a legal system for securitization.
- b. Empowering banks and financial institutions to take possession of the mortgaged securities.
- c. To sell the securities without intervention of court.
- d. All the above.

Ans - d

.....

What are the main issues with which SARFAESI Act, 2002 deals with?

- a. Securitisation of Assets.
- b. Setting up of an Assets Reconstruction Company.
- c. Enforcement of securities.
- d. All the above.

Ans - d

.....

The essential features of securitization are:

- a. Acquisition of Financial Assets by a Securitisation or Reconstruction Company.
- b. The Assets may be NPA or standard.
- c. On sale the Assets goes out of the Books of the originator.
- d. All the above.

Ans - d

.....

What are the main functions of Assets Reconstruction Company?

- a. Setting up of a company.
- b. Acquiring Assets for Reconstruction.
- c. Acquire Assets for Asset Reconstruction.
- d. All the above.

Ans - d

.....

Which of the following is not a function of Asset Reconstruction Company?

- a. To acquire pending recovery cases from DRT.
- b. Act as an Agent for Recover.
- c. Act as Manager.
- d. Act as Receiver of Court/Tribunal.

Ans - a

.....

The important features of Enforcement of Securities are:

- a. take possession of the Secured Assets.

- b. Take over management of Secured Assets.
- c. To acquire pending recovery cases from DRT.
- d. Act as an Agent for Recover.

Ans - d

.....

The important features of Enforcement of Securities are:

- a. take possession of the Secured Assets.
- b. Take over management of Secured Assets.
- c. Recover dues from the debtors of the borrower
- d. All the above.

Ans - d

.....

In which of the following Acts. The provisions of Mortgage of an Asset are dealt with?

- a. Transfer of Property Act.
- b. Sale of Goods Act.
- c. Negotiable Instrument Act.
- d. Indian Company Law.

Ans - a

.....

The bank can enforce the security after giving notice and if Borrower does not repay within:

- a. 30 days
- b. 60 days
- c. 75 days
- d. 90 days

Ans - b

.....

The power of enforcement of security are available to:

- a. Banking Companies
- b. Public Financial Institutions
- c. Non-Banking Financial companies
- d. (a) and (b)

Ans - d

.....

What are the Rights available to a secured creditor?

- a. To sell the Assets.
- b. File application with DRT for recovery of full or remaining dues.
- c. To proceed against the guarantor.
- d. All the above.

Ans - d

.....

Which of the following is correct?

- a. The borrower can file an appeal with the DRT only after the secured creditor takes possession of Asset.
- b. Borrower can not file an appeal in the Civil Court.
- c. Writ petition can be filed in the High Court at any time.
- d. All the above.

Ans - d

.....

Which of the following statements, is not correct?

- a. the secured creditor has all the Judicial powers.
- b. The Borrower can get the possession of Asset back if he succeeds in DRT.
- c. The protection of SICA will not be available once the secured creditor takes steps
- d. The Borrower can get compensation from the secured creditor if he succeeds in appeal in DRT.

Ans - a

.....

Which of the following provisions are correct regarding securitisation?

- a. performing Assets can be securitized.
- b. Non-performing assets can also be securitized.
- c. A securitization company can also act as Asset Re-construction Company and vice-versa.
- d. All the above.

Ans - d

.....

Which of the following are the requirements of a securitized company?

- a. It should be an independent company.
- b. It should be registered with RBI.
- c. It will be a public financial institution.
- d. All the above.

Ans - d

.....

Which of the following statements, is correct?

- a. Securitisation company can acquire only financial assets.
- b. The difference between securitization and factoring is that in factoring only existing Receivables can be acquired while in securitisation even future Receivables can be acquired.
- c. The purpose of Securitisation is to avoid mismatch between Assets and Liabilities.
- d. All the above.

Ans - d

.....

The securitization Company can acquire financial assets from Banks in the following manner:

- a. by issuing Debenture or Bonds.
- b. By entering into an arrangement with the Bank/Financial Institution.
- c. (a) or (b)
- d. (a) and (b)

Ans - c

.....

What is the role of qualified Institution Buyers in the securitization process?

- a. The qualified investors would invest in the Financial Asset Scheme.
- b. The securitized company issues Security Receipts to qualified investors.
- c. The security receipt represents undivided interest in the Financial Asset.
- d. The securitized company will realize Financial Assets and redeem the investment.

Ans - a

.....

Letter of Credit where in addition to advance payment, the beneficiary is entitled to payment of storage charges is called

- a. LC

- b. Red clause credit
- c. Yellow clause credit
- d. Green clause credit

Ans - d

.....

Can a customer from whose account fraudulently someone has withdrawn money make complaint before the Banking Ombudsman?

- a. No, as the offence committed is of criminal nature FIR with police has to be filed.
- b. Yes, but if the police authorities who have received FIR permit filing of complaint with Ombudsman.
- c. Yes, as this aspect comes under the powers of Banking Ombudsman.
- d. No, as the loss caused to the customer is of a civil nature for recovery, civil suit is required to be filed.

Ans - c

.....

Once the dispute before the Banking Ombudsman is referred to arbitration can new claim or counterclaim be made?

- a. No, as the reference on the issues has already been made.
- b. Yes, provided the claim and counterclaim are within the terms of reference.
- c. Yes, provided additional stamp duty is paid thereon.
- d. No, because arbitration is by mutual consent so stage of claim and counter claim does not arise.

Ans - b

.....

Section 5(b) of Act gives the definition of the term 'Banking'

- a. Contract Act
- b. Negotiable Instruments Act
- c. Banking Regulation Act
- d. Transfer of Property Act

Ans - c

.....

Principle functions of the Bank are:

- a. Dispatch of statements
- b. Adjustment of Interoffice Transactions
- c. Clearing
- d. Acceptance of deposits for Lending and investment

Ans - d

.....

In a deposit account the principal relation between Bank and Customer is bank and the Customer

- a. Agent, Principal
- b. Lessor, Lessee
- c. Creditor, Debtor
- d. Debtor, Creditor

Ans - d

.....

In case of safe custody of articles relation between Bank and Customer is Bank and Customer

- a. Agent, Principal
- b. Lessor, Lessee
- c. Bailor, Bailee
- d. Debtor, Creditor

Ans - c

.....

Line is a/an of the creditor to retain possession.

- a. Obligation
- b. Right
- c. Interest
- d. Protection

Ans - b

.....

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

- banking company
- body corporate
- society
- d. None of the above

Ans - b

.....

The Chairman of the State Bank is appointed by in consultation with the Reserve Bank.

- a. the Central Board
- b. Banking services Recruitment Board
- c. Central Government
- d. None of the above

Ans - c

.....

State Bank has to act as and carry out Central Government business

- a. and other business entrusted by the Reserve Bank.
- b. agent of Reserve Bank
- c. agent of Central Government
- d. advisor to the Central Government

Ans - b

.....

The provision of the are applicable to State Bank as stipulated in Section 51 of the BR Act.

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

Ans - b

.....

Where as general lien gives right to retain goods, Banker's lien has in case of default.

- a. right to create charge
- b. right to create mortgage
- c. right to sell
- d. None of these

Ans - c

.....

General lien gives the creditor right to retain which have come in his possession.

- a. all goods
- b. Some goods
- c. Specific goods

d. None of these

Ans - a

.....

Acts done honestly is called acts done

a. without negligence

b. rashly

c. mollified

d. in good faith

Ans - d

.....

Mere signature of the payee on the reverse of the instrument is called endorsement

a. full

b. blank

c. conditional

d. restrictive

Ans - b

.....

'Sans recourse' means

a. I am not afraid

b. Do not touch me

c. ask the drawer

d. without liability to me

Ans - d

.....

In case of safe deposit locker the relation between Bank and Customer is Bank and Customer

a. Agent, Principal

b. Lessor, Lessee

c. Creditor, Debtor

d. Debtor, Creditor

Ans - b

.....

When a Bank lends money the relation between Bank and Customer is Bank and Customer

- a. Agent, Principal
- b. Lessor, Lessee
- c. Creditor, Debtor
- d. Debtor, Creditor

Ans - c

.....

Particular lien gives the creditor right to retain in case the expenses incurred are not paid.

- a. All goods
- b. Some goods
- c. Specific goods
- d. None of these

Ans - c

.....

A revocable LC is one which can be amended or cancelled by.....without prior notice.

- a. Any or all parties of LC
- b. The beneficiary
- c. The issuing bank
- d. None of the above

Ans - c

.....

What are the enclosures to Paper Book to be submitted with recovery application to DRT?

- a. Statement of loan account.
- b. Purpose and circumstances under which loan was disbursed.
- c. Reasons for default.
- d. All the above.

Ans - d

.....

Which of the following is not an enclosure to the paper Book which is enclosed to the application with DRT?

- a. All the documents based on which the claim is formed.
- b. Details of payment of Fee.

c. Application of the Borrower.

d. Affidavit of the Advocate if the case is filed through the Advocate.,

Ans - c

.....

Which of the following is correct regarding filing a recovery case with DRT?

a. The application for recovery should be filed in 4 copies.

b. The loan documents should not be time barred at the time of filing a case.

c. The Recovery officer has powers like an Income Tax officer.

d. All the above.

Ans - d

.....

Which of the following can be part of interim order of DRT?

a. Injection.

b. Stay

c. Attachment.

d. Any of the above.

Ans - d

.....

The interim order of DRT can debar the Borrower from:

a. transferring any property or Assets belonging to him.

b. Alienating any property or Assets belonging to him.

c. Disposing of any property or Assets belonging to him.

d. Any or all of the above.

Ans - d

.....

Which of the following is not the power of DRT?

a. Presenting a Borrower to submit an appeal against the orders of DRT.

b. Management, protection and Improvement of property attached.

c. Collection of Rent and Profits on the attached property.

d. Distribution of the realization proceeds among secured creditors.

Ans - a

.....

What is Lok Adalat?

- a. It is an easy process of Settlement of Bank dues.
- b. Small loans upto a specified amount can be settled through Lok Adalat.
- c. It is a process of mutual settlement.
- d. All the above.

Ans - d

.....

Which of the following are the features of Lok Adalat?

- a. Lok Adalat meets on a specified day once a month.
- b. The Bank and Borrower can have mutual settlement of their own or through
- c. The competent officer of a Bank can present himself in the process.
- d. All the above.

Ans - d

.....

What are the advantages of Lok Adalat?

- a. Minimum Fee.
- b. Easy and fast Process.
- c. Facility of write offs.
- d. All these.

Ans - d

.....

A Bank officer of the following rank can refer the cases to Lok Adalat:

- a. Scale II
- b. Scale III
- c. Scale IV
- d. Scale v

Ans - c

.....

The Scale III officers can participate in Lok Adalat proceedings and may arrive at the compromise where write off amount does not exceed:

- a. Rs. 2,500

- b. Rs. 5,000
- c. Rs. 10,000
- d. Rs. 12.500

Ans - a

.....

The decision of the Scale III Bank official in write off the liability will have to be approved by:

- a. Chairman
- b. General Manager
- c. Zonal Manager
- d. No ratification is required.

Ans - a

.....

Which of the following Committee recommended a separate Act, for Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act?

- a. Rengrajan Commottee.
- b. T.R. Andhyarjuna Committee.
- c. Narasimham Committee.
- d. Nayak Committee.

Ans - b

.....

SARFAESI Act, 2002 was made effective on:

- a. 21.06.2002.
- b. 01.06.2002.
- c. 01.04.2002.
- d. 15.03.2002.

Ans - a

.....

Bailment is the delivery of goods

- a. as security
- b. for safe custody
- c. for using on rent
- d. for sale or return

Ans - b

.....

what are the important features of securitization?

- a. It is process through which illiquid Assets are transferred into more liquid form of Assets
- b. The lending institution's Assets are removed from its Balance Sheet
- c. These Assets are funded by investors through a negotiable financial instrument
- d. All the above

Ans - d

.....

What is the role of special purpose vehicle (SPV) in the process of securitization?

- a. It is an intermediary between seller of financial Assets.
- b. SPV receive money from investors and pays to the transferor.
- c. The investors are paid out of the Assets realized over a period of time.
- d. All the above.

Ans - d

.....

The essential features of pass through certificate are:

- a. A direct, participation in the cash flow is sold.
- b. Receipt of Asset cash flow is deposited in a designated account.
- c. The funds are passed on to certificate holders.
- d. All the above.

Ans - d

.....

Debenture is a document acknowledging

- a. Company's indebtedness
- b. Company's ownership
- c. Ownership of machinery
- d. none

Ans - a

.....

Under letter of Credit, Bill means

- a. Bill of entry
- b. Bill of Lading
- c. Bill of exchange
- d. Invoice

Ans - c

.....

Income earned by a shareholder on a company shareholding is called

- a. Interest
- b. Discount
- c. Dividend
- d. None

Ans - c

.....

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

- a. Registrar of Companies
- b. Reserve Bank
- c. Central Government
- d. None of the above

Ans - b

.....

The High court shall order winding up of a banking company if the banking company is unable to

- a. pay its debts
- b. file returns in time
- c. eliminate non-performing assets
- d. None of the above

Ans - a

.....

In winding up proceedings the depositors shall for the amounts shown in the books of the bank standing to their credit.

- a. be deemed to have filed claim
- b. have to file claim
- c. have no claim

d. None of the above

Ans - a

.....

The may apply to the Central Government for an order of moratorium in respect of a banking company.

- a. banking company
- b. Registrar of Companies
- c. Reserve Bank
- d. None of the above

Ans - c

.....

The provisions of a scheme of amalgamation sanctioned by the Central Government under Section 45 of the BR Act will_ the provisions of other laws.

- a. not affect
- b. have overriding effect on
- c. will be subject to
- d. None of the above

Ans - b

.....

When the LC specifies the Bank that is to negotiate the bills drawn under the LC then the bank is also called ?

- a. Confirming Bank
- b. Reimbursing Bank
- c. Nominated Bank
- d. None of the above

Ans - c

.....

When the confirming bank confirm the credit it

- a. does not take any liability
- b. undertakes on its part the liability under the LC
- c. undertakes to make timely of the documents and bills to the buyer or his bank
- d. None of the above

Ans - b

.....

From the following which function is of securitisation company?

- a. Acquisition of loan transaction from the lender.
- b. Help the lender in recovery by sale of charged property.
- c. Take legal steps against the defaulter borrower on behalf of the lender.
- d. Acquisition of financial assets from the originator

Ans - d

.....

Adjudicating Authority has to Endeavour to dispose off the complaints within from the date of receipt of the complaint.

- a. one year
- b. 182 days
- c. six months
- d. four weeks

Ans - a

.....

What is the time limit for disposing an appeal by Appellate Authority ?

- a. Within 2 months.
- b. Within 3 months.
- c. Within 6 months.
- d. No such limit.

Ans - c

.....

How many Debt Recovery Appellate Tribunals have been set up?

- a. 2
- b. 5
- c. 7
- d. 10

Ans - b

.....

Where an appeal against the order of Appellate Tribunal can be made?

- a. No where.
- b. High Court.
- c. Supreme Court.
- d. Concerned District Court.

Ans - b

.....

Which of the following reasons prompted for set up of Debt Recovery Tribunal?

- a. Under delay in setting the claims by courts.
- b. Delay in extension the decree.
- c. Non-availability of Assets with the borrower due to inordinate delay in courts.
- d. All the above.

Ans - d

.....

Which of the following dates the DRT Act, 1993 was implemented?

- a. 24.06.1963
- b. 27.08.1993
- c. 30.09.1993
- d. 30.09.1993

Ans - b

.....

Which of the following High Courts rejected implementation of DRT act, 1993 in its State in 1995?

- a. Delhi High Court.
- b. Allahabad High Court.
- c. Japan High Court.
- d. Mumbai High Court.

Ans - a

.....

The Presiding officer of DRT is appointed by :

- a. Reserve Bank of India.
- b. Supreme Court.
- c. Central Government
- d. High Court.

Ans - c

.....

What is the tenure of Presiding officer?

- a. 1 year.
- b. 3 years.
- c. 5 years.
- d. No such limit.

Ans - b

.....

Which of the following organization are not eligible to avail the benefits of DRT Act, 1993.

- a. Commercial Banks.
- b. Financial Institutions.
- c. Non-Banking Financial Institutions.
- d. All these.

Ans - c

.....

Which of the following debts is not considered for Recovery by Debt Recovery Tribunal?

- a. Debts due to Staff of the Bank.
- b. Debts due to Small Industries.
- c. Debts due to Professional and self-employed persons.
- d. Any other debts of commercial nature.

Ans - a

.....

Which of the following modes can be used for filing a case with DRT?

- a. Personally by Representative of a Bank or the Bank Advocate.
- b. Application can be sent through Registered Post.
- c. (a) or (b).
- d. None of the above.

Ans - c

.....

In which of the following Tribunals, a case for recovery under DRT Act, can be filled?

- a. Any of the Tribunals in India.
- b. Only in the Tribunal in whose jurisdiction the Bank of Financial institution is working.
- c. None of the above
- d. Any of the above.

Ans - b

.....

Which of the following are the enclosures to the enclosed with the recovery application to the filed with DRT?

- a. Prescribed Fee.
- b. Paper Book.
- c. Particulars of Assets financed through loans.
- d. All the above.

Ans - d

.....

Any person aggrieved by an order of Adjudicating Authority can appeal to

- a. RBI
- b. High Court
- c. Special Director (Appeals)
- d. Appellate Tribunal for Foreign Exchange

Ans - c

.....

A is a stipulation collateral to the main purpose of the contract.

- a. condition
- b. warranty
- c. implied condition
- d. guarantee

Ans - b

.....

The maximum number of members in a private company can be

- a. 7
- b. 12
- c. 50

d. 2

Ans - c

.....

The power of sale without intervention of the Court is given to the mortgagor in the case of the following mortgage

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

Ans - b

.....

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

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

Ans - c

.....

Besides the SARFAESI Act some other laws require some registration of charge created in the property. Whether such double registration is avoidable?

- a. Yes, the creditor can choose under which law he needs registration.
- b. No. registration under SARFAESI Act as well as any other applicable law will have to be made, as SARFAESI Act is not substitution of any other law.
- c. Yes, if one charge noting is by a registered document.
- d. No, as the Civil Courts and DRT still have jurisdiction against the properties both registration are required.

Ans - b

.....

..... is one of the modes of lending by a banker.

- a. Documentary Bills
- b. Bill of purchase
- c. Supply Bills

d. Bill finance

Ans - d

.....

General lien can be exercised by the bank on one of the following:

- a. cash remitted for DD
- b. credit balance in loan account
- c. articles in safe custody
- d. contents of locker

Ans - c

.....

Statutory Corporations are established under

- a. companies act
- b. Act of parliament
- c. Societies Registration act
- d. None

Ans - b

.....

..... is terminated when the buyer gets the possession of the goods

- a. lien
- b. agreement
- c. condition
- d. warranty

Ans - a

.....

There is an implied condition on the part of the seller that he has a right to the goods.

- a. use
- b. sell
- c. retain
- d. resale

Ans - b

.....

In bank guarantees, the bank makes payment on

- a. being convinced that the beneficiary has incurred loss
- b. on being sued by the beneficiary
- c. on the guarantee being invoked and after seeking concurrence of the debtor
- d. merely on demand by the beneficiary

Ans - d

.....

The right to receive payment under a letter of credit or the right to draw bills on a Letter of Credit is vested in

- a. the opener of the LC
- b. the issuing Bank only
- c. the Buyer only
- d. all the three parties

Ans - c

.....

Whether breach of RBI directives is punishable offence and to what extent?

- a. Yes, fine up to five lakh rupees and for continuation of offence per day fine up to rupees ten thousand.
- b. Yes, by cancellation of licenses of the company.
- c. No, these are the administrative directions.
- d. No, the Act has not provided for any punishment in specific.

Ans - a

.....

Banks generally engaged in which type of leasing activities?

- A. operational
- B. financial
- C. service
- D. leveraged

Ans - b

.....

In which places an appeal against the orders of Debts Recovery office can be filed?

- a. Appellate Tribunal.

- b. High Court.
- c. District Court.
- d. Appeal can not be filed.

Ans - a

.....

Where is the Appellate Tribunals is located?

- a. Thiruvananthapuram.
- b. Mumbai
- c. East State Head Quarter.
- d. None of these.

Ans - b

.....

What is the fee payable upto a loan amount of Rs. 10 lac.

- a. Rs. 10,000
- b. Rs. 12,000
- c. Rs. 1,50,000.
- d. Rs. 20,000.

Ans - b

.....

What is the fee payable for the Debt amount above Rs. 10 lac?

- a. Rs. 1000 for every Rs. 1 lac and part thereof.
- b. Rs. 1200 for every Rs. 1 lac and part thereof.
- c. Rs. 1500 for every Rs. 1 lac and part thereof.
- d. Rs. 2000 for every Rs. 1 lac and part thereof.

Ans - a

.....

What is the maximum amount of fee payable for filing a Recovery case with the Debt Recovery Tribunal?

- a. Rs. 1 lac.
- b. Rs. 1,20,000
- c. Rs. 1,50,000
- d. 12% of the Debt amount.

Ans - c

.....

How much is the fee payable if a suit is transferred to Debts Recovery Tribunal from a court?

- a. Rs. 1,00,000.
- b. Rs. 1,50,000.
- c. 80% of the debt amount.
- d. No such fee is payable.

Ans - d

.....

In how many days the DRT should summons to the defendant to show cause?

- a. Within 7 days.
- b. Within 10 days.
- c. Within 30 days.
- d. Within 60 days.

Ans - c

.....

What is the time limit for DRT to complete the process?

- a. Within 6 months.
- b. Within 9 months.
- c. Within 12 months.
- d. No such limit.

Ans - a

.....

Who issues Certificate of Recovery for recovery of debts?

- a. Recovery Officer.
- b. Presiding Officer.
- c. Bank Manager.
- d. Appellate Authority.

Ans - b

.....

Who is mainly responsible for recovery of debt in the DRT?

- a. Recovery Officer.
- b. Presiding Officer.

- c. Income tax Officer.
- d. Superintendent of Police.

Ans - a

.....

What is the time limit to file a Memorandum of Appeal with Debt Recovery Appellate Tribunal?

- a. With in 15 days from the date of Receipt of DRT order.
- b. With in 30 days from the date of Receipt of DRT order.
- c. With in 45 days from the date of Receipt of DRT order.
- d. With in 60 days from the date of Receipt of DRT order.

Ans - c

.....

Which of the following statements, is correct regarding filing an appeal with debt Recovery Appellate Authority?

- a. An appeal can be made with Appellate Authority against the order of DRT.
- b. Appeal can be filed with requisite fee.
- c. The debtor has to deposit a specified amount of the debt with the Appellate
- d. All the above.

Ans - d

.....

How much amount the Debtor has to deposit with the Appellate Authority while filing an appeal against the DRT orders?

- a. 10% of Debt as mentioned in order of DRT.
- b. 25% of Debt as mentioned in order of DRT.
- c. 50% of Debt as mentioned in order of DRT.
- d. 75% of Debt as mentioned in order of dRT.

Ans - d

.....

SARFAESI Act 2002 is applicable to

- A.whole of India
- B.whole of India except J&K
- C.major cities of India
- D.only in notified towns under Transfer of property act

Ans - a

.....

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

- A. 90 days
- B. 365 days
- C. 30 days
- D. 60 days

Ans - d

.....

After the Mardia chemicals case, the government brought about an amendment stipulating the deposit amount for making an appeal under SARFAESI Act,

2002. Accordingly the amount to be deposited generally is

- A. 10%
- B. 25%
- C. 50%
- D. 75%

Ans - c

.....

The balance sheet and profit and loss account shall be audited by a person duly qualified to be

- a. a certified financial analyst
- b. auditor of companies
- c. auditor of cooperative societies
- d. None of the above

Ans - b

.....

Three copies of balance sheet and accounts along with auditor's report sent to Reserve Bank under Section 31 of the BR Act have also to be sent to the

- a. Central Government
- b. Registrar of Companies
- c. Company Law Board
- d. None of the above

Ans - b

.....

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

- a. inspection
- b. special audit
- c. audit
- d. None of the above

Ans - a

.....

A copy of the inspection report relating to a banking company to that

- a. banking company.
- b. should be given
- c. need not be given
- d. should be given at request

Ans - b

.....

Under Section 35(4) of the BR Act, Central Government can prohibit a banking company from accepting fresh deposits if the business of the banking company is conducted

- a. not profitably
- b. not in compliance with the Act
- c. to the detriment of interest of its depositors
- d. None of the above

Ans - c

.....

The undertaking of a banking company may be acquired by the Central Government if it is satisfied on a report from the Reserve Bank that the banking company has failed on more than one occasion to comply with the

- a. directions of the government
- b. directions under Sections 21 and 35A of BR Act
- c. provisions of the Companies Act
- d. None of the above

Ans - b

.....

..... goods are to be manufactured/produced/acquired by the seller after making of the contract of sale.

- a. Future
- b. Specific
- c. Moveable
- d. Immoveable

Ans - a

.....

When the transfer of the property in the goods is to take place at a contract is called

- a. contract of sale
- b. agreement to sell
- c. contract of future goods
- d. contract of specific goods

Ans - b

.....

A Memorandum recording mortgage by deposit of title deeds does not require.....

- a. Registration
- b. Stamping
- c. Both Registration and Stamping
- d. None of these

Ans - a

.....

A lease for agricultural or manufacturing purpose can be terminated by the lessor or lessee by giving notice to one another.

- a. 1 Month
- b. 3 Months
- c. 6 Months
- d. 12 Months

Ans - c

.....

Banker's lien is a/an

- a. Hypothecation

- b. Mortgage
- c. Implied pledge
- d. Pledge

Ans - c

.....

In case of goods, Banker's lien is not applicable.

- a. owner's goods
- b. stolen goods
- c. finished goods
- d. None of these

Ans - b

.....

The right to two accounts is known as set-off.

- a. Open
- b. Banker's right
- c. Combine
- d. None of these

Ans - c

.....

The right of set-off is

- a. Customer's right
- b. Banker's right
- c. Banker's obligation
- d. Bank's description

Ans - d

.....

Garnishee order is issued by

- a. Police officer
- b. Revenue authority
- c. Enforcement authority
- d. Court of Law

Ans - d

.....

Attachment order is issued by

- a. Drawer of a cheque
- b. Revenue authority
- c. Manager of bank
- d. None of these

Ans - b

.....

The bank is required to comply with the execution of the award of banking ombudsman within

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

Ans - c

.....

what is the maximum time for settlement of a claim before passing an award by the banking ombudsman?

- a. within 15 days from the date of receipt of complaint
- b. within 1 month from the date of receipt of complaint
- c. within 2 months from the date of receipt complaint
- d. within 3 months from he date of receipt of complaint

Ans - b

.....

Banking ombudsman scheme does not cover.....

- a. Scheduled commercial banks
- b. Regional rural banks
- c. Co-operative banks
- d. Financial Institutions

Ans - d

.....

Can the order of Central Government appointing Presiding Officer of the Tribunal be challenged in any Court?

- a. Yes, before the Appellate Tribunal.
- b. No.
- c. No, unless the High Court permits for it
- d. Yes, under Constitution Article 226 before the High Court.

Ans - b

.....

When a civil suit filed in Civil Court is transferred to DRT, if fresh court fee is required to be paid?

- a. No
- b. Yes, as the authorities are different.
- c. No, if there is no counterclaim.
- d. Yes, as the court fee stamps are different.

Ans - a

.....

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

- a. No, amount is required to be deposited till the appellate tribunal decides.
- b. Yes, Court fee on the appeal amount is required to be paid.
- c. Yes, 75 per cent of the amount determined by the tribunal is required to be deposited at the timing of filling of the appeal.
- d. Yes, after admission of the appeal 75 per cent of the amount determined by the tribunal is required to be deposited.

Ans - c

.....

A company is under winding up process. Whether High Court permission is required to a Bank to proceed against it before DRT?

- a. No, as the DRT Act being a special Law having overriding effect over other laws.
- b. Yes, as Companies Act specially provides to that effect.
- c. Depends on the stage of winding up process.
- d. No permission but concurrence of High Court required.

Ans - a

.....

According to section 3 of Evidence Act, the Document can be defined:

- a. Any matter expressed or described upon any substance by means of letter, figure or marks.
- b. Or by any other means.

- c. It intends to be used for purpose of recording that matter.
- d. All the above.

Ans - d

.....

Evidence means:

- a. All statements presented before a court by way of witnesses.
- b. It is in relation to a matter of fact under inquiry.
- c. Such statements are called oral evidence.
- d. All the above

Ans - d

.....

Which of the following statements, is correct?

- a. All documents produced for inspection of court are called documentary evidence.
- b. Primary Document mean original document itself.
- c. Certified copies are secondary evidences.
- d. All the above.

Ans - d

.....

Which was the first committee recommended for establishment of special Recovery tribunals for Banks and Financial Institution?

- a. Tiwari committee.
- b. Ojha Committee.
- c. Narasimham Committee.
- d. Rangrajan Committee.

Ans - a

.....

In which year the Tiwari Committee recommended for establishment of Special tribunals for Banks dues recovery?

- a. 1981
- b. 1987
- c. 1991
- d. 1995

Ans - a

.....

Which of the following committees also recommended the set up of Debit Recovery Tribunals?

- a. Committee on Financial Sector Reforms.
- b. Committee on Custom Service.
- c. Committee on RRBs.
- d. None of the above.

Ans - a

.....

In which year the Recovery of Debts Due to Banks and Financial Institutions Act. Was enacted?

- a. 1991
- b. 1993
- c. 1994
- d. 1995

Ans - b

.....

In which of the following states the Recovery of Debts due Act is under implementation?

- a. Selected States of the Country.
- b. All the state of Country.
- c. All over the country except Jammu & Kashmir.
- d. No such restriction.

Ans - b

.....

36. Which of the following cases to the Recovery of Debts due Act, is applicable?

- a. Where amount involved is less than Rs. 10 lac.
- b. Where amount involved is Rs. 10 lac or above.
- c. Where amount involved is upto Rs. 11 lac.
- d. No such restriction.

Ans - b

.....

The central government has powers to authorize Tribunals to hear cases where amount involved is less than Rs. 10 lac but more than:

- a. Rs. 1 lac.
- b. Rs. 2 lac
- c. Rs. 5 lac.
- d. Rs. 7 lac.

Ans - a

.....

What central government has powers to authorize Tribunals to hear cases where amount involved is less than rs. 10 lac but more than ;

- a. To transfer all the cases of Bank recovery from civil court to the tribunals.
- b. To set up an exclusive agency for Bank recovery.
- c. To set up Special Tribunal which can provide speedy court remedies.
- d. All the above.

Ans - c

.....

What are the various modes available to the Recovery officer for proceeding to recover the amount of debt?

- a. Attachment or sale of movable or immovable property.
- b. Arrest the defendant or detention in jail.
- c. Appointing a Receiver for the management of the movable or immovable
- d. All the above.

Ans - d

.....

How may Debt Recover tribunals have been set up in India?

- a. 27
- b. 28
- c. 29
- d. 50

Ans - c

.....

What is the jurisdiction area of a Debt Recovery Tribunal?

- a. Each state.
- b. One or more states/Union Territories

- c. Throughout the country.
- d. No such criteria.

Ans - b

.....

Clean Loans are normally ...

- a. Secured Loans
- b. Unsecured Loans
- c. None of the above
- d. Any of the above

Ans - b

.....

What is the maximum limit of compensation the banking ombudsman may award?

- a. Rs. 1 lac
- b. Rs. 5 lac
- c. Rs. 10 lac
- d. Rs. No such limit

Ans - c

.....

"Bills payable after sight" is

- a. Demand Bill
- b. Clean Bill
- c. Usance Bill
- d. None of the above

Ans - c

.....

In a Bill, a person entitled to receive payment is called

- a. Drawer
- b. Drawee
- c. Payee
- d. None of the above

Ans - c

.....

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

- a. 12 Years
- b. 20 Years
- c. 30 Years
- d. None of the above

Ans - a

.....

Mandate is

- a. Signed letter to the Bank
- b. Order of the court of law
- c. Memorandum of understanding
- d. Unstamped letter to the Bank

Ans - d

.....

Power of attorney is

- a. Signed letter to the Bank
- b. A promissory note
- c. Garnishee order
- d. Stamped documents

Ans - d

.....

Person to whom a power of attorney is given is called and the person who gives the Power of attorney is called

- a. Debtor, Creditor
- b. Bailor, Bailee
- c. Agent, Principal (donor, donee)
- d. None of these

Ans - c

.....

Promissory Notes, Bills of Exchange and cheque are together defined as.....

- a. Negotiable instruments
- b. Transferred instruments
- c. Trust Receipts
- d. Documents of Title to goods

Ans - a

.....

N.I. are easily

- a. transferable
- b. gifted
- c. sold
- d. None of these

Ans - a

.....

A cheque is drawn on a

- a. owner of ship
- b. an agent of a principal
- c. bank
- d. None of these

Ans - c

.....

A cheque is payable on a

- a. demand
- b. after certain days
- c. on a fixed future date
- d. None of these

Ans - a

.....

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

- a. Yes, as it is right of the party to get it reaffirmed in evidence.
- b. No, as the certified copy is a prima facie evidence that is admissible in evidence.
- c. No, unless the bank volunteers to do so.
- d. Yes, but if Court allows the application to call the witness.

Ans - b

.....

What are the exceptions of Evidence Act?

- a. a certified copy of the original document can be produced in the court of Law if it is permitted by any law.
- b. The Bankers Books Evidence act. Is also an exception to the Evidence Act.
- c. Both (a) and (b).
- d. None of the above.

Ans - c

.....

Which of the following is included in the Bankers Book?

- a. Ledger and Day Books.
- b. Cash Books and Account Books.
- c. All other Books used in the ordinary business of a Bank.
- d. All the above.

Ans - d

.....

What is a certified copy?

- a. A copy of any entry in the Books of a Bank alongwith a certificate that copy is a True Copy.
- b. That such entry is contained in one of the Books of the Bank.
- c. And such Books are still under the custody of the Bank.
- d. A copy which includes all the above information.

Ans - d

.....

Which of the following statements, is not correct regarding Bankers Books Evidence Act?

- a. The certificate issued by Bank should have signatures of the authorized person and it should be dated.
- b. It should be supported by original document.
- c. The certified copy will be original document.
- d. The Bank will ensure the accuracy of the copy.

Ans - b

.....

Which of the following statements, is correct regarding Bankers Books Evidence Act?

- a. No officer of a Bank can be compelled to produce any Bankers Books unless it is specially ordered by the court.
- b. The above provision (a) applies only when the Bank is not a party to the case.
- c. An investigating Police officer can compel a Bank officer to produce the Book without court order.
- d. All the above.

Ans - d

.....

Legal proceeding under Bankers Books Evidence Act, signifies:

- a. any proceeding or inquiry in which evidence is given
- b. an arbitration
- c. any investigation under the code of Criminal Procedure, 1973.
- d. All the above.

Ans - d

.....

What are the powers of the court in case of legal proceedings under the Bankers Books Evidence act?

- a. permit the affected party to inspect the Books and take copies.
- b. Order the Bank to prepare the produce within specified time the certified copies/
- c. Order the Bank to prepare certificates as desired under the Law.
- d. All the above.

Ans - d

.....

In how many days a Bank is required to comply with court orders under Bankers Books evidence act?

- a. 3 days excluding Bank holidays.
- b. 7 days excluding Bank holidays.
- c. 10 days excluding Bank holidays.
- d. 15 days excluding Bank holidays.

Ans - a

.....

'A' has purchased a draft from a bank favouring 'B'. The draft is lost in transit and for duplicate draft in lieu of first bank need some formalities to be completed by 'A'. Can 'B' file a consumer case against the formalities as at is delaying payment to him.

- a. No, as he is not consumer of the bank and is not taking any service from the bank.
- b. No, as he has not paid the demand draft commission.
- c. Yes, as because of bank his payment is getting delayed.
- d. Yes, his money is lying in the bank, he is deemed as account holder of the bank.

Ans - a

.....

The acceptance of recommendations of the banking ombudsman should be conveyed by the complainant within

- a. 7 days
- b. 15 days
- c. 21 days
- d. 1 Month

Ans - b

.....

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

- a. 12 Years
- b. 20 Years
- c. 25 Years
- d. None of the above

Ans - d

.....

A company which can appoint the majority of directors in another company is called

- a. Subsidiary Company
- b. Holding Company
- c. Foreign Company
- d. Existing Company

Ans - b

.....

Who is the Chairman of the Central Consumer Protection Council?

- a. Chief Justice of the Supreme Court.
- b. Judge of the Supreme Court appointed by the Chief Justice of the Supreme Court.
- c. Minister in charge of Law and Judiciary in the Central Government .
- d. Minister in charge of consumer affairs in the Central Government

Ans - d

.....

District Forum has passed order to pay compensation. How recovery of the ordered amount is made?

- a. By filling execution in Civil Court.
- b. By filling execution before District forum.
- c. By filling civil Suit.
- d. By referring the order to collector for making recovery as if and revenue recovery.

Ans - d

.....

An award of banking ombudsman is

- a. a judicial decision.
- b. an arbitrary order
- c. an order on the bank
- d. an appeal to the bank

Ans - b

.....

Two parallel transverse lines across the cheque is called

- a. endorsement
- b. transfer
- c. assignment
- d. crossing

Ans - d

.....

The essentials of valid equitable mortgage is debt, deposit of title deeds and

- a. Intention as security
- b. Intention of sale deposit
- c. Either a or b
- d. Neither a nor b

Ans - a

.....

The maximum number of members in a public company can be

- a. 12
- b. 50
- c. 51
- d. any number

Ans - d

.....

In which of the following documents the limitation period is 3 years?

- a. Demand Pronote from the date of DP note.
- b. Overdrafts - from the date of advances.
- c. Term Loan - from the date of default in payment of each installment.
- d. All the above.

Ans - d

.....

Which of the following statements, is correct?

- a. There is no period of limitation for sale of pledged goods.
- b. In case of Hypothecation the limitation period is 3 years from the date of loan.
- c. Bill of exchange has 3 years limitation period from the due date.
- d. All the above.

Ans - d

.....

Extension of limitation period can be way of

- a. obtaining fresh set of documents.
- b. Acknowledgement of debt
- c. Part payment
- d. All the above.

Ans - d

.....

the process of providing documents to police or CBI is :

- a. They may seize a document set for investigation in case of fraud.
- b. They may be given certified Xerox copy.
- c. If they insist for original Xerox copy should be retained with the bank.
- d. All the above.

Ans - d

.....

Which of the following are the important cash Books being maintained by the Bank?

- a. Cash Received the Payment Book.
- b. Sectional Cash Book.
- c. Cash Balance Book.
- d. All the above.

Ans - d

.....

Which of the following can be proved in the court of Law according to Bankers Books Evidence Act?

- a. Existence of a document.
- b. Condition of a document.
- c. Contents of a document
- d. All the above.

Ans - d

.....

Which of the following statements, is correct regarding the provisions of Bankers Book Evidence act?

- a. Entries in Books of Accounts regularly kept in the course of Business are relevant in the matter of court inquiry.
- b. However, above statements shall not be alone be sufficient evidence to cheque any person with liability.
- c. The entries in the books can be used as corroborative evidence,
- d. All the above.

Ans - d

.....

In which year the Bankers Books Evidence Act was enacted?

- a. 1891
- b. 1906
- c. 1934
- d. 1947

Ans - a

.....

Which of the following statements, is correct regarding the Bankers Books Evidence act?

- a. It is a special Act which provides certain privileges to Banks.
- b. The Act deals in connection with mode of proving of entries in their Books.
- c. The act also have provision regarding production of Books in the court of Law.
- d. All the above.

Ans - b

.....

Which of the following are the essential features of Law of Evidence?

- a. The conditions and contents of a document can be proved before a court only by producing original document.
- b. So long original documents are available, a copy can not be produced.
- c. However there are certain exceptions to the Law.
- d. All the above.

Ans - d

.....

When the is in possession of goods, a lien can be exercised.

- a. seller
- b. buyer
- c. agent of the buyer
- d. carrier

Ans - a

.....

In a contract of indemnity the liability of the indemnifier is

- a. Primary
- b. Secondary
- c. Either Primary or Secondary
- d. None of these

Ans - a

.....

In a contract of guarantee the liability of the surety is

- a. Primary

- b. Secondary
- c. Either Primary or Secondary
- d. None of these

Ans - b

.....

The minimum number of directors required in a public company is

- a. 3
- b. 7
- c. 12
- d. 15

Ans - c

.....

Crossing is a direction to the bank to pay the cheque to the payee through a bank.1-

- a. drawer
- b. payee
- c. paying
- d. collecting

Ans - c

.....

When a cheque is drawn on a bank is called the

- a. drawer
- b. endorser
- c. acceptor
- d. drawee

Ans - d

.....

Who implemented the banking ombudsman scheme?

- a. Indian bank association.
- b. Reserve bank of India.
- c. National institute of bank management
- d. National consumer commission

Ans - b

.....

what is the tenure of banking ombudsman?

- a. 1 years
- b. 3 years
- c. 5 years
- d. no such time limit

Ans - b

.....

What kind of complaint can be lodged with the banking ombudsman?

- a. Delay in collection of cheques
- b. Deficiency in cash transaction
- c. Non-issue of demand drafts
- d. All the above

Ans - d

.....

What is the limit for a bank to dispose customers complaints?

- a. 1 month
- b. 2 months
- c. 3 months
- d. 6 months

Ans - b

.....

The acceptance of recommendations of the banking ombudsman should be conveyed by the bank within

- a. 7 days
- b. 15 days
- c. 21 days
- d. 1 Month

Ans - d

.....

Lok Adalats are organised by

- a. District/State Authority
- b. Supreme Court Legal Services Committee
- c. High Court Legal Services Committee
- d. All of these.

Ans - d

.....

"Spurious goods and services" means

- a. Genuine goods and services
- b. Not Genuine goods and services
- c. Claimed to be Genuine but not actually so
- d. None of the above

Ans - c

.....

Civil disputes upto Rs..... can be settled under Lok Adalats

- a. 5 lakhs
- b. 10 Lakhs
- c. 15 Lakhs
- d. 20 Lakhs

Ans - d

.....

The crossing in a crossed cheque can be cancelled by

- a. drawer
- b. endorser
- c. acceptor
- d. drawee

Ans - a

.....

A banker on whom a cheque is drawn by customer is

- a. Collecting banker
- b. Paying banker
- c. Advising banker
- d. Confirming banking

Ans - b

.....

A banker who collects a cheque for and on behalf of his customer is

- a. Collecting banker
- b. Paying banker
- c. Advising banker
- d. Confirming banking

Ans - a

.....

Section 131 of N.I. Acts extends protection to the

- a. Collecting banker
- b. Paying banker
- c. Advising banker
- d. Confirming banking

Ans - a

.....

Section 85 of N.I. Acts extends protection to the

- a. Collecting banker
- b. Paying banker
- c. Advising banker
- d. Confirming banking

Ans - b

.....

When a banker makes payment of a cheque after banking hour he will be held

- a. liable
- b. reasonable
- c. acceptable
- d. None of these

Ans - a

.....

One of the condition to honour the cheque by the paying banker is that amount in words and figures should

- a. differ
- b. tally
- c. be clear
- d. None of these

Ans - b

.....

Clubs can be registered under

- a. Companies act
- b. Societies Registration Act
- c. Co-operative Societies Act
- d. Any of the above

Ans - d

.....

Medium Term loans are normally repayable within years

- a. 2 to 5 years
- b. 2 to 6 years
- c. 2 to 7 years
- d. 2 to 8 years

Ans - c

.....

Delivery of goods by one person to another for some purpose is

- a. hypothecation
- b. mortgage
- c. pledge
- d. bailment

Ans - d

.....

For filing a complaint before a district forum the limitation period prescribed is.....from the date of cause of action

- a. 90 days
- b. 1 year
- c. 2 years

d. 3 years

Ans - c

.....

Short Term loans are repayable within years

a. 1 years

b. 2 years

c. 3 years

d. 4 years

Ans - a

.....

Whether moveable securities in possession of the bank can be sold by the Bank without intervention of the Court?

a. No. The Court order is required to sale the security.

b. Yes. Bank can sell as provided in the Contract ACT, 1872.

c. Yes. As the SARFAESI Act, 2002 has made provisions to that effect.

d. No. Till the account is not declared as NPA by the Bank.

Ans - b

.....

In Mardia case what the Supreme Court declared as invalid ?

a. Entire SARFAESI Act, 2002.

b. Creation of security interest.

c. Formation of Reconstruction Companies.

d. Condition to pay 75 per cent of the amount as pre-condition while preferring appeal to the DRT.

Ans - d

.....

Where a customer by a letter has advised the bank directing the banker not to honour / pay a particular cheque such a letter is called

a. letter of authority

b. letter of credit

c. stop payment letter

d. letter of continuity

Ans - c

.....

Where a customer has issued a cheque date of which is yet to come, such a cheque is called

- a. stale cheque
- b. post-dated cheque
- c. crossed cheque
- d. stolen cheque

Ans - b

.....

When a bank pays a cheque according to the apparent tenor, in good faith and without having reason to doubt the bonafide of the presenter, such payment is

- a. wrong payment
- b. late payment
- c. future payment
- d. payment in due course

Ans - d

.....

To get the protection under S / 131, a collecting bank has to collect afor credit of its customer

- a. stolen cheque
- b. stale cheque
- c. postdated cheque
- d. crossed cheque

Ans - d

.....

If a cheque is stolen in transit and presented at the drawee bank by a holder in due course case and if the cheque is paid by the bank in due course in a case the drawee bank would be

- a. be held liable
- b. would not be held liable
- c. would be found guilty
- d. None of these

Ans - b

.....

In the ownership of goods is yet to pass from the seller to the buyer.

- a. agreement to sell
- b. contract of sale
- c. contract of future goods
- d. contract of specific goods

Ans - a

.....

If the stipulation agreed to between the parties is essential to the main purpose of the contract then such a stipulation is known as a

- a. implied condition
- b. condition
- c. warranty
- d. guarantee

Ans - b

.....

A is a stipulation collateral to the main purpose of the contract.

- a. condition
- b. warranty
- c. implied condition
- d. guarantee

Ans - b

.....

The power of sale without intervention of the Court is given to the mortgagor in the case of the following mortgage:

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

Ans - b

.....

There is an implied condition on the part of the seller that he has a right to the goods.

- a. use
- b. sell

- c. retain
- d. resale

Ans - b

.....

Guarantee obtained by is invalid..

- a. consent
- b. agreement
- c. misrepresentation
- d. contract

Ans - c

.....

A private company should have a minimum paid-up capital of Rupees

- a. five crore
- b. five lakh
- c. one crore
- d. one lakh

Ans - d

.....

When any bank or financial institution creates a charge against property, with which authority the transaction will have to be registered under the

SARFAESI Act, 2002?

- a. With the Central Registry.
- b. With the ROC.
- c. With the Registrar of Assurances within whose jurisdiction the property lies.
- d. With the Reserve Bank of India.

Ans - a

.....

When the provisions of SARFAESI Act, 2002 can be invoked for proceeding against the charged property?

- a. When the bank feels that it is necessary for the recovery at any time.
- b. When the RBI directs to do so.
- c. When there is default in repayment by the borrower.

d. When there is default in repayment and the bank declares the account as NPA.

Ans - d

.....

On giving default notice by the creditor, the borrower gives a reply to it. What the creditor should do?

- a. Ignore the notice as the law does not provide for any reply option to the bank.
- b. Wait till the borrower initiates any legal action based on his reply.
- c. Give due consideration to the reply and reply to it.
- d. Take the matter before DRT for resolving issues raised in reply.

Ans - c

.....

Fail to create charge and intimate to the central registrar as per Sec. 23,24 and 25 of SARFAESI Act by the Securitisation Company can be punished with

- a. Fine up to five lakh rupees and for continuation of offence per day fine up to rupees ten thousand.
- b. Cancellation of licenses of the company.
- c. Fine upto rupees five thousand for each day during which the default continues.
- d. The Act has not provided for any punishment in specific.

Ans - c

.....

SARFAESI Act is not applicable to

- a. Nationalised Banks
- b. Regional Rural Banks
- c. Co-operative Banks
- d. SBI and its subsidiary Banks

Ans - b

.....

DRT deals with the cases of recovery of debts above

- a. 5 Lakhs
- b. 10 Lakhs
- c. 15 Lakhs
- d. 20 Lakhs

Ans - b

.....

Securitisation Company, for the purposes of asset reconstruction, can take which of the following measures?

- a. The sale or lease of a part or whole of the business of the borrower
- b. Rescheduling of payment of debts payable by the borrower
- c. Taking possession of secured assets in accordance with the provisions of SARFAESI Act.
- d. Any/all of the above

Ans - d

.....

A hires a carriage of B. The carriage is unsafe but B is not aware of it and A is injured. Then B is

- a. Responsible for the injury
- b. Not responsible for the injury
- c. either a or b
- d. None of these

Ans - a

.....

The sub-agent is responsible for his normal acts to

- a. Principal
- b. Agent
- c. Both Principal and agent
- d. None of these

Ans - b

.....

where the signature of the drawer of a cheque is not genuine, such a cheque is called

- a. post-dated cheque
- b. forged cheque
- c. clearing cheque
- d. stale cheque

Ans - b

.....

Section 138 states that drawer of a cheque is liable to be punished if the cheque is bounced for

- a. not crossing

- b. alteration in figures
- c. being postdated
- d. insufficient fund

Ans - d

.....

when a drawer draws a cheque without keeping sufficient balance and if the cheque is dis-honoured for insufficient funds, the drawer is punishable with and imprisonment which may extend to and or a fine.

- a. two months
- b. four month
- c. one year
- d. None of these

Ans - c

.....

Demand deposits are those which can be withdrawn

- a. on demand
- b. at any future date
- c. after one year
- d. after 5 years

Ans - a

.....

Current deposits are not entitled to

- a. Cheque book
- b. Statements
- c. Customer service
- d. interest

Ans - d

.....

In savings deposits interest is paid on balance in the a/c between 10th to last working day of the month

- a. maximum
- b. average
- c. minimum

d. last balance

Ans - c

.....

Introduction in all deposits accounts is

- a. optional
- b. compulsory
- c. discretion of the bank
- d. None of these

Ans - b

.....

Public limited company should have a minimum of at least members.

- a. 50
- b. 15
- c. 7
- d. No Limit

Ans - c

.....

Government companies are companies where the government holds at least % share of the company.

- a. 80
- b. 50
- c. 75
- d. 51

Ans - d

.....

Section of the company Act details the borrowing limits of the company.

- a. 85(A)
- b. 31
- c. 293(1)
- d. 5(b)

Ans - c

.....

The Trustees delegate their powers.

- a. can
- b. can not
- c. depend on situation
- d. None of these

Ans - b

.....

Execution of a will is entrusted to

- a. Administrator
- b. holding of power of attorney
- c. Executor
- d. holder in due close

Ans - c

.....

Administrator is a person appointed by to look after the property under letter of Administrator.

- a. the government
- b. the Court
- c. the bank
- d. RBI

Ans - b

.....

..... is a person appointed by the Court to wind up the company.

- a. Administrator
- b. Executor
- c. Registrar
- d. liquidator

Ans - d

.....

The minimum number of directors required in a private company is

- a. 3
- b. 7

c. 12

d. 2

Ans - d

.....

Bailment of goods as security for payment of a debt is called

a. Lien

b. Pledge

c. Hire

d. Mortgage

Ans - b

.....

If the sale of goods is by there is an implied condition that the goods shall correspond with the description.

a. description

b. sample

c. oral agreement

d. written contract

Ans - a

.....

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

a. month to month

b. week to week

c. with infinite period

d. year to year

Ans - d

.....

The seller of goods is deemed to be an unpaid seller when the has not been paid

a. price

b. interest

c. damages

d. penalty

Ans - a

.....

If one partner of the partnership firm cheats a customer, then is/are liable to compensate the customer.

- a. only that partner
- b. all the partners
- c. either a or b
- d. None of the above

Ans - b

.....

A minor can be of a partnership firm

- a. partner of the firm
- b. admitted to the benefits
- c. either a or b
- d. neither a not b

Ans - b

.....

NRNR & FCNR (B) accounts can be kept in the form of deposits

- a. Term Deposits
- b. Current Deposits
- c. Saving Deposits
- d. Recurring Deposits

Ans - a

.....

Accounts jointly with residents can be opened in the case of accounts.

- a. FCNR (B)
- b. NRE
- b. NRO
- d. None of these

Ans - c

.....

Accounts jointly with residents cannot be opened in the case of accounts.

- a. FCNR (B)

- b. NRE
- c. NRO
- d. Both a and b

Ans - d

.....

The banker should not the account of his customer unless there is justifiable reason for the closure.

- a. close
- b. open
- c. transfer
- d. None of these

Ans - a

.....

Passbook is a of transactions between the customer and the bank.

- a. basis
- b. source
- c. record
- d. root

Ans - c

.....

What does execution of document signify?

- a. It must be properly executed as per the specimen signatures recorded with the bank
- b. It should be properly stamped.
- c. It should be registered, if required.
- d. All the above.

Ans - d

.....

Documentation is necessary because of :

- a. It helps to identify/specify the borrower.
- b. It helps to identify security.
- c. It works as a written evidence.
- d. All the above.

Ans - d

.....

Which of the following is not relevant to documentation?

- a. It is an evidence of creating a change over the security.
- b. It can recognize forget transactions.
- c. It provides a right to the Bank of file a summary suit.
- d. It defines rights and obligations of the parties thereto.

Ans - b

.....

The requirement of execution of documents depends on:

- a. Nature of credit facility.
- b. Nature of security of loan.
- c. Constitution of business.
- d. All the above.

Ans - d

.....

The security documents can be by way of :

- a. Personal Security.
- b. Primary Security.
- c. Collateral Security.
- d. Any or all the above.

Ans - d

.....

Which of the following one stamps where documents are required to be stamped?

- a. Adhesive Revenue Stamp.
- b. Special Adhesive/Embossed stamp.
- c. Bill of Exchange Stamps.
- d. All the above.

Ans - d

.....

The Adhesive Revenue Stamps are affected on :

- a. Demand Promissory Notes.
- b. Acknowledgements.

- c. Balance Confirmation, Receipts.
- d. All the above.

Ans - d

.....

Hypothecation is

- a. Agreement.
- b. Pledge Agreement
- c. Letter of Guarantee.
- d. All the above.

Ans - d

.....

When account is following is closed by the bank, proper..... should be given to the customer

- a. thanks letter
- b. guarantee
- c. notice
- d. demand

Ans - c

.....

The present CRR and SLR requirements are , respectively.

- a. 20% and 40%
- b. 3% and 25%
- c. 5% and 30%
- d. None of these

Ans - b

.....

Present minimum capital adequacy ratio is 9% of

- a. Total liabilities
- b. Total assets
- c. Total risk weighted assets
- d. None of these

Ans - c

.....

New Prudential Accounting Norms cover

- a. interest rates
- b. Method of lending
- c. Deposits
- d. Capital adequacy, income recognition, Assets classification and Provisioning

Ans - d

.....

A borrowal account is designated as non performing asset when the interest and/or installment remains unpaid for

- a. 1 quarter
- b. 2 quarters
- c. 3 quarters
- d. 4 quarters

Ans - b

.....

RBI ensures that banks operate within set norms by conducting inspections and monitoring.

- a. on-site, off-site
- b. field, commodity prices
- c. stock, stock market
- d. None of these

Ans - a

.....

On-site inspection is followed by

- a. supervisory letter
- b. renewal of license
- c. fresh audit
- d. None of these

Ans - a

.....

The sub-agent is responsible for fraud or willful wrong to

- a. Principal

- b. Agent
- c. Both Principal and agent
- d. None of these

Ans - c

.....

Transfer of Property Act basically contains provisions relating to transfer of

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

Ans - b

.....

A public company should have a minimum paid-up capital of Rupees

- a. five crore
- b. five lakh
- c. one crore
- d. one lakh

Ans - b

.....

There is no as to the quality or fitness of goods for any particular purpose.

- a. implied condition
- b. implied warranty
- c. express condition
- d. express warranty

Ans - a

.....

When the is in possession of goods, a lien can be exercised.

- a. buyer
- b. agent of the buyer
- c. seller
- d. carrier

Ans - c

.....

Any person aggrieved by an order of Adjudicating Authority can appeal to

- a. RBI
- b. High Court
- c. Special Director (Appeals)
- d. Appellate Tribunal for Foreign Exchange

Ans - c

.....

An Ajudicating Authority can enquire contravention under FEMA only if a complaint is filed by

- a. RBI
- b. High Court
- c. Special Director (Appeals)
- d. Central Government

Ans - d

.....

A lease is a transfer of property.

- a. Absolute
- b. Partial
- c. Limited
- d. either b or c

Ans - d

.....

A contract if entered into by a banking company with any party in contravention of a direction issued by the Reserve Bank

- a. shall be invalid
- b. shall render the banking co. liable to prosecution for violation of directions
- c. shall render the bank and any other party to the contract liable to prosecution for violation of directions.
- d. None of the above

Ans - c

.....

Liquid assets required to be maintained in India under Section 24 of the BR Act may be held in the form of

- a. cash only
- b. cash and gold only
- c. gold or unencumbered approved securities
- d. None of the above

Ans - c

.....

For the purpose of maintenance of liquid assets under Section 24 of the BR Act, unencumbered approved securities shall be valued at

- a. face value
- b. current market price
- c. average of market price for previous six months
- d. None of the above

Ans - b

.....

The penal interest chargeable on a banking company under Section 24 (4) of the BR Act for not maintaining liquid assets as specified under Section Bank 24(2A)(a) of the Act

- a. may be waived by the Reserve Bank if its is satisfied that the bank had sufficient cause for the failure
- b. has to be charged in all cases and the Reserve Bank has no option to waive penal interest.
- c. can be reduced by the Reserve Bank
- d. None of the above

Ans - a

.....

A banking company has to prepare profit and loss accounts and balance sheet as at the or at the expiration of 12 months ending with such date as notified by the Central Government.

- a. end of calender year
- b. end of March
- c. end of June
- d. None of the above

Ans - a

.....

Quarterly on-site visits are undertaken in respect of

- a. all banks

- b. urban co-operative banks
- c. newly licensed banks during first year
- d. None of these

Ans - c

.....

Frequency of First Tranche Returns is

- a. monthly
- b. monthly / quarterly
- c. monthly / quarterly / half-yearly
- d. None of these

Ans - c

.....

Second Tranche of OSMOS returns cover

- a. asset quality
- b. liquidity and interest rate exposures
- c. ownership pattern of deposits
- d. None of these

Ans - b

.....

Under Section 37 of the Banking Regulation Act, a moratorium order can be issued by the High Court for a maximum total period of

- a. one month
- b. six month
- c. one year
- d. None of these

Ans - b

.....

When a banking company is placed under moratorium under Section 45 of B.R.Act, the RBI must prepare a scheme

- a. VRS for staff
- b. capital buy back
- c. reconstruction of the company or amalgamation with any other bank
- d. None of these

Ans - c

.....

An order for winding up a banking company can be issued by

- a. the High Court
- b. the RBI
- c. the Central Government
- d. None of these

Ans - a

.....

Principal function of banks are :

- a. accepting deposits
- b. lending and investing
- c. non fund business and remittance services
- d. all of above

Ans - d

.....

What can be the min & max denomination of bank notes under the provisions of RBI act?

- A. Rs 1 to Rs 1000
- B. Rs 2 to Rs 1000
- C. Rs 2 to Rs 10000
- D. Rs 10 to Rs 10000

Ans - c

.....

To take care of temporary liquidity problems of central and state govt, what kind of loan is given by RBI?

- A. Treasury bills
- B. Dated Securities
- C. Short duration bonds
- D. Ways & Means advances

Ans - d

.....

The advising banks responsibility is

- a. to inform the issuing bank as to whom to issue the letter of credit.
- b. to advise the buyer the dispatch of documents by the seller
- c. to inform the beneficiary/seller about the letter of credit
- d. None of the above

Ans - c

.....

The advising bank is also called the

- a. Confirming Bank
- b. Notifying Bank
- c. Reimbursing Bank
- d. None of the above

Ans - b

.....

Negotiating bank is the bank which

- a. negotiates the preliminary contract of sale between the buyer and the seller
- b. makes payment of the bills drawn by the seller and accepts the documents
- c. guarantees payment by the issuing bank
- d. None of the above

Ans - b

.....

In case of bank guarantees on behalf of companies that is in liquidation the bank on invocation of the guarantee by the beneficiary.

- a. must pay the amount to the Liquidator and not the beneficiary.
- b. must deposit the amount in the court to avoid any controversy.
- c. must pay the beneficiary.
- d. need not pay, since the bank guarantee lapses on the company being liquidated

Ans - c

.....

In case of fraud committed by the debtor on whose behalf the bank had given guarantee, the Bank.

- a. need not pay the beneficiary.
- b. has to pay the beneficiary.
- c. direct the beneficiary to sue to debtor.

d. none of the above.

Ans - b

.....

The Letter of Credit is opened on the request of

- a. Issuing bank
- b. Applicant
- c. Beneficiary
- d. Confirming bank

Ans - b

.....

A person resident in India is a person who is residing in India for more than in the preceding financial year.

- a. 180 days
- b. 182 days
- c. 6 Months
- d. 1 year

Ans - b

.....

The banking ombudsman can be an arbitrator in disputes between

- a. Two banking companies
- b. Two or more customers
- c. A bank and the government
- d. None of the above

Ans - a

.....

Directions can be issued to banking companies on loans and advances

- a. in strict confidence
- b. in public interest
- c. in the interest of borrowers
- d. None of the above

Ans - b

.....

The purpose of is to make credit available to essential sectors of the economy according to national priorities.

- a. selective credit control
- b. maintenance of cash reserve
- c. reserve fund
- d. None of the above

Ans - a

.....

..... Act prohibits lending at exorbitant rates and empowers reopening of such contracts.

- a. BR Act
- b. RBI Act
- c. Usurious Loans Act
- d. None of the above

Ans - c

.....

..... have to maintain cash reserve under Section 18 of the BR Act. Coop.

- a. banks
- b. Banking companies which are not scheduled banks
- c. Nationalised banks
- d. None of the above

Ans - b

.....

The payment of penalty under Section 24 of BR Act can be enforced by making an application before

- a. the government
- b. civil court
- c. high court
- d. None of the above

Ans - b

.....

The directions of Reserve Bank issued to the banking companies under Section 35A of the Banking Regulation Act are

- a. binding on them
- b. not binding on them and are in the nature of guidelines
- c. binding on the banks and the public
- d. None of the above

Ans - a

.....

In a government company the government holds at least per cent.

- a. 12
- b. 15
- c. 50
- d. 51

Ans - d

.....

RTI application should be accompanied by a fee of rupees...

- a. 10
- b. 20
- c. 50
- d. 100

Ans - a

.....

Central Information Commission can impose a penalty of rupees for each day till the information is furnished.

- a. 100
- b. 150
- c. 200
- d. 250

Ans - d

.....

Central Information Commission can impose a penalty subject to a maximum of rupees

- a. 15000
- b. 20000
- c. 25000
- d. 30000

Ans - c

.....

Imprisonment for money laundering can be years

- a. 2 to 5
- b. 2 to 7
- c. 3 to 5
- d. 3 to 7

Ans - d

.....

Fine for money laundering can be upto rupees.

- a. 3 Lakhs
- b. 4 Lakhs
- c. 5 Lakhs
- d. 7 Lakhs

Ans - c

.....

A is free when the parties to the contract agree to the same thing in the same sense.

- a. consent
- b. contract
- c. agreement
- d. None of the above

a

.....

Casual vacancies in the board of directors is filled in by the

- a. board of directors
- b. promoters
- c. underwriters
- d. shareholders

Ans - a

.....

When the board of a banking company is ordered to be reconstituted under Section 10A of the BR Act, directors will be removed for the purpose of reconstitution.

- a. by rotation
- b. by lots
- c. by majority decision
- d. None of the above

Ans - b

.....

Before removing the Chairman of a bank from office, Reserve Bank has to

- a. give compensation for loss of office,
- b. give opportunity of being heard
- c. give an option to continue as director
- d. None of the above

Ans - b

.....

The provision of Section 36AA of the BR Act regarding removal of managerial personnel have over other laws.

- a. no effect
- b. overriding effect
- c. persuasive effect
- d. None of the above

Ans - b

.....

Reserve Bank is authorised to appoint under Section 36AB of the BR Act.

- a. directors
- b. additional directors
- c. managing director
- d. None of the above

Ans - b

.....

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

- a. audit
- b. deposits
- c. loans and advances

d. capital structure

Ans - c

.....

..... may regulate acceptance of deposits including rate of interest on deposit by banking companies under Section 35A of the BR Act.

- a. Central Government
- b. State Govt
- c. Reserve Bank
- d. Board of Directors

Ans - c

.....

Who exercises the main administrative control over the functioning of cooperative banks ?

- A.RBI
- B.NABARD
- C.Central govt through coop deptt
- D.State govt through registrar of co-op societies

Ans - d

.....

Acceptance of deposits by non banking financial bodies and companies is regulated by which of the following ?

- A.SEBI & RBI
- B.RBI & Govt
- C.Registrar of companies & SEBI
- D.Stock exchange & SEBI

Ans - b

.....

The LC issuing bank is also called.....

- a. the importers bank or the opening bank
- b. the advising bank or the confirming bank
- c. the negotiating bank or the nominated bank
- d. the reimbursement bank

Ans - a

.....

When the LC specifies the Bank that is to negotiate the bills drawn under the LC, then the bank is also called.....

- a. Confirming Bank
- b. Reimbursing Bank
- c. Nominated Bank
- d. None of the above

Ans - c

.....

The confirming bank is

- a. the issuing bank when it confirms the issue of the LC
- b. the negotiating bank when it confirms the negotiation of the bills
- c. the advising bank when it confirms the LC
- d. None of the above

Ans - c

.....

When the confirming bank confirm the credit it

- a. does not take any liability
- b. undertakes on its part the liability under the LC
- c. undertakes to make timely of the documents and bills to the buyer or his bank
- d. None of the above

Ans - b

.....

Reimbursing Bank is the Bank

- a. that reimburses the seller
- b. that reimburses the Negotiating/Paying or Confirming Bank
- c. that reimburse the buyer on the goods being found defective
- d. None of the above

Ans - b

.....

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

- a. 3 & 1

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

Ans - c

.....

Central govt can give directions to RBI in public interest after consulting ...

- A. Central board of RBI
- B. RBI Governor
- C. President of India
- D. Finance Secretary

Ans - b

.....

Every public company, or a private company which is a subsidiary of a public company, having a paid-up share capital of Rupees must have a managing or whole-time director or a manager.

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - b

.....

In which of the following areas, RBI can't issue directions to bank ?

- A. Interest rate on deposit
- B. Interest rate on advances
- C. Margin on bank loans
- D. NONE OF THE ABOVE

Ans - d

.....

Max penalty for damage to computers or computer systems can be.....

- a. 5 Lakhs
- b. 50 Lakhs
- c. 1 Crore
- d. 10 Crores

Ans - c

.....

A company has to obtain a from the Reserve Bank to commence banking business in terms of Section 22 of the BR Act.

- a. registration
- b. license
- c. commencement certificate
- d. None of the above

Ans - b

.....

Shifting of a bank's branch in the does not require Reserve Bank's permission under Section 23.

- a. same district
- b. same state
- c. same city , town or village
- d. None of the above

Ans - c

.....

Foreign banks are required under Section 11 of the BR Act to deposit arising out of their business in india with the Reserve Bank

- a. 20 per cent of profit of each year
- b. 30 per cent of profit for each year
- c. 20 per cent of the deposits collected each year
- d. None of the above

Ans - c

.....

Shareholders of banking companies can exercise voting rights up to of the total voting rights of all shareholders.

- a. 1 per cent
- b. 10 per cent
- c. 20 per cent
- d. 100 per cent

Ans - b

.....

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

- a. bad debts
- b. expenses
- c. capitalised expenses
- d. None of the above

Ans - c

.....

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

- a. any interest
- b. substantial interest
- c. beneficial interest
- d. None of the above

Ans - b

.....

At least of the directors should have the qualifications prescribed under Section 10A(2) of the BR Act.

- a. 50 per cent
- b. 75 per cent
- c. 51 per cent
- d. 25 per cent

Ans - c

.....

Agreement can be

- a. Oral
- b. Written
- c. Either a or b
- d. None of these

Ans - c

.....

A contract without is void.

- a. Indemnity

- b. Guarantee
- c. Consideration
- d. Cash

Ans - c

.....

A person who is indemnified can recover for claiming the damages.

- a. Damages
- b. Costs
- c. Both a and b
- d. None of these

Ans - c

.....

Who can retain goods bailed to them as security for a general balance of a/c.

- a. Bankers
- b. Factors
- c. Policy brokers
- d. All of them

Ans - d

.....

A person who makes a proposal is known as

- a. promisor
- b. principal debtor
- c. surety
- d. guarantor

a

.....

A person is said to be competent to contract if

- a. he is a major
- b. he is of sound mind
- c. he is a major and of sound mind
- d. None of the above

c

.....

Which of the following is a correct statement ?

- A.State govt has no control over coop banks
- B.Central govt doesn't exercise any control over the commercial bank
- C.For cancellation of bank licence by RBI,appeal lies with the supreme court
- D.Central govt can give directions to RBI

Ans - d

.....

What can be the min & max denomination of bank notes under the provisions of RBI act?

- A. Rs 1 to Rs 1000
- B. Rs 2 to Rs 1000
- C. Rs 2 to Rs 10000
- D. Rs 10 to Rs 10000

Ans - c

.....

The maximum number of members in a public company can be

- a. 12
- b. 50
- c. 51
- d. No Limit

Ans - d

.....

While dealing with shares and securities banks have to follow the regulations framed by ...

- A.Company law board
- B.Registrar of companies
- C.SEBI
- D.FEDAI

Ans - c

.....

Banking regulation act 1949 was enacted with the objective of ...

- A.Creating RBI
- B.Creating banking companies
- C.Accepting of deposit and lending

D.Regulating banking business

Ans - d

.....

An agency can be terminated when

- a. Agent giving up the business
- b. Principal revoking his authority
- c. Business of the agency is completed
- d. Any one of the above

Ans - d

.....

"Document of title of goods" doesn't include

- a. Bill of lading
- b. Railway receipt
- c. wharfinger's certificate
- d. None of these

Ans - d

.....

Persons entered into partnership are collectively called as

- a. Partners
- b. Firm
- c. Either a or b
- d. None of these

Ans - b

.....

A person is said to be competent to contract if

- a. he is a major
- b. he is of sound mind
- c. he is a major and of sound mind
- d. either a or b.

Ans - c

.....

Surety is also known as the

- a. indemnifier
- b. bailor
- c. guarantor
- d. bailee

Ans - c

.....

Liability of the surety is that of the principal debtor.

- a. primary to
- b. co-extensive with
- c. secondary to
- d. either a or b

Ans - b

.....

Insurance policies are contracts in the nature of

- a. guarantee
- b. pledge
- c. bailment
- d. indemnity

Ans - d

.....

The final decision to issue notes of different denomination is taken by ...

- A. Governor RBI
- B. Central Board Of Directors Of RBI
- C. Issue Deptt Of RBI
- D. Central Govt

Ans - d

.....

On which of the following aspects, RBI doesn't have the authority as far as banks are concerned ?

- A. Collection & dissemination of credit info
- B. Moratorium, amalgamation, winding up of bank
- C. Imposition of penalties

d. None of the above

Ans - d

.....

Which of the following kind of authority RBI doesn't have to regulate the banking business in India ?

- A.To inspect the banks
- B.To exercise supervisory control over banks
- C.To give directions to bank in public interest
- D.NONE OF THE ABOVE

Ans - d

.....

The minimum number of members required in a private & public companies are

- a. 2 & 5
- b. 7 & 20
- c. 2 & 7
- d. 5 & 20

Ans - c

.....

Which among the following can give directions to RBI ?

- A.Central Govt
- B.Governor RBI
- C.Central Board Of Directors Of RBI
- D.Public Shareholders Of RBI

Ans - a

.....

Who among the following are not included in the Central Board of directors of RBI ?

- A.Governor
- B.Deputy Governor
- C.Directors nominated by Govt
- D.Executive Director

Ans - d

.....

If the principal debtor and creditor change the terms of guarantee without the consent of surety, the surety will be discharged from the liability for....

- a. all the debts
- b. any future debts
- c. either a or b
- d. both a and b

Ans - b

.....

If ornaments kept in the safe locker of bank is stolen in spite of due care by the bank, the bank is to the depositor of ornaments.

- a. liable
- b. not liable
- c. can be liable
- d. None of these

Ans - b

.....

There are parties in a contract of indemnity.

- a. 2
- b. 3
- c. 4
- d. 5

Ans - a

.....

Surety's liability is if the principal debtor is released by the creditor.

- a. discharged
- b. liable
- c. either a or b
- d. None of these

Ans - a

.....

If the liability of one surety is discharged by the creditor, liability of other surety is

- a. also discharged

- b. not discharged
- c. can be discharged
- d. None of these

Ans - b

.....

Ordinary Letter of Credit are usually, i.e, the bills drawn there under have to be immediately.

- a. Sights credits
- b. Acceptance credits
- c. Either a or b
- d. None of these

Ans - a

.....

Letter of Credit under which usance bills can be drawn is called an

- a. Sights credits
- b. Acceptance credits
- c. Either a or b
- d. None of these

Ans - b

.....

In a Revocable LC the credit can be amended or cancelled by the

- a. Confirming Bank
- b. Reimbursing Bank
- c. Issuing bank
- d. Nominated Bank

Ans - c

.....

Only Letters of credit can be confirmed.

- a. Revocable
- b. Irrevocable
- c. Either a or b
- d. None of these

Ans - b

.....

Depending upon the place where the bills are made, they can be classified into

- a. Inland Bills
- b. Foreign Bills
- c. Either a or b
- d. None of these

Ans - c

.....

Limitation period for filling a suit for sale of mortgaged properties in years from the date the mortgage debt becomes due.

- a. 12
- b. 15
- c. 20
- d. 30

Ans - a

.....

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

- a. Lien
- b. Bailment
- c. Assignment
- d. None of these

Ans - b

.....

At least of the total number of directors of a public company are to be persons whose period of office is liable to determination by retirement by rotation.

- a. 1/2
- b. 1/3
- c. 2/3
- d. 1/4

Ans - c

.....

RBI undertakes banking business for the state govt under the provision of ...

- A.Sec 22 of RBI Act
- B.Sec 21 of RBI Act
- C.Sec 20 of RBI Act
- D.Agreement between RBI & Govt u/s 21 A of RBI Act

Ans - d

.....

A Co operative bank can be which of the following ...

- A.Primary coop bank
- B.District central coop bank
- C.State coop bank
- D.All the above

Ans - d

.....

Section 22 of RBI acts relate which aspects of banking ?

- A.RBI authority to regulate credit
- B.RBI authority to regulate banking business
- C.RBI authority to function as bank for govt business
- D.RBI authority to issue & manage currency in India

Ans - d

.....

A Banking co. having operations in India could be constituted as a ...

- A.Body corporate under special act
- B.Registered under the companies act
- C.A Foreign co. under provisions of co. act
- D.All the above

Ans - b

.....

Organisational or constitutional aspects of banking co. are regulated by ...

- A.RBI
- B.SEBI
- C.Authorities under companies act
- D.ALL THE ABOVE

Ans - a

.....

The term corresponding new bank under banking co. (acquisition & transfer of undertaking) act 1970 stands for ...

- A.New private banks
- B.Old private banks
- C.RRBs
- D.Nationalised banks
- E.Banking companies

Ans - d

.....

A public company should have a minimum paid-up capital of Rupees

- a. 1 Crore
- b. 5 Crores
- c. 1 Lakh
- d. 5 Lakhs

Ans - d

.....