

Success is simple. Do what's right, the right way, at the right time.

Arnold H. Glasgow

A3.6 MULTIPLE ANSWER QUESTIONS- A1 A2 A3

1. Which of the following is not a function of RBI?
 - a) Issuance of Currency
 - b) Banker's bank
 - c) Banker to the Central Govt.
 - d) Issuing Budgetary guidelines
2. Banks are constituted under three categories. A Private sector bank is constituted under which category?
 - a) Body corporate constituted under special statute
 - b) Company registered under Companies Act 1956/2013
 - c) Co-operative Society Act
 - d) Co constituted under Schedule II of RBI Act 1934
3. A company borrows from Bank X on 1st January and from Bank Y on 15th January. Charge in favour of Bank X is created on 21st January and in favour of Bank Y is created on 16th January.
 - a) Loan from X is raised before Y, it will have priority for recovery from the sale of firm's assets
 - b) Loan from X is raised before Y, it will have first right of recovery
 - c) Charge in favour of Y is created before X, it will have priority over sale of charged assets for recovery of bank dues
 - d) The appointed liquidator will take decision regarding priority of charge
4. The Managing Director of a company has taken a loan for the use of company without getting powers through resolution passed by the board.
 - a) The company is not liable to repay the amount as it has not been raised properly.
 - b) The M D cannot raise loan without having powers delegated to him
 - c) Bank has right to recourse from the MD only and MD should recover the amount from the company
 - d) Company cannot repudiate the claim of bank
5. Which of the following is considered as commencement of business by a private limited company?
 - a) Declaration by its director as per section 10(a) of Companies Act 2013
 - b) Article of Association
 - c) Certificate of Incorporation
 - d) Certificate of Commencement of Business
6. What is Constructive Notice?
 - a) Every person dealing with the company should know about its MoA and AoA
 - b) Notice issued to the public by a company of having commenced its operations
 - c) Notice given in newspaper regarding cancellation of unpaid shares
 - d) Notice issued to creditors regarding liquidation of company's assets
7. If a depositor has deposited money with the bank, the bank is liable to repay him the amount, therefore the customer can be assumed as a creditor and bank his debtor. What type of lender he is?
 - a) Secured
 - b) Unsecured
 - c) Secured for less than Rs.5.00 lakhs
 - d) He is not a lender
8. A wrong credit entry has been made in the account of a savings bank customer who thinking that the it pertains to him has withdrawn and spent the money. The bank cannot claim the money from him under _____.
 - a) Banking Regulation Act 1949
 - b) Reserve Bank of India Act 1934
 - c) Law of Estoppels
 - d) Indian Succession Act
9. If a bank is carrying Digital KYC of a person, it requires to capture live photo of the customer, officially valid Document. Further, the official of the Registered Entity (or Bank) is required to capture
 - a) Minimum 1 Minute video
 - b) Live photo in bubble Mode

- c) Live photo under Light parameters as given in Information Technology Act
d) Water marking in readable form shall be done
10. The banker has got notice regarding dissolution of partnership. There is liability of Rs.2.00 lakhs due to the bank. What should the banker immediately do?
a) Suspend all operations and recall the amount from all the partners immediately
b) Freeze the account to determine the liability from the firm and its partners
c) Obtain fresh partnership deed and obtain Balance Confirmation from all the new partners
d) Obtain Balance Confirmation and New documents
11. Which of the following according to RBI is not a part of demand deposit?
a) All portion of savings balance
b) Margins held for LC/BG payable on demand
c) Overdue time deposit
d) Credit balances in OD/CC accounts
12. A partnership of XYZ has dues of Rs.2.00 lakhs at the time of death of X. There have been entries of credit amounting to Rs.3.00 lakhs during a period of 6 months after his death and balance outstanding as on date is Rs.2.50 lakhs due to the bank.
a) The estate of X is equivalently liable to repay the amount of Rs.2.50 lakhs
b) As per Clayton's rule, the debits have been offset by credit entries and estate of X is not liable for any liability arising after his death
c) The estate of X is liable for its equivalent portion in Rs.2.00 lakhs.
d) The liability of Rs.2.50 lakhs will be recovered first from Y and Z and remaining portion will be recovered from estate of X
13. A fixed deposit is in joint name payable to either or survivor. One of the depositors comes and request for the loan. Which of the following is more appropriate in the given circumstances?
a) You will extend the loan as FD is payable to either or survivor
b) You will grant loan only if both the account holders are physically present
c) You will grant loan to one of depositors if the other one sends his consent even by post
d) No loan can be granted against joint Fixed deposit
14. An FDR of amount exceeding Rs.20,000.00 has been paid in cash. As per guidelines, the banker has to pay penalty for making payment of amount exceeding Rs.20,000.00 _____.
a) No penalty
b) Equivalent to the amount involved
c) Double the amount
d) Amt. involved plus Rs.10,000 penalty
15. A current account is running in the name of individual who has expired. The interest will be paid on the balances lying in the account____
a) No interest is payable on current account
b) Interest will be paid at simple savings rate since the opening of account
c) Interest at savings rate simple since the expiry of the account holder
d) Interest at prevalent Fixed Deposit rate from the date of expiry of the account holder
16. NRO account can be opened jointly
a) With any other Non-Resident Indian
b) With any Resident Indian
c) With both a) and b)
d) Cannot be opened jointly
17. A Non-Resident External account can be opened in following forms
a) Savings
b) Current
c) Fixed Deposit
d) All of them
18. The income of NRI can be credited into NRE account provided
a) Income is current
b) Tax is provided on the income
c) Both of them
d) Cannot be credited into NRE account
19. FCNR deposit can have maximum maturity of
a) 3 years
b) 5 years
c) 10 years
d) 1 year
20. FCNR deposit cannot be accepted in
a) Yen
b) Rupee
c) Australian Dollar
d) Sterling Pond

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ANSWERS

1 -d 2-b 3-c 4-d 5-a 6-a 7-b 8-c 9-d 10-b
11-a 12-b 13-c 14-b 15-c 16 -c 17-d 18-c 19-b 20-b

* KYC verification once done by one branch/office of the RE shall be valid for transfer of the account to any other branch/office of the same RE, provided full KYC verification has already been done for the concerned account and the same is not due for periodic up-dation.