

JAIIB QUESTIONS AND MODEL QUESTION PAPER :

1. 1. Every banking company has to prepare its balance sheet and profit and loss account as stipulated in sec.29 of the ____ Act.

- a. RBI Act
- b. Companies Act
- c. Banking Regulation Act
- d. Both RBI and Banking Regulation Act

Ans : C

2. 2. For unclaimed deposit in respect of Reinvestment plan term deposit the same will figure in the return.

- a. When the said deposit has not completed 10 years
- b. When the said deposit has completed 10 years
- c. Provided the period of 10 years starts from the expiry period of the deposit
- d. 10 years counted from the date of the deposit

Ans : C

3. 3. A Drawee Bank will get protection in respect of

- a. When the Account holder's Signature is forged
- b. When the payee's signature is forged
- c. When one of the joint account holders signature is forged

d. When the cheque is signed by a person other than the drawer(who is not authorized by the account holder.

Ans : B

4. 4. RBI provides temporary advances to meet immediate needs when there is interval between expenditures and flow of revenue. Such facilities are provided to both central and state government.

- a. Temporary overdrawng
- b. Tide over credit facility
- c. Ways and means advances
- d. Line of credit

Ans : C

5. 5. Loans charging exorbitant rates of interest

- a. Substantial interest
- b. Usufructuary loans
- c. Anomalous loans
- d. Usurious loans

Ans : D

6. 6. Identify the incorrect statement with respect to preferential payment

- a. Depositors in savings bank accounts up to Rs. 250= and then other depositors upto Rs.,250= get priority over other creditors
- b. After making these payments, the balance will be for general creditors
- c. The balance left out is then allocated for payment of further amounts due to the depositors
- d. Finally the amount left is paid to depositors covered by the DICG Act

Ans : D

7. 7. A bank has paid a forged cheque. They filed a suit against the collecting banker as well as the payee who received the money. Whether drawee bank would succeed?
- a. Yes
 - b. No
 - c. If the collection banker has acted in good faith and without negligence they would loose the case
 - d. The paying bank need not suffer

Ans. B

8. 8. The directors of a banking company shall not hold office for more then 8 years continuously. However it is not applicable to the chairman
- a. Not more then 5 years
 - b. Not only chairman but also a whole time director
 - c. In addition to the both even executive director
 - d. In addition to b & c even for RBI nominated director

Ans: B

9. 9. These banks have to display in a conspicuous place in their principal office a copy of the last audited balance sheet and profit and loss account. This has to be done not later than the first Monday in august of any year in which it carries on business.
- a. Nationalized bank
 - b. State bank of india also
 - c. Co operative banks

d. None of these

Ans. D

1 10 A nationalized bank has to hold an annual general meeting of shareholders within ____ of the date of forwarding the balance sheet and related statements \ returns to the central government

a. Within 4 weeks

b. Within 8 weeks

c. Within 6 weeks

d. Within 3 months

Ans : C

1 11. Return on unclaimed deposits to cover all deposits not operated for

a. 10 years

b. 12 years

c. 18 years

d. 20 years

Ans : A

1 12. Identify the correct relationship between the customer – banker

a. Deposit=creditor ? debtor

b. Deposit = donor ? trustee

c. Deposit = Agent – principal

d. Deposit = debtor – creditor

Ans: A

1 13. Which statement is not appropriate with respect to banking ombudsman.

a. Failure to honour LC commitment

b. Inordinate delay in the payment or collection of cheques

- c. Non issue of drafts to non customers
- d. Non of the above

Ans : B

1 14. Authorization under the law for a debtor to postpone payment of dues for a specified time is known as

- a. Postponement
- b. Deferred
- c. Deferment
- d. None of these

Ans : D

1 15. Acceptance of deposits by non banking financial companies is regulated by

- a. RBI
- b. Central government
- c. Both A & B
- d. Registrar of companies

Ans : A

1 16. Which statement is not correct with regard to foreign banks.

- a. Have to deposit with RBI Rs. 20 lacs when they have place of business in Kolkata
- b. 20% of the profit in india to be deposited with rbi'
- c. 15% of the profit to be deposited with rbi and not 20%
- d. The securities deposited can be replaced

Ans : C

1 17. Provisions of banking regulation act applicable to

- a. State co operative bank
- b. Central co operative bank
- c. Primary co operative bank
- d. All of these

Ans : D

1 18. The shareholders of an acquired bank have a right to get compensation under sec 36AG of the banking regulation act. The amount thereof will be determined as provided in the fifth schedule to the act after consultation with the RBI

- a. True
- b. False
- c. Not banking regulation act
- d. Companies act

Ans : A

1 19. Which of the following statements is incorrect with respect to RRB?

- a. A person qualified to act as an auditor of companies under sec 226 of the companies. Act is qualified to be an auditor of a RRB.
- b. The board consists of a chairman appointed by the RBI
- c. RRBs were first set up in 1975 under the regional rural banks ordinance, 1975. The ordinance was later replaced by the regional rural banks act 1976.
- d. The central government is empowered to give directions to RRBs on matters of policy involving public interest

Ans : B

2 20. Which one is not the permitted banking business

- a. Buying or selling or bartering of good directly or indirectly

- b. Acquire, construct and maintain any building for its own purpose
- c. Negotiating of loans and advances
- d. Undertake and execute trust.

Ans : A

2 21. These are banking companies operating only in a limited geographical area

- a. Command area banks
- b. Regional rural banks
- c. Satellite banks
- d. None of these

Ans : D

2 22. A collecting banker will get protection under NI act 1881, only when he collects a cheque

- a. For his customer
- b. As an agent
- c. Collects a crossed cheque
- d. All the these

Ans : D

2 23. Collection of third party cheque is

- a. Prohibited
- b. Not prohibited
- c. Avoided
- d. Not protected

Ans : B

2 24. The director of a banking company is exempted under sec 10 of the BR act, from the requirement of holding qualification shares.

- a. The correct one is not director but the managing director
- b. The whole? Time chairman
- c. The whole time chairman and the managing director
- d. The whole time chairman or the managing director

Ans : D

2 25. On an order cheque the word order has been altered as bearer. The cheque has been received at the front office for payment. The counter clerk refused payment on the ground the alteration needs the full signature of the drawer (who is not present)

- a. The counter clerk warned and paid the amount
- b. Counter clerk is wrong
- c. Counter clerk paid since its not a material alteration
- d. He is not incorrect since it is a material alteration

Ans : D

2 26. Which is not part of sec131 of NI act, 1881 protection to collecting banker.

- a. The banker to act in good faith & without negligence
- b. Should collect for any one including a customer
- c. The cheque so collected must have been crossed generally or specially before receipt by the collecting banker
- d. None of these

Ans : B

2 27. A paying banker has to return an instrument (cheque) for the reason the cash credit limit is fully utilized. Choose the appropriate reason.

- a. Insufficient funds
- b. Not arranged for

- c. Limit full
- d. None of these

Ans : D

2 28. Find out the correct one (state bank of india & subsidiary banks)

- a. The appointment of auditors is done by RBI in consultation with the central government
- b. The state bank of saurashtra was constituted under the state bank of india (subsidiary banks act 1959)
- c. The chairman and managing director of SBI are appointed for a period not exceeding seven years and are not eligible for reappointment
- d. The central government may direct any subsidiary bank in consultation with RBI acquire the business of any bank.

Ans : A

2 29. As per sec 12(1) of the BR act the subscribed capital of a banking company shall not be less than half of its authorized capital and the paid up capital shall not be less than half of its subscribed capital.

- a. The above statement is not incorrect
- b. The above statement is not as per BR act
- c. RBI act has discussed the above
- d. The above statement is incorrect

Ans : A

3 30. The additional director may be appointed by the RBI

- a. In the interest of banking policy
- b. In the public interest
- c. In the interest of the depositors of the banking company
- d. All the above

Ans : D

3 31. The paid up capital of a banking company represents

- a. Nominal capital
- b. Amount subscribed
- c. Amount collected
- d. Contribution of the sponsor bank

Ans : C

3 32. The RBI empowered to order amalgamation of two banking companies under sec 396 of the companies act. But such power has to be exercised only after consultation with the central government.

- a. True
- b. RBI is not empowered but central government is empowered and they have to consult RBI
- c. Central government can direct and no need for any consultation with RBI
- d. Rbi has been empowered to go ahead with amalgamation

Ans : B

3 33. Apart from making regular inspection, reserve bank is also empowered to conduct

- a. Further inspection
- b. Surprise verification
- c. Scrutiny
- d. Checking

Ans : c

3 35. As per the banking regulation act nomination facility is not applicable in respect of

- a. Deposits
- b. Safe custody articles
- c. Safe deposit locker

d. None of these

Ans : D

3 36. Identify the incorrect statement (regarding payment of dividend to shareholders by banking companies)

- a. No dividend is payable until all capitalized expenses are completely written off
- b. Dividend may be paid without writing of depreciation
- c. Preliminary expenses, share selling commission and organization expenses will come under item A
- d. The above are as per section 15 of the Reserve Bank of India Act

Ans : D

3 37. The holding of shares by a banking company in any company as pledge, mortgagee or absolute owner shall not exceed.

- a. 25% of the paid up share capital and reserves of that company or the paid up capital of the banking company
- b. 30% of the paid up share capital and reserves of that company or the paid up capital of the banking company
- c. 25% of the paid up capital of that company or the paid up capital and reserves of the banking company
- d. 30% of the paid up capital of that company or the paid up capital and reserves of the banking company

Ans : D

3 38. Identify the correct order in case RRB share holding pattern norms, 35%50%15% issued capital

- a. 35% nationalized bank 50% RBI : 15% SBI
- b. 35% sponsor bank : 50% state govt : 15% central govt
- c. 35% apex bank : 50% central govt : 15% state govt

d. 35% sponsor bank : 50% central govt: 15% state govt

Ans : D

3 39. Branch licensing (identify the odd one)

- a. Changing the location of an existing place of business within the same city. Town or village would not need prior permission.
- b. Opening of a temporary place of business upto one month for extending banking business for any exhibition mela or conference requires prior permission
- c. For RRBs permission is given by RBI
- d. For co-operative banks RBI permission is a must

Ans : D

4 40. The banking ombudsman passes an order after affording the parties reasonable opportunity to present their case. The order is known as

- a. Preliminary order
- b. Interim order
- c. Final order
- d. None of these

Ans : D

4 41. A committee established under the regulations framed by reserve bank of india under sec 58 of the reserve bank of india act to exercise powers of supervision and regulation under that act and the BR act

- a. Committee for financial supervision
- b. Board for financial regulation
- c. Committee for financial regulation

d. Board for financial supervision

Ans : D

4 42. A collecting banker will not get protection on

- a. A crossed cheque
- b. A specially crossed cheque
- c. An uncrossed cheque
- d. None of the above

Ans : C

4 43. RBI previous approval not required in respect of a banking company

- a. Appointment of auditor
- b. Reappointment of auditor
- c. Removal of auditor
- d. None of the above

Ans : D

4 44. Apart from giving various directions, RBI may also

- a. Caution
- b. Give advises
- c. Both a and b
- d. Instruct the banks to carry out certain directions

Ans :C