

Legal & Regulatory Aspects of Banking - JAIIB

Timing: 3 Hours

Question : 100

1. Section 49-A of Banking regulation Act makes provisions for (a) declaration of bank rate (b) restrictions on the type of business that the banks cannot undertake (c) no person other than a bank is authorized to accept deposits withdraw able by cheque (d) acceptance of deposits by banks.
 - a. A only
 - b. A and c only
 - c. C only
 - d. B only
2. Under Prevention of Money Laundering Act 2002, the banks are required to maintain record of cash transactions of the value of ____:-
 - a. Rs.50000 and above
 - b. Rs.1 lac and above
 - c. Rs.10 lac and above
 - d. Above Rs.10 lac
3. Banks can undertake permitted business activities u/s 6 (1) of B R Regulation such as (a) buying or selling of bullion (b) undertake and execute trusts (c) undertake the administration of estates as executors, trustee (d) providing of safe deposit vaults:
 - a. A, b and c only
 - b. B, c and d only
 - c. A, c and d only
 - d. A to d all
4. Where the parties are yet to perform their mutual promises, in respect of sale & purchase of goods, it is called:
 - a. Sale
 - b. Agreement to sell
 - c. Intention to sell
 - d. Contract of sale
5. Which of the following statute and constitution of the respective bank does not match:
 - a. Nationalized banks- Banking Companies Act 1969
 - b. State bank of India- SBI Act 1955
 - c. State bank Associate Banks – State Bank (Subsidiary Banks) Act 1955
 - d. RRBs- RRB Act 1976
6. For the purpose of Limitation Act, filling of suit include:
 - a. A suit in a court
 - b. Appeal against the decree of a court

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- c. Applications
 - d. All the above
7. Under provisions of Prevention of Money Laundering Act 2002, who appoints the director for tracking money laundering
- a. Reserve Bank of India
 - b. Central Bureau of Investigation
 - c. Central Govt.
 - d. Each State Govt. concerned
8. Which of the following statements regarding RBI is not correct:
- a. RBI has the authority to issue license to banks
 - b. Entire capital of RBI is held by Central Govt. & State Governments
 - c. Central Govt. appoints the governor of RBI
 - d. Central Govt. can issue directions to RBI under RBI Act
9. Central Govt. has certain powers to regulate banks. Which of the following is not such power:
- a. Suspend the operations of Banking Regulation Act
 - b. Notification of other forms of business which the banks may undertake u/s 6 (o) of RBI Act
 - c. Making of rules for various banking operations u/s 52 and 45-Y of B R Act
 - d. Suspension of business and amalgamation of banks
10. Which of the following statements are correct:
- a. Central Govt. can give direction to RBI
 - b. Banking business of all types is regulated by RBI
 - c. The primary regulator of banks is Central Govt. and RBI
 - d. If a banking license is cancelled, the appeal lies to RBI
11. A cooperative bank undertakes banking business as (a) a primary cooperative bank (b) central cooperative bank (c) state cooperative bank:
- a. A, b and c all
 - b. A and b only
 - c. B and c only
 - d. B only
12. Which of the following Act has been enacted in India on account of initiative of UN Commission on International Trade law:
- a. Prevention of Money Laundering Act
 - b. Information Technology Act
 - c. Right to Information Act
 - d. None of these
13. If the limitation period is not prescribed in the Limitation Act for a transaction, the limitation period is:
- a. 3 years
 - b. 12 years
 - c. 30 years

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- d. At discretion of the court
14. In case of residents in India, which of the following income is taxable:
- Earned in India only
 - Earned while outside India only
 - Earned outside India, while in India only
 - All the above
15. For raising capital, a banking company can pay (a) commission (b) brokerage (c) discount (d) remuneration, at _____ of the paid up value of the shares:
- A to d all, 2.5%
 - A to c only 2.5%
 - B to c only 2%
 - A and c only 2%
16. Which of the following Act recognizes the electronic signatures and records equal to physical signatures and records:
- Information Technology Act
 - Negotiable Instruments Act
 - Indian evidence Act
 - All the above
17. Which of the following is not correct with regard to board of Directors of a Banks:
- At least 51% of total no. of directors shall have special knowledge or practical experience in banking related areas
 - RBI can remove any director, if the bank does not reconstitute the Board of Director, on RBI's point out.
 - Maximum period for which a director can hold office is 6 years
 - If a Chairman or whole-time director is removed from office, he ceases to be director of the bank and is not eligible for further appointment as director for 4 years.
18. The assessment officer can scrutinize the return submitted by the assessee and complete the assessment which is called:
- Verified assessment
 - Scrutiny assessment
 - Verification assessment
 - Assessment by verification
19. Advance tax is payable in 4 stages by an assessee. It should be paid as under. Which one is not correct:
- By June 15-15%
 - By Sept 15-30%
 - By Dec 15-75%
 - By Mar 15-100%
20. U/s 26 of Banking regulation Act the banks submit to RBI, a return on _____ basis, within _____ from close of the said period, relating to _____.

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- a. Half yearly , one moth, inoperative deposits
 - b. Yearly ,30 days , unclaimed deposits
 - c. Yearly 15 days, inoperative deposits
 - d. HY, 30 days, unclaimed deposits
21. Which of the following provisions do not match, in the context of loans by a bank:
- a. Banks cannot grant loans on the security of their own shares- Sec 20 of B R Act
 - b. Banks cannot commit themselves for granting loans on behalf of their directors – Sec 20 of B R Act
 - c. For remitting a loan in the name of a director, RBI permission is required – Sec 20-A of B R Act
 - d. RBI can use selective credit control over banks- Sec 36 A B R Act
22. Banks maintain cash reserve with RBI u/s 42 of RBI Act, (a) which is called cash reserve ratio (b) it is maintained at minimum of 3% and maximum of 20% of NDTLs (c) no interest paid by RBI on this amount (d) it is maintained as a fortnightly average balance with RBI.
- a. A to d all correct
 - b. A, b and c correct
 - c. A, b and d correct
 - d. A,c and d correct
23. Under the provisions of Right to Information Act, the public Authority means any authority established:
- a. By or under the Constitution of India
 - b. By any other law made by the parliament or State legislature
 - c. By notification issued or order made by the appropriate Govt.
 - d. Any of the above
24. Which of the following statements is not correct in connection with balance sheet of a bank:
- a. For public sector it is prepared as per 3rd Schedule of BR Act
 - b. For banking companies i.e. private banks, it is prepared as per part I of Schedule VI of Companies Act
 - c. It is prepared for the last day of the financial year
 - d. The provisions for preparation of balance sheet are contained in Sec 29 of B R Act.
25. Banks submit various returns to RBI under RBI Act or B R Act. Which of the following is not one such return:
- a. Monthly return of liquid assets u/s 24 (3) of B R Act
 - b. Quarterly return of NPA advances u/s 42 of RBI Act
 - c. Return of unclaimed deposits u/s 26 of B R Act
 - d. Fortnightly return on cash reserves u/s 42 of RBI Act
26. As regards the inspection of banks (a) RBI has the authority to inspect the branches of banks u/s 35 of B R Act (b) RBI can inspect the branches of banks u/s 35A of B R Act (c) Central Govt. can direct RBI to inspect the banks.
- a. A and b are correct

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- b. B and c are correct
 - c. A and c are correct
 - d. A to c all correct
27. Under Right to Information Act, the information that can be accessed should be held by or under control of:
- a. Govt. authority
 - b. Public authority
 - c. Public or private authority
 - d. Govt. authority, public authority or private authority
28. A banking company can be acquired by Central Govt. if one of the following conditions is satisfied (which one is not correct):
- a. Bank failed on more than one occasion to comply with RBI direction u/s 21 and 35 of B R Act
 - b. Bank is being managed in a manner detrimental to interest of depositors
 - c. Acquisition is essential for safeguarding interest of the depositors
 - d. Acquisition will benefit the shareholders and govt. both
29. In a contract of sale, (a) the seller transfer property in goods to buyer for a price (b) the seller agrees to transfer the property in goods to the buyer for a price (c) when the goods are transferred from seller to the buyer, the contract becomes a sale.
- a. Statements (a) and (c) only are correct
 - b. Statements (a) and (b) only are correct
 - c. Statement of (b) and (c) are correct
 - d. All statements are correct
30. Rate of service tax is:
- a. 12%
 - b. 10%
 - c. 7.5%
 - d. 5%
31. When one or more bank is merged with another bank or two or more banks decide to merge to form a new company, it is called:
- a. Merger
 - b. Amalgamation
 - c. Liquidation
 - d. Winding – up
32. A bank is under obligation to make payment of cheque issued by its customer u/s 31, if the following conditions are satisfied (which one is not correct):
- a. There are sufficient funds in the account
 - b. The funds are properly available for payment of the said cheque
 - c. The signatures of the customer are, as per records of the bank
 - d. cheque should be drawn in one ink, one handwriting and one script

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33. If bank refuses payment of the cheque issued by the customer and later on it is wound up, the bank is liable to:
- Drawer for any loss
 - The payee for any loss
 - The holder who becomes a creditor entitled to make a claim
 - None of the parties as that would be decided by the liquidator
34. The offences that are compoundable under any law, can not be brought within the purview of, which of the following:
- Lok Adalt
 - DRT
 - Civil Court
 - High Court
35. The Transfer of Property Act contains provisions relating to transfer of:
- Actionable claims
 - Movable assets
 - Goods
 - None of the above
36. For a bank to get protection against conversion of a cheque (a) the collection should be for customer (b) the collection should be of crossed cheque crossed before falling into the hands of collecting bank (c) the collection should be in good faith (d) the collection should be without negligence.
- A to d should be fulfilled
 - A to c should be fulfilled
 - A, c and d should be fulfilled
 - A, b and d should be fulfilled
37. Which of the following is a correct statement:
- Protection available to a bank for conversion is as per Sec 10 of NI Act
 - Protection against conversion for demand draft is as per Sec 131 of NI Act
 - Bank get protection for conversion as per Sec 131 in case of cheque and Section 131A for Demand draft, as per banking regulation Act.
 - Conversion means unauthorized interference in property of a 3rd party
38. Which of the following is the objective of Foreign Exchange management Act (FEMA)1999
- To conserve foreign exchange
 - To manage foreign exchange
 - To facilitate external trade and promote orderly development of forex markets in India
 - All the above
39. Which of the following is not correct in case of contract of indemnity or guarantee:
- In indemnity the loss is to be made good as soon as it occurs
 - In case of guarantee surety's liability is secondary and principal debtor's liability is primary
 - An indemnity is for the reimbursement of loss

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- d. A guarantee is for bearing the loss caused due to the action of principal debtor or any other party
- 40. A bank guarantee has been issued by the bank in lieu of the customer being required to deposit cash security. Such guarantee is called:
 - a. Cash guarantee
 - b. Financial guarantee
 - c. Performance guarantee
 - d. Deferred payment guarantee
- 41. The sale becomes absolute in case of mortgage by conditional sale, when:
 - a. Borrower makes payment of the due amount
 - b. Borrower fails to make payment of the due amount
 - c. When loan is re-structured
 - d. When limitation expires
- 42. In the context of letter of credit, which among the following does not match:
 - a. The party on whose request the LC is issued is called – beneficiary
 - b. The bank that makes the payment to the beneficiary against documents and claims payment from issuing bank is called negotiating bank
 - c. Bank that has the final liability on the LC if documents are received in order- issuing bank
 - d. If a bank gives guarantee on LC for the payment to be made, in case issuing bank fails to pay- confirming bank
- 43. Under FEMA 1999, there is provision of appeal. The first such appeal can be made to:
 - a. Director- Appeals
 - b. Appellate Tribunal
 - c. High Court
 - d. Supreme Court
- 44. A bank issued an LC, which is to expire on June 30 appx. Its expiry date falls on:
 - a. 10th July or 20th June
 - b. (+)or (-)5 calendar days
 - c. (+) or (-) 10 calendar days
 - d. Such LC is not valid
- 45. A guarantee which is issued by a bank, guaranteeing the timely payment of installment to the supplier, by the applicant (borrower), for the machinery purchased on a long term credit from the supplier is called:
 - a. Standby guarantee
 - b. Performance guarantee
 - c. Deferred payment guarantee
 - d. Statutory guarantee
- 46. Which of the following parties in a bill of exchange do not match:
 - a. Maker- the debtor who is to make the payment
 - b. Drawer- who makes the bill of exchange and orders the drawee to make payment

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- c. Payee- the person who is to obtain payment as per order of the drawer
 - d. Drawee- the debtor, liable on the bill to pay.
47. A person residing India:
- a. Can own foreign currency or immovable property if it was held when he was resident outside India
 - b. Can transfer foreign currency immovable property if it was held when he was resident outside India
 - c. Can invest in foreign currency immovable property if it was held when he was resident outside India
 - d. All the above
48. Which of the following statement is not correct in the context of sale of goods?
- a. a contract of sale can be absolute
 - b. a contract of sale can be conditional
 - c. In absolute contract , there are no conditions to be fulfilled by the seller or buyer.
 - d. In a conditional contract , the goods are transferred later but the sale takes place beforehand.
49. Which of the following documents is a document of title to goods (a) bill of landing (b) warehouse receipt (c) delivery order (d) airway bill:
- a. A to d all
 - b. A to c only
 - c. A, c and d only
 - d. B, c and d only
50. (a) mortgage deed does not require to be witnesses or registered (b) debentures provide voting rights to the holders of the debentures (c) assignee of the life policy can sue in his own name (d) borrowers can pledge the documents of title to goods
- a. A to d are correct
 - b. A, b and c are correct
 - c. A, c and d are correct
 - d. B, c and d are correct
51. In case of mortgage (a) the limitation period against the mortgager for personal liability is _____ years (b) against the mortgaged property it is _____ years and (c) for foreclosure it is _____ years.
- a. 12,12,30
 - b. 3,12,30
 - c. 12,12,12
 - d. 3,12,12
52. Which of the following is not a capital account transaction:
- a. An Indian company purchased office space outside India
 - b. Indian Govt. made repayment of instalment of a loan taken from US Govt.
 - c. An individual purchased shares on a stock exchange in London

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- d. Export of goods made on a deferred payment basis
53. In case of creation of equitable mortgage, the property which is to be equitably mortgaged, must be located in:
- Notified towns only
 - Chennai, Mumbai or Kolkata only
 - Any place
 - A or b
54. Compared to a public company, a private limited company is at a disadvantage because (a) it can not invite public to subscribe to its shares (b) it has to observe restrictions on transfer of its shares because the no. of members is limited (c) its shares cannot be listed on a stock exchange (d) it cannot obtain loan from a bank.
- A to d are correct
 - A, b and c are correct
 - A, c and d are correct
 - B, c and d are correct
55. Under RTI Act 2005. The information can be accessed under control of a public authority. For this purpose, the public authority means any authority establishes:
- By or under the a Constitution
 - By any other law made by the parliament of India or by the State legislature
 - By any notification issued or order made by the appropriate govt.
 - All the above
56. SARFAESI Act 2002 is applicable to housing finance companies whose names are notified by:
- Reserve Bank
 - National Housing bank
 - Central Govt.
 - State Govt. concerned
57. An un-registered partnership firm (a) can file suit for enforcement of contracts entered into by it with 3rd parties (b) cannot file suit on its own partners (c) other parties cannot file suit on unregistered firm.
- A to c all correct
 - A and c are incorrect
 - A and b only are correct
 - B and c are correct
58. A private company has two shareholders who are directors of the company also. They die in an accident:
- The company will be run by their legal heirs
 - The company will invite public to be shareholders who will chose new directors
 - The company will be compulsorily wound up
 - The advice of Company Law Board will be sought.
59. Under RTI Act 2005, the period for providing information is:

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- a. 5 days
 - b. One week
 - c. 21 days
 - d. 30 days
60. (a) Certificate of Incorporation is birth certificate of a company (b) Certificate of Incorporation is conclusive evidence of creation of a company (c) on the basis of certificate of incorporation bank can open account without any other introduction (d) certificate of commencement is required both by the public and private companies:
- a. A to d are correct
 - b. A, b and c are correct
 - c. A, c and d are correct
 - d. B, c and d are correct
61. A company can commence its business (a) without obtaining certificate of commencement of business if it is a private company (b) without obtaining certificate of commencement of business if it is a company without any share capital (c) after obtaining certificate of commencement of business u/s 125 if it is a public company, which of these is correct:
- a. A to c all
 - b. A and b only
 - c. B and c only
 - d. A and c only
62. Which of the following statements are not true:
- a. A partnership firm can be registered u/s 58 of Indian Partnership Act
 - b. A company is a legal person created through incorporation
 - c. Certificate of commencement of business is conclusive evidence of existence of a company
 - d. Where 2 or more person agree to share profits from business, it is called a partnership.
63. The lease for a purpose other than for agricultural and manufacturing purposes is deemed to be a lease from _____ and it can be terminated by giving _____ notice:
- a. Year to year, 2 months
 - b. Year to year, 3 months
 - c. Month to month, 30 days
 - d. Month to month, 15 days
64. Where a company creates charge on its assets and fails to get the charge particulars filed and registered (a) any person interested in the charge can file and get it registered (b) if charge is not filed and registered, the creditor becomes unsecured creditor in the event of liquidation of the company (c) if the charge remains unregistered, the loan becomes due immediately (d) it is the responsibility of the company to file the charge within given time period:
- a. A to d all are correct
 - b. A, c and d are correct
 - c. A, b and c are correct
 - d. B, c and d are correct

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65. SARFAESI Act 2002, is applicable (a) in the entire India including J&K (b) it provides for sale of security without court intervention subject to fulfillment
- A to d all correct
 - A, b and c only correct
 - A, c and d only correct
 - A, b and d only correct
66. As per SARFAESI Act, hypothecation means (a) a charge on movable assets (b) in favour of secured creditor (c) without delivery of possession (d) giving right to the creditor to sell the assets. Which among these are the essential parts of the definition:
- A to d all
 - A, b and d only
 - A, b and d only
 - B, c and d only
67. In *Mardia Chemicals vs Union of India and others*, the Supreme Court had decided that:
- SARFAESI Act is fully invalid
 - Condition of deposit of 75% amount by borrower before approaching DRT against possession notice by banks, is invalid
 - Condition of deposit of 75% amount by borrower before approaching DRAT, against decision of DRT, is invalid
 - Condition of 60 days notice before possession is correct
68. Which of the following facts is not correct so far as a Securitisation company is concerned:
- It is a company registered under Companies Act.
 - It has to obtain registration with SEBI for undertaking securitisation
 - It can set up separate trust for different schemes of securitization
 - Its minimum paid up capital is Rs.100 cr and net worth at least 15% of the acquired assets
69. The Prevention of Money laundering Act 2002 was enacted with the following objective:
- To prevent money laundering
 - To provide for confiscation of property derived from money laundering
 - To prevent use of banking system for money laundering
 - All the above
70. Before enforcement of security interest i.e. sale of security, the creditor, to show his intention to take possession, is required to obtain possession of the security by giving:
- A reasonable period notice
 - A notice of 15 days
 - A notice of 30 days
 - A notice of 60 days
71. In a lease of immovable property, which of the following does not match:
- The transferor is called the lessor
 - The transferor is called the lessee
 - The price in a lease is called the lease rental

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- d. None of the above
72. Where a company has been financed by a consortium of banks, the decision to take possession and sell the security under SARFAESI Act is to be taken:
- By the banks having 75% share by value on the record date, in the consortium
 - By all the major banks financing the company
 - By the lead bank in the consortium
 - By the banks having 60% share by value on the record date, in the consortium.
73. As per prevention of Money laundering Act 2002, the banks are required to maintain record of specified transaction for a period:
- Of 20 years
 - Of 10 years
 - Of 5-8 years
 - Of 5 years
74. Under provisions of SARFAESI Act, which of following transactions do not require registration with Central registry?
- Securitization
 - Reconstruction
 - Creation of security interest
 - None of the above
75. A customer filed a complaint with the Ombudsman which was rejected. What remedy is available to the customer:
- The grounds of rejection cannot be appealed against by the customer.
 - Customer can only file suit in a court of law
 - Customer can request for review
 - Grounds of rejections can be appealed against within 30 days
76. Registration of a partnership firm under provisions of Indian partnership Act 1932 can be:
- With the Registrar of firms of the area in which the business of the firm is conducted
 - With the registrar of Firms of the area in which the registered office of firm is located
 - With the Registrar of Companies of the area in which the business of the firm is conducted
 - With the registrar of Companies of the area in which the registered office of firm is located
77. Recovery of Debt due to banks & Financial Institutions Act 1993 Section 2 (g) provides definition of 'debt', which include (which is not correct):
- Any liability inclusive of interest which is secured
 - Any liability inclusive of interest which is not secured
 - Any liability payable under a decree or order of a civil court
 - Any liability recoverable by the bank from its employee who committed a fraud
78. Banks are required to maintain records under prevention of Money Laundering Act 2002. Which should contain following information (which is not correct):
- Nature of the transaction
 - Amount of the transaction and the currency

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- c. Date on which transacted and the parties to the transaction
 - d. None of the above
79. Under provisions of transfer of Property Act, subject to agreement between parties, a property can be sold without intervention of court, if it located at:
- a. Any place
 - b. Chennai, Mumbai and Kolkata only
 - c. Towns notified by the State Govt. only
 - d. B or c
80. A suit been field by Bank-B in DRT located at place Z. Now the bank wants to transfer this case to another DRT located at place Y. who can permit this transfer:
- a. High Court
 - b. President of the DRT with consent of president of the other DRT
 - c. Chairperson of DRAT having jurisdiction over both DRTs
 - d. Chairperson of DRAT irrespective of jurisdiction over both DRTs
81. Period for DRT decision on the application filed by bank is:
- a. It must be decided within 90 days from date of first hearing
 - b. DRT to make effort to dispose off the application within maximum of 180 days from date of receipt of application
 - c. It is binding on DRT to decide the matter within 180 days from date of its receipt
 - d. DRT is not bound to abide by any time limit.
82. If any false information is provided to Registrar of Firms in connection with registration of a firm, the penalty is:
- a. Imprisonment up to one month or fine or both
 - b. Imprisonment up to 2 month or fine or both
 - c. Imprisonment up to 3 month or fine or both
 - d. Imprisonment up to 6 month or fine or both
83. Any person aggrieved by the order of Recovery officer may appeal to _____ within _____ days from _____:
- a. President of DRT, 30 days , receipt of copy of order of RO
 - b. President of DRT, 45 days , date of order of RO
 - c. President of DRT, 30 days , date of order of RO
 - d. President of DRT, 15 days , receipt of copy of order of RO
84. For the purpose of application of Bankers' Book evidence Act, the bankers' book include (a) records kept as back up (b) records available as disaster recovery (c) records on micro film (d) records in physical form
- a. Only d
 - b. Only c and d
 - c. Only a, c and d
 - d. A to d all
85. Which of the following is correct in the context of Consumer Protection Act:

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- a. Complaint can be filed by the consumer himself as on his behalf no consumer association can file the complaint.
 - b. Retailer who buy goods to sell to other consumers can file the complaint.
 - c. The consumer courts are quasi-judicial in nature
 - d. Consumer Protection Act has been enacted to protect the manufacturers and service providers from the consumers
86. Limited Liability partnership are regulated under provisions of which of the following Act:
- a. Indian partnership Act
 - b. Companies Act
 - c. Indian Contract Act
 - d. None of the given options
87. _____ involves promotion of corporate fairness. Transparency and accountability in the interest of all stake holders:
- a. Risk management
 - b. Corporate risk management
 - c. Corporate strategies
 - d. Corporate governance
88. A contract is valid, if the consideration is lawful when at the desire of the promisor, the promise (a) has done or abstained from doing (b) does or abstains from doing (c) promises to do or abstains from doing something. Which of these is correct:
- a. A to c all
 - b. A and b only
 - c. B and c only
 - d. C and a only
89. In a mortgage suit, the preliminary decree becomes the final decree:
- a. When the request is made by the bank as creditor
 - b. When the borrower fails to pay the decretal amount
 - c. When the court takes a decision on the basis of its discretion
 - d. When the request comes from the bank and the borrower
90. XYZ were allowed certain credit facilities on the guarantee of G. later on the account was got secured by equitable mortgage of the property. But for certain reasons, the bank released the equitable mortgaged. When the account became difficult of recovery and money was demanded from G also, he took the plea that he stands discharged to the extent the value of mortgage, which has been released by the bank.
- a. Guarantor is not discharges as the mortgage was taken subsequent to the date of guarantee
 - b. Guarantor is not discharges as he is liable as long as borrower is liable
 - c. Guarantor is discharged to the extent of value of equitable mortgage, as bank has put the guarantor to loss
 - d. Guarantor is discharged since value of security in the account has come down.

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91. In a contract of bailment, if the bailee does something inconsistent to the contract, the bailor can: (which is not correct)
- Demand the damages suffered
 - Contract become voidable at the option of the bailor
 - Demand compensation for any damage
 - None of the above
92. For actions of a partner in a Limited Liability partnership:
- All the partners become automatically liable
 - The LLP does becomes liable
 - Other partners do not becomes liable except in special cases
 - None of the given options is correct
93. Which of the following right is not available to unpaid seller where the property has passes on the buyer:
- A lien on goods for price while he is in possession of the goods
 - In case of insolvency of the buyer, a right of stopping the goods in transit after he has parted with the possession of them
 - A right of resale
 - None of the above
94. Which of the following can be a director of a company?
- X, ABC Limited , ABC Firm
 - X, ABC Firm
 - X, ABC Firm
 - X only
95. A stipulation collateral to the main purpose of a contract, under the sale of Goods Act is called:
- A condition
 - A warranty
 - A guarantee
 - An undertaking
96. What is the minimum and maximum no. of partners in a Limited Liability partnership:
- Minimum 2 and maximum no limit
 - Minimum 2 and maximum 50
 - Minimum 2 and maximum 20
 - Minimum 2 and maximum 10
97. Which among the following is a necessary condition for declaring it a govt. company under the provisions of Companies Act 1956?
- It should be fully owned by the central Govt.
 - It should be fully owned by the central and State Govt.
 - At least 50% of the paid up capital should be owned by the govt.
 - At least 51% of the paid up capital should be owned by the govt.
98. In a public limited company, maximum and minimum no. of shareholders is:

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- a. 50 and 10
 - b. No limit and 7
 - c. 100 and 2
 - d. Any number at the discretion of the company
99. A company has been sanctioned enhanced credit limits by its bank. For modification of change with the register of Companies, which among the following forms are to be used
- a. Form 8 and 10
 - b. Form 8 and 17
 - c. Form 8
 - d. Form 10 and 17
100. The copy of memorandum of association and articles of association of a company is kept with office of RoC and can be inspected by any person due to which it is known as _____.
- a. Doctrine of indoor management
 - b. Ultra- vires
 - c. Doctrine of constructive notice
 - d. Doctrine of outdoor management

Answer:-

1. C
2. D
3. D
4. B
5. A
6. A
7. C
8. B
9. B
10. A
11. A
12. B
13. A
14. D
15. A
16. A
17. C
18. B
19. C
20. B

21. D
22. D
23. D
24. B
25. B
26. C
27. B
28. D
29. D
30. A
31. B
32. D
33. C
34. A
35. A
36. C
37. D
38. C
39. D
40. B
41. B
42. A
43. A
44. B
45. C
46. A
47. D
48. D
49. B
50. C
51. B
52. D
53. C
54. B
55. D
56. C
57. B
58. C
59. D
60. B

- 61. B
- 62. C
- 63. D
- 64. A
- 65. B
- 66. B
- 67. B
- 68. B
- 69. D
- 70. D
- 71. C
- 72. D
- 73. D
- 74. D
- 75. D
- 76. A
- 77. D
- 78. D
- 79. D
- 80. C
- 81. B
- 82. C
- 83. A
- 84. D
- 85. C
- 86. D
- 87. D
- 88. A
- 89. B
- 90. A
- 91. D
- 92. C
- 93. D
- 94. D
- 95. B
- 96. A
- 97. D
- 98. B
- 99. C
- 100.

C

101.

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