

Principles & Practices of Banking - JAIB

Timing: 3 Hours

Question : 100

1. No person other than a bank is authorized to accept deposits in India, that are with draw able by _____ as per provisions of Section _____ of _____ Act:
 - a. Cheque, 26A, Banking regulation Act
 - b. Cheque, 49A, Banking Regulation Act
 - c. Withdrawal, 49A, RBI Act
 - d. Cheque, 26A, RBI Act
2. Capital market is a market for:
 - a. Equity shares and short term loans
 - b. Term loans and debentures
 - c. Long term debt and equity shares
 - d. All the above
3. Every banking companies uses the words 'bank, banking or banker' as part of its name as per provisions of section _____ of _____ Act:
 - a. 5, Banking regulation Act
 - b. 7, NI Act
 - c. 7, Banking Regulation Act
 - d. 7, RBI Act
4. Banks in India are allowed to undertake trending in the following u/s 6(1) of banking regulation Act:
 - a. Buying of goods
 - b. Selling of goods
 - c. Bartering of movable assests
 - d. Sale of securities
5. A bond giving the investor the option to get the value of bond equal to an equity share, at a pre-detetmined exchange price, is called
 - a. Coupan bonds
 - b. Convertible bonds
 - c. Commercial paper
 - d. Zero coupan bonds
6. Which category of banks are under dual control of Govt. and RBI:
 - a. private banks
 - b. public sector banks
 - c. RRBs

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- d. Coop banks
7. Banking Regulation Act deals with (a) the regulation of business of banking companies (b) control over management of the banking companies (c) suspension and winding up of banking business (d) penalties for violation of provision of B R Act
- a, b and c only
 - b, c and d only
 - a, c and d only
 - a to d all
8. Reserve bank of India has been constituted u/s ___ of RBI Act for (a) taking over the management of currency from the central Govt. (b) for carrying on the business of banking for general public (c) keeping reserves for ensuring the monetary stability:
- 1, a to c all
 - 3, a and b only
 - 3, a and c only
 - 1, a and c only
9. Which of the following features is correct with regard to a Bond?
- It is issued by a securitization company, for securitization purpose
 - These are issued by the govt. only for raising loans
 - It is a negotiable certificate evidencing indebtedness
 - All the above
10. RBI undertakes banking business for Central Govt. u/s _____ of RBI Act. For State Govt., the banking business is done by RBI u/s 21A of _____ based on agreement:
- 20, RBI Act
 - 21A, RBI Act
 - 20, B R Act
 - 21A, B R Act
11. A bank can hold as mortgagee, pledgee or absolute owner of shares of a company, maximum to the extent of:
- 30% of paid up capital of the bank and 30% of paid-up capital of the company, whichever is lower
 - 30% of paid up capital of the bank and 30% of paid-up capital of the company, whichever is higher
 - 30% of paid up capital of the bank and 30% of paid-up capital of the company, whichever is higher
 - 30% of paid up capital + reserves of the bank and 30% of paid up capital of the company, whichever is lower
12. Banks set up special branches for a focused attention that include (a) service branches (b) capital market branches (c) recovery branches (d) corporate branches:

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- a. A to d all
 - b. Only a to c
 - c. Only b to c
 - d. Only a, c, and d
13. The functions such as management, ownership and trading are segregated in case of a
- a. Corporate exchange
 - b. Mutual stock exchange
 - c. demutualized exchange
 - d. any of the above
14. Bank's obligation to pay the cheque drawn by the customer u/s 31 of NI Act exists, in which of the following circumstances:
- a. When the cheque is presents by the drawer after business hours
 - b. When the cheque is reported to be lost and confirmation from drawer is still awaited.
 - c. When garnishee order has been received, cheque through clearing is debited but clearing returning time has not lapsed
 - d. When cheque dated June 31, 2007 is presented on June 30, 2007
15. Under which of the following provisions of law, the disclosure of customers account information is allowed (which one is not correct):
- a. Section 131 and 133 of Income Tax Act
 - b. Section 26 of RBI Act
 - c. Section 235 and 237 of Companies Act
 - d. Section 41 of NI Act
16. A customer came to a bank branch and he forgot a packet containing some govt. securities for which he intended to raise a loan, which he proposes to get sanctioned next week. The relationship between bank and the party is that of:
- a. Agent and principal
 - b. Creditor and dedtor
 - c. Trustee and beneficiary
 - d. Bailee and bailor
17. Group insurance is a plan of insurance which provides life cover to a no. of persons under a single policy called _____ policy:
- a. Master policy
 - b. Keyman policy
 - c. Loss Protection policy
 - d. Umberrima fides
18. A company gives an undertaking to the bank that certain assets belong to the company and it will mot dispose of the assets or create any charge on the assets, without prior permission of the bank. It is known as:

- a. Pledge
 - b. General lien
 - c. No lien or negative lien
 - d. Particular lien
19. Banker's lien is not available in which of the following situations (a) the securities have been handed over by the customer for safe custody (b) documents submitted by the customer for specific purpose (c) the loan has not become due for payment as yet (d) securities are left by the customer with the bank, by mistake:
- a. a, b and d only
 - b. b, c and d only
 - c. a, b and c only
 - d. a to d all
20. The relationship between importer and exporter in case of forfaiting is called
- a. Factor
 - b. Forfeitor
 - c. The importer
 - d. The exporter
21. Which of the following is not an important feature of a power of attorney:
- a. It is generally executed in the presence of a notary public
 - b. It can be registered if desired, with registrar of Companies
 - c. It requires to be stamped as per State prescribed stamp duty
 - d. It can be general or specific
22. Mr. Ajay has been appointed an agent by an importer Mr. Shanti Prakash to handle the goods at port and dispose off the same within a price range fixed by Mr. Shanti Prakash. But Mr. Ajay sells the goods at a price lower than the one indicated by Mr. Shanti Prakash. When this fact comes to the notice of Mr. Shanti Prakash he cancels the sale contract. The payment is still to be received
- a. Mr. Shanti Prakash has the right to do so since his direction has not been carried by the agent
 - b. Mr. Shanti Prakash has the right to do so since the payment is yet to be received
 - c. Mr. Shanti Prakash has to honour the contract made by the agent as he cannot cancel it
 - d. Mr. Shanti Prakash can claim damages from the agent
 - e. C and d above
23. Credit risk may not arise in which of the following
- a. Loan for purchase of a house
 - b. Loan granted to a staff member
 - c. Loan allowed against deposit of the bank
 - d. None of the above

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24. Your branch has received a garnishee order in the name of your customer having saving bank account, with following transactions. which among these is not subject matter of the garnishee order:
- An advice ready for dispatch to another branch after debit to the account in payment of cheque
 - An advice received for a cheque which was sent in collection, from another branch but not credited to the account so far
 - A cheque in clearing, the amount of which has been credited to the account
 - An amount of Rs.4000 relating to his wife's account credited by midtake to the account of the customer
25. A negotiable instrument has the following combination of characteristics:
- It is transferable by delivery and endorsement only
 - It can be a crossed instrument or uncrossed instrument
 - It is freely transferable and transferee gets defect free right
 - There is no restriction on transfers due to which it is called negotiable
26. A bill of exchange which is drawn on a specific bank and is not payable otherwise than on demand, to bearer or to order, is called
- inland bill of exchange
 - usance bill of exchange
 - accommodation bill
 - cheque
27. 3rd Pillar in Basel 2 relates to:
- Market discipline
 - Supervisory review
 - Minimum capital
 - Risk management
28. Bank-b gets a cheque from its customer x. In the name of the payee. The words "pay to Mr. X account No.3252 0001 0081 3409 Bank A" is stated. It does not bear two parallel lines on its face:
- The cheque can be collected by Bank-B for its customer
 - The cheque is an uncrossed cheque and its payment can be obtained by Mr. X across the counter from the drawee bank
 - It is a specially crossed cheque and its payment can be obtained by Bank A only
 - It is a cheque crossed in favour of two banks. Hence none of the banks can obtain its payment
29. Which of the following is not a feature of a not-negotiable crossed cheque:
- It is defined as per Section 130 of NI Act
 - Its payee is holder only

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- c. It can be endorsed and transferred any no. of times
 - d. None of the above
30. Which of the following is not essential requirement for a person to be called holder in due course:
- a. He should be in possession of the instrument
 - b. Possession must have been taken for a valuable consideration
 - c. Possession must have been obtained in good faith without any notice of defect in the title of the transferor
 - d. It must be an order cheque only
31. Which of the following falls in Tier II capital:
- a. Paid up capital
 - b. Free reserves
 - c. General provisions and loan loss reserves
 - d. Innovative perpetual debt instruments
32. When a crossed cheque is paid by a bank across the counter (in cash), the paying bank is liable to:
- a. The payee only
 - b. The drawer only
 - c. The drawee only
 - d. The true owner only
33. A cheque is received for payment from X by Bank-B it is torn from two sides. Such mutilated cheque can be paid (which among the following is false):
- a. If it is intentionally torn by the drawer, he must authenticate it by putting his signatures
 - b. If it is unintentionally torn. He must authenticate stating that unintentionally torn
 - c. If it is torn while a possession of the payee, payee should get it authenticated from the drawer.
 - d. If all parts of the cheque are available it can be paid and such payment is a payment in due course.
34. Under credit risk management, the credit grading does not involve which of the following :
- a. Assessment of credit quality in the bank
 - b. Identification of problem loans
 - c. Assignment of risk rating
 - d. Mitigation of credit risk
35. A cheque is altered and its payment has been made by the paying bank. In which of the following circumstance, the paying bank shall be liable:
- a. The general crossing has been converted into special crossing
 - b. The amount in words and figures has been changed but the alternation is not viable to naked eye

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- c. The name of payee has been changed and it is visible when but into an ultra violet lamp only and not to naked eye
 - d. When the date has been changed from July 2, 2007 to July 21, 2007
36. Bank A has made the following payments. For which of these payments the bank will not be protected and can be asked to reverse the debit entry:
- a. Where the drawer has put his signatures in capital letters
 - b. Where the drawer has put his signature in capital letters
 - c. Where the drawer's signature have been put by some one else so cleverly that these resemble the original signatures of the drawer
 - d. Where the signatures of one of the drawer are as per record and of the other drawer not as per record but are otherwise genuine.
37. Which of the following is correct regarding CIBIL:
- a. Consumer Credit Bureau covers credit availed by companies
 - b. Consumer Credit Bureau Covers credit availed by individuals
 - c. Consumer Credit Bureau Covers credit availed by companies and individuals
 - d. Commercial Credit Bureau covers credit availed by companies and individuals
38. Bank B gets following cheques which it has paid (a) 1st cheque having amount written red ink and other particulars in blue ink (b) 2nd cheque with name of payee written in Devnagri and other particulars in English (c) 3rd cheque in which the amount is written with handwriting of the drawer and payee's name written by the payee himself. Bank will get protection for:
- a. a and b only
 - b. b and c only
 - c. and a only
 - d. a, b or c all
39. When a cheque is collected by a bank for its customer A who withdraws the money after collection and later on real A establishes that the cheque belonged him (real A) It is called
- a. foreclosure
 - b. subrogation
 - c. force majeure
 - d. conversion
40. The banks and financial institution are required to ensure compliance of their obligation towards borrowers in appropriate and transparent manner. The code prepared for this purpose by RBI transparent manner. The code prepared for this purpose by RBI and adopted by banks is called
- a. Code for Banks and Financial institutions
 - b. Fair Practices Code for Lenders
 - c. Charter for the Borrowers

- d. Code for Borrowers' Rights
41. Which of the following is not a feature of a term deposit:
- Minimum period is 7 days
 - Maximum period can be up to 10 years except in court cases and cases relating to minors
 - Interest on term deposits is fixed by RBI
 - Loans against term deposits of other banks cannot be allowed
42. While opening a deposit account, the banks insist on certain documents so as to comply with KYC directives of RBI, Which of these document and its purpose does of match:
- Copy of passport- proof of identify
 - Copy of telephone bill- proof of residence
 - Photograph- proof of identify
 - Ration card- proof of identify
43. Introduction can be accepted for a new customer from (a) an existing customer having satisfactory conduct of account for at least 6 months (b) person like MPs or MLAs (d) another bank (e) as per KYC rules of RBI introduction is not mandatory.
- a to c only
 - b to c only
 - e
 - a, c and d only
44. In the context of ATM, a PIN is:
- Post index number, randomly generated sequence of digits
 - Randomly generated sequence of digits and stored in a magnetic strip of the card
 - Post index number and stored in a magnetic strip of the card
 - All the above
45. Which of the following is correct in connection with the deceased person's account:
- The payment of claim case is to be disposed of within 30 days
 - If an amount is received after death for credit to the account, it is to be credited to the account
 - If it is a current account, interest at saving bank rate to be paid from date of death to date of payment
 - Testate account means where the customer has not left any will
46. In a joint account in the name of X and Y, a request is received to substitute the name of X by Z, later on another request comes from Y and Z either to replace the name of Y with A or add the name of A, (which of the following is not correct)
- Request of X and Y can be accepted
 - Request of Y and Z to replace the name of Y with that of A can be accepted
 - Request of Y and Z to add the name of A can be accepted

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- d. While changing the name, it has to be ensured that at least one of the original account holders should continue in the account.
47. Revolving credit is made available in which of the following:
- A debit card
 - A pre-paid card
 - A credit card
 - All the above
48. A partnership has two partners. The firm has total assets of Rs.25 lac and liabilities of 10 lac. Partner B has assets of Rs.10 lac and liabilities of Rs.12 lac. The creditors of the firm will be able to realize from the firm _____% of their dues:
- 62.5%
 - 60%
 - 75%
 - 100%
49. An action of a partner is the action of the firm and binds all partners where (a) it is the usual course of business of the firm (b) in usual way of doing the business (c) as a partner, on behalf of the firm:
- A to c all
 - A and b only
 - A and c only
 - B and c only
50. The maximum amount that can be transferred by an individual on national electronic funds transfer system is:
- Rs.1 lac
 - Rs.10 lac
 - Rs.100 lac
 - None of the above
51. For which of the following types of companies, the word 'limited' is not required to be used
- A govt. company or a company licensed u/s 8 of companies Act 2013
 - A public company limited by guarantee or a private company
 - A private company limited by shares & a govt. company
 - A public company and a govt. company
52. (a) Minimum no. of members in a private company is 2 (b) maximum no. of members in a public company is 50 (c) minimum no. of directors in a private company is 3 (d) maximum no. of directors in a public company is restricted to 12. Which of these is correct:
- Only a
 - A and d
 - A, c, and d

- d. None of the above
53. Whenever a company wants to obtain loan and for that purpose, creates charge on its assets, the registration of which of the following charges with RoC is not essential.
- A charge on uncalled share capital
 - A charge to secure debenture
 - A charge on immovable
 - A charge of any type on movable property
54. MSE Units Association is maintaining a current account with your bank which is operated By its President and Secretary singly . A letter which is received from each of them, not to pass the cheque signed by the other. Two cheques signed by each of them are received. What the bank shall do:
- Since they have no authority to cancel the authority, the cheques shall be paid
 - Since they are only agent, the authority cannot be cancelled and the cheques shall be paid
 - Since there is dispute between them, it would be advisable to write to the club, about these letters and notice about stop payment may be given and cheques be returned.
 - Bank to continue operations unless there is letter from the club.
55. Account of a Trust is opened by the bank which has three trustees. Who shall operate this account?
- Any of them can operate
 - The trustee having the authority from other trustee
 - The trustee having authority as per trust deed or else joint operation
 - Joint operation irrespective of what is stated in the Trust deed
56. X is appointed executor for the account of A. The account in the name of Executor (or Administrator) will be opened as:
- A's account
 - X's account
 - X executor to the estate of A deceased
 - For A deceased : X executor
57. ABC Limited, a company has gone in liquidation and Mr. X is appointed as Liquidator. He has opened a bank account. He sends a letter to the bank that he has to go abroad for 2 months and in his absence the account will be operated by his Secretary:
- Bank will not accept such request
 - Bank will ask for specimen signature of Secretary and allow the operations
 - Being special circumstance, the account will be allowed to be operated by taking usual safeguards
 - None of the above
58. To wind up the affairs of a company, the person appointed by the Court is called

- a. Executor
 - b. Liquidator
 - c. Administrator
 - d. Assignee
59. A foreign spouse of an Indian citizen is called
- a. Foreign national
 - b. Non-resident Indian
 - c. Resident Indian
 - d. Person of Indian Origin
60. An NRE-RA account can be opened as:
- a. Current, saving RD only
 - b. Saving, RD and FD only
 - c. Saving, current, RD and FD only
 - d. FD and saving only
61. In which of the following, joint accounts with residents can be opened by Non-Resident Indians:
- a. FCNR (B)
 - b. NRE
 - c. NRO
 - d. NRNR
62. For which of the following reasons, a bank can the account of a customer:
- a. Where the customer regularly draws cheques without sufficient balance in the account
 - b. Where the customer issues the cheques and frequently stops payment of such cheques
 - c. Where the customer acts in a manner detrimental to the interest of the bank.
 - d. All the above
63. B was having an account with Universal Bank. Bank got confirmation from B for the balance in the account. Later on B brought to bank's notice, a fact that two forged cheques have been debited to his account. Bank however claimed that the customer has already confirmed the balance.
- a. Bank is not liable as the customer has already confirmed the balance.
 - b. Though customers is right but after confirming the balance he cannot got entry reversed
 - c. Bank is liable for the forged cheque and it has to reverse the entry
 - d. Bank and the customers have to share the loss on pro-rata basis
64. Y, a customer of Bank-B used to handover cheques in his favour, for deposit in his account, to an employee of the bank, who withdrew the money of the cheque, from the drawer's account maintained with that bank and misappropriated. When the fact came to notice of

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- Y, he asked the bank to make good the loss, as the employe was on rolls of the bank. Bank refused to companies Y.
- Y has a right to proceed against the bank
 - Y has the right to proceed against the bank and also individually against the employee
 - Bank is not liable, since for handing over the cheques to bank employee, the bank had never authorized the employee
 - Bank is not liable for the actions of its employee, even when these are during the banking hours and on behalf of the bank
65. For the purpose of carrying on off-site supervision, RBI calls for important returns called_____:
- Basic statistical returns (BSR)
 - XOS returns
 - R Return
 - DSB Returns
66. U/s 38A of Banking Regulation Act when High Court orders liquidation of a bank, which among the following can be a liquidator:
- RBI,SBI or any public sector bank
 - RBI or court appointed liquidator only
 - RBI,SBI or any public sector bank
 - Banks cannot be appointed liquidators
67. X, a customer of popular Bank had deposited an amount of Rs.12500 in his saving bank account which was credited by the bank in the account of Mr. Y. The relationship between the bank and Y is:
- Trustee- beneficiary
 - Debtor- creditor
 - Creditor-debtor
 - Beneficiary- trustee
68. An order cheque of Rs.55000 is issued by Mr. X in his account favouring M (a minor). Who approaches the bank cash payment.
- Cheque being is favour of a minor cannot be paid
 - Cheque shall be paid like in other cases
 - Cheque will be paid if the minor is accompanied by his guardian
 - Cheque shall be paid, if the guardian provides guarantee for the payment
69. X is issued a cheque of Rs.32000 payable to B or order. The cheque is misplaced and found by C. C forges B's signatures and endorses in favour of D, who presents the cheque for payment from the bank, but it is dishonoured
- D can recover the amount from X,B and c
 - D can recover the amount from X, and B only

- c. D can recover the amount from C only
 - d. D cannot recover the amount from C only
70. Mr. Z gets a demand draft issued from the bank in favour of his son, S, who is to visit another town in connection with some business purchases. He requests the bank to substitute the word 'order' by bearer in the DD so that his son does not face any difficulty in the new town:
- a. Bank can not do so as it will be violation of Section 31 of NI Act
 - b. Bank can do so, if Z is a dependable customer
 - c. Bank cannot do so, but it can attest the signatures of S on a separate slip of paper, which he can use for identification purpose
 - d. Bank will not look into the issue as problem is of Z and not a bank
71. KYC guidelines have been issued by RBI, under which of the following:
- a. Section 21 of Banking Regulation Act
 - b. Section 31 A of RBI Act
 - c. Section 35 A of RBI Act
 - d. Section 31 of NI Act
 - e. None of the above
72. Which of the following is not a feature of a team deposit:
- a. Minimum period is 7 days and maximum 10 years
 - b. Tax deduction at source is to be done where the amount of deposit is more than Rs.10000 wef 1.6.2007
 - c. The term deposit cannot be transferred
 - d. The name of other person can be added or deleted to the deposit on request of the depositor/s
73. The receivables of various loans and obligation are put together and distributed amongst investors, in which of the following:
- a. Leasing
 - b. Factoring
 - c. Securitization
 - d. Venture capital
 - e. Forfaiting
74. In order to obtain cash for its credit sales, the duly accepted domestic sale invoices are assigned by the seller in favour of a 3rd party. Such purchase of receivables by the said 3rd with or without recourse is called
- a. Securitization
 - b. Factoring
 - c. Bills discounting
 - d. Forfaiting

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75. Tele-banking facility is provided by banks through bank computers based on which of the following:
- Voice processing
 - Brick and mortar processing
 - Internet processing
 - Virtual banking
76. In eCommerce the consumer moves from a physical store in a market place to _____ :
- Store of the seller located at a far off place
 - Store of the seller located at a far off place
 - Store of the seller near the house of the buyer
 - All the above
77. Adjusted net bank credit is=:
- NBC+ FCNR deposits
 - NBC+ investment in non-SLR bonds in HTM category + investments eligible as priority sector + deposits with NABARD for non—fulfillment of priority sector target.
 - NBC-Investment in SLR bonds in HTM category
 - NBC-FCNR deposits
78. For Indian banks including private banks, which of the following targets is not applicable:
- Overall target-40% of ANBC
 - Agriculture loans-18% of ANBC
 - Weaker section-10% of ANBC
 - Micro & small enterprises-10% of ANBC
79. What is the maximum loan that could be sanctioned to the borrower under retail trade in priority sector:
- RS.3 lac
 - Rs.5 lac
 - Rs.10 cr
 - Rs.20 lac for essential and no ceiling for other commodities.
80. Net working capital stands for:
- Current assets+ current Liabilities
 - Assets-liabilities
 - Long term sources-long term uses
 - Current assets- current liabilities other than bank borrowing
81. In the context of Nayak Committee's turnover for working capital calculation fwhich of the following is correct:
- Working capital=maximum 25% of the projected sales
 - Bank limit=maximum 20% of the projected sales
 - Borrower's margin =5% of the projected sales

- d. Of borrower has higher margin, the bank limit has to be at a minimum of 20% of projected sales
82. Which of the following not a feature of a stand-alone computer system:
- It can be used by one person at a time and is called work station
 - It is not suitable for multi-user environment
 - It can be connected to an existing multi-user system to access corporate database
 - None of the above
83. The _____ are the rules for communication between similar modules of processes, usually in different nodes.
- Networks
 - Topologies
 - Nodes
 - Protocols
84. A computer network spread over a span of large geographical area that normally uses telecommunication network is called _____:
- geographical network
 - large area network
 - wide area network
 - local area network
85. Major benefits of Centralized Business solutions or Core banking Solutions (CBS) include (a) it relieves branches of jobs like data backup, MIS generation (b) attracts low cost initially (c) enables centralized management information and decision support (d) standardization of branch automation software using single version:
- A to d all
 - A, b and c only
 - A, b and d only
 - A, c and d only
86. The process where data is written on two or more hard discs simultaneously over different channel is called
- Disk mirroring
 - Disk duplexing
 - Disk manouvouring
 - Server copying
87. A company wants to make payment of dividend warrants to a large no. of share holder. Which of the following will be used by it:
- Debit clearing
 - Electronic clearing system
 - Electronic clearing system (debit)

- d. Electronic clearing system (credit)
88. Which of the following does not match
- a. Modem- converts digital signals into analog and signals to digital
 - b. Twisted pair cable consists of two insulated copper wire
 - c. Message switch is used to store and forward data to large no. of terminals over a single communication channel
 - d. Multiplexer is used to send only one signal over a multi communication channel
89. A data mining technique can be used for (a) predicting future trends based on information available (b) credit risk analysis (c) analyzing demographic information about customers:
- a. A to c all
 - b. A and b only
 - c. b and c only
 - d. only c
90. The information technology impacts banks due to (a) change in organizational structure (b) change in organizational orientation (c) change in service delivery channel (d) change customer aspiration:
- a. A to c only
 - b. B and c only
 - c. A to d all
 - d. B, c and d only
91. Which of the following statements is not correct:
- a. A coaxial cable consists of an inner copper conductor held in position by circular spacers
 - b. A twisted pair cable consists of two insulated copper wire
 - c. In optical fibre data is transmitted through a very thin glass or plastic fibres with a beam of light OR laser beam driven by a high speed high current driver
 - d. None of the above
92. (a) Local market (b) Regional market (c) National market (d) Global market. This classification is based on:
- a. Type o product
 - b. Nature of transaction
 - c. Volume of transaction
 - d. Geographical area
93. A service as a product, has characteristics such as (a) intangibility (b) inseparability (c) heterogeneity (d) perishability.
- a. A to c only
 - b. B and c only
 - c. A to d all

- d. B only
94. Which of the following does not match in the context of marketing mix (i.e. product, price, promotion and place):
- Brand name - product
 - Credit terms- price
 - Discount- promotion
 - Transport-place
95. In the context of product life cycle, there could be various situations such as (a) low sales, marginal profit (b) fast growth, rising profits (c) falling sales, low margins. These may relate to (1) maturity (2) decline (3) growth (4) introduction. Which of the following is not correctly matched
- (a)-1
 - (b)-3
 - (c)-4
 - None of the above
96. What among the following is an objective of pricing a product (a) profit (b) market share and survival (c) cash flow (d) image communication:
- A to d all
 - A, b and c only
 - A, b and d only
 - A, c and d only
97. Various factors influence the pricing of a product which can be internal factors and external factors. Which of the following is not correctly categorized
- Social considerations-internal
 - Govt. controls and regulations-external
 - Manufacturing and marketing cost- internal
 - Characteristics of the product – internal
98. When a manufacturer of a products keeps its price at a higher level considering that the buyers would perceive the product to be of better value and quality, this called _____ pricing
- Geographical pricing
 - Promotional pricing
 - market skimming pricing
 - psychological pricing
99. Which of the following is a distribution channel for banking products (a) telephone banking (b) call centre (c) automated teller machinery (d) branches
- A to d all
 - A, b and c only

- c. A, b and d only
 - d. A, c and d only
100. Which of the following factors influence the promotion mix (a) buyers' readiness stage (b) type of product of market (c) product life cycle stage:
- a. Only a and b
 - b. Only a and c
 - c. Only b and c
 - d. A to c all.

ANSWERS:-

- 1. B
- 2. C
- 3. C
- 4. D
- 5. B
- 6. D
- 7. D
- 8. C
- 9. C
- 10. A
- 11. C
- 12. A
- 13. C
- 14. D
- 15. D
- 16. C
- 17. A
- 18. C
- 19. D
- 20. B
- 21. B
- 22. E
- 23. D
- 24. C
- 25. C
- 26. D
- 27. A
- 28. C

- 29. D
- 30. D
- 31. C
- 32. D
- 33. D
- 34. D
- 35. D
- 36. C
- 37. B
- 38. D
- 39. D
- 40. B
- 41. C
- 42. d
- 43. c
- 44. B
- 45. C
- 46. B
- 47. C
- 48. C
- 49. A
- 50. D
- 51. A
- 52. A
- 53. D
- 54. C
- 55. C
- 56. C
- 57. A
- 58. B
- 59. D
- 60. C
- 61. C
- 62. D
- 63. C
- 64. C
- 65. D
- 66. A

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