

# Principles And Practices of Banking - JAIIB

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Timing: 3 Hours

Question : 100

1. When banks deal with large no. of individual customers for deposits as well as loans (liabilities and assets). This is called \_\_\_\_\_ banking:
  - a. Narrow banking
  - b. Retail banking
  - c. Universal banking
  - d. Wholesale banking
2. Which of the following statement is not correct in the context of acceptance of deposits from the public
  - a. Banks are authorized u/s 49 A of banking Regulation Act
  - b. Saving bank schemes of the Govt. are exempted from the restriction imposed on acceptance of deposits from public other than by banks
  - c. NBFC can accept deposits under directions issued by RBI under chapter IIIB of RBI Act
  - d. Other companies are regulated by RBI and SEBI under rules u/s 58A of Companies Act.
3. Other than banks, the deposits can be accepted by non-bank entities. Which of the following does not match with regard to regulation authority for such deposits:
  - a. Non-bank finance companies – RBI direction
  - b. Normal companies –Central Govt. Rules
  - c. Joint stock companies – SEBI
  - d. Individuals, firms & other incorporated bodies- not allowed to accepted deposits except from friends/ relatives
4. In wholesale banking, banks normally do not deal with which of the following:
  - a. Corporates including multinationals
  - b. Trading houses
  - c. Prime public sector companies
  - d. None of the above
5. RBI undertakes govt. business. Which among the following statements is not correct in this connection:
  - a. RBI cannot refuse to transact banking business of Central Govt.
  - b. RBI undertakes banking business of State government as a result of agreement with respective State govt.
  - c. RBI provides ways and means advance to Central Govt. only and not the State govt.
  - d. None of the above
6. There are various restrictions on banks on the issues relating to (a) shareholding (b) directorship (c) voting powers (which of these is correct) under provisions of \_\_\_\_\_ Act:
  - a. A to c all, Banking regulation Act

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- b. A and b only , Banking regulation Act
  - c. b and c only , Banking regulation Act
  - d. a and c only ,RBI Act
7. The facility that enables Indian exporters to extend term credit to importers of eligible goods at the post- shipment stage is called
- a. buyer's credit
  - b. channel financing
  - c. seller's credit
  - d. supply chain partnering
8. U/s 35-A of Banking Regulation Act, a banking company, before allowing transfer of shares is required to obtain RBI acknowledgment if such transfer results in holding more than \_\_\_\_\_ % of the paid up capital of the bank:
- a. 2%
  - b. 5%
  - c. 7.5%
  - d. 10%
9. Mr. Des Raj issues a cheque favouring Mr. Raj Kumar, who endorses it in blank and delivers to Mr. Tahir Hussian. Mr. Tahir makes another endorsement in favour to Mr. Ravi Kumar recover?
- a. Des Raj
  - b. Raj Kumar
  - c. Tahir Hussian
  - d. Mr. Des Raj and Raj Kumar only
10. Which of the following is correct in the context of holding of share capital in an RRB
- a. Central Govt. 50%, State Govt.35%, Sponsoring Bank 15%
  - b. Central Govt. 35%, State Govt.15%, Sponsoring Bank 50%
  - c. Central Govt. 50%, State Govt.15%, Sponsoring Bank 35%
  - d. Central Govt. 35%, State Govt.50%, Sponsoring Bank 15%
11. The contract notes that are issued by Foreign Institutional Investors (FIIs) to their clients (not registered with SEBI), investing in Indian stock market:
- a. Depository receipt
  - b. Derivative
  - c. Option
  - d. Participatory notes
12. Which among the following relationship of bank and customer is not properly matched
- a. Lockers- lessor & lessee
  - b. Standing Instruction- agent & principal
  - c. Assignment – Assignor and assignee
  - d. Loan account- creditor and debtor
13. Find out the incorrect statement regarding term of office of directors of a bank:
- a. A whole time directors is appointed for a term not exceeding 5 years

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- b. Term of a whole time director can be renewed for further period 5 years
  - c. A part-time director is appointed for a term not exceeding 5 years
  - d. A part-time director can hold office for consecutive period up to 8 years.
14. The deposits to be accepted by the banks can be (a) demand deposits (b) deposits payable after a fixed period (c) deposits of money or articles (d) these can be from any person who offers money for that purpose. Which of these is correct:
- a. A to d all
  - b. A, b and c only
  - c. A, c and d only
  - d. B, c and d only
15. Under provisions of which of the following relating to account of a customer can be disclosed (a) as per banking practices (b) as per provisions of the law (c) as per implied or express consent of the customer (d) disclosure in public interest:
- a. A, b and d only
  - b. B, c and d only
  - c. A, b and c only
  - d. A to d all
16. \_\_\_\_\_ market provides a platform for trading of existing securities and price discovery thereof:
- a. Primary market
  - b. Secondary market
  - c. Money market
  - d. Insurance market
17. A bank has possession of certain securities of the customer. Which of the following relationships in the context, is not correct:
- a. To secure a loan- creditor and debtor
  - b. To collect interest on securities- agent and principal
  - c. Left by mistake- bailee and bailor
  - d. Given for safe custody – bailee and bailor
18. Under which of the following circumstances , a bank need to give notice to the customer, before exercising right of set off:
- a. When customer has expired
  - b. When customer has gone abroad indefinitely
  - c. When garnishee order has been received
  - d. When attachment order has been received
19. Certain category of banks in India are incorporated under the provisions of Companies Act 1956 which mainly include:
- a. Public sector banks, private banks and foreign banks
  - b. RRBs, private banks and foreign banks
  - c. private banks and foreign banks

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- d. private banks, foreign banks and Coop banks
20. Mr. Ashok Kumar issues a power of attorney in favour of Mr. Amit Kumar in July 31, 2012 and dies on December 03, 2012. Your branch receives (on Dec 26, 2012) through clearing house, two cheques, one of which is signed by Mr. Ashok Kumar, on Dec 12, 2012. Which cheques will be paid?
- Both the cheques will be paid, if there is balance in the account
  - Both the cheques will be return
  - Cheques signed by Mr. Ashok Kumar will be paid as the cheques was signed before death
  - Cheques signed by Mr. Amit Kumar will be paid, as he is alive
21. A bank can exercise its right of general lien u/s 171 if (a) the goods are received in normal course of business (b) in the capacity of a banker (c) whether as security for loan or for safe custody (d) the loan is due for recovery.
- A to d all correct
  - A, b and c correct
  - A, b and d correct
  - B, c and d correct
22. RBI is managed by a Board which consists of (a) governor (b) 4 deputy governors (c) other directors (d) all nominated by the Central Govt. and RBI. Which of these is correct:
- A, b and c only
  - B, c and d only
  - A, c and d only
  - A to d all
23. X received a bearer cheque from Y for valuable consideration and in good faith. Actually Y had stolen this cheque from Z. X would get title of:
- A holder only
  - A holder for value
  - A holder in due course
  - An endorsee
24. Red Herring Prospectus is issued by a \_\_\_\_ for \_\_\_\_.
- Company, to raise funds through a commercial paper
  - Company, to raise funds from bank for a long term project
  - Company, to raise capital from market under book building process in which a price of the share is not disclosed
  - Bank, to raise funds from the overseas lenders.
25. The rule in Clayton case becomes applicable in banking transactions in the following cases (a) when death of a customer takes place (b) when the partner retires (c) when the guarantor withdraws his guarantee (d) when the director of a company dies who has been operating the account.
- A, b and c only
  - B, c and d only

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- c. A, c and d only
  - d. A to d all
26. Out of the following, which does not match:
- a. A cheque is received by a trust as donation from Mr. X- Trust is a holder onlu
  - b. A cheques is given by Mr. X to Mrs. Y as gift on her marriage – Y is a holder in due course
  - c. X delivers to Y a bearer cheque after getting the value from Y-Y is a holder in due courses.
  - d. A finds a cheque drawn in favour of B-A is not holder
27. When an unlisted company issues fresh securities for the first time, it is called
- a. Initial public offering
  - b. Rights issue
  - c. Follow – on public offering
  - d. Bonus shares
28. Which of the following relationship between customer and bank matches:
- a. Safe deposit of articles – bailor & bailee
  - b. Collection of cheque – agent and principal
  - c. Deposits- debtor and creditor
  - d. Mortgage – motgagee, mortgage
29. X is associated with the following account maintained in your branch. The branch receives an attachment order. The order will be applicable on:
- a. Current account of XYZ Private Limited, in which X is the managing director with majority shareholding.
  - b. Overdraft account against life policy in the name of X with balance of Rs.15000 against the limit of Rs.2 lac.
  - c. Account in the name of his minor daughter M under guardianship of X
  - d. A term deposit to mature after 2 years in his joint name with his wife
30. A payee's account crossed cheque in favour of X is presented by bank B to the drawee Bank-A for payment. In which of the following forms, the payment can be made:
- a. In clearing only,
  - b. In clearing or though transfer only
  - c. In clearing, through transfer or cash
  - d. It cannot be paid as this will violate the direction of the drawer
31. An investment plan of a mutural fund which is available for subscription and repurchase on a continue basis, is called
- a. Close- ended scheme
  - b. Balanced scheme
  - c. Open ended scheme
  - d. Growth scheme
32. The mutual fund scheme that provides growth and regular income, is called
- a. Close – ended scheme
  - b. Balanced scheme

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- c. Open ended scheme
  - d. Growth scheme
33. When a cheque is issued on a particular date and a date prior to the date of writing of the cheque is put, it is called
- a. Stale cheque
  - b. Post dated cheque
  - c. Ante- dated cheque
  - d. Invalid cheque
34. Banks do not issue demand drafts payable to bearer on demand despite the fact that Ni Act section 5, permits issue of a bill of exchange payable to bearer or order:
- a. Because of prevalent practices
  - b. Because of RBI directives
  - c. Because of provisions of Section 31 Banking regulation Act
  - d. None of the above
35. All entities or persons engaged in the marketing and selling of mutual funds products are required to pass a certification test and obtain a registration number from:
- a. AMFI
  - b. SEBI
  - c. IRDA
  - d. NSE
36. If holder of a cheque wants to file complaint in a court u/s 138 NI Act and other related provisions of NI Act, he can do so:
- a. Within one month from date of cause of a action
  - b. Within one month from date of returning of the cheque by the collecting bank
  - c. Within one month of date of receipt of the information about dishonor by the holder
  - d. Within one month of date of dishonor of the cheque.
37. Indian insurance industry is run on globally acceptable standards and for that purpose IRDA carries following functions: (which one is not fcorrect):
- a. Registration of insurance
  - b. Solvency margins of insurance
  - c. Conduct of reinsurance business
  - d. Functions as insurance Ombudsman
38. Which of the following is not a type insurance business:
- a. Life insurance
  - b. Fire insurance
  - c. Marine insurance
  - d. None of the above
39. Which of the following is not a feature of a saving bank account:
- a. Interest is prescribed by RBI
  - b. Interest is paid on the maximum balance between 7<sup>th</sup> and last day of the month

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- c. No. of withdrawals is generally restricted
  - d. Account cannot be opened by organization whose purpose is profit
40. Mr. P, a student is working on part-time basis for a Charitable trust. The trust makes payment for the part- time work and also makes payment of some stipend to help him to complete his studies. The payments are made to him by way of two separate cheques.
- a. On the cheque for work payment he is holder in due course and for the cheque for stipend he is holder.
  - b. On the cheque for work payment he is holder and for the cheque for stipend he is holder in due course.
  - c. On the both the cheques he is holder in due course
  - d. On the both the cheques he is holder
41. In respect of deceased person, the bank stops payment on receipt of notice about death. The balance is payable to (a) survivor if it is joint E/S or F/S account (b) survivor and legal heirs of deceased person if it is a jointly operated account (c) to executor if it is a non-testate account (d) to nominee if it is a nomination account of single individual.
- a. A to d all correct
  - b. A, b and c correct
  - c. A, b and d correct
  - d. B to d all correct
42. Lien is the right to \_\_\_\_ of the \_\_\_\_ until repayment of the loan as per provisions of Sec \_\_\_\_ of Indian Contract Act:
- a. Retain the possession, goods, securities & bank deposits, Sec 170
  - b. Retain the possession, goods and securities, Sec 170
  - c. Sell, goods and securities, Sec 171
  - d. Retain the possession, goods & immovable properties , Sec 170
43. In a joint deposit account, which of the following is correct:
- a. When nomination is proposed to be made, it should be by all of them
  - b. When account is to be closed it should be done by all even if the account is either or survivor, where specific authority to do so has not been obtained in the account opening form
  - c. Garnishee order will be applicable on this account on pro-rata basis if the orders received in the name of one of the account holders
  - d. Bank cannot use the right of set off a loan in the name of one of them
44. Which of the following actions can be considered an action of a partner that would bind other partners:
- a. Acknowledgement of debt already obtained by the firm
  - b. Opening a bank account of the firm, in his own name
  - c. Giving a mandate to allow another person to operate the account
  - d. To sell the immovable property relating to the firm
45. Bank can be held liable for conversion, in which of the following circumstance:

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- a. Payment of a bearer cheque to a person other than payee without endorsement by the payee.
  - b. Collection of a cheque belonging to one X for another X who opened the account you with proper introduction.
  - c. Collection of a cheque of large amount for a customer having poor financial background, without enquiring the source of the cheque.
  - d. All the above
46. Your branch maintains a joint account of A and B. B is declared insolvent. In such case, the balance lying in the account will be paid to:
- a. A being the solvent account holder
  - b. Official assignee or receiver appointed by the court
  - c. After meeting the claim of B towards the official assignee, the balance amount will be paid to A
  - d. A and the official assignee or receiver, jointly
47. In case of import factoring, the functions like evaluation of buyers, collection of money on time is the job of:
- a. Exporter factor
  - b. Importer factor
  - c. Domestic factor
  - d. Any of the above
48. Which of the following statements is not correct in the context of dealing with a company:
- a. Responsibility to get the charge registered with RoC is that of the bank
  - b. Responsibility to file the particulars of charge to get it registered is that of the company
  - c. If company fails to file the particulars of charge for registration, bank can file the particulars within the prescribed period, being an interest party
  - d. Satisfaction of charge is also required to be registered within 30 days
49. Where a minor is admitted for benefit in a partnership firm and he attains majority and decides to join the firm as partner, his liability begins from:
- a. Date of his majority
  - b. Date of his decision to join the firm
  - c. Date of information to him that he was admitted for benefits
  - d. Date when he was admitted for benefits
50. In international factoring, the no. of factors that are involved in the factoring process is:
- a. One
  - b. Two
  - c. Three
  - d. Depends up on the transaction
51. A customer has balance in his saving bank account. In which of the following cases, the bank's right of set off can be used for recovery of a loan:
- a. A bank guarantee issued by the bank



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- b. A term loan has been sanctioned and the instalment is still to fall due
  - c. A cash credit limit is sanctioned to the party and it is running regular
  - d. Customer is guarantor in a loan account of another person and that person has defaulted in repayment of the loan.
52. You have a current account of XYZ Limited, a public company, account is operated by its managing director and one more director singly. You receive a notice of death of managing director and another notice that liquidation process has been initiated against the company. Two cheques signed by them (one each) are received for payment. What will be bank do.
- a. Cheque signed by director will be paid and other cheque signed by managing Director will be returned
  - b. Both the cheques will be paid as the directors are only agents
  - c. Both the cheques will be returned as with liquidation process the powers of Board of Directors have ceased..
  - d. Cheques are issued for the purpose of the company, due to which these can be paid.
53. Administrator is the person appointed by \_\_\_\_\_ to operate the account of a \_\_\_\_\_ (customer):
- a. Register of companies, company in liquidation
  - b. A court, deceased customer
  - c. Revenue Authority, deceased customer
  - d. RBI, bank in liquidation
54. In which of the following situation, bank shall issue a financial guarantee:
- a. For supply of goods on credit basis
  - b. In favour of custom authorities
  - c. In favour of tax authorities
  - d. All the above
55. Your branch receives a garnishee order in the name of your customer Mr. Trivedi, who has the following deposits accounts with your branch. Which of these can be attached under this garnishee order:
- a. Trivedi- Executor of Ashok Kumar deceased
  - b. Joint saving bank account with his wife
  - c. Trivedi- trustee of Sewa Dal Charitable Trust
  - d. All the above
  - e. None of the above
56. Which of the following amount can be sent abroad by an NRI from his NRO account (a) interest credited by the bank (b) amount of dividend received (c) principal in the account
- a. A and b
  - b. B and c
  - c. A and c
  - d. Any of the above
57. In which of the following accounts, the funds (the principal and interest) can be repatriated outside India:

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- a. FCNR,NRO account only
  - b. NRO,NRE accounts only
  - c. FCNR, NRE only
  - d. None of the above
58. The minimum capital to be retained by banks in the form of capital adequacy ratio, prescribed by Basel Committee is:
- a. 6% of the risk weighted assets
  - b. 7% of the risk weighted assets
  - c. 8% of the risk weighted assets
  - d. 8% of the assets and liabilities of the bank
59. For which among the following types of loans, the interest rate falls under deregulated category (a) housing loans (b) ceiling rate on NRE deposit (c) term deposit above one year (d) saving bank rate.
- a. A and b
  - b. B and c
  - c. A and c
  - d. B and d
60. Under Basel 2, the capital is maintained for which of the following risk:
- a. Credit risk, market risk , operational risk
  - b. Credit risk and market risk only
  - c. Credit risk and operational risk only
  - d. Credit risk only
61. On the request of its customer B, Commercial Bank's branch, transferred the account to its another branch. A cheque was presented on the first (transferor) branch which it returned with the reason 'refer to drawer'. Customer claimed damages from the bank:
- a. Bank is liable to the customer for not having returned the cheques with a proper reason
  - b. Bank is liable to the customer for having returned the cheques if the balance in the other branch was adequate, where account was transferred.
  - c. Bank is not liable to the customer, as the cheque could not have been paid, otherwise.
  - d. None of the above
62. 1<sup>st</sup> Pillar in Basel 2 relates to:
- a. Market discipline
  - b. Supervisory review
  - c. Minimum capital
  - d. Risk management
63. A bill of exchange is different from a cheque in the following context (a) cheque is payable on demand but BoE can be payable on demand or in future (b) a cheque is drawn on a specific bank and a bill of exchange can be drawn on a bank or some other person also (c) BoE can be endorsed and crossed but a cheque can not (d) when cheque is dishonoured, notice of dishonor need not be sent to drawer but in case of BoE it is required to make him liable.

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- a. A o d all correct
  - b. A, b and c are correct
  - c. A, c and d are correct
  - d. A, b and d are correct
64. The word OSMOS in the context of supervision of banks, stands for:
- a. Online surveillance and monitoring system
  - b. Off- site monitoring system
  - c. Open surveillance and monitoring system
  - d. Off shore monitoring system
65. Which of the following does not fall in Tier II capital:
- a. Revaluation reserves
  - b. Perpetual non- cumulative preference shares
  - c. Perpetual cumulative preference shares
  - d. Subordinated debt
66. A crossing is direction of the drawer to \_\_\_\_\_. Which among the following is not correct:
- a. General crossing- to collection bank
  - b. Not- negotiable crossing- to collecting bank
  - c. Account payee crossing – to paying bank
  - d. All are correct
67. A customer of a bank placed certain funds with the bank for purchase of certain securities. Bank started the purchase of securities as per instructions of the customer. But before the purchase of securities for the entire amount could be complete, the bank failed. The relationship of the customer in this case with the bank is that of:
- a. Agent- principal
  - b. Bailor- bailee
  - c. Beneficiary- Trustee
  - d. Creditor- debtor
68. A cheque of Rs.5000 was issued by X at 3.40 p.m. in favour of Y, who being a very respected customer of the bank obtained the payment around 3.50 p.m. after the business hours. At 4.50 p.m. X comes and gives instructions to the bank to stop the payment:
- a. Stop payment instruction cannot be accepted after business hours
  - b. Cheque has already been paid, due to which the stop payment cannot be accepted
  - c. Bank is liable for the payment made after the business hours
  - d. Bank is not liable as the payment has been made before close of the bank although not in business hours
69. Foreign exchange risk is part of which of the following:
- a. Credit risk
  - b. Market risk
  - c. Operational risk
  - d. None of the above

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70. A bank gets two cheques (Rs.500 and Rs.21000) presented by the payee and drawer respectively after the business hours closing at 3 p.m.:
- If paid, both the payments will be payments in due course
  - If paid, none of these payments shall be payments in due course
  - If paid, the first payment will be payment in due course and 2<sup>nd</sup> will not be
  - If paid the first payment will not be payment in due course and the 2<sup>nd</sup> will be payment in due course
71. Which of the following is not a feature of a factoring transactions (a) in factoring the receivables are purchased by a factor company (b) in the balance sheet of the seller firm, the factored receivables are an off- balance sheet item (c) factoring is another name for bills discounting (d) registration of charge is required to be registered in factoring like bikks discounting.
- A and c
  - B and c
  - C and d
  - B and d
72. What is the time period during which the record of transactions is to be kept by banks under KYC directives:
- 15 years
  - 10 years
  - 5 years
  - 1 year
73. Which of the following is not a benefit of strategic alliance:
- Ability to bring together the complementary skills and assets that neither company could easily develop on its own
  - Providing added value to the customer i.e. value addition
  - Expansion of channels and market presence
  - None of the above
74. In case of dishonor of cheques, if the action is initiated against the drawer u/s 138 NI Act, the service of summons can be by way of (a) normal postal procedure (b) courier approved by the court (c) speed post (d) eMail.
- A and b only
  - B and c only
  - A, b and c only
  - A to d all
75. The maximum amount of education loan that can be classified as part of priority sector loan, can be:
- Rs.20 lac for education in India and Rs.20 lac abroad.
  - Rs.10 lac for education in India and Rs.10 lac abroad.
  - Rs.10 lac out of the sanctioned amount
  - Rs.20 lac for education in India and Rs.10 lac abroad.

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76. Access to the account by a customer in case of ATM is through PIN, which stands for:
- Personal interaction number
  - Private identification number
  - Personal identification number
  - Personal information number
77. Banks are required to become members of how of Credit Information Company:
- Only one
  - The no. is at discretion of the bank
  - Bank can use to become or not become member
  - All credit information companies
78. Which of the following does not match with regard to protection to the bank:
- Section 10- when payment is made in due course
  - Section 131- when payment is made on the basis of regular endorsement
  - Section 89- when payment of a materially altered cheque is made but alteration is not visible to naked w=eye
  - Section 85(2)- when payment of bearer cheque is made without taking into account the endorsement.
79. The data/ information provided by a credit information company to member banks is called
- Credit information report
  - Credit report
  - Confidential report
  - Confidential credit report (CCR)
80. A holder of a cheque can recover the amount from the drawer u/s 138 of NI Act where (a) the cheque is issued for discharge of liability (b) the cheque is dishonoured for insufficiency of funds (c) the cheque is presented within its validity period irrespective of maximum period. Which of these conditions is correct:
- A, b and c all
  - A and b
  - B and c
  - A and c
81. An MSE unit with projected turnover of Rs.30 lac approaches your branch for sanction of working capital limits. What will be the minimum amount o working capital & margin to be assessed for this firm?
- Rs.6 lac, 0.5 lac
  - Rs.1.50 lac, 6 lac
  - Rs.15 lac, 2.0 lac
  - Rs.7.50 lac, 1.50 lac
82. Banking Codes and Standards Board of India, has bee constituted on the recommendations of:
- Perikh Committee
  - Goiporia Committee

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- c. Tarapore Committee
  - d. Kapoor Committee
83. A micro enterprises having sales of Rs.36 lac and Rs.50 lac for the last two years respectively has projected sales of Rs.60 lac and wants to have a bank limit enhanced from existing Rs.8 lac to Rs.11 lac. What amount of limit it can be sanctioned and what is the margin requirement:
- a. Limit Rs.10 lac, margin rs.2.50 lac
  - b. Limit Rs.12 lac, margin rs.3.00 lac
  - c. Limit Rs.12 lac, margin rs.5.00 lac
  - d. Limit Rs.15 lac, margin rs.2.50 lac
84. Code for bank's commitment to customer is a minimum standard of service to individual customer. It does not cover which of the following areas:
- a. Deposit accounts
  - b. Loans and advances
  - c. Service charges
  - d. None of the above
85. A document is executed outside India and it requires payment of stamp duty in India. The duty can be paid on this documents within:
- a. Before it is used in India
  - b. Immediately when the document enters India
  - c. Within 4 months from date of its execution abroad
  - d. Within 3 months of its entry into India
86. A computer network is used for which of the following:
- a. To share data
  - b. To share software
  - c. To share hardware
  - d. All the above
87. Those terminals that are attached to a server in a computer network system, are called
- a. CPU, Nodes Clients
  - b. Only CPU and Clients
  - c. Only clients and nodes
  - d. Only CPU and nodes
88. Which of the following payment system location does not match:
- a. Clearing House Inter-bank Payment System (CHIPS)-Us
  - b. Clearing House Automated Payment System (CHAPS)-Singapore
  - c. Clearing House Automated transfer System (CHATS)-Hong Kong
  - d. INFINET- India.
89. Devices are connected to a single continuous cable, on a computer net work, in case of:
- a. Star topology, bus topology and ring topology
  - b. Star topology
  - c. bus topology

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- d. ring topology
90. which of the following is not an important features of local area network
- an independent system is called node which is interconnected to LAN
  - there is generally one central node called 'server'
  - the way, the different types of services are handled by server depends upon topology and protocols
  - it can be used within limited wide area of say 10 Kms
91. Which of the following is not a feature of a core banking system?
- Transaction are made on a central server
  - Transaction are made on-line as well as off-line
  - Branch automation module is incorporated
  - Branch is connected to a central host
92. An account in the name of minor M is opened by his father as 'M u/g of F'. Which of the following statements in this regard is not correct:
- During minority account will be operated by guardian
  - On attaining majority, the account will be operated jointly by the guardian and the account holder, who has become major
  - If death of guardian during minority takes place, next guardian will operate the account
  - Guardian can make nomination in this account
93. In a smart card the security features are (a) multiple pins (b) retinal pattern verification (c) dynamic signature verification (d) vein recognition:
- a and c only
  - b and c only
  - a, c and d only
  - a to d all
94. an electronic purse may have \_\_\_\_\_ number of storage space:
- one
  - two
  - six
  - several
95. the term 'audit trail' stands for
- report submitted by the concerned auditors
  - data and record generated by the system administrator
  - chronological record of all events occurring in a system
  - all or any of the above
96. Section 19 (2) of Indian Partnership Act deals with which of the following aspects:
- Relationship of partners
  - Liability of partners
  - Restrictions on use of implied authority by partners
  - Registration of a partnership firm

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97. Popular bank offers various services such as (a) saving bank accounts (b) recurring deposit account (c) credit card (d) demand draft. Which of these services to one product line:
- A and b only
  - A to c only
  - B to d only
  - A, b and d only
98. Which of the following functions is not carried by a Modem:
- Modulation of digital signals into analogue
  - Modulation of analogue signals into digital
  - Modulation of data into images
  - None of the above
99. A bank offers a facility to its credit card holders to use the unavailed balance in the credit card line as a personal loan at a lower rate of interest, where the customer feel that bank is offering something extra. This strategy of the bank is called:
- Going rate pricing
  - Marginal cost pricing
  - Value pricing
  - Mark up pricing
100. In which of the following circumstances operation in a current account in the name a firm can be allowed:
- If one of the partners has become insolvent
  - If one of the partners has given instructions to stop payment while others agree for operations
  - If one of the partners has died and the remaining partners want the operations for winding up the business
  - if no. of partners has reached 21 due to two minors having decided to become partners after attaining majority.

Answer:

- b
- d
- c
- d
- c
- a
- c
- b
- e
- c
- d



12. c
13. c
14. c
15. d
16. b
17. c
18. b
19. c
20. b
21. c
22. a
23. c
24. c
25. a
26. b
27. a
28. a
29. d
30. c
31. c
32. b
33. c
34. d
35. a
36. a
37. d
38. d
39. b
40. a
41. c
42. b
43. c
44. a
45. c
46. d
47. b
48. a
49. d
50. b
51. d

- 52. c
- 53. b
- 54. d
- 55. e
- 56. a
- 57. c
- 58. c
- 59. c
- 60. a
- 61. a
- 62. c
- 63. d
- 64. b
- 65. b
- 66. c
- 67. c
- 68. c
- 69. c
- 70. d
- 71. c
- 72. c
- 73. d
- 74. c
- 75. c
- 76. c
- 77. d
- 78. b
- 79. a
- 80. b
- 81. d
- 82. c
- 83. b
- 84. d
- 85. d
- 86. d
- 87. c
- 88. b
- 89. c
- 90. d
- 91. b

- 92. b
- 93. d
- 94. d
- 95. c
- 96. c
- 97. d
- 98. c
- 99. c
- 100. c

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