

## Recollected Questions : Principles & Practices of Banking (PPB)

**Q1.** As per RBI Act, 1934 there should be at least \_\_\_\_\_ meetings of the Monetary Policy Committee in a year  
(a) Two  
(b) Four  
(c) Six  
(d) Eight  
**Ans.(b)**

**Q2.** The number of members belonging to BPL families in a SHG under SGSY may consist of \_\_\_\_\_ persons in normal cases  
(a) 510  
(b) 1015  
(c) 1020  
(d) 2025  
**Ans.(c)**

**Q3.** RBI has the powers to print currency notes of up to \_\_\_\_\_ denomination  
(a) Rs. 2,000  
(b) Rs. 5,000  
(c) Rs. 10,000  
(d) Rs. 20,000  
**Ans.(c)**

**Q4.** Which of the following is a key feature of UPI 2.0?  
1. Onetime Mandate  
2. Invoice Verification  
3. Link an Overdraft Account  
4. Additional Security through Signed Intent and QR  
(a) 1, 2, 3  
(b) 1, 2, 4  
(c) 2, 3, 4  
(d) 1, 2, 3, 4  
**Ans.(d)**

**Q5.** NEFT transactions are settled in \_\_\_\_\_ batches, every day. The settlement of the first batch of NEFT transactions begins at \_\_\_\_\_  
(a) 24, 12 AM  
(b) 24, 12.30 AM  
(c) 48, 12 AM  
(d) 48, 12.30 AM  
**Ans.(b)**



**Q6.** Bank note which is misprinted by RBI is replaced by issuing a \_\_\_\_\_ note

- (a) Sun series
- (b) Moon series
- (c) Planet series
- (d) Star series

**Ans.(d)**

**Q7.** In CDR category1, what type of loan accounts are eligible? (i) Standard, (ii) substandard

- (a) Only (i)
- (b) Only (ii)
- (c) Either (i) or (ii)
- (d) Both (i) and (ii)

**Ans.(d)**

**Q8.** Relationship between bank and customer in case of goods left by mistake in custody of the bank

- \_\_\_\_\_
- (a) Beneficiary & Trustee
  - (b) Trustee & beneficiary
  - (c) Creditor & Debtor
  - (d) Debtor & Creditor

**Ans.(b)**

**Q9.** Appeal against the award given by the Ombudsman can be made by the bank within \_\_\_\_\_ days of date of \_\_\_\_\_

- (a) 20 days, receipt of intimation from the customer
- (b) 30 days, receipt of acceptance from the customer
- (c) 30 days, receipt of intimation from the customer
- (d) 30 days, receipt of acceptance from the customer

**Ans.(c)**

**Q10.** What is the minimum age of the subscriber in APY?

- (a) 10
- (b) 15
- (c) 18
- (d) 21

**Ans.(b)**

**Q11.** If a fraud takes place in a bank branch. Report is sent to the controlling office on form \_\_\_\_\_

- (a) FMR 1
- (b) FMR 1a
- (c) FMR 2
- (d) FMR 2a

**Ans.(a)**

**Q12.** Legal status of nominee is that of a \_\_\_\_\_

- (a) Trustee for legal heirs
- (b) Owner of the property
- (c) Will have priority before nominee
- (d) Will have priority only after nominee

**Ans.(a)**

**Q13.** Which insurance does not have indemnity contract?

- (a) Life
- (b) Health
- (c) Either a or b
- (d) Neither a nor b

**Ans.(a)**

**Q14.** The amount in a cheque is written differently in words and figures and amount written in words is higher of the two. In that case,

- (a) Amount written in number will be paid
- (b) Amount written in words will be paid
- (c) Lesser Amount will be paid
- (d) Higher Amount will be paid

**Ans.(b)**

**Q15.** When two separate entities combine forces to create a new, joint organization, it is called as \_\_\_\_\_

- (a) Merger
- (b) Acquisitions
- (c) Alliances
- (d) None of the above

**Ans.(a)**

**Q16.** DAYNRLM will have both men and women in the SelfHelp Groups, only for groups to be formed with \_\_\_\_\_

- (a) Persons with disabilities
- (b) Elders
- (c) Transgenders
- (d) All the above

**Ans.(d)**

**Q17.** NSC pledged with post office with nomination in favour of XYZ. Bank's claim against these NSCs \_\_\_\_\_

- (a) Will have priority only after nominee
- (b) Will have priority
- (c) has to be decided in court
- (d) None of the above

**Ans.(b)**

- Q18.** A minor admitted for benefits in a firm wants to withdraw from the firm on attaining majority. How much time is available to him to do so :
- (a) 6 months from date of majority
  - (b) 6 months from date of information to him that he was admitted for benefits
  - (c) Either a or b whichever is later
  - (d) Either a or b whichever is earlier

**Ans.(c)**

- Q19.** Mortgagee enjoys the income of the mortgaged property in case of which mortgage \_\_\_\_\_
- (a) Simple Mortgage
  - (b) Usufructuary mortgage
  - (c) English mortgage
  - (d) Mortgage by deposit of titled deeds

**Ans.(b)**

- Q20.** The purpose of computer usage in MKIS is primarily to \_\_\_\_\_
- (a) Generate reports
  - (b) To meet specific user needs
  - (c) Retrieval of data
  - (d) For day to day operations

**Ans.(a)**

- Q21.** RBI injects liquidity through \_\_\_\_\_
- (a) Repo
  - (b) Reverse Repo
  - (c) Either a or b
  - (d) Both a or b

**Ans.(a)**

- Q22.** What is the extent of CGTMSE Guarantee Coverage for the Units located in in Sikkim, where credit facility is 40 lakhs?
- (a) 50 %
  - (b) 75 %
  - (c) 80 %
  - (d) 85 %

**Ans.(c)**

- Q23.** Authorised capital is Rs.10 lac. Paid up capital Rs.6 lac. The loss of previous year is Rs.1 lac. Loss in current year is Rs.2 lac. The tangible network is .....
- (a) Rs.1 lakh
  - (b) Rs.2 lakhs
  - (c) Rs.3 lakhs
  - (d) Rs.4 lakhs

**Ans.(c)**

**Q24.** Net working capital is Rs.80000. Current ratio is 3:1. The current assets are \_\_\_\_\_  
(a) Rs. 100000  
(b) Rs. 120000  
(c) Rs. 160000  
(d) Rs. 200000

**Ans.(b)**

**Q25.** CDR in case of SME account, which is not correct?  
(a) SME financed by any bank for any amount  
(b) For corporate account, financing by one bank  
(c) For corporate account from many banks for amount above Rs.10 lac  
(d) None of the above

**Ans.(c)**

**Q26.** What is the minimum premium life for APY?  
(a) 10 years  
(b) 15 years  
(c) 20 years  
(d) 25 years

**Ans.(c)**

**Q27.** Right to retain goods is called \_\_\_\_\_  
(a) Assignment  
(b) Right of set of  
(c) Pledge  
(d) Lien

**Ans.(d)**

**Q28.** For obtaining loan against shares, the charge on shares is \_\_\_\_\_.  
(a) Assignment  
(b) Right of set of  
(c) Pledge  
(d) Lien

**Ans.(d)**

**Q29.** What is the full form of MMID?  
(a) Mobile Money Identifier  
(b) Mobile Money Identifying Direction  
(c) Mobile Money Identifier and Decoder  
(d) None of the above

**Ans.(a)**



- Q30.** A director of the bank wants to raise loan from your bank. The loan can be given against \_\_\_\_\_  
(a) FDR of other bank  
(b) Share of same bank  
(c) Surrender value of Life Policy  
(d) All the above  
**Ans.(c)**
- Q31.** In KYC guidelines, the small account where simple KYC is applicable are those account where the amount deposited in the account is restricted to \_\_\_\_\_  
(a) Rs.50000  
(b) Rs.1 lac  
(c) Rs. 5 lac  
(d) All the above  
**Ans.(b)**
- Q32.** Bill of lading, Railway Receipt are negotiable instruments under \_\_\_\_\_  
(a) NI Act  
(b) Sec 3 of Transfer of Property Act  
(c) Sec 137 of Transfer of Property Act  
(d) Sale of Goods act  
**Ans.(c)**
- Q33.** Keeping goods in safe custody is as per provisions of \_\_\_\_\_  
(a) NI Act  
(b) Indian Partnership Act  
(c) Indian Contract Act  
(d) All the above  
**Ans.(c)**
- Q34.** A company has been sanctioned cash creditpledge limit. Internal auditor finds that charge has not been registered with Registrar of Companies in time. In how much time it is to be done?  
(a) 1 week  
(b) 15 days  
(c) 1 month  
(d) In case of pledge, not required  
**Ans.(d)**
- Q35.** What is the limit on the amount of compensation as specified in an Award by banking ombudsman?  
(a) Rs. 10 lakhs  
(b) Rs. 20 lakhs  
(c) Rs. 30 lakhs  
(d) Rs. 50 lakhs  
**Ans.(b)**

**Q36.** Which type of merger was there during the Bank merger of 2019?

- (a) Vertical
- (b) Horizontal
- (c) Either a or b
- (d) Neither a or b

**Ans.(b)**

**Q37.** Loan to minor can be given in the following case

- (a) Against DBD
- (b) Against LIC policy
- (c) In the name of minor
- (d) In the name of father

**Ans.(d)**

**Q38.** Who cannot be a partners?

- (a) HUF
- (b) Illiterate
- (c) Blind person
- (d) company

**Ans.(a)**

**Q39.** Full KYC exercise will be required to be done at least every \_\_\_\_\_ years for high risk individuals and entities

- (a) 2
- (b) 5
- (c) 8
- (d) 10

**Ans.(a)**

**Q40.** As per Official language policy for B region, branch target to reply in Hindi letter received in Hindi is \_\_\_\_\_

- (a) 50%
- (b) 60%
- (c) 80%
- (d) 100%

**Ans.(d)**

**Q41.** In case of SMEs, the registration is mandatory in case of \_\_\_\_\_

- (a) Medium enterprises in servicing
- (b) Small manufacturing enterprises
- (c) Manufacturing medium enterprises
- (d) None of the above

**Ans.(c)**

**Q42.** Who can't be a nominee of a deposit account?

- (a) A single individual
- (b) Nonrelative
- (c) Nonresident
- (d) Trust

**Ans.(d)**

**Q43.** Provision for standard accounts in direct agriculture and SME accounts is to be made at \_\_\_\_\_

- (a) 0.20%
- (b) 0.25%
- (c) 0.50%
- (d) 0.75%

**Ans.(b)**

**Q44.** What is the right of nominee in case of term deposit that has not matured? (i) To obtain premature payment, (ii) Raise loan against the security of such term deposit

- (a) Only (i)
- (b) Only (ii)
- (c) Either (i) or (ii)
- (d) Both (i) and (ii)

**Ans.(a)**

**Q45.** Which crossing is not recognized by NI Act?

- (a) Special
- (b) Payee's account
- (c) Not negotiable
- (d) All the above

**Ans.(b)**

**Q46.** Which one of these is an indirect rate?

- (a) One \$ = Rs. 39.56
- (b) One pound = Rs.89.56
- (c) One yen = Rs. 0.30
- (d) Rs.100 = \$ 2.60

**Ans.(d)**

**Q47.** Preshipment credit is available in which type of letter of credit? (i) Red clause, (ii) Green clause

- (a) Only (i)
- (b) Only (ii)
- (c) Either (i) or (ii)
- (d) Both (i) and (ii)

**Ans.(a)**



**Q48.** OD limit of Pradhan Mantri Jan Dhan Yojana (PMJDY) will have the OD facility with the OD limit of \_\_\_\_\_. The Age limit for availing OD facility is \_\_\_\_\_

- (a) Rs. 5000, 1860 years
- (b) Rs. 5000, 1865 years
- (c) Rs. 10000, 1860 years
- (d) Rs. 10000, 1865 years

**Ans.(d)**

**Q49.** Which among the following can open a Resident Foreign Currency account?

- (a) NRI
- (b) Resident
- (c) Erstwhile NRI now resident
- (d) None

**Ans.(c)**

**Q50.** No dues certificate in case of small and marginal farmers is exempted up to a loan of \_\_\_\_\_

- (a) Rs.30000
- (b) Rs.50000
- (c) Rs.75000
- (d) Rs.100000

**Ans.(b)**

**Q51.** Liability of a coparcener in case of loan raised by HUF is \_\_\_\_\_

- (a) Restricted
- (b) Restricted to his share in HUF property/assets
- (c) Unlimited
- (d) None of the above

**Ans.(b)**

**Q52.** \_\_\_\_\_ are the sets of independent organizations involved in the process of making a product or service available for use or consumption:

- (a) Selling entities
- (b) Retailers
- (c) Wholesalers
- (d) Marketing channels

**Ans.(d)**

**Q53.** The quarterly financial results of companies and banks are to be declared / published under directions provided by \_\_\_\_\_

- (a) RBI
- (b) SEBI
- (c) Govt of India
- (d) None of the above

**Ans.(b)**



**Q54.** For opening a Sukanya Samriddhi Yojana Account (SSY), the child's age on the date of opening the account should be \_\_\_\_\_

- (a) 8 years or younger
- (b) 8 years or older
- (c) 10 years or younger
- (d) 10 years or older

**Ans.(c)**

**Q55.** Which of the following is NOT a credit rating agency in India?

- (a) ICRA
- (b) CRISIL
- (c) IFCI
- (d) CARE

**Ans.(c)**

**Q56.** Which of the following not controlled by NCPI?

- (a) National Automated Clearing House (NACH)
- (b) Aadhaar enabled Payment System (AePS)
- (c) National Payments Corporation of India (NPCI)
- (d) None of the above

**Ans.(d)**

**Q57.** Banking services in the realm of Wealth management are best delivered through \_\_\_\_\_

- (a) ATM
- (b) Telephone banking
- (c) Internet banking
- (d) Face to face transaction

**Ans.(d)**

**Q58.** A fraud committed by a large number of customer on bank would basically result in \_\_\_\_\_

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk
- (d) Reputation risk

**Ans.(d)**

**Q59.** \_\_\_\_\_ is the international standard for integrated circuit cards (commonly known as smart cards)

- (a) ISO 7168
- (b) ISO 7618
- (c) ISO 7816
- (d) ISO 7861

**Ans.(c)**

**Q60.** A loan granted for short duration crops will be treated as NPA, if the instalment of principal or interest thereon remains overdue for \_\_\_\_\_ crop seasons

- (a) 1
- (b) 2
- (c) 3
- (d) 4

**Ans.(b)**

**Q61.** After how many days an account becomes SMA 2?

- (a) Principal or interest payment overdue upto 30 days
- (b) Principal or interest payment overdue between 3160 days
- (c) Principal or interest payment overdue between 6190 days
- (d) Principal or interest payment overdue above 90 days

**Ans.(c)**

**Q62.** GOI holds 100 stake in \_\_\_\_\_ (i) nabard, (ii) SBI, (iii) NHB

- (a) Only (i) and (ii).
- (b) Only (i) and (iii)
- (c) Only (ii) and (iii)
- (d) (i) (ii) and (iii)

**Ans.(b)**

**Q63.** What is the Relationship between the Bank and the customer in Safe custody?

- (a) Bailee and Bailor
- (b) Debtor and Creditor
- (c) Trustee and Beneficiary
- (d) Lessor and Lessee

**Ans.(a)**

**Q64.** The bank is required to comply with the execution of the award of banking ombudsman within \_\_\_\_\_

- (a) 7 days
- (b) 15 days
- (c) 30 days
- (d) 60 days

**Ans.(c)**

**Q65.** Maximum Insurance charges payable by a farmer for Food & Oilseeds crops (Kharif) is \_\_\_\_\_ % of Sum Insured or Actuarial rate, whichever is less.

- (a) 1.5
- (b) 2
- (c) 2.5
- (d) 5

**Ans.(b)**

**Q66.** Area covered under LAN generally \_\_\_\_\_

- (a) 100 Meters
- (b) 150 Meters
- (c) 200 Meters
- (d) 500 Meters

**Ans.(b)**

**Q67.** As per Family Life Cycle, "Married with young children" are in the . stage.

- (a) Young Bachelor
- (b) Half Nest
- (c) Full Nest
- (d) Empty Nest

**Ans.(b)**

**Q68.** What is the maximum amount of loan for obtaining guarantee under CGTMSE of SIDBI?

- (a) Rs. 20 lac
- (b) Rs. 30 lac
- (c) Rs. 40 lac
- (d) Rs. 50 lac

**Ans.(d)**

**Q69.** Who will sign in the HUF Bank Account opening form?

- (a) Only Karta
- (b) Karta & all coparceners
- (c) Karta & all signatories
- (d) All the members of HUF

**Ans.(c)**

**Q70.** Loan system of credit delivery is not applicable in case of \_\_\_\_\_

- (a) Software industry
- (b) Pharma industry
- (c) Steel industry
- (d) None of the above

**Ans.(a)**

**Q71.** Certification Test for marketing & selling of mutual fund products is conducted by \_\_\_\_\_

- (a) SEBI
- (b) NSE or BSE
- (c) AMFI
- (d) RBI

**Ans.(c)**

**Q72.** The nomination facilities in bank accounts have been introduced as per the recommendations of \_\_\_\_\_ committee?

- (a) Talwar
- (b) Tambe
- (c) Nayak
- (d) Damodaran

**Ans.(a)**

**Q73.** To sell an NPA, the account must remain in the books of seller bank \_\_\_\_\_

- (a) for 12 months as NPA
- (b) for 18 months as NPA
- (c) for 24 months as NPA
- (d) for 30 months as NPA

**Ans.(c)**

**Q74.** What is the highest limit of POS withdrawal per day per card in Tier I and II centres?

- (a) Rs. 1000
- (b) Rs. 2000
- (c) Rs. 5000
- (d) Rs. 10000

**Ans.(b)**

**Q75.** Risk weight for bill purchased under LC, for capital adequacy purposes is \_\_\_\_\_

- (a) 0.20%
- (b) 0.25%
- (c) 0.50%
- (d) 0.75%

**Ans.(a)**

**Q76.** A minor has a deposit account which is operated by his father & natural guardian. If the latter dies, who can receive the proceeds during the minority of the minor?

- (a) Minor himself
- (b) grandfather
- (c) court appointed guardian.
- (d) None of these

**Ans.(c)**

**Q77.** What is full form of FRBM?

- (a) Financial Responsibility & Budget Management Act
- (b) Financial Responsibility & Budget Maintenance Act
- (c) Fiscal Responsibility & Budget Management Act
- (d) Fiscal Responsibility & Budget Maintenance Act

**Ans.(c)**



**BILINGUAL**

**JAIB COMPLETE**  
**Selection Batch**  
**Target JAN 2022 Exam**  
**PPB+AFB+LRB**  
Starts Dec 9, 2021 7:30 AM to 10:30 PM

**Q78.** A banker is expected to honour the cheques within the specified banking hours as per Section \_\_\_\_\_ of NI Act, 1881

- (a) 22
- (b) 25
- (c) 31
- (d) 65

**Ans.(d)**

**Q79.** In case of certain customerbank situations, the customer completely depends and believes the advice of the bank. This relationship is called \_\_\_\_\_

- (a) Bankercustomer relationship
- (b) Agentprincipal relationship
- (c) Trusteebeneficiary relationship
- (d) Client relationship

**Ans.(c)**

**Q80.** Under PMSBY, the risk coverage available for permanent partial disability is \_\_\_\_\_

- (a) Rs. 100000
- (b) Rs. 200000
- (c) Rs. 300000
- (d) Rs. 500000

**Ans.(a)**

**Q81.** Which of the following requirements of a borrower are met out by way of cash credit account?

- (a) Noncurrent Assets
- (b) Fixed assets
- (c) Working capital
- (d) Current liabilities

**Ans.(c)**

**Q82.** RBI maintains the list of willful defaulters with a cut of limit of Rs. \_\_\_\_\_ & above.

- (a) 10 lacs
- (b) 20 lacs
- (c) 25 lacs
- (d) None of the above

**Ans.(c)**

**Q83.** Crossselling is not effective for which one of the following products?

- (a) Debit Cards
- (b) Savings Accounts
- (c) Internet Banking
- (d) Pension loans

**Ans.(d)**

**Q84.** What kind of complaint can be lodged with the banking ombudsman?

- (a) delay in collection of cheques
- (b) deficiency in cash transaction.
- (c) non issue of demand drafts
- (d) all the above

**Ans.(d)**

**Q85.** What is the tenure of banking ombudsman?

- (a) 1 years
- (b) 3 years
- (c) 5 years
- (d) no such time limit

**Ans.(b)**

**Q86.** Which utilitarianism articulates that for an action to be right, it should conform to valid rules of conduct, and if rules are violated, it is considered as wrong?

- (a) Hedonistic Utilitarianism
- (b) Rule Utilitarianism
- (c) Act Utilitarianism
- (d) Agathistic Utilitarianism

**Ans.(b)**

**Q87.** A locker hirer who is visually challenged wants to take a person with him to operate the locker. What bank should do?

- (a) Bank will not permit as he is a stranger.
- (b) Yes will permit if authorized by the account holder in writing
- (c) Yes will permit in that case the locker will be operated in presence of the manager or an officer of the bank
- (d) Yes if he is a kith or kin

**Ans.(b)**

**Q88.** Which of the following is not function of distribution or marketing channels?

- (a) Market information
- (b) Promotion of the product
- (c) Contact with the buyers
- (d) None of the above

**Ans.(d)**

**Q89.** Personal values serve which of the following purposes? (1) standard of behavior, (2) decision making and conflict resolution, (3) perception and motivation of employees, (4) strong influence on behaviour and attitude

- (a) 1 and 2
- (b) 1 to 4
- (c) 2 to 4
- (d) 1 only

**Ans.(b)**

**Q90.** Bank loan to Housing project for Economically weaker section comes under Priority Sector if the total cost per unit does not exceed Rs. \_\_\_\_\_

- (a) 2 lac
- (b) 5 lac
- (c) 10 lac
- (d) None

**Ans.(c)**

**Q91.** Which of the following best describes the term Bancassurance?

- (a) An insurance scheme to insure bank deposits
- (b) An insurance scheme to insure bank advances
- (c) A composite financial service offering both bank and insurance products
- (d) A bank deposit scheme exclusively for employees of insurance companies

**Ans.(c)**

**Q92.** What is the limit for housing loans in metropolitan centers under priority sector?

- (a) Rs 15 lakh
- (b) Rs 20 lakh
- (c) Rs 28 Lakh
- (d) Rs 35 lakh

**Ans.(d)**

**Q93.** Banking services mainly depend upon which of the following distribution channel?

- (a) Consumer distribution channel
- (b) Business distribution channel
- (c) Direct distribution channel
- (d) All the above

**Ans.(d)**

**Q94.** \_\_\_\_\_ is the use of customerdirect (CD) channels to reach and deliver goods and services to customers without using marketing middlemen.

- (a) Direct selling
- (b) Direct marketing
- (c) Both the above
- (d) None of the above

**Ans.(c)**

**Q95.** Promotion seeks to influence the buyer in decisionmaking through \_\_\_\_\_

- (i) Persuasion
- (ii) Reminding
- (iii) Compulsion
- (a) Only (i) and (ii).
- (b) Only (i) and (iii)
- (c) Only (ii) and (iii)
- (d) (i) (ii) and (iii)

**Ans.(a)**



**Q96.** A Cheque written in different language half in English, a part in Hindi and rest in vernacular language. Can the bank pay the same?

- (a) Yes
- (b) No
- (c) Depends on manager discretionary
- (d) Cheque is wrong

**Ans.(a)**

**Q97.** What is the relationship of a banker & customer in case of goods left by the customer by mistake in the bank?

- (a) Bailee bailor
- (b) Lessorlessee
- (c) Creditordebtor
- (d) Trusteebeneficiary

**Ans.(d)**

