



# 20 Recollected Questions in Legal & Regulatory Aspects of Banking (LRB) For JAIIB 2022 Examination

## KEY HIGHLIGHTS

- Most likely to be Asked Questions
- Recollected from the Previous 5 Years
- Thoroughly Curated by Industry Experts
- 20+ Questions with Solutions
- Based on the Latest Pattern for 2022 Exam

**PART-I**

## Legal and regulatory aspects of banking (LRAB) – Part I

**Q1.** For appealing to State commission, a statutory deposit of ..... % of the award is to be made by the appellant/opposite parties

(a) 10 %  
(b) 25 %  
(c) 50 %  
(d) 75 %

**Ans: (c)**

**Q2.** As per **Section 9 of BR Act**, bank can hold immovable property up to ..... years

(a) 5  
(b) 7  
(c) 10  
(d) 15

**Ans: (b)**

**Q3.** How many persons are involved in **contract of indemnity**?

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

**Ans: (b)**

**Q4.** Mr. A had lost a FD and requested the bank to reissue duplicate FD. Bank issues it. What is the role of Mr. A here?

(a) Creditor  
(b) Debtor  
(c) indemnified  
(d) indemnifier

**Ans: (d)**

**Q5.** Which of the following section in the Companies Act,2013 mentions about Red **Herring Prospectus**?

(a) Section 30  
(b) Section 31  
(c) Section 32  
(d) Section 33

**Ans: (c)**



**Q6.** In case of a unlisted startup company, the **sweat equity** share should not increase more than ..... of paid up capital up to 5 years from the date of incorporation?

- (a) 30%
- (b) 35%
- (c) 40%
- (d) 50%

**Ans: (d)**

**Q7.** If the cash balance with **RBI** is less than that of required **CRR** balance, bank is required to pay penalty on the amount of shortfall for that day at the rate of ..... and if default continues next day also then at the rate of .....

- (a) Bank Rate, Bank Rate plus 1%
- (b) Bank Rate plus 1% and Bank Rate plus 3%
- (c) Bank rate plus 2% and Bank rate plus 4%
- (d) Bank Rate plus 3% and Bank Rate plus 5%

**Ans: (d)**

**Q8.** The term **Currency** defined under **FEMA** does not include .....

- (a) Letter of credit
- (b) Travelers cheque
- (c) Promissory Notes
- (d) Bonds and debentures

**Ans: (d)**

**Q9.** Master A has been admitted to the benefit of **partnership firm** on 02.01.2021. Master A become Major on 02.05.2021 and he gave a public notice on 05.08.2021 about his interest to continue as a partner. Mr. A is personally liable to third parties for all the act of the firm w.e.f .....

- (a) 02.05.2017 (date of becoming Major)
- (b) 05.08.2017 (date of public notice)
- (c) 02.01.2017 (date of admission)
- (d) 05.02.2017 (date of completion of six months)

**Ans: (b)**

**Q10.** Minimum **paid-up share capital** requirement for a private company is ..... and for a public company is .....

- (a) 1 lakh, 2 Lakhs
- (b) 1 Lakh, 5 Lakhs
- (c) 2 Lakhs, 5 Lakhs
- (d) No minimum paid-up capital required

**Ans: (d)**

**Q11.** In respect of third party information, which one of the following statement is correct in the context of **Right of Information Act**?

- (a) Chief Public Information officer can disclose the information in the normal course
- (b) Chief Public Information officer is not allowed to disclose the information
- (c) Chief Public Information officer shall give a notice to the third party about the intention to disclose
- (d) The third party has no recourse against the decision of the Chief Public Information officer to disclose the information

**Ans: (c)**

**Q12.** In which of the following instances a banker may refuse to honor the customer's **cheques**?

- (i) Where a post dated cheque is presented for payment prior to the date it bears
  - (ii) Where after debiting the cheque the balance will fall below the minimum balance required
  - (iii) Where the banker receives notice of customer death
  - (iv) Where signature on the cheque differ from the specimen signature
- (a) (i) and (ii) Only
  - (b) (i) and (iii) Only
  - (c) (ii),(iii) and (vi) Only
  - (d) (i), (iii) and (iv) Only

**Ans: (d)**

**Q13.** A **letter of credit** that partially pay the beneficiary before the goods are shipped or the services are performed is called

- (a) Green clause letter of credit
- (b) Red clause letter of credit
- (c) Deferred payment letter of credit
- (d) Revolving letter of credit

**Ans: (b)**

**Q14.** Which one of the following statements is correct in respect of the transfer of an **actionable claim**?

- (a) It can be done for valid consideration only by the execution of an instrument in writing signed by the transferor
- (b) It can be done with or without consideration in case of insurance polices
- (c) It can be done with or without consideration only by the execution of an instrument in writing signed by the transferor
- (d) It can be done with or without consideration only in case f immovable properties

**Ans: (c)**

**Q15.** What is the **pecuniary jurisdiction** (maximum value of the goods or services and the compensation claimed) of the district Forum under **Consumer Protection Act, 1986**?

- (a) Rs. 10 lac
- (b) Rs. 20 lac
- (c) Rs. 05 lac
- (d) Rs. 08 lac

**Ans: (b)**

**Q16.** When a **bill is transferred** for consideration to any person so as to entitle the person to claim the amount represented by the bill, such a transfer is called .....

- (a) Notification
- (b) Negotiation
- (c) Endorsement
- (d) followed by delivery

**Ans: (b)**

**Q17.** Which of the following statement is appropriate of a **consumer Redressal Mechanism**?

- (a) The limitation period for filing complaint before a consumer Forum is three year from the date of cause of action
- (b) The limitation period for filing a complaint before a Consumer Forum is Two years from the date of action
- (c) If an interim order passed by the a Consumer Forum is not complied with, the property of the person who is not complying can be attached but attached property cannot sold
- (d) All offences under the consumer Disputes Redressal Act are not tried on summary basis

**Ans: (a)**

**Q18.** If a bank account opened on 27.05.2021 and a **cheque** dated 26.05.2021 was presented 28.05.2021, can we pass the cheque or not?

- (a) Yes, you can pass the cheque
- (b) No, you can't pass the cheque
- (c) Branch manager can decide
- (d) Should be confirmed from the account holder

**Ans: (a)**

**Q19.** How many times **Income tax** can be filed on advance basis in a financial year?

- (a) One
- (b) Two
- (c) Three
- (d) Four

**Ans: (d)**

**Q20.** Who is the chairman of Financial Stability and Development Council (FSDC)?

- (a) Finance Minister
- (b) Governor, RBI
- (c) Any Deputy Governor, RBI
- (d) None of the above

**Ans: (a)**

