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# 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  
V**

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

- Q1.** In case of differences between pledge and bailment, which of the following is/are correct? (i) In Bailment, delivery of goods for a special purpose, (ii) In Pledge, delivery of goods as a security to debt
- (a) Only (i)
  - (b) Only (ii)
  - (c) Either (i) or (ii)
  - (d) Both (i) and (ii)

**Ans: (d)**

- Q2.** Which Section of NI Act deals with "Protection against conversion of cheque"?
- (a) Section 129
  - (b) Section 130
  - (c) Section 131
  - (d) Section 132

**Ans: (c)**

- Q3.** What is the holding period for sweat shares?
- (a) 1 year
  - (b) 2 years
  - (c) 3 years
  - (d) 4 years

**Ans: (c)**

- Q4.** Preference shareholders have the right to vote in which of the following cases? (i) On every resolution of the company, (ii) Resolutions which affect their rights, (iii) Resolution for winding up of the company
- (a) Only (i) and (ii)
  - (b) Only (i) and (iii)
  - (c) Only (ii) and (iii)
  - (d) (i), (ii) and (iii)

**Ans: (c)**



**Q5.** Central Consumer Protection Authority (CCPA) is empowered to ..... (i) conduct investigations into violation of consumer rights, (ii) order recall of unsafe goods and services, (iii) order discontinuation of unfair trade practices and misleading advertisements  
(a) Only (i) and (ii)  
(b) Only (i) and (iii)  
(c) Only (ii) and (iii)  
(d) (i), (ii) and (iii)  
**Ans: (d)**

**Q6.** What is the qualification for DRT presiding officer?  
(a) Any Advocate with minimum 10 years of experience  
(b) A District Judge  
(c) A High Court Judge  
(d) Any one of the above  
**Ans: (b)**

**Q7.** As per the Companies Act, 2013, dividends can be declared on which of the following conditions (Choose the wrong one)? (i) The amount of declared dividend can't be more than that of an average rate of dividends which was declared in past 2 years, (ii) The amount drawn from the reserves shall not exceed the amount which is equal to 1/10th of the sum paid up capital and free reserves, (iii) The remaining balance of the reserve shall not fall below 20% of the paid up capital  
(a) Only (i) and (ii)  
(b) Only (i) and (iii)  
(c) Only (ii) and (iii)  
(d) (i), (ii) and (iii)  
**Ans: (b)**

**Q8.** Adjudicating Authority, in relation to insolvency resolution and liquidation for corporate persons is ..... having territorial jurisdiction over the place where the registered office of the corporate person is located.  
(a) DRT  
(b) DRAT  
(c) NCLT  
(d) NCLAT  
**Ans: (c)**

**Q9.** According to **Section 23 of Companies Act, 2013**, in how many ways can a public company raise funding? (i) Through Public Offering, (ii) Through Private placement, (iii) Through existing shareholders  
(a) Only (i) and (ii)  
(b) Only (i) and (iii)  
(c) Only (ii) and (iii)  
(d) (i), (ii) and (iii)  
**Ans: (d)**

**Q10.** In which of the following mortgages the mortgagor is required to deliver possession of the mortgaged property to the mortgagee?

- (a) English mortgage
- (b) Usufructuary mortgage
- (c) Simple mortgage
- (d) Mortgage by deposit of the title deeds

**Ans: (b)**

**Q11.** Right to Information includes the right to ..... (i) inspect works, documents, records, (ii) take notes, extracts or certified copies of documents or records, (iii) obtain information in form of printouts, diskettes, floppies, tapes, video cassettes or in any other electronic mode or through printouts

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

**Ans: (d)**

**Q12. Mortgage** is defined under .....

- (a) contract act
- (b) sale of goods act
- (c) transfer of property act
- (d) none of the above

**Ans: (c)**

**Q13. Transfer of Property Act** basically contains provisions relating to transfer of .....

- (a) Moveable property and goods
- (b) Immovable property
- (c) Either a or b
- (d) None of the above

**Ans: (b)**

**Q14.** Which among the following is type of share issued to existing shareholders to increase its subscribed share capital?

- (a) Bonus Shares
- (b) ESOP
- (c) Right Issue
- (d) Preference Shares

**Ans: (c)**

**Q15.** Which of the following is/are correct regarding to Right to Information Act 2005? (i) RTI Act came into force wef Oct 12, 2005, (ii) RTI Act replaced Freedom of Information Act 2002, (iii) Objective of RTI Act is to enable Indian citizens to access information under control of public authority

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

**Ans: (d)**

**Q16. Hypothecation** is defined in which act?

- (a) SARFAESI Act
- (b) Transfer of Property Act
- (c) The Sale of Goods Act
- (d) Indian Contract Act

**Ans: (a)**

**Q17. Section 35 A of BR Act** deals with .....

- (a) Liabilities of the Issue Department
- (b) Reserve Bank to give Direction
- (c) Inspection
- (d) Submission of returns

**Ans: (b)**

**Q18.** The **limitation period** for filing a suit for sale of mortgaged property form the date mortgage debt becomes due is .....

- (a) 12 Years
- (b) 20 Years
- (c) 25 Years
- (d) 30 Years

**Ans: (a)**

**Q19. Section 35 of Banking Regulation Act, 1949** deals with .....

- (a) Liabilities of the Issue Department
- (b) Initial assets and liabilities
- (c) Inspection
- (d) Submission of returns

**Ans: (c)**

**Q20.** As per **Section 161(2) of Companies Act, 2013**, Board of Directors can appoint Alternate Director to act for the original director during his absence from India for a period of not less than .....

- (a) 1 Month
- (b) 2 Months
- (c) 3 Months
- (d) 6 Months

**Ans: (c)**

**Q21.** Generally, Casual Vacancy in the Office of Director happens under the following situations. (i) Resignation by the Director, (ii) Disqualification of the Director, (iii) Insolvency of the Director

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

**Ans: (b)**

**Q22.** As per Section ..... of Banking Regulation Act, 1949, no banking company shall directly or indirectly deal in the buying or selling or bartering of goods, except in connection with the realisation of security given to or held by it, or engage in any **trade**, or buy, sell or barter goods for others otherwise than in connection with bills of exchange received for collection or negotiation.

- (a) 6
- (b) 7
- (c) 8
- (d) 9

**Ans: (c)**

