

JAIIB Weekly Quiz PDF 2

Q1. _____ is that expenditure the benefit of which is enjoyed or consumed not in one year only but over many years.

- (a) Capital expenditure
- (b) Revenue Expenditure
- (c) Deferred Expenditure
- (d) None of these

Q2. Statement 1: Initial costs includes purchase price including duties & taxes, costs directly attributable to bringing the asset to the location & condition necessary for it to be operational.

Statement 2: Subsequent costs includes costs of parts of some items of the assets requiring replacement at regular intervals. These also include the costs of major inspections for potential faults in the assets.

- (a) Statement 1 is only correct
- (b) Statement 2 is only correct
- (c) Statement 1 is correct & Statement 2 is incorrect
- (d) Both are correct

Q3. Which among the given statement is/are correct with respect to Capital & Revenue Expenditure?

- i. Costs of acquisition of the asset – Capital Expenditure
- ii. Costs of Initial delivery & handling costs - Capital Expenditure
- iii. Costs of day-to-day servicing – Revenue Expenditure
- iv. Cost of selling, administrative – Capital Expenditure

- (a) Statement i, ii & iii is only correct
- (b) Statement i & ii is only correct
- (c) Statement i is correct & Statement iv is incorrect
- (d) All the above

Q4. Which one of the following is incorrect?

- (a) Replacement of defective part of machinery is revenue expenditure.
- (b) Daily wages paid for erection /installing of machinery is capital expenditure.
- (c) Underwriting commission for issue of shares is revenue expenditure.
- (d) Excess of sale price of Machinery over its WD Value but less than cost price is treated as revenue receipt.



Q5. For an expense to be classified as revenue or capital depends on _____.

- (a) Kind of expense
- (b) Duration of the benefit of the expenditure
- (c) Effect on revenue earning capacity
- (d) All the above

Q6. Finance charges are payable at the _____ on all transactions including unpaid EMI installments From the date of the transaction in the event of the card holder choosing not to pay his balance in full, and on all cash advances taken by the card holder, till they are paid back.

- (a) Monthly interest rate
- (b) Daily interest rate
- (c) Yearly interest rate
- (d) Quarterly interest rate

Q7. In the event of the card member deposits part of the Total Payment or the minimum Amount Due, Finance charges are calculated on _____ at the end of every such period based on the current outstanding balance of the customer.

- (a) Monthly basis
- (b) Daily basis
- (c) Yearly basis
- (d) Quarterly basis

Q8. Mr. Gopal Meena is having a balance outstanding of Rs.30,000 as per statement data. Balance is not paid on the due date. Interest charged by bank on the balance due is 4.5% per month.

Calculate the Daily interest charge of the above balance

- (a) Rs35.85
- (b) Rs44.38
- (c) Rs51.63
- (d) Rs21.55

Q9. _____ is calculated adding New Debits for the month, previously unpaid payments and other charges.

- (a) Monthly amount due
- (b) Minimum Amount due
- (c) Maximum Overdue
- (d) Maximum amount due

Q10. _____ is the period for which no interest is charged for the card balances subject to the condition

that there are no outstanding previous card dues.

- (a) Monthly amount due period
- (b) Minimum Amount Due period
- (c) Maximum Interest due period
- (d) Minimum Interest Free period

Q11. Which of the following is true?

- (a) NICNET was set up by RBI
- (b) INDONET is set up INFOSYS Ltd.
- (c) INDONET provides a gateway to INET
- (d) None of these

Q12. Which of the following is false?

- (a) DOT set up INET in 1991.
- (b) NICNET allows a gateway to VSNL at Mumbai.
- (c) Countrywide data communication network INFINET was set up by RBI as per SARAF committee recommendations.
- (d) None of these

Q13. Which of the following is true?

- (a) RBI has listed plastic card implementation as one of the applications of INFINET.
- (b) The precursor to Internet was called ARPANET.
- (c) FEDWIRE is Federal Reserve wire system is in operation from 1956.
- (d) All of the above

Q14. Which of the following is false?

- (a) The network consists of a Hub located at Bangalore and VSATs located throughout the country.
- (b) The VSAT communicates to the Hub through Express AM1 Satellite. All VSATs are connected in STAR topology and VSAT to VSAT communication is through the Hub.
- (c) Ku band VSAT network of BSNL is capable of providing high speed data transfer up to 2Mbps (presently 512 Kbps) and voice communication service covering the entire country.
- (d) None of the above

Q15. Which of the following is true?

- (a) SLIP PPP are Internet interface protocol software popularly used in India.
- (b) To carry out the FEDWIRE functions the country (USA) is divided in to 12 divisions.
- (c) In SWIFT encryption is a security control to ensure data confidentially.
- (d) All of the above

Q16. _____ are the receipts from the day-to-day operations of the Company or receipts where there is no further obligation on the entity to perform certain actions.

- (a) Revenue Receipts
- (b) Capital Receipts
- (c) Deferred Receipts
- (d) None of these

Q17. The ICAI of India has issued ____ to establish standards on procedures to be followed when an internal audit is conducted in an information technology environment.

- (a) SA 10
- (b) SA 14
- (c) SA 20
- (d) None of these



Q18. Which of the following are the common errors in the branch daily statements?

- (a) Wrong identification of the type of transaction
- (b) Recording of particulars in incorrect fields
- (c) Difference between the closing & opening balances in successive daily statements
- (d) All the above

Q19. Which one of the following functions in a bank is normally not performed by the Back Office?

- (a) Reminders for renewals of term deposits
- (b) Deposit of cash by the customers at the counter
- (c) Calculation and posting of interest in loan accounts
- (d) Maintenance of General Ledger and other books of account

Q20. A bank statement is a copy of _____

- (a) A customer's account in the bank's book
- (b) Cash column of the cash book
- (c) Cash column of the bank book
- (d) None of the above

Q21. _____ Means a person who is liable, whether under a contract or otherwise, to pay a debt or receivables or to discharge any obligation in respect of a debt or receivables.

- (a) Obligor
- (b) Originator
- (c) Sponsor
- (d) Securitisation

Q22. _____ refers to a bank that transfers from its balance sheet a single asset or a pool of assets to an SPV as a part of a securitisation transactions and would include other entities of the consolidated group to which the bank belongs.

- (a) Obligor
- (b) Originator
- (c) Sponsor
- (d) Securitisation

Q23. _____ a process by which a single performing asset or a pool of performing assets are sold to A bankruptcy remote SPV and transferred from the balance sheet of the originator to the SPV in return for an immediate payment.

- (a) Obligor
- (b) Originator
- (c) Sponsor
- (d) Securitisation

Q24. Special Purpose Vehicle (SPV) is any company, trust, or other entity constituted or established for a which of the following purpose –

- (a) Activities of which are limited to those for accomplishing the purpose of the company, trust or other entity as the case may be.
- (b) Which is structured in a manner intended to isolate the corporation, trust or entity as the case may be, from the credit risk of an originator to make it bankruptcy remote.
- (c) Neither A nor B
- (d) Both A and B

Q25. _____ means any person who establishes or promotes a special purpose distinct entity.

- (a) Obligor
- (b) Originator
- (c) Sponsor
- (d) Securitisation

Solutions

- S1. Ans (a)
- S2. Ans (d)
- S3. Ans (a)
- S4. Ans (c)
- S5. Ans (d)
- S6. Ans (a)
- S7. Ans (b)
- S8. Ans (b)
- S9. Ans (b)
- S10. Ans (d)
- S11. Ans (c)
- S12. Ans (b)
- S13. Ans (d)
- S14. Ans (d)
- S15. Ans (d)
- S16. Ans (a)
- S17. Ans (b)
- S18. Ans (d)
- S19. Ans (b)
- S20. Ans (d)
- S21. Ans (a)
- S22. Ans (b)
- S23. Ans (d)
- S24. Ans (d)
- S25. Ans (c)

