



**Dream Big Institution**

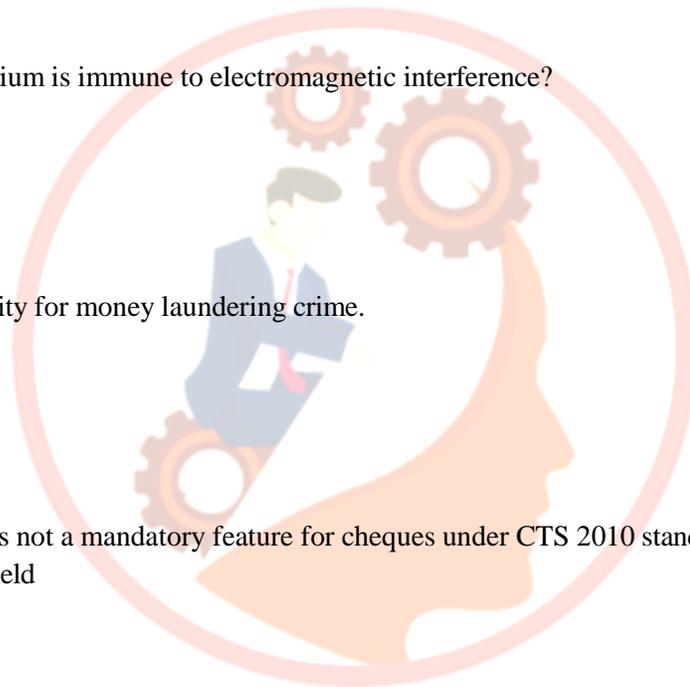
No. 1 Platform For Preparation of Govt Exams

**October 2023**  
**(Memory Based Paper)**  
**Principles**  
**&**  
**Practices of Banking**



- Q1.** Which of the following statements is correct about Warehouse receipts?
- I. Advances may be made against the security of Warehouse Receipts issued by Central and State Government Warehouses.
  - II. No advance is made against the Warehouse Receipt for stocks of foodgrains marked as Grades I, II, and III.
  - III. Warehouse Receipts endorsed to the borrowers should be avoided.
  - IV. A Warehouse Receipt shall only be 'Negotiable'.
  - V. Advances against Warehouse Receipts covering storage of goods subject to Selective Credit Control should be made in accordance with extant directives of RBI.
- (A) I, II, III  
(B) I, II, III, IV, V  
(C) I, III, V  
(D) I, III, IV, V
- Q2.** SIEM is a platform for detecting, analysing and responding to security threats of the next generation. What does SIEM stand for?
- (A) Systematic Incident Evaluation Module  
(B) Security Information and Event Management  
(C) Security Information and Evaluation Module  
(D) Surveillance and Incident Event Management
- Q3.** Which of the following are the features of a cash recycler?
- I. It can only accept cash from customers.
  - II. It allows cardless transactions up to Rs. 20,000/- per day.
  - III. Cash deposit is made with a debit card.
- (A) I, II, III  
(B) II, and III  
(C) I, and III  
(D) Only I
- Q4.** To whom is the Currency Declaration Form submitted?
- (A) Reserve Bank of India  
(B) Securities and Exchange Board of India  
(C) Customs Authorities  
(D) Embassy or Consulate
- Q5.** Which of the following media has a better data transfer rate?
- (A) Twisted pair  
(B) Shielded Twisted Pair  
(C) Coaxial cable  
(D) Unshielded Twisted Pair
- Q6.** Which of the following is the most important advantage of Land and Building as a security?
- (A) Its value generally increases with time  
(B) The release of such securities involves very little expense and formality.  
(C) They have a ready market and can be easily sold.  
(D) Valuation can be easily done.

- Q7.** The users of the e-voucher can redeem the evoucher by using:
- (A) Digital Payment Apps
  - (B) Internet Banking
  - (C) Cards
  - (D) None of the above
- Q8.** What advantages does a seller gain from using a Letter of Credit?
- (A) Advance payment is to be made to the seller.
  - (B) On shipment of the goods, the seller can draw bills and negotiate them with a bank in their country, getting immediate payment.
  - (C) The buyer cannot induce the seller to give credit.
  - (D) All of the above
- Q9.** Which transmission medium is immune to electromagnetic interference?
- (A) Optical Fibre
  - (B) Twister Pair cables
  - (C) Coaxial cables
  - (D) UTP Cables
- Q10.** is the prosecuting authority for money laundering crime.
- (A) RBI
  - (B) SEBI
  - (C) FIU
  - (D) ED
- Q11.** Which of the following is not a mandatory feature for cheques under CTS 2010 standards?
- (A) Pre-filled account field
  - (B) Security thread
  - (C) Field placement
  - (D) Watermark
- Q12.** Services provided by ATM include:
1. Utility Bill Payment.
  2. Cheque Book Request.
  3. Insurance Premium Payment.
  4. Term deposit opening.
  5. User details updation.
  6. Aadhaar Updation.
- (A) 1, 2, 3, 4, and 5
  - (B) 2, 3, 4, 6, and 7
  - (C) 1, 4, 5, 6, and 7
  - (D) 1, 2, 3, 4, 5, 6, and 7
- Q13.** Which of the following categories of information are exempted from disclosure under the Right to Information Act?
- I. Cabinet papers.
  - II. Information relating to commercial confidence.
  - III. Disclosure would cause a breach of privilege of the State Legislature.



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- (A) I, II, III
- (B) I, III
- (C) II, III
- (D) I, II

**Q14.** Foreign currency accounts with a bank outside India can be opened for:

- (A) Making remittances
- (B) Investing in stocks
- (C) Receiving funds
- (D) Speculative Trading

**Q15.** Who is considered a "holder in due course"?

- (A) Anyone who possesses a bill
- (B) The original issuer of the bill
- (C) A person who acquires the bill for consideration
- (D) The person directed to pay the bill

**Q16.** Alexa, Siri, and Cortana are examples of:

- (A) Virtual Assistant
- (B) Artificial intelligence
- (C) Augmented reality
- (D) Virtual reality

**Q17.** Private Bank with net worth of \_\_\_\_\_ can issue credit cards.

- (A) Rs. 50 crore and above
- (B) Rs. 100 crore and above
- (C) Rs. 150 crore and above
- (D) Rs. 200 crore and above

**Q18.** Banks can undertake \_\_\_\_\_ only if they are registered with SEBI as Category I Merchant Bankers.

- (A) Issue of debt for their corporate customers
- (B) Commercial lending activities for their corporate customers
- (C) Foreign exchange trading for their corporate customers
- (D) Wealth management activities for their corporate customers

**Q19.** Which of the following statements about Account Aggregator is not true?

- I. An Account Aggregator is a type of RBI-regulated entity with an NBFC-AA license.
- II. An Account Aggregator can share the data without the consent of the individual.
- III. An Account Aggregator is a type of Central Government-regulated entity with an NBFC-AA license.
- IV. Data cannot be shared by an Account Aggregator without the consent of the individual.
- V. Account Aggregator retrieves or collects information related to the financial assets of a customer from the Financial Information Providers.
- VI. Data can be stored by the Account aggregator but shall be shared only with the regulated financial entities.

- (A) II, and III
- (B) I, IV, and V
- (C) II, II, V, and VI
- (D) II, III, and VI

- Q20.** What is the norm for banks to extend financial assistance to Factoring Companies?
- I. The financial assistance extended by the Factoring Companies is secured by hypothecation or assignment of receivables in their favour.
  - II. At least 75% of income is from factoring activity.
  - III. Receivables purchased/ financed, on a 'with recourse' or 'without recourse' basis, form at least 50% of the assets.
- (A) I, and II
  - (B) II and III
  - (C) I and III
  - (D) I, II, and III
- Q21.** On what grounds can an the appeal be filed against an order approving a resolution plan?
- (A) The insolvency resolution process costs have been placed in priority over all other debts.
  - (B) Material irregularity in the exercise of powers by the RP during the CIRP.
  - (C) When the debts are not acknowledged by the operational creditors.
  - (D) All of the above
- Q22.** A product seller does not include \_\_\_\_\_.
- (A) A service provider
  - (B) A person who acts only in a financial capacity with respect to the sale of the product.
  - (C) E-commerce platforms
  - (D) A person who is a retailer
- Q23.** If a person owes several debts, any payment where neither party has made any appropriation will be applied towards:
- (A) In order of time, whether or not barred by the limitation of suits
  - (B) Proportionately towards all debts
  - (C) Towards the largest debt first
  - (D) Towards the smallest debt first
- Q24.** In respect of accounting disclosure, banks have to comply with various Accounting Standards notified under \_\_\_\_\_.
- (A) Companies (Accounting Standards) Rules, 2021
  - (B) Banking (Accounting Standards) Rules, 2020
  - (C) Banking Business (Accounting Standards) Rules, 2021
  - (D) Banking Companies (Accounting Standards) Rules, 2019
- Q25.** Cash-out at any ATM of more than \_\_\_\_\_ hours in a month attracts a flat penalty of \_\_\_\_\_ per ATM.
- (A) 5; 5000
  - (B) 10; 10000
  - (C) 10; 5000
  - (D) 5; 10000
- Q26.** Which advances are considered under the Weaker Sections category for Priority Sector Loans?
- I. Self Help Groups.
  - II. Individual women beneficiaries up to Rs. 1 lakh per borrower.
  - III. Individual women beneficiaries up to Rs. 2 lakh per borrower.
  - IV. Artisans, village and cottage industries where individual credit limits do not exceed Rs. 2.4 lakh

- V. Distressed farmers indebted to noninstitutional lenders.
  - VI. Beneficiaries under Government Sponsored Schemes.
  - VII. Beneficiaries of Differential Rate of Interest (DRI) scheme.
- (A) I, II, V, VI, VII  
 (B) I, III, IV, V, VI, VII  
 (C) I, III, IV, VI, VII  
 (D) I, II, IV, VI, VII

**Q27.** Which of the following is not a central bank digital currency?

- I. Ripple
  - II. e-Rupee
  - III. Litecoin
- (A) I, and II  
 (B) I, and III  
 (C) II and III  
 (D) I, II, and III

**Q28.** Section 31 of the Negotiable Instruments Act requires a bank to pay the cheque if:

- (A) The cheque is presented within six months from the date of its issue.
- (B) The amount mentioned in words and figures differs, but the difference is not material.
- (C) The drawer has sufficient balance, and funds are properly applicable.
- (D) The drawer has sufficient balance in fixed deposits.

**Q29.** Which of the following is not a norm for SHGs to be eligible for loans?

- I. Active existence for at least 6 months as per its books of account.
  - II. Existing defunct SHGs if revived if active for at least 6 months.
  - III. Qualified as per grading norms fixed by RBI.
- (A) I, and II  
 (B) I and III  
 (C) II and III  
 (D) I, II, and III

**Q30.** Which of the following transactions are not permitted to be conducted by Authorised Dealer - Category II?

- I. Release of foreign exchange for participation fees in global conferences and specialized training.
  - II. Release of foreign exchange for Payment related to "Call Back Services" of telephones.
  - III. Release of foreign exchange for private visits.
  - IV. Release of foreign exchange for Remittance of dividend by any company to which the requirement of dividend balancing is applicable.
  - V. Release of foreign exchange for remittance of interest income on funds held in NonResident Special Rupee (Account) Scheme.
  - VI. Release of foreign exchange for Visa Fees.
- (A) I, II, V, VI  
 (B) II, IV, V  
 (C) I, II, III, IV  
 (D) II, III, and V

- Q31.** Which of the following statements is true about co-branded credit cards?
- (A) A co-branded card is a credit card issued by a retailer.
  - (B) Co-branded cards usually earn merchandise discounts, points, or other rewards when used with the sponsoring merchant.
  - (C) Co-branded cards can be used only at the sponsoring merchant's store.
  - (D) Co-branded cards only bear the logo of the retailer.
- Q32.** Banking service through smart watches is possible through \_\_\_\_\_.
- (A) Wearable technology
  - (B) Virtual/Augmented Reality
  - (C) Blockchain technology
  - (D) RPA technology
- Q33.** Which of the following statements defines the term Ethics?
- (A) It is a set of moral standards and values acceptable in a society and guides human behaviour.
  - (B) It is a set of expectations of proper behaviour and not the requirements of that behaviour.
  - (C) It is a set of internalized standards or principles, which evaluate - what is embraced by an individual.
  - (D) It is a set of thoughts considered to be true by a person.
- Q34.** Which of the following statements about the Demand Promissory Note (DPN) is correct?
- I. When the bankers specify a predetermined period for loan repayment, they opt for DPN.
  - II. The form of DPN should be in conformity with the Negotiable Instruments Act.
  - III. DPN attracts a stamp duty.
  - IV. In DPN, the borrower makes a promise to the banker to repay the loan amount on demand with an agreed rate of interest.
- (A) I, II, III, IV
  - (B) I, III, IV
  - (C) I, II, IV
  - (D) II, III, IV
- Q35.** What lesson does the SATYAM case study provide regarding the effectiveness of auditors in detecting unethical or fraudulent practices?
- (A) Auditors are always effective in detecting unethical practices.
  - (B) Auditors with strong audit skills may be ineffective or complicit.
  - (C) Auditors have no impact on unethical practices.
  - (D) Unethical practices are easily detected by internal checks.
- Q36.** In which of the following cases, the bank has properly exercised the right of general lien?
- I. If Aman, the customer of the Bank, has availed a clean overdraft and recently he has delivered the stolen goods to his bank.
  - II. Raman, a customer of the Bank, has availed a clean overdraft and he has deposited some valuable documents with the bank for a specific purpose, intending to retrieve them after a few months.
  - III. Saurabh, a customer of the Bank, has availed a clean overdraft from a bank and he has a certain fixed deposit with the bank.
  - IV. Raman, a customer of the Bank, has availed a clean overdraft and negligently left some articles in bank premises.

- (A) I, II, III, IV
- (B) Only III
- (C) II, III
- (D) II, III, IV

**Q37.** In case of dispute, if competent authority calls for information, the bank must provide\_\_\_\_\_.

- (A) Original books of account.
- (B) Certified copies of entries in the bank's books.
- (C) All information available in the bank's records
- (D) Only information related to financial transactions

**Q38.** What should be ensured to protect the resources, computer system and data integrity?

- I. Users should have the minimum access level needed to do their job.
- II. Modem passwords should be changed periodically.
- III. Maintenance should be restricted to a minimum number of persons.
- IV. Access levels should be periodically reviewed by the internal auditor.
- V. The Chief information security officer should ensure that available features have been implemented.

- (A) I, II, III, IV
- (B) I, II, III, V
- (C) II, III, IV, V
- (D) I, II, III, IV, V

**Q39.** \_\_\_\_\_ technology is used to build chatbots.

- (A) Natural Language Processing
- (B) Voice recognition
- (C) Artificial intelligence
- (D) All of the above

**Q40.** During remittance of cash sent from one branch to another, it will be proper to:

- (A) Securely chained the box and locked it to a staple or other fixed object in the van in which the remittance is carried.
- (B) Transport it in the van provided by a third party.
- (C) Transport it on nights.
- (D) All of the above

**Q41.** What shall be the proper title of account if Mr. X has applied as an executor to open a Savings Bank Account for the estate of Mr. Y?

- (A) Mr. X, Executor for the Estate of Mr. Y
- (B) Estate of Mr. Y - Account in the Name of Mr. X, Executor
- (C) Savings Account for Mr. Y's Estate Managed by Mr. X, Executor
- (D) Executor Account: Mr. X for the Estate of Mr. Y

**Q42.** Which of the following are the features of a BSBD Account?

- I. A person can have only one BSBD in the banking system.
- II. Minimum of five withdrawals in a month, including ATM withdrawals, at own/ other bank ATMs.
- III. The value of deposits in a month shall not exceed Rs. 1 lakh.

- (A) I, II
- (B) Only I
- (C) II, III
- (D) Only III

**Q43.** \_\_\_\_\_ is the standard of security of payment card data.

- (A) PCI MSS
- (B) PCI DSS
- (C) PCI SSD
- (D) PCI SSM

**Q44.** Which of the following is a difference between Term Loans and Working Capital Facilities?

- (A) Term loans are usually of medium- or longterm duration with periodic instalments, while working capital finance is typically granted for a one-year duration and is renewable.
- (B) Term loans are repayable on demand, while working capital finance is repaid over a fixed period.
- (C) Term loans involve frequent drawings and credits, while working capital finance is disbursed in a single tranche.
- (D) All of the above

**Q45.** Which of the following are the major causes of unethical behaviour at the workplace?

- (A) Non-availability of Code of Ethics Manual
- (B) Lack of fear of Action
- (C) Unrealistic Targets
- (D) All of the above

**Q46.** Which of the following statements are correct in relation to the Simple Mortgage?

- I. The mortgagee has no power to sell the property without the intervention of the Court.
  - II. The mortgagor binds himself personally to pay the mortgage money.
  - III. Registration is mandatory if the principal amount secured is Rs. 100 and above.
  - IV. The mortgagor does not deliver possession of the mortgaged property to the mortgagee.
- (A) I, II, III
  - (B) II, III, IV
  - (C) I, II, III, IV
  - (D) I, III, IV

**Q47.** NBFCs have a competitive edge over banks because of \_\_\_\_\_ .

- (A) Superior understanding of regional dynamics
- (B) Exclusive government partnerships
- (C) Large capital reserves
- (D) Advanced technology infrastructure

**Q48.** Which of the following statements is correct about RTGS?

- I. The minimum amount for RTGS is Rs. 1 lakh.
- II. It is an electronic payment environment where payment instructions are processed on a 'continuous' basis.
- III. The receiving bank has to ensure that the beneficiary account is credited within 30 minutes of receiving the RTGS message.
- IV. The credit of RTGS is afforded solely based on the beneficiary's account number.

- (A) I, II, III, IV
- (B) I, II, III
- (C) II, III, IV
- (D) II, IV

**Q49.** What is the maximum principal amount covered under the Interest Subvention Scheme for Crop Loans?

- (A) ₹2 lakh
- (B) ₹2.4 lakh
- (C) ₹3 lakh
- (D) ₹5 lakh

**Q50.** Which of the following entities qualify for eligibility under the Liberalised Remittance Scheme?

- I. Sohan, a minor resident individual.
- II. AB&C Partnership Firm.
- III. Ravi, a resident individual.
- IV. G&G Private Limited, a company registered in New Delhi.

- (A) II, III, IV
- (B) II, IV
- (C) III, IV
- (D) I, III

**Q51.** Identify the topology in which all the nodes are connected to the master node by a separate medium.

- (A) Bus Topology
- (B) Star Topology
- (C) Ring Topology
- (D) Tree Topology

**Q52.** Which aspect is relevant for ethics relating to information security?

- I. Familiarizing employees with the profiles of attackers.
- II. Advising on prevalent cybercrime types.
- III. Identifying potential cyber threats.

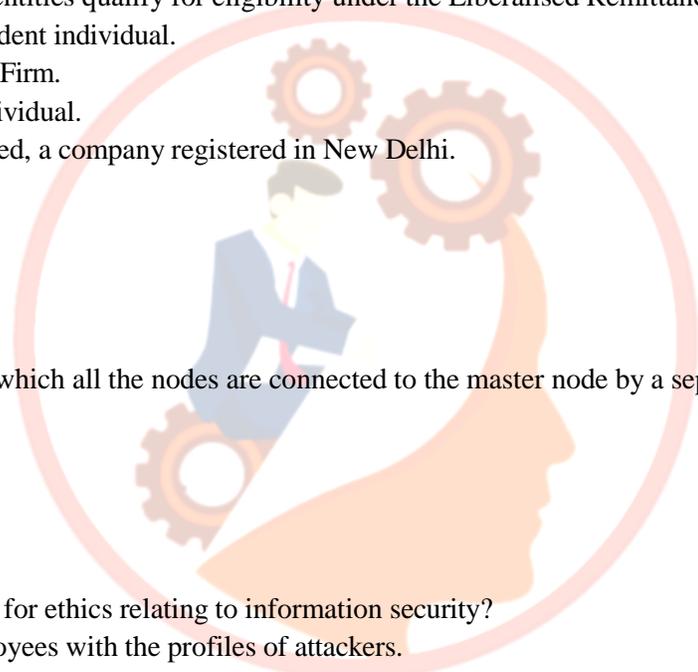
- (A) I, II
- (B) II, III
- (C) I, III
- (D) I, II, III

**Q53.** Values are standards that are desirable by all. Such standards are:

- (A) Relatively few
- (B) Externalized
- (C) Constantly changing
- (D) Both A and B

**Q54.** Which of the following is included in the working capital requirements of a manufacturing enterprise?

- (A) Payment of long-term debts.
- (B) Payment of wages to employees.
- (C) Purchase of machinery.
- (D) All of the above



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- Q55.** Which of the following risks can arise from cyberattacks?
- I. Investment loss.
  - II. Reputational damage.
  - III. Critical Data loss.
  - IV. Compensation to customers.
- (A) II, III, IV  
(B) I, II, III, IV  
(C) I, III, IV  
(D) III, IV
- Q56.** Which of the following is not a key Custodial Services provided by a bank?
- (A) Safekeeping of cash  
(B) Reporting of marketable securities  
(C) Settlement of transactions  
(D) Lending money to customers
- Q57.** Which of the following documents is NOT considered an Officially Valid Document (OVD) for KYC purposes?
- (A) Passport  
(B) Driving Licence  
(C) Pan Card  
(D) Job card issued by NREGA
- Q58.** Which of the following statements about Brown Label ATM is not correct?
- (A) The brand used on 'Brown label' ATMs belongs to the sponsor bank.  
(B) The sponsor bank takes care of hardware maintenance and connectivity.  
(C) The sponsor bank is responsible for cash management in a 'Brown label' ATM setup.  
(D) The sponsor bank is responsible for the connectivity of ATM to the banking network.
- Q59.** In which cases is the interest rate stipulated on NRE deposits in line with RBI regulations?
- (A) A uniform interest rate shall be offered only on bulk deposits.  
(B) Interest on savings deposits shall be credited at quarterly or shorter intervals.  
(C) Interest rates on NRE/ NRO deposits shall be higher than those offered by the banks on comparable domestic rupee term deposits.  
(D) The benefit of additional interest rate on deposits on account of being the bank's own staff or senior citizens shall be available to NRE and NRO deposits.
- Q60.** What is phishing?
- (A) Making phone calls pretending to be from a bank  
(B) Sending spoofed emails to extract confidential details  
(C) Sending mobile phone text messages with an automated voice response system  
(D) None of the above
- Q61.** What is the usual response system when a phone call is answered in a smishing attack?
- (A) Connection to a live operator  
(B) Automated voice response system  
(C) Voicemail prompt  
(D) Silent call with no response

- Q62.** A sells and delivers goods to B. C afterwards requests A to forbear to sue B for the debt for a year i.e. not to take legal action for recovery, and promises that if he does so, C will pay for them in case of default by B. A agrees to forbear as requested. What is the consideration for C's promise in this case?
- (A) Forbearance by A  
(B) Delivery of goods by A  
(C) Debt owed by B  
(D) Payment by A
- Q63.** What is the purpose of the "Signed Intent & QR" feature in UPI 2.0?
- (A) Provides additional security during payment  
(B) Generates QR codes for transactions  
(C) Enables non-verified entities to make payments  
(D) Reduces the need for digital signatures
- Q64.** Where is the central hub of the INFINET (Indian Financial Network) located?
- (A) New Delhi  
(B) Hyderabad  
(C) Mumbai  
(D) Bengaluru
- Q65.** Which of the following statements is correct about the Exchange Earner's Foreign Currency Account?
- I. Withdrawal in rupees is permitted, but the amount cannot be re-credited.  
II. The account will be a non-interest-bearing account.  
III. The claims settled in rupees by ECGC/insurance companies can be credited.  
IV. Only fund-based credit facilities should be granted against these balances.
- (A) I, II, III, IV  
(B) I, II  
(C) I, III, IV  
(D) I, II, IV
- Q66.** What is Bharat QR primarily used for?
- (A) Person to Person (P2P) transactions  
(B) Person to Merchant (P2M) transactions  
(C) Merchant to Merchant (M2M) transactions  
(D) All of the above
- Q67.** What relationship is created when the bank pays insurance premiums on behalf of the customers?
- (A) Debtor-Creditor  
(B) Principal-Agent  
(C) Bailor-Bailee  
(D) Trustee-Beneficiary
- Q68.** In the given scenario, when is insider trading likely to occur?
- (A) When employees receive financial advice from mentors.  
(B) When employees knowingly sell stocks of a company just before a specific bank account becomes NPA  
(C) When employees trade stocks after official announcements  
(D) When employees buy stocks of their own company

- Q69.** What is the maximum amount permitted under the Liberalised Remittance Scheme in a financial year (April to March) per individual?
- (A) USD 100,000  
(B) USD 200,000  
(C) USD 250,000  
(D) USD 500,000
- Q70.** What is the maximum loaded amount allowed for Small PPIs in a month?
- (A) ₹5,000/-  
(B) ₹ 15,000/-  
(C) ₹10,000/-  
(D) ₹20,000/-
- Q71.** What is the categorization of fixed deposits of Rs. 2 crore and above in case of scheduled commercial banks (other than RRBs)?
- (A) Special Deposits  
(B) Premium Deposits  
(C) Regular Deposits  
(D) Bulk Deposits
- Q72.** What is covered under the Pradhan Mantri Fasal Bima Yojana (PMFBY)?
- I. Losses arising out of war and nuclear risks.  
II. Losses caused by wild animals.  
III. Losses due to identified localized risks.
- (A) I, II, III  
(B) II, III  
(C) I, III  
(D) I, II
- Q73.** What type of processing is more suitable for Banks' Data Warehouses?
- (A) OLAP  
(B) Batch processing  
(C) Real-time processing  
(D) OLTP
- Q74.** In which scenario is hypothecation mode particularly suitable?
- (A) Loans against real estate  
(B) Loans for agricultural purposes  
(C) Loans against work-in-progress or goods in constant handling  
(D) Loans for technological investments
- Q75.** How many remittances are allowed in a year for cash transactions from walk-in customers or non-customers under the Indo Nepal Remittance Scheme?
- (A) 9  
(B) 10  
(C) 12  
(D) 15

- Q76.** Which of the following is a value-added service offered by NFS?
- I. Interoperable Cash Deposit (ICD)
  - II. Aadhaar Number Seeding (ANS)
  - III. Card-to-Card Fund Transfer (C2C)
  - IV. Statement Request (SR)
- (A) I, II and III only  
(B) II and IV only  
(C) I and IV only  
(D) I, II, III and IV
- Q77.** Which of the following statements is correct in the context of a Limited Liability Partnership?
- I. For opening a bank account of LLP, a Resolution by the Designated Partners is required.
  - II. Every partner of a LLP is, for the purpose of its business, an agent of the LLP, but not other partners.
  - III. A LLP has at least three Designated Partners appointed as per the LLP agreement.
  - IV. A "small limited liability partnership" means an LLP - the contribution of which does not exceed Rs. 20 lakh and the turnover of which, as per the Statement of Accounts and Solvency for the immediately preceding financial year, does not exceed Rs. 45 lakh.
  - V. A designated partner is responsible for the doing of all acts, matters and things as are required to be done by the LLP and as may be specified in it.
- (A) I, II and IV only  
(B) I, II and III only  
(C) I, II and V only  
(D) I and II only
- Q78.** Arrange the following steps involved in V-CIP (Video-based Customer Identification Process) in chronological order:
1. Capture a clear image of the PAN card.
  2. Confirm with the customer the economic and financial profile/ information in a suitable manner.
  3. Authorised officials will match the photograph and the identification details of the customer in the Aadhaar/OVD and PAN/e-PAN, respectively, with the customer and the details provided.
  4. The authorised official shall obtain the identification information using any of the prescribed modes. If the address is different from that in the OVD, records of the current address shall be captured.
  5. Accounts are to be made operational only after being subject to concurrent audit.
- (A) 4 – 2 – 1 – 3 – 5  
(B) 4 – 1 – 2 – 3 – 5  
(C) 1 – 2 – 4 – 3 – 5  
(D) 1 – 2 – 3 – 4 – 5
- Q79.** What is the general provision for standard assets in respect of Advances to the Commercial Real Estate (CRE) 1 Sector?
- (A) 0.5%  
(B) 1%  
(C) 1.5%  
(D) 5%
- Q80.** Which of the following statements is correct in the context of Legal Entity Identifier?
1. It is a 24-digit alpha-numeric code that uniquely identifies parties to financial transactions worldwide.

2. Entities can obtain LEI from any of the Local Operating Units (LOUS) accredited by the Global Legal Entity Identifier Foundation (GLEIF) - the global entity tasked to support the implementation and use of the LEI.
  3. In India, the LEI code may be obtained from Legal Entity Identifier India Ltd. (LEIL).
  4. Banks, including Scheduled Commercial banks (Other than RRBs), Local area Banks, and Small Finance banks, are required to make it mandatory for corporate borrowers having aggregate fund-based and non-fund-based exposure of Rs. 2 crore and above from any bank to obtain Legal Entity Identifier (LEI) registration and capture the same in the Central Repository of Information on Large Credits (CRILC).
- (A) 1, 2 and 3 only  
 (B) 2, 3 and 4 only  
 (C) 1 and 4 only  
 (D) 2 and 3 only

**Q81.** Which of the following are the points that need to be taken into consideration for advances against a life insurance policy?

1. The policy must be in force and the premium has been paid up to date.
  2. The premium of the policy must be paid regularly during the currency of the advance, as a matter of caution.
  3. The policy should be free from restrictive/ onerous clauses.
  4. Children endowment policy is not acceptable as security due to certain conditions attached to them.
- (A) 1, 2 and 4 only  
 (B) 2, 3 and 4 only  
 (C) 3 and 4 only  
 (D) 1, 2, 3 and 4

**Q82.** Calculate the net working capital from the given balance sheet.

Assets		Liabilities	
<b>Current Assets:</b>		<b>Shareholders' Equity:</b>	
Cash and Cash Equivalents	Rs. 50,000	Common Stock	Rs. 3,00,000
Accounts Receivable	Rs. 80,000	Retained Earnings	Rs. 1,45,000
Inventory	Rs. 1,20,000	<b>Current Liabilities:</b>	
Prepaid Expenses	Rs. 5,000	Accounts Payable	Rs. 60,000
<b>Property, Plant, and Equipment:</b>		Short-Term Loans	Rs. 40,000
Land	Rs. 1,00,000	Accrued Expenses	Rs. 10,000
Building	Rs. 3,00,000	<b>Long-Term Liabilities:</b>	
Machinery	Rs. 1,50,000	Long-Term Loans	Rs. 2,50,000
<b>Total Assets</b>	<b>Rs. 8,05,000</b>	<b>Total Liabilities</b>	<b>Rs. 8,05,000</b>

- (A) Rs. 2,55,000  
 (B) Rs. 2,45,000  
 (C) Rs. 1,25,000  
 (D) None of the above

- Q83.** In TReDS, a factoring unit can be created by \_\_\_\_\_.
- (A) MSME seller
  - (B) MSME buyer
  - (C) Bank
  - (D) Both A and B
- Q84.** \_\_\_\_\_ can be appointed as a Business Correspondent.
- I. NGOs
  - II. Post offices
  - III. Individuals who own Petrol Pumps
- (A) I and II only
  - (B) I only
  - (C) I and III only
  - (D) I, II and III
- Q85.** \_\_\_\_\_ is a technology for connecting devices in LAN or WAN.
- (A) Virtual Private Network
  - (B) Hypertext Markup Language
  - (C) HDMI
  - (D) Ethernet
- Q86.** Which of the following is a part of the guidelines for the formation of SHGs?
- I. Registration becomes compulsory if the number of members exceeds 25 .
  - II. APL (Above Poverty Line) members are not to be office bearers.
  - III. A person should not be a member of more than three groups.
  - IV. Only BPL members will be eligible for subsidy.
- (A) II and IV only
  - (B) II, III and IV only
  - (C) II and III only
  - (D) I, II, III and IV only
- Q87.** The categorisation of assets as Non-Performing Assets is done on the basis of:
- (A) The likelihood of future recovery
  - (B) The overdue period of principal or interest payments
  - (C) The type of asset
  - (D) The borrower's creditworthiness
- Q88.** Which of the following is a capital account transaction under FEMA?
- I. Expenses in connection with foreign travel.
  - II. Investment by an Indian resident in foreign securities.
  - III. Transfer of immovable property outside India by an Indian resident.
- (A) II and III only
  - (B) III only
  - (C) I only
  - (D) I and II only

- Q89.** Under Priority Sector Lending, what is the agricultural infrastructure ceiling for sanctioned limit per borrower from the banking system?
- (A) Rs. 50 crore  
 (B) Rs. 10 crore  
 (C) Rs. 75 crore  
 (D) Rs. 100 crore
- Q90.** The Priority Sector Lending target of Regional Rural Banks to lend to Micro-enterprises is \_\_\_\_\_ per cent of ANBC or CEOBE, whichever is higher.
- (A) 15  
 (B) 18  
 (C) 5  
 (D) 7.5

- Q91.** Match the following types of bills with their definitions:

Type of Bill	Definition
1. Inland Bill	i. A bill of exchange drawn as per the requirements of the NI Act and is not supported by documents of title to goods.
2. Documentary Bill	ii. A bill of exchange accompanying papers of title to goods.
3. Clean Bill	iii. Bills drawn or made in India and made payable in or drawn upon any person resident in India.
4. Usance Bill	iv. A bill payable otherwise than on demand, and specifies normally a time for payment of the value it represents.

- (A) 1 - iii, 2 - ii, 3 - iv, 4 - i  
 (B) 1 - iii, 2 - i, 3 - ii, 4 - iv  
 (C) 1 - iii, 2 - ii, 3 - i, 4 - iv  
 (D) 1 - i, 2 - iii, 3 - ii, 4 - iv
- Q92.** Which of the following statements is correct in the context of MMID?
- It is required for IMPS transactions.
  - MMID stands for Mobile Money Identifier.
  - It is a 5-digit code issued by banks to their customers.
- (A) 1 and 3 only  
 (B) 2 and 3 only  
 (C) 2 only  
 (D) 1 and 2 only

- Q93.** In the event of a natural calamity, what is the liability of banks regarding the contents of a locker?
- The bank is fully liable for any damage or loss caused by natural calamities.
  - The bank is liable only if the customer is found negligent in securing the locker.
  - The bank is not liable for any damage or loss arising from natural calamities or Acts of God.
  - The bank is liable only if the damage is a result of an earthquake.
- Q94.** According to RBI guidelines, how long should it take to issue a duplicate Demand Draft (DD) in lieu of the lost instrument?
- Within one week
  - Within one month
  - Within 24 hours
  - Within a fortnight
- Q95.** \_\_\_\_\_ is provided protection under Section 131 of the NI Act.
- Collecting bank
  - Paying bank
  - Negotiating Bank
  - Drawee bank
- Q96.** Mr. Sharma, a customer of ABC Bank, recently discovered that his bank locker had been subjected to theft, resulting in the loss of valuable contents. According to the bank's locker rules, the institution is held responsible for any loss caused by theft, burglary, or robbery. In the scenario described, what is the penalty amount that ABC Bank is liable to pay Mr. Sharma for the loss of contents in the locker due to theft?
- 50 times the annual rent
  - 75 times the annual rent
  - 100 times the annual rent
  - 125 times the annual rent
- Q97.** Short-term credit limit for farmers is for meeting financial requirements for raising crops, and related to the cultivation cost. What is the formula for the calculation of short-term limit for the first year for all farmers other than marginal farmers?
- Scale of finance for the crop (as per DLTC)  $\times$  Extent of area cultivated +10% of limit towards postharvest/household/consumption requirements +20% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/ or accident insurance.
  - The scale of finance for the crop (as per DLTC)  $\times$  Extent of area cultivated +50% of limit towards postharvest/household/consumption requirements +20% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/ or accident insurance.
  - Scale of finance for the crop (as per DLTC)  $\times$  Extent of area cultivated +20% of limit towards postharvest/household/consumption requirements +50% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/ or accident insurance.
  - Scale of finance for the crop (as per DLTC)  $\times$  Extent of area cultivated +20% of limit towards postharvest/household/consumption requirements +30% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/ or accident insurance.
- Q98.** Which of the following is a correct point of differentiation between a router and a hub?
- A router is a hardware device that helps to connect several devices to a single network and also connects segments of LAN, while a hub is a networking device that forwards data packets between computer networks.

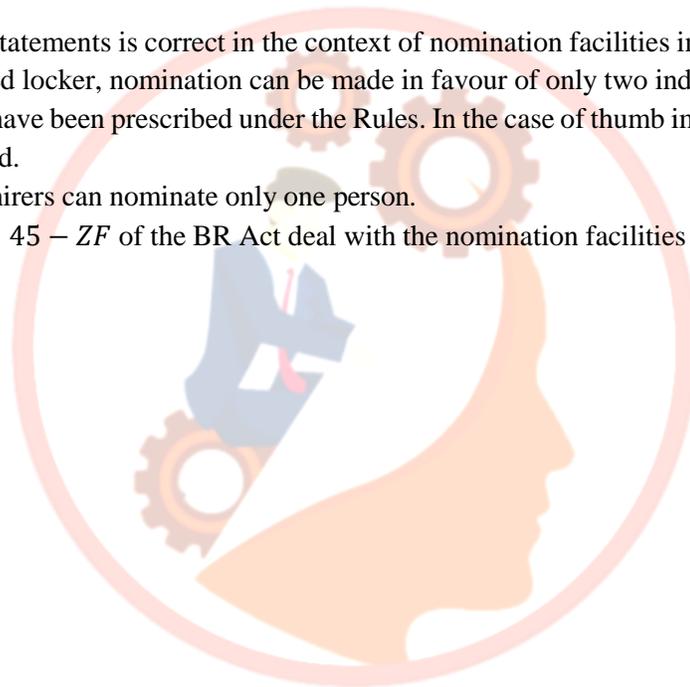
- (B) A hub is a hardware device that helps to connect several devices to a single network and also connects segments of LAN, while a router is a networking device that forwards data packets between computer networks.
- (C) A hub is a hardware component that acts as a gate among various available networks, while a router is a networking device that forwards data packets between computer networks.
- (D) None of the above

**Q99.** Which of the following is not a facilitator of EFT in India?

- (A) NEFT
- (B) RTGS
- (C) Cheque Truncation System
- (D) National Settlement Service

**Q100.** Which of the following statements is correct in the context of nomination facilities in locker services?

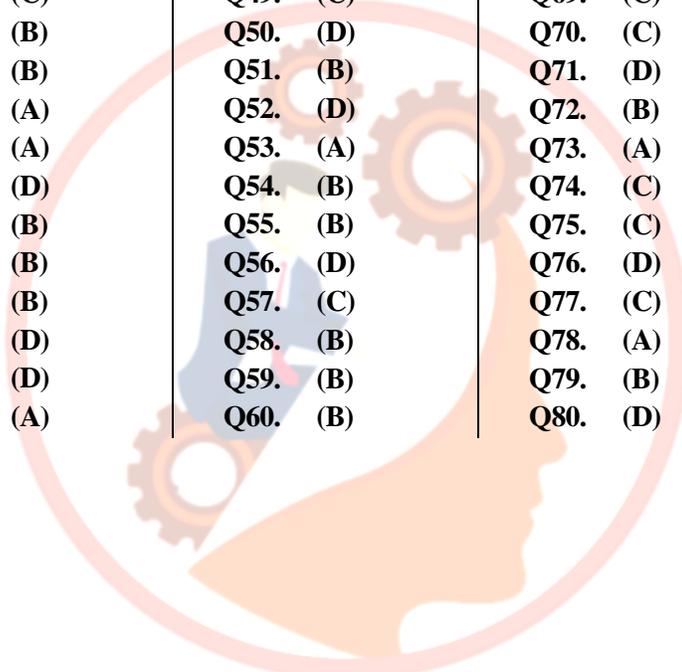
- (A) For a singly operated locker, nomination can be made in favour of only two individuals.
- (B) Nomination forms have been prescribed under the Rules. In the case of thumb impressions, attestation by three witnesses is required.
- (C) Two or more joint hirers can nominate only one person.
- (D) Sec. 45 - ZC to Sec. 45 – ZF of the BR Act deal with the nomination facilities in lockers services.



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### Answer Key

Q1. (C)	Q21. (B)	Q41. (A)	Q61. (B)	Q81. (D)
Q2. (B)	Q22. (B)	Q42. (B)	Q62. (A)	Q82. (D)
Q3. (B)	Q23. (A)	Q43. (B)	Q63. (A)	Q83. (D)
Q4. (C)	Q24. (A)	Q44. (A)	Q64. (B)	Q84. (C)
Q5. (C)	Q25. (B)	Q45. (D)	Q65. (B)	Q85. (D)
Q6. (A)	Q26. (A)	Q46. (C)	Q66. (B)	Q86. (A)
Q7. (D)	Q27. (B)	Q47. (A)	Q67. (B)	Q87. (B)
Q8. (B)	Q28. (C)	Q48. (C)	Q68. (B)	Q88. (A)
Q9. (A)	Q29. (C)	Q49. (C)	Q69. (C)	Q89. (D)
Q10. (D)	Q30. (B)	Q50. (D)	Q70. (C)	Q90. (D)
Q11. (B)	Q31. (B)	Q51. (B)	Q71. (D)	Q91. (C)
Q12. (D)	Q32. (A)	Q52. (D)	Q72. (B)	Q92. (D)
Q13. (A)	Q33. (A)	Q53. (A)	Q73. (A)	Q93. (C)
Q14. (A)	Q34. (D)	Q54. (B)	Q74. (C)	Q94. (D)
Q15. (C)	Q35. (B)	Q55. (B)	Q75. (C)	Q95. (A)
Q16. (A)	Q36. (B)	Q56. (D)	Q76. (D)	Q96. (C)
Q17. (B)	Q37. (B)	Q57. (C)	Q77. (C)	Q97. (A)
Q18. (A)	Q38. (D)	Q58. (B)	Q78. (A)	Q98. (B)
Q19. (D)	Q39. (D)	Q59. (B)	Q79. (B)	Q99. (D)
Q20. (C)	Q40. (A)	Q60. (B)	Q80. (D)	Q100. (D)



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## Hints & Solutions

### Q1. Text Solution:

Advances Against Warehouse Receipts:

1. Advances may be made against security of Warehouse Receipts issued by Central and State Government Warehouses. However, Warehouse Receipts issued by Private Agencies maintaining such Warehouses should not be accepted unless such Private Agencies have been approved by the bank.
2. Advances against Warehouse Receipts covering storage of goods subject to Selective Credit Control should be made in accordance with extant directives of RBI.
3. When advances are made against Warehouse Receipts, it must be seen that:
  - The Warehousing Corporation classifies all goods stored with them into Grade I to IV. Grade I represents 'good' quality whereas Grades II, III and IV represent 'fair', 'average' and 'poor' quality respectively.
  - No advance is made against Warehouse Receipt for stocks of foodgrains marked as Grade II, III and IV. Only such stocks which are of Grade I and marked accordingly in the Warehouse Receipts should be accepted. Warehouse Receipts are of recent dates. This is necessary to avoid advances being made against old stocks. Stocks which have been lying in the warehouse for long periods should not be taken as security.
  - Only such Warehouse Receipts as have been issued in the names of the borrowers are accepted. Warehouse Receipts endorsed to the borrowers should be avoided.
  - A Warehouse Receipt maybe 'Negotiable' or 'Non-Negotiable' and this character of the Receipt will be clearly marked on it in large capital letters. The goods covered by 'Nonnegotiable' Warehouse Receipts may be transferred by the depositor thereof to another person by a separate letter of transfer, but the transfer shall not be binding or effective unless the Warehouseman has been notified in writing. No advance is made against a Non-negotiable Warehouse Receipts.

### Q2. Text Solution:

SIEM: Security Information and Event Management

SIEM is a platform for detecting, analysing, and responding to security threats of the next generation. Applications and network hardware security alarms may be analysed in real-time using SIEM software, which combines SIM and SEM technologies. Using information acquired from around the world, SIEM software analyses events against rules and analytics engines and indexes them for search in milliseconds. Data analysis, event correlation, aggregation, reporting, and log management provide security teams with both insight into and a record of the events taking place in an IT environment.

### Q3. Text Solution:

Cash Recycler machine is a self-service terminal that lets one deposit and withdraws cash. Some features of Cash Recyclers are:

1. Cash recyclers can accept cash from customers and dispense it as well.
2. They ensure the genuineness of currency.
3. Counterfeit notes are recognised.
4. Cash deposit is made with debit card.
5. Cardless transactions up to Rs. 20,000/- per day.

### Q4. Text Solution:

Currency Declaration Form: When foreign exchange is brought into India by a person, a declaration to the Customs Authorities in Currency Declaration Form (CDF) is to be made, except in following cases:

- (i) If currency notes and/or travellers' cheques do not exceed USD 10,000 or its equivalent, and/ or
- (ii) If foreign currency notes do not exceed USD 5,000 or its equivalent.

**Q5. Text Solution:**

**Twisted pair:** A twisted pair consists of two insulated copper wires. It is widely used in place of parallel wires to minimise the risk of crosstalk, i.e. mixing and distortion of signals. These are useful for connecting terminals to computers up to a distance of 150 metres. Because of the low cost and ease of convenience, these are the most popular cables currently in use.

**Coaxial cable:** The coaxial cables consist of an inner copper core held in position by circular spacers. The inner wire is surrounded by insulation and covered by a protective sheath. The covering protects the core and prevents interference of signals. The cable can carry digital signals at very high rates of 500 megabits per second.

**Q6. Text Solution:**

The advantage of land and building over other types of securities is that its value generally increases with time. With every fall in the value of money, the value of land goes up and due to its scarce availability in developing areas, its value invariably increases. Only in unusual catastrophic situations like chronic flood, major earthquakes or any other disaster that are natural or economic resulting in the exodus of human beings from the region/ location, the land value falls.

**Q7. Text Solution:**

e-RUPI was launched on 2nd August 2021 by the National Payments Corporation of India (NPCI) e\_RUPI is an innovative digital solution, and 'e-RUPI' is a seamless one-time payment mechanism. e-RUPI is a QR code or an SMS string-based e-Voucher delivered to the beneficiaries' mobile. The users of the evoucher can redeem the voucher at the merchants accepting e-RUPI without using a digital payments app, card or internet banking. e-RUPI would be shared by organizations or Governments to the beneficiaries for a specific purpose or activity through SMS or QR code. The e-RUPI is contactless, easy, safe and secure as the details of the beneficiaries are kept confidential. This e-voucher transaction process is relatively faster and reliable, as the required amount is already stored in the voucher.

**Q8. Text Solution:**

The buyer and the seller, the users of a Letter of Credit have several advantages.

**To the Buyer:**

- No advance payment is to be made to the seller.
- The buyer can induce the seller to give credit in view of a guarantee from a banker.
- The buyer can put a condition for providing a certificate of the quality of goods from an independent body. He can also stipulate other terms and conditions to protect his interests and which are also acceptable to the seller.

**To the Seller:**

- The seller is assured of receiving payment on his complying with the terms of the LC.
- On shipment of the goods, the seller can draw bills and get them negotiated with a bank in their country getting immediate payment. Else, it would receive payment only after the goods are received by the buyer.

**Q9. Text Solution:**

**Optical fibre:** Optical fibre has been a technological breakthrough in communication technology. It supports a data rate of 2 gigabits/sec. Fibre optics provide high quality (low error rate) transmission of signals at very high speeds. The fibre optics transmissions are not affected by electromagnetic interference.

The data transfer is through very thin glass or plastic fibres with a beam of light. The light source is a laser beam driven by a high-speed, high current driver. These days, for security reasons, light-emitting diodes are used.

**Q10. Text Solution:**

Enforcement Directorate (ED) is the investigation and prosecuting authority for money laundering crime. The powers of ED include tracking and attaching assets related to money laundering.

Financial Intelligence Unit-India (FIU-Ind) has been set up for receiving information about various financial transactions from certain businesses, including banks and financial institutions. FIU-India also has supervisory powers over the business entities that are subject to PMLA.

**Q11. Text Solution:**

Truncation is the process of stopping the flow of the physical cheque issued by a drawer at some point by the presenting bank en-route to the paying bank branch. In its place an electronic image of the cheque is transmitted to the paying branch through the clearing house, along with relevant information like data on the MICR band, date of presentation, presenting bank, etc.

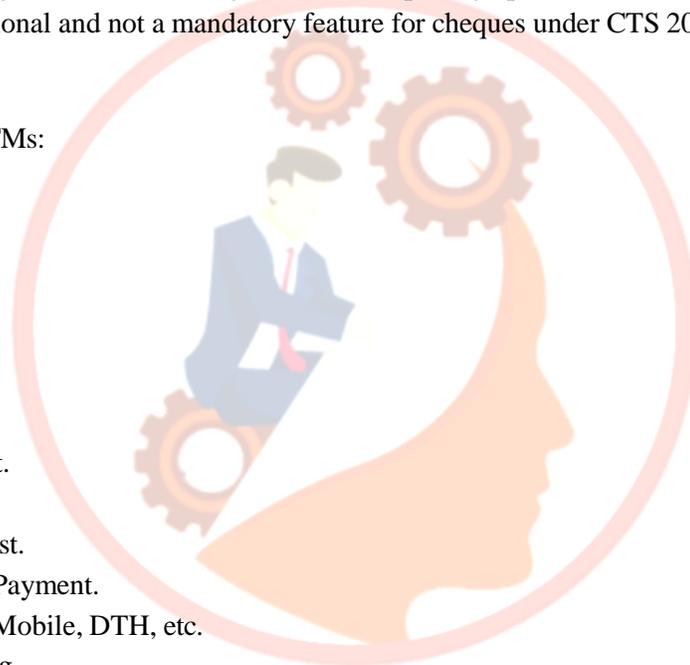
Mandatory features include Watermark, Field placement, Pre-filled account field, New Rupee Symbol, Micro lettering, Cheque printing Colours and Background, VOID pantograph, and Ultra Violet-UV logo of Bank.

Security thread is an optional and not a mandatory feature for cheques under CTS 2010 standards.

**Q12. Text Solution:**

Services provided by ATMs:

- Cash Withdrawal.
- Balance Enquiry.
- Statement Enquiry.
- PIN Change.
- Cash Deposit.
- Cheque Deposit.
- Funds Transfer.
- Credit Card Payment.
- Utility Bill Payment.
- Cheque Book Request.
- Insurance Premium Payment.
- Recharge/top-up of Mobile, DTH, etc.
- Term deposit opening.
- User details updation.
- Aadhaar Updation.



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**Q13. Text Solution:**

Under RTI Act, following categories of information are exempt from disclosure, and include that would prejudicially affect the sovereignty and integrity of India:

- disclosure expressly forbidden by law or may constitute contempt of court.
- disclosure would cause a breach of privilege of Parliament or of the State Legislature.
- relating to commercial confidence, trade secrets or intellectual property.
- available to a person in his fiduciary relationship.
- received in confidence from foreign Government.
- disclosure would endanger the life or physical safety of any person.
- would impede the process of investigation or apprehension or prosecution of offenders.
- cabinet papers (including records of deliberations of the Council of Ministers, Secretaries and other officers).

**Q14. Text Solution:**

Individuals can open, maintain and hold foreign currency accounts with a bank outside India for making remittances under LRS, without RBI approval. These may be used for putting through all transactions connected with or arising from remittances eligible under LRS.

**Q15. Text Solution:**

'Holder in due course' is any person who for consideration became the possessor of the bill (that is to whom the bill is transferred).

**Q16. Text Solution:**

Chatbots are software applications that mimic written or spoken human speech for the purposes of simulating a conversation or interaction with a real person. A Chatbot can be deployed for customer service, as a standalone application or on a website. Conversational agents are becoming much more common partly due to the fact that barriers to entry in creating chatbots (i.e. sophisticated programming knowledge and other highly specialized technical skills) are becoming increasingly unnecessary. Chatbots are driven by artificial intelligence, voice recognition, natural language processing etc. Some real-life examples are virtual assistants such as Google Now, Apple's Siri, and Microsoft's Cortana.

**Q17. Text Solution:**

RBI has issued guidelines on credit cards that are revised occasionally. On 21st April 2022, RBI issued Master Directions on the issuance and conduct of credit cards and debit cards, containing their latest guidelines. SCBs (other than RRBs) with a net worth of Rs. 100 crore and above can undertake credit card business departmentally or through a subsidiary or in tie-up arrangements with other card-issuing banks/NBFCs with the approval of their Boards. NBFCs registered with RBI can undertake credit card business with its prior approval.

Card-issuer shall have a board-approved policy for credit card business, in line with RBI instructions. The policy shall be hosted on the website of the card issuer.

**Q18. Text Solution:**

Merchant Banking is variously defined. "The main business of merchant banking", as summarised aptly by the Narasimhan Committee in its report, is "Management and Underwriting of new issues, syndication of credit and provision of advisory services to corporate clients on fundraising and other financial aspects."

Banks engaged in merchant banking activities pertaining to the handling of the issue of debt or equity securities for their corporate customers need to obtain registration with SEBI as a Category I Merchant Banker. However, banks can engage in loan syndication, payment of interest or dividend warrants, extending bridge loans against issues type of activities as a part of banking functions.

**Q19. Text Solution:**

An Account Aggregator (AA) is a type of RBI-regulated entity (with an NBFC-AA license) that helps an individual securely and digitally access and share information from one financial institution they have an account with to any other regulated financial institution in the AA network. Data cannot be shared without the consent of the individual. The individual's bank just needs to join the Account Aggregator network. Some of the major banks in India, across the public and private sectors, have already joined the network. Account Aggregator retrieves or collects information related to the financial assets of a customer from the holders of such information (termed as Financial Information Providers (FIPs)) and aggregates, consolidates and presents it to the customers or specified users (termed as Financial Information Users (FIUs)).

The transfer of such information is based on the explicit consent of the customer and the response is envisaged to occur in real time. Data cannot be stored by the aggregator or used by it for any other purpose and shall be shared only with the regulated financial entities. The Directions require robust data security and customer grievance redressal mechanisms to be in place. The AA should have proper consent architecture, and audit trails should be

available. The directions require Financial Information Providers (FIPS) to implement interfaces that will allow an Account Aggregator to submit consent artefacts and authenticate each other to enable a secure flow of financial information to the Account Aggregator. AA framework assists in decision making required for the provision of various financial services viz., lending, loan monitoring, wealth management, personal finance management, etc., by eliminating paper trails. Needless to mention it is not an exhaustive list. Further, AAs can facilitate access to financial services and credit to earlier underserved and unserved segments by reducing information asymmetry.

**Q20. Text Solution:**

Banks can extend financial assistance for factoring business of Factoring Companies, which comply with the following criteria:

1. Qualify as factoring companies and conduct business under the provisions of the Factoring Regulation Act, 2011 and Notifications issued by RBI.
2. At least 50% of income is from factoring activity.
3. Receivables purchased/ financed, on 'with recourse' or 'without recourse' basis, form at least 50% of the assets.
4. The assets/ income do not include that relating to bill discounting facility.
5. The financial assistance extended by the Factoring Companies is secured by hypothecation or assignment of receivables in their favour.

**Q21. Text Solution:**

An appeal against an order approving a resolution plan may be filed on the following grounds-

- (i) the approved resolution plan is in contravention of the provisions of any law in force;
- (ii) there has been material irregularity in exercise of the powers by the RP during the CIRP: (iii) the debts owed to operational creditors have not been provided for in the manner specified;
- (iv) the insolvency resolution process costs have not been placed in priority to all other debts; or
- (v) the resolution plan does not comply with any other criteria specified by the Board.

**Q22. Text Solution:**

Product Seller: in relation to a product, means a person who, in the course of business, imports, sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains, or otherwise is involved in placing such product for commercial purpose and includes-

- (i) a manufacturer who is also a product seller; or
- (ii) a service provider, but does not include:
  - (a) a seller of immovable property, unless such person is engaged in the sale of constructed houses or in the construction of homes or flats;
  - (b) a provider of professional services in any transaction in which the sale or use of a product is only incidental thereto, but furnishing of opinion, skill or services being the essence of such transaction;
  - (c) a person who-
    - (i) acts only in a financial capacity with respect to the sale of the product;
    - (ii) is not a manufacturer, wholesaler, distributor, retailer, direct seller or an electronic service provider;
    - (iii) leases a product without having a reasonable opportunity to inspect and discover defects in the product under a lease arrangement in which the selection, possession, maintenance, and operation of the product are controlled by a person other than the lessor.

**Q23. Text Solution:**

In the case *M/s Kharavela Industries Pvt. Ltd. Vs. Orissa State Financial Corporation and Others* (AIR 1985 Orissa 153 (A)), the question arose whether the payment made by the debtors was to be adjusted first towards the principal or interest in the absence of any stipulation regarding appropriation of payments in the loan agreement. The Court

held that in the case of debt due with interest, any payment made by the debtor is in the first instance to be applied towards satisfaction of interest and thereafter towards the principal unless there is an agreement to the contrary. Where neither party makes any appropriation, the payment shall be applied in discharge of debts, in order of time, whether they are or not barred by the limitation of suits. If the debts are of equal standing, the payment shall be applied in discharge of each proportionately.

**Q24. Text Solution:**

RBI has issued instructions regarding presentation of financial statements and disclosures required to be made. These are in addition to the statutory disclosure requirements. Banks also have to comply with various Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021.

**Q25. Text Solution:**

Banks/ WLAOs should have a robust system for availability of cash in ATMs with timely replenishment. Cash-out at any ATM of more than ten hours in a month attracts a flat penalty of Rs.10,000/- per ATM. In case of WLAs, the penalty is charged to the bank meeting cash requirement of that WLA. Bank may recover the penalty from the WLA operator.

**Q26. Text Solution:**

Priority sector loans to the following borrowers are considered under Weaker Sections category:-

- (a) Small and marginal farmers;
- (b) Artisans, village and cottage industries where individual credit limits do not exceed Rs. 1 lakh;
- (c) Beneficiaries under Government Sponsored Schemes such as National Rural Livelihood Mission (NRLM), National Urban Livelihood Mission (NULM) and Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS);
- (d) Scheduled Castes and Scheduled Tribes;
- (e) Beneficiaries of Differential Rate of Interest (DRI) scheme;
- (f) Self Help Groups;
- (g) Distressed farmers indebted to noninstitutional lenders;
- (h) Distressed persons other than farmers with loan amount not exceeding Rs. 1 lakh per borrower to prepay their debt to noninstitutional lenders;
- (i) Individual women beneficiaries up to Rs. 1 lakh per borrower;
- (j) Persons with disabilities
- (k) Minority communities as may be notified by Government of India from time to time.

**Q27. Text Solution:**

A central bank digital currency (CBDC) which is also known as digital fiat currency, is a digital currency issued and guaranteed by a central bank, which can be used to make digital payments. Hence CBDC can be described as a digital currency issued and controlled by the central bank, which is virtually stored and easily accessible to everyone. Cryptocurrencies are a type of digital currencies. Cryptocurrency is an asset used as a means of exchange. Some of the popular cryptocurrencies are Bitcoin (BCH), Ethereum (ETH), Litecoin (LTC), Ripple (XRP) etc. e-Rupee is a central bank digital currency.

**Q28. Text Solution:**

Section 31 of the Negotiable Instruments Act obliges the drawee bank having sufficient funds of the drawer in its hands properly applicable to the payment of such cheque to make payment when duly required to do so.

**Q29. Text Solution:**

Eligibility Criteria for Loans to SHG Following are the basic criteria applicable:

- Active existence for at least 6 months as per its books of account.
- Practicing 'Panchasutras' i.e. Regular meetings; Regular savings; Regular interloaning; Timely repayment; and Up-to-date books of accounts.
- Qualified as per grading norms fixed by NABARD.
- Existing defunct SHGs if revived if active for at least 3 months.

**Q30. Text Solution:**

Release of foreign exchange for the undermentioned transactions is prohibited.

- Remittance out of lottery winnings.
- Remittance of income from racing/riding, etc or any other hobby.
- Remittance for purchase of lottery tickets, banned/proscribed magazines, football pools, sweepstakes, etc.
- Payment of commission on exports made towards equity investment in Joint Ventures/ Wholly Owned Subsidiaries abroad of Indian companies.
- Remittance of dividends by any company to which the requirement of dividend balancing is applicable.
- Payment of commission on exports under Rupee State Credit Route, except commission up to 10% of the invoice value of exports of tea and tobacco.
- Payment related to "Call Back Services" of telephones.
- Remittance of interest income on funds held in Non-Resident Special Rupee (Account) scheme.

In order to provide adequate foreign exchange facilities and efficient customer service, RBI grants licenses to certain entities as Authorised Dealer - Category II (AD-Cat II) to undertake a range of non-trade current account transactions: Private visits, Remittance by tour operators/ travel agents to overseas agents/ principals/ hotels, Business travel, Fee for participation in global conferences and specialized training, Remittance for participation in international events/ competitions (towards training, sponsorship and prize money), Film shooting, Medical treatment abroad, Disbursement of crew wages, Overseas education, Remittance under educational tie up arrangements with universities abroad, Remittance towards fees for examinations held in India and abroad and additional score sheets for GRE, TOEFL etc., Employment and processing, assessment fees for overseas job applications, Emigration and emigration consultancy fees, Skills/ credential assessment fees for intending migrants, Visa fees, Processing fees for registration of documents as required by the Portuguese/ other Governments, Registration/ subscription/ membership fees to International Organisations.

**Q31. Text Solution:**

A co-branded card is a credit card that a retailer of consumer goods or services issues in partnership with a particular credit card issuer or network. Often bearing the logos of both the credit card company and the retailer, cobranded cards earn merchandise discounts, points, or other rewards when used with the sponsoring merchant, but they can also be used anywhere the cards from that network are accepted.

**Q32. Text Solution:**

Wearable technology involves the usage of wearable gadgets that can be comfortably worn by a person on his body for the purpose of recording tracking information for personal or business usage related to health and fitness. Other wearable tech gadgets include devices that have small motion sensors to take photos and sync with your mobile devices. Wearable services can help banking and financial services to bring enhanced value to customers and bring engaged technology. Banks can provide banking services through Wearables like smartwatches, Google Glass, Wristbands, etc.

**Q33. Text Solution:**

Ethics is a set of moral standards and values acceptable in a society and guides human behaviour. It holds people from taking decisions that may be harmful to others or society. Ethical principles are universal in nature. Ethics is prescriptive in nature - deals with what must be or ought to be done.

**Q34. Text Solution:**

**Demand Promissory Notes:** Where a fixed period for the repayment of loan is not specified, the bankers take a Demand Promissory Note (DPN). In DPN, the borrower makes a promise to the banker to repay the loan amount on demand with agreed rate of interest. The form of DPN should be in conformity with Sec. 4 of the NI Act, 1881. The form of a DPN varies normally to suit the situation such as fixed rate of interest, floating rate of interest, single borrower, joint borrowers, joint and several borrowers, etc. DPN attracts a stamp duty as per Indian Stamp Act. The rate of stamp duty on DPN is uniform throughout India. It must be ensured that the DPN is duly filled in and stamped before the borrower signs it.

**Q35. Text Solution:**

Learnings from the SATYAM case study -

- Top Management Actions are Crucial Major unethical acts are either initiated or actively supported by the top management. In such situations, oversight of the independent Directors and scrutiny by the Auditors assume crucial importance in early detection of unethical practices.
- Employees are a Party for Some Reasons The execution of acts involving numerous transactions invariably needs a set of employees. These persons for various reasons yield to be a party knowingly to the unethical acts. This makes internal checks and controls ineffective.
- Reputation is adversely affected Reputation not only of one company but also of the entire industry is tarnished. After the crisis became public, all the other players were placed under scrutiny by the regulators and scepticism grew among the investor groups.
- Professional Ethics of Directors Matter Directors, both independent as well as non-independent, have an important role in ensuring ethical values of a company. Ethics of these persons determine how they discharge their responsibilities.
- Auditors must have Professional Ethics - Best of the auditors with strong audit skills proved to be totally ineffective in detecting unethical or downright fraudulent practices, nay they might have been complicit in these. The result is adverse fallouts for both the auditee firm and the audit firm.
- Ensuring Good Corporate Governance There is a need for strong corporate governance practices across industries. Also, selection of top managers and executives must be done carefully, individuals with high level of credibility and credentials will bring high moral values and standards to the organization.
- Post-crisis Handling - Actions taken soon after the crisis event is known are very important and crucial in as much as the future course of the organisation depends entirely on these. If proper actions are taken swiftly, the organisation can not only be salvaged but also revived to its pre-event levels. However, if there is lethargy and the actions and the decisions focus only on post-mortem and investigations, the organisation may cease to exist.

**Q36. Text Solution:**

**RIGHT OF GENERAL LIEN:**

- Where a right can apply?
- (a) To sell: A banker's general lien gives the right to sell the debtor's properties. (b) To a specific person: The right under Sec. 171 is given not only to the banker but also to factors, wharfingers, attorneys of high courts and policy brokers. As such, no separate agreement is required. (c) Against the customer: The right is exercised on the goods and securities of the customer only. The right cannot be exercised when the debtor has a joint account.
- Where a right cannot apply?

- (a) Safe Custody Articles: When a customer deposits securities, ornaments and other valuable for their safe custody with a banker, the latter acts as a trustee/bailee, therefore the bank cannot exercise the right of lien over these unless covered by a special agreement.
- (b) Documents/money deposited for specific purposes: Documents/money deposited with a specific purpose cannot be taken under lien.
- (c) Articles left negligently in bank premises:  
Such articles/securities cannot be taken under lien.
- (d) Immature debts: Lien cannot be exercised when the debt has not yet matured.
- (e) Stolen goods: If the customer has stolen the goods/securities of the real owner and delivers them to his bank, the bank cannot have lien over it although the transaction has taken place in the ordinary course of business.
- (f) No simultaneous rights to bank: When the right of set-off is available to the bank, lien right cannot apply. These two different rights cannot be exercised simultaneously at the same time.

**Q37. Text Solution:**

Banker's Books Evidence Act, 1891: As per Sections 4 and 6 of the Banker's Books Evidence Act, in a legal dispute between a bank's customer and third party, certified copies of entries in the bank's books may be called for, which shall be prima facie evidence of the existence of such entries in the bank's books (without producing the original books of account). The bank would comply with the orders, after satisfying itself that the concerned officer is authorized to ask for the information. The information supplied should be confined to the points on which it is asked.

**Q38. Text Solution:**

To safeguard the assets and the computer system and to maintain data integrity, the following should be ensured:

- (a) The security policy addresses specific capabilities of operating systems and ensure that the available security features are implemented.
- (b) The Chief information security officer should ensure that available features have been implemented.
- (c) Process for granting access levels.
- (d) Users should have the minimum access level needed to do their job.
- (e) Users' access should be restricted to specific applications, menus within applications, files, and Servers.
- (f) File maintenance should be a separate access privilege.
- (g) Maintenance should be restricted to a minimum number of persons, and it should be properly approved and reviewed.
- (h) The password file should be encrypted.
- (i) Methods to detect security violations.
- (j) Access levels should be periodically reviewed by the internal auditor.
- (k) Procedures to limit access to workstations after normal working hours.
- (l) Modem access should be restricted.
- (m) Modem passwords should be changed periodically.

**Q39. Text Solution:**

Chatbots are driven by artificial intelligence, voice recognition, natural language processing, Machine Learning etc. Chatbots are software applications that mimic written or spoken human speech for the purposes of simulating a conversation or interaction with a real person. A Chatbot can be deployed for customer service, as a standalone application or on a website. Conversational agents are becoming much more common partly due to the fact that barriers to entry in creating chatbots (i.e. sophisticated programming knowledge and other highly specialized technical skills) are becoming increasingly unnecessary.

While Chatbots can process the voice/text of the user and can decipher what the user says, there are some challenges in the ability of chatbots to parse human speech having inherent complexities in elements of speech such as

metaphors and similes. Despite these considerable limitations, chatbots are becoming increasingly sophisticated, responsive, and more natural.

**Q40. Text Solution:**

Cash remittances sent from one office to another should always be entrusted to authorised employees.

- (i) Night journeys and unusual halts at junctions mid-way should be avoided.
- (ii) The remittance box should always be transported in the van provided by the bank.
- (iii) The box should be securely chained and locked to a staple or other fixed object in the van in which the remittance is carried.
- (iv) A Register should be maintained to record all cash remittances to and from branches.

**Q41. Text Solution:**

Rules for Opening and Operations - Account of Executor/ Administrator

- The account of an Executor/ Administrator should be opened strictly in accordance with the Probate or a Letter of Succession or Letter of Administration or the Administrator General's Certificate issued by a competent court or authority.
- The account is to be used only for the funds related to the Estate of the deceased.
- The account is opened in the name of the individual with the words "Executor" and
- "Administrator" suffixed. Also, with supplementary title with "Estate of (Name of the deceased)" notation.
- The funds in the account are to be disposed of in accordance with the Probate of the Letter of Succession. Expenses incurred in connection with the execution of the order may be debited to the account.

Thus, the correct answer would be "Mr. X, Executor for the Estate of Mr. Y".

**Q42. Text Solution:**

A Basic Savings Bank Deposit Account is made available by banks to facilitate financial inclusion, especially of persons of lower economic standing. Following basic minimum facilities should be offered free of charge and without any minimum balance requirement:

- (i) Deposit of cash at bank branch as well as ATMs/CDMs
- (ii) Receipt/credit of money through any electronic channel deposit/collection of cheques, including cheques drawn by Central/ State Government agencies and departments.
- (iii) No limit on number and value of deposits that can be made in a month.
- (iv) Minimum of four withdrawals in a month, including ATM withdrawals, at own/ other bank ATMs.
- (v) ATM Card or ATM-cum-Debit Card.

Cheques book is not included in minimum free services but are permitted to be issued free of charge.

A person can have only one BSBDA in the banking system. Holders of BSBDA will not be eligible for opening any other SB account in that bank. Any other existing SB account(s) in that bank should be closed within 30 days from the date of opening a BSBDA.

**Q43. Text Solution:**

The standard for the security of payment card data is the Payment Card Industry Data Security Standard (PCI DSS). This widely accepted set of policies and procedures aims to minimize the risk of data breaches, fraud, and identity theft for organizations that handle credit, debit, and other payment card information. It covers all aspects of cardholder data security, from storage and transmission to access control and incident response.

**Q44. Text Solution:**

The major difference between term loans and working capital finance lies in the purpose of the finance. As a result, the types of assets created out of these facilities and the forms in which these advances are made differ. Other differences between these are:

- (a) Term loans are usually of medium- or longterm duration and are repayable in monthly, quarterly or half-yearly instalments over an agreed period of time. Whereas working capital facilities are typically granted for one year duration during which it can remain fully drawn. Usually, working capital facilities are renewed at the end of the validity period.
- (b) Working capital finance is repayable on demand, and is availed as a running account with with frequent drawings and credits in it. Whereas the term loans are disbursed once or in a few tranches over a fixed period of time during the project implementation stage, and the repayment of instalments commences on the unit generating surplus, and typically there is no further disbursement.
- (c) It may be noted that the term loan essentially gets repaid within the amortization period determined. However, working capital facility though short-term in nature, is of permanent nature, in as much as that it continues as long as the unit is in operation.

**Q45. Text Solution:**

The major causes for unethical behaviour at workplace are as follows: Non-availability of Code of Ethics Manual; Lack of fear of Action; Unrealistic Targets; Influence of Co-employees; Unprincipled Leadership; Means are not appreciated.

**Q46. Text Solution:**

According to Sec. 58(B) of the Transfer of Property Act, a simple mortgage is a transaction whereby, 'without delivering possession of the mortgaged property, the mortgagor binds himself personally to pay the mortgage money and agrees, expressly or impliedly, that in the event of his failing to pay according to his contract, the mortgagee shall have a right to cause the mortgaged property to be sold by a decree of the Court in a suit and the proceeds of the sale to be applied so far as may be necessary in payment of the mortgage money.' Such a transaction is called a simple mortgage and the mortgagee a simple mortgagee.

The essential elements of a simple mortgage are -

- (i) The mortgagor does not deliver possession of the mortgaged property to the mortgagee.
- (ii) The mortgagor binds himself personally to pay the mortgage money.
- (iii) The mortgagor agrees that in the event of his failing to pay according to his contract, the mortgagee shall have a right to get the mortgaged property sold and recover his dues.

The main features of a simple mortgage are as follows -

- (i) The mortgagee has no power to sell the property without the intervention of the Court.
- (ii) In case there is shortfall in the amount recovered even after sale of the mortgaged property the mortgagor continues to be personally liable for the shortfall.
- (iii) The mortgagee has no right to get any payments out of the rents and produce of the mortgaged property.
- (iv) The mortgagee is not put in possession of the property.
- (v) Registration is mandatory if the principal amount secured is Rs. 100 and above.

**Q47. Text Solution:**

NBFCs have a competitive edge in their superior understanding of regional dynamics, well-developed collection systems and personalised services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks.

**Q48. Text Solution:**

RTGS is an electronic payment environment where payment instructions are processed on a 'continuous' or 'Real Time' basis and settled on a 'Gross' or 'individual' basis without netting the debits against credits. The transactions are processed continuously on a transaction-by-transaction basis. RTGS is available round the clock on all days, and allows transfer of funds on an almost instantaneous basis. The receiving bank has to ensure that the beneficiary account is credited within 30 minutes of receiving the RTGS message. The minimum amount for RTGS is Rs. 2 lakh.

The essential information to be provided for RTGS is the amount of remittance, Account number to be debited, Name of the beneficiary bank and branch (with IFSC), Name and Account Number of the beneficiary customer, and Sender to Receiver Information (indicating purpose). The credit of RTGS is afforded solely based on the beneficiary's account number. As the transaction is executed on a real-time basis, at the receiving bank, cross-matching the beneficiary name and account number is not feasible. Benefits of RTGS are: Safe and secure system for funds transfer; Available on all days on a 24 × 7 × 365 basis; real-time transfer of funds to the beneficiary account; Available through various modes.

**Q49. Text Solution:**

The Interest Subvention Scheme for Crop Loans is a scheme to ensure that the farmers receive short-term credit at 7% with an upper limit of ₹3 lakh on the principal amount.

**Q50. Text Solution:**

Liberalised Remittance Scheme: For resident individuals RBI has eased the restrictions for outward remittances under the Liberalised Remittance Scheme (LRS) introduced in 2004. This Scheme has replaced the provisions of current account transactions for individuals.

Eligible Persons:

- It is available to resident individuals, including minors.
- It is not available to corporates, partnership firms, HUF, Trusts, etc.
- Remittances can be consolidated in respect of family members subject to individual family members complying with the terms and conditions.
- For capital account transactions, clubbing is permitted only if the other family member(s) is/ are co-owners/ co-partners of the overseas bank account/ investment/property.

**Q51. Text Solution:**

Star Topology: Central node often acts as the master. All the other nodes are connected to the master by a separate medium (cable). While this topology gives the advantage of maximum ability to change and if one node fails, it will not affect the entire network. Disadvantages are it cannot handle large traffic, as every transaction has to pass through the central node.

**Q52. Text Solution:**

The IT team of the bank or financial institution is the custodian of the information of its customers/dealings/ activities. Their work conduct and ethical conduct is of paramount importance for the organisation. Any failure of professionals handling the IT desk and data can result in major leakages of sensitive information, with huge losses to the banks, reputation risk, and expensive legal battles.

Hence awareness of ethical conduct has become very important with every technological advancement. There should be proper training - orientation and refresher course for all employees to make them understand the importance and criticality of ethical behaviour. This applies to the employees posted not only in the IT department, but also in operations and various support functions.

The following aspects relating to information security need particular attention:

- Employees made aware of the professional obligations relating to information security
- Advising about various types of prevalent cybercrime.
- Making the employees (especially the IT employees) aware of the patterns of IT attacks on banks, customers/servers/other assets like ATMs, etc., and to familiarise with the profiles of attackers and patterns of thefts and modus operandi.

**Q53. Text Solution:**

Values are concept of desirable behavior. These are internalized standards or principles, which evaluate - what is embraced by an individual. As values describe what is desirable, it must be desirable for all and not just for selected few. Such standards are relatively few.

**Q54. Text Solution:**

The term working capital denotes the requirement of money by a manufacturing enterprise for financing of its day-to-day requirements, like:

- Purchase of raw materials, stores and spares.
- Payment of wages to employees.
- Payment of other expenses towards energy, fuel and water consumption, statutory dues, rates and taxes carriage expenses etc.
- Other expenses required to be incurred in connection with the production, selling and administration, etc.

**Q55. Text Solution:**

The following are the risks that can arise from cyber attacks.

- Financial loss
- Critical Data loss/breach
- Loss of productivity due to business disruption
- Cost of investigation
- Compensation to customers
- Reputational damage
- Regulatory penalties
- Costs of recovering from disruptions
- Investment loss.

**Q56. Text Solution:**

A custodian bank is a financial institution that holds customers' securities for safekeeping to prevent them from being stolen or lost. The custodian may hold stocks, bonds, or other assets in electronic or physical form on behalf of its customers. Services provided by a bank as a custodian are usually the settlement, safekeeping and reporting of customers' marketable securities and cash.

A custody relationship is contractual, and the services that are performed for a customer differs. Banks render custody services to a variety of customers, including mutual funds and investment managers, bank fiduciary, retirement plans, and agency accounts, bank commercial security accounts, insurance companies, corporation, endowments and foundations, and private banking clients.

**Q57. Text Solution:**

Pan Card is not an Officially Valid Document (OVD).

Documents that have been notified as OVDs for KYC purposes: Passport; Driving Licence; Proof of possession of Aadhaar number; Voter's Identity Card issued by the Election Commission of India; Job card issued by NREGA

duly signed by an officer of the State Government; and Letter issued by the National Population Register (NPR) containing details of name and address.

**Q58. Text Solution:**

'Brown label' ATMs are those Automated Teller Machines where a service provider owns the hardware and lease the ATM to banks, cash management and connectivity to banking networks is the responsibility of sponsor bank whose brand is used on the ATM. Thus, the service provider takes the responsibility of maintenance of the ATM, whereas the sponsor bank takes the responsibility of cash management and connectivity of ATM to the banking network.

**Q59. Text Solution:**

Interest rates on Rupee Deposits-Non-Residents:

- Differential interest rates shall be offered only on bulk deposits
- Interest rates on NRE/ NRO deposits shall not be higher than those offered by the banks on comparable domestic rupee term deposits.
- The benefit of additional interest rate on deposits on account of being the bank's own staff or senior citizens shall not be available to NRE and NRO deposits.
- Interest on savings deposits shall be credited at quarterly or shorter intervals.

**Q60. Text Solution:**

Phishing involves sending spoofed emails and/or SMSs designed to dupe customers into thinking that the communication has originated from their bank/e-wallet provider and contains links to extract confidential details. Vishing involves making phone calls pretending to be from bank/non-bank e-wallet providers/telecom service providers to lure customers into sharing confidential details in the pretext of KYC-updation, unblocking of account/SIM-card, crediting debited amount, etc.

**Q61. Text Solution:**

Smishing involves sending mobile phone text messages to lure consumers into a trap. The text generally will contain an URL or phone number. Usually, the phone call is answered by an automated voice response system. The smishing message usually requests your immediate attention. Smishing artists can ask for a return SMS containing their User ID, Password, ATM/Debit/Credit Card PIN. Simply ignore this kind of SMS.

**Q62. Text Solution:**

A contract of guarantee must be supported by consideration and consideration between the creditor and principal debtor is a valid and good consideration for the guarantee given by the surety. In this scenario, A agrees to forbear from suing *B* for the debt for a year as requested by *C*. A's forbearance (act of not taking legal action) serves as the consideration for *C*'s promise to pay for the goods in case of default by *B*.

**Q63. Text Solution:**

Signed Intent & QR provides more security while making payment by the customer. With this option, while making payment using the intent or through scanning *QQR*, the user will get additional security in the form of a signed *QQR*/intent. With the signed *QQR*, issues related to tampering with *QQR* as well as having nonverified entities shall be reduced.

**Q64. Text Solution:**

As per the recommendations of the Saraf Committee, the Reserve Bank of India decided to set up a countrywide data communication network for banks linking major centres of the country. This network, christened as the INFINET (Indian Financial Network), has been set up in Hyderabad.

**Q65. Text Solution:**

Exchange Earner's Foreign Currency Account:

1. Withdrawal in rupees is permitted but the amount cannot be re-credited.
2. The account will be a non-interest bearing account.
3. The claims settled in rupees by ECGC/insurance companies cannot be credited.
4. Fund-based/non-fund based credit facilities should not be granted against these balances.
5. Can be used to repay packing credit advances in any currency up to actual exports made.

**Q66. Text Solution:**

Bharat QR:

- A QR code consists of black squares arranged in a square grid on a white background, which can be read by an imaging device such as a camera. *QQR* contains information about the item to which it is attached.
- Bharat QR is P2M (Person to Merchant) Mobile payment solution which is mutually derived among NPCI, Visa and MasterCard payment networks. Users can pay the utility bills at *BQQR* registered Merchant locations using *BQQR* enabled mobile banking apps without sharing any user credentials with the merchant. It is a quick method of payment.
- Bharat QR works as an alternate channel of payment, where the cardholder has to download his/her bank's Bharat QR enabled mobile banking app. The user has to scan the Bharat QR code at the Merchant store and select a card to make payment. Once the payment is successful, both cardholder and merchant receive notification in the mobile application for a successful transaction.
- Bharat QR code has lots of additional data elements like merchant name, address, Merchant Bank information, etc. Bharat QR code widely accepted and secure than other QR codes. Users can pay using any card scheme such as - RuPay, Visa, MasterCard and Amex.

**Q67. Text Solution:**

According to Section 182, of the Indian Contract Act, 1872, a principal is a person who delegates authority to another person namely, the agent. Among the ancillary services rendered by the bank are remittance, collection of cheques, bills, to pay regularly, electricity bills, telephone bills, insurance premium, club fees, etc. on behalf of the customers. In these cases, the bank acts as an agent, his principal being the customer. The relationship of agency, terminates on the death, insolvency and lunacy of the customer or on completion of the work assigned.

**Q68. Text Solution:**

Employees trading based on the internal information of the client which is not available to public amounts to insider trading. Say, just before a specific bank account of a large company is going to become NPA that is not announced officially, an employee knowing this sells the stocks of the company or advises friends to sell and get out of the stock, amounts to insider trading. Also, dealing in the stock of the bank where one is employed based on significant information that is not available to the public amounts to insider trading. SEBI has issued Insider trading rules which also include provisions regarding consequences of violation of the rules and declarations to be made by the employees on a quarterly basis.

**Q69. Text Solution:**

Permissible Amount under the Liberalised Remittance Scheme:

1. The maximum amount permitted in a financial year (April to March) is USD 250,000 per head.
2. There is no restriction on the number of transactions.
3. Release exceeding the limit requires prior permission RBI.

**Q70. Text Solution:**

The maximum loaded amount for Small PPIs is ₹10,000/- in a month.

Small PPIs (Minimum-detail PPIs): These are issued after obtaining the minimum details of the PPI holder. These include a mobile number verified with One Time Password (OTP) and a self-declaration of name and unique identity/ identification number of any 'mandatory document' or OVD. These shall be reloadable, only in electronic form, and used only for the purchase of goods and services at those merchant establishments that have specific contracts with the issuer or through a payment gateway/ aggregator.

**Q71. Text Solution:**

Fixed deposits can be accepted for any amount. Fixed deposits of Rs. 2 crores and above in the case of scheduled commercial banks (other than RRBs) and small finance banks, and those of Rs. 15 lakh and above in case of RRBs have been categorized as 'Bulk Deposits' by RBI.

**Q72. Text Solution:**

In 2016, the Pradhan Mantri Fasal Bima Yojana (PMFBY) replaced all the prevailing yield insurance schemes in India. It has extended coverage under localized risks, post-harvest losses etc. and aims at adoption of technology for the purpose of yield estimation.

**Coverage:**

- The insured area is prevented from sowing/ planting due to deficit rainfall or adverse seasonal conditions.
- Loss in case of adverse seasonal conditions during the crop season.
- For two weeks from harvesting for crops dried in cut and spread condition in the field against cyclone, cyclonic rains and unseasonal rains.
- Loss/damage due to identified localized risks of hailstorm, landslide, inundation, cloud burst and natural fire due to lightning.
- Crop loss due to attack by wild animals.
- Exclusions: Losses arising out of war and nuclear risks, malicious damage and other preventable risks.

**Q73. Text Solution:**

Banks' Data warehouses are more suited for OLAP (online analytical processing) environments where databases are queried for analytical purposes. OLAP helps Banks extract insights from their transaction data to use it for making more informed decisions. In a data warehouse, historical data on Core Banking is stored in a subject-oriented manner, which is conducive to queries and analytics. Data warehouses are designed to store data from heterogeneous sources to generate critical information for the decision support systems. A data warehouse is a data management system designed to support business intelligence and analytics for an entire organisation.

**Q74. Text Solution:**

Hypothecation mode is particularly suitable for loans against work-in-progress or goods in constant handling, such as in rice mills or oil expellers.

The term 'Hypothecation' means a charge in or upon any movable property, existing or future, created by a borrower in favour of a secured creditor, without delivery of possession of the movable property to such creditor, as a security for financial assistance and includes floating charge and crystallization of such charge in to fixed charge on movable property.

**Q75. Text Solution:**

Salient Features of Indo Nepal Remittance Scheme:

- (i) The target group is the migrant Nepalese working in India who make remittances to their families.
- (ii) The system was launched with only one-way remittances from India to Nepal.
- (iii) A ceiling of INR Rs.2,00,000 is fixed per remittance.
- (iv) Banks may accept cash from walk-in customers or non-customers. The ceiling of Rs. 50,000 per remittance with a maximum of 12 remittances in a year applies for such remittances.

- (v) The remittances from India are in Indian Rupees, and the payment to the beneficiaries, is in Nepalese Rupees.
- (vi) Banks can provide this facility to both account-holders as well as non-account holders. A Nepalese migrant worker not having bank accounts at either end or both ends, can also avail this facility. A non-account holder has to produce identification documents like Passport/ PAN/ Driving License/ Telephone Bill/ Certificate of identification issued by employer in India with details and photograph, etc.

**76. Text Solution:**

NFS also offers value-added services on ATMs/CDMs to cardholders of participating member banks like:

- (a) Interoperable Cash Deposit (ICD) (b) Mobile Banking Registration (MBR) (c) Card-to-Card Fund Transfer (C2C) (d) Cheque Book Request (CBR) (e) Statement Request (SR) (f) Aadhaar Number Seeding (ANS)

**Q77. Text Solution:**

A Limited Liability Partnership (LLP) is formed under the Limited Liability Partnership Act 2008. LLPs have Designated Partners specified in the LLP Agreement.

An LLP has at least two Designated Partners appointed as per the LLP agreement. Designated Partners have to obtain a Designated Partner Identification Number (DPIN).

Any partner may become a designated partner by and in accordance with the LLP agreement, and a partner may cease to be a designated partner in accordance with it. A designated partner is responsible for the doing of all acts, matters and things as are required to be done by the LLP and as may be specified in it. Every partner of a LLP is, for the purpose of its business, an agent of the LLP, but not other partners. A "small limited liability partnership" means an LLP - the contribution of which does not exceed Rs. 25 lakh and the turnover of which, as per the Statement of Accounts and Solvency for the immediately preceding financial year, does not exceed Rs. 40 lakh. For opening an account of LLP, Resolution by the Designated Partners is required.

**Q78. Text Solution:**

Salient aspects of the V-CIP procedure are narrated below.

- (i) The process shall be operated only by officials of the RE.
- (ii) The sequence and/or type of questions during video interactions shall be varied.
- (iii) In case any prompting is observed at the end of the customer, the process should be rejected.
- (iv) The authorised official shall obtain the identification information using any one of the following modes: OTP-based Aadhaar e-KYC authentication; Offline Verification of Aadhaar; KYC records downloaded from CKYCR; Equivalent e-document of OVDs including documents issued through Digilocker.
- (v) If the address is different from that in the OVD, records of the current address shall be captured.
- (vi) To confirm with the customer the economic and financial profile/ information in a suitable manner.
- (vii) To capture a clear image of the PAN card (unless e-PAN is provided by the customer).
- (viii) The authorised official will match the photograph and the identification details of the customer in the Aadhaar/OVD and PAN/e-PAN, respectively, with the customer and the details provided.
- (ix) Banks can take the help of Banking Correspondents (BCs) to facilitate the process at the customer end.
- (x) Accounts are to be made operational only after being subject to concurrent audit.

**Q79. Text Solution:**

Banks should make general provisions for standard assets at the following rates for the funded outstanding on a global loan portfolio basis:

Advances to Commercial Real Estate (CRE)<sup>1</sup> Sector at 1.00 per cent;

Advances to Commercial Real Estate Residential Housing Sector (CRE - RH)<sup>2</sup> at 0.75 per cent.

**Q80. Text Solution:**

The Legal Entity Identifier (LEI) is a 20-digit alpha-numeric code used to uniquely identify parties to financial transactions worldwide. Post the Global Financial Crisis, for improving the financial data accuracy and quality, and helping in better risk management, the concept of uniform global Legal Entity Identifier (LEI) code was mooted. Entities can obtain LEI from any of the Local Operating Units (LOUs) accredited by the Global Legal Entity Identifier Foundation (GLEIF) - the global entity tasked to support the implementation and use of the LEI. In India, LEI code may be obtained from Legal Entity Identifier India Ltd. (LEIL) (a subsidiary of the Clearing Corporation of India Limited (CCIL)), accredited by GLEIF as LOU.

LEI system has been implemented for all participants in Over the Counter (OTC) markets for Rupee Interest Rate derivatives, foreign currency derivatives and credit derivatives in India.

Banks, including Scheduled Commercial banks (Other than RRBs), Local area Banks, and Small Finance banks, are required to make it mandatory for corporate borrowers having aggregate fund-based and non-fund-based exposure of Rs. 5 crore and above from any bank to obtain Legal Entity Identifier (LEI) registration and capture the same in the

Central Repository of Information on Large Credits (CRILC).

**Q81. Text Solution:**

When making an advance against life insurance policy, the points to be taken in to consideration are:

- (i) The policy must be in force and the premium has been paid up to date. The latest premium receipt must be kept on record by the bank.
- (ii) The policy document should be in original, duly stamped and signed by the issuing authority.
- (iii) The policy should be free from restrictive/ onerous clauses.
- (iv) The insurance company should have admitted the age of the assured.
- (v) The policy must be assigned in favour of the bank and should be sent directly to the insurance company for registration and ensured that only authorised office of Insurance Company has noted assignment.
- (vi) The premium of the policy must be paid regularly during the currency of the advance as a matter of caution. Generally, the following types of life insurance policies are not acceptable as security due to certain conditions attached to them. (a) Children endowment policy. (b) Policies taken out specifically for purposes like estate duty. (c) Children deferred policy. (d) Policies with nominations under Section 6 of the Married Women's Property Act.

**Q82. Text Solution:**

Net Working Capital = Current Assets - Current Liabilities

Net Working Capital = Rs. 50,000 + Rs. 80,000 + Rs. 1,20,000 + Rs. 5,000 - (Rs. 60,000 + Rs. 40,000 + Rs. 10,000)

Net Working Capital = Rs. 2,55,000 - Rs. 1,10,000

Net Working Capital = Rs. 1,45,000

**Q83. Text Solution:**

TReDS is an electronic platform for facilitating the financing/ discounting of trade receivables of MSMEs through multiple financiers.

Only MSMEs can participate as sellers. Banks, NBFC - Factors and other financial institutions, as permitted by the RBI, can participate as financiers. A factoring Unit (FU) is a standard nomenclature for invoice(s) or bill(s) of exchange. Each FU represents a confirmed obligation of the buyers. FU can be created either by the MSME seller or the buyer. If the MSME seller creates, it is factoring; if created by the buyer, it is reverse factoring.

**Q84. Text Solution:**

Individuals/entities permitted to be BCs are: Individuals (like retired bank employees, retired teachers, retired government employees and exservicemen, individual owners of kirana/medical/Fair Price shops, individual Public Call Office (PCO) operators, agents of Small Savings schemes of Government of India/Insurance Companies,

individuals who own Petrol Pumps, authorized functionaries of well-run Self Help Groups (SHGs) which are linked to banks, any other individual including those operating Common Service Centres (CSCs)); NGOs/ MicroFinance Institutions (MFIs) set up under the Societies/Trust Acts and Section 25 Companies, Cooperative societies registered under the Mutually Aided Cooperative Societies Acts or the Cooperative Societies Acts of States, Post Offices; Companies registered under the Indian Companies Act, 1956 with large and widespread retail outlets, other than NonBanking Financial Companies (NBFCs). Commercial banks (excluding RRBs) are permitted to appoint non-deposit-taking registered NBFCs (NBFC-ND) as BCs.

**Q85. Text Solution:**

Ethernet is a technology for connecting devices in LAN or WAN. It enables devices to communicate with each other via a protocol, which is a set of rules or common network language.

In the Ethernet system, the listen-before-transmit media sharing system is called Carrier-Sense Multiple Access with Collision Detection (CSMA/CD) system. Ethernet cards share the common wire by transmitting only when the channel is clear. If two stations try to transmit simultaneously, a collision occurs. The stations halt transmission and wait for a random period before retransmitting.

**Q86. Text Solution:**

The group formation and management are done keeping in view the following broad guidelines:

- (a) Number of Members: Normally, members in a group should not exceed twenty; otherwise, registration becomes compulsory. Generally, a SHG may consist of 10 to 20 persons. In difficult areas like deserts, hills, etc., it may have just 5 members.
- (b) Family Income Criteria: Generally, all members should belong to families below the poverty line (BPL). If necessary, a maximum of 20% and exceptionally upto 30% of members may be from families marginally above the poverty line (APL) living contiguously with BPL families.
- (c) Subsidy Eligibility: Only BPL members will be eligible for subsidy.
- (d) Management of Group: BPL families must participate in management and decision-making. It's not entirely in the hands of APL families. APL members are not to be office bearers.
- (e) Restrictions on Membership: SHG not more than one member from the same family. A person is not a member of more than one group.
- (f) Code of Conduct: The group should devise Group management norms to bind itself.

**Q87. Text Solution:**

An asset, including a leased asset, becomes an NPA when it ceases to generate income for the bank. A non-performing asset (NPA) is a loan or an advance where;

- the interest and/or instalment of principal remain overdue for a period of more than ninety days in respect of a term loan,
- the account remains 'out of order' as indicated below, in respect of an overdraft/ cash credit (OD/CC),
- the bill remains overdue for a period of more than 90 days, in the case of bills purchased and discounted,
- the instalment of the principal or the interest thereon remains overdue for two crop seasons for short-duration crops,
- an instalment of the principal or the interest thereon remains overdue for one crop season for long-duration crops.
- the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the RBI Directions on Securitisation of Standard Assets
- In respect of derivative transactions, the overdue receivables represent positive mark-to-market value of a derivative contract if these remain unpaid for a period of 90 days from the specified due date for payment.

The categorization of assets as NPAs primarily depends on the length of time for which principal or interest payments are overdue. Generally, an asset becomes an NPA after exceeding a specific overdue period (often 90

days), regardless of other factors like asset type, borrower creditworthiness, or recovery potential. These additional factors might influence further sub-categorization of NPAs, but the initial classification hinges on the overdue period.

**Q88. Text Solution:**

Capital account transaction: a transaction which alters the assets or liabilities, including contingent liabilities, outside India of persons resident in India or assets or liabilities in India of persons resident outside India.

Current account transaction: a transaction other than a capital account transaction and includes: (i) payments due in connection with foreign trade, other current business, services, and short-term banking and credit facilities in the ordinary course of business, (ii) payments due as interest on loans and as net income from investments, (iii) remittances for living expenses of parents, spouse and children residing abroad, and (iv) expenses in connection with foreign travel, education and medical care of parents, spouse and children.

**Q89. Text Solution:**

- (a) Farm Credit: Loans to individuals and entities engaged in Agriculture and Allied Activities.
- (b) Agriculture Infrastructure: Ceiling for sanctioned limit per borrower from the banking system Rs. 100 crore.
- (c) Ancillary services: Loans for food and agro processing, and other specified purposes.
- (d) Specified deposits: with NABARD
- (e) Small and Marginal Farmers: As per specified criteria, including to their SHGs, etc.
- (f) Lending by banks to NBFCs and MFIs for onlending in agriculture.

**Q90. Text Solution:**

Categories	Domestic commercial banks (excl. RRBs & SFBs) & foreign banks with 20 branches and above	Foreign banks with less than 20 branches	Regional Rural Banks	Small Finance Banks
<b>Total Priority Sector</b>	40 per cent of ANBC as computed in para 6 below or CEOBE whichever is higher	40 per cent of ANBC as computed in para 6 below or CEOBE whichever is higher; out of which up to 32% can be in the form of lending to Exports and not less than 8% can be to any other priority sector.	75 per cent of ANBC as computed in para 6 below or CEOBE whichever is higher; However, lending to Medium Enterprises, Social Infrastructure and Renewable Energy shall be reckoned for priority sector achievement only up to 15 per cent of ANBC.	75 per cent of ANBC as computed in para 6 below or CEOBE whichever is higher.
<b>Agriculture</b>	18 per cent of ANBC or CEOBE, whichever is higher; out of which a target of 10 per cent <sup>†</sup> is prescribed for Small and Marginal Farmers (SMFs)	Not applicable	18 per cent ANBC or CEOBE, whichever is higher; out of which a target of 10 per cent <sup>†</sup> is prescribed for SMFs	18 per cent of ANBC or CEOBE, whichever is higher; out of which a target of 10 per cent <sup>†</sup> is prescribed for SMFs
<b>Micro Enterprises</b>	7.5 per cent of ANBC or CEOBE, whichever is higher	Not applicable	7.5 per cent of ANBC or CEOBE, whichever is higher	7.5 per cent of ANBC or CEOBE, whichever is higher
<b>Advances to Weaker Sections</b>	12 per cent <sup>††</sup> of ANBC or CEOBE, whichever is higher	Not applicable	15 per cent of ANBC or CEOBE, whichever is higher	12 per cent <sup>†</sup> of ANBC or CEOBE, whichever is higher

**Q91. Text Solution:**

1. Inland Bills: Bills drawn or made in India and made payable in or drawn upon any person resident in India are inland bills.
2. Documentary Bills: A bill of exchange accompanying documents of title to goods is called 'Documentary Bill'. These bills are drawn to claim price of goods supplied.
3. Clean Bills: A clean bill is a bill of exchange drawn as per the requirements of the NI Act and is not supported by documents of title to goods.
4. Usance Bills: A usance bill is a bill payable otherwise than on demand, and specifies normally a time for payment of the value it represents. These are also called 'Bills payable after sight'.

**Q92. Text Solution:**

Each MMID is linked to a unique Mobile Number. However, different MMIDs can be linked to the same Mobile Number.

MMID, short for Mobile Money Identifier, is a 7digit alphanumeric code provided by banks to their customers, facilitating easy access to mobile banking services. This special identifier enables individuals to conduct secure and hassle-free transactions using their mobile devices. Each mobile banking account is allocated a unique MMID by the relevant bank. With MMID, users can avail themselves of various mobile banking features, such as fund transfers, bill payments, and other services.

**Q93. Text Solution:**

The bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer.

**Q94. Text Solution:**

A duplicate DD/BC in lieu of the lost instrument can be issued subject to payment not already having been made, and furnishing of indemnity by the purchaser/ payee. RBI has advised that duplicate is to be issued within a fortnight. For the delay beyond this stipulated period, banks have to pay interest at the rate applicable for fixed deposit of corresponding maturity in order to compensate the customer for such delay, where the request has been made by the purchaser/ beneficiary. Payment of interest for delay would not be applicable in the case of third party holders.

**Q95. Text Solution:**

Section 131 in The Negotiable Instrument Acts, 1881 provides that, "A banker who has in good faith and without negligence received payment for a customer of a cheque crossed generally or especially to him shall not, in case the title to the cheque proves defective, incur any liability to the true owner of the cheque by reason only of having received such payment."

**Q96. Text Solution:**

Locker Operation Rules effective January 1, 2022

Bank locker rules in case of theft state that the bank will be held responsible for any loss of the locker contents caused by theft, burglary, or robbery. The bank shall be liable to pay you 100 times the prevailing safe deposit locker annual rent. This compensation also applies in case of fire, building collapse, or fraud.

**Q97. Text Solution:**

- (i) Short term limit for the first year: It is worked out as follows: Scale of finance for the crop (as per DLTC)  $\times$  Extent of area cultivated +10% of limit towards postharvest/household/consumption requirements +20% of limit towards repairs and maintenance expenses of farm assets + crop insurance and/ or accident insurance.
- (ii) Limits for second & subsequent year: These are worked out as follows: First year limit for crop cultivation purpose arrived at as above plus 10% of the limit towards cost escalation/increase in scale of finance for every successive year (2nd, 3rd, 4th and 5th year), and estimated Term loan component for the tenure of Kisan Credit Card, i.e., five years.

**Q98. Text Solution:**

Hub: It is a hardware device that helps to connect several devices to a single network and also connects segments of LAN. It broadcasts data to every computer or Ethernet-based device connected to it. It is less sophisticated than a switch.

Routers: A router is a networking device that forwards data packets between computer networks. Routers perform the traffic-directing functions on the Internet. Data sent through the internet, such as a web page or email, is in the form of data packets. A packet is typically forwarded from one router to another router through the networks that constitute an internet until it reaches its destination node.

**Q99. Text Solution:**

In the USA, interbank payments are processed and settled primarily through

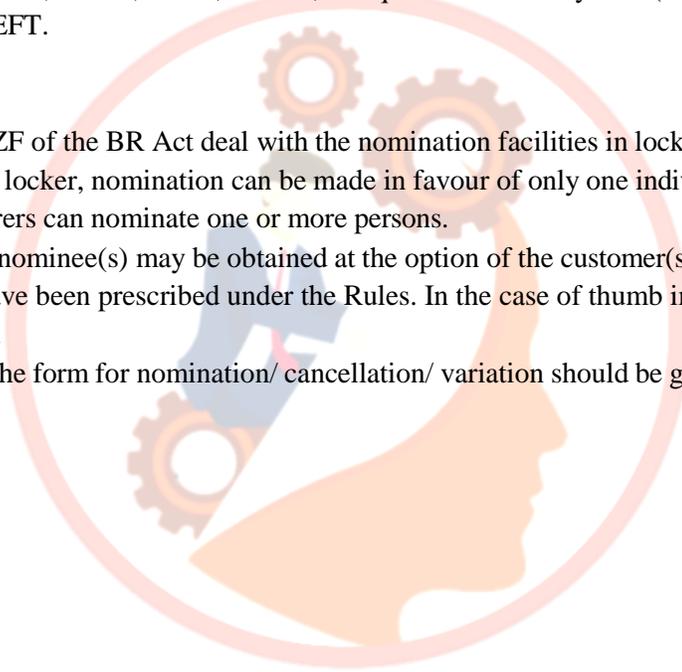
- (1) Cheque clearing
- (2) ACH
- (3) Card networks
- (4) Fedwire, CHIPS
- (5) National Settlement Service (NSS).

In India, ATMs, POS, NEFT, RTGS, Cards, NACH, Cheque Truncation System (CTS), IMPS and UPI are some important facilitators of EFT.

**Q100. Text Solution:**

Sec. 45 - ZC to Sec. 45 -ZF of the BR Act deal with the nomination facilities in locker services.

- (a) For a singly operated locker, nomination can be made in favour of only one individual.
- (b) Two or more joint hirers can nominate one or more persons.
- (c) Photograph(s) of the nominee(s) may be obtained at the option of the customer(s).
- (d) Nomination forms have been prescribed under the Rules. In the case of thumb impressions, attestation by two witnesses is required.
- (e) Acknowledgment of the form for nomination/ cancellation/ variation should be given.



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