



Dream Big Institution

No. 1 Platform For Preparation of Govt Exams

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(Memory Based Paper)

Retail Banking

&

Wealth Management



- Q1. What did the RBI replace with the "Basic Savings Bank Deposit Account" (BSBDA) as per guidelines dated 10th August 2012?
- (A) Fixed Deposit Account
 - (B) No frill Savings Bank Account
 - (C) Current Account
 - (D) Recurring Deposit Account
- Q2. What technology enables customers to make payments by waving or tapping their cards near a terminal, without the need to swipe them?
- (A) Bluetooth
 - (B) RFID
 - (C) NFC
 - (D) QRC
- Q3. Which of the following statements is/ true for the Marketing Intelligence System?
1. This component covers information from external sources regarding happenings.
 2. This system is concerned with obtaining information pertaining to specific marketing problems.
 3. Based on an analysis of the relevant data, conclusions are drawn and suggestions are made for the solutions to the problem.
 4. The major source is the published information available through newspapers, magazines, television, trade journals, etc.
 5. Various intermediaries and players in the market, like selling agents, brokers, dealers, and suppliers have valuable information relating to market and product trends.
- (A) 1,3,5
 - (B) 1,4,5
 - (C) 2,3,5
 - (D) 2,3,4
- Q4. During which stage of the product life cycle do sales reach their peak, and competition is fierce, with profit margins beginning to decline?
- (A) Introduction
 - (B) Growth
 - (C) Maturity
 - (D) Decline
- Q5. Which of the following is a potential advantage of white-label ATMs compared to traditional bank ATMs?
- (A) Higher fees for ATM transactions.
 - (B) Limited services, primarily cash withdrawal.
 - (C) Difficulty in changing ATM locations.
 - (D) Increased access to cash in underserved areas.
- Q6. What is the primary focus of the Co-Lending Model (CLM) introduced by RBI?
- (A) Maximizing profits for banks and NBFCs.
 - (B) Providing affordable credit to unserved and underserved sectors of the economy.
 - (C) Exclusively using bank funds to reach a broader customer base.
 - (D) Restricting the role of Housing Finance Companies (HFCs) in the lending process.
- Q7. What is one of the features of the Model Education Loan Scheme as formulated by IBA?
- (A) Collateral-free loans up to Rs 20 lakh for study abroad.

- (B) A repayment period of 5 years.
(C) A mandatory margin for loans up to Rs 7.50 lakh.
(D) A one-year moratorium for repayment after completion of studies.
- Q8. Why is portfolio rebalancing done at regular intervals?
(A) To maximize profits.
(B) To minimize taxes.
(C) To reinstate the original asset mix when market movements alter it.
(D) To avoid investing in assets with high risk.
- Q9. What is the primary purpose of professional investment management?
(A) To maximize returns for individual investors.
(B) To coordinate a client's portfolio with other assets and life goals.
(C) To ensure the maintenance and utilization of a company's tangible and intangible assets.
(D) To provide financial planning and advising services.
- Q10. Under what conditions can action be initiated under the SARFAESI Act 2002 for a loan account?
(A) The loan account should have a minimum outstanding balance of one lakh.
(B) In case of multiple lenders/consortium advances, ensure lenders having a minimum of 50% of dues outstanding are agreeable for initiating action under the SARFAESI Act 2002.
(C) The outstanding dues should be at least 20% of the principal and interest.
(D) The secured asset must be agricultural land.
- Q11. Who manages the National Financial Switch (NFS) in India?
(A) Reserve Bank of India (RBI)
(B) State Bank of India (SBI)
(C) National Payments Corporation of India (NPCI)
(D) Ministry of Finance, Government of India
- Q12. What is the maximum deduction limit for interest paid on a home loan under Section 24 in India?
(A) Rs 50,000
(B) Rs 1 lakh
(C) Rs 1.5 lakh
(D) Rs 2 lakh
- Q13. What change has been made to the surcharge rate on income of Rs.5 crore and above, according to the announcement by the Finance Minister?
(A) Increased from 19% to 23%
(B) Reduced from 37% to 25%
(C) Remained the same at 19%
(D) Removed entirely
- Q14. When calculating depreciation using the Written Down Value (WDV) method:
(A) The depreciation expense is a fixed amount every year.
(B) The initial cost of the asset is divided equally over its useful life.
(C) The book value of the asset decreases each year by a fixed percentage of the remaining book value.
(D) The salvage value is subtracted from the initial cost to determine annual depreciation.
- Q15. What is the Debt Service Coverage Ratio (DSCR) and its significance for lenders/banks?

- (A) DSCR is a measure of a company's profitability.
- (B) DSCR is a ratio used by lenders/banks to assess a company's ability to meet its debt obligations, and an ideal ratio is generally considered to be between 1.5 to 2.
- (C) DSCR is a liquidity ratio indicating a company's short-term debt-paying ability.
- (D) DSCR is a measure of a company's market share in the industry.

Q16. What does a higher financial leverage ratio typically indicate about a business?

- (A) The business is financially stable.
- (B) The business is using debt to fund its assets and operations.
- (C) The business is likely to provide consistent returns to shareholders.
- (D) The business has a minimal risk of defaulting on loans.

Q17. What does the Tier 1 Leverage Ratio for banks represent?

- (A) Total Debt divided by Shareholder's Equity.
- (B) Tier 1 Capital divided by Total Assets.
- (C) Total Debt divided by Total Capital (Tier 1+ Tier 2).
- (D) Retained Earnings divided by Common Equity.

Q18. Rules 72,115, and 144 are all related to:

- (A) The power of compound interest
- (B) The calculation of future value
- (C) The determination of risk tolerance
- (D) The evaluation of investment performance

Q19. Which of the following statements is/are true for contactless and virtual card?

1. A Contactless Card is a physical card with an embedded chip or RFID technology, while a Virtual Card has NFC.
2. Contactless cards can be used in physical point-of-sale transactions by tapping or waving the card near a compatible reader. Virtual cards, on the other hand, are used for online or remote transactions.
3. Contactless cards can be vulnerable to theft or loss since they are physical items. Virtual cards, being digital, are less susceptible to physical loss but can be compromised if their digital details are stolen.
4. Contactless cards are issued by banks or financial institutions, just like traditional credit or debit cards. Virtual cards can be issued by banks, but they are also commonly offered by online payment platforms and financial technology companies.
5. Virtual cards are often temporary and can be generated for a specific transaction or limited time period, adding an extra layer of security. Contactless cards are typically long-term and remain in your possession until they expire.

- (A) 1,2,3,4
- (B) 2,3,4,5
- (C) 1,3,5
- (D) 2,4,5

Q20. In UPI 123PAY the per transaction limit is

- (A) INR 2000
- (B) INR 5000
- (C) INR 7500
- (D) INR 10000

Q21. In UPILITE, the per transaction limit is up to max

- (A) ₹500
- (B) ₹1000
- (C) ₹ 1500
- (D) ₹2000

- Q22. UPI LITE permits a 'stored value' balance limit of _____, which the registered customer can use for single transactions below Rs. 200 each.
- (A) Rs. 1,000
 - (B) Rs. 2,000
 - (C) Rs. 5,000
 - (D) Rs. 10,000
- Q23. What is the primary role of a banking ombudsman in the financial sector?
- (A) Managing bank accounts for customers
 - (B) Offering investment advice to clients
 - (C) Resolving customer complaints against banks
 - (D) Enforcing government financial policies
- Q24. What is the Loan-to-Value (LTV) ratio limit for Home Loans above 35 Lakhs?
- (A) Up to 60%
 - (B) Up to 70%
 - (C) Up to 80%
 - (D) Up to 90%
- Q25. What is the primary role of a DSA (Direct Selling Agent) engaged in retail loans and credit cards?
- (A) Managing customer accounts for retail loans and credit cards
 - (B) Offering financial advice to clients
 - (C) Conducting market research on retail loans and credit cards
 - (D) To find and generate leads for retail loans and credit cards
- Q26. A company has an operating profit of Rs 500,000 and interest and taxes of Rs 100,000. What is its net profit margin?
- (A) 10%
 - (B) 15%
 - (C) 20%
 - (D) 25%
- Q27. What is the purpose of the Index Monitoring System in the context of MIS (Management Information System) for banking operations?
- (A) To track the stock market indices related to banking shares
 - (B) To fulfill legal requirements such as Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)
 - (C) To monitor customer satisfaction indices
 - (D) To analyze international economic indices affecting banking policies
- Q28. Which of the following statements is true regarding the operations of an Account Aggregator in handling customer information?
- (A) The Account Aggregator can store and retain customer financial information obtained from financial information providers.
 - (B) Account Aggregator is allowed to use third party service providers for account aggregation business.
 - (C) User authentication credentials of customers are accessible by the Account Aggregator.



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(D) The position of financial information in the statement generated by the Account Aggregator takes precedence over the records of the Financial Information

- Q29. What are the traditional measures of profitability for a business?
- (A) Return on Sales (ROS) and Return on Investment (ROI)
 (B) Return on Assets (ROA) and Return on Equity (ROE)
 (C) Gross Profit Margin (GPM) and Operating Profit Margin (OPM)
 (D) Earnings Before Interest and Taxes (EBIT) and Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)
- Q30. Which accounting equation represents the relationship between assets, liabilities, and bank capital (owners' equity)?
- (A) $\text{Assets} = \text{Liabilities} \times \text{Bank Capital}$
 (B) $\text{Assets} - \text{Liabilities} = \text{Bank Capital}$
 (C) $\text{Assets} = \text{Liabilities} + \text{Bank Capital}$
 (D) $\text{Assets} \div \text{Liabilities} = \text{Bank Capital}$
- Q31. Consider a bank with the following financial data for a year:
 Fee Income: ₹40,00,000
 Net Interest Income: ₹10,00,000
 Operating Costs: ₹6,00,000
 Average Total Assets: ₹1,50,00,000
 Calculate the Return on Assets (ROA) for the bank.
- (A) 0.19
 (B) 0.29
 (C) 0.39
 (D) 0.49
- Q32. Which of the following is one of the main elements of a Marketing Information System (MIS)?
- (A) Segmentation of users.
 (B) Isolation of information software.
 (C) User-machine interface for long-term searches.
 (D) Integration to provide service to many users.
- Q33. Which set of regulations applies to a nondeposit-accepting NBFC in India that accepts public funds and has a customer interface?
- (A) Only prudential regulations.
 (B) Only conduct of business regulations.
 (C) Limited prudential and conduct of business regulations.
 (D) No regulations apply.
- Q34. If Company A has Rs 1,00,00,000 in sales and a COGS of Rs 60,00,000. Find Gross Profit
- (A) 30%
 (B) 40%
 (C) 50%
 (D) 60%
- Q35. What are the primary benefits for banks and NBFCs engaging in co-lending partnerships?
- (A) Banks gain access to higher-cost funds, and NBFCs reach untapped markets.
 (B) Banks reach untapped markets, and NBFCs gain access to higher-cost funds.

- (C) Banks reach untapped markets and customers, while NBFCs gain access to lower-cost funds.
- (D) Banks and NBFCs both gain access to higher-cost funds.

- Q36. What is the time frame within which a borrower, including the tenant in the mortgaged property, can make an application to the Debts Recovery Tribunal (DRT) if aggrieved by measures taken by the secured creditor?
- (A) 30. days
 - (B) 45. days
 - (C) 60. days
 - (D) 90. days
- Q37. Which of the following statements is/are correct regarding the Co-lending between Banks and NBFCs?
1. RBI has prescribed regulatory targets for Banks for extending finance under the priority sector. Any lending through CLM will add to priority sector advances of the Bank, thus adding a new avenue for catering to needs of entity covered under priority sector finance.
 2. CLM is applicable to all Scheduled Commercial Banks (excluding Regional Rural Banks, Urban Co-operative banks, Small Finance Banks, and Local Area banks) and all registered NBFCs (including HFCs) for providing competitive credit to priority sectors.
 3. In terms of the CLM, the banks are permitted to co-lend with all the registered NBFCs including HFCs based on a prior agreement.
 4. Banks are not allowed to enter into a Colending agreement with an NBFC/HFC belonging to the promoter group.
 5. The ultimate responsibility for customer due diligence and undertaking enhanced due diligence measures, as applicable, will be with the NBFC.
- (A) 1,2,3
 - (B) 2,3,4
 - (C) 3,4,5
 - (D) All of the above
- Q38. What is the full form of PPI?
- (A) Prepaid Payment Instrument
 - (B) Personal Property Insurance
 - (C) Public Private Investment
 - (D) Payment Processing Interface
- Q39. In the Income Tax Act, 1961, which section defines an individual and a Hindu Undivided Family (HUF)?
- (A) Section 2(22)
 - (B) Section 2(25)
 - (C) Section 2(28)
 - (D) Section 2(31)
- Q40. What is the primary objective of a Lok Adalat in the Indian legal system?
- (A) Imposing strict judgments
 - (B) Providing legal education
 - (C) Settling disputes through conciliation and compromise
 - (D) Issuing arrest warrants
- Q41. In the scenario where a customer pays a bank for goods through some dealers, but the dealers fail to deliver the goods for reasons beyond their control, what is the liability of the bank?
- (A) The bank is fully liable for the non-delivery of goods.

- (B) The bank is not liable as the responsibility lies with the dealers.
(C) The liability depends on the payment method used by the customer.
(D) The liability is shared between the bank and the dealers.
- Q42. What role does a minor play in the operation of a Demat account?
(A) A minor has full control and can operate the account independently.
(B) A minor can only view the account but cannot operate it.
(C) The account can be operated jointly by the minor and the guardian.
(D) The minor's role is limited, and the account is operated solely by the guardian.
- Q43. What is the primary role of Direct Selling Agents (DSAs) in the banking sector?
(A) DSAs primarily handle internal audit functions for banks.
(B) DSAs focus on marketing and selling banking products on behalf of the banks.
(C) DSAs manage the technology infrastructure of banks.
(D) DSAs primarily work on legal compliance issues for banks.
- Q44. Which section of the Income Tax Act, 1961, defines the terms Individual, Hindu Undivided Family (HUF), and Association of Persons (AOP)?
(A) Section 10
(B) Section 50
(C) Section 2(31)
(D) Section 80C
- Q45. 1. The CSIS scheme provides a full interest subsidy during the entire loan repayment period.
2. The scheme is applicable to students pursuing approved courses in technical and professional streams from recognized institutions in India.
3. The benefits of the scheme are available to students belonging to economically weaker sections, with an annual gross parental family income upper limit of ₹4.5 lakh per year.
(A) Only Statement 1 is true.
(B) Statements 1 and 2 are true.
(C) Statements 2 and 3 are true.
(D) All statements are true.
- Q46. What information do banks need to gather for sanctioning housing loans against the security of immovable properties?
1. Details of existing income and its source
2. Information about the land and building
3. Duration of expected income continuation for the applicant/co-applicant
4. Existing liabilities and monthly financial repayment obligations on proposed loans
(A) 1,2,3
(B) 2,3,4
(C) 3,4,1
(D) 1,2,3,4
- Q47. What are the minimum listing requirements for new companies?
(A) Rs. 5 crore post-issue paid-up capital for IPOs and Rs. 2 crore for FPOs, minimum issue size of Rs. 5 crore, and minimum market capitalization of Rs. 20 crore.
(B) Rs. 15 crore post-issue paid-up capital for IPOs and FPOs, minimum issue size of Rs. 5 crore, and minimum market capitalization of Rs. 30 crore.

- (C) Rs. 10 crore post-issue paid-up capital for IPOs and Rs. 3 crore for FPOs, minimum issue size of Rs. 10 crore, and minimum market capitalization of Rs. 25 crore.
- (D) Rs. 8 crore post-issue paid-up capital for IPOs and FPOs, minimum issue size of Rs. 8 crore, and minimum market capitalization of Rs. 22 crore.

Q48. Case study:

A customer took a loan from a bank to build a house. The customer claimed that he could not build the house due to COVID-19 and then disappeared. After several investigations and trials the bank found the property that the customer had sold to X, who was living there with his family, while the customer himself shifted to another city. Which of the following should be the course of actions of bank under the SARFAESI Act? (choose all the correct statements)

1. Bank can take help from District Magistrate and get the property
2. Bank can put moral pressure on X
3. The bank should first try to negotiate a settlement with X. If the negotiation is unsuccessful, the bank should then file a lawsuit to take possession of the property.
4. The bank has the right to the property because it is a mortgaged property, so X should not have taken it.
5. Bank can issue notice to X and sell property.

Answer: I, iv, v

- (A) 1,2,5
 (B) 1,3,5
 (C) 2,3,5
 (D) 1,4,5

Q49. What is the maturity amount for a principal of 10 lakh invested at an annual interest rate of 8%, compounded annually for 6 years?

- (A) 1186874.32
 (B) 1786874.32
 (C) 1586874.32
 (D) 1386874.32

Q50. If the NEFT transaction is not credited or returned within two hours after batch settlement, then the bank is liable to pay penal interest to the affected customer at the current RBI LAF Repo Rate plus for the period of delay / till the date of credit or refund, as the case may be, is afforded to the customers' account without waiting for a specific claim to be lodged by the customer in this regard.

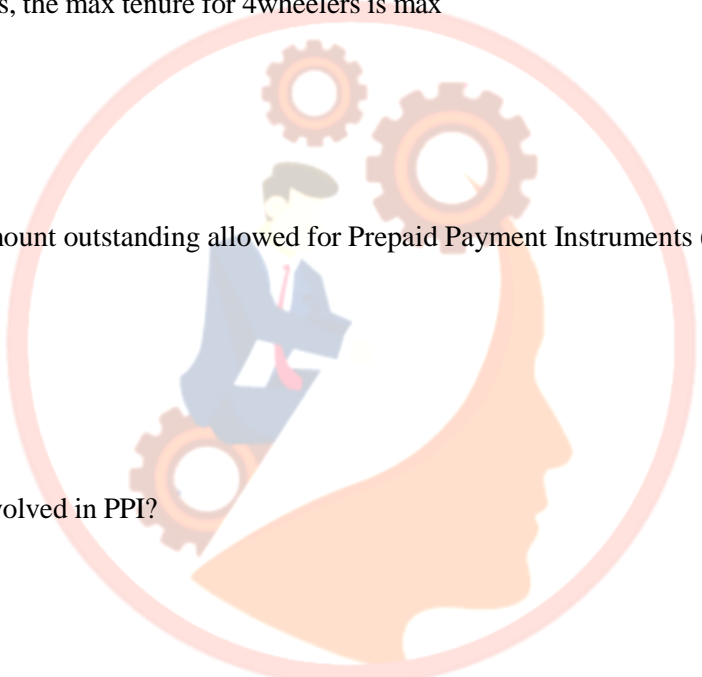
- (A) Two percent
 (B) Four percent
 (C) Six percent
 (D) Eight percent

Q51. ABC Company has a total revenue of Rs 500,000. The cost of goods sold is Rs 200,000, operating expenses are Rs 150,000, and depreciation is Rs 30,000. Calculate the operating profit for ABC Company.

- (A) Rs 120,000
 (B) Rs 220,000
 (C) Rs 250,000
 (D) Rs 320,000

Q52. What are the major functions of the CEPD (Customer Education and Protection Department)?

- (A) Administering the Banking Ombudsman Scheme.
 (B) Developing software for member banks.

- (C) Conducting market research for micro and small enterprises.
(D) Managing foreign exchange operations.
- Q53. What is the correct sequence of steps in the Wealth Management process?
(A) Assessing financial goals, designing a customized solution, implementing financial strategies, monitoring results, reviewing plans.
(B) Identifying financial goals, implementing financial strategies, assessing the current financial situation, monitoring results, reviewing plans.
(C) Assessing the current financial situation, identifying financial goals, designing a customized solution, implementing financial strategies, monitoring results, reviewing plans.
(D) Designing a customized solution, assessing the current financial situation, identifying financial goals, implementing financial strategies, reviewing plans, monitoring results.
- Q54. Under Auto/Vehicle loans, the max tenure for 4wheelers is max
(A) 3 years
(B) 5 years
(C) 7 years
(D) 9 years
- Q55. What is the maximum amount outstanding allowed for Prepaid Payment Instruments (PPIs) issued by banks at any point in time?
(A) ₹50,000
(B) ₹75,000
(C) ₹1,00,000
(D) ₹1,50,000
- Q56. How many parties are involved in PPI?
(A) 2
(B) 4
(C) 6
(D) 8
- Q57. Under which act are Lok Adalats organized for the recovery of NPAs and to ensure equal access to justice?
(A) Indian Penal Code (IPC)
(B) Lokpal and Lokayuktas Act
(C) The Legal Services Authorities Act, 1987
(D) Right to Information Act
- Q58. What is the maximum tenure for a long-term home loan?
(A) 10 years
(B) 20 years
(C) 25 years
(D) 30 years
- Q59. Who are the primary clients targeted by Portfolio Management Services (PMS)?
(A) Retail investors
(B) High net worth individuals and institutional entities
(C) Mutual fund investors
(D) Government entities
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- Q60. What directive did the Honourable Court of Chief Commissioner for Persons with Disabilities issue regarding banking facilities for visually challenged individuals?
- (A) Banks should deny cheque book facilities to visually challenged individuals.
 - (B) All banking facilities, including Cheque book, ATM, and locker facility, should be offered to visually challenged individuals.
 - (C) Visually challenged individuals should not be assisted in cash withdrawal.
 - (D) Visually challenged individuals are not legally competent to contract with banks.
- Q61. Ms. Smith has taken a home loan of ₹15 lakh from a bank at an annual interest rate of 8%. The bank has disbursed ₹6 lakh for the initial phase of construction on September 1, 2022. Calculate the pre-EMI interest payable for the first month.
- (A) ₹2,000
 - (B) ₹1,000
 - (C) ₹4,000
 - (D) ₹3,000
- Q62. What is "pre-EMI interest" in the context of a loan?
- (A) It is the interest paid after the EMI payment.
 - (B) It is the interest paid before the final loan disbursement.
 - (C) It is the interest paid on the entire loan amount at once.
 - (D) It is the monthly simple interest on the portion of the loan disbursed before the commencement of EMI.
- Q63. Under Basel III, what is the minimum leverage ratio that banks are expected to maintain?
- (A) 1%
 - (B) 2%
 - (C) 3%
 - (D) 4%
- Q64. Many banks, especially in the housing loan segment, adopt a structured pricing model known as step-up pricing. What is a common feature of this model?
- (A) Fixed interest rate throughout the loan tenure
 - (B) Gradual increase in the interest rate over the loan tenure
 - (C) Decrease in the interest rate over the loan tenure
 - (D) Market-related pricing from the beginning
- Q65. Which of the following statements is/are correct regarding tax benefits?
1. Tax benefits in joint home loans are distributed among co-owners.
 2. Distribution is based on the proportion of ownership for each co-applicant.
 3. Each co-applicant can claim a maximum tax rebate of ₹1.50 lakh for principal repayment (Section 80C) and ₹2 lakh for interest payment (Section 24).
 4. The house property must be jointly purchased by the individuals and be in their joint names.
 5. Clear mention of each holder's share is necessary for absolute clarity on percentage ownership.
 6. Individual claims can be made for benefits under Section 80EE if available.
 7. Joint home loans offer the potential for increased tax benefits.
- (A) 1,2,4,5,6
 - (B) 2,3,4,5,6
 - (C) 1,3,4,5,6,7
 - (D) all of the above

- Q66. Which of the following is not a credit rating agency based in India?
- (A) CRISIL
 - (B) ICRA
 - (C) CARE Ratings
 - (D) Moody's Investors Service
- Q67. What are the key features of the 'Basic Savings Bank Deposit Account' (BSBDA) as per RBI guidelines?
- (A) It requires a minimum balance for operation.
 - (B) Holders of BSBDA are eligible to open multiple savings bank deposit accounts in the same bank.
 - (C) BSBDA holders are allowed an unlimited number of withdrawals in a month.
 - (D) The account is subject to KYC/AML guidelines, and if opened with simplified KYC norms, it may be treated as a 'Small Account.'
- Q68. Under the RBI Ombudsman Scheme (RB-IOS), 2021, when can a complainant approach the RBI Ombudsman directly without first lodging a complaint with the concerned RE?
- (A) If the complainant does not receive a response from the RE within 15. days after lodging the complaint.
 - (B) If the complainant is dissatisfied with the response/resolution given by the RE, regardless of the time taken.
 - (C) If the complainant is dissatisfied with the response/resolution given by the RE and it has been more than 30. days since lodging the complaint.
 - (D) If the complainant faces a new issue unrelated to the original complaint lodged with the RE.
- Q69. In the context of the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) acting as the Central KYC Records Registry (CKYCR), what action is required from Scheduled Commercial Banks (SCBs) according to the provided information?
- (A) SCBs should capture KYC information only for legal entities and upload it to CERSAI.
 - (B) SCBs must upload KYC data for all new individual accounts opened on or after January 1, 2017, with CERSAI as per the Prevention of Money Laundering (Maintenance of Records) Rules, 2005.
 - (C) SCBs are not required to upload any KYC data to CERSAI.
 - (D) SCBs should capture KYC information for individuals and legal entities but are not obligated to share it with CERSAI.
- Q70. Which of the following statements is correct regarding the periodic updation process for low-risk customers?
- (A) Fresh proofs of identity and address are required for low-risk customers during every periodic updation, regardless of any change in status.
 - (B) Low-risk customers need to provide a certified copy of proof of address through mail/post only if there is no change in their address.
 - (C) Physical presence of low-risk customers is mandatory during periodic updation.
 - (D) The time limits for periodic updation for low-risk customers are counted from the date of the last verification of KYC.
- Q71. What aspect of CRM implementation involves the analysis of existing information processes, their integration into the CRM system, and suitable restructuring?
- (A) Information Systems
 - (B) Internal Organisational Culture
 - (C) Business Processes
 - (D) Information Processes

- Q72. What is the recommended practice for recovery agents regarding contacting borrowers for the recovery of overdue loans?
- (A) Agents should call borrowers frequently during inappropriate hours.
 - (B) Agents should refrain from calling borrowers to avoid disturbance during inappropriate hours.
 - (C) Agents should only communicate through written letters.
 - (D) Agents should visit borrowers' homes without prior notice.
- Q73. According to the guidelines, what should banks/NBFCs refrain from regarding charges on credit cards?
- (A) They can levy charges without indicating them to the cardholder.
 - (B) They can levy charges without the cardholder's consent.
 - (C) They can levy charges without government approval.
 - (D) They can levy charges without mentioning service taxes.
- Q74. What is the lock-in period for ELSS (Equity Linked Savings Schemes)?
- (A) 1 years
 - (B) 2 years
 - (C) 3 years
 - (D) 5 years
- Q75. Which of the following statements regarding ATM transaction charges is incorrect?
- (A) Customers are entitled to five free transactions (financial and non-financial) per month at their own bank ATMs.
 - (B) Free transactions from other bank ATMs are limited to three in metro centres and five in non-metro centres.
 - (C) Beyond the free transactions, the cap on customer charges is ₹25 per transaction, effective from August 1, 2021.
 - (D) Interchange fee per transaction increased from ₹15 to ₹17 for financial transactions and from ₹5 to ₹6 for non-financial transactions.
- Q76. What term is often used to describe retail banking focused on a niche customer segment, particularly high-net-worth individuals?
- (A) Corporate banking
 - (B) Private banking
 - (C) Investment banking
 - (D) Commercial banking
- Q77. What is the primary purpose of creating a Will, as described in the provided information?
- (A) To maximize financial gains for the heirs
 - (B) To prevent conflicts within the family
 - (C) To distribute assets according to the Succession Act
 - (D) To specify the standard way of inheritance
- Q78. How many types of nomination forms are typically provided by the Banking Companies (Nomination) Rules, 1985?
- (A) 1
 - (B) 2
 - (C) 3
 - (D) 4
- Q79. Which of the following practices is not included in retail banking?
- (A) Opening savings accounts for individuals

- (B) Providing mortgage loans to homeowners
(C) Offering wealth management services to high-net-worth clients
(D) Managing corporate mergers and acquisitions
- Q80. Who are the primary clients for Portfolio Management Services (PMS)?
(A) General retail investors
(B) Institutional investors
(C) High Net-worth Individuals (HNI) clients
(D) Foreign investors
- Q81. What is one of the ultimate goals of a portfolio manager?
(A) Minimizing risks at all costs
(B) Maximizing the expected return within an appropriate level of risk exposure
(C) Building and managing individual portfolios only
(D) Providing standardized investment solutions to clients
- Q82. What happens to the amount left unclaimed with the bank after the maturity of a fixed deposit?
(A) It will be automatically renewed for a similar period.
(B) It will attract the rate of interest applicable to the savings account.
(C) It will be adjusted against the loan amount.
(D) It will be forfeited by the bank.
- Q83. Which of the following statements regarding loans against Fixed Deposits (FD) is/are correct? (Select all that apply)
1. Banks typically offer loans against FD up to 100% of the value of the FD.
 2. The percentage of margin for a loan against FD is consistent across all banks.
 3. Interest charged on a loan against FD is generally lower than the interest paid on the FD.
 4. The margin in a loan against FD is retained to protect additional interest if the customer fails to repay the loan along with interest until the maturity of the Fixed Deposit.
 5. Banks issue a single receipt for all FDs, treating them collectively as a single contract.
 6. Advances against third-party deposit receipts are encouraged by banks.
 7. In special cases, banks may grant advances against fixed/short deposit receipts standing in the names of minors, including a minor ward of a staff member, jointly with guardians.
- (A) 1,3,5
(B) 2,3,6,7
(C) 1,2,3,5,7
(D) 4 and 7
- Q84. How does a credit card issuer usually handle the outstanding balance on a credit card?
(A) Automatically deducts the full amount from the cardholder's bank account.
(B) Requires the cardholder to pay the full amount before the due date.
(C) Allows the cardholder to choose the amount to repay, with a minimum payment required.
(D) Waives the outstanding balance as a reward for using the card.
- Q85. In the co-branded format, banks collaborate with service providers such as hotels, oil companies, and airline companies to offer co-branded cards. What is a key benefit of this collaboration?
(A) Exclusive access to premium banking services
(B) Higher interest rates on credit cards
(C) Brand recall and better utilization of tied-up company products
(D) Lower annual fees for cardholders

- Q86. If a person has a nominee for their bank account but has not provided anything for heirs in their Will, to whom will the bank pay the amount?
- (A) The nominee
 (B) The legal heirs according to the Succession Act
 (C) The person's immediate family
 (D) The bank will decide
- Q87. Which of the following statements regarding NEFT (National Electronic Funds Transfer) is incorrect?
- (A) The customer is responsible for the accuracy of the particulars given in the payment instruction.
 (B) The customer is bound by any payment instruction executed by the bank if the bank had executed it in good faith and compliance with the security procedure.
 (C) The payment instruction becomes irrevocable once it is executed by the bank, and the bank is bound by any notice of revocation.
 (D) In case of any delay or loss due to an error in the execution of the funds transfer, the bank's liability is unlimited, and the customer is entitled to full compensation.
- Q88. Which of the following is NOT one of the fundamental ingredients of an effective marketing mix in retail banking?
- (A) Product
 (B) Place
 (C) Participants
 (D) Promotion
- Q89. Which of the following represents the correct sequence of stages in the marketing process for retail banking?
- (A) Marketing Analysis, Marketing Planning, Marketing Implementation, Marketing Control
 (B) Marketing Planning, Marketing Analysis, Marketing Implementation, Marketing Control
 (C) Marketing Control, Marketing Implementation, Marketing Analysis, Marketing Planning
 (D) Marketing Analysis, Marketing Control, Marketing Planning, Marketing Implementation
- Q90. Which of the following is not a physical channel in retail banking?
- (A) Bank Branches
 (B) Automated Teller Machines (ATMs)
 (C) Internet Banking
 (D) Mobile Banking Vans
- Q91. Consider the following statements regarding IMPS (Interbank Mobile Payment Service):
 IMPS offers an instant, 24×7, interbank electronic fund transfer service through mobile phones.
 IMPS enables instant money transfers within banks across India through mobile, internet, and ATM, ensuring safety and costeffectiveness.
 The facility of IMPS is provided by NPCI through its existing NFS switch.
 Eligible banks to participate in IMPS must have approval from RBI for Mobile Banking Service.
- (A) Only Statements 1. and 2 are correct.
 (B) Only Statements 3. and 4 are correct.
 (C) All the given statements are correct.
 (D) None of the statements are correct.
- Q92. Consider the following statements regarding ABRS (Aadhaar-based Remittance Service) and IMPS (Interbank Mobile Payment Service):

- (i) In ABRS, a remitter can initiate an IMPS transaction using the beneficiary's Aadhaar number, acting as a financial address linked to the beneficiary's account number.
- (ii) ABRS simplifies the IMPS payment initiation process, requiring only the Aadhaar number of the beneficiary for transaction initiation.
- (iii) ABRS is particularly useful in disbursing subsidy payments, such as Electronic Benefit Transfer (EBT) or Direct Benefit Transfer (DBT) by the Government.
- (iv) IMPS features include 24×7×365 availability, credit and debit confirmation to both sender and receiver, simplicity, ease of use, time and cost savings, safety, security, and adaptability for merchant payments and financial inclusions.
- (v) For initiating an IMPS transaction using either ATM or the Internet channel, mobile banking registration for the remitting customer is mandatory.

- (A) ii, iii, iv
- (C) i, ii, iv, v
- (B) i, iii, v
- (D) i, ii, iii, iv

Q93. Which of the following statements about the Unified Payments Interface (UPI) are correct?

The Unified Payments Interface permits payments via mobile app, web, etc.

The payments can be both sender (payer) and receiver (payee) initiated.

The payments are carried out in a secure manner aligned with the extant RBI guidelines.

The payments can be done using Aadhaar Number, Virtual Address, Account Number & Indian Financial System Code (IFSC), Mobile Number & MMID (Mobile Money Identifier).

The payment uses 1-click 2-factor authentication, Biometric Authentication and use of payer's smart phone for secure credential capture, etc., are other unique features.

- (A) Statements 1, 2,3,4, and 5 are correct.
- (B) Statements 1, 2, 3, and 4 are correct.
- (C) Statements 1, 2, and 3 are correct.
- (D) Statements 4 and 5 are correct.

Q94. Which of the following are common features of CRM software? (Select all that apply)

1. Marketing automation
2. Sales force automation
3. Contact center automation
4. Geolocation technology or location-based services

- (A) 1,2,3,4
- (B) 2,3,4
- (C) 1,2,3
- (D) 1,3,4

Q95. Reserve Bank of India (RBI) has decided to dissolve the Banking Codes and Standards Board of India (BCSBI). Out of the following, which will act as the nodal department for BCSBI:

- (A) Consumer Education and Protection Department (CEPD)
- (B) Banking Ombudsman Scheme, 2006
- (C) IBA
- (D) None of the above

Q96. Issuers of Prepaid Payment Instruments (PPIs) shall enable the facility of cross-border outward transactions only on the explicit request of the PPI holders. What are the specified limits for such transactions?

- (A) Per transaction limit not exceeding ₹5,000, and per month limit not exceeding ₹25,000
- (B) Per transaction limit not exceeding ₹10,000, and per month limit not exceeding ₹50,000

- (C) Per transaction limit not exceeding ₹ 15,000 , and per month limit not exceeding ₹75,000
- (D) Per transaction limit not exceeding ₹20,000, and per month limit not exceeding ₹100,000

- Q97. How does the Maximum Interest Free Period duration vary among credit cards?
- (A) It is fixed at 30 days for all cards
 - (B) It ranges from 20 to 50 days depending on the card issuer
 - (C) It ranges from 40 to 60 days depending on the card issuer
 - (D) It ranges from 10 to 20 days depending on the card issuer
- Q98. In the case of a deceased depositor who had not made any nomination or for accounts other than those styled as "either or survivor," what procedure do banks adopt for repayment to the legal heirs of the depositor?
- (A) Require extensive documentation for any claim.
 - (B) Settle claims without any documentation.
 - (C) Insist on the production of a will for settlement.
 - (D) Only settle claims if there is a nomination.
- Q99. Which of the following is not an advantage of a good branch layout?
- (A) Promotes efficiency as it ensures smooth flow of services, resulting in time benefits.
 - (B) Serves as an image-building tool, creating a positive impression and generating goodwill in the minds of customers.
 - (C) Provides a comfortable and congenial work environment, boosting employee motivation and morale.
 - (D) Increases costs due to facilities planned for maximizing efficiencies, resulting in cost optimization
- Q100. If a customer does not lodge a complaint within how many days of the failed ATM transaction, they are not entitled to compensation?
- (A) T+1 day
 - (B) T+3 day
 - (C) T+5 day
 - (D) T+2 day



Dream Big Institution

Answer Key

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

Hints & Solutions

Q1. Text Solution:

Basic Savings Bank Deposit Account (BSBDA)

"No frill" Savings bank account has been replaced by "Basic Savings Bank Deposit Account" by RBI as per guidelines dated 10th August 2012 and accordingly banks have been advised to offer a "Basic Savings Bank Deposit Account" (BSBDA).

- The 'Basic Savings Bank Deposit Account' should be considered a normal banking service available to all.
- This account shall not have the requirement of any minimum balance.
- The services available in the account will include deposit and withdrawal of cash at bank branches as well as ATMs; receipt/credit of money through electronic payment channels or by means of deposit/ collection of cheques drawn by Central/State Government agencies and departments.
- While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals.
- Facility of ATM card or ATM-cum-Debit Card.

Q2. Text Solution:

- A Contactless card is a faster way to pay with a credit or debit card for purchases under <5000/- at participating stores.
- Instead of dipping (or swiping) the card at the billing counter, simply wave or tap the card on the contactless terminal and pay without entering a PIN (for an amount under <5000/-).
- These cards work on Near-Field Communication (NFC) technology, which employs radio transmission to ascertain contact when the cards are tapped or waved near a terminal.
- These enable customers to make payments by waving or tapping the cards instead of swiping them.

- After this, one needs to enter one's PIN to complete the transaction.
- If needed, these cards can also be used in the traditional way - by swiping or dipping. It increases the ease and convenience of transactions.
- Moreover, the speed at which the transaction can be carried out is almost double that of traditional cards.

Q3. Text Solution:

Marketing Intelligence System:

- This component covers information from external sources regarding happenings.
- The information about developments in the marketing environment and changing consumption patterns of the market is provided by these sources.
- For this, the major source is the published information available through newspapers, magazines, television, trade journals, etc.
- Annual reports of trade associations, chambers of commerce, the leading firms in the industry or trade, etc., include information on market trends.
- Various research organizations like the Central Statistical Organization, National Council of Applied Economics and Research, Thompson Consumer Index of Market, etc., are other important sources.
- Various intermediaries and players in the market, like selling agents, brokers, dealers, and suppliers have valuable information relating to market and product trends.
- There are professional market research agencies like ORG, MARG, IMRB, etc., who can render services of collecting and providing specific information.

Q4. Text Solution:

The Product Life Cycle (PLC) is a model that describes the stages a product goes through from its introduction to its decline. The PLC is often depicted as a bell-shaped curve, with four main stages: introduction, growth, maturity, and decline.

Introduction:

- The product is first introduced to the market.
- Sales are slow, as consumers are not yet aware of the product.
- Marketing costs are high, as the company needs to create awareness and demand.

Growth:

- Sales increase rapidly as consumers become aware of the product and its benefits.
- Competition begins to enter the market.
- The company focuses on expanding its distribution and improving its marketing efforts.

Maturity:

- Sales reach their peak.
- Competition is fierce, and profit margins begin to decline.
- The company focuses on maintaining market share and differentiating its product from the competition.

Decline:

- Sales decline as consumers become less interested in the product or as new, innovative products are introduced.
- The company may consider discontinuing the product or selling it to another company.

Q5. Text Solution:

White Label ATMs:

- **Increased access to cash:** White-label ATMs can be placed in locations that are not served by banks, such as rural areas or convenience stores. This can help to increase access to cash for people who live in underserved communities.

- **Wider range of services:** White label ATMs can offer a wider range of services than traditional bank ATMs, such as bill payment and mobile top-ups. This can make them more convenient for customers.
- **Lower fees:** White-label ATMs may charge lower fees than traditional bank ATMs. This is because white label ATM operators do not have the same overhead costs as banks.
- **More flexibility:** White-label ATM operators are more flexible than banks when it comes to placing ATMs. They can place ATMs in a wider variety of locations, and they can also change the location of an ATM more easily.

Q6. Text Solution:

The primary focus of the Co-Lending Model (CLM) introduced by RBI is to improve the flow of credit to unserved and underserved sectors of the economy and make funds available to the ultimate beneficiary at an affordable cost.

Q7. Text Solution:

IBA has formulated and circulated to all Member Banks including State Bank of India (SBI) a 'Model Education Loan Scheme' for providing financial support to meritorious students for pursuing higher education in India and abroad. Salient features of the Scheme inter-alia include;

- Loan up to Rs 10 lakh for study in India and up to Rs 20 lakh for study abroad.
- Collateral-free loans up to Rs 7.5 Lakh under the Credit Guarantee Fund Scheme for Education Loans (CGFSEL).
- No Margin for loans up to Rs 7.50Lakh.
- Repayment period of 15 years
- One Year Moratorium for repayment after completion of studies in all cases,
- Moratorium taking into account spells of unemployment/under-employment, say two or three times during the life cycle of the loan
- Moratorium for the incubation period if the student wants to take up a start-up venture after-graduation.

Q8. Text Solution:

Portfolio rebalancing is done at regular intervals to bring the portfolio back to its original target allocation when market movements cause deviations.

Q9. Text Solution:

- Professional investment management aims to meet specific investment goals for clients, whether they are individual investors or institutional investors.
- It includes not only overseeing a client's portfolio but also coordinating it with other assets and life goals, aligning investments with retirement and estate planning, and asset distribution.
- Therefore, the primary purpose is to ensure that the investment portfolio aligns with a client's broader financial and life objectives.

Q10. Text Solution:

SARFAESI Act can be initiated only if the loan account satisfies the following conditions:

- Loan account must have been classified as NPA, backed by security.
- Outstanding in the account including the interest accrued/applied should be more than Rs One lakh.
- Outstanding dues should be 20% or above of the principal and interest.
- Secured assets should not be agricultural land.
- Documents should be enforceable and an unexpired period of a minimum of 6 months must be available (not specified in the Act). Action under the SARFAESI Act 2002 will not extend the limitation period of documents.

- In case of multiple lenders/consortium advances, ensure lenders having a minimum of 60% of dues outstanding are agreeable for initiating action under the SARFAESI Act 2002.

Q11. Text Solution:

The National Financial Switch (NFS) is owned by the National Payments Corporation of India (NPCI).

It is the largest network of shared automated teller machines (ATMs) in India. The NFS was developed and deployed by the Institute for Development and Research in Banking Technology (IDRBT) in 2004, and it was taken over by the NPCI in 2009.

The NFS connects over 2.67 lakh ATMs across India, and it is used by over 1.27 billion people. The NFS allows customers to withdraw cash, check their account balances, and transfer funds between accounts. It also supports a number of other services, such as bill payment and mobile top-ups.

The NFS is a critical part of the Indian financial infrastructure, and it has played a major role in increasing financial inclusion in the country.

Q12. Text Solution:

In India, Section 24 of the Income Tax Act allows individuals to claim a deduction of up to Rs 2 lakhs on the interest paid on a home loan for a self-occupied property.

This is the maximum limit for this deduction.

Additionally, Section 80EE allows an additional deduction of up to Rs 50,000 on home loan interest, which is over and above the limit of Section 24.

Q13. Text Solution:

The finance minister announced that under the new tax regime, the rebate for income tax had been increased to Rs.7 lakh from the earlier limit of up to Rs.5 lakh.

There were also certain changes under the tax slab for the new tax regime.

Apart from that, the surcharge rate on Income of Rs.5 crore and above has decreased from 37% to 25%.

Q14. Text Solution:

The book value of the asset decreases each year by a fixed percentage of the remaining book value.

Explanation:

The WDV method involves applying a fixed percentage to the remaining book value of the asset each year, leading to a decreasing depreciation expense over time.

This reflects the idea that assets tend to lose value more rapidly in the earlier years of their useful life.

Q15. Text Solution:

- DSCR, or Debt Service Coverage Ratio, is a financial metric used to assess a company's ability to generate enough cash flow to cover its debt service obligations. These obligations include interest payments, principal repayments, and lease payments. Lenders/banks use DSCR to determine whether a company has enough income to pay its debts and meet its financial obligations.
- A higher DSCR ratio indicates that a company has a stronger ability to meet its debt obligations. An ideal DSCR ratio is generally considered to be between 1.5 to 2. This means that a company should generate enough cash flow to cover its debt obligations 1.5 to 2 times over.
- A lower DSCR ratio indicates that a company may have difficulty meeting its debt obligations. If a company's DSCR ratio is below 1, it may be considered a credit risk. Lenders/banks may be less likely to lend money to companies with low DSCR ratios.

Q16. Text Solution:

- The term 'leverage ratio' indicates a set of ratios that point out a business's fiscal leverage in terms of its assets, liabilities, and equity. They indicate how much of an organization's capital comes from debt - a substantial indication of whether a business can make good on its fiscal obligations.
- A higher financial leverage ratio indicates that a firm is using debt to fund its assets and operations, often a telltale sign of a business that might be a risky bet for potential investors.
- It can imply that earnings will be uneven, it could be a while before shareholders can see a worthwhile return on their investment, or the business would shortly be insolvent.
- Creditors also lean on these metrics to decide whether they should extend credit to businesses. If a company's fiscal leverage ratio is too much, it means they're allocating most of its cash flow to paying off debts and is more susceptible to defaulting on loans.
- A lower financial leverage ratio is generally an indication of a financially accountable business with a constant revenue stream. Even if a firm behind it is running considerable debts, an exceptional financial leverage ratio tells potential shareholders and credit authorities that a business poses minimal risk and is likely worth an investment.

Q17. Text Solution:

Leverage Ratio for Banks

- A bank's leverage ratio signifies its fiscal position with respect to its debt and its capital or assets. It is computed by Tier 1 capital divided by consolidated assets, where Tier 1 capital comprises common equity, reserves, retained earnings and other securities after deducting goodwill,
 - This ratio holds extra significance for a bank, since it is a highly levered body. A bank's capital indicates its net worth (assets/liabilities) and is mostly split among two categories: Tier 1 and Tier 2.
 - The Tier 1 capital is the core capital and includes particulars seen on a bank's balance sheet. The Tier 2 capital is supplementary and largely comprises all the other forms of a bank's capital, including confidential reserves, revaluation reserves, hybrid instruments and subordinated term debt. A bank's total capital is the total of Tier 1 and Tier 2 capital.
 - Thus, the Tier 1 capital is more indicative of whether a bank can sustain bankruptcy pressure and is the primarily utilized item to compute the leverage ratios
- Formulae for calculating the leverage ratio of banks:
- Tier 1 Leverage Ratio $\frac{\text{Tier 1 Capital}}{\text{Total Assets}}$
 - Debt-to-Equity Ratio $\frac{\text{Total Debt}}{\text{Shareholder's Equity}}$
 - Debt-to-Capital Ratio $\frac{\text{Total Debt}}{\text{Total Capital}}$ (Tier 1 Tier 2)

Q18. Text Solution:

The Rule of 72, 115, and 144 are all simplified formulas that estimate the approximate number of years it takes for an investment to double in value at a given annual interest rate. The Rule of 72 is the most common and is based on the assumption that compounding occurs annually.

Here's a breakdown of each rule:

- **Rule of 72:** Divide the annual interest rate into 72 to estimate the approximate number of years it takes for an investment to double. For instance, if the annual interest rate is 10%, it would take approximately 7.2 years for the investment to double.
- **Rule of 115:** This rule is used when compounding occurs semi-annually. Divide the annual interest rate into 115 to estimate the approximate number of years it takes for an investment to double. This rule is slightly more accurate than the Rule of 72 for semiannual compounding.
- **Rule of 144:** This rule is used when compounding occurs quarterly. Divide the annual interest rate into 144 to estimate the approximate number of years it takes for an investment to double. This rule is the most accurate for quarterly compounding.

These rules are approximate and may not be entirely precise for all scenarios. However, they provide a quick and easy way to gauge the potential growth of an investment based on its annual interest rate.

Q19. Text Solution:

The difference between a contactless card and a virtual card is as follows:

Physical vs. Digital: Contactless Card is a physical card with an embedded chip or RFID technology, while a Virtual Card is a digital card that exists only in electronic form.

Usage: Contactless cards can be used in physical point-of-sale transactions by tapping or waving the card near a compatible reader. Virtual cards, on the other hand, are used for online or remote transactions.

Security: Contactless cards can be vulnerable to theft or loss since they are physical items. Virtual cards, being digital, are less susceptible to physical loss but can be compromised if their digital details are stolen.

Issuer: Contactless cards are issued by banks or financial institutions, just like traditional credit or debit cards. Virtual cards can be issued by banks, but they are also commonly offered by online payment platforms and financial technology companies.

Temporary vs. Permanent: Virtual cards are often temporary and can be generated for a specific transaction or limited time period, adding an extra layer of security. Contactless cards are typically long-term and remain in your possession until they expire.

Customization: Virtual cards can often be customized for specific purposes, like setting spending limits or restricting them to certain merchants. Contactless cards may offer some customization options but are generally more static.

Accepted Locations: Contactless cards are widely accepted at physical retail locations that support contactless payments. Virtual cards are accepted wherever online card payments are allowed, which is nearly ubiquitous for e-commerce.

Physical Contact: Contactless cards require physical contact with the payment terminal. In contrast, virtual cards don't require any physical interaction; you enter their details during online transactions.

Privacy: Virtual cards can offer more privacy since you can create new ones for different transactions, minimizing the exposure of your primary card details. Contactless cards, once compromised, may require card replacement.

Cost: Contactless cards may involve issuance and maintenance fees, depending on the issuing bank or financial institution. Virtual cards may have fewer fees or even be free, depending on the provider.

Q20. Text Solution:

UPI123 Pay:

- While registering your account with UPI 123PAY, you have to set up a 4-6 digit UPI PIN.
- Customer has to enter UPI PIN every time he makes the transactions.
- Per transaction limit is INR 5000 on UPI 123PAY

About:

- It will work on simple phones that do not have an internet connection.
- As of now, the UPI features are mostly available only on smartphones.
- The UPI service for feature phones will leverage the RBI's regulatory Sandbox on Retail Payments.
- A regulatory sandbox usually refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may permit certain regulatory relaxations for the limited purpose of the testing.
- The UPI service will enable digital transactions through a mechanism of 'ondevice' wallet in UPI applications."
- The users will be able to undertake a host of transactions based on four technology alternatives including- IVR (interactive voice response) number, missed call-based approach, app functionality in feature phones, and proximity sound-based payments.

Q21. Text Solution:

UPI LITE:

- Per transaction limit: Up to max ₹500
- Cumulative usage per day: ₹4,000
- Maximum balance which can be made available in UPI LITE account at any time: ₹2,000
- UPI LITE permits a 'stored value' balance limit of Rs. 2,000, which the registered customer can use for single transactions below Rs. 200 each
- You can make an instant small payment for goods or services under Rs. 200 by scanning the QR code the merchant provides.

Q22. Text Solution:**UPI LITE:**

- Per transaction limit: Up to max ₹500
- Cumulative usage per day: ₹4,000
- Maximum balance which can be made available in UPI LITE account at any time: ₹2,000
- UPI LITE permits a 'stored value' balance limit of Rs. 2,000, which the registered customer can use for single transactions below Rs. 200 each.
- You can make an instant small payment for goods or services under Rs. 200 by scanning the QR code the merchant provides.

Q23. Text Solution:

The primary function of a banking ombudsman is to address and resolve complaints raised by customers against banks, ensuring fair and impartial resolution of issues related to banking services.

Q24. Text Solution:

For home loan amounts above Rs. 30 lakh and up to Rs. 75 lakh, the LTV ratio limit is set at up to 80%.

Q25. Text Solution:

A DSA's primary responsibility is to identify potential customers, generate leads, and facilitate the application process for retail loans and credit cards.

Q26. Text Solution:

Net Profit Margin = (Net Profit / Sale) × 100

Since net profit is not given explicitly, we can calculate it using the formula

Net Profit = Operating Profit – (Interest + Taxes)

Net Profit = 500,000 – (100,000) = 400,000

Now, substitute this into the net profit margin formula :

Net Profit Margin = (400,000 / sales) × 100

Assuming Sales is equal to Operating

Profit :

Net Profit Margin = (400,000 / 500,000) × 100 = 80

Therefore, the correct answer is (C) 20%

Q27. Text Solution:

- The Index Monitoring System in MIS for banking operations is designed to monitor various indices and ratios, including legal requirements like CRR and SLR, as well as policy needs such as the priority sector ratio to total advances.
- The primary goal is to assist bank managers in making decisions to keep different norms and ratios within acceptable limits.

Q28. Text Solution:

- No financial information of the customer accessed by the Account Aggregator from the financial information providers shall reside with the Account Aggregator.
- Account Aggregator shall not use the services of a third party service provider for undertaking the business of account aggregation.
- User authentication credentials of customers relating to accounts with various financial information providers shall not be accessed by the Account Aggregator.
- Account Aggregator shall have a Citizen's Charter that explicitly guarantees protection of the rights of a customer. The Account Aggregator shall not part with any information that it may come to acquire from/ on behalf of a customer without the explicit consent of the customer.
- In the event of any difference in position of financial information in the statement generated by/from the Account Aggregator and the books of the Financial information provider, the position as reflected in the records of the Financial information provider shall be considered as correct.

Q29. Text Solution:

- The traditional measures of profitability for a business are Return on Assets (ROA) and Return on Equity (ROE).

Q30. Text Solution:

- The classic accounting equation is $\text{Assets} = \text{Liabilities} + \text{Bank Capital}$.

Q31. Text Solution:

Formula to calculate ROA

$$\text{ROA} = (\text{Fee Income} + \text{Net Interest Income} - \text{Operating Costs}) / \text{Average Total Assets}$$

$$\text{ROA} = (\text{Rs } 40,00,000 + \text{Rs } 10,00,000 - \text{Rs } 6,00,000) \div \text{Rs } 1,50,00,000$$

$$\text{ROA} = (44,00,000) \div 1,50,00,000$$

$$\text{ROA} = 0.29$$
Q32. Text Solution:

Marketing information system - THE MAIN ELEMENTS OF MIS

1. An integrated system to give service to many users.
2. The computer system linking some of information software via a database.
3. User-machine interface responding to the temporary and immediate searches.
4. Presenting the information to all management level.
5. Supporting the operation and decision making.

Q33. Text Solution:

The regulation on non-deposit accepting NBFCs with asset size of less than ₹500 crore would be as under:

- (i) They shall not be subjected to any regulation either prudential or conduct of business regulations viz., Fair Practices Code (FPC), KYC, etc., if they have not accessed any public funds and do not have a customer interface.
- (ii) Those having customer interface will be subjected only to conduct of business regulations including FPC, KYC etc., if they are not accessing public funds.
- (iii) Those accepting public funds will be subjected to limited prudential regulations but not conduct of business regulations if they have no customer interface.
- (iv) Where both public funds are accepted and customer interface exist, such companies will be subjected both to limited prudential regulations and conduct of business regulations.

Q34. Text Solution:

Gross Profit = (Total Sales – Cost of Goods Sold) × 100

Gross Profit = (1,00,00,000 – 60,00,000) × 100%

Gross Profit = 40%

Q35. Text Solution:

- Co-lending benefits banks by helping them reach untapped markets and customers, while NBFCs gain access to lower-cost funds, enhancing the overall customer experience.

Q36. Text Solution:

- The borrower, including the tenant in the mortgaged property, may make an application to the Debts Recovery Tribunal (DRT) within 45 days from the date on which measures are taken by the secured creditor.

Q37. Text Solution:**Co-lending between Banks and NBFCs**

1. RBI has prescribed regulatory targets for Banks for extending finance under the priority sector. Any lending through CLM will add to priority sector advances of the Bank, thus adding a new avenue for catering to needs of entity covered under priority sector finance.
2. CLM is applicable to all Scheduled Commercial Banks (excluding Regional Rural Banks, Urban Co-operative banks, Small Finance Banks, and Local Area banks) and all registered NBFCs (including HFCs) for providing competitive credit to priority sectors.
3. In terms of the CLM, the banks are permitted to co-lend with all the registered NBFCs including HFCs based on a prior agreement.
4. Banks are not allowed to enter into a Colending agreement with an NBFC/HFC belonging to the promoter group.
5. The ultimate responsibility for customer due diligence and undertaking enhanced due diligence measures, as applicable, will be with the NBFC.

Q38. Text Solution:

- PPI stands for Prepaid Payment Instrument.

Q39. Text Solution:

- In the Income Tax Act, 1961, the definition of an individual and a Hindu Undivided Family (HUF) can be found in Section 2(31).

Q40. Text Solution:

- The primary objective of a Lok Adalat in the Indian legal system is to settle disputes through conciliation and compromise.

Q41. Text Solution:

- Generally, the liability for the non-delivery of goods rests with the dealers or sellers.
- The bank's role is primarily to facilitate the payment process, and if the dealers fail to deliver, it is considered an issue between the customer and the dealers.

Q42. Text Solution:

- In a Demat account for a minor, the minor's role is limited, and the account is operated by the guardian until the minor becomes a major.

Q43. Text Solution:

- DSAs are agencies appointed by banks to source business on a fee basis. They play a crucial role in marketing and selling credit cards and retail loans for banks.

Q44. Text Solution:

- Section 2(31) of the Income Tax Act, 1961, provides definitions for various terms used in the Act, including the definitions of Individual, Hindu Undivided Family (HUF), and Association of Persons (AOP).

Q45. Text Solution:

- The Government of India has approved a scheme to provide full interest subsidy during the period of moratorium, i.e., Course period plus one year on Education Loan taken from the Scheduled Banks under the Model Education Loan Scheme of Indian Banks Association availed by students belonging to Economically Weaker Sections from scheduled banks under the Educational Loan scheme of the Indian Banks' Association, for pursuing any of the approved courses of studies in technical and professional streams, from recognized institutions in India.
- The benefits of the Scheme would be applicable to those students belonging to economically weaker sections, with an annual gross parental family income upper limit of ₹4.5 lakh per year (from all sources).

Q46. Text Solution:

- For sanctioning housing loans against the security of immovable properties, banks need comprehensive information to assess the borrower's financial stability, the value of the property, and the ability to repay the loan.
- This includes details of the land and building, existing income and its source, the expected duration of income continuation for the applicant/co-applicant, and information about existing liabilities and monthly financial repayment obligations.
- Gathering all these particulars helps banks make informed lending decisions and ensures responsible lending practices.

Q47. Text Solution:

The minimum listing requirements for new companies include:

Post-Issue Paid-up Capital:

- Rs. 10 crore for IPOs
- Rs. 3 crore for FPOs

Minimum Issue Size:

- Rs. 10 crore

Minimum Market Capitalization:

- Calculated by multiplying the post-issue paid-up number of equity shares with the issue price, and it should be Rs. 25 crore.

Q48. Text Solution:

- Bank can take help from District Magistrate and get the property:
 - True. If physical possession is to be taken, the Authorized Officer should file an application with the Chief Metropolitan Magistrate/District Magistrate for the purpose of taking possession of the secured assets.
- Bank can put moral pressure on X :
 - False SARFAESI Act provides a legal framework for the recovery of dues, and moral pressure is not a legal method for repossession.

- The bank should first try to negotiate a settlement with X. If the negotiation is unsuccessful, the bank should then file a lawsuit to take possession of the property:
 - Under SARFAESI Act, the bank has specific procedures for taking possession, and negotiations or lawsuits may not be the primary steps.
- The bank has the right to the property because it is a mortgaged property, so X should not have taken it:
 - True. The bank, as the mortgagee, has the right to take possession of the property in case of default by the borrower.
- Bank can issue notice to X and sell the property:
 - True. The process of serving a 30 days 'Sale Notice' on the borrowers/mortgagors/guarantors, providing details such as reserve price, date, time, and place of public auction is mentioned in the ACT.

Conclusion:

- The appropriate course of action for the bank under SARFAESI Act would involve legal procedures, including involving the District Magistrate for taking possession and issuing a sale notice to sell the property after following the prescribed steps.

Q49. Text Solution:

$$A = P \times (1 + r/100)^t$$

A is the amount after n years, including interest.

P is the principal amount (initial investment). r is the annual interest rate (as a decimal).

t is the time the money is invested in years.

$$A = \text{Rs } 10,00,000 \times (1 + 8/100)^6$$

$$A = \text{Rs } 10,00,000 \times (1.08)^6$$

$$A = \text{Rs } 1586874.32$$

Q50. Text Solution:

If the NEFT transaction is not credited or returned within two hours after batch settlement, then the bank is liable to pay penal interest to the affected customer at the current RBI LAF Repo Rate plus two percent for the period of delay / till the date of credit or refund, as the case may be, is afforded to the customers' account without waiting for a specific claim to be lodged by the customer in this regard.

Q51. Text Solution:

Operating Profit = Total Revenue - Cost of Goods Sold - Operating Expenses

$$\text{Operating Profit} = \text{Rs } 500,000 - \text{Rs } 200,000 - \text{Rs } 150,000 = \text{Rs } 150,000 - \text{Rs } 150,000 = \text{Rs } 120,000$$

Q52. Text Solution:

- The major functions of the CEPD include administering the Banking Ombudsman Scheme and acting as a nodal department for erstwhile BCSBI.

Q53. Text Solution:

- The correct sequence in the Wealth Management process is to first assess the current financial situation, then identify financial goals, design a customized solution, implement financial strategies, monitor results, and finally, review plans.

Q54. Text Solution:

For individuals -for new vehicles

- 4 wheelers -Max. 7 years, generally.
- 2 wheelers - max. 5 to 6 years, generally.
- For Corporate Firms, etc. - Max. 5 years, generally.

- For Second-Hand vehicles -Max. 3 years, generally, or a period depending on the age of the vehicle.

Q55. Text Solution:

- The amount outstanding for Prepaid Payment Instruments (PPIs) issued by banks shall not exceed ₹1,00,000 at any point in time.

Q56. Text Solution:

There are four parties involved in an NEFT transaction:

- **Remitter:** The person or entity that is sending the money.
- **Remitter's bank:** The bank that the remitter has an account with.
- **Beneficiary:** The person or entity that is receiving the money.
- **Beneficiary's bank:** The bank that the beneficiary has an account with.

The NEFT system is facilitated by the Reserve Bank of India (RBI). The RBI acts as a clearing house for all NEFT transactions.

How an NEFT transaction works:

- The remitter initiates the transaction by providing their bank with the beneficiary's bank account details and the amount of money to be transferred.
- The remitter's bank sends the transaction request to the RBI.
- The RBI verifies the transaction request and ensures that the remitter has sufficient funds in their account.
- Once the transaction is verified, the RBI transfers the money from the remitter's account to the beneficiary's account.
- The RBI then sends a confirmation message to both banks, informing them that the transaction has been completed.
- NEFT transactions are typically processed within 2 hours. However, it may take longer for the money to be credited to the beneficiary's account, depending on the time of day and the banks involved.

Q57. Text Solution:

- Lok Adalats are organized under the provisions of The Legal Services Authorities Act, 1987, which aims to provide free and competent legal services to the weaker sections of society and ensure equal opportunities for securing justice.

Q58. Text Solution:

- A long-term home loan can have a maximum tenure that extends up to 30 years, providing borrowers with a longer time to repay the loan.

Q59. Text Solution:

- Portfolio Management Services (PMS) primarily cater to individuals or institutional entities with high net worth.

Q60. Text Solution:

- The directive from the Honourable Court of Chief Commissioner for Persons with Disabilities states that all banking facilities, including Cheque book, ATM, and locker facility, should be offered to visually challenged individuals without any discrimination.

Q61. Text Solution:

Pre EMI = Simple Interest per month = $P \times R \times T$

Where: P= Principal amount (₹6,00,000)

R= Rate of interest per annum (8%)

T= Time in years (1/12, as it's monthly)

$$\text{Pre EMI} = 6,00,000 \times \frac{8}{100} \times \frac{1}{12} = ₹4,000$$

Q62. Text Solution:

- Pre-EMI interest is the interest paid monthly on the portion of the loan disbursed in installments before the commencement of EMI (Equated Monthly Installment) payments.
- Borrowers pay this interest from the date of each disbursement up to the date when the EMI payments start.

Q63. Text Solution:

- Under Basel III, the minimum leverage ratio is calculated by dividing Tier 1 capital by the bank's average total consolidated assets.
- Banks are expected to maintain a leverage ratio in excess of 3% under Basel III.

Q64. Text Solution:

- In the described scenario, banks implement a structured step-up pricing model for housing loans.
- This model involves starting with an initial low and attractive interest rate, which gradually increases over time.
- After 3 years, there is a switch to market-related pricing, and the interest rates become slightly more aggressive than those offered by Public Sector Banks (PSBs).
- This approach aims to capture business, especially in the competitive environment of old private sector banks, and encourages migration from other banks.

Q65. Text Solution:

1. Tax benefits in joint home loans are distributed among co-owners.
2. Distribution is based on the proportion of ownership for each co-applicant.
3. Each co-applicant can claim a maximum tax rebate of ₹1.50 lakh for principal repayment (Section 80C) and ₹2 lakh for interest payment (Section 24).
4. The house property must be jointly purchased by the individuals and be in their joint names.
5. Clear mention of each holder's share is necessary for absolute clarity on percentage ownership.
6. Individual claims can be made for benefits under Section 80EE if available.
7. Joint home loans have the potential for increased tax benefits.

Q66. Text Solution:

Moody's Investors Service is an international credit rating agency and is not based in India. On the other hand, CRISIL, ICRA, and CARE Ratings are prominent credit rating agencies operating in India.

Q67. Text Solution:

The correct statement is D. The 'Basic Savings Bank Deposit Account' (BSBDA) is subject to KYC/AML guidelines, and if opened with simplified KYC norms, it may be treated as a 'Small Account.'

- A. It requires a minimum balance for operation. Incorrect. As per RBI guidelines, the BSBDA does not have the requirement of any minimum balance.
- B. Holders of BSBDA are eligible to open multiple savings bank deposit accounts in the same bank. Incorrect. BSBDA holders are not eligible for opening any other savings bank deposit account in the same bank. If a customer has any existing savings bank deposit account in that bank, they will be required to close it within 30 days from the date of opening a BSBDA.
- C. BSBDA holders are allowed an unlimited number of withdrawals in a month.

Incorrect. While there is no limit on the number of deposits that can be made in a month, account holders are allowed a maximum of four withdrawals in a month, including ATM withdrawals.

Q68. Text Solution:

- A complainant can approach the RBI Ombudsman directly if they face a new issue unrelated to the original complaint lodged with the concerned RE.
- This allows for direct redressal of new grievances without the need to go through the initial process with the RE.

Q69. Text Solution:

- Scheduled Commercial Banks (SCBs) are required to upload KYC data pertaining to all new individual accounts opened on or after January 1, 2017, with CERSAI.
- This action is mandated by the provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

Q70. Text Solution:

- Low-risk customers need to provide a certified copy of proof of address through mail/post only if there is a change in their address.
- This means that if there is no change in their address, there is no requirement to provide fresh proofs of address during periodic updation.

Q71. Text Solution:

- Information Processes involve the analysis of existing information processes, their integration into the CRM system, and suitable restructuring for successful CRM implementation.

Q72. Text Solution:

- Recovery agents should refrain from calling borrowers before 8 am and after 7pm for the recovery of overdue loans.
- This is to prevent any disturbance during inappropriate hours.

Q73. Text Solution:

- As per the guidelines, banks/NBFCs should not levy any charge on credit cards without explicitly indicating it to the cardholder at the time of issue and without obtaining the cardholder's consent.

Q74. Text Solution:

ELSS funds have a lock-in period of 3 years, during which the invested amount is exempted from Income tax under section 80C.

Q75. Text Solution:

1. Interchange Fee Increase:

- Interchange fee per transaction increased from ₹15 to ₹17 for financial transactions and from ₹5 to ₹6 for non-financial transactions.
- This change became effective from August 1, 2021.

2. Customer Transactions:

- Customers are entitled to five free transactions (financial and non-financial) per month at their own bank ATMs.
- Free transactions from other bank ATMs are limited to three in metro centres and five in non-metro centres.

- Beyond the free transactions, the cap on customer charges is ₹20 per transaction, effective from August 1, 2021.

3. Compensation for Banks:

- To compensate for the higher interchange fee and increased costs, banks are allowed to raise customer charges to ₹21 per transaction.
- This adjustment is effective from January 1, 2022.

Q76. Text Solution:

Private banking refers to a specialized form of retail banking that caters to high net worth individuals. It offers personalized financial services, wealth management, and customized products to meet the unique needs of affluent clients. Private banking aims to provide a higher level of service and attention to individuals with substantial financial resources. Corporate banking, investment banking, and commercial banking typically serve different purposes and client segments within the broader banking industry.

Q77. Text Solution:

The primary purpose of creating a Will is to make things easier for the family, prevent conflicts among family members, and ensure that the distribution of assets aligns with the individual's wishes.

Q78. Text Solution:

The Banking Companies (Nomination) Rules, 1985, which are self-explanatory, provide for:

- Nomination Forms for deposit accounts, articles kept in safe custody, and contents of safety lockers.
- Forms for cancellation and variation of the nominations.
- Registration of Nominations and cancellation and variation of nominations, and matters related to the above.

Q79. Text Solution:

- Retail banking primarily focuses on providing financial services to individual consumers rather than corporations or high-net-worth individuals.
- Wealth management services, which involve managing the financial affairs of high-net-worth clients, typically fall under private banking or specialized wealth management divisions within a bank.
- Retail banking includes services like savings accounts, loans, mortgages, and basic financial products tailored for individual customers.

Q80. Text Solution:

- Portfolio Management Services (PMS) is a customized service offered to High Networth Individuals (HNI) clients.
- The service is tailored to meet the return requirements and risk preferences of these specific clients.

Q81. Text Solution:

One of the ultimate goals of a portfolio manager is to maximize the expected return within an appropriate level of risk exposure. This involves customizing investment solutions for clients, considering their financial needs, goals, and risk tolerance.

Q82. Text Solution:

According to the new rules, if a fixed deposit matures but the proceeds are not renewed and remain unpaid and unclaimed with the bank, the unclaimed amount will attract the rate of interest that is applicable to the savings account or the contracted rate of interest on the matured FD, depending on which one is lower. This is a measure to ensure that unclaimed funds do not go without earning any interest.

Q83. Text Solution:

To help customers tide over their temporary requirement for funds, banks normally offer loan against FD up to 80 to 90 percent of the value of FD. However, the percentage of margin in case of loan against FD varies from bank to bank. Moreover, banks charge interest on loan amount higher than what is being paid on FD which normally varies from 1% to 2% from bank to bank.

The margin is retained to protect the additional interest if the customer fails to repay the loan along with interest until the maturity of Fixed Deposit. In such a case, on maturity, Fixed Deposit is adjusted against the loan and the balance left, if any, is paid to the customer.

Banks issue a separate receipt for each FD because each deposit is treated as a distinct contract. This receipt is known as Fixed Deposit Receipt (FDR) that has to be surrendered to bank at the time of repayment.

Banks do not encourage advances against third-party deposit receipts but wherever granted higher interest rate/commercial interest rate is charged.

Banks grant, in special cases and to valuable clients, advances against fixed/short deposits receipts standing in the names of minors, including minor ward of a staff member, jointly with guardians. While considering such advances, the following points should be noted: Advances against fixed deposit receipts standing solely in the names of minors should not be considered.

In case of advances against recurring deposits, the facility be allowed only after the account has been in existence for at least one year. A declaration as per the bank's approved format should be obtained in addition to the usual security documents.

Q84. Text Solution:

The credit card issuer typically allows the cardholder to choose the amount to repay, with a minimum payment required. While the cardholder has the flexibility to decide the repayment amount, there is usually a minimum payment specified by the issuer that must be paid by the due date to avoid penalties.

Q85. Text Solution:

In a co-branded format, banks partner with service providers like hotels, oil companies, and airline companies to offer co-branded cards. The key benefit of this collaboration is brand recall and better utilization of the tied-up company's products. By having the brand name of the service provider embossed on the card, it enhances brand recognition and encourages cardholders to use the cobranded card for transactions related to the partnered company's products or services. This collaboration aims to strengthen the association between the bank and the service provider in the eyes of the cardholders.

Q86. Text Solution:

If a person has a nominee for their bank account, the bank will pay the amount to the nominee, even if the person has not provided anything for heirs in their Will. Nominee details take precedence in such cases.

Q87. Text Solution:

According to the RBI guidelines, the bank's liability is limited to the extent of payment of interest at the Bank Rate for the period of delay and refund of the amount in case of loss due to error, negligence, or fraud. The customer is entitled to claim compensation for the period of delay but within the specified limits.

Q88. Text Solution:

The fundamental ingredients of an effective marketing mix in retail banking include Product, Price, Promotion, Place, People, Process, and Physical Evidence. "Participants" is not traditionally considered a part of the marketing mix in this context.

Q89. Text Solution:

The correct sequence of stages in the marketing process for retail banking is typically Marketing Analysis, Marketing Planning, Marketing Implementation, and finally, Marketing Control.

Q90. Text Solution:

Internet Banking is a digital channel, not a physical one. Physical channels in retail banking include Bank Branches, ATMs, and Mobile Banking Vans, which involve a tangible presence or infrastructure. Internet Banking, on the other hand, is conducted through online platforms and does not have a physical presence.

Q91. Text Solution:

All the statements provided are accurate. IMPS indeed offers instant, 24×7, interbank electronic fund transfer through mobile phones. It allows quick and safe money transfers within banks through various channels like mobile, internet, and ATM. The National Payments Corporation of India (NPCI) provides this service through its existing NFS switch, and eligible banks must have approval from the Reserve Bank of India (RBI) for Mobile Banking Service to participate in IMPS.

Q92. Text Solution:

ABRS allows the initiation of IMPS transactions using the beneficiary's Aadhaar number, simplifying the process and facilitating subsidy payments. IMPS features include 24×7×365 availability, credit and debit confirmation, simplicity, ease of use, time and cost savings, safety, security, and adaptability for various purposes. Mobile banking registration is not mandatory for certain scenarios, contrary to Statement 5.

Q93. Text Solution:

1. The Unified Payments Interface permits payments via mobile app, web, etc.
2. The payments can be both sender (payer) and receiver (payee) initiated.
3. The payments are carried out in a secure manner aligned with the extant RBI guidelines.
4. The payments can be done using Aadhaar Number, Virtual Address, Account Number & Indian Financial System Code (IFSC), Mobile Number & MMID (Mobile Money Identifier).
5. The payment uses 1-click 2-factor authentication, Biometric Authentication and the use of the payer's smartphone for secure credential capture, etc., are other unique features.

Q94. Text Solution:

Common features of CRM software include: Marketing automation, Sales force automation, Contact center automation and Geolocation technology or location-based services

Q95. Text Solution:

The Consumer Education and Protection Department (CEPD) will act as the nodal department for BCSBI.

Q96. Text Solution:

Issuers of Prepaid Payment Instruments (PPIs) enable cross-border outward transactions only on explicit requests from the PPI holders. The specified limits for such transactions are a per transaction limit not exceeding ₹10,000 and a per month limit not exceeding ₹50,000. This is to regulate and control cross-border transactions through PPIs.

Q97. Text Solution:

The Maximum Interest Free Period varies among credit cards and is influenced by the card issuer. It can range from 20 days to 50 days, depending on the terms and conditions of the specific credit card. This period is applicable only to retail purchases and is contingent on the condition that the previous month's balance is paid in full.

Q98. Text Solution:

In situations where the deceased depositor had not made any nomination or for accounts other than those styled as "either or survivor," banks adopt a simplified procedure for repayment to the legal heirs of the depositor. This simplified procedure involves settling claims up to a minimum threshold limit without insisting on the production of any documentation other than a letter of indemnity. Therefore, option B, "Settle claims without any documentation," is the correct answer.

Q99. Text Solution:

A good branch layout is designed to optimize efficiencies and enhance customer service. It is not intended to increase costs; rather, it aims to reduce costs by maximizing operational efficiency and creating a positive environment for both customers and staff. Therefore, option E, which suggests an increase in costs, is not an advantage of a good branch layout.

Q100. Text Solution:

For failed ATM transactions, banks have been mandated to resolve customer complaints by re-crediting the customer's account within a maximum of T+5 days from the date of complaint. Effective October 15, 2019, banks have to pay compensation of 100/- per day for delays in re-crediting the amount beyond T-i5 days from the date of receipt of the complaint for failed ATM transactions. The compensation has to be credited to the customer's account without any claim being made by the customer. If the complaint is not lodged within 30 days of the transaction, the customer is not entitled to any compensation for delay in resolving his/her complaint.



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