

1. Financial guarantee is issued, where the customer is asked to submit for due performance of the contract in lieu of:

- (A) Earnest money
- (B) Cash deposit
- (C) Both (A) and (B)
- (D) Any one of the above
- (E) None of these

2. A minor is not competent to :

- (A) draw a negotiable instrument
- (B) endorse a negotiable instrument
- (C) be a drawee of a negotiable instrument
- (D) be a payee of a negotiable instrument
- (E) None of these

3. Which of the following are the essential features of Law of Evidence ?

- (A) The conditions and contents of a document can be proved before a court only by producing original document.
- (B) So long original documents are available, a copy cannot be produced.
- (C) However there are certain exceptions to the Law.
- (D) All of the above
- (E) None of these

4. In which of the following states the Recovery of Debts Due Act is under implementation ?

- (A) Selected States of the Country.
- (B) All the States of Country.
- (C) All over the country except Jammu & Kashmir.
- (D) No such limitations.
- (E) None of these

5. What are the main issues with which SARFAESI Act, 2002 deals with ?

- (A) Securitisation of Assets.
- (B) Setting up of an Asset Reconstruction Company.
- (C) Enforcement of Securities.
- (D) All of the above.
- (E) None of these

6. Who is not a consumer ?

- (A) Any person who uses goods or benefited from services without making any payment.
- (B) Any person who obtains goods for resale or any commercial purpose.
- (C) Persons allotted plots or houses by Housing Development Boards.
- (D) A person hires any services for consideration.
- (E) None of these

7. Which of the following statements, is correct regarding Banking Ombudsman Scheme ?

- (A) It is an opportunity to public to redress their grievances of Banking Services.
- (B) It is an additional grievances settlement mechanism.
- (C) It is not substitution of Consumer Protection Act,

- (D) All of the above.
- (E) None of these

8. Which kind of cases can be settled through Lok Adalat ?

- (A) The dispute should either be pending before any court or may be under the jurisdiction of Lok Adalat.
- (B) The offenses which are compoundable cannot be brought to Lok Adalat.
- (C) Only the disputes where liability does not exceed Rs. 20 lakhs can be brought to Lok Adalat.
- (D) All of the above.
- (E) None of these

9. Which of the following is not Bailment ?

- (A) Deposit of money in a Bank.
- (B) Delivery of gold to goldsmith for ornaments.
- (C) Leaving garments with a dry cleaner.
- (D) All of the above
- (E) None of these

10. The features of contract of sale of goods are:

- (A) The seller transfers or agrees to transfer the property in goods to the buyer.
- (B) Such transfer is for a price.
- (C) This includes actual sale or agreement to sell.
- (D) All of the above.
- (E) None of these

11. Which of the following controls in corporation of a new company ?

- (A) Company Law Board
- (B) Registrar of Companies,
- (C) Official Liquidator
- (D) Director of Inspection.
- (E) None of these

12. What does a partnership firm signify ?

- (A) Persons entered into partnership firm individually are called partners.
- (B) Collectively they are known as firm.
- (C) The name under which they run the business is firm.
- (D) All of the above.
- (E) None of these

13. Which of the following transactions are covered under the Prevention of Money Lounding Act, 2002

- (A) All transactions of the value of more than 10 lacs or its equivalent in foreign currency.
- (B) Series of transactions integrally connected where the value is below 10 lacs.
- (C) All suspicious transactions.
- (D) All of the above.
- (E) None of these

14. Which of the following is public authority ?

- (A) A body or Institution constituted under the constitution,

- (B) Body constituted by any other law made by Parliament.
- (C) Any body constituted by any other law made by State Government.
- (D) All of the above.
- (E) None of these

15. The objectives of Information Technology Act are :

- (A) To provide legal infrastructure for e-commerce in India.
- (B) To facilitate electronic filing of documents.
- (C) To provide a legal shape to e-commerce activities.
- (D) All of the above.
- (E) None of these

16. State Bank of India opened a letter of credit on behalf of its customer M/s Ram & Sons and Company for purchase of goods for trading purpose. Their managing partner comes to the branch and informs that their booking agent has informed him over phone that the supplier has sent the goods of a different specification, which are substandard also. He makes a request to the bank not to make payment of the documents when received from the negotiating bank:

- (A) the request of the party will be accepted by the bank since the bank has to deal with the party for business.
- (B) bank can accept the request of the party since it is a fraud both on the borrower and also the bank
- (C) bank cannot accept the request of the party since all the parties deal with documents in letter of credit instead of goods and services
- (D) borrower can be advised to file a suit in a court of law and bring a stay from court.
- (E) None of these

17. As part of its Award, the Ombudsman can award compensation to the customer for an amount up to:

- (A) actual loss suffered by the customer
- (B) Rs. 10 lakh
- (C) actual loss or Rs. 10 lakh whichever is lower
- (D) actual loss or Rs. 10 lakh whichever is higher
- (E) None of these

18. What is the extent of claim, that can be entertained by a Lok Adalt:

- (A) up to Rs. 5 lakh
- (B) up to Rs. 10 lakh
- (C) up to Rs. 20 lakh
- (D) no limit
- (E) None of these

19. In one of your current accounts, you receive a cheque crossed as 'and Nagpur and otherwise in order. You will :

- (A) Not pay as crossing is related to Nagpur
- (B) Not pay the cheque as it is a vague crossing
- (C) Pay the cheque as place has no significance in crossing
- (D) cheque will be returned unpaid
- (E) None of these

20. A bearer cheque of Rs. 500 is presented for payment in the saving bank account of Mr. Moin Khan who maintains substantial balance. The cheque bears two endorsements one by its payee ' Dalbir Singh' reading 'Dalveer Singh' and other by the first endorsee Mr. Ram Parshad, reading' Ram Prasad'.

- (A) the cheque will be paid as the amount is very small
- (B) the cheque will be paid as endorsements on a bearer instrument are not to be recognised by the paying bank
- (C) the cheque will be returned, as it bears irregular endorsement and bank will not get protection for irregular endorsements.
- (D) the cheque will be paid to be presenter but indemnity will be obtained.
- (E) None of these

21. A bill is presented on June 15, 2011 and accepted on 16.06.2011. Its due date of payment will be..... if it has to be paid within 2 months of the presentment:

- (A) August 15. 2011
- (B) August 19, 2011
- (C) August 16. 2011
- (D) August 12, 2011
- (E) None of these

22. An assignee is a person who:

- (A) Is appointed by court for administration of a will
- (B) Has been appointed by the court to look after property of the insolvent person
- (C) appointed by the will of the deceased person
- (D) person appointed by legal heirs as their attorney
- (E) None of these

23. Which of the following statement regarding liability of the drawer in a usance bill of exchange is correct:

- I. before acceptance he is primarily liable
- II. after acceptance by the drawee, he has no liability
- III. after acceptance by drawee, he has secondary liability while drawee has primary liability
- IV. drawer not liable at all in case of bill of exchange, only the drawee is liable.

- (A) I and II
- (B) I and III
- (C) II and III
- (D) II and IV
- (E) None of these

24. A contract (that provides for performance of or discharge of the liability of the principal debtor in case of his default, is classified as:

- (A) contract of indemnity
- (B) contract of agency
- (C) contract of guarantee
- (D) contract of assignment
- (E) contract of mutual agency

25. Minimum no. of directors in a public limited company is :

- (A) 4

- (B) 3
- (C) 7
- (D) 10
- (E) None of these

26. What is the relationship between a person who has left articles by mistake in the bank premises:

- (A) lessor and lessee
- (B) bailee and bailor
- (C) agent and principal
- (D) trustee and beneficiary
- (E) None of these

27. Suit can be filed by a bank in debt recovery tribunal under provisions of RDDB Act in case of :

- (A) loans with sanctioned limit of Rs. 10 lakh or above
- (B) loans with balance of Rs.10 lac and above excluding unrecovered interest if any
- (C) loans with recoverable amount of Rs. 10 lakh and above
- (D) loans with sanctioned limit or outstanding balance of Rs.10 lakh and above, whichever is lower
- (E) None of these

28. In which of the following kinds of charges, on the assets of a company, where does the registration of charge u/s 125 of Companies Act is required to be registered ' ?

- (A) Appropriation
- (B) Lien
- (C) Pledge
- (D) Set off
- (E) None of these.

29. In case of finance for vehicle, the bank name is mentioned in registration with Regional Transport Authority:

- (A) it is requirement of Motor Vehicle Act
- (B) it is stipulated by RBI in its credit directives for banks
- (C) it facilitates easy sale of security by the bank in case of default
- (D) it restricts the borrower to sell the security and keeps bank secure
- (E) None of these

30. Which among the following is most appropriate explanation of the term 'conversion' ?

- (A) credit of an instrument in the account of a person other than the true owner
- (B) credit of an instrument in the account of the person who has obtained the instrument for unlawful consideration
- (C) converting an order cheque to a bearer cheque
- (D) paying an order cheque without obtaining the identification
- (E) None of these

31. When a bank purchases a bill of exchange drawn in foreign currency, it amounts to :

- (A) inflow of foreign exchange
- (B) outflow of foreign exchange
- (C) inflow of local currency

- (D) no effect on inflow or outflow
- (E) None of these

32. A customer comes to have a locker from branch of a bank and the branch makes a locker available to him. In this case, the relationship between the banker and customer is that of a:

- (A) Bailor and bailee
- (B) Trustee and beneficiary
- (C) Landlord or tenant
- (D) Lessor and lessee
- (E) Tenant and landlord

33. Services of which of the following cannot be used as a business correspondent under financial inclusion guidelines ?

- (A) Individual kirana/medical/fair price shop owners
- (B) Individual Public Call Office (PCO) operators
- (C) Agents of Small Savings schemes of Government of India/Insurance Companies
- (D) All of the above
- (E) None of the above

34. Jurisdiction of National Commission under the Consumer Protection Act, is for an amount of Rs.

- (A) 20 lakh
- (B) 100 lakh
- (C) Above 100 lakh
- (D) Rs. 100 lakh and above
- (E) None of these

35. What is the maximum amount of compensation that can be allowed to the customers by Ombudsman:

- (A) actual loss suffered by the customer
- (B) Rs. 10 lakh
- (C) 1 or 2 whichever is lower
- (D) 1 or 2 whichever is higher
- (E) None of these

36. The borrower wants to appeal against the order of Debt Recovery Tribunal under provisions of RDDB Act. In this connection, which of the following is correct:

- (A) appeal can be made within 30 days of date of order
- (B) appeal can be made within 45 days of date of order
- (C) appeal can be made by depositing 50 % of the amount of decree issued by DRT
- (D) appeal can be made by depositing 75 % of the amount of decree issued by DRT
- (E) None of these

37. Z has been sanctioned an OD limit of Rs.3 lakh and it has been showing a credit balance of Rs. 34000. After his death a cheque issued in favour of Income Tax Deptt. has been received for payment:

- (A) cheque would be returned as it is from an overdraft limit
- (B) cheque would be paid since it is drawn in favour of Govt.
- (C) cheque would be returned as there is credit balance

- (D) after death of the drawer, the cheque cannot be paid. Hence returned.
- (E) None of these.

38. In case of Union of India vs Mardia Chemicals which of the following provisions of SARFAESI Act 2002, were struck down by Supreme Court:

- (A) deposit of 50 % of the amount by the borrower before approaching DRT
- (B) deposit of 75% of the amount by the borrower before approaching DRT
- (C) deposit of 75% of the amount by the borrower before approaching DRAT
- (D) deposit of 50% of the amount by the borrower before approaching DRAT
- (E) None of these

39. X and Y deal with each other by sale and purchase of goods. X draws a bill of exchange on Y which Y accepts for payment, but no sale purchase has taken place for this bill. In this case the bill is:

- (A) clean bill of exchange
- (B) documentary bill of exchange
- (C) foreign bill
- (D) genuine bill
- (E) accommodation bill

40. Bank has received standing instruction from its customer X for his saving bank account. The relationship between the customer and bank, is that of:

- (A) agent, principal
- (B) debtor and creditor
- (C) trustee and beneficiary
- (D) none of the above
- (E) All of the above

41. Guarantees are of:

- (A) Specific nature
- (B) Continuing guarantees
- (C) Both the above
- (D) Any one of the above
- (E) None of these

42. When a cheque has been obtained by way of gift the person become:

- (A) a holder
- (B) a holder for value
- (C) a holder in due course
- (D) All of these
- (E) None of these

43. Which of the following cases to the Recovery of Debts Due Act, is applicable ?

- (A) Where amount involved is less than Rs. 10 lakhs.
- (B) Where amount involved is Rs. 10 lakhs or above.
- (C) Where amount involved is upto Rs. 1 lakh.
- (D) No such restriction.
- (E) None of these

44. The essential features of Securitisation are:

- (A) Acquisition of Financial Assets by a Securitisation or Reconstruction Company.
- (B) The Assets may be NPA or standard.
- (C) On sale the Assets goes out of the Books of the originator.
- (D) All of the above.
- (E) None of these

45. Under a Bank Guarantee, a Bank has :

- (A) primary obligation
- (B) secondary obligation
- (C) tertiary obligation
- (D) no legal obligation
- (E) None of these

46. The objectives of the Banking Ombudsman Scheme are :

- (A) To promote settlement through conciliation.
- (B) Prompt settlement of customer grievances.
- (C) Inexpensive settlement of grievances.
- (D) All of the above.
- (E) None of these

47. The features of a constructive delivery are:

- (A) There is no change in physical possession.
- (B) The goods remain where they are.
- (C) By certain act the Bailee becomes the possessor.
- (D) All of the above.
- (E) None of these

48. Goods means :

- (A) Movable property other than actionable claims and money.
- (B) This includes stocks and shares.
- (C) Growing crops, grass and things attached to land.
- (D) All of the above.
- (E) None of these

49. Company is :

- (A) Voluntary association of persons formed for the purpose of doing business.
- (B) It has a distinct name and limited liability.
- (C) It has a separate legal entity.
- (D) All of the above.
- (E) None of these

50. What are the essentials of a partnership firm ?

- (A) Agreement is partnership deed.
- (B) Two or more persons.
- (C) A business activity.
- (D) All of the above.
- (E) None of these