

Principles and Practices of Banking:

1. Breakdowns in internal controls is an example for

- a. Market Risk
- b. Operational Risk
- c. Credit Risk
- d. All of the above

Ans – b

2. In Manufacturing sector, medium enterprises investment in plant and machinery is

- a. Less than 25 lakhs
- b. 25 Lakhs to 5 Crores
- c. 2 Crores to 5 Crores
- d. 5 Crores to 10 Crores

Ans - d

3. Which one doesn't fall under Multi-user Systems?

- a. Mini computers
- b. Micro-computers
- c. Stand Alone Computers
- d. Main Frame Computers

Ans - c

4. Branches send the information to head office covering branch profile containing

- a. Standing data file (SDF form)
- b. Performance report file (PRF)
- c. Both a and b
- d. Neither a nor b

Ans - c

5. The process of product development comprises of main stages?

- a. 3
- b. 4
- c. 5
- d. 6

Ans - c

6. Diversification in which the new products appeal to the existing customers though the products are technologically unrelated to existing product lines is called as

- a. Concentric diversification
- b. Horizontal diversification
- c. Conglomerate diversification
- d. None of the above

Ans - b

7. PDs are permitted to lend on an average in a reporting fortnight to the extent of % of their total Net Owned Funds as at the end of March of the previous financial year in the call/notice money market.

- a. 25
- b. 50
- c. 75
- d. 100

Ans - a

8. What can be a characteristic of Service Products?

- a. Transfer of ownership possible
- b. Tangible
- c. Homogeneous
- d. Perishability

Ans - d

9. As per MSMED Act, if the buyer fails to pay the amount to the supplier within 45 days, he has to pay compound interest to the supplier on the amount with monthly interest at of the bank rate.

- a. two times
- b. three times
- c. four times
- d. five times

Ans - b

10. Trading of securities of a particular company at a stock exchange can be suspended by

- a. RBI
- b. Central Govt
- c. SEBI
- d. AMFI

Ans - c

Accounting and Financial Management for Bankers:

A company has issued debentures for Rs. 1,000,00 on 1st January 2012 which are redeemable on 31st December, 2015. The company has created Debenture Redemption fund for the redemption of debentures at the end of the year. 10% annual interest will be received on the investment.

1. Calculate the annuity amount.

- a. Rs. 17,547 approx.
- b. Rs. 18,547 approx.
- c. Rs. 21,547 approx.
- d. Rs. 25,000 approx.

Ans - c

2. The income derived from a 6 --- % bond at Rs. 95 is...

- a. Rs. 1.50
- b. Rs. 6.30
- c. Rs. 6.50
- d. Rs. 11.50

Ans - c

2. To produce an annual income of Rs. 1,000 in a 4% stock at 90, the amount of stock needed is ...

- a. Rs.22,500
- b. Rs.25,000
- c. Rs.27,500
- d. Rs 36,000

Ans - b

3. A man invests in a 4.5% stock at 96. The interest obtained by him is

- a. 0.5%
- b. 1%
- c. 4.5%
- d. 4.69%

Ans - d

3. By investing Rs. 3,300 in a 5.5% stock, a man earns Rs. 231. The stock is then quoted at

- a. Rs. 78
- b. Rs. 4
- c. Rs. 93
- d. Rs. 3

Ans - b

4. A machine costs Rs. 5,00,000 and would fetch Rs. 2,50,000 in the first year; Rs.1,50,000 in second year and Rs. 1,00,000 in third year. Payback period would be ...

- a. 1 year

- b. 2 years
- c. 3 years
- d. 4 years

Ans - c

5. As per accounting standards which of the following is not a preferred method

- a. LIFO
- b. FIFO
- c. WACM
- d. All of them

Ans - a

6. Match the following pairs:

Column 'A' - Column 'B'

- | | |
|-------------------------|--|
| (1) Trial balance | (a) Difference in trial balance |
| (2) Net trial balance | (b) Always shows debit balance |
| (3) Gross trial balance | (c) Debit or Credit Balances |
| (4) Suspense a/c | (d) Debit and credit totals |
| (5) Real a/c | (e) Statement of balances of ledger accounts |

Answers: (1)-(c), (2)-(e), (3)-(d), (4)-(a), (5)-(b)

7. Noting charges are

- a. Paid to bank for dishonour
- b. Paid to drawer for dishonour
- c. Paid to notary public for recording dishonour
- d. None of the above.

Ans - c

8. Due to heavy flooding a truck carrying consignment goods sinks. This loss is called

- a. contingent loss
- b. Nominal loss
- c. Abnormal loss
- d. Casual loss

Ans – c

9. Assets kept for short term for converting into cash or for resale are called as...

- a. Operating Assets
- b. Fixed Assets
- c. Current Assets
- d. Liquid assets

Ans. C

10. What will the ratio of simple interest earned by certain amount at the same rate of interest for 6 years and that for 9 years.

- a. 1:2
- b. 2:1
- c. 2:2

d. 2:3
 Ans - d



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Retail Banking and Wealth Management

1. Suppose you went to a restaurant and order a hamburger. The cashier / waiter ask you, "Do you want fries with that?" In this case, you are being

- a. cross sold
- b. up sold
- c. down sold
- d. side sold

Ans – b

2. Warranties on electronic purchases are examples of _____.

- a. cross selling
- b. up selling
- c. down selling
- d. side selling

Ans – b

3. The customer information is centralized and the functionality is provided across all products in _____.

- a. Horizontally organized model
- b. Vertically organized model
- c. Predominantly Horizontally organized model
- d. Predominantly Vertically organized model

Ans - b

4. Parent documents for housing loans should be provided for

- a. 20 yrs.
- b. 25 yrs.
- c. 30 yrs.
- d. None of the above.

Ans – c

5. Which bank created waves in the early 1980s with their credit card products?

- a. Standard Chartered Bank
- b. State Bank of India
- c. Citibank
- d. Bank of Baroda

Ans - c

6. Who were the two of the early players in the credit card business in the PSB space?

- a. State Bank of India and Andhra Bank
- b. Bank of Baroda and Andhra Bank
- c. State Bank of India and Bank of Baroda
- d. Bank of India and Andhra Bank

Ans - b

7. In which approach strategies are designed based on the type of branch viz., Rural. Semi Urban. Urban and Metro?

- a. Segmented Approach
- b. Geography based approach
- c. Classification based approach
- d. None of the above

Ans – c

8. The requirements for delivering effective service to the customers are

- a. Understanding the customer, his income level, his financial profile, his needs, his requirements of financial products and his life stage
- b. Customer Empathy
- c. Post sales service follow up for customer satisfaction
- d. All the above

Ans – d

9. What are the standard retail asset products offered by banks?

- a. Housing Loans
- b. Consumer Durable Loans
- c. Car Loans
- d. All three

Ans – d

10. Tie ups are not entered into by banks for bulk sale of the following assets

- a. Home Loans
- b. Auto Loans
- c. CC/OD Accounts
- d. Education Loans

Ans - c

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