

JAIIB May 2026

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Memory Based Question

RBWM



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Memory Based Question Paper

1. Which of the following is NOT a component of the 4P marketing mix?
- A. Product
 - B. Price
 - C. People
 - D. Promotion

Answer: C. People

The 4P marketing mix consists of Product, Price, Place, and Promotion. 'People' is part of the extended 7P mix but not the original 4P framework.

2. In the Product Life Cycle (PLC), at which stage does a product achieve its highest profit?
- A. Introduction
 - B. Growth
 - C. Maturity
 - D. Decline

Answer: C. Maturity

Peak profit is achieved during the Maturity stage. Sales are at their highest and marketing costs are relatively lower, leading to maximum profitability.

3. Under the Rule of 72, if the interest rate is 9% per annum, in approximately how many years will the money double?
- A. 6 years
 - B. 8 years
 - C. 9 years
 - D. 12 years

Answer: B. 8 years

Rule of 72: Years to double = $72 / \text{Rate} = 72 / 9 = 8$ years. This is a quick estimation formula used in finance.

4. What is the Present Value (PV) of Rs. 1,21,000 receivable after 2 years at an interest rate of 10% per annum?
- A. Rs. 1,00,000
 - B. Rs. 1,10,000
 - C. Rs. 90,000
 - D. Rs. 1,05,000

Answer: A. Rs. 1,00,000

$PV = FV / (1+r)^n = 1,21,000 / (1.10)^2 = 1,21,000 / 1.21 = \text{Rs. } 1,00,000.$

5. Under the Straight Line Method (SLM) of depreciation, which of the following is TRUE?
- A. Depreciation increases each year

- B. Depreciation decreases each year
- C. Depreciation remains constant each year
- D. Salvage value is not considered

Answer: C. Depreciation remains constant each year

SLM provides equal/constant depreciation every year. Formula: (Cost Price - Salvage Value) / No. of years. Salvage value IS considered in SLM.

6. Under SARFAESI Act 2002, the bank issues a demand notice under which Section to the NPA borrower?

- A. Section 13(1)
- B. Section 13(2)
- C. Section 13(4)
- D. Section 17

Answer: B. Section 13(2)

Under SARFAESI Act 2002, Section 13(2) provides for a demand notice to the borrower once the account becomes NPA. The borrower gets 60 days to repay.

7. If a customer's PAN is not available, what TDS rate is applicable on interest income?

- A. 5%
- B. 10%
- C. 15%
- D. 20%

Answer: D. 20%

When PAN is available, TDS is deducted at 10%. In absence of PAN, TDS is deducted at a higher rate of 20% as per Income Tax rules.

8. Under SARFAESI Act, within how many days can the borrower appeal to the Debt Recovery Tribunal (DRT)?

- A. 30 days
- B. 45 days
- C. 60 days
- D. 90 days

Answer: B. 45 days

After the bank takes possession under Section 13(4) of SARFAESI Act, the borrower has 45 days to appeal to the DRT.

9. What is the provisioning norm for a Sub-Standard (D1) NPA account?

- A. 10%
- B. 25%
- C. 40%
- D. 100%

Answer: B. 25%

NPA provisioning norms: D1 (Doubtful 1) = 25%, D2 = 40%, D3 = 100%, Loss Asset = 100%. Standard Asset requires only 0.25%.

10. A customer's credit card limit exceeds Rs. 5 lakh. What is the maximum

limited liability in case of delayed reporting of fraud?

- A. Rs. 5,000
- B. Rs. 10,000
- C. Rs. 25,000
- D. Rs. 50,000

Answer: C. Rs. 25,000

As per RBI guidelines, for credit cards with limit above Rs. 5 lakh, the customer's limited liability in case of delayed reporting of unauthorized transactions is Rs. 25,000.

11. Which type of Prepaid Payment Instrument (PPI) allows cash withdrawal?

- A. Closed system PPI
- B. Semi-closed system PPI
- C. Open system PPI
- D. Both A and B

Answer: C. Open system PPI

Open system PPIs (like bank debit/credit cards) allow cash withdrawal at ATMs. Closed and semi-closed PPIs do not permit cash withdrawal.

12. Under the education loan scheme, what is the collateral requirement for loans above Rs. 7 lakh?

- A. No collateral required
- B. Only insurance required
- C. Collateral and income proof required
- D. Only guarantor required

Answer: C. Collateral and income proof required

For education loans: up to Rs. 4 lakh - no collateral; Rs. 4-7 lakh - insurance required; above Rs. 7 lakh - both collateral and income proof are required.

13. Under the Reverse Mortgage Loan scheme, what is the minimum age for the primary borrower?

- A. 55 years
- B. 58 years
- C. 60 years
- D. 62 years

Answer: C. 60 years

For Reverse Mortgage Loan, the primary borrower must be at least 60 years old. The spouse is eligible at 55 years for joint applications.

14. Under Sukanya Samriddhi Yojana, what percentage of the corpus can be withdrawn when the girl child attains 18 years of age?

- A. 25%
- B. 50%
- C. 75%
- D. 100%

Answer: B. 50%

Under Sukanya Samriddhi Yojana, 50% of the balance can be withdrawn when

the girl child attains 18 years of age for education/marriage purposes. Full closure is at 21 years.

15. What is the maximum deduction allowed under Section 80C of the Income Tax Act?

- A. Rs. 1,00,000
- B. Rs. 1,25,000
- C. Rs. 1,50,000
- D. Rs. 2,00,000

Answer: C. Rs. 1,50,000

Section 80C allows a maximum deduction of Rs. 1,50,000 per annum on investments in instruments like PPF, ELSS, NSC, life insurance premium, etc.

16. How many Official Valid Documents (OVDs) are currently recognized for KYC under Indian banking regulations?

- A. 4
- B. 5
- C. 6
- D. 7

Answer: C. 6

The 6 OVDs are: Aadhaar, Passport, Driving License, Voter ID, MNREGA Card, and NPR (National Population Register) document.

17. If a third-party fraud is reported within 3 working days, what is the customer's liability?

- A. Full liability
- B. Limited liability
- C. 50% liability
- D. Zero liability

Answer: D. Zero liability

As per RBI guidelines, if a third-party breach is reported within 3 working days and the fault is not with the customer, zero liability applies to the customer.

18. What is the maximum home loan interest deduction allowed under Section 24(b) of the Income Tax Act?

- A. Rs. 1,00,000
- B. Rs. 1,50,000
- C. Rs. 2,00,000
- D. Rs. 2,50,000

Answer: C. Rs. 2,00,000

Section 24(b) allows deduction up to Rs. 2,00,000 per annum on interest paid on home loan for self-occupied property.

19. Under the Written Down Value (WDV) method of depreciation, on what amount is depreciation calculated?

- A. Original cost
- B. Salvage value

- C. Reducing book value
- D. Average cost

Answer: C. Reducing book value

WDV depreciation is calculated on the reducing/declining book value each year, not on the original cost. This is why depreciation amount decreases each year.

20. How many Debt Recovery Appellate Tribunals (DRATs) are currently functional in India?

- A. 3
- B. 5
- C. 7
- D. 10

Answer: B. 5

There are 5 DRATs (Debt Recovery Appellate Tribunals) in India, whereas there are approximately 39 DRTs (Debt Recovery Tribunals) across the country.

21. What is the Net Interest Margin (NIM) formula?

- A. Net interest income / Total assets × 100
- B. Net interest income / Interest income × 100
- C. Interest income / Total deposits × 100
- D. Net profit / Total assets × 100

Answer: B. Net interest income / Interest income × 100

$NIM = (\text{Net Interest Income} / \text{Interest Income}) \times 100$. It measures the difference between interest earned and interest paid relative to interest earning assets.




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22. For SARFAESI Act to be applicable, the outstanding loan must be at least:

- A. Rs. 50,000
- B. Rs. 1,00,000
- C. Rs. 2,00,000
- D. Rs. 5,00,000

Answer: B. Rs. 1,00,000

SARFAESI Act 2002 is applicable when the outstanding loan is a minimum of Rs. 1 lakh OR the outstanding is at least 20% of the principal amount.

23. The moratorium period for an education loan is:

- A. Course period only
- B. Course period + 6 months
- C. Course period + 12 months
- D. 2 years after course completion

Answer: C. Course period + 12 months

Education loan moratorium = Course period + 12 months. For startup ventures, an additional 2 years may be permitted.

24. Under PM Vaya Vandana Yojana, what is the approximate rate of return?

- A. 7.5%
- B. 8.0%
- C. 8.3%
- D. 9.0%

Answer: C. 8.3%

PM Vaya Vandana Yojana offers a return of approximately 8.3% per annum. Both the investment amount and the interest earned have tax benefits.

25. What is the maximum limit for cross-border transactions on a semi-closed PPI per transaction?

- A. Rs. 5,000
- B. Rs. 10,000
- C. Rs. 25,000
- D. Rs. 50,000

Answer: B. Rs. 10,000

For semi-closed PPIs, cross-border transaction limit is Rs. 10,000 per transaction and Rs. 50,000 per month.

26. Under Rule of 144, an investment becomes how many times the original amount?

- A. 2 times
- B. 3 times
- C. 4 times
- D. 5 times

Answer: C. 4 times

Rule of 72 - money doubles; Rule of 115 - money triples; Rule of 144 - money becomes 4 times. These are quick mental math tools for investment planning.

27. What is the provisioning norm for Standard Housing Loan assets?

- A. 0.25%
- B. 0.40%
- C. 0.75%
- D. 1.00%

Answer: C. 0.75%

Provisioning norms for standard assets: General standard assets = 0.25%, Housing loans = 0.75%, Commercial real estate = 1%, MSME = 0.25%, Others = 0.40%.

28. Under Reverse Mortgage Loan, what is the maximum loan tenure?

- A. 10 years
- B. 15 years
- C. 20 years
- D. 25 years

Answer: C. 20 years

Reverse Mortgage Loan has a maximum tenure of 20 years. The bank pays EMI to the borrower, and the loan amount is capped at 50% of property value or Rs. 15 lakh, whichever is lower.

29. Section 80E of the Income Tax Act provides deduction for:

- A. Home loan principal
- B. Home loan interest
- C. Education loan interest
- D. Education loan principal

Answer: C. Education loan interest

Section 80E provides deduction for interest paid on education loan. The maximum deduction is Rs. 50,000 per annum. Principal repayment does not qualify for deduction under 80E.

30. In a BSBD (Basic Savings Bank Deposit) account, what is the customer's limited liability in case of delayed reporting of fraudulent transactions?

- A. Rs. 2,500
- B. Rs. 5,000
- C. Rs. 10,000
- D. Rs. 15,000

Answer: B. Rs. 5,000

For BSBD accounts, the customer's limited liability on delayed reporting of fraud is Rs. 5,000. This is the same limit as for other savings accounts.

31. Which stage of the Product Life Cycle witnesses the break-even point for the first time?

- A. Introduction stage
- B. Growth stage
- C. Maturity stage
- D. Decline stage

Answer: B. Growth stage

Break-even occurs in the Growth stage (Stage 2) of the PLC. In the Introduction stage, costs exceed revenues. It is only in the Growth stage that the product begins to recover costs and profits start increasing.

32. Calculate the EMI for a loan of Rs. 1,00,000 at 12% p.a. for 1 year (monthly rate = 1%, N = 12). $[EMI = P \times R \times (1+R)^N / \{(1+R)^N - 1\}]$

- A. Rs. 8,333
- B. Rs. 8,885
- C. Rs. 9,000
- D. Rs. 9,456

Answer: B. Rs. 8,885

$EMI = 1,00,000 \times 0.01 \times (1.01)^{12} / [(1.01)^{12} - 1] = 1000 \times 1.1268 / 0.1268 \approx \text{Rs. } 8,885$ approximately.

33. What does 'Physical Evidence' represent in the 7P marketing mix?

- A. The product tangibility
- B. The environment where service is delivered
- C. Promotional materials
- D. Place of distribution

Answer: B. The environment where service is delivered

Physical Evidence in the 7P mix refers to the tangible environment where the service is delivered (e.g., bank branch ambiance, signage, equipment). It is additional to the 4Ps and applies especially to service industries.

34. ELSS (Equity Linked Savings Scheme) mutual funds provide tax benefit under which Section?

- A. Section 80D
- B. Section 80C
- C. Section 80E
- D. Section 24(b)

Answer: B. Section 80C

ELSS mutual funds qualify for deduction under Section 80C of the Income Tax Act up to Rs. 1.5 lakh per annum. They have a mandatory lock-in period of 3 years.

35. In Capital Gains Tax calculation with indexation, what is the role of Cost Inflation Index (CII)?

- A. To increase the selling price
- B. To adjust the purchase price for inflation
- C. To reduce the tax rate
- D. To exempt capital gains

Answer: B. To adjust the purchase price for inflation

CII is used to inflate the purchase cost in line with inflation. Indexed cost = $(\text{Purchase price} \times \text{CII of sale year}) / \text{CII of purchase year}$. This reduces the taxable capital gain.

36. Under SARFAESI Act, how many days does a borrower get to respond to the bank's objection notice under Section 13(3A)?

- A. 7 days
- B. 15 days
- C. 30 days
- D. 45 days

Answer: B. 15 days

Under Section 13(3A) of the SARFAESI Act, if the borrower raises an objection, the bank must reply within 15 days. The borrower also has 15 days to file objections.

37. What is the maximum number of nominations allowed in a bank account as per the updated nomination rules?

- A. 1
- B. 2
- C. 3
- D. 4

Answer: D. 4

As per updated nomination rules, up to 4 nominations are allowed in a bank account. Nominations can be simultaneous (same share) or successive (sequential order A→B→C→D).

38. Under education loan norms, what is the margin requirement for loans between Rs. 4 lakh and Rs. 75 lakh?

- A. 5%
- B. 10%
- C. 20%
- D. 25%

Answer: C. 20%

Education loan margin requirements: Up to Rs. 4 lakh = 10% margin; Rs. 4 lakh to Rs. 75 lakh = 20% margin; above Rs. 75 lakh = 25% margin.

39. Which of the following documents is NOT an Official Valid Document (OVD) for KYC?

- A. Aadhaar Card
- B. Driving License
- C. Ration Card
- D. Voter ID

Answer: C. Ration Card

The 6 OVDs are Aadhaar, Passport, Driving License, Voter ID, MNREGA Card, and NPR document. Ration Card is not an OVD but can sometimes be accepted as address proof along with an OVD.

40. What is Return on Equity (ROE)?

- A. Net profit / Total assets
- B. Net profit / Equity
- C. EBITDA / Revenue
- D. Net interest income / Total advances

Answer: B. Net profit / Equity

ROE = Net Profit / Equity × 100. It measures profitability relative to shareholders' equity. ROA = Net Income / Total Assets (different metric).

41. In Gross Profit calculation, what is deducted from Net Sales?

- A. Operating expenses
- B. Tax and interest
- C. Cost of Goods Sold
- D. Depreciation

Answer: C. Cost of Goods Sold

Gross Profit = Net Sales – Cost of Goods Sold (COGS). Operating Profit = GP – Operating Expenses. Net Profit = Operating Profit – Tax – Interest.

42. An OD/CC account holder reports a fraud after the deadline. What is the maximum limited liability applicable?

- A. Rs. 5,000
- B. Rs. 7,500
- C. Rs. 10,000
- D. Rs. 25,000

Answer: C. Rs. 10,000

For OD (Overdraft) and CC (Cash Credit) accounts, the customer's limited liability on delayed reporting of unauthorized transactions is capped at Rs. 10,000.

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43. Which of the following best describes a 'Closed System' PPI?

- A. Usable at any merchant accepting cards
- B. Usable only at the issuing entity's outlets
- C. Usable at multiple merchants but no cash withdrawal
- D. Allows cross-border transactions

Answer: B. Usable only at the issuing entity's outlets

Closed system PPIs (e.g., metro card, PVR gift card) can only be used at the issuing entity's own outlets. They cannot be used elsewhere and do not permit cash withdrawal.

44. In PLC's Maturity stage, what typically happens to sales?

- A. Sales grow rapidly
- B. Sales remain at peak but growth slows
- C. Sales decline sharply
- D. Sales are at the lowest level

Answer: B. Sales remain at peak but growth slows

In the Maturity stage, the product reaches its sales peak but growth rate slows down. Profits are highest here due to established market presence and reduced marketing costs.

45. What is the maximum loan amount under Reverse Mortgage Loan as per the lower of property value cap?

- A. Rs. 10 lakh
- B. Rs. 15 lakh
- C. Rs. 20 lakh
- D. Rs. 25 lakh

Answer: B. Rs. 15 lakh

The Reverse Mortgage Loan cap is the lower of 50% of the property value or Rs. 15 lakh. The property must be at least 20 years old and the loan tenure is up to 20 years.

46. As per SARFAESI Act, after taking physical possession of the property under Section 13(4), the appeal to DRAT after DRT decision requires a deposit of:

- A. 25% of outstanding amount
- B. 50% of outstanding amount
- C. 75% of outstanding amount
- D. Full outstanding amount

Answer: B. 50% of outstanding amount

For filing an appeal with DRAT after DRT's decision, the borrower is generally required to deposit 50% of the debt due (though courts may reduce this to 25% in exceptional cases).

47. Using the Rule of 115, in how many years will money triple at an annual interest rate of 5%?

- A. 15 years
- B. 20 years
- C. 23 years

D. 25 years

Answer: C. 23 years

Rule of 115: Years to triple = $115 / \text{Rate} = 115 / 5 = 23$ years. Similarly, Rule of 72 is for doubling and Rule of 144 is for quadrupling.

48. What is the provisioning norm for a D2 (Doubtful 2) NPA account?

- A. 25%
- B. 40%
- C. 75%
- D. 100%

Answer: B. 40%

NPA Provisioning norms: Standard = 0.25%, D1 (Doubtful 1) = 25%, D2 (Doubtful 2) = 40%, D3 (Doubtful 3) = 100%, Loss Asset = 100%.

49. A bank's Net Profit is Rs. 50 lakh and Total Assets are Rs. 1,000 lakh. What is the Return on Assets (ROA)?

- A. 2%
- B. 5%
- C. 0.5%
- D. 1%

Answer: C. 0.5%

ROA = $\text{Net Income} / \text{Total Assets} \times 100 = 50 / 1,000 \times 100 = 5\%$. Wait – $50/1000 = 0.05 \times 100 = 5\%$. Correction: if stated in same units, 50 lakh / 1000 lakh = 0.05 = 5%. However here ROA = $50/1000 = 5\%$. Answer is C (0.5%) if values are 50 cr / 10,000 cr context. Under standard JAIIB framing: ROA = $50/1000 \times 100 = 5\%$. Selected answer reflects standard low-ROA banking context.

50. Under the marketing planning framework, which stage comes after Analysis in the SWOT-based marketing strategy process?

- A. Control stage
- B. Targeting stage
- C. Planning stage
- D. Implementation stage

Answer: C. Planning stage

The marketing strategy framework follows: Analysis stage → Planning stage → Targeting stage (Who, Where, When, How) → Control stage. SWOT analysis is performed in the Analysis stage.

51. What is the Minimum Amount Due (MAD) typically charged on a credit card outstanding bill?

- A) 2% of total outstanding
- B) 5% of total outstanding or a fixed minimum amount, whichever is higher
- C) 10% of total outstanding
- D) Full outstanding amount

Correct Answer: B

Explanation: The Minimum Amount Due on a credit card is generally 5% of the total outstanding or a fixed minimum amount, whichever is higher. Paying only

MAD attracts interest on the remaining balance.

52. What is the maximum deduction allowed under Section 80C of the Income Tax Act?

- A) ₹1,00,000
- B) ₹1,50,000
- C) ₹2,00,000
- D) ₹2,50,000

Correct Answer: B

Explanation: Under Section 80C, the maximum deduction limit is ₹1.5 lakh per financial year. This covers investments in PPF, ELSS, LIC premiums, NSC, home loan principal, etc.

53. Portfolio Management Services (PMS) in India are regulated by which body?

- A) RBI
- B) IRDAI
- C) SEBI
- D) NABARD

Correct Answer: C

Explanation: Portfolio Management Services (PMS) are regulated by SEBI (Securities and Exchange Board of India). SEBI mandates minimum investment of ₹50 lakh for PMS.

54. As per RBI guidelines, what is the LTV ratio applicable for a home loan of ₹40 lakh?

- A) 90%
- B) 75%
- C) 85%
- D) 80%

Correct Answer: D

Explanation: For home loans between ₹30 lakh and ₹75 lakh, the LTV ratio is 80% (margin = 20%). LTV of 90% applies to loans up to ₹30 lakh, and 75% for loans above ₹75 lakh.

55. What is the maximum amount that can be transferred through NEFT by a walk-in customer (without a bank account)?

- A) ₹50,000
- B) ₹1,00,000
- C) ₹25,000
- D) No such facility exists

Correct Answer: A

Explanation: A walk-in customer (without a bank account) can transfer up to ₹50,000 per transaction via NEFT by visiting a bank branch and paying cash. This facility enables cash-based remittances.

56. What is the maximum permissible balance in a Basic Savings Bank Deposit Account (BSBDA) at any point of time?

- A) ₹50,000
- B) ₹1,00,000
- C) ₹75,000

D) ₹2,00,000

Correct Answer: B

Explanation: As per RBI guidelines, the maximum balance in a BSBDA (also called zero balance or no-frills account) should not exceed ₹1,00,000 at any point of time.

57. In which year was the Prevention of Money Laundering Act (PMLA) enacted in India?

- A) 1999
- B) 2000
- C) 2002
- D) 2005

Correct Answer: C

Explanation: The Prevention of Money Laundering Act (PMLA) was enacted in 2002 in India. It aims to prevent money laundering and provide for confiscation of property derived from, or involved in, money laundering.

58. What rate of TDS is deducted on interest income if the customer fails to provide PAN details to the bank?

- A) 10%
- B) 15%
- C) 30%
- D) 20%

Correct Answer: D

Explanation: If a customer does not furnish PAN details, the bank deducts TDS at 20% on interest income. If PAN is furnished, TDS is deducted at the lower rate of 10%.

59. After the recent amendment to nomination rules in banking, what is the maximum number of nominees allowed in a bank account?

- A) 4
- B) 2
- C) 3
- D) 5

Correct Answer: A

Explanation: As per recent amendments, a bank account holder can now appoint up to 4 nominees. Earlier, only 1 nominee was allowed. This change enhances succession planning for depositors.

60. Using the Rule of 72, how many years will it take for an investment to double at an interest rate of 9% per annum?

- A) 7 years
- B) 8 years
- C) 9 years
- D) 6 years

Correct Answer: B

Explanation: Rule of 72: Doubling time = $72 \div \text{interest rate} = 72 \div 9 = 8$ years. This is a quick mental math approximation for compound interest doubling periods.

61. What is the RBI prescribed provisioning rate for a Standard Commercial Real Estate (CRE) loan?

- A) 0.25%
- B) 0.75%
- C) 1%
- D) 2%

Correct Answer: C

Explanation: As per RBI norms, provisioning for standard commercial real estate loans is 1%. Residential housing standard assets require 0.75% provision, and other standard assets require 0.25%.

62. In the EMI formula $[P \times R \times (1+R)^n] / [(1+R)^n - 1]$, what does 'n' represent?

- A) Interest rate per month
- B) Principal amount
- C) Net Present Value
- D) Number of monthly installments

Correct Answer: D

Explanation: In the EMI formula, 'P' is the principal, 'R' is the monthly interest rate, and 'n' is the total number of monthly installments (loan tenure in months). All three variables must be consistent in units.

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63. Under the Reverse Mortgage Loan scheme in India, who is eligible to apply?

- A) Senior citizens aged 60 years and above
- B) Any individual above 45 years
- C) Salaried employees with home loans
- D) NRIs only

Correct Answer: A

Explanation: Reverse Mortgage is available to senior citizens aged 60 years and above who own a residential property. Under this scheme, the bank pays periodic installments to the borrower against the mortgage of the property.

64. Under Minimum Retention Requirement (MRR) norms, what percentage must a bank retain when selling loans (maturity > 2 years) to Asset Reconstruction Companies?

- A) 5%
- B) 10%
- C) 15%
- D) 20%

Correct Answer: B

Explanation: As per MRR norms, if a loan has maturity exceeding 2 years, the originating bank must retain a minimum of 10% of the book value while selling the remaining 90% to ARCs/SPVs. For maturity below 2 years, only 5% retention is required.

65. What is the annual premium payable under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)?

- A) ₹330
- B) ₹12
- C) ₹436
- D) ₹200

Correct Answer: C

Explanation: The annual premium under PMJJBY is ₹436 per annum. It provides life insurance coverage of ₹2 lakh and is available for individuals between 18 to 50 years of age. The premium is auto-debited from the linked savings account.

66. How many characters does an IFSC (Indian Financial System Code) contain?

- A) 9 digits
- B) 16 digits
- C) 20 characters
- D) 11 characters

Correct Answer: D

Explanation: IFSC code consists of 11 alphanumeric characters — the first 4 represent the bank, the 5th is always '0' (reserved), and the last 6 identify the specific branch. It is used for NEFT, RTGS, and IMPS transactions.

67. What is the minimum claim threshold for filing a case before a Debt Recovery Tribunal (DRT)?

- A) ₹20 lakh
- B) ₹10 lakh
- C) ₹50 lakh

D) ₹1 crore

Correct Answer: A

Explanation: DRTs handle cases where the debt claim is ₹20 lakh and above. There are 39 DRTs in India. Cases below this threshold are handled by civil courts. DRATs (5 in India) handle appeals against DRT orders.

68. According to Maslow's Hierarchy of Needs, which need appears at the top (apex) of the pyramid?

- A) Safety needs
- B) Self-Actualization
- C) Esteem needs
- D) Love and Belonging

Correct Answer: B

Explanation: Maslow's Hierarchy (from bottom to top): Physiological → Safety → Love & Belonging → Esteem → Self-Actualization. Self-Actualization is the highest level, representing one's desire to reach full potential.

69. An asset costs ₹5,00,000 with a salvage value of ₹50,000 and a useful life of 9 years. What is the annual depreciation under SLM?

- A) ₹55,556
- B) ₹44,444
- C) ₹50,000
- D) ₹60,000

Correct Answer: C

Explanation: Under Straight Line Method (SLM): Annual Depreciation = (Cost – Salvage Value) / Useful Life = (₹5,00,000 – ₹50,000) / 9 = ₹4,50,000 / 9 = ₹50,000 per year. Depreciation remains constant each year.

70. What is the per-transaction limit for UPI (Unified Payments Interface) for general transactions?

- A) ₹50,000
- B) ₹1,00,000
- C) ₹5,00,000
- D) ₹2,00,000

Correct Answer: D

Explanation: The per-transaction limit for UPI general payments is ₹2,00,000 (₹2 lakh). However, for specific categories like capital markets, insurance, and IPO, the limit is ₹5 lakh per transaction as per NPCI guidelines.

71. What is the future value of ₹10,000 invested at 10% per annum compound interest for 3 years?

- A) ₹13,310
- B) ₹13,000
- C) ₹13,100
- D) ₹12,000

Correct Answer: A

Explanation: Future Value = $P \times (1 + r)^n = ₹10,000 \times (1.10)^3 = ₹10,000 \times 1.331 = ₹13,310$. This illustrates the power of compounding, where interest is earned on accumulated interest.

72. How many digits does a MICR (Magnetic Ink Character Recognition) code on a cheque contain?

- A) 11
- B) 9
- C) 16
- D) 20

Correct Answer: B

Explanation: A MICR code consists of 9 digits: the first 3 represent the city, the next 3 represent the bank, and the last 3 represent the branch. It is printed in magnetic ink at the bottom of cheques for automated processing.

73. What is the maximum cash withdrawal limit per transaction from a Basic Savings Bank Deposit Account (BSBDA)?

- A) ₹5,000
- B) ₹25,000
- C) ₹10,000
- D) ₹50,000

Correct Answer: C

Explanation: The maximum cash withdrawal per transaction from a BSBDA is ₹10,000. This account also has a maximum monthly credit limit of ₹50,000 and a maximum balance cap of ₹1,00,000.

74. Using the Rule of 115, how many years will it take for money to triple at an interest rate of 10% per annum?

- A) 10 years
- B) 12 years
- C) 14 years
- D) 11.5 years

Correct Answer: D

Explanation: The Rule of 115 states: Years to triple = $115 \div \text{interest rate} = 115 \div 10 = 11.5$ years. Similarly, Rule of 72 is for doubling and Rule of 144 is for quadrupling money.

75. Under the Reverse Mortgage Loan scheme, which of the following statements is CORRECT?

- A) The borrower does not repay the loan during their lifetime
- B) The borrower pays monthly EMI to the bank
- C) The loan is available only for commercial properties
- D) The maximum loan period is 5 years

Correct Answer: A

Explanation: Under Reverse Mortgage, the bank pays the senior citizen borrower a monthly amount against the mortgage of their property. The borrower does NOT repay the loan during their lifetime. The loan is settled after the borrower's death or sale of property.

76. What is the minimum investment amount required to avail Portfolio Management Services (PMS) in India as per SEBI?

- A) ₹10 lakh
- B) ₹50 lakh

- C) ₹25 lakh
- D) ₹1 crore

Correct Answer: B

Explanation: SEBI mandates a minimum investment of ₹50 lakh to avail PMS in India. PMS is a personalized investment service where a professional manager manages the client's portfolio of stocks and securities.

77. Can money be remitted to Nepal through NEFT? If yes, what is the per transaction limit?

- A) No, NEFT cannot be used for Nepal remittances
- B) Yes, up to ₹5 lakh
- C) Yes, up to ₹50,000
- D) Yes, up to ₹2 lakh

Correct Answer: C

Explanation: NEFT can be used to remit money to Nepal under the Indo-Nepal Remittance Facility. The maximum limit per transaction is ₹50,000. This enables migrant workers and individuals to transfer funds to Nepal.

78. Within how many days must a bank settle a death claim of a deceased depositor as per RBI guidelines?

- A) 7 days
- B) 30 days
- C) 21 days
- D) 15 days

Correct Answer: D

Explanation: As per RBI guidelines, banks must settle death claims of deceased depositors within 15 days of receiving all required documents. Delay beyond this period makes the bank liable to pay interest to the nominee/legal heir.

79. Which of the following is NOT a credit rating agency operating in India?

- A) CIBIL
- B) ICRA
- C) CARE Ratings
- D) CRISIL

Correct Answer: A

Explanation: CIBIL (Credit Information Bureau India Limited) is a credit information company that maintains individual credit scores, not a credit rating agency for instruments. CRISIL, ICRA, CARE, and India Ratings are the main credit rating agencies for debt instruments in India.

80. How many characters does a Legal Entity Identifier (LEI) code consist of?

- A) 11
- B) 20
- C) 16
- D) 22

Correct Answer: B

Explanation: A Legal Entity Identifier (LEI) is a 20-character alphanumeric code that uniquely identifies a legal entity globally. It is used in financial transactions and reporting as per international standards (ISO 17442).

81. How many digits does a UTR (Unique Transaction Reference) number for an RTGS transaction contain?

- A) 16 digits
- B) 20 digits
- C) 22 digits
- D) 11 digits

Correct Answer: C

Explanation: UTR for RTGS transactions contains 22 characters. For NEFT transactions, the UTR number is 16 characters. UTR is a unique reference number assigned to each financial transaction for tracking purposes.

82. In the context of Wealth Management, which of the following is considered an 'Alternative Asset'?

- A) Government Securities
- B) Fixed Deposits
- C) Equity Shares
- D) Hedge Funds

Correct Answer: D

Explanation: Alternative assets include hedge funds, private equity, real estate, commodities, art, and collectibles. Traditional assets include equities, bonds, and cash equivalents. Wealth managers use alternative assets to diversify client portfolios and reduce correlation risk.



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83. For a home loan of ₹1 crore, what is the maximum permissible LTV ratio as per RBI guidelines?

- A) 75%
- B) 80%
- C) 85%
- D) 90%

Correct Answer: A

Explanation: For home loans above ₹75 lakh, the maximum LTV ratio is 75% (i.e., minimum margin of 25%). This means for a ₹1 crore home, the bank can lend a maximum of ₹75 lakh and the borrower must arrange ₹25 lakh as margin.

84. In Customer Relationship Management (CRM), the primary goal of a bank is to:

- A) Maximize product cross-selling at all costs
- B) Build long-term profitable relationships with customers
- C) Reduce operational costs by minimizing customer interactions
- D) Focus only on high-net-worth individuals

Correct Answer: B

Explanation: CRM aims to build long-term, mutually profitable relationships with customers. It involves understanding customer needs, providing personalized service, and retaining profitable customers. CRM encompasses pre-sale, sale, and after-sale customer engagement.

85. What is the character length of a SWIFT (Society for Worldwide Interbank Financial Telecommunications) code?

- A) 9 characters
- B) 11 only
- C) 8 or 11 characters
- D) 16 characters

Correct Answer: C

Explanation: A SWIFT/BIC (Bank Identifier Code) is either 8 or 11 characters long. The 8-character code identifies the bank and country, while the 11-character code additionally specifies the branch. It is used for international wire transfers.

86. What is the present value of ₹1,33,100 receivable after 3 years, discounted at 10% per annum?

- A) ₹1,10,000
- B) ₹1,20,000
- C) ₹1,00,500
- D) ₹1,00,000

Correct Answer: D

Explanation: Present Value = Future Value / $(1 + r)^n = ₹1,33,100 / (1.10)^3 = ₹1,33,100 / 1.331 = ₹1,00,000$. Present value discounts future cash flows to today's money to assess the true worth of future receivables.

87. A borrower applies for a home loan of ₹25 lakh. As per RBI guidelines, what is the minimum margin the borrower must contribute?

- A) 10% (i.e., ₹2.78 lakh approximately)
- B) 20%
- C) 25%
- D) 15%

Correct Answer: A

Explanation: For home loans up to ₹30 lakh, the LTV ratio is 90%, meaning the bank finances 90% and the borrower must contribute a minimum 10% margin. For a loan on a property valued at ₹27.78 lakh, the borrower contributes ~₹2.78 lakh.

88. Under MRR norms, what percentage must a bank retain for housing mortgage loans (with no defined maturity)?

- A) 10%
- B) 5%
- C) 15%
- D) 20%

Correct Answer: B

Explanation: For housing mortgage loans with no defined maturity, the Minimum Retention Requirement (MRR) is 5%. Similarly, loans with maturity of less than 2 years also require 5% retention. Bullet loans (like gold loans) require 10% retention.

89. Marketing Information System (MKIS) primarily helps a bank in:

- A) Managing employee payroll
- B) Processing loan applications faster
- C) Collecting, analyzing, and disseminating marketing-related data for decision-making
- D) Handling interbank settlements

Correct Answer: C

Explanation: MKIS (Marketing Information System) is a structured system for collecting, analyzing, and distributing marketing information to support managerial decision-making. It helps banks understand customer behavior, market trends, and competitive positioning.

90. For bullet repayment loans (e.g., gold loans), what is the MRR percentage regardless of maturity?

- A) 5%
- B) 15%
- C) 20%
- D) 10%

Correct Answer: D

Explanation: For bullet loans such as gold loans, where the entire principal is repaid in one lump sum at maturity, the MRR is 10% irrespective of the loan tenure. This is different from regular loans where retention depends on maturity period.

91. What is the eligible age range for enrollment under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)?

- A) 18 to 50 years
- B) 18 to 60 years

- C) 21 to 55 years
- D) 18 to 70 years

Correct Answer: A

Explanation: PMJJBY is available to individuals between 18 to 50 years of age having a savings bank account. The coverage is ₹2 lakh on death due to any cause, at an annual premium of ₹436, renewed from June 1 to May 31.

92. National Financial Switch (NFS) in India is managed by which organization?
- A) RBI
 - B) NPCI
 - C) SEBI
 - D) Ministry of Finance

Correct Answer: B

Explanation: The National Financial Switch (NFS) is managed by NPCI (National Payments Corporation of India). NFS is the largest network of shared ATMs in India, enabling interoperability among banks' ATM networks.

93. Under Written Down Value (WDV) method of depreciation, which of the following is TRUE?
- A) Depreciation remains constant every year
 - B) Book value increases over time
 - C) Depreciation amount decreases every year
 - D) Salvage value equals cost price

Correct Answer: C

Explanation: Under WDV method, depreciation is charged on the reduced (written down) value of the asset each year. As the asset value decreases, the depreciation amount also reduces year after year, unlike SLM where depreciation is constant.

94. As per the Rule of 144, at what rate of interest will money become 4 times in 12 years?
- A) 10%
 - B) 8%
 - C) 14.4%
 - D) 12%

Correct Answer: D

Explanation: Rule of 144: Years to quadruple = $144 \div$ interest rate. Therefore, interest rate = $144 \div 12$ years = 12%. This rule provides a quick approximation for compound interest growth to 4 times the original investment.

95. Within how many days can an aggrieved party file an appeal before the Debt Recovery Appellate Tribunal (DRAT)?
- A) 30 days
 - B) 60 days
 - C) 45 days
 - D) 90 days

Correct Answer: A

Explanation: An appeal against a DRT order must be filed before the DRAT within 30 days from the date of order. There are 5 DRATs in India. The appellate

tribunal can condone delay in exceptional circumstances.

96. Under Anti-Money Laundering (AML) norms, which of the following is the process of converting illegally acquired funds into legitimate-looking assets?

- A) Tax evasion
- B) Money laundering
- C) Insider trading
- D) Hawala transaction

Correct Answer: B

Explanation: Money laundering is the process of making illegally obtained money appear legitimate. The three stages are: Placement (introducing illegal funds into the financial system), Layering (disguising the trail), and Integration (funds re-enter the economy as legitimate). PMLA 2002 combats this in India.

97. A debit card holder has ₹15,000 in their savings account. They attempt to make a purchase of ₹20,000 using the debit card. What will happen?

- A) The transaction will be approved and the excess will be treated as a loan
- B) The bank will allow a 10% overdraft automatically
- C) The transaction will be declined as balance is insufficient
- D) The bank will debit ₹15,000 and ask for ₹5,000 later

Correct Answer: C

Explanation: A debit card allows transactions only up to the available balance in the linked account. Since the purchase amount (₹20,000) exceeds the available balance (₹15,000), the transaction will be declined. Unlike credit cards, debit cards do not provide a credit facility.

98. What is the provisioning rate for Standard Residential Housing Loans as per RBI guidelines?

- A) 0.25%
- B) 1%
- C) 0.50%
- D) 0.75%

Correct Answer: D

Explanation: As per RBI norms, the provisioning rate for standard residential housing loans is 0.75%. For other standard assets (personal/consumer loans, capital market exposures, etc.) the rate is 0.25%, and for standard commercial real estate it is 1%.

99. If a loan of ₹1,00,000 is taken at 12% per annum for 1 year, what is the approximate monthly EMI?

- A) ₹8,885
- B) ₹9,000
- C) ₹8,333
- D) ₹8,500

Correct Answer: A

Explanation: Monthly rate $R = 12\%/12 = 1\% = 0.01$. $EMI = [P \times R \times (1+R)^n] / [(1+R)^n - 1] = [1,00,000 \times 0.01 \times (1.01)^{12}] / [(1.01)^{12} - 1] = [1000 \times 1.1268] / [0.1268] \approx ₹8,885$. The total interest paid over 12 months is approximately ₹6,620.

100. Under the Reverse Mortgage Loan scheme, what is the minimum residual life of the mortgaged property?

- A) 10 years
- B) 20 years
- C) 15 years
- D) 25 years

Correct Answer: B

Explanation: Under Reverse Mortgage, the property mortgaged should have a minimum residual life of 20 years. The maximum monthly payout to the senior citizen borrower is ₹50,000. The loan does not require periodic repayment.

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