

# JAIIB November 2025 PPB Memory-Based MCQs Kit



## JAIIB Paper 2 PPB

### Module A and Module D

**Q1) Consider the following statements regarding definition of banking:**

- 1) Banking means accepting deposits of money from the public, repayable on demand or otherwise.
- 2) Deposits must be accepted only for the purpose of lending or investment.
- 3) A Nidhi company accepting deposits from only its members qualifies as a bank.

Which statements are correct?

- A. 1 and 2 only
- B. 1 and 3 only
- C. 2 and 3 only
- D. All 1, 2 and 3

**Ans: A**

**Q2) Regarding Lessor–Lessee relationship of locker:**

- 1) Bank is responsible for natural calamity losses.
  - 2) Bank is responsible if loss occurs due to burglary resulting from negligence.
  - 3) Liability of bank in fraud by employee is 100× the annual rent.
- A. 2 and 3
  - B. 3 only
  - C. 1 and 3
  - D. All 1, 2, 3

**Ans: A**

**Q3) A firm gives its employee authority to operate its account. Who is the “beneficial owner”?**

- A. Employee who signs cheques
- B. Bank manager
- C. The auditor
- D. The firm’s partners / controlling persons

Case Study: A customer deposits ₹2 lakh with the bank with instructions:

“Use this only for purchasing shares of ABC Ltd.”

The bank buys shares worth ₹80,000 and holds remaining funds. Before the

remaining purchase is completed, the bank fails.

**Ans: D**

**Q4) What is the legal position of the unutilised ₹1.2 lakh?**

- A. Bank is a debtor; amount forms part of bank's general liability
- B. Bank is trustee; customer gets preferential payment
- C. Customer becomes unsecured creditor
- D. Amount is forfeited

**Ans: B**

**Q5) A customer wants the liquidity of savings account but higher FD interest. Bank offers a scheme where surplus balance is auto-swept into FD and reverse-swept when required.**

This product is:

- A. NRE account
- B. Flexi deposit
- C. Recurring deposit
- D. Term deposit

**Ans: B**

**Q6) A person buys a prepaid card for ₹20,000 and gives it to his son to use at stores. Prepaid cards:**

- A. Cannot be used by third persons
- B. Must be linked to savings account
- C. May be used by third persons
- D. Only allow ATM withdrawals

**Ans: C**

**Q7) Which statements are correct?**

- 1) Account should not be opened if CDD cannot be completed
  - 2) Bank can ignore sanction list verification
  - 3) Banks must avoid denial of banking services to poor customers
- A. 1 and 2 only
  - B. 1 and 3 only
  - C. 2 and 3 only
  - D. Only 1
  - E. All of the above

**Ans: D**

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**Q8) CDD of joint account holders is required for:**

- A. First holder only
- B. All joint holders
- C. Any one holder
- D. Only if balance exceeds ₹1 lakh
- E. None of the above

**Ans: A**

**Q9) Which of the following is correct regarding Aadhaar KYC?**

- 1) Customer consent is mandatory
  - 2) Only last 4 digits can be stored
  - 3) Biometric authentication is compulsory in all cases
- A. 1 and 2 only
  - B. 2 and 3 only
  - C. 1 and 3 only
  - D. All of the above

**Ans: A**

**Q10) A labourer without any OVD opens a savings account by submitting self-attested photograph and declaration. After 6 months:**

- A. Monthly withdrawals = ₹15,000
- B. Balance = ₹45,000

**Which rule is violated?**

- A. Balance limit exceeded
- B. Annual credit limit exceeded
- C. Foreign remittance rule violated
- D. Monthly withdrawal limit exceeded
- E. None

**Ans: D**

**Q11) XYZ Pvt Ltd opens an account. Shareholding pattern:**

- 1) Mr. A – 60%
- 2) Mr. B – 25%
- 3) Mr. C – 15%

**Who is the Beneficial Owner?**

- A. Mr. A and Mr. B
- B. Mr. B only
- C. Mr. A only
- D. All shareholders

**Ans: C**



**Q12) A foreign student opens an NRO account with:**

- 1) Passport & visa
- 2) College admission letter.

**What is the maximum amount allowed during first 30 days?**

- A. ₹25,000
- B. ₹50,000
- C. USD 10,000
- D. USD 1,000
- E. No limit

**Ans: D**

**Q13) If an illiterate person wants to allow a literate person to operate the account, the bank should obtain:**

- A. Power of Attorney
- B. Court order
- C. Affidavit
- D. Authorisation-cum-indemnity letter
- E. Any of the above

**Ans: D**

**Q14) An account of an individual who is not of sound mind can be opened:**

- A. By himself
- B. By bank manager
- C. By any family member
- D. By court appointed guardian only
- E. By natural guardian

**Ans: D**

**Q15) Which statements are correct regarding HUF?**

- 1) Karta is the manager of HUF.
  - 2) Only male member can be Karta.
  - 3) Married Daughters can not become coparceners.
  - 4) All adult members must sign account opening form.
- A. 1, 2 and 4 only
  - B. 1 and 3 only
  - C. 2 and 3 only
  - D. 1 and 4 only
  - E. All of the above

**Ans: D**

**Q16) Which statements are correct?**

- 1) Trust account operated as per trust deed
- 2) Trustee can use funds personally
- 3) Insolvency of trustee does not affect trust
- 4) Bank can set off trust funds for trustee's dues

- A. 2 and 4 only  
B. 1, 2 and 3 only  
C. 1 and 3 only  
D. All of the above

**Ans: C**

**Q17) Which statements are correct regarding LEI?**

- 1) LEI is a 20-digit alphanumeric code
- 2) Mandatory for borrowers with exposure  $\geq$  ₹5 crore
- 3) Issued by RBI
- 4) Mandatory for RTGS/NEFT transactions above ₹50 crore

- A. 1 and 3 only  
B. 1, 2 and 4 only  
C. 2 and 3 only  
D. All of the above

**Ans: B**

**Q18) If the aggregate exposure of a borrower is ₹20 crore and one bank has 40% exposure, then:**

- A. All banks can open current accounts  
B. Only RBI can decide the bank  
C. No current account can be opened  
D. Any one bank having  $\geq 10\%$  exposure can maintain the current account

**Ans: D**

**Q19) If a borrower's total exposure exceeds ₹50 crore, then:**

- A. Any bank can open current account  
B. Escrow mechanism becomes mandatory  
C. Only term loan accounts can be opened  
D. CC account is prohibited

**Ans: B**

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**Q20) Interest payable by banks on DEAF claims is:**

- A. 4% p.a.
- B. 3% p.a.
- C. Any Rate
- D. Savings rate
- E. No interest

**Ans: B**

**Q21) Consider the following:**

- 1) In "Either or Survivor", either holder can operate.
- 2) In "Jointly", all must sign.
- 3) Nominee becomes owner of funds.
- 4) Survivorship applies only if mentioned.

**Correct answer:**

- A. 1 and 3 only
- B. 2 and 3 only
- C. 1, 2 and 4 only
- D. All of the above

**Ans: C**

**Q22) Regarding punishment under PMLA:**

- 1. Minimum imprisonment is 3 years.
- 2. Maximum punishment may extend to 7 years.
- 3. For drugs-related offences, imprisonment may extend to 15 years.
- 4. Fine is optional in all cases.

**Correct answer is:**

- A. 1, 2 and 3 only
- B. 2 and 4 only
- C. 1 and 2 only
- D. All of the above

**Ans: C**

**Q23) A customer is found to be listed under UN Sanctions List. What should the bank do?**

- A. Close account immediately
- B. Inform RBI only
- C. Continue operations with monitoring
- D. Freeze account and inform MHA & FIU-IND
- E. Freeze account and inform Central Govt. & FIU-IND

**Ans: D**

**Q24) An NGO receives ₹6 lakh on 5th June and ₹5 lakh on 28th June in cash. What should the bank do?**

- A. No reporting required
- B. Report as CTR
- C. Report as STR only
- D. Report as NPTR
- E. Report only if source is suspicious

**Ans: D**

**Q25) With reference to Beneficial Ownership, consider:**

- 1. Beneficial owner may not be the account holder
- 2. Beneficial owner must always be an individual
- 3. Beneficial owner concept applies to entities also
- 4. Beneficial owner details are optional under KYC

**Correct answer:**

- A. 1, 2 and 3 only
- B. 1 and 3 only
- C. 2 and 4 only
- D. All of the above
- E. None of the above

**Ans: B**

**Q26) Under what condition are joint accounts of residents with a non-resident Indian (NRI) permitted?**

- A. Only if the NRI is a close relative of all the resident account holders.
- B. Only if the NRI is a close relative of at least one of the resident account holders.
- C. Joint accounts with NRIs are not permitted.
- D. Only if the NRI is in business relationship with all the resident account holders

**Ans: A**

**Q27) Identify the incorrect statements:**

- 1. A subsidiary company of another company that is not a private company is deemed to be public company, even if registered as a private company.
- 2. A company in which fifty per cent or more of the shares are held by any one or more of the Central/ State Governments, including a subsidiary of such a company is called a Government Company.
- 3. Private Ltd restricts the right to transfer its shares but permit invitation to public to subscribe for any of its securities.
  - A. I only
  - B. II and III only
  - C. III only
  - D. II and I only

**Ans: B**



**Q28) A company incorporated after the commencement of the Companies (Amendment) Act, 2019 and having a share capital shall not commence any business or exercise any borrowing powers unless a declaration is filed by a director within a period of \_\_\_\_\_, with the Registrar that every subscriber to the memorandum has paid the value of the shares agreed to be taken by him on the date of making of such declaration.**

- a) 30 Days of the date of incorporation of the company
- b) 90 days of the date of incorporation of the company
- c) 180 days of the date of incorporation of the company
- d) 120 days of the date of incorporation of the company

**Ans: C**

**Q29) Mr. Ketan passed away without leaving a will. Who would be appointed to manage his estate by the court?**

- a) Executor
- b) Beneficiary
- c) Administrator
- d) Trustee

**Ans: C**

**Q30) Mr. Rajat, a farmer residing in a rural area, has his savings account in a bank branch that is being taken over by another bank. He wants to understand how the transfer will affect his account. What happens to the terms of the contract governing deposit accounts when a bank branch is taken over by another bank in rural and semiurban centers?**

- a) The terms of the contract are renegotiated with the new bank branch
- b) The terms of the contract are decided by the regulatory authority
- c) The terms of the contract are invalidated
- d) The terms of the contract remain the same as agreed with the original bank Branch

**Ans: D**

**Q31) What is the procedure for handling shortages and excesses in cash balances at a bank branch?**

- a) Shortages are recovered from the Suspense Account, and excesses are credited to the Sundry Deposit Account.
- b) Shortages are immediately recovered from the responsible staff, and excesses are debited to the Suspense Account.
- c) Shortages are recovered on the same day from the responsible staff, and excesses are credited to the Cash Officer/Head Cashier/Cashier.
- d) Shortages are debited to the Suspense Account, and excesses are credited to the responsible staff.

**Ans: A**

**Q32) Which of the following is a banking system that assures the banking facility of certain common minimum security features in cheques printed, issued and is handled by banks and customers uniformly across the banking industry.**

- a) Cheque Collection Policy (CCP)
- b) Cheque Truncation System (CTS)
- c) Electronic Clearing System (ECS)
- d) Cheque Deposit clearance (CDC)

**Ans: B**

**Q33) Periodic updation of KYC is mandatory by bank for these types of customers**

- a) High Risk Customer - 2 years, Medium Risk Customers - 8 years and Low Risk Customers -10 years
- b) High Risk Customer - 1 years, Medium Risk Customers - 5 years and Low Risk Customers -10 years.
- c) High Risk Customer - 3 years, Medium Risk Customers - 6 years and Low Risk Customers -9 years
- d) No need to update KYC if once generated in system.

**Ans: A**

**Q34) For a safe deposit locker a customer can make \_\_\_\_\_ nominee(s).**

- (a) only one
- (b) four
- (c) more than one
- (d) two

**Ans: C**

**Q35) Mr. Salmat works for a ship-manning agency in India. Would he be eligible to maintain a foreign currency account?**

- a) Yes, because he works for a ship-manning agency.
- b) No, unless he is the owner of the ship-manning agency.
- c) Yes, only if the ship-manning agency operates internationally.
- d) No, because ship-manning agencies are not eligible for foreign currency accounts.

**Ans: C**

**Q36) Mr. Raman, the editor of renowned newspaper named Times All, receives an offer from a foreign organization to sponsor an investigative journalism project. Can Times All accept this offer under FCRA?**

- A. Yes, because it's for the purpose of journalism.
- B. Yes, but only if the funds are used for non-news-related activities.
- C. No, because Mr. Rao is not a public servant.
- D. No, because Mr. Rao is the editor-in-chief, and FCRA prohibits owners, editors, or correspondents of registered newspapers from receiving foreign contributions.

**Ans: D**

**Q37) Domestic wire transfers of \_\_\_\_\_, where the originator is not an account holder of the ordering RE, shall also be accompanied by originator and beneficiary information**

- a) Rs. 50,000 and above
- b) Rs. 1,00,000 and above
- c) Rs. 10000 and above
- d) Rs. 20000 and above

**Ans: A**

**Q38) As per RBI guidelines, what is the penalty for a bank/WLAO if their ATM is out of cash for more than 10 hours in a month?**

- a) ₹5,000 per ATM
- b) ₹10,000 per ATM
- c) ₹20,000 per ATM
- d) ₹30,000 per ATM

**Ans: B**

**Q39) What protection does Sec. 89 of the Negotiable Instruments Act provide to a paying banker regarding a materially altered cheque?**

- a) Protection if the banker is aware of the alteration but makes payment regardless.
- b) Protection if the alteration is apparent on the cheque.
- c) Protection only if the banker can prove no negligence in handling the altered cheque
- d) Protection if payment is made according to the apparent tenor at the time of payment and otherwise in due course.

**Ans: D**

**Q40) Mr. Patel, a Non-Resident Indian (NRI), holds an NRE (Non-Resident External) account in India. Which of the following statements regarding NRE accounts is true.**

- I. Joint accounts are permitted for NRIs and PIOs only on a 'joint ownership' basis.
- II. The resident PoA holder is allowed to transfer funds from an NRE account to another NRE account.
- III. NRE (Non-Resident External) account can be opened with ADs and certain other banks (including cooperative banks) authorised by RBI.

- a) II and III

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- b) I and II
- c) Only III
- d) I and III

**Ans: C**

**Q41) You are a patient admitted to a government hospital for treatment. You wish to obtain information regarding the cost of your treatment, the qualifications of your attending doctor, and the hospital's infection control protocols. You submit a written request to the Public Information Officer (PIO) of the hospital. Based on the Right to Information (RTI) Act, what is the maximum time the PIO has to respond to your request, considering the information pertains to your health?**

- a) 5 days
- b) 15 days
- c) 30 days
- d) 48 hours

**Ans: D**

**Q42) Which of the following is correct?**

Statement I: The Consumer Protection Act (CPA) 2019 widened the scope of protection to include advertising claims and product liability.

Statement II: The CPA 2019 aims to protect consumers from unfair trade practices and misleading advertisements.

Statement III: The CPA 2019 only applies to physical goods and services purchased in traditional markets.

- a) Statement I and II are true, and statement III is false.
- b) Statement I and III are true, and statement II is false.
- c) Statement II and III are true, and statement I is false.
- d) All three statements are true.

**Ans: A**

**Q43) A customer approaches a bank claiming their account was debited even after receiving a garnishee order. The bank, upon investigation, realizes it was an oversight on their part. What is the most likely course of action for the bank in this scenario?**

- a) Debit the customer's account again to recover the mistakenly released funds.
- b) Explain the error to the customer and offer no further action.
- c) Credit the customer's account with the debited amount and implement stricter procedures to prevent future errors.
- d) Inform the court/authority that issued the garnishee order about the mistake and seek their guidance.

**Ans: C**

**Q44) Statement I: As per RBI guidelines, banks are mandated to provide ramps at ATMs and branches for wheelchair users and persons with disabilities.**

Statement II: A non-pension account holder who is incapacitated due to illness or old age can operate their account by placing a mark (toe impression, signature stamp, etc.) on cheques and withdrawal forms, even if they cannot physically sign.

Statement III: Banks are prohibited from offering cheque book facilities, including third-party cheques, to visually impaired persons.

**Which of the above statements are correct?**

- a) I and II only
- b) I and III only
- c) II and III only
- d) I, II, and III

**Ans: A**

**Q45) In the context of financial inclusion, which of the following statements is most accurate?**

- a) Financial inclusion solely focuses on providing credit facilities to disadvantaged individuals.
- b) NGOs and SHGs primarily serve as loan guarantors for excluded segments accessing formal financial services.
- c) Microfinance only targets women to empower their social and economic inclusion.
- d) Expanding financial services to excluded segments holds potential benefits for both the excluded and the formal financial system.

**Ans: D**

**Q46) Sarita, a resident of New York City, needs to send money to her friend, Emi, who lives in Paris, France. Sarita decides to use a mail transfer service provided by her bank for this purpose. But Emi said that she cannot use mail transfer service for international money transfer. Is Emi correct in their opinion?**

- a) No, as Mail transfer can be used for both internal and international remittances.
- b) Yes, Mail transfer can only be used for internal remittances.
- c) No, Mail transfer can only be used for international remittances
- d) Yes but for international money transfer approval of RBI required

**Ans: A**

**Q47) Which model does EBT operate on?**

- a) One state -one bank - one leader bank model
- b) One district - many banks - one leader bank model
- c) Many districts - one bank - many leader bank model
- d) Many states - one bank - many leader bank model

**Ans: B**



**Q48) Dimple, a customer of LMN Bank, submits a cheque for collection. The cheque is crossed generally to LMN Bank. LMN Bank diligently verifies the cheque and collects payment. Later, it is discovered that the cheque was part of a fraudulent activity. Is LMN Bank protected under Sec. 131?**

- a) Yes, because LMN Bank acted in good faith and received payment for a customer.
- b) No, because LMN Bank failed to notice the fraudulent scheme.
- c) Yes, because LMN Bank looked for fraud with due diligence and ordinary care.
- d) No, because the cheque was not crossed specially to LMN Bank.

**Ans: A**

**Q49) Emily issues a cheque to David from her account with XYZ Bank. David presents the cheque to XYZ Bank for payment, but the bank refuses to honor it, claiming that the funds are not properly available in Emily's account. What condition must be fulfilled for XYZ Bank to be obliged to honor**

**Emily's cheque?**

- a) The cheque must be properly drawn and signed by Emily.
- b) The funds in Emily's account should be properly available for the payment of the cheque.
- c) David must provide valid identification.
- d) Both a) and b)

**Ans: D**

**Q50) What condition must be met for a bank to seek protection under Sec. 85 of the Negotiable Instruments Act?**

- a) Payment must be made in accordance with the apparent tenor of the instrument.
- b) Payment must be made to any person in possession of the instrument.
- c) Payment must be made to the holder, his servant, or agent, in due course.
- d) Payment must be made to a person connected with the firm or its agent.

**Ans: C**

**Q51) Which of the following statements accurately reflects the definition of "Ethics" ?**

- I. It is solely concerned with legal compliance and the avoidance of penalties.
- II. It involves the discipline of determining what is good and bad, including moral duties.
- III. It encompasses the principles of conduct that govern individuals or groups.

(a) Only I

(b) Both II and III



The advertisement is for Oliveboard's JAIIB May 2026 PPB Master Batch. It features a blue header with the Oliveboard logo and a language selector set to 'English'. Below the header, the text 'JAIIB May 2026 PPB Master Batch' is prominently displayed in red and white, followed by 'Concept + Questions' in white. A red banner indicates '500+ Most Imp. Qs'. To the right is a portrait of Afreen Ma'am, identified as a 'PPB Expert Exp 9+ Years'. The 'Highlights' section lists four features: '110+ Live Sessions', 'Unit-Wise Coverage of All Modules', 'Exam Specific MCQs & Case Studies', and '10 Full - Length RBWM Mock Test'. Each feature is accompanied by a small icon. At the bottom, a large orange button says 'Enroll Now'.

- (c) Only III
- (d) I, II, and III

**Ans: B**

**Q52) Which of the following sets of statements accurately describes the principles of business ethics as outlined ?**

- I. Dignity involves treating all individuals with respect, regardless of their differences.
- II. Fairness means ensuring everyone receives exactly what they desire in all situations.
- III. Honesty entails being truthful and straightforward, building trust with stakeholders.

**Which option is correct?**

- (a) Only I and II
- (b) Only I and III
- (c) Only II and III
- (d) I, II, and III

**Ans: B**

**Q53) Consider the following statements regarding business ethics practices in India and corporate governance:**

- I. The evolution of business ethics in India was partly prompted by a rise in corrupt business practices in the 1980s.
- II. Corporate governance refers to the formal systems of accountability, oversight, and control within organizations.
- III. The formation of SEBI in 1992 and the addition of Clause 49 in 2005 decreased the focus on business ethics in India.

**Which option is correct?**

- (a) Only I and II
- (b) Only I and III
- (c) Only II and III
- (d) I, II, and III

**Ans: A**

**Q54) Consider the following statements about values:**

- I. Values are internalized standards that help individuals evaluate what is desirable.
- II. True values are subjective and vary significantly between individuals.
- III. Values are often learned from family, religion, and societal norms from a young age.

**Which of the following options is correct?**

- (a) Only I
- (b) Only I and II
- (c) Only I and III
- (d) I, II, and III

**Ans: A**

**Q55) Which of the following statements accurately describes beliefs as presented in the text?**

- I. Beliefs are thoughts that an individual considers to be true.
- II. Beliefs are superficial opinions that are easily changed by new information.
- III. Beliefs form a fundamental part of an individual's personality and sense of identity.

**Which of the following options is correct?**

- (a) Only I
- (b) Only I and II
- (c) Only I and III
- (d) I, II, and III

**Ans: C**

**Q56) Fill in the blank with correct option: \_\_\_\_\_ refers to the information relating to the intellectual property rights and trade secrets of any company.**

- a) Proprietary data
- b) Bribe
- c) Insider trading
- d) Financial Statements

**Ans: A**

**Q57) What is the consequence of employees solely focusing on achieving quantitative targets?**

- a) Increased emphasis on long-term sustainability.
- b) Promotion of ethical behavior within the organization.
- c) Encouragement of unethical means to achieve short-term gains.
- d) Decreased profitability and financial performance.

**Ans: C**

**Q58) Consider the hierarchy in which individuals typically prioritize the purpose of their lives. Which option represents the initial stage in this hierarchy?**

- a) Family
- b) Religion
- c) Society
- d) Self

**Ans: D**

**Q59) Which among the following is the proposed approach to handling ethical lapses within an organization's culture?**

- a) Treat all ethical lapses equally and implement stringent controls for monitoring employee behaviour, regardless of the severity of the offense.
- b) Conduct constant surveillance and monitoring of all employees to prevent unethical practices and maintain organizational trust, even if it leads to low morale among staff.
- c) Segregate unethical practices based on their severity and implement appropriate measures to address each category, focusing on restoring employee confidence and

support.

d) Ignore minor ethical lapses such as a peon engaging in pleasantries with customers, and solely focus on implementing fool-proof controls for high-value frauds to prevent significant financial losses.

**Ans: C**

**Q60) Which of the following is NOT a guideline provided by the RBI in the "Guidelines on Information security, Electronic Banking, Technology Risk Management and Cyber Frauds" to commercial banks?**

- a) Implementing procedures to ensure integrity and consistency of all data in electronic form
- b) Ensuring uniform data protection within and outside the institution
- c) Allowing unrestricted access to media without any security controls
- d) Maintaining security of media while in transit or when shared with third parties

**Ans: C**

**Q61) Why is it important for IT employees to be aware of patterns of IT attacks?**

- a) To launch counterattacks
- b) To familiarize themselves with attacker profiles
- c) To gain a competitive edge
- d) None of the above

**Ans: B**

**Q62) Consider the following statements regarding the role of Information Technology (IT) in the banking sector:**

- I. IT has become optional for banks and financial institutions, allowing them to choose whether or not to adopt it for growth.
- II. Mergers of banks can face challenges due to the incompatibility of the technological frameworks used by the merging entities.
- III. IT applications in banking are limited to communication and connectivity, without significantly impacting core business processes.

**Which of the following options is correct?**

- (A) Only statement I is true.
- (B) Only statement II is true.
- (C) Both statements I and III are true.
- (D) Only statement III is true.

**Ans: B**

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**Q63) Consider the following statements related to ethics in technology within the banking sector:**

- I. The ethical conduct of the IT team in a bank is crucial because they handle sensitive customer information, and any lapse can lead to significant consequences.
- II. Periodic training for bank employees on ethical behavior is unnecessary as long as clear guidelines on data security are in place.
- III. Intellectual Property Rights (IPRs) are irrelevant in the context of banking technology as the focus is primarily on data security and customer service.

**Which of the following options is correct?**

- (A) Only statement I is true.
- (B) Only statement II is true.
- (C) Both statements I and III are true.
- (D) Only statement III is true.

**Ans: A**

**Q64) Consider the following statements regarding FinTech and RegTech:**

- I. FinTech primarily focuses on technologies that facilitate regulatory compliance within the financial sector.
- II. RegTech refers to the application of technology to enhance the delivery and facilitation of financial services.
- III. Collaboration with FinTech companies presents opportunities for banks to increase revenue and foster innovation for the benefit of customers.

**Which of the following options is correct?**

- (A) Only statement III is true.
- (B) Both statements I and II are true.
- (C) Both statements II and III are true.
- (D) Only statement I is true.

**Ans: A**

**Q65) Evaluate the following statements concerning Intellectual Property Rights (IPRs) in the context of technology:**

- I. Intellectual property primarily refers to tangible assets created through physical labor rather than creativity.
- II. Patents offer exclusive rights for inventions, typically for a limited period of around 20 years.
- III. Copyright protection applies only to artistic works and does not extend to software or innovative processes used in technology.

**Which of the following options is correct?**

- (A) Only statement I is true.
- (B) Only statement II is true.
- (C) Both statements I and III are true.
- (D) Only statement III is true.

**Ans: B**



**Q66) Consider the following statements regarding the ethical responsibilities of IT professionals in the banking sector:**

- I. The ethical conduct of IT professionals is important primarily for maintaining the bank's hardware and software systems.
- II. Training on ethical behavior for bank employees should be limited to those working in the IT department.
- III. IT professionals have a responsibility to be aware of prevalent cybercrimes and patterns of attacks on the bank and its customers.

**Which of the following options is correct?**

- (A) Only statement I is true.
- (B) Only statement II is true.
- (C) Only statement III is true.
- (D) Both statements I and II are true.

**Ans: C**



The advertisement for Oliveboard's JAIB 2026 2.0 Foundation Batch features the Oliveboard logo at the top left. The main title 'JAIB 2026 2.0 Foundation Batch' is prominently displayed in the center, with the tagline 'Bank on Success!' below it. To the right, a photo shows four men in Oliveboard-branded shirts. A blue box on the left lists the course features: 200+ Live Sessions, Mock Test + AI-Analysis, Case Study + Numericals, and Exclusive Community Access. On the right, it specifies 'Medium: Hinglish' and includes a red 'Enrol Now' button.

## Module B and Module C

**Q67) With reference to Bulk Note Acceptors (BNAs), consider the following statements:**

- 1. BNAs allow customers to deposit bulk cash, which is sorted, counted and credited instantly to their accounts and can also be used for cash withdrawal in case of BNA recyclers.
- 2. The Reserve Bank of India subsidized the cost of BNAs up to 75% in urban areas and 50% in semi-urban areas to promote their deployment.

**Which of the above statements is/are correct?**

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2

(d) Neither 1 nor 2

**Correct Answer: (a)**

Explanation:

Statement 1 is correct – BNAs accept bulk notes, sort, count and credit instantly; BNA recyclers allow both deposit and withdrawal.

Statement 2 is incorrect – RBI subsidy is up to 50% in urban areas and 75% in semi-urban areas, not the reverse.

**Q68) Bulk Note Acceptor (BNA) machines can accept bundles of mixed notes up to a maximum of:**

(a) 50 notes

(b) 100 notes

(c) 200 notes

(d) 500 notes

**Correct Answer: (c)**

Explanation:

BNAs have the capacity to accept and process up to 200 mixed currency notes in one transaction.

**Q69) With reference to Atal Pension Yojana (APY), consider the following statements:**

1. APY is administered by the Pension Fund Regulatory and Development Authority (PFRDA) and is open to bank account holders in the age group of 18 to 40 years.

2. From 1st October 2022, persons who are income-tax payers are not eligible to join the APY scheme.

3. Under APY, the guaranteed minimum monthly pension available at the age of 60 years is ₹2,000 only.

4. In case of death of the subscriber before attaining 60 years of age, the spouse can continue contributing to the APY account till the original subscriber would have attained 60 years.

**Which of the above statements is/are correct?**

(a) 1, 2 and 4 only

(b) 1 and 3 only

(c) 2 and 3 only

(d) 1, 2, 3 and 4

**Correct Answer: (a)**

Explanation:

Statement 1 is correct – APY is administered by PFRDA and is open to 18–40 years age group.

Statement 2 is correct – From 1 Oct 2022, income-tax payers are not eligible to join.

Statement 3 is incorrect – Guaranteed pension slabs are ₹1,000, ₹2,000, ₹3,000, ₹4,000 and ₹5,000.

Statement 4 is correct – In case of premature death, spouse can continue contributions till 60 years of age of the subscriber.

**Q70) The maximum guaranteed monthly pension available under Atal Pension Yojana (APY) is:**

- (a) ₹2,000
- (b) ₹3,000
- (c) ₹4,000
- (d) ₹5,000

**Correct Answer: (d)**

Explanation:

Under APY, the guaranteed minimum monthly pension options are ₹1,000, ₹2,000, ₹3,000, ₹4,000 and ₹5,000.

**Q71) With reference to advances against Warehouse Receipts, consider the following statements:**

1. Advances can be granted against Warehouse Receipts issued by private warehouses even if such warehouses are not approved by the bank.
2. Advances should be made only against foodgrains classified as Grade I and not against those marked as Grade II, III or IV.
3. No advance should be made against Non-Negotiable Warehouse Receipts.
4. Warehouse Receipts endorsed in favour of the borrower should be freely accepted by the bank for granting advances.

**Which of the above statements is/are incorrect?**

- (a) 4 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1 and 4 only

**Correct Answer: (d)**

Explanation:

Statement 1 is incorrect – Private warehouse receipts can be accepted only if the warehouse is approved by the bank.

Statement 2 is correct – Only Grade I foodgrains are eligible.

Statement 3 is correct – No advance is made against Non-Negotiable Warehouse Receipts.

Statement 4 is incorrect – Receipts merely endorsed to the borrower should be avoided; only receipts issued in the borrower's name are to be accepted.

**Q72) Against which grade of foodgrains can banks give advances against Warehouse Receipts?**

- (a) Grade I
- (b) Grade II
- (c) Grade III
- (d) Grade IV

**Ans: A**

**Q73) Which type of Warehouse Receipt is accepted for granting advances by banks?**

- (a) Only Negotiable Warehouse Receipt
- (b) Only Non-Negotiable Warehouse Receipt
- (c) Both Negotiable and Non-Negotiable
- (d) Neither of the above

**Ans: A**

**Q74) Under the SHG–Bank Linkage Programme, what is the normal savings to loan ratio for SHGs?**

- A\_ 1 : 1 to 1 : 4
- B) 1 : 5 to 1 : 10
- C) 2 : 1
- D) 1 : 20

**ANS) A**

**Q75) Why was the National Financial Switch (NFS) created?**

- A) To manage stock market transactions
- B) To facilitate interoperability among bank ATM networks at the national level
- C) To provide loans to banks
- D) To provide mobile banking services

**Answer: B**

Explanation: NFS was created by IDRBT in 2004 to connect ATMs across banks nationwide, enabling customers to access services like cash withdrawal or balance enquiry from any participating bank's ATM.

**Q76) Which of the following is NOT a value-added service offered by NFS ATMs?**

- A) Interoperable Cash Deposit (ICD)
- B) Mobile Banking Registration (MBR)
- C) Card-to-Card Fund Transfer (C2C)
- D) Personal Loan Disbursement

**Answer: D**

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Explanation: NFS ATMs offer value-added services like ICD, MBR, C2C, Cheque Book Request, Statement Request, and Aadhaar Number Seeding. Personal Loan Disbursement is not offered through NFS ATMs.

**Q77) Which of the following statements about National Financial Switch (NFS) is incorrect?**

- A. NFS is the largest network of shared ATMs in India and was developed by IDRBT in 2004.
- B. NPCI took over NFS operations from IDRBT on December 14, 2009.
- C. NFS offers basic services like Cash Withdrawal, Balance Enquiry, PIN Change, and Mini Statement.
- D. Value-added services like Interoperable Cash Deposit, Card-to-Card Fund Transfer, and Aadhaar Number Seeding can be accessed only at the bank that issued the card.

**Ans: D**

Statement 1: Correct. NFS is indeed the largest shared ATM network in India, developed by IDRBT in 2004 to interconnect ATMs nationwide.

Statement 2: Correct. NPCI took over NFS operations from IDRBT on December 14, 2009.

Statement 3: Correct. NFS provides basic ATM services such as Cash Withdrawal, Balance Enquiry, PIN Change, and Mini Statement to cardholders of member banks.

Statement 4: Incorrect. NFS value-added services like Interoperable Cash Deposit (ICD), Card-to-Card Fund Transfer (C2C), Aadhaar Number Seeding (ANS), etc. can be accessed using any participating member bank's ATM, not just the bank that issued the card. Hence, statement 4 is wrong.

**Q78) Which of the following statements about assignment of actionable claims in banking is/are correct?**

- 1. Assignment of actionable claims is governed by the Transfer of Property Act, 1882.
  - 2. For an assignment to be valid, notice must always be given to the debtor.
  - 3. Banks can assign their debts to other banks or financial institutions for securitisation or recovery purposes.
  - 4. Assignment automatically transfers all liabilities of the assignor along with the claim.
- A) 1 and 3 only
  - B) 2 and 4 only
  - C) 1, 2 and 3 only
  - D) All 1, 2, 3 and 4

**Ans: A**

Explanation (Tricky Points):

Statement 1: Correct — Legal basis for assignment of actionable claims is Transfer of Property Act, 1882 (Section 130).

Statement 2: Incorrect — Notice to the debtor is not mandatory for validity, but advisable.

Statement 3: Correct — Banks commonly use assignment for loan recovery or securitisation.



Statement 4: Incorrect — Assignment transfers the claim, not the assignor's liabilities.

**Q79) Which of the following statements about SHGs under DAY-NRLM is/are correct?**

1. The Revolving Fund (RF) provided to SHGs ranges from ₹10,000 to ₹15,000 per SHG to strengthen financial capacity and build credit history.
2. Under the interest subvention scheme, the interest burden on women SHGs is reduced to 5% p.a. on credit up to ₹300,000 per SHG.

- A) 1 only
- B) 2 only
- C) Both 1 and 2
- D) Neither 1 nor 2

**Ans: A**

Statement 1: Correct — RF support is ₹10,000–₹15,000 per SHG, aimed at strengthening institutional and financial capacity and building good credit history.

Statement 2: Incorrect — Interest subvention reduces the rate to 7% p.a., not 5%, for credit up to ₹300,000 per SHG.

**Q80) Which of the following statements about PMEGP is/are incorrect?**

1. PMEGP was launched in 2008 by merging PMRY and REGP.
2. KVIC is the national nodal agency, and implementation at the state level is done through KVIBs, DICs, and banks.
3. The objective of PMEGP is to generate self-employment opportunities and arrest migration of youth from rural to urban areas.
4. Beneficiaries are selected only by banks, and no training is provided to them.

- A) 1, 2, and 3 only
- B) 1 and 4 only
- C) 2, 3, and 4 only
- D) 4 only

**Ans: D**

Statement 1: Correct. PMEGP was introduced in 2008 by merging PMRY (Prime Minister's Rojgar Yojana) and REGP (Rural Employment Generation Programme).

Statement 2: Correct. KVIC is the nodal agency at the national level, and at the state level, State KVIC Directorates, KVIBs, DICs, and banks implement the programme.

Statement 3: Correct. Objectives include creating self-employment, providing sustainable employment, increasing wage capacity, and preventing rural-to-urban migration.

Statement 4: Incorrect. Beneficiaries are identified at the district level by KVIC/KVIB/DICs/banks, and they receive two weeks of training in entrepreneurship or vocational skills.

Prime Minister's Employment Generation Programme

**Q81) What is the capital subsidy limit for a new micro-enterprise unit under PMEGP for a general category beneficiary in a rural area?**

Options:

- A) 5% of project cost
- B) 10% of project cost
- C) 15% of project cost
- D) 25% of project cost

**Ans: C**

Explanation:

For new micro-enterprise units, PMEGP provides capital subsidy (margin money) based on area and beneficiary category.

General category beneficiaries get:

Urban area: 10% of project cost

Rural area: 15% of project cost

Special categories (SC/ST/OBC, Women, Minorities, etc.) get higher subsidies.

**Q82) Which of the following statements are criteria for upgradation/modernisation of existing PMEGP/MUDRA units?**

1. The unit should have no employees at the time of upgradation.
2. Margin money under PMEGP should be successfully adjusted at the end of a lock-in period of 3 years.
3. The first loan under PMEGP/REGP/MUDRA must be repaid on time.
4. The unit should be profit-making, and its turnover and profit should increase with upgradation/modernisation.

- A. 1 only
- B. 2, 3 & 4
- C. 1 & 4
- D. All of the above

**Ans: B**

1. Incorrect. There is no condition that units should have no employees.
2. The margin money must be successfully adjusted at the end of the 3-year lock-in period.
3. Correct. The first loan under PMEGP/REGP/MUDRA should have been repaid on time to be eligible.
4. Correct. The unit must be profitable, and upgradation should increase turnover and profit.

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**Q83) In the context of loan pricing, the Spread is:**

- A) The rate fixed by RBI for repo operations
- B) The margin added by banks over the Benchmark Lending Rate to arrive at the final lending rate to the customer
- C) The penalty charged for late repayment
- D) The difference between deposit rate and inflation

**Ans: B**

**Q84) PQR Bank has two loan accounts:**

Account A: A term loan to a company, guaranteed by the Central Government. Interest has remained overdue for 8 months. The bank has not yet invoked the Government guarantee.

Account B: A working capital loan to a State PSU, guaranteed by the State Government. Interest and principal are overdue for more than 90 days.

**How should these two accounts be classified for asset classification purpose?**

- A) Both Account A and Account B should be treated as Standard Assets till guarantees are invoked.
- B) Account A should be treated as NPA after 90 days, but Account B can remain Standard till guarantee is repudiated.
- C) Account A will not be treated as NPA till the Central Government repudiates the guarantee after invocation, but Account B will be treated as NPA since overdues exceed 90 days.
- D) Both accounts will be treated as NPAs only after one year of default.

**Ans: C**

Explanation:

Central Government Guaranteed Advance:

Even if overdue, it will be classified as NPA only when the guarantee is invoked and the Central Government repudiates it.

State Government Guaranteed Advance (post 31-03-2006):

These advances follow normal NPA norms. If interest/principal is overdue for more than 90 days, the account becomes NPA, irrespective of the guarantee.

**Q85) As per income recognition norms, interest on Non-Performing Assets (NPAs) should be recognised:**

- A) Only when actually received in cash
- B) On due date
- C) On accrual basis
- D) At the end of financial year

**Ans: A**

**Q86) For working capital assessment of MSME borrowers, the maximum period up to which sundry debtors are considered eligible for bank finance is:**

- A) 90 days
- B) 120 days
- C) 180 days
- D) 365 days

**Ans: C**

**Q87) Choose the correct statements:**

1. TReDS is an electronic platform for facilitating the financing/discounting of trade receivables of micro and small enterprises through multiple financiers. These receivables may be due from corporates and other buyers, including Government Departments and Public Sector Undertakings (PSUs).
  2. Sellers, buyers and financiers are the participants on a TReDS platform.
  3. Only micro and small enterprises can participate as sellers.
- A. 1 & 3
  - B. 2 & 3
  - C. 1 & 2
  - D. All of the above

**Ans: A**

- TReDS is an electronic platform for facilitating the financing/discounting of trade receivables of MSMEs through multiple financiers. These receivables may be due from corporates and other buyers, including Government Departments and Public Sector Undertakings (PSUs)
- Sellers, buyers and financiers are the participants on a TReDS platform.
- Only MSMEs can participate as sellers.

**Q88) An NBFC-MFI is defined as a non-deposit taking NBFC that fulfills the following conditions:**

1. Minimum Net Owned Funds: Minimum Rs 10 crore. (Registered in the North Eastern Region, Minimum Rs 2 crore).
  2. Qualifying Assets Share: Not less than 85% of net assets to be “qualifying assets.”
- A. 1 only
  - B. 2 only
  - C. Both 1 & 2
  - D. Neither 1 nor 2

**Ans: D**

An NBFC-MFI is defined as a non-deposit taking NBFC (other than a company licensed under Section 25 of the Companies Act, 1956 - Section 8 of the Companies Act, 2013) that fulfills the following conditions:

- (a) Minimum Net Owned Funds: Minimum Rs 5 crore. (Registered in the North Eastern Region, Minimum Rs 2 crore).
- (b) Qualifying Assets Share: Not less than 75% of net assets to be “qualifying assets.”

**Q89) Consider the following statements about letters of credit (LCs) and their functionality. Determine which statement is true based on the provided information.**

Situation 1: Sarah is a seller who has received an LC from her buyer's bank. The bank guarantees payment to Sarah once she presents the required shipping documents.

Situation 2: Tom is reviewing an LC and is unsure if he can transfer it to another party. He thinks it might work like a negotiable instrument.

Situation 3: The bank informs Lisa that they will only pay the beneficiary if all documents comply exactly with the terms specified in the LC.

**Which of the following statements is true?**

- A) Sarah will receive payment regardless of document compliance because the LC is like a guarantee.
- B) Tom can treat the LC as a negotiable instrument and transfer it to another party.
- C) Lisa will only receive payment if she presents documents that meet the LC's requirements.
- D) All of the above statements are true.

**Correct Answer: C**

A) Incorrect: Payment is contingent upon strict compliance with the documents, not guaranteed regardless.

B) Incorrect: An LC is not a negotiable instrument and cannot be transferred like one.

**Q90) Which of the following statements about the SHG–Bank Linkage Programme are correct?**

1. Both registered and unregistered SHGs promoting savings habits among members are eligible to open Savings Bank accounts with banks.
2. Banks can sanction savings-linked loans to SHGs, generally in the ratio of 1:1 to 1:4, and even higher for well-matured SHGs.
3. Banks are required to charge uniform interest rates and compulsory service charges on all SHG loans.

A) 1 and 2 only

B) 2 and 3 only

C) 1 and 3 only

D) 1, 2 and 3

**Ans: A) 1 and 2 only**

Explanation:

Statement 1: Correct. Both registered and unregistered SHGs engaged in promoting savings can open Savings Bank accounts.

Statement 2: Correct. Banks can give savings-linked loans in the ratio of 1:1 to 1:4, and higher for matured SHGs.

Statement 3: Incorrect. Banks are free to decide interest rates as per regulatory guidelines, and no service/inspection charges are to be levied for loans up to ₹25,000 per member under priority sector SHG/JLG loans.



**Q91) Which of the following statements about SWIFT is/are correct?**

1. SWIFT is a profit-making organisation owned by the World Bank and IMF.
2. SWIFT settles funds and physically transfers money between banks.
3. SWIFT operates only during banking hours and is closed on holidays.
4. SWIFT uses non-standard and bank-specific message formats for communication.

- A) 1 and 2 only  
B) 2 and 3 only  
C) 3 and 4 only  
D) None of the above

**Ans: D**

Statement 1 is incorrect: SWIFT is a non-profit cooperative owned by member banks, not by World Bank/IMF.

Statement 2 is incorrect: SWIFT is only a message transmission system, it does not settle funds.

Statement 3 is incorrect: SWIFT works 24×7 throughout the year.

Statement 4 is incorrect: SWIFT uses standardised message formats (about 400 formats).

**Q92) Which of the following statements regarding the RTGS System is/are correct?**

1. RTGS transactions are processed on a continuous real-time basis and settled individually without netting.
2. RBI settles RTGS transactions in the books of the clearing banks only, not in its own books.
3. RTGS is available only on working days during banking hours.
4. The Next Generation RTGS (NG-RTGS) uses ISO 20022 messaging standards.

- A) 1 and 4 only  
B) 2 and 3 only  
C) 1, 2 and 3 only  
D) 2 and 4 only

**Ans: A) 1 and 4 only**

Explanation:

Statement 1 is correct: RTGS is settled on a real-time gross basis.

Statement 2 is incorrect: Settlement is done in the books of RBI, not in clearing banks' books.

Statement 3 is incorrect: RTGS is available 24×7×365.

Statement 4 is correct: NG-RTGS uses ISO 20022 messaging standard.

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**Q93) Under the revised Priority Sector Lending (PSL) norms effective April 1, 2025, a housing loan to an individual will qualify for priority sector classification up to a maximum amount of:**

- A) ₹35 lakh in all centres
- B) ₹50 lakh in centres with population of 50 lakh and above
- C) ₹45 lakh in centres with population below 10 lakh
- D) ₹25 lakh in centres with population of 10 lakh and above

**Ans: B**

**Q94) Which of the following statements about housing loans under Priority Sector Lending (PSL) is/are correct under the revised RBI norms (effective April 1, 2025)?**

- 1. Housing loans up to ₹50 lakh qualify as priority sector in centres with a population of 50 lakh and above.
- 2. In centres with population between 10 lakh and 50 lakh, housing loans up to ₹45 lakh qualify as priority sector.
- 3. Housing loans to banks' own employees are eligible for priority sector classification.
- 4. In centres with population below 10 lakh, housing loans up to ₹35 lakh qualify as priority sector.

- A) 1, 2 and 4 only
- B) 1 and 3 only
- C) 2 and 4 only
- D) 1, 2, 3 and 4

**Ans: A**

Statement 1: Correct — Loans up to ₹50 lakh are eligible under PSL in cities/towns with population 50 lakh and above.

Statement 2: Correct — In centres with population 10 lakh to below 50 lakh, housing loans up to ₹45 lakh qualify for PSL.

Statement 3: Incorrect — Housing loans to banks' own employees are not eligible for Priority Sector classification.

Statement 4: Correct — In centres with population below 10 lakh, the limit is ₹35 lakh

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**Q95) Which of the following statements about advances against Warehouse Receipts (WRs) is/are correct?**

1. Advances can be made against WRs issued by Central/State Government warehouses and also private agencies without any approval.
2. Only WRs issued in the name of the borrower are acceptable for advances; WRs endorsed to borrowers should be avoided.
3. Advances are not allowed against WRs for foodgrains of Grade II, III, or IV; only Grade I stocks are eligible.
4. Non-negotiable WRs may be accepted for advances provided the borrower gives a separate transfer letter to the bank.

- A) 2 and 3 only
- B) 1 and 4 only
- C) 1, 2, and 3 only
- D) 2, 3, and 4 only

**Ans: A**

Statement 1: Incorrect — Private warehouse WRs are acceptable only if approved by the bank.

Statement 2: Correct — WRs must be issued in the name of the borrower; endorsed WRs should be avoided.

Statement 3: Correct — Only Grade I stocks are eligible; Grade II, III, IV are not acceptable.

Statement 4: Incorrect — No advance is allowed against Non-Negotiable WRs, even if a transfer letter is given.

Key Exam Point: Always check grade, genuineness, borrower's name, negotiable status, and insurance before sanctioning advances against WRs.

**Q96) Which of the following is the advantage of adopting Core Banking ?**

- (a) Reliable centralised data recovery
- (b) Enables Data warehousing and data mining technologies
- (c) Integrated customer-centric services
- (d) Core infrastructure can be used for future expansion
- (e) All of the above

**Ans: E**

**Q97) Before allowing advances against Warehouse Receipts, the bank branch should ensure that:**

- A) Insurance is optional and not required
- B) Only a verbal confirmation from the borrower is sufficient
- C) The stocks in the warehouse are inspected
- D) The warehouseman's signature is not necessary

**Ans: C**

Explanation:

Branches must inspect the stocks covered by the Warehouse Receipt before sanctioning any advance.

A letter from the borrower and insurance details are required.

Specimen signatures of authorized warehouse officers must be supplied and updated.

Verbal confirmation alone is not sufficient, and insurance is mandatory.

**Q98) Under DAY-NRLM, the Revolving Fund (RF) provided to SHGs:**

- A) Is given as a loan to be repaid within 1 year
- B) Ranges from ₹10,000 to ₹15,000 per SHG
- C) Can only be used to purchase land
- D) Covers interest subvention to reduce bank lending rate to 5%

**Ans: B**

The Revolving Fund (RF) is given as corpus support to SHGs.

Purpose: strengthen institutional and financial capacity and build good credit history.

It is not a loan to be repaid immediately.

Interest subvention is separate, reducing the lending rate to 7% p.a., not 5%.

**Q99) Which of the following statements about NULM loans (SEP-1 and SEP-G) is/are correct?**

1. For individual enterprises (SEP-1), the maximum project cost is ₹2 lakh.
2. For group enterprises (SEP-G), the maximum loan per member is ₹2 lakh or aggregate ₹10 lakh, whichever is lower.
3. For SEP-1 loans, a margin money of 20% of the project cost is mandatory for all loans.
4. The repayment period for both SEP-1 and SEP-G loans is 5–7 years after an initial moratorium of 6–18 months.

- A) 1 and 4 only
- B) 1 and 3 only
- C) 2 and 3 only
- D) 1, 2 and 4 only

**Ans: D**

Statement 1: Correct — SEP-1 loans have a maximum project cost of ₹2 lakh.

Statement 2: Correct — SEP-G loans are capped at ₹2 lakh per member, aggregate not exceeding ₹10 lakh.

Statement 3: Incorrect — SEP loans do not require margin for loans up to ₹50,000, and for higher loans, it's preferably 5% and not more than 10%.

Statement 4: Correct — Repayment is 5–7 years with an initial moratorium of 6–18 months.

**Q100) Under NULM, what is the maximum project cost/loan for an individual enterprise (SEP-1)?**

- A) ₹1,00,000
- B) ₹2,00,000
- C) ₹5,00,000
- D) ₹10,00,000

**Ans: B**

Under SEP-1 (Individual Enterprises), the maximum unit project cost is ₹2 lakh. Loans are collateral-free, and repayment is over 5–7 years with 6–18 months moratorium.

**Q101) Match the types of bills with their correct features:**

Bill Type	Feature
1. Usance Bill	A. Drawn for domestic trade within the country
2. Inland Bill	B. Payment is made immediately or on sight
3. Documentary Bill	C. Accompanied by documents like invoice, bill of lading
4. Foreign Bill	D. Payment due after a specified period in international trade

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

**Ans: C**

Explanation (Tricky Part):

Usance Bill (1): Payment after a specified period, can be domestic or foreign, here matched with foreign deferred payment.

Inland Bill (2): Bill used for domestic trade within the country.

Documentary Bill (3): Bill accompanied by documents (invoice, shipping documents).

Foreign Bill (4): Payment on sight or immediate in international trade, here used to test distinction from usance bills.

**Q102) Aisha takes out a loan from XYZ Bank and offers her valuable artwork as collateral under a pledge agreement. Later, she defaults on the loan, and the bank takes possession of the artwork. During this time, Aisha also asks the bank to hold her antique**



**furniture for safekeeping, but this is not part of any formal agreement. Which of the following statements is true regarding the bank's rights?**

- A) The bank can sell the artwork to recover the loan amount but has no rights over the furniture since it was not pledged.
- B) The bank can automatically claim the furniture as well, since they have a banker's lien on all items held in their possession.
- C) The bank cannot sell the artwork until Aisha repays the loan in full.
- D) The bank has the right to sell both the artwork and the furniture to recover the loan..

**Ans: A**

Explanation

- A) This is correct. The bank has rights to the pledged artwork as collateral for the loan, but the furniture, which was not part of a pledge agreement, cannot be claimed.
- B) This is incorrect. A banker's lien applies primarily to items related to a specific debt or obligation; without a pledge on the furniture, the bank cannot claim it.
- C) This is incorrect. The bank can sell the artwork to recover the loan amount as per the pledge agreement after Aisha's default.
- D) This is incorrect. The bank cannot sell the furniture since it was not part of any formal pledge or agreement.

**Q103) Select the correct statements.**

- 1. A pledge is the transfer of interest in specific immoveable property, for the purpose of securing the payment of money advanced or to be advanced by way of loan.
- 2. The transferor in pledge is called a mortgagor. The transferee is called a mortgagee. The principal money and interest secured is called the mortgage-money.

- A. 1 only
- B. 2 only
- C. Both 1 & 2
- D. Neither 1 nor 2

**Ans: D**

- A mortgage is the transfer of interest in specific immoveable property, for the purpose of securing the payment of money advanced or to be advanced by way of loan
- The person, whose goods are bailed, is called the Pawnor, the person who takes the goods as security is called the Pawnee

English

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**Q104) Which of the following is correct in case of pledge?**

- a) Ownership remains with borrower but possession is with bank
- b) Both ownership and possession remains with borrower
- c) Both ownership and possession are transferred to banker
- d) Possession is with borrower but ownership is transferred to the bank

**Ans: A**

**Q105) Which of the following statements correctly describes the conditions for a non-banking financial company-microfinance institution (NBFC-MFI)?**

- A. Minimum net owned funds of Rs 5 crore (or Rs 2 crore if registered in the North Eastern Region), with not less than 75% of net assets as qualifying assets.
- B. Minimum net owned funds of Rs 3 crore, with at least 70% of net assets as qualifying assets.
- C. No minimum net owned funds requirement, but must have 90% of net assets as qualifying assets.
- D. Minimum net owned funds of Rs 10 crore, with at least 80% of net assets as qualifying assets.

**Ans: A**

**Q106) Under which Act is the assignment of actionable claims primarily governed?**

- A) Negotiable Instruments Act, 1881
- B) Transfer of Property Act, 1882
- C) Banking Regulation Act, 1949
- D) Indian Contract Act, 1872

**Correct Answer: B) Transfer of Property Act, 1882**

**Explanation:**

Section 130 of the Transfer of Property Act, 1882 deals with assignment of actionable claims. Actionable claims include money due under a contract or money payable under a decree. In banking, assignment is used to transfer debts/loans to other banks or financial institutions. While Banking Regulation Act, 1949 allows banks to assign debts, the legal foundation of assignment comes from the Transfer of Property Act.

**Q107) Which of the following statements is correct about charge cards?**

- A) The cardholder can pay only part of the outstanding amount on the due date
- B) The cardholder must pay the full balance on receipt of the statement
- C) The cardholder can withdraw cash from ATMs without any limit
- D) The cardholder pre-loads the card with a fixed amount

**Ans: B**

Explanation:

Charge Card: Entire outstanding must be paid in full each month; interest is not charged.

Credit Card: Allows partial payment of outstanding.

Debit/ATM Card: Amount is debited immediately from account.

Prepaid Card: Card is pre-loaded with money.

**Q108) Which of the following is NOT considered plastic money?**

- A) Credit Card
- B) Debit Card
- C) Prepaid Card
- D) Cheque

**Ans: D**

**Q109) Which of the following statements about plastic money is/are correct?**

1. A charge card requires the cardholder to pay the entire outstanding balance on the due date.
  2. A credit card allows the cardholder to pay only part of the outstanding amount on the due date.
  3. A prepaid card allows the cardholder to spend more than the amount loaded on the card.
- A) 1 and 2 only
  - B) 2 and 3 only
  - C) 1 and 3 only
  - D) All 1, 2 and 3

**Ans: A**

Explanation (Tricky Points):

Statement 1: Correct — Charge cards must be paid in full; no interest is charged.

Statement 2: Correct — Credit cards allow partial payment, with interest charged on unpaid balance.

Statement 3: Incorrect — Prepaid cards cannot be used beyond the loaded amount; they are pre-funded.

**Q110) Which of the following statements is not true about the Core banking system?**

- (a) Branches are interconnected only to share customer data among them
- (b) Customer need not necessarily transact only from the home branch
- (c) Data of a customer is not lost when his home branch is down
- (d) A Customer can access his banking A/C related information through multiple ways
- (e) online, mobile, and other banking services can be provided

**Ans: A**

**Q111) In a microwave system \_\_\_\_\_.**

- (a) Radio waves are modulated to carry information
- (b) Wave beams are sent from one antenna to another
- (c) Along the route, the received data is amplified and retransmitted
- (d) Microwave signals may be passed on to the satellite
- (e) All of the above

**Ans: E**

**Q112) Which of the following is true for an e-payment system?**

- (a) E-payment system requires only a messaging system
- (b) E-payment system requires physical exchange of money
- (c) E-payment system involves messaging as well as a settlement system
- (d) E-payment requires only a settlement system
- (e) None of the above

**Ans: C**

**Q113) Which of the following statements about NRLM is INCORRECT?**

- A. NRLM aims to organize rural poor women into Self-Help Groups (SHGs) and federations to improve their livelihoods.
- B. The mission provides direct cash benefits to all registered rural households without any eligibility criteria.
- C. NRLM focuses on financial inclusion by linking SHGs to banks for credit and savings opportunities.
- D. The program follows a demand-driven approach and encourages community participation in decision-making.

**B**

**Q114) Which of the following statements about the Pradhan Mantri Fasal Bima Yojana (PMFBY) is INCORRECT?**

1. PMFBY is a mandatory scheme for all farmers, including tenant farmers and sharecroppers.
2. The scheme covers all types of crop losses, including war-related damages and malicious destruction.
3. Aadhaar is optional for farmers enrolling under PMFBY.



The advertisement is for the Oliveboard JAIIB May 2026 RBWM Master Batch. It features a green and white color scheme. At the top, the Oliveboard logo is on the left, and a language selector set to 'English' is on the right. Below the logo, the text 'JAIIB May 2026 RBWM Master Batch Concept + Questions' is prominently displayed. A small portrait of a woman, Anshul Ma'am, is shown on the right side of the banner. Below the main title, it states '500+ Most Imp. Qs'. The 'Highlights' section lists four key features: '110+ Live Sessions', 'Unit-Wise Coverage of All Modules', 'Exam Specific MCQs & Case Studies', and '10 Full - Length RBWM Mock Test'. At the bottom, there is a large orange button that says 'Enroll Now'.

- A. Only Statement 1 is incorrect
- B. Only Statement 2 is incorrect
- C. Only Statement 3 is incorrect
- D. All Statements 1, 2, and 3 are incorrect

**Ans: D**

Statement 1 is incorrect – PMFBY is optional, not mandatory. Farmers can choose whether to enroll.

Statement 2 is incorrect – The scheme does not cover losses due to war, nuclear risks, or malicious damage.

Statement 3 is incorrect – Aadhaar is mandatory for availing crop insurance under PMFBY.

**Q115) Who is authorized to issue credit cards in India?**

- A) Only Scheduled Commercial Banks (SCBs)
- B) Only Non-Banking Financial Companies (NBFCs)
- C) Both Banks and NBFCs with RBI approval
- D) Any financial institution

**Ans: C**

**Q116) The Direct Benefit Transfer (DBT) program, aimed at delivering subsidies and cash benefits directly to beneficiaries, was initially implemented under which structured banking model to ensure seamless fund transfer?**

- (A) Single Bank Multiple District Model
- (B) One District One Bank Model
- (C) Universal Banking Framework
- (D) Decentralized Benefit Distribution Model

**Ans: B**



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