

# JAIIB 2026 PPB

## 50 Most Repetitive MCQs, Download PDF



# JAIIB PPB

## Principles & Practices of Banking

Questions from the most repetitive topics

**Q1. A customer deposits money in a savings account. What is the legal relationship between the bank and the customer?**

- A) Trustee – Beneficiary
- B) Debtor – Creditor
- C) Creditor – Debtor
- D) Bailor – Bailee

**Answer: B) Debtor – Creditor**

*Explanation:* When a customer deposits money, the bank becomes the debtor (owes money back) and the customer becomes the creditor. The bank can use the funds as it wishes and is only obligated to repay on demand.

**Q2. A customer keeps valuables in a bank's safe deposit locker. What is the legal relationship?**

- A) Debtor – Creditor
- B) Trustee – Beneficiary
- C) Bailor – Bailee
- D) Creditor – Debtor

**Answer: C) Bailor – Bailee**

*Explanation:* When a customer deposits physical valuables (not money) for safekeeping, the relationship is that of Bailor (customer) and Bailee (bank). The bank must take reasonable care of the goods.

**Q3. Which of the following is NOT a right of a banker?**

- A) Right of general lien
- B) Right of set-off
- C) Right to appropriate payments
- D) Right to disclose customer information to anyone

**Answer: D) Right to disclose customer information to anyone**

*Explanation:* Banks have a duty of secrecy regarding customer accounts. Disclosure is permitted only under specific conditions: by law, by court order, with customer consent, or in public interest. Arbitrary disclosure is not a banker's right.

**Q4. A bank exercises its right of general lien on securities deposited by a borrower for a specific purpose. Is this valid?**

- A) Yes, lien applies to all securities regardless of purpose
- B) No, general lien cannot be exercised on securities deposited for a specific purpose
- C) Yes, if the customer has defaulted
- D) No, only RBI can authorize such lien

**Answer: B) No, general lien cannot be exercised on securities deposited for a specific purpose**

*Explanation:* A banker's general lien applies to goods and securities entrusted in the banker's

professional capacity. However, if goods are deposited for a specific purpose, the lien does not apply to those goods.

**Q5. Mr. Sharma has two accounts with PQR Bank — a savings account with ₹50,000 and a loan account where ₹1,20,000 is overdue. The bank exercises right of set-off. How much can it set off?**

- A) ₹1,20,000
- B) ₹50,000
- C) ₹70,000
- D) The bank cannot exercise set-off without a court order

**Answer: B) ₹50,000**

**Explanation:** Right of set-off allows a bank to adjust a customer's credit balance against their debt. The bank can only set off the amount available in the account — ₹50,000 — not more than what the customer holds.

**Q6. When does the banker–customer relationship formally begin?**

- A) When the customer visits the branch for the first time
- B) When the account opening form is submitted
- C) When the bank accepts the account opening form and opens the account
- D) When the first cheque is issued

**Answer: C) When the bank accepts the account opening form and opens the account**

**Explanation:** The relationship begins when the bank accepts the application and opens the account. Mere submission of a form or first visit does not establish the relationship.

**Q7. Which of the following situations creates a Trustee–Beneficiary relationship between bank and customer?**

- A) A customer takes a home loan
- B) A customer deposits ₹2 lakh with specific instructions to buy shares of XYZ Ltd.
- C) A customer opens a fixed deposit
- D) A customer uses the bank's locker

**Answer: B) A customer deposits ₹2 lakh with specific instructions to buy shares of XYZ Ltd.**

**Explanation:** When funds are deposited for a specific purpose, the bank acts as trustee for those funds. If the bank fails before completing the task, the customer gets preferential treatment over general creditors.

**Q8. The duty of a bank to maintain secrecy of customer accounts is implied from which legal case?**

- A) Macmillan case
- B) Tournier v. National Provincial and Union Bank of England
- C) Young v. Grote
- D) London Joint Stock Bank v. Macmillan

**Answer: B) Tournier v. National Provincial and Union Bank of England**

**Explanation:** The landmark Tournier case established that banks have a legal duty of secrecy regarding customer accounts, with four recognized exceptions: compulsion of law, duty to the public, bank's own interest, and customer's express or implied consent.

**Q9. Which of the following is an example of a bank's right to appropriate payments under Clayton's Rule?**

- A) The bank adjusting a loan EMI against a fixed deposit

- B) In a running account, the first credit is applied against the first debit
- C) The bank seizing collateral upon default
- D) The bank refusing to honor cheques when balance is low

**Answer: B) In a running account, the first credit is applied against the first debit**

**Explanation:** Clayton's Rule (Rule of Appropriation) states that in a running account, the first item on the credit side is discharged against the first item on the debit side. This is important in determining whether a debt is statute-barred.

**Q10. A minor opens a savings account. Which statement is correct?**

- A) A minor cannot open any bank account
- B) A minor can open and operate a savings account independently after age 10
- C) A minor's account must always be operated by the guardian
- D) Minor accounts cannot receive interest

**Answer: B) A minor can open and operate a savings account independently after age 10**

**Explanation:** As per RBI guidelines, minors above 10 years of age can independently open and operate savings accounts. Below 10, the account must be operated by a natural guardian.

**Q11. Which of the following correctly describes the relationship when a customer gives a cheque to the bank for collection?**

- A) Debtor – Creditor
- B) Principal – Agent
- C) Bailor – Bailee
- D) Trustee – Beneficiary

**Answer: B) Principal – Agent**

**Explanation:** When a customer hands a cheque to the bank for collection, the bank acts as the customer's agent. The customer is the principal. This relationship is important for protection under Section 131 of the NI Act.




## JAIIB Super Elite

### All-in-One Plan

Live Classes + Notes + Mocks

#### Why Super Elite?

- ✓ Access to all Courses (Basic, Advanced, Crash & Summary)
- ✓ MCQ Practice & Marathon Classes
- ✓ 200+ Full Length Mocks
- ✓ Memory Based PYPs (Oct'24 & May'25)
- ✓ Short & Concise Notes
- ✓ Case Study & Numerical Tests
- ✓ Module-wise & Unit-wise Test


Special Bonus Features:


Download & watch videos offline |


Tag Faculty for Doubts

**Q12. A bank issues a demand draft on behalf of a customer. What is the relationship between the bank and the payee of the draft?**

- A) Debtor – Creditor
- B) The bank has no relationship with the payee
- C) The issuing bank becomes debtor to the payee
- D) The customer remains the debtor to the payee

**Answer: C) The issuing bank becomes debtor to the payee**

*Explanation:* Once a demand draft is issued, the issuing bank takes on the obligation to pay the payee. The bank becomes the debtor and the payee is the creditor for the amount of the draft.

**Q13. Who is a 'Holder in Due Course' under the Negotiable Instruments Act?**

- A) Any person who holds a negotiable instrument
- B) A person who obtains the instrument for valid consideration, before maturity, and without notice of defect
- C) A person who receives a dishonored instrument
- D) The original payee of the instrument

**Answer: B) A person who obtains the instrument for valid consideration, before maturity, and without notice of defect**

*Explanation:* Section 9 of NI Act defines a Holder in Due Course. They receive the instrument in good faith, for value, before maturity, and without knowledge of any defect in the title of the transferor. They get better rights than a mere holder.

**Q14. Which of the following types of crossing restricts payment only to a specific bank?**

- A) General crossing
- B) Special crossing
- C) Restrictive crossing
- D) Double crossing

**Answer: B) Special crossing**

*Explanation:* In special crossing, the name of a specific bank is written between the two parallel lines. Payment can only be made to that named bank, giving an additional layer of security over general crossing.

**Q15. A cheque bears the words 'Account Payee Only.' What is the effect of this crossing?**

- A) The cheque cannot be transferred or negotiated to any other person
- B) The cheque can still be endorsed to a third party
- C) The cheque can be encashed at any counter
- D) The crossing has no legal effect under NI Act

**Answer: A) The cheque cannot be transferred or negotiated to any other person**

*Explanation:* 'Account Payee' crossing makes the cheque non-negotiable. It must be credited only to the named payee's account. It offers the highest protection against fraud but has no statutory backing — it's a banking practice recognized by courts.

**Q16. What is the difference between a 'holder' and a 'Holder in Due Course'?**

- A) There is no difference — both terms are used interchangeably
- B) A holder must have paid consideration; a Holder in Due Course need not
- C) A Holder in Due Course has better title than a holder and takes free of most defects
- D) A holder can sue the maker; a Holder in Due Course cannot

**Answer: C) A Holder in Due Course has better title than a holder and takes free of most defects**

*Explanation:* A Holder in Due Course (HDC) acquires the instrument free of most prior defects in title. A simple holder takes the instrument subject to all existing defects. HDC enjoys stronger legal protection under the NI Act.

**Q17. Section 85 of the NI Act provides protection to the paying banker when:**

- A) The cheque is forged
- B) Payment is made in due course on a bearer cheque or an order cheque with regular endorsements
- C) The cheque is materially altered but not visibly
- D) The cheque is post-dated

**Answer: B) Payment is made in due course on a bearer cheque or an order cheque with regular endorsements**

*Explanation:* Section 85 protects the paying bank when it pays a cheque in due course. For bearer cheques, payment to the bearer is protected. For order cheques, protection is available if endorsements appear regular on the face of the cheque.

**Q18. Section 131 of the NI Act provides statutory protection to the collecting banker provided:**

- A) The customer is a high-value client
- B) The bank acted in good faith and without negligence
- C) The cheque was specially crossed to the collecting bank
- D) The bank obtained RBI approval before collection

**Answer: B) The bank acted in good faith and without negligence**

*Explanation:* Section 131 protects the collecting banker against conversion liability if the bank collected a cheque in good faith, without negligence, for a customer who had no title or defective title. Due diligence while opening accounts is crucial for this protection.

**Q19. A cheque dated 3 months ago is presented for payment. The paying bank should:**

- A) Pay it immediately as there is no restriction on old cheques
- B) Refer to drawer before payment
- C) Refuse payment as it is a stale cheque (beyond 3 months)
- D) Accept it only if the drawer gives written confirmation

**Answer: C) Refuse payment as it is a stale cheque (beyond 3 months)**

*Explanation:* As per RBI guidelines, a cheque is valid for 3 months from the date of issue. A cheque presented after 3 months is considered a stale cheque and the bank should not honor it without a fresh confirmation from the drawer.

**Q20. Which Section of the NI Act deals with the protection of the paying banker against materially altered cheques?**

- A) Section 85
- B) Section 89
- C) Section 131
- D) Section 138

**Answer: B) Section 89**

*Explanation:* Section 89 protects the paying banker when a cheque has been materially altered but the alteration is not apparent. If the banker pays in good faith according to the apparent tenor of the cheque, they are protected.

**Q21. A cheque is drawn by Mr. A in favor of Mr. B. Mr. B endorses it to Mr. C, and Mr. C endorses it to Mr. D. The cheque is dishonored. Who can Mr. D sue?**

- A) Only Mr. A (drawer)
- B) Only Mr. C (immediate endorser)
- C) Mr. A, Mr. B, and Mr. C — all prior parties
- D) Only Mr. B

**Answer: C) Mr. A, Mr. B, and Mr. C — all prior parties**

**Explanation:** Under the NI Act, upon dishonor, the holder (Mr. D) can proceed against all prior parties — the drawer and all endorsers — as they are all jointly and severally liable. Mr. D has the right of recourse against any or all of them.

**Q22. What is an 'accommodation bill'?**

- A) A bill drawn for actual trade transactions
- B) A bill drawn without any underlying trade transaction to raise funds
- C) A bill drawn against warehouse receipts
- D) A bill issued by the RBI for monetary operations

**Answer: B) A bill drawn without any underlying trade transaction to raise funds**

**Explanation:** An accommodation bill (also called a kite bill or wind bill) is drawn to raise finance without any genuine trade transaction. The parties lend their names to help each other raise credit. Banks should be cautious about such bills.

**Q23. Under Section 138 of the NI Act, a cheque bounce case can be filed only if: (1) The cheque was returned for insufficient funds; (2) The payee made a demand within 30 days of dishonor memo; (3) The drawer failed to pay within 15 days of notice.**

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

**Answer: C) All 1, 2 and 3**

**Explanation:** Section 138 requires three conditions: the cheque must bounce for insufficient funds; the holder must send a written demand notice within 30 days of dishonor; and the drawer must fail to pay within 15 days of receiving the notice. Only then is the offence complete.

**Q24. A 'sans recours' endorsement means:**

- A) The endorser guarantees payment
- B) The endorser excludes personal liability in case of dishonor
- C) The cheque cannot be further endorsed
- D) Payment must be made to the endorsee only

**Answer: B) The endorser excludes personal liability in case of dishonor**

**Explanation:** 'Sans recours' (without recourse) endorsement means the endorser signs off their personal liability. If the instrument is dishonored, the holder cannot claim against that particular endorser. It is a restrictive form of endorsement.

**Q25. Which of the following instruments is NOT a negotiable instrument under the NI Act, 1881?**

- A) Promissory note
- B) Bill of exchange
- C) Cheque
- D) Fixed Deposit Receipt

**Answer: D) Fixed Deposit Receipt**

**Explanation:** The NI Act specifically recognizes promissory notes, bills of exchange, and cheques as negotiable instruments. A Fixed Deposit Receipt (FDR) is not a negotiable instrument by statute, though it can be transferred by assignment.

**Q26. The presentment of a bill of exchange for acceptance is required in which of the following cases?**

- A) All bills of exchange
- B) Bills payable after sight or after a specified event
- C) Demand bills only
- D) Only foreign bills

**Answer: B) Bills payable after sight or after a specified event**

**Explanation:** Presentment for acceptance is necessary for bills payable 'after sight' (to fix the date of maturity) or 'after a specified event.' For demand bills, presentment for payment directly suffices.

**Q27. What is the minimum balance requirement for a Basic Savings Bank Deposit Account (BSBDA)?**

- A) ₹500
- B) ₹1,000
- C) Zero (no minimum balance required)
- D) ₹100

**Answer: C) Zero (no minimum balance required)**

**Explanation:** BSBDA is a zero-balance account introduced by RBI for financial inclusion. Banks cannot charge any penalty for non-maintenance of minimum balance in a BSBDA account.



# JAIIB-CAIIB Mega Cracker

The Ultimate Exam Combo

 **Validity:**  
1 & 2 Years

## Complete JAIIB CAIIB Prep

- Live Classes (Basic, Foundation, Advanced)
- 400+ Test with AI- Analysis
- Chapter-wise Summarized Notes
- Special Sessions on Previous Cycle Papers (PYPs)
- Special Doubt Clearing Sessions



\* **Practice Books for  
both the Exams**

[Enroll Now](#)

**Q28. Which of the following statements about a Current Account is correct?**

- A) Current accounts earn interest at savings account rates
- B) Overdraft facility is not available in current accounts
- C) No interest is paid on current account balances as per RBI guidelines
- D) Current accounts can only be opened by individuals

**Answer: C) No interest is paid on current account balances as per RBI guidelines**

*Explanation:* RBI mandates that no interest shall be paid on current account deposits. Current accounts are designed for businesses with frequent transactions and offer an overdraft facility but no interest on balances.

**Q29. A customer wants to open a Recurring Deposit (RD) account. Which statement is correct?**

- A) The customer deposits a lump sum amount once and earns interest
- B) The customer deposits fixed amounts at regular intervals and gets a lump sum on maturity
- C) The deposit is repayable on demand
- D) RD accounts cannot be prematurely closed

**Answer: B) The customer deposits fixed amounts at regular intervals and gets a lump sum on maturity**

*Explanation:* A Recurring Deposit involves regular, fixed monthly contributions over a predetermined tenure. At maturity, the customer receives the accumulated principal along with compound interest — making it ideal for systematic savings.

**Q30. A nomination facility in bank accounts is governed by which section of the Banking Regulation Act?**

- A) Section 45ZA
- B) Section 35A
- C) Section 21A
- D) Section 10A

**Answer: A) Section 45ZA**

*Explanation:* Section 45ZA of the Banking Regulation Act, 1949 enables customers to nominate a person for their deposit accounts. In the event of the account holder's death, the nominee can claim the deposit without legal formalities.

**Q31. How many nominees can a deposit account holder appoint as per recent RBI amendments (effective 2024)?**

- A) Only one
- B) Two
- C) Up to four (simultaneous nomination)
- D) No limit

**Answer: C) Up to four (simultaneous nomination)**

*Explanation:* Following the Banking Laws Amendment Act 2024, depositors can now appoint up to four simultaneous nominees for their accounts, with the option to assign shares among them — replacing the earlier single-nominee limit.

**Q32. A customer opens a Fixed Deposit for ₹1 lakh for 1 year. Before maturity, the bank fails. Under DICGC, the customer is insured for:**

- A) Full ₹1 lakh
- B) ₹90,000
- C) ₹5 lakh (covering all deposits across all accounts in the bank)

D) Nothing, as FDs are not covered

**Answer: C) ₹5 lakh (covering all deposits across all accounts in the bank)**

*Explanation:* DICGC (Deposit Insurance and Credit Guarantee Corporation) insures each depositor in a bank for up to ₹5 lakh, covering the aggregate of all deposits — savings, current, FD, RD — across all branches of the same bank.

**Q33. An NRE (Non-Resident External) account can be opened in which currency?**

- A) Only in foreign currency
- B) Only in INR
- C) In Indian Rupees (INR), though funded by foreign currency remittances
- D) In any currency of the depositor's choice

**Answer: C) In Indian Rupees (INR), though funded by foreign currency remittances**

*Explanation:* NRE accounts are denominated in Indian Rupees. The foreign currency remitted is converted to INR at the prevailing rate. Both principal and interest are fully repatriable and exempt from Indian income tax.

**Q34. Which of the following is a key difference between an NRE and an NRO account?**

- A) NRO accounts are freely repatriable; NRE accounts are not
- B) NRE interest is taxable; NRO interest is tax-free
- C) NRO accounts are for income earned in India; funds are not freely repatriable beyond USD 1 million per year
- D) NRE accounts can be held jointly with a resident Indian as the primary holder

**Answer: C) NRO accounts are for income earned in India; funds are not freely repatriable beyond USD 1 million per year**

*Explanation:* NRO accounts hold income earned in India (rent, pension, dividends). Repatriation is permitted up to USD 1 million per financial year. NRE accounts hold foreign earnings, are fully repatriable, and interest is tax-free.

**Q35. Under what circumstances can a bank refuse to open a savings account for a customer?**

- A) Customer belongs to a minority community
- B) Customer cannot complete the KYC/CDD process
- C) Customer lives in a rural area
- D) Customer wants to open a zero-balance account

**Answer: B) Customer cannot complete the KYC/CDD process**

*Explanation:* Banks are required to complete Know Your Customer (KYC) and Customer Due Diligence (CDD) before opening any account. If a prospective customer cannot provide required documents or complete verification, the bank can decline to open the account.

**Q36. What is a 'Flexi Deposit' account?**

- A) A savings account with no withdrawal limit
- B) A scheme where surplus savings balance is auto-swept into an FD and reverse-swept when needed
- C) A fixed deposit with flexible tenure chosen by the customer
- D) An account that offers both savings and current account features

**Answer: B) A scheme where surplus savings balance is auto-swept into an FD and reverse-swept when needed**

*Explanation:* A Flexi Deposit (also called a Sweep-In account) automatically transfers surplus funds above a threshold into an FD to earn higher interest. When the savings account balance falls below a threshold, funds are swept back from the FD.

**Q37. A bank pays a forged cheque. Who bears the loss?**

- A) The customer, since they should have reported the forgery
- B) The bank, since forgery is not a mandate of the customer
- C) Both bank and customer equally
- D) RBI compensates the loss

**Answer: B) The bank, since forgery is not a mandate of the customer**

*Explanation:* A forged signature is not the customer's mandate. The bank is expected to know its customer's signature and is not protected under Section 85 for forged cheques. The loss falls on the bank unless the customer's negligence contributed to the forgery.

**Q38. The Cheque Truncation System (CTS) was introduced primarily to:**

- A) Enable online loan disbursement
- B) Eliminate physical movement of cheques and speed up clearing
- C) Issue digital cheques through mobile banking
- D) Replace RTGS for high-value transactions

**Answer: B) Eliminate physical movement of cheques and speed up clearing**

*Explanation:* CTS eliminates the physical movement of cheques between banks. Instead, an electronic image of the cheque is transmitted for clearing. This reduces clearing time, fraud risk, and operational costs.

**Q39. Which of the following is NOT a valid reason for a bank to return/dishonor a cheque?**

- A) Insufficient funds in the account
- B) Signature mismatch
- C) Cheque is post-dated
- D) Customer has a good credit history

**Answer: D) Customer has a good credit history**

*Explanation:* A cheque is dishonored on technical/legal grounds such as insufficient funds, signature mismatch, stale date, post-dating, or stop payment instructions. A customer's credit history or reputation is not a valid ground for dishonoring a cheque.

**Q40. A bank that pays an order cheque with an irregular endorsement is:**

- A) Protected under Section 85 if it acted in good faith
- B) Not protected — it must ensure endorsements are regular
- C) Protected only if RBI has issued a specific circular
- D) Protected if the account holder has a clean transaction history

**Answer: B) Not protected — it must ensure endorsements are regular**

*Explanation:* For order cheques, Section 85 protection is available only if the endorsement appears regular on the face of the instrument. If the bank pays on an irregular or forged endorsement, it is not entitled to statutory protection and bears the loss.

**Q41. 'Crossing' of a cheque is governed by which sections of the NI Act?**

- A) Sections 123 to 131
- B) Sections 85 to 89
- C) Sections 100 to 110
- D) Sections 138 to 142

**Answer: A) Sections 123 to 131**

*Explanation:* Sections 123 to 131A of the Negotiable Instruments Act deal with the crossing of cheques — covering general crossing, special crossing, not-negotiable crossing, account payee

crossing, and protection to paying and collecting bankers.

**Q42. A 'Not Negotiable' crossing on a cheque means:**

- A) The cheque cannot be transferred at all
- B) The cheque can be transferred, but the transferee cannot get better title than the transferor
- C) The cheque must be paid into a bank account only
- D) The cheque is valid only for government transactions

**Answer: B) The cheque can be transferred, but the transferee cannot get better title than the transferor**

**Explanation:** 'Not Negotiable' crossing does not restrict transferability, but it strips away a key feature of negotiability — that a Holder in Due Course gets a better title. Any transferee takes the cheque subject to all defects in the transferor's title.

**Q43. A collecting bank is protected under Section 131 of the NI Act if it: (1) Collects payment for a customer; (2) Acts in good faith without negligence; (3) Collects only crossed cheques. Which conditions are necessary?**

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

**Answer: D) All 1, 2 and 3**

**Explanation:** All three conditions must be met for protection under Section 131: the bank must collect for a customer (not a stranger), act in good faith and without negligence, and collect only crossed cheques (uncrossed cheque collection does not enjoy this protection).

**Q44. Under the 'Macmillan case,' the banker was protected because:**

- A) The customer had negligently drawn the cheque, facilitating fraud
- B) The cheque was forged by the customer's employee
- C) The bank had verified the signature carefully
- D) The cheque was crossed specially to the bank

**Answer: A) The customer had negligently drawn the cheque, facilitating fraud**

**Explanation:** In London Joint Stock Bank v. Macmillan & Arthur (1918), the court held that a customer's careless drawing of a cheque (leaving spaces that allowed alteration of the amount) constituted a breach of duty. The bank was protected because the customer's negligence enabled the fraud.

**Oliveboard** Indian Institute of Banking & Finance

**JAIIB Super Elite**  
All-in-One Plan  
Live Classes + Notes + Mocks

**Why Super Elite?**

- ✓ Access to all Courses (Basic, Advanced, Crash & Summary)
- ✓ MCQ Practice & Marathon Classes
- ✓ 200+ Full Length Mocks
- ✓ Memory Based PYPs (Oct'24 & May'25)
- ✓ Short & Concise Notes
- ✓ Case Study & Numerical Tests
- ✓ Module-wise & Unit-wise Test

Special Bonus Features: Download & watch videos offline | Tag Faculty for Doubts

**Q45. A post-dated cheque (PDC) presented before its date should be:**

- A) Paid immediately if funds are available
- B) Returned unpaid as it is not yet valid
- C) Held by the bank and paid on the date mentioned
- D) Converted into a demand draft

**Answer: B) Returned unpaid as it is not yet valid**

*Explanation:* A post-dated cheque is not payable before the date written on it. Presenting it before the date means it is not yet a valid instrument for payment. The bank should return it unpaid and can honor it only on or after the date mentioned.

**Q46. Which of the following statements about 'payment in due course' is correct?**

- A) Payment must be made only to account holders of the paying bank
- B) Payment must be made in good faith, without negligence, at the proper time, and to the right person
- C) Payment in due course applies only to RTGS and NEFT transactions
- D) Payment in due course means the bank ensures the payee's identity through biometrics

**Answer: B) Payment must be made in good faith, without negligence, at the proper time, and to the right person**

*Explanation:* Section 10 of the NI Act defines 'payment in due course' as payment made in good faith and without negligence to the person in possession, under circumstances that do not raise suspicion about their right to receive payment.

**Q47. The primary objective of the Know Your Customer (KYC) guidelines is:**

- A) To increase bank deposits by verifying wealthy customers
- B) To prevent banks from being used for money laundering and terrorist financing
- C) To ensure customers maintain minimum balance requirements
- D) To facilitate faster account opening for all customers

**Answer: B) To prevent banks from being used for money laundering and terrorist financing**

*Explanation:* KYC guidelines issued by RBI under the PML Act, 2002 aim to ensure banks know their customers sufficiently to prevent misuse of the financial system for money laundering, terrorist financing, and other financial crimes.

**Q48. Which of the following is an Officially Valid Document (OVD) for KYC purposes?**

- A) Voter ID card, Aadhaar, Passport, Driving Licence, NREGA Job Card
- B) PAN card only
- C) Bank statement from another bank
- D) Employer identity card

**Answer: A) Voter ID card, Aadhaar, Passport, Driving Licence, NREGA Job Card**

*Explanation:* RBI's Master Direction on KYC lists six OVDs: Passport, Driving Licence, Voter ID, NREGA Job Card, National Population Register letter, and Aadhaar. PAN is additionally required but is not an OVD by itself for address/identity proof purposes.

**Q49. Under PMLA 2002, the minimum imprisonment for the offence of money laundering is:**

- A) 1 year
- B) 3 years
- C) 5 years
- D) 7 years

**Answer: B) 3 years**

**Explanation:** Section 4 of the Prevention of Money Laundering Act (PMLA) 2002 prescribes rigorous imprisonment for a minimum of 3 years and up to 7 years. In drug-related offences under the Narcotic Drugs and Psychotropic Substances Act, the maximum extends to 10 years.

**Q50. A cash transaction of ₹10 lakh and above must be reported to the Financial Intelligence Unit (FIU-IND) as:**

- A) Suspicious Transaction Report (STR)
- B) Cash Transaction Report (CTR)
- C) Non-Profit Organisation Transaction Report (NPTR)
- D) Currency Declaration Report (CDR)

**Answer: B) Cash Transaction Report (CTR)**

**Explanation:** All cash transactions of ₹10 lakh (or its equivalent in foreign currency) and above in a single day must be reported to FIU-IND as a Cash Transaction Report (CTR) within 15 days of the close of the month.

**Q51. How frequently must High Risk customers' KYC be updated?**

- A) Every year
- B) Every 2 years
- C) Every 5 years
- D) Every 10 years

**Answer: B) Every 2 years**

**Explanation:** As per RBI KYC guidelines, periodic updation is mandatory: High Risk customers — every 2 years; Medium Risk customers — every 8 years; Low Risk customers — every 10 years.

**Q52. A 'Politically Exposed Person' (PEP) is classified under which risk category for KYC purposes?**

- A) Low Risk
- B) Medium Risk
- C) High Risk
- D) PEPs are exempt from KYC requirements

**Answer: C) High Risk**

**Explanation:** Politically Exposed Persons — including heads of state, senior politicians, senior government officials, judicial officers, and their family members — are classified as High Risk customers. Enhanced due diligence and senior management approval are required for PEP accounts.

**Q53. Under the PMLA, a Suspicious Transaction Report (STR) must be filed with FIU-IND within:**

- A) 7 days of detecting the suspicion
- B) 15 days of detecting the suspicious transaction
- C) 30 days
- D) At the end of the financial year

**Answer: A) 7 days of detecting the suspicion**

**Explanation:** STRs must be submitted to FIU-IND within 7 days of arriving at a conclusion that a transaction is suspicious. This includes attempted transactions, not just completed ones.

**Q54. The concept of 'Beneficial Owner' under KYC requires identification of the individual who:**

- A) Holds the bank account in their name
- B) Ultimately owns or controls the customer and on whose behalf a transaction is conducted
- C) Is authorized to operate the account on behalf of the customer
- D) Introduced the customer to the bank

**Answer: B) Ultimately owns or controls the customer and on whose behalf a transaction is conducted**

**Explanation:** A Beneficial Owner is the natural person who ultimately owns or exercises effective control over the customer entity or the transaction. For companies, this generally means an individual with more than 25% shareholding or voting rights.

**Q55. A customer is found on the UN Consolidated Sanctions List. What immediate action should the bank take?**

- A) Close the account and return funds to the customer
- B) Continue normal operations and file a routine CTR
- C) Freeze the account and report to MHA and FIU-IND
- D) Refer the matter to the branch manager for a decision

**Answer: C) Freeze the account and report to MHA and FIU-IND**

**Explanation:** If a customer is found on the UN Consolidated Sanctions List, the bank must immediately freeze the account and report the matter to the Ministry of Home Affairs (MHA) and Financial Intelligence Unit-India (FIU-IND) as required under PMLA and RBI guidelines.



## JAIIB-CAIIB Mega Cracker

The Ultimate Exam Combo

 **Validity:**  
1 & 2 Years

### Complete JAIIB CAIIB Prep

- Live Classes (Basic, Foundation, Advanced)
- 400+ Test with AI- Analysis
- Chapter-wise Summarized Notes
- Special Sessions on Previous Cycle Papers (PYPs)
- Special Doubt Clearing Sessions

 \* **Practice Books for both the Exams**

[Enroll Now](#)

**Q56. What is the threshold for 'Beneficial Owner' identification in a company?**

- A) 10% shareholding
- B) 25% shareholding or more
- C) 51% shareholding
- D) Shareholding exceeding 75%

**Answer: B) 25% shareholding or more**

**Explanation:** For companies, a Beneficial Owner is a natural person holding 25% or more shares or voting rights, or exercising control through other means. For partnerships and trusts, the threshold criteria differ slightly.

**Q57. What does 'Customer Due Diligence' (CDD) involve?**

- A) Verifying customer's income tax returns only
- B) Identifying the customer, verifying identity, understanding the nature of business, and ongoing monitoring
- C) Checking only the customer's credit score before loan approval
- D) Reviewing the customer's social media profile

**Answer: B) Identifying the customer, verifying identity, understanding the nature of business, and ongoing monitoring**

**Explanation:** CDD is a continuous process involving: identifying and verifying the customer's identity using OVDs; understanding the purpose and nature of the business relationship; and ongoing monitoring of transactions to detect unusual patterns.

**Q58. The term 'Shell Bank' in AML refers to:**

- A) A bank operating only through ATMs with no physical branch
- B) A bank with no physical presence in any country where it is licensed and unaffiliated with any regulated financial group
- C) A bank that exclusively handles foreign currency transactions
- D) A correspondent bank that processes international payments

**Answer: B) A bank with no physical presence in any country where it is licensed and unaffiliated with any regulated financial group**

**Explanation:** A shell bank has no meaningful physical presence — no management, no operations — in the country where it holds a licence, and is not part of a regulated financial group. Banks are prohibited from establishing correspondent relationships with shell banks under AML guidelines.

**Q59. What is the overall PSL target for domestic Scheduled Commercial Banks?**

- A) 30% of ANBC
- B) 40% of ANBC or CEOBE, whichever is higher
- C) 45% of ANBC
- D) 50% of ANBC

**Answer: B) 40% of ANBC or CEOBE, whichever is higher**

**Explanation:** The RBI mandates that domestic Scheduled Commercial Banks lend 40% of their Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposure (CEOBE), whichever is higher, to priority sector categories.

**Q60. What is the sub-target for lending to Small and Marginal Farmers under PSL?**

- A) 8% of ANBC
- B) 10% of ANBC
- C) 12% of ANBC
- D) 18% of ANBC

**Answer: A) 8% of ANBC**

**Explanation:** Within the agriculture PSL target of 18% of ANBC, a sub-target of 8% is earmarked for Small and Marginal Farmers (SMFs) — farmers with landholding up to 2 hectares.

**Q61. Which of the following is NOT a category under Priority Sector Lending?**

- A) Agriculture
- B) Micro, Small and Medium Enterprises
- C) Housing loans to bank employees
- D) Social infrastructure

**Answer: C) Housing loans to bank employees**

**Explanation:** Housing loans to banks' own employees are explicitly excluded from PSL classification. PSL includes agriculture, MSME, education, housing (to eligible borrowers), social infrastructure, renewable energy, export credit, and weaker sections.

**Q62. The credit limit for a Micro enterprise (manufacturing) to be classified under PSL is:**

- A) Investment in plant & machinery up to ₹1 crore and turnover up to ₹5 crore
- B) Investment up to ₹5 crore and turnover up to ₹25 crore
- C) Investment up to ₹10 crore and turnover up to ₹50 crore
- D) Investment up to ₹25 crore and turnover up to ₹250 crore

**Answer: A) Investment in plant & machinery up to ₹1 crore and turnover up to ₹5 crore**

**Explanation:** As per the revised MSME definition (2020): Micro enterprise — investment up to ₹1 crore and turnover up to ₹5 crore. Small enterprise — up to ₹10 crore investment and ₹50 crore turnover. Medium — up to ₹50 crore investment and ₹250 crore turnover.




**Why Super Elite?**

- ✓ Access to all Courses (Basic, Advanced, Crash & Summary)
- ✓ MCQ Practice & Marathon Classes
- ✓ 200+ Full Length Mocks
- ✓ Memory Based PYPs (Oct'24 & May'25)
- ✓ Short & Concise Notes
- ✓ Case Study & Numerical Tests
- ✓ **Module-wise & Unit-wise Test**

## JAIIB Super Elite

All-in-One Plan

Live Classes + Notes + Mocks

 Special Bonus Features:

 Download & watch videos offline |

 Tag Faculty for Doubts

**Q63. Banks that fail to achieve PSL targets are required to contribute the shortfall to:**

- A) SIDBI or NHB (Rural Infrastructure Development Fund or similar funds)
- B) RBI's general fund
- C) State government's development fund
- D) NABARD's crop insurance fund

**Answer: A) SIDBI or NHB (Rural Infrastructure Development Fund or similar funds)**

**Explanation:** Banks failing to meet PSL targets/sub-targets are required to deposit the shortfall amount with NABARD's Rural Infrastructure Development Fund (RIDF) or other specified funds with SIDBI, NHB, or MUDRA at a below-market interest rate — effectively a penalty.

**Q64. A loan of ₹20 lakh given to a student for studying abroad — how much qualifies under PSL?**

- A) ₹10 lakh for studies in India and ₹20 lakh for studies abroad — both qualify fully
- B) ₹10 lakh maximum — only the first ₹10 lakh qualifies
- C) Does not qualify as it exceeds the PSL limit
- D) Fully qualifies as there is no limit for education loans under PSL

**Answer: A) ₹10 lakh for studies in India and ₹20 lakh for studies abroad — both qualify fully**

**Explanation:** Education loans for studies in India up to ₹10 lakh and for studies abroad up to ₹20 lakh are eligible for PSL classification. A loan of ₹20 lakh for studies abroad falls within the PSL limit and qualifies fully.

**Q65. Under the revised RBI PSL norms (effective April 2025), housing loans up to what amount qualify for PSL in metropolitan centres (population 50 lakh and above)?**

- A) ₹35 lakh
- B) ₹45 lakh
- C) ₹50 lakh
- D) ₹60 lakh

**Answer: C) ₹50 lakh**

**Explanation:** As per revised PSL norms effective April 1, 2025: metropolitan centres (population ≥ 50 lakh) — up to ₹50 lakh; centres with population 10–50 lakh — up to ₹45 lakh; centres with population below 10 lakh — up to ₹35 lakh.

**Q66. Which of the following advances qualifies under the 'Weaker Sections' sub-target of PSL?**

- A) Loans to large agri-processing companies
- B) Loans to SC/ST borrowers, small and marginal farmers, SHGs, and beneficiaries of government poverty alleviation schemes
- C) All MSME loans regardless of borrower category
- D) Export credit to mid-sized exporters

**Answer: B) Loans to SC/ST borrowers, small and marginal farmers, SHGs, and beneficiaries of government poverty alleviation schemes**

**Explanation:** The 'Weaker Sections' PSL sub-target includes: SC/ST, Small & Marginal Farmers, SHGs linked to banks, distressed farmers, beneficiaries of PMJDY, DRI scheme, and others — with a sub-target of 12% of ANBC.

**Q67. RTGS is used for which type of transactions?**

- A) Small retail transactions below ₹2 lakh
- B) High-value transactions of ₹2 lakh and above, settled in real time on a gross basis
- C) Only interbank foreign currency settlements
- D) Government securities transactions only

**Answer: B) High-value transactions of ₹2 lakh and above, settled in real time on a gross basis**

**Explanation:** RTGS (Real Time Gross Settlement) is meant for high-value transactions of ₹2 lakh and above. Settlement is immediate (real time) and individual (gross) — no netting. It operates 24x7x365 and settlements happen in the books of RBI.

**Q68. What is 'Phishing' in the context of cyber security?**

- A) Monitoring customer accounts for suspicious activity
- B) A fraudulent attempt to obtain sensitive information by disguising as a trustworthy entity
- C) A technique to encrypt customer data for security
- D) A method used by banks to verify customer identity

**Answer: B) A fraudulent attempt to obtain sensitive information by disguising as a trustworthy entity**

**Explanation:** Phishing is a cyberattack where fraudsters impersonate a legitimate institution (bank, government) through fake emails, SMS, or websites to trick customers into revealing passwords, OTPs, or card details. It is one of the most common banking frauds.

**Q69. Under the RBI Integrated Ombudsman Scheme, a customer can file a complaint against a bank if:**

- A) The bank has not responded within 30 days or the customer is unsatisfied with the response
- B) The customer disagrees with the interest rate charged
- C) The bank declined to give a loan
- D) The customer wants to change their account type

**Answer: A) The bank has not responded within 30 days or the customer is unsatisfied with the response**

**Explanation:** Under the RBI Integrated Ombudsman Scheme (launched November 2021), a customer can approach the Ombudsman if the bank does not reply within 30 days of the complaint or if the customer is dissatisfied with the bank's response. The complaint must first be made to the bank.

**Q70. NEFT transactions are settled in:**

- A) Real time individually like RTGS
- B) Deferred net settlement batches throughout the day on all days including Sundays
- C) Only on working days between 8 AM and 7 PM
- D) Weekly batches processed every Monday

**Answer: B) Deferred net settlement batches throughout the day on all days including Sundays**

**Explanation:** NEFT (National Electronic Funds Transfer) operates on a Deferred Net Settlement (DNS) basis in half-hourly batches. Since December 2019, NEFT is available 24x7x365, including weekends and holidays. There is no minimum or maximum transaction limit for NEFT.

## CASE STUDY 1: Banker–Customer Relationship & Trust

**Scenario:** Mr. Arvind deposits Rs.5 lakh with Sunrise Bank with specific written instructions: 'Use Rs.3 lakh to purchase RBI Bonds on my behalf and hold the remaining Rs.2 lakh until further notice.' The bank purchases bonds worth Rs.1.5 lakh and before completing the remaining Rs.1.5 lakh purchase, the bank is declared insolvent by RBI.

**CS-Q1. What is the legal relationship between Mr. Arvind and Sunrise Bank for the Rs.5 lakh deposited?**

- A) Debtor-Creditor for the entire Rs.5 lakh since it is a cash deposit
- B) Trustee-Beneficiary for the entire Rs.5 lakh since specific instructions were given
- C) Bailor-Bailee since the bank is holding the funds safely
- D) Principal-Agent only for the bond purchase portion

**Answer: B) Trustee-Beneficiary for the entire Rs.5 lakh since specific instructions were given**

**Explanation:** When a customer deposits money with a bank along with specific instructions for its use, the bank assumes the role of a trustee and the customer becomes the beneficiary. Unlike a normal deposit (where the bank is merely a debtor), here the bank cannot freely use the funds — it must act strictly per the customer's mandate.

**CS-Q2. What is the legal position of the unutilised Rs.3.5 lakh when the bank is declared insolvent?**

- A) Mr. Arvind becomes an unsecured creditor and must wait in queue with other creditors
- B) The Rs.3.5 lakh forms part of the bank's general assets and will be distributed among all creditors equally
- C) Mr. Arvind is entitled to preferential repayment of the Rs.3.5 lakh since the bank acted as trustee
- D) The funds are forfeited to RBI as the bank is insolvent

**Answer: C) Mr. Arvind is entitled to preferential repayment of the Rs.3.5 lakh since the bank acted as trustee**

**Explanation:** Since the bank held the unutilised funds as a trustee, those funds do not form part of the bank's general estate upon insolvency. The beneficiary (Mr. Arvind) has a preferential claim over those funds — they are held in trust and cannot be used to satisfy the bank's general liabilities to other creditors.

## CASE STUDY 2: Negotiable Instruments & Cheque Fraud

**Scenario:** Ms. Priya draws a cheque for Rs.10,000 in favour of Mr. Rajan. She carelessly leaves large blank spaces before the amount in words and figures. Mr. Rajan fraudulently alters the cheque to Rs.1,00,000 and presents it to Delta Bank (paying bank). The bank pays Rs.1,00,000 without detecting the alteration.

**CS-Q3. Who bears the loss of Rs.90,000 (the fraudulently added amount) in this case?**

- A) Delta Bank bears the full loss since it failed to detect the material alteration
- B) Ms. Priya bears the loss since her negligent drawing of the cheque facilitated the fraud
- C) Mr. Rajan bears the loss since he committed the fraud — the bank and customer are both protected
- D) The loss is shared equally between Ms. Priya and Delta Bank

**Answer: B) Ms. Priya bears the loss since her negligent drawing of the cheque**

**facilitated the fraud**

**Explanation:** This is based on the principle established in the Macmillan case. A customer owes a duty of care when drawing cheques — including not leaving blank spaces that could facilitate alterations. Since Ms. Priya's negligence directly enabled the fraud, she bears the resulting loss. The bank is protected under Section 89 of the NI Act as the alteration was not apparent.

**CS-Q4. Had the alteration been visibly apparent on the face of the cheque and Delta Bank paid it anyway, what would be the legal position?**

- A) Delta Bank would still be protected under Section 89 since the customer was negligent
- B) Delta Bank would lose its protection under Section 89 and bear the full loss
- C) RBI would intervene and compensate both parties
- D) The bank is always protected regardless of the visibility of the alteration

**Answer: B) Delta Bank would lose its protection under Section 89 and bear the full loss**

**Explanation:** Section 89 of the NI Act protects the paying banker only when the material alteration is not apparent — i.e., it cannot be detected by a careful examination. If the alteration is visibly obvious and the bank still pays, the bank is considered negligent and loses its statutory protection. The loss would then fall entirely on the bank.



# JAIIB-CAIIB Mega Cracker

The Ultimate Exam Combo

 **Validity:**  
1 & 2 Years

## Complete JAIIB CAIIB Prep

- Live Classes (Basic, Foundation, Advanced)
- 400+ Test with AI- Analysis
- Chapter-wise Summarized Notes
- Special Sessions on Previous Cycle Papers (PYPs)
- Special Doubt Clearing Sessions



\* **Practice Books for  
both the Exams**

[Enroll Now](#)

### CASE STUDY 3: KYC, AML & Suspicious Transactions

**Scenario:** Alpha Co-operative Society opens a current account with Bharat Bank. Over 3 months, the account receives 14 cash deposits just below Rs.10 lakh each (ranging from Rs.9.5 lakh to Rs.9.9 lakh) from various unrelated individuals. The society claims all deposits are member contributions. The bank's transaction monitoring system flags this pattern.

**CS-Q5. What is the term for this type of transaction structuring and what should the bank do?**

- A) This is normal business activity for a cooperative — no action required
- B) This is called 'Smurfing' or 'Structuring' — a money laundering technique; the bank must file an STR with FIU-IND
- C) The bank should file a CTR for each transaction since cash amounts are close to Rs.10 lakh
- D) The bank should close the account immediately and return all funds

**Answer: B) This is called 'Smurfing' or 'Structuring' — a money laundering technique; the bank must file an STR with FIU-IND**

**Explanation:** 'Smurfing' or structuring involves deliberately breaking large amounts into smaller transactions just below the CTR threshold (Rs.10 lakh) to avoid reporting obligations. This is a classic money laundering red flag. The bank's compliance officer must file a Suspicious Transaction Report (STR) with FIU-IND within 7 days of reaching the conclusion that the transactions are suspicious.

**CS-Q6. The compliance officer of Bharat Bank wants to inform Alpha Co-operative Society that an STR has been filed against them. Is this permissible?**

- A) Yes, as a matter of transparency and good customer service
- B) Yes, but only with RBI's prior approval
- C) No — 'Tipping Off' is strictly prohibited under PMLA; informing the customer would be a criminal offence
- D) Yes, but only the branch manager (not the compliance officer) can inform the customer

**Answer: C) No — 'Tipping Off' is strictly prohibited under PMLA; informing the customer would be a criminal offence**

**Explanation:** Section 45 of the PMLA strictly prohibits 'tipping off' — i.e., disclosing to the customer or any third party that an STR has been filed or that they are under investigation. Violation of this provision can attract criminal liability for the bank officer. The STR process must remain completely confidential.

### CASE STUDY 4: Priority Sector Lending & NPA Classification

**Scenario:** Greenfield Agro Ltd. takes a term loan of Rs.80 lakh from National Bank for agricultural processing. The loan is guaranteed by the State Government of Rajasthan. The company stops making interest payments, and as of today, interest has been overdue for 110 days. The bank has not yet invoked the State Government guarantee.

**CS-Q7. How should National Bank classify this loan account for asset classification purposes?**

- A) Standard Asset — since a State Government guarantee exists, it cannot be classified as NPA
- B) Non-Performing Asset (NPA) — State Government guarantees do not exempt an account from normal NPA classification after 90 days
- C) Doubtful Asset — since it has been overdue for more than 90 days but less than 12

months

D) The account classification depends on whether the State Government approves the guarantee invocation

**Answer: B) Non-Performing Asset (NPA) — State Government guarantees do not exempt an account from normal NPA classification after 90 days**

**Explanation:** Unlike Central Government guarantees (where NPA classification is deferred until the guarantee is invoked and repudiated), State Government guaranteed advances follow normal NPA norms. If interest or principal is overdue for more than 90 days, the account must be classified as NPA — irrespective of the State Government guarantee. Since 110 days have elapsed, this account is an NPA.

**CS-Q8. If this were a Central Government guaranteed loan with the same 110 days of overdue interest, how would the classification change?**

- A) It would still be classified as NPA after 90 days — Central and State Government guarantees are treated identically
- B) It would not be classified as NPA until the Central Government guarantee is invoked and the Central Government repudiates it
- C) It would be classified as a Doubtful Asset after 90 days regardless of the guarantor
- D) It would be upgraded to Standard Asset automatically due to the Central Government guarantee

**Answer: B) It would not be classified as NPA until the Central Government guarantee is invoked and the Central Government repudiates it**

**Explanation:** Central Government guaranteed advances receive special treatment under RBI's income recognition and asset classification (IRAC) norms. Such accounts are not classified as NPA merely due to overdues — the NPA classification is deferred until the guarantee is invoked and the Central Government explicitly repudiates the guarantee. This is a critical distinction from State Government guarantees.

## CASE STUDY 5: Types of Accounts & Operations

**Scenario:** Mrs. Sunita, an illiterate widow aged 68, holds a savings account at Mahalaxmi Bank. She suffers a stroke and becomes bedridden, unable to visit the branch or sign documents. Her son Rahul wants to operate the account on her behalf. The bank is also asked by her daughter Priya to add her name as a joint holder.

**CS-Q9. What is the correct procedure for allowing Rahul to operate Mrs. Sunita's account given her incapacitation?**

- A) Rahul can operate the account by simply presenting his Aadhaar card at the branch
- B) The bank should obtain a court order appointing Rahul as her legal guardian before allowing account operation
- C) Mrs. Sunita can authorize Rahul through an Authorisation-cum-Indemnity letter with a thumb impression witnessed by two independent witnesses, or through a Power of Attorney
- D) The bank should freeze the account until Mrs. Sunita recovers and visits the branch personally

**Answer: C) Mrs. Sunita can authorize Rahul through an Authorisation-cum-Indemnity letter with a thumb impression witnessed by two independent witnesses, or through a Power of Attorney**

**Explanation:** For illiterate or incapacitated customers, RBI guidelines permit account operation through a Power of Attorney (PoA) or an Authorisation-cum-Indemnity letter. The thumb impression or mark must be witnessed by two independent, literate witnesses. Freezing the account or requiring a court order is not the standard banking procedure for this situation.

**CS-Q10. Regarding Priya's request to be added as a joint holder — can the bank add her name to the existing account, and what mandate options are available?**

- A) Adding a joint holder to an existing account is not permitted — Priya must open a separate new account
- B) The bank can add Priya as a joint holder with Mrs. Sunita's consent; mandate options include 'Either or Survivor,' 'Jointly,' or 'Former or Survivor'
- C) Joint accounts are permitted only between spouses — Priya cannot be added as Mrs. Sunita's daughter
- D) Priya can be added only as a nominee, not as a joint account holder

**Answer: B) The bank can add Priya as a joint holder with Mrs. Sunita's consent; mandate options include 'Either or Survivor,' 'Jointly,' or 'Former or Survivor'**

**Explanation:** Banks can add a joint holder to an existing account with the original account holder's consent and proper documentation. The operation mandate defines how the account can be operated: 'Either or Survivor' allows any one holder to transact; 'Jointly' requires all holders to sign; 'Former or Survivor' gives primary operating rights to the first holder. Mrs. Sunita's written and witnessed consent is essential before any such addition.

**Oliveboard** 

## JAIIB Super Elite

All-in-One Plan

**Live Classes + Notes + Mocks**

### Why Super Elite?

- ✓ Access to all Courses (Basic, Advanced, Crash & Summary)
- ✓ MCQ Practice & Marathon Classes
- ✓ 200+ Full Length Mocks
- ✓ Memory Based PYPs (Oct'24 & May'25)
- ✓ Short & Concise Notes
- ✓ Case Study & Numerical Tests
- ✓ Module-wise & Unit-wise Test

 Special Bonus Features:  Download & watch videos offline |  Tag Faculty for Doubts

# BLOCKBUSTER SUCCESS

20000+ Successfully Certified Bankers!

## Meet the Champions

 <p><b>Mohd Tarque</b> JAIIB Score: 283</p>	 <p><b>Akhil Kumar A</b> JAIIB Score: 280</p>	 <p><b>M. Divyasree</b> JAIIB Score: 271</p>
 <p><b>Anil Kumar</b> CAIIB Score: 378</p>	 <p><b>Naveen Hajrika</b> CAIIB Score: 361</p>	 <p><b>Sumit Dahiya</b> CAIIB Score: 360</p>



**Thirukumaran A**  
JAIIB Score: 270



**Sunny**  
JAIIB Score: 261



**Aniruddha Sen**  
JAIIB Score: 260



**Tarun Yadav**  
JAIIB Score: 260



**Renu**  
JAIIB Score: 259



**Jayakumar S**  
JAIIB Score: 259



**Shruti Menon**  
JAIIB Score: 259



**Torugu Balakrishna**  
JAIIB Score: 258



**Uttam Kumar Pal**  
CAIIB Score: 359



**K Hari Prasad**  
CAIIB Score: 348



**Shiv Pratap Singh**  
CAIIB Score: 333



**Mohammad Danish**  
CAIIB Score: 328



**Ravi Veera**  
CAIIB Score: 327



**Preet Sagar Sharma**  
CAIIB Score: 325



**Twinkle Wahane**  
CAIIB Score: 324



**Azhar Khan**  
CAIIB Score: 322



# We Don't Brag...

## Hear It Straight from Toppers!



**Md Danish Ansari**

JAIIB 2025



Their comprehensive study materials, expert video lectures, mock tests, were in helping me clear the JAIIB exam with confidence. Your structured approach made complex topics easy to grasp. Highly recommend Oliveboard for jaiib and caiib aspirants



**Sunil Soni**

JAIIB 2025



A big thank you to Oliveboard for your immense support throughout my preparation. Your video lectures, PDFs, and test series were incredibly helpful and played a major role in my success. Grateful for the guidance and quality content!



**Yagnik Thummar**

JAIIB 2025



I just read Oliveboard's class notes of paid course. Nothing more. Thanks a lot



**Bhawna Sethia**

JAIIB 2025



I did all my revision from oliveboard mcq's video from youtube



**Jayanth Parsi**

JAIIB 2025



The lectures were really helpful in the exam point. Thanking afreen maadam ,Pradyumna sir and Rajeev sir for guidance..



Call: +91 76760 22222



Email: [help@oliveboard.in](mailto:help@oliveboard.in)



Download Oliveboard App