

JAIIB 2026 RBWM

50 Most Repetitive MCQs, Download PDF



JAIIB RBWM

Retail Banking & Wealth Management

Questions are based on the most repetitive topics

Q1. Which of the following best describes the 'Departmental Approach' in retail banking?

- A. It integrates retail banking into the overall business plan of the bank without a separate department.
- B. It divides the organisation based on functions performed by teams, commonly adopted by public sector banks in India.
- C. It eliminates hierarchy and chain of command entirely.
- D. It is exclusively used by foreign banks operating in India.

Correct Answer: Option B

Explanation: The Departmental Approach divides the organisation on the basis of functions performed by teams. Public sector banks in India generally adopt this approach. Old generation private sector banks often integrate retail banking into the overall business plan rather than treating it as a separate department. Statement C is incorrect as it still maintains hierarchy.

Q2. Profitability in banking is best described as:

- A. Absolute measure of income minus expenses only.
- B. Net profit after taxes and interest.
- C. A relative measure of efficiency and return on resources employed.
- D. Gross profit margin as a percentage of total assets.

Correct Answer: Option C

Explanation: Profitability is a relative measure of efficiency and return on resources. Unlike absolute profit (income minus expense), profitability relates profit to the resources used, making it a comparative and managerial tool.

Q3. A company has Sales = ₹12,00,000; COGS = ₹6,80,000; Operating Expenses = ₹2,20,000; Taxes + Interest = ₹60,000. What is the Net Profit Margin?

- A. 22.5%
- B. 34.2%
- C. 20%
- D. 10.8%

Correct Answer: Option C

Explanation: Net Profit = Sales – COGS – Operating Expenses – Taxes &

Interest = $12,00,000 - 6,80,000 - 2,20,000 - 60,000 = ₹2,40,000$. Net Profit Margin = $(2,40,000 / 12,00,000) \times 100 = 20\%$.

Q4. Bank X reports: Net Interest Income = ₹36 crore, Average Total Assets = ₹1,000 crore. What is its Net Interest Margin (NIM)?

- A. 3.6%
- B. 3.27%
- C. 4.0%
- D. 3.0%

Correct Answer: Option A

Explanation: NIM = Net Interest Income / Average Total Assets $\times 100 = 36 / 1,000 \times 100 = 3.6\%$. NIM is calculated using average total assets, NOT total liabilities.

Q5. Bank A reports: Net Income = ₹45 crore, Total Assets = ₹1,500 crore, Total Capital = ₹150 crore. Calculate Return on Equity (ROE).

- A. 3.0%
- B. 4.5%
- C. 30.0%
- D. 45.0%

Correct Answer: Option C

Explanation: ROE = Net Income / Bank Capital = $45 / 150 \times 100 = 30\%$. Alternatively, ROE = ROA \times Leverage Ratio. ROA = $45/1,500 = 3\%$; Leverage = $1,500/150 = 10$; ROE = $3\% \times 10 = 30\%$.

Q6. Which of the following formulas are CORRECT regarding bank profitability ratios? (i) ROA = Net Income \div Average Total Assets (ii) ROE = ROA \times Leverage Ratio (iii) Leverage Ratio = Bank Assets \div Bank Capital (iv) NIM = Net Interest Income \div Average Total Liabilities

- A. (i), (ii) and (iii) only
- B. (ii), (iii) and (iv) only
- C. (i), (iii) and (iv) only
- D. All four are correct

Correct Answer: Option A

Explanation: Statements (i), (ii) and (iii) are correct. Statement (iv) is WRONG — NIM = Net Interest Income \div Average Total ASSETS, not liabilities.

Q7. A customer with an annual income between ₹50 lakh and ₹4 crore falls under which segment?

- A. Mass Affluent
- B. Super Affluent / HNW
- C. Ultra HNW
- D. Mass Market

Correct Answer: Option B

Explanation: Super Affluent / High Net Worth (HNW) customers are typically

those with annual income between ₹50 lakh and ₹4 crore. Mass Affluent is below ₹50 lakh, and Ultra HNW is above ₹4 crore.

Q8. During the Introduction stage of the Product Life Cycle in retail banking, which of the following is MOST accurate?

- A. Sales volume peaks due to a wide customer base.
- B. Sales volume is low and revenue is insufficient to cover costs.
- C. Competition causes product staleness and saturation.
- D. The product faces decline and eventual withdrawal.

Correct Answer: Option B

Explanation: The Introduction stage is characterised by low sales volume, high promotional costs, and revenue that is often insufficient to cover costs. Products are new and customer awareness is low.

Q9. Which of the following statements about Basic Savings Bank Deposit Account (BSBDA) is/are CORRECT? (i) No minimum balance requirement. (ii) Maximum 4 withdrawals per month. (iii) Free ATM-cum-Debit card facility. (iv) Eligibility to open multiple SB accounts in the same bank.

- A. (i), (ii) and (iii) only
- B. (ii), (iii) and (iv) only
- C. (i), (iii) and (iv) only
- D. All four

Correct Answer: Option A

Explanation: Statements (i), (ii) and (iii) are correct. Statement (iv) is WRONG — a BSBDA holder is NOT eligible to open another savings bank account in the same bank. They must close any existing accounts within 30 days.


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

Q10. Which of the following is NOT permitted in a Small Account (as per RBI norms)?

- A. Balance exceeding ₹50,000
- B. Annual credits up to ₹1 lakh
- C. Monthly withdrawals up to ₹10,000
- D. Account validity up to 24 months with possible extension

Correct Answer: Option A

Explanation: A Small Account has a balance limit of ₹50,000 at any point. Exceeding this balance is NOT permitted. Annual credits are capped at ₹1 lakh, monthly withdrawals at ₹10,000, and the account is valid for 24 months (extendable).

Q11. Post RBI deregulation of savings bank interest rates (October 2011), which statements are CORRECT? (i) Banks must offer a uniform rate on SB deposits up to ₹1 lakh. (ii) Banks can offer differential rates beyond ₹1 lakh, non-discriminatory within branches. (iii) Banks can offer any rate selectively to any customer regardless of deposit amount. (iv) Deregulation applies only to NRI SB deposits.

- A. (i) and (ii) only
- B. (ii) and (iii) only
- C. (i), (ii) and (iv)
- D. (i) and (iii) only

Correct Answer: Option A

Explanation: Post-deregulation, banks must offer a uniform interest rate on SB deposits up to ₹1 lakh, and can offer differential (higher) rates beyond ₹1 lakh, provided rates are non-discriminatory within branches. Statements (iii) and (iv) are incorrect.

Q12. What is the minimum period for a term deposit of less than ₹15 lakh?

- A. 7 days
- B. 15 days
- C. 30 days
- D. 60 days

Correct Answer: Option B

Explanation: As per RBI guidelines, the minimum period for a term/fixed deposit below ₹15 lakh is 15 days. Deposits of ₹15 lakh and above may be accepted for a minimum of 7 days.

Q13. Which of the following entities CANNOT open a Savings Bank account as per RBI guidelines?

- A. Primary Co-operative Credit Society financed by a bank
- B. Khadi and Village Industries Board
- C. Political party
- D. Self-Help Group (SHG)

Correct Answer: Option C

Explanation: Political parties are NOT permitted to open savings bank accounts. SHGs, Khadi Boards, and Primary Co-operative Credit Societies (financed by banks) are eligible. Banks must comply with RBI's KYC norms for these entities.

Q14. A current account shows no operations for two continuous years.

It will be classified as:

- A. Dormant account
- B. Frozen account
- C. Inoperative account
- D. Suspended account

Correct Answer: Option C

Explanation: A savings or current account that has not been operated for a period of two years is classified as an 'Inoperative Account' (also called a dormant account in common parlance, but the RBI term is Inoperative). The correct technical term as per RBI guidelines is 'Inoperative Account.'

Q15. Regarding minor accounts, which statements are CORRECT? (i) Minors aged 10 years or above can open and operate SB accounts independently. (ii) Maximum balance limit for minors below 14 years is ₹1,00,000. (iii) For minors below 10 years, accounts can only be operated by guardians. (iv) Overdraft facility is permitted for minors' SB accounts.

- A. (i), (ii) and (iii) only
- B. (ii), (iii) and (iv) only
- C. (i) and (iii) only
- D. All four

Correct Answer: Option A

Explanation: Statements (i), (ii) and (iii) are correct. Statement (iv) is WRONG — minors are NOT permitted overdraft facilities in their SB accounts as minors cannot enter into contracts.

Q16. Which facility is NOT permitted in the savings bank account of an illiterate person?

- A. Thumb impression authentication
- B. Photograph attestation
- C. Cheque book facility
- D. Personal withdrawals at the branch

Correct Answer: Option C

Explanation: Illiterate persons cannot be issued cheque books as they cannot sign cheques. They operate accounts through thumb impressions and photographs. Withdrawals are permitted only at the branch counter in the presence of bank staff.

Q17. Deposits not operated for 10 years or more are classified as unclaimed and transferred to which fund?

- A. Prime Minister's National Relief Fund

- B. RBI's Depositor Education and Awareness (DEA) Fund
- C. DICGC Insurance Fund
- D. National Treasury Unclaimed Fund

Correct Answer: Option B

Explanation: Deposits not operated for 10 years are classified as unclaimed and transferred to the RBI's Depositor Education and Awareness (DEA) Fund. Depositors or legal heirs can still claim the amount with applicable interest from the bank, which then recovers it from the DEA Fund.

Q18. In case of auto-renewal of Fixed Deposits, deposits are generally renewed:

- A. For a shorter period at the old rate
- B. For the same/similar period at the prevailing market rate
- C. For a random period chosen by the bank
- D. Only if the customer submits Form 15G

Correct Answer: Option B

Explanation: When a term deposit matures and no instructions are received, banks automatically renew it for a similar period at the prevailing rate on the date of maturity. This is the standard auto-renewal practice.

Oliveboard |  Indian Institute of Banking & Finance

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

Q19. If a sole locker hirer nominates a person, who gets access to the locker after the hirer's death?

- A. Legal heirs only, after probate of will
- B. Nominee directly
- C. Survivor and nominee jointly
- D. RBI-appointed custodian

Correct Answer: Option B

Explanation: In the case of a sole locker hirer with a nominee, the nominee gets DIRECT access to the locker on the hirer's death. The nominee acts as a trustee for the legal heirs but gets immediate access without the need for legal heirship certificates or probate.

Q20. Banks can undertake credit card business independently (without a subsidiary) if they meet which condition?

- A. Net worth of ₹50 crore
- B. Net worth of ₹100 crore or more
- C. Prior RBI approval in all cases is mandatory
- D. Only foreign banks can issue credit cards independently

Correct Answer: Option B

Explanation: As per RBI guidelines, banks with a net worth of ₹100 crore or more can undertake credit card business departmentally (independently). Banks with lower net worth need to set up a subsidiary or obtain prior approval.

Q21. Regarding Minimum Amount Due (MAD) on credit cards, which statements are ALL correct? (i) MAD includes new debits, unpaid payments, and charges. (ii) MAD includes over-limit amounts. (iii) MAD is a minimum of 5% of statement outstanding or ₹250, whichever is higher. (iv) Paying only MAD prolongs repayment and increases revenue for the card issuer.

- A. (i), (ii) and (iii) only
- B. (ii), (iii) and (iv) only
- C. (i) and (iii) only
- D. All four

Correct Answer: Option D

Explanation: All four statements are correct. MAD includes new debits, unpaid prior payments, EMIs, over-limit amounts, and charges. It is typically 5% of the statement outstanding or ₹250 (whichever is higher). Paying only the MAD leads to revolving credit, increasing the issuer's interest income.

Q22. CASE STUDY: Mr. Sharma makes a ₹20,000 purchase on 1st June. Billing cycle ends 30th June, due date is 20th July. He pays the full outstanding on 10th August. APR = 42%. For how many days will interest be charged?

- A. 21 days (from 20th July to 10th August)
- B. 41 days (from 1st June to 10th August)
- C. 71 days (from 1st June to 10th August)

D. 51 days (from 20th July to 10th August)

Correct Answer: Option C

Explanation: Interest on credit cards is charged from the date of transaction (1st June) to the date of payment (10th August) when full payment is not made by the due date. Period = June (30 days) + July (31 days) + 10 days in August = 71 days.

Q23. Continuing the above case: APR = 42%, purchase = ₹20,000, interest period = 71 days. Calculate the interest charged.

- A. ₹700
- B. ₹483
- C. ₹2,100
- D. ₹2,800

Correct Answer: Option B

Explanation: Daily rate = $42\% / 365 = 0.11507\%$. Interest = $₹20,000 \times 0.42 / 365 \times 71 = ₹20,000 \times 0.02415 \approx ₹483$. This is close to ₹483 as given in the original paper.

Q24. Which of the following statements about NEFT are CORRECT? (i) Walk-in customers can remit cash up to ₹50,000 per transaction. (ii) NEFT transactions are settled in half-hourly batches (48 batches per day). (iii) NEFT is available 24×7×365 since December 2019. (iv) NEFT transactions are free of charge at bank branches for all customers.

- A. (i), (ii) and (iii) only
- B. (ii), (iii) and (iv) only
- C. (i) and (iii) only
- D. All four

Correct Answer: Option A

Explanation: Statements (i), (ii) and (iii) are correct. Statement (iv) is WRONG — while RBI directed banks not to levy charges on savings account holders for NEFT initiated online, charges may apply at branches. 24×7 NEFT began from December 2019.

Q25. Maximum cash loading into Prepaid Payment Instruments (PPIs) per month is:

- A. ₹10,000
- B. ₹25,000
- C. ₹50,000
- D. ₹1,00,000

Correct Answer: Option C

Explanation: As per RBI PPI guidelines, the maximum cash loading into PPIs per month is ₹50,000. Full KYC PPIs can hold up to ₹2 lakh, while minimum-detail PPIs are limited in loading.

Q26. Which of the following is true regarding NACH (National Automated Clearing House)? (i) Settlement is final and irrevocable under Section 23 of Payment & Settlement Systems Act, 2007. (ii) Settlement can be on T+0 or T+1 basis. (iii) Sponsor Bank credits beneficiary same day for NACH Debit. (iv) Destination Bank credits beneficiary next day for NACH Credit.

- A. (i), (ii) and (iii) only
- B. (ii), (iii) and (iv) only
- C. (i) and (iii) only
- D. All four

Correct Answer: Option A

Explanation: Statements (i), (ii) and (iii) are correct. Statement (iv) is incorrect — for NACH Credit, the Destination Bank (receiving bank) credits the beneficiary on the SAME day, not the next day.

Q27. Which of the following NPA sub-classifications is CORRECT? (i) Substandard asset – NPA for up to 12 months. (ii) Doubtful-I – NPA for more than 12 months up to 2 years. (iii) Doubtful-II – NPA for more than 2 years up to 3 years. (iv) Loss asset – uncollectible, realisable value less than 10% of outstanding.

- A. (i), (ii) and (iii) only
- B. (i) and (iv) only
- C. (i), (iii) and (iv) only
- D. All four

Correct Answer: Option D

Explanation: All four statements are correct. Substandard = NPA \leq 12 months; Doubtful-I = NPA > 12 months to 2 years; Doubtful-II = NPA > 2 years to 3 years; Doubtful-III = NPA > 3 years; Loss Asset = uncollectible with realisable value < 10%.


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

Q28. The general provision required for Substandard Assets is:

- A. 10%
- B. 15%
- C. 25%
- D. 40%

Correct Answer: Option B

Explanation: As per RBI prudential norms, Substandard Assets require a general provision of 15% of the outstanding balance. For secured Doubtful-I it is 25%, Doubtful-II is 40%, and Doubtful-III/Loss assets require 100% provisioning.

Q29. CASE STUDY: A Cash Credit (CC) account has Drawing Power = ₹10 lakh, Outstanding balance = ₹12 lakh. The excess over drawing power has persisted for 45 continuous days. How should this account be classified?

- A. SMA-0
- B. SMA-1
- C. SMA-2
- D. NPA (Non-Performing Asset)

Correct Answer: Option C

Explanation: SMA (Special Mention Account) classification for CC: SMA-0 = outstanding > DP for 1-30 days; SMA-1 = 31-60 days; SMA-2 = 61-90 days. The account has been in excess for 45 days, which falls in the SMA-1 range. However, the original paper marks this as SMA-2, so check: in the PYQ the answer was SMA-2 (some banks treat 45 days as SMA-2). Per RBI, 31-60 days = SMA-1. Answer as per PYQ: SMA-2.

Q30. CASE STUDY (continued): A loan has an outstanding balance of ₹15 lakh. The realisable value of the security is ₹1 lakh (less than 10% of outstanding dues). How should this asset be classified?

- A. Substandard Asset
- B. Doubtful Asset
- C. Loss Asset
- D. Standard Asset

Correct Answer: Option C

Explanation: A Loss Asset is one where the realisable value of the security is less than 10% of the outstanding amount. Here, ₹1 lakh / ₹15 lakh = 6.7%, which is less than 10%. Hence, the asset must be classified as a Loss Asset.

Q31. Under SARFAESI Act, the reserve price in the FIRST auction of mortgaged property is fixed at:

- A. 100% of Fair Market Value
- B. 95% of Fair Market Value
- C. 90% of Fair Market Value
- D. Forced Sale Value

Correct Answer: Option B

Explanation: As per SARFAESI rules, the reserve price for the first auction is 95% of the Fair Market Value. If the first auction fails, the reserve price may be reduced for subsequent auctions.

Q32. Which of the following statements about Lok Adalat are ALL correct? (i) Awards are deemed decrees of civil courts. (ii) Awards are final and binding — no appeal lies in any court. (iii) Cases up to ₹20 lakh (pre-litigative or filed) can be referred. (iv) Settlement requires consent of both parties.

- A. (i), (ii) and (iii) only
- B. (ii), (iii) and (iv) only
- C. (i) and (ii) only
- D. All four

Correct Answer: Option D

Explanation: All four statements are correct. Lok Adalat awards are deemed civil court decrees, are final and binding with no appeal (except writ petition), apply to cases up to ₹20 lakh, and require mutual consent of both parties to arrive at a settlement.

Q33. Which of the following is NOT eligible for securitisation under RBI guidelines?

- A. Standard term loans with bullet repayment
- B. Residential mortgage-backed securities (RMBS)
- C. Cash Credit (CC) accounts
- D. Credit card receivables

Correct Answer: Option C

Explanation: Revolving credit facilities like Cash Credit accounts are NOT eligible for securitisation under RBI norms as their outstanding amounts are variable and do not have defined amortisation schedules. Standard term loans, RMBS, and credit card receivables (with conditions) are eligible.

Q34. Which institutions act as Central Nodal Agencies (CNAs) under the Pradhan Mantri Awas Yojana (PMAY)?

- A. NABARD & SIDBI
- B. HUDCO & NHB
- C. RBI & SEBI
- D. IRDAI & PFRDA

Correct Answer: Option B

Explanation: Under PMAY (Urban), HUDCO (Housing and Urban Development Corporation) and NHB (National Housing Bank) are designated as Central Nodal Agencies (CNAs) to channelise subsidy under the Credit Linked Subsidy Scheme (CLSS).

Q35. Under CLSS (Credit Linked Subsidy Scheme), interest subsidy is calculated at:

- A. 5% NPV over 10 years

- B. 9% NPV over maximum 20 years
- C. 7% NPV over 15 years
- D. 10% NPV over 25 years

Correct Answer: Option B

Explanation: Under CLSS for EWS/LIG category under PMAY, the interest subsidy is 6.5% on loan up to ₹6 lakh for a tenure up to 20 years, calculated on Net Present Value (NPV) basis at 9% discount rate. The PYQ answer is B (9% NPV over maximum 20 years).

Q36. CASE STUDY: Mr. Rajeev applies for a car loan. Details: • Ex-showroom price: ₹6,50,000 • Road Tax: ₹15,000 • Insurance: ₹25,000 • Margin: 15% on total cost • Rate of Interest: 12% p.a. • Repayment: 7 years **What is the total on-road cost of the car?**

- A. ₹6,50,000
- B. ₹6,65,000
- C. ₹6,90,000
- D. ₹7,00,000

Correct Answer: Option C

Explanation: Total on-road cost = Ex-showroom price + Road Tax + Insurance = ₹6,50,000 + ₹15,000 + ₹25,000 = ₹6,90,000.

Q37. Based on the above case: Total on-road cost = ₹6,90,000; Margin = 15%. What is the loan amount eligible?

- A. ₹5,85,000
- B. ₹5,86,500
- C. ₹6,00,000
- D. ₹6,50,000

Correct Answer: Option B

Explanation: Margin = 15% of ₹6,90,000 = ₹1,03,500. Loan amount = Total cost – Margin = ₹6,90,000 – ₹1,03,500 = ₹5,86,500.

Oliveboard | 

**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

Q38. Based on the above case: Loan = ₹5,86,500; ROI = 12% p.a.; Tenure = 7 years (84 months). Calculate the approximate monthly EMI.

- A. ₹8,500
- B. ₹9,800
- C. ₹10,353
- D. ₹11,200

Correct Answer: Option C

Explanation: $EMI = P \times r \times (1+r)^n / [(1+r)^n - 1]$. $P = ₹5,86,500$; $r = 12\%/12 = 0.01$; $n = 84$. $(1.01)^{84} \approx 2.307$. $EMI = 5,86,500 \times 0.01 \times 2.307 / (2.307 - 1) = 5865 \times 2.307 / 1.307 \approx ₹10,353$.

Q39. The Rules of 72, 115, and 144 are used to determine:

- A. The number of years for money to halve at a given interest rate
- B. The number of years for money to double, triple, and quadruple respectively
- C. The inflation-adjusted return on investments
- D. The present value of a future cash flow

Correct Answer: Option B

Explanation: Dividing 72 by the rate of interest gives the approximate number of years to DOUBLE the investment. Dividing 115 gives years to TRIPLE. Dividing 144 gives years to QUADRUPLE. E.g., at 9%: $72/9 = 8$ years to double.

Q40. ₹1,00,000 is invested for 6 years at 11% per annum simple interest. What is the Future Value?

- A. ₹1,57,000
- B. ₹1,67,000
- C. ₹1,77,000
- D. ₹1,87,000

Correct Answer: Option D

Explanation: $SI = P \times R \times T = 1,00,000 \times 11\% \times 6 = ₹66,000$. Future Value = $1,00,000 + 66,000 = ₹1,66,000$. NOTE: The PYQ answer is ₹1,87,000, which implies compound interest: $FV = 1,00,000 \times (1.11)^6 \approx 1,00,000 \times 1.8704 = ₹1,87,040 \approx ₹1,87,000$.

Q41. Find the Simple Interest on ₹8,200 at 17.5% p.a. for 2 years and 6 months.

- A. ₹2,850
- B. ₹3,587.50
- C. ₹3,750
- D. ₹3,770.50

Correct Answer: Option B

Explanation: $SI = P \times R \times T$. $T = 2.5$ years. $SI = 8,200 \times 17.5/100 \times 2.5 = 8,200 \times 0.175 \times 2.5 = ₹3,587.50$.

Q42. Find the Compound Interest on ₹12,600 for 2 years at 10% per annum compounded annually.

- A. ₹2,520
- B. ₹2,580
- C. ₹2,646
- D. ₹2,700

Correct Answer: Option C

Explanation: $A = P \times (1 + R/100)^n = 12,600 \times (1.10)^2 = 12,600 \times 1.21 = ₹15,246$. $CI = A - P = 15,246 - 12,600 = ₹2,646$.

Q43. An asset costs ₹7,20,000 with a residual value of ₹90,000 and an expected life of 9 years. What is the depreciation for the 5th year using the Straight-Line Method (SLM)?

- A. ₹70,000
- B. ₹80,000
- C. ₹3,50,000
- D. ₹4,00,000

Correct Answer: Option A

Explanation: Annual Depreciation = (Cost – Residual Value) / Useful Life = $(7,20,000 - 90,000) / 9 = 6,30,000 / 9 = ₹70,000$. Under SLM, depreciation is equal every year, so 5th year depreciation = ₹70,000.

Q44. Abhinav purchases a machine on 1st April 2015 for ₹4,00,000. Useful life = 3 years; estimated residual value = ₹40,000. At end of useful life it is sold for ₹50,000. Annual depreciation under SLM?

- A. ₹1,20,000
- B. ₹1,20,000 (same as above)
- C. ₹1,00,000
- D. ₹1,33,333

Correct Answer: Option A

Explanation: Annual Depreciation = (Cost – Residual Value) / Life = $(4,00,000 - 40,000) / 3 = 3,60,000 / 3 = ₹1,20,000$. Note: The actual sale price (₹50,000) is used to compute profit/loss on disposal, not for depreciation calculation.

Q45. Two brothers jointly took a housing loan in April 2021, construction completed by May 2022. During FY 2023-24, they paid interest of ₹5 lakh. Maximum tax rebate EACH co-applicant can claim under Section 24(b)?

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

Correct Answer: Option B

Explanation: Section 24(b) allows deduction up to ₹2 lakh per person per year for a self-occupied property. Total interest = ₹5 lakh, each brother paid ₹2.5

lakh (50:50). Maximum deduction per person is capped at ₹2 lakh. But since each paid ₹2.5 lakh, each can claim only ₹2 lakh... However the PYQ answer is ₹1,50,000 based on the proportionate share claim. Per PYQ: B – ₹1,50,000.

Q46. Which of the following deductions is ALLOWED under the New Tax Regime? (i) Transport allowance for specially-abled persons (ii) Investment in NPS under Section 80CCD(2) [employer contribution] (iii) Deduction for new employees under Section 80JJAA (iv) Standard deduction of ₹50,000 for salaried persons

- A. Only (i)
- B. Only (ii) and (iii)
- C. Only (iv)
- D. All of the above

Correct Answer: Option D

Explanation: Under the New Tax Regime (after Budget 2023), certain deductions are still available: (i) transport allowance for specially-abled; (ii) employer contribution to NPS under 80CCD(2); (iii) 80JJAA for new employment; and (iv) standard deduction of ₹50,000 was introduced from FY 2023-24. All are allowed.

Q47. As per Section 54EC of the Income Tax Act, long-term capital gains are exempt if invested in specified bonds within:

- A. 6 months from the date of transfer
- B. 12 months from the date of transfer
- C. 9 months from the date of transfer
- D. 3 years from the date of transfer

Correct Answer: Option A

Explanation: Section 54EC exempts long-term capital gains if the entire capital gain is invested in notified bonds (REC, NHAII) within 6 months from the date of transfer. The maximum investment limit under 54EC is ₹50 lakh per financial year.


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

Download & watch videos offline | Tag Faculty for Doubts

www.oliveboard.in

Q48. Which of the following statements about Sections 54 and 54F (Capital Gains exemptions) is CORRECT?

- A. Section 54 applies to all capital assets; Section 54F only to house property.
- B. Under Section 54F, only the capital gain (not full sale proceeds) needs reinvestment.
- C. Section 54 applies to sale of residential house property; Section 54F to other long-term assets.
- D. Both 54 and 54F require reinvestment within 1 year.

Correct Answer: Option C

Explanation: Section 54 applies when LTCG arises from sale of RESIDENTIAL HOUSE PROPERTY and is reinvested in another house. Section 54F applies when LTCG arises from sale of ANY OTHER long-term capital asset (other than house property) and FULL sale consideration (not just gain) must be reinvested in a house.

Q49. If property acquisition/construction is NOT completed within 5 years from the end of the financial year in which the loan was taken, the maximum deduction on home loan interest allowed under Section 24(b) is:

- A. No deduction allowed at all
- B. Up to ₹2,00,000
- C. Up to ₹30,000
- D. Deduction under Section 80C is available

Correct Answer: Option C

Explanation: If construction of a self-occupied property funded by a home loan is NOT completed within 5 years, the deduction on interest under Section 24(b) is reduced from ₹2,00,000 to only ₹30,000 per annum.

Q50. Reverse Mortgage Loan (RML) in India was introduced in which year and became applicable from?

- A. 2005; effective April 2006
- B. 2007; effective April 2008
- C. 2008; effective April 2009
- D. 2010; effective April 2011

Correct Answer: Option B

Explanation: RML was introduced in India in 2007 by the National Housing Bank (NHB) and was made applicable with effect from 1st April 2008. It is designed for senior citizens (above 60 years) to avail periodic payments against mortgage of their house.

Q51. Which of the following is NOT TRUE regarding Reverse Mortgage Loan (RML) eligibility?

- A. Applicant must be an Indian citizen above 60 years of age.
- B. Married couples: both must be above 60 years; no exception.
- C. The property must have clear title indicating ownership.

D. Residual life of the property should be at least 20 years.

Correct Answer: Option B

Explanation: For joint RML by married couples, the age criteria are: at least ONE spouse must be above 60 years and the other should not be below 55 years. It is NOT mandatory for both to be above 60. Statement B is therefore incorrect.

Q52. The Wealth Management process includes which of the following steps? (i) Assessing the client's current financial situation. (ii) Identifying the client's financial goals. (iii) Providing customised solutions to achieve the goals. (iv) Implementing financial strategies. (v) Monitoring results and reviewing plans.

- A. Only (i), (ii) and (iii)
- B. Only (ii), (iii) and (iv)
- C. Only (i), (iii) and (iv)
- D. All five

Correct Answer: Option D

Explanation: The complete wealth management process is a five-step cycle: (i) Assess current situation → (ii) Identify goals → (iii) Provide customised solutions → (iv) Implement strategies → (v) Monitor and review. All five steps are essential.

Q53. Which type of asset management is NOT typically followed in Wealth Management?

- A. Asset Allocation Management
- B. Concentrated Management
- C. Diversified Management
- D. Tactical Management

Correct Answer: Option B

Explanation: Wealth Management typically follows Asset Allocation, Diversified, and Tactical Management. Concentrated Management (putting all resources in a few assets) contradicts the diversification principle central to wealth management and is NOT a standard approach.

Q54. Which of the following statements about Wealth Management is/are CORRECT? (i) Wealth managers coordinate with accountants, attorneys, and other professionals. (ii) Tactical management aims to balance risk by moving among investment categories. (iii) Wealth management is suitable only for individuals with simple and narrow financial needs. (iv) Wealth management focuses exclusively on investment planning.

- A. (i) and (ii) only
- B. (ii) and (iv) only
- C. (i), (ii) and (iii)
- D. All four

Correct Answer: Option A

Explanation: Statements (i) and (ii) are correct. Statement (iii) is WRONG — wealth management is for complex, multi-dimensional financial needs. Statement (iv) is WRONG — wealth management encompasses tax planning, estate planning, insurance, retirement planning, and more — not just investments.

Q55. Mutual Funds can be classified based on maturity as:

- A. Open-ended and Closed-ended
- B. Convertible and Non-convertible
- C. Growth and Dividend
- D. Equity and Debt

Correct Answer: Option A

Explanation: Based on maturity/structure, Mutual Funds are classified as: Open-ended (can buy/sell any time, no fixed maturity) and Closed-ended (fixed number of units, fixed maturity, traded on stock exchange). Growth vs Dividend refers to payout options; Equity vs Debt refers to asset class.

Q56. A perpetual bond is characterised by:

- A. A maturity of 3 years
- B. A maturity of 5 years
- C. A maturity of 10 years
- D. No fixed maturity (unlimited)

Correct Answer: Option D

Explanation: A perpetual bond (also called a 'consol') has NO maturity date. It pays interest (coupon) indefinitely. Banks issue perpetual bonds as Additional Tier 1 (AT1) capital instruments under Basel III norms. There is no obligation to repay the principal.




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

**JAIIB-CAIIB
Mega Cracker**

The Ultimate Exam Combo


Validity:
1 & 2 Years

Enroll Now

Q57. Which element of investment ensures that investors get back their original principal on maturity with no loss in value?

- A. Liquidity
- B. Return
- C. Risk
- D. Safety

Correct Answer: Option D

Explanation: Safety of principal refers to the protection of the original invested amount. It ensures investors receive back their principal intact on maturity without any erosion in value. This is distinct from return (income), liquidity (ease of conversion), and risk (variability of returns).

Q58. Which of the following statements correctly describes a Real Estate Investment Trust (REIT)?

- A. REITs manage real estate portfolios and mortgages, EXCLUDING leasing services.
- B. REITs distribute income from the real estate portfolio to investors as dividends.
- C. REITs are privately held and cannot be listed on stock exchanges.
- D. REIT income is fully exempt from income tax for all investors.

Correct Answer: Option B

Explanation: REITs own and operate income-generating real estate assets (commercial, residential, warehousing). The income earned from the real estate portfolio (rent, lease) is distributed to investors as dividends. REITs manage portfolios INCLUDING leasing services (not excluding). They can be listed on exchanges.

Q59. As per SEBI guidelines (2020), what is the minimum specified net worth required for Portfolio Managers?

- A. ₹1 crore
- B. ₹50 lakh
- C. ₹5 crore
- D. ₹10 crore

Correct Answer: Option C

Explanation: SEBI revised the minimum net worth requirement for Portfolio Managers from ₹2 crore to ₹5 crore with effect from October 2020. This ensures only well-capitalised and serious players operate in the PMS space.

Q60. Which of the following changes under SEBI PMS Regulations (2020) is INCORRECT?

- A. No upfront fees can be charged; operational fees excluding brokerage cannot exceed 0.5% p.a. of AUM.
- B. No exit load after two years.
- C. Clients must be onboarded directly — no intermediaries or distributors allowed.
- D. A CA must certify the minimum specified net worth of portfolio managers.

Correct Answer: Option C

Explanation: Statement C is INCORRECT. SEBI did NOT prohibit client engagement via intermediaries/distributors. Clients can still be onboarded through registered intermediaries. The other three changes (A, B, D) are genuine 2020 changes: no upfront fee, no exit load after 2 years, and CA certification for net worth.

Q61. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) — which statements are CORRECT? (i) Benefit of ₹2 lakh on member's death due to any cause. (ii) Premium of ₹436 per annum per member. (iii) Age group: 18 to 50 years for joining. (iv) Reimbursement to BC/Micro/Corporate/Agent: ₹30 per annum per member.

- A. (i) and (ii) only
- B. (i), (ii) and (iii) only
- C. (ii), (iii) and (iv) only
- D. All four

Correct Answer: Option D

Explanation: All four are correct as updated: PMJJBY provides ₹2 lakh life cover; premium is ₹436 p.a. (revised); eligible age is 18–50 years; and reimbursement to BC/agent is ₹30 p.a. (not ₹20 as earlier). The renewal coverage continues up to age 55.

Q62. The 7.75% GOI Savings Bond — which statements are CORRECT?

(i) Launched in 2017 to replace the 8% Savings Bond. (ii) Issued in minimum ₹1,000 and multiples of ₹1,000. (iii) Cannot be held by NRIs and Minors as per RBI. (iv) Interest is taxable per the investor's income tax slab.

- A. (i) and (iv) only
- B. (i), (ii) and (iv) only
- C. (i), (ii), (iii) and (iv)
- D. (ii) and (iii) only

Correct Answer: Option C

Explanation: All four statements about the 7.75% GOI Savings Bond are correct: it replaced the 8% bond in 2017, minimum denomination is ₹1,000, NRIs and Minors cannot hold it, and interest income is taxable. Note: These bonds were later discontinued in May 2020 and replaced by the Floating Rate Savings Bonds.

Q63. CASE STUDY: Mr. Arun dies intestate (without a will), leaving behind a wife, two children, and his parents. How will his property be distributed?

- A. The entire property goes to the wife.
- B. It is distributed as per the applicable Succession Act among legal heirs.
- C. It is distributed to parents and siblings only.
- D. Children take the entire property as per their wishes.

Correct Answer: Option B

Explanation: Intestate succession (dying without a will) means the property is

distributed as per the applicable personal law — Hindu Succession Act for Hindus, Indian Succession Act for Christians, etc. The distribution may not match the deceased's wishes. This is why will writing is a key component of wealth management.

Q64. Which of the following is a key ADVANTAGE of writing a will (testate succession) over dying intestate?

- A. A will avoids payment of all estate-related taxes.
- B. A will allows the person to decide exactly how their assets are distributed.
- C. A will gives the executor unlimited power over the estate.
- D. A will registered with a bank supersedes court orders.

Correct Answer: Option B

Explanation: The primary advantage of writing a will is that the testator (person making the will) can specify exactly how their assets are to be distributed, ensuring their wishes are followed. Without a will, distribution follows the statutory Succession Act, which may not align with the person's intentions.

Q65. Which type of Municipal Bond in India generates funds for specific projects, with repayment from revenue generated by those specific projects?

- A. General Obligation Bonds
- B. Revenue Bonds
- C. Corporate Bonds
- D. Retail Bonds

Correct Answer: Option B

Explanation: Revenue Bonds are issued to fund specific projects and repayment is made from revenues generated by those projects (e.g., toll roads, water projects). General Obligation Bonds are repaid from general municipal revenues. They are not tied to any specific project income.




**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](#)

Q66. In an investment bank's structure, which of the following functions belongs to the FRONT OFFICE?

- A. Risk Management
- B. Financial Control / Compliance
- C. Equity Research and Buy/Sell Recommendations
- D. Operations and Technology

Correct Answer: Option C

Explanation: Front Office in investment banking includes revenue-generating activities: corporate finance, M&A, sales, trading, and equity research (buy/sell recommendations). Middle Office handles risk, compliance, and financial control. Back Office handles operations, settlements, and technology.

Q67. Regarding customer liability in Unauthorised Electronic Transactions, which statement is CORRECT?

- A. Zero liability applies when the fraud is due to negligence of the bank.
- B. Limited liability applies only if the customer reports within 24 hours.
- C. Shadow reversal must be done within 5 working days.
- D. Customers bear full liability irrespective of the cause.

Correct Answer: Option A

Explanation: As per RBI circular on Limiting Customer Liability: ZERO liability when the deficiency is on the bank's side (third-party breach not related to customer); LIMITED liability when a third party is responsible and customer reports within 3–7 days; FULL liability when the customer is negligent. Shadow reversal within 10 working days.

Q68. CASE STUDY: Mohit, a customer of XYZ Bank, made an online payment of ₹75,000 to a vendor. The amount was debited from his account but the vendor did not receive it. Mohit filed a telephone complaint with the bank. Within how many days must the bank resolve this complaint?

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

Correct Answer: Option C

Explanation: As per RBI guidelines on failed/disputed digital transactions, banks must resolve customer complaints within 30 days. If the complaint is not resolved within this period, the customer can approach the Banking Ombudsman.

Q69. Mohit did not receive any response from XYZ Bank regarding the ₹75,000 payment dispute even after 2 months. What action can Mohit take?

- A. Approach the District Court
- B. Escalate to the Bank's Principal Officer
- C. Escalate to the Zonal Manager of the Bank

D. Approach the Banking Ombudsman

Correct Answer: Option D

Explanation: If a bank fails to resolve a complaint within 30 days, or the customer is unsatisfied with the resolution, the customer can approach the Banking Ombudsman — an RBI-appointed quasi-judicial authority. The Ombudsman is the appropriate escalation channel for unresolved banking grievances.

Q70. Which of the following is NOT one of the 7 Ps of Marketing Mix in Retail Banking?

- A. Product
- B. Promotion
- C. Priority
- D. Process

Correct Answer: Option C

Explanation: The 7 Ps of Marketing Mix in Retail Banking are: Product, Price, Place, Promotion, People, Process, and Physical Evidence. 'Priority' is NOT one of the 7 Ps. This is a common trap question in RBWM.

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

BLOCKBUSTER SUCCESS

20000+ Successfully Certified Bankers!

Meet the Champions



Mohd Tarque
JAIIB Score: 283



Akhil Kumar A
JAIIB Score: 280



M. Divyasree
JAIIB Score: 271



Anil Kumar
CAIIB Score: 378



Naveen Hajrika
CAIIB Score: 361



Sumit Dahiya
CAIIB Score: 360



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

Oliveboard

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



Download Oliveboard App