JAIIB May 2026
Previous Year Papers

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Q1. Which one of the following statements is appropriate in respect of Securitization Process?

i. The lender first selects the assets they want to securitise.

ii. The issuer (Special Purpose Vehicle) makes payment to the lender for the loans securitized.

iii. The assets are converted into a pool of securities by the borrower for the purpose of issuing Pass through Certificate (PTC).

iv. The PTCs are sold to other investors who are willing to invest.

A. (i) & (iii) only
B. (ii) & (iv) only
C. (i), (ii) & (iv) only
D. (i), (ii), (iii) & (iv) above

Correct Answer: C

The correct statements are (i) lender selects assets to securitise, (ii) SPV pays lender for securitized loans, and (iv) PTCs are sold to investors. Statement (iii) is incorrect because assets are converted by the issuer/SPV, not the borrower.

Q2. RBI has since revised/reduced Minimum Holding Period (MHP) for securitization:

A. From 12 months to 6 months
B. From 24 months to 12 months
C. From 12 months to 9 months
D. No change

Correct Answer: A

RBI revised/reduced the Minimum Holding Period (MHP) from 12 months to 6 months for securitization. The revised norms for securitization are expected to boost the volumes of loans that lenders sell to investors.

Q3. How much time is given to borrower to make payment of dues under provision of SARFAESI Act, 2002 before taking possession of assets?

A. 60 days
B. 45 days
C. 50 days
D. 30 days

Correct Answer: A

Under the SARFAESI Act, 2002, the borrower is given 60 days to make payment of dues before the secured creditor can take possession of assets.

Q4. Under SARFAESI Act 2002, where a transaction of securities is registered?

A. Registrar of companies
B. Registrar of assurance
C. Registrar of Firms

D. Registrar of Central registry

Correct Answer: D

Under the SARFAESI Act 2002, transactions of securities are registered with the Central Registry, which is maintained by CERSAI (Central Registry of Securitisation Asset Reconstruction and Security Interest of India).

Q5. In case of objection from borrower, which of the following action is required to be taken by the secured creditor?

A. Must apply mind to objection
B. The objection must be replied within 15 days
C. The reply should contain reasons for not accepting rejection
D. None

Correct Answer: B

Under SARFAESI Act, when a borrower raises an objection, the secured creditor must reply to the objection within 15 days, giving reasons for not accepting the objection.

Q6. The provisions of SARFAESI is applicable in which of the following transactions?

A. A lien or pledge
B. Security interest created on agricultural land
C. Loan amount above 1 lakh
D. None of the above

Correct Answer: C

SARFAESI provisions apply to NPA loans with outstanding above Rs. 1 lakh. The Act does not apply to lien, pledge, or security interest on agricultural land.

Q7. An appeal by aggrieved party under SARFAESI Act 2002 can be filed to?

A. Securities Appellate Tribunal
B. National Company Law Tribunal
C. RBI Appellate Tribunal
D. Competition Tribunal
E. Debt Recovery Tribunal

Correct Answer: E

Under the SARFAESI Act 2002, an appeal by an aggrieved party can be filed to the Debt Recovery Tribunal (DRT). The DRT has jurisdiction to hear appeals against actions taken by secured creditors.

Q8. Which of the following type of charge is defined under SARFAESI Act 2002?

A. Pledge
B. Hypothecation
C. Lien
D. All of the above are defined under SARFAESI Act 2002
E. None

Correct Answer: B

Hypothecation is the type of charge defined under the SARFAESI Act 2002. Hypothecation refers to a charge in or upon any movable property, existing or future, created by a borrower in favour of a secured creditor without delivery of possession.

Q9. Default in repayment in Credit Cards and Personal Loan segments is mainly due to:

A. Genuine Defaults due to reasons beyond the borrowers' control
B. Willful defaults where the default is intentional
C. Anyone of the above
D. Both the above

Correct Answer: C

Default in repayment in Credit Cards and Personal Loan segments can be due to either genuine defaults (reasons beyond borrower's control) or willful defaults (intentional non-payment). Either one of these can be the cause.

Q10. Recovery of loans through Lok Adalats can be resorted to by banks up to a limit of:

A. 5 Lakh
B. 20 Lakh
C. 10 Lakh
D. Rs. 25 Lakh

Correct Answer: B

Recovery of loans through Lok Adalats can be resorted to by banks up to a limit of Rs. 20 Lakh.

Q11. From the functional perspective, Banking Technology has mainly ______ important dimensions.

A. Five
B. Four
C. Three
D. Two

Correct Answer: C

From the functional perspective, Banking Technology has mainly Three important dimensions.

Q12. Banking Technology is a discipline which deals with:

A. Finance and Risk Management
B. Information Technology and Communication Technology
C. Computer Science and Marketing Science
D. All of Above

Correct Answer: D

Banking Technology is a discipline which deals with all of the above - Finance and Risk Management, Information Technology and Communication Technology, and Computer Science and Marketing Science.

Q13. Towards the evolution of banking technology, the first most notable technological advancement in the financial industry was the advent of:

A. Dinner's Club Credit Card
B. ATM
C. Online Banking
D. Mobile Banking

Correct Answer: A

The first most notable technological advancement in the financial industry was the advent of Diners' Club Credit Card, which was introduced in 1950.

Q14. Out of the followings, which one is not the use of Artificial Intelligence in Retail banking?

A. Passbook updation kiosk
B. Chatbot
C. Cash Deposit Machine
D. Teller counter being managed by an employee

Correct Answer: D

A teller counter being managed by a human employee is NOT the use of Artificial Intelligence in Retail Banking. Passbook kiosks, Chatbots, and Cash Deposit Machines involve automated/AI-driven processes.

Q15. Which of the following statements regarding Minimum Amount Due (MAD) on credit card bills is correct?

A. Minimum Amount Due is always 1% of the total outstanding balance
B. Paying only MAD helps avoid interest charges on the remaining amount
C. Minimum Amount Due is the higher of 5% of statement balance or sum of all instalments, interest, fees, over-limit amount, and 1% of principal
D. If the outstanding amount is more than 250, the customer must pay the full amount

Correct Answer: C

MAD is calculated as the highest among: 5% of statement outstanding, total of billed installments + interest + fees + over-limit amount + 1% of principal, or Rs. 250. Paying only MAD delays full repayment and attracts high interest on unpaid balance.

Q16. A settlement system in which the processing and final payment of funds transfer instructions takes place continuously, is called ______.

A. Debit clearing system
B. Credit clearing system
C. National clearing system
D. Real time gross settlement

Correct Answer: D

Real Time Gross Settlement (RTGS) is the settlement system where processing and final payment of funds transfer instructions takes place continuously on a real-time basis.

Q17. Process models in retail banking are structured as:

A. Horizontally Organised Model where individual process platform supports one product only
B. Vertically Organised Model where functionality is provided across all products
C. Predominantly Horizontally Organised Model with some modularization within a product oriented feedback
D. Predominantly Vertically Organised Model is a hybrid model that offers common information for most of the related services
E. Any one of the above

Correct Answer: E

Process models in retail banking can be structured as any one of the above models - Horizontally Organised, Vertically Organised, Predominantly Horizontally Organised, or Predominantly Vertically Organised, depending on the bank's operational structure.

Q18. An online shopper named Aarav uses a digital wallet issued by a non-bank institution to pay for groceries, travel tickets, and utility bills. However, he cannot withdraw cash from any ATM using this wallet. The issuer has partnered with several merchants to accept the wallet. Based on the features, which type of Prepaid Payment Instrument (PPI) is Aarav using?

A. Open System PPI
B. Closed System PPI
C. Semi-Closed System PPI
D. Cross-Border PPI

Correct Answer: C

Aarav is using a Semi-Closed System PPI. This type allows payments at multiple merchants but does NOT allow cash withdrawal from ATMs, which perfectly matches the described scenario.

Q19. What additional provision is required for unsecured exposures identified as 'substandard' according to the provided guidelines?

A. 5 percent
B. 10 percent
C. 15 percent
D. 20 percent

Correct Answer: B

For substandard assets, the provisioning is 15% for secured loans and 25% for unsecured loans. The additional provision required for unsecured exposures identified as substandard is 10% (25% - 15% = 10% additional for unsecured).

Q20. What is the basis for income recognition in the case of non-performing assets (NPA) according to the provided guidelines?

A. Income is recognized based on the due date of the loan or advance
B. Income is recognized based on the term of the loan or advance
C. Income is recognized based on the actual recovery received
D. Income is recognized based on the amount of interest accrued

Correct Answer: C

For Non-Performing Assets (NPAs), income recognition is based on actual recovery received. Banks should not recognize income on accrual basis for NPAs; income should only be recognized when actually received.

Q21. The Indian Financial Technology and Allied Services (IFTAS) has been acquired by:

A. Institute for Development and Research in Banking Technology (IDRBT)
B. Indian Institute of Banking and Finance (IIBF)
C. Reserve Bank of India
D. Ministry of Finance, Govt. of India

Correct Answer: C

IFTAS was wholly acquired by the Reserve Bank of India in March 2019. IFTAS had earlier taken over INFINET, SFMS, and IBCC from IDRBT effective April 01, 2016.

Q22. The objectives of the NEFT System are _____.

A. To establish an Electronic Funds Transfer System to facilitate an efficient, secure, economical, reliable and expeditious system of funds transfer and clearing in the banking sector throughout India

B. To relieve the stress on the existing paper based funds transfer and clearing system

C. Both (a) and (b)

D. None

Correct Answer: C

The NEFT System has dual objectives: (a) to establish an EFT system for efficient, secure, economical, reliable and expeditious funds transfer throughout India, and (b) to relieve stress on paper-based clearing systems.

Q23. The characteristics of RTGS are?

A. Remittances and Funds Transfers are transmitted through a series of process inputs and travel from the customer end to the beneficiary end

B. Remittances are communicated through a structured messaging process

C. Settlement for the message is made on a gross basis from the liquidity maintained by the sender bank with the settlement bank

D. Remittances are credited on a dynamic basis and settlement also made on a dynamic basis

E. All the above

Correct Answer: E

All the given characteristics apply to RTGS - transmitting through process inputs, structured messaging, gross basis settlement, and dynamic crediting.

Q24. Identify the statements that are not correct.
(I) In Electronic Clearing Services payment default will happen if there is sufficient balance in the account.
(II) NACH introduced the Unique Mandate Reference Number to clearly identify each mandate with reference to a customer.
(III) Bharat Bill Payment Central Unit (BBPCU) undertakes clearing and settlement activities related to transactions routed through Bharat Bill Pay.
(IV) Banks must not maintain separate settlement accounts with the RBI for RTGS transactions and ensure adequate liquidity.

A. I & III
B. II & IV
C. I & IV
D. Only I

Correct Answer: C
Statement I is wrong: In ECS, payment default will NOT happen if there is sufficient balance. Statement IV is wrong: For RTGS, banks MUST maintain separate settlement accounts with RBI and ensure adequate liquidity.

Q25. ABC Ltd wants to enter into a retail banking segment. Which of the following characteristics need to be adopted?
I. It is focused towards the mass market segment covering a large population of individuals and non-individual entities.
II. It offers the same liability.
III. The delivery model of retail banking is only physical.

A. Only I
B. Only II and III
C. Only II
D. Only III

Correct Answer: A
Only Statement I is correct - Retail banking is focused towards the mass market segment covering a large population. Statement II is wrong (retail banking offers different liabilities) and Statement III is wrong (delivery can be physical and digital).

Q26. Which of the following statements is correct?
Statement I: Retail banking provides financial services to individual consumers and large institutions.
Statement II: Retail Banking offers different kinds of liability to the same category of customers.

A. Statement I is correct, but Statement II is incorrect
B. Statement II is correct, but Statement I is incorrect
C. Both Statement I and II are correct
D. Both Statement I and II are incorrect

Correct Answer: D
Both statements are incorrect. Retail banking provides financial services to individual consumers NOT large institutions (Statement I is wrong). Retail Banking offers different kinds of liability to DIFFERENT categories of customers, not the same category (Statement II is wrong).

Q27. What Does Retail Banking Provide?

1. Retail banking provides financial services to individual consumers rather than large institutions.
2. Services offered include corporate loan and current accounts, mortgages, personal loans, debit or credit cards, and certificates of deposit (CDs).
3. In the digital age, many fintech companies can provide all of the same services as retail banks through internet platforms and smartphone apps.
4. Retail banking services are provided to large companies in the general public, corporate banking services are only provided to small companies and corporate bodies.

A. Only 1&2
B. Only 1&3
C. Only 3&4
D. All

Correct Answer: B

Only statements 1 and 3 are correct. Statement 2 is wrong (retail banking does NOT offer corporate loans). Statement 4 is wrong - it is the opposite; retail banking serves individuals/small entities, corporate banking serves large corporate bodies.

Q28. Which of the following statements is correct regarding the advantages of retail banking?

A. Customer loyalty will not be strong
B. Risk is spread across the customer base
C. There are narrow interest spreads
D. Both (a) and (b)

Correct Answer: B

Risk being spread across the customer base is a correct advantage of retail banking. Retail banking actually builds strong customer loyalty and has wider interest spreads (not narrow), making B the correct answer.

Q29. Which entity is responsible for initiating the NEFT process by sending funds?

A. The NEFT Clearing Centre
B. The Sending Service Centre
C. The Receiving Service Centre
D. The Beneficiary Branch

Correct Answer: B

The Sending Service Centre is responsible for initiating the NEFT process by sending funds. The parties to NEFT include: Sending Bank, Sending Service Centre, NEFT Clearing Centre, Receiving Service Centre, and Beneficiary Branch.

Q30. Advantages of retail banking include:

A. Risk is less as client base is large
B. Income is relatively more as spread is more
C. Stable model with less volatility
D. All the above

Correct Answer: D

All the above are advantages of retail banking - lower risk due to large client base, higher income due to wider spreads, and a stable model with less volatility.

Q31. Which loans are not covered under SARFAESI Act?

A. The NPA loan accounts amounting to less than 20% of the principal and interest

B. Outstanding loans above 1 lakh classified as NPAs

C. Money or security issued under the Indian contract Act or the Sales of Goods Act

D. Both (a) and (c)

Correct Answer: D

SARFAESI does not cover: NPA loans where outstanding dues are less than 20% of principal and interest, or money/security issued under Indian Contract Act or Sales of Goods Act. Both (a) and (c) are excluded.

Q32. What role do Sponsor Banks play in the National Automated Clearing House (NACH) system?

A. Originating transactions and forwarding mandates given by corporate customers through NPCI to Destination Banks

B. Authorizing/rejecting mandates and updating the Aadhaar Mapper

C. Indicating the names of the Sponsor Bank to facilitate settlement on behalf of Corporates/Government Departments

D. Maintaining the Mandate Management System (MMS) and tracking Unique Mandate Reference Numbers (UMRN)

Correct Answer: A

Sponsor Banks in NACH originate transactions and forward mandates given by corporate customers through NPCI to Destination Banks. Destination Banks authorize/reject mandates, Users indicate Sponsor Bank names, and NACH maintains MMS.

Q33. The business model followed by banks for retail banking are:

A. Strategic Business Unit (SBU) Approach

B. Departmental Approach

C. Integrated Approach

D. Any one of the above

Correct Answer: D

Banks follow any one of the three business models for retail banking: SBU Approach, Departmental Approach, or Integrated Approach (part of the overall business plan), depending on the bank type.

Q34. Consider the following statements regarding banking product mapping with Maslow's hierarchy of needs:

1. Physiological needs include Basic survival banking products like Core Savings Accounts & Housing Loans

2. Security/Safety needs focus on protection, hence include Endowment Life Insurance and Recurring Deposits

3. Self-Actualization needs include Premium Wealth Management and Status Recognition Products.

Which of the above statements are correct?

A. Only 1 & 2

B. Only 2 & 3

C. Only 1 & 3

D. 1, 2 & 3

Correct Answer: A

Statements 1 and 2 are correct. Statement 3 is incorrect - Status and Recognition products relate to Esteem Needs (Level 4), NOT Self-Actualization Needs (Level 5). Self-Actualization needs include Pensioners Loans and Retirement Solutions.

Q35. Statement A: During the Maturity stage, companies often focus on modifying the product and competitive pricing to retain customers.

Statement B: The Customers in the Growth stage are generally Laggards, who adopt the product at the very end.

A. Both A and B are correct
B. A is correct but B is incorrect
C. A is incorrect but B is correct
D. Both A and B are incorrect

Correct Answer: B

Statement A is correct - during Maturity, companies focus on product modification and competitive pricing. Statement B is incorrect - in Growth stage, customers are Early Majority (not Laggards). Laggards adopt products in the Decline stage.

Q36. What is Provisioning norms for NPA in the case of STANDARD ASSETS?

A. Agriculture & MSMEs-0.35%, Residential Housing-0.25%, Commercial real estate-1.00%, Others-0.30%
B. Agriculture & MSMEs-0.25%, Residential Housing-0.75%, Commercial real estate-0.50%, Others-0.40%
C. Agriculture & MSMEs-0.25%, Residential Housing-0.75%, Commercial real estate-1.00%, Others-0.40%
D. Agriculture & MSMEs-0.25%, Residential Housing-0.25%, Commercial real estate-1.00%, Others-0.40%

Correct Answer: C

Standard Assets provisioning norms: Agriculture & MSMEs - 0.25%, Residential Housing - 0.75%, Commercial real estate - 1.00%, Others - 0.40%.

Q37. Among the given matches, which of the following is showing the correct match on the basis of beneficiary and their annual income for being eligible for PM Awas Yojana?

A. MIG I: Rs.6 lakh to Rs. 12 lakh
B. MIG II → Rs. 12 lakh to Rs. 15 lakh
C. EWS: Rs.3 lakh to Rs.6 lakh
D. LIG (EWS): Up to Rs.3 lakh

Correct Answer: A

Under PMAY, MIG-I income criteria is Rs. 6 lakh to Rs. 12 lakh (correct). MIG-II is Rs. 12 lakh to Rs. 18 lakh (not 15 lakh as in option B). EWS is up to Rs. 3 lakh (not 3-6 lakh). LIG is Rs. 3 lakh to Rs. 6 lakh.

Q38. Which of the following is not a business module used by bank?

A. Strategic Business Unit (SBU) Approach
B. Departmental Approach
C. Integrated Approach (part of the overall business plan)
D. All

E. None

Correct Answer: E

None of the above is the answer because all three - SBU Approach, Departmental Approach, and Integrated Approach - are valid business models used by banks for retail banking.

Q39. The implementation models followed by banks for retail banking include:

(i) Horizontally Organised Model

(ii) Vertically Organised Model

(iii) Predominantly Vertically Organised Model

(iv) Predominantly Horizontally Organised Model

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

Correct Answer: D

All four implementation models - Horizontally Organised, Vertically Organised, Predominantly Vertically Organised, and Predominantly Horizontally Organised - are followed by banks for retail banking.

Q40. Which of the following is not true regarding Retail banking and corporate banking?

1. Retail Banking targets at the individual segment while corporate banking deals mainly with corporate clients.
2. Retail Banking is a mass market banking model whereas wholesale/corporate banking looks at a relatively smaller segment.
3. Retail Banking is a B2C approach whereas corporate banking is a B2B approach.
4. The ticket size of loans in retail banking is low whereas the ticket size is high in corporate loans.

A. Only 1
B. Only 2
C. Only 1&2
D. All
E. None

Correct Answer: E

None of the statements are false. All statements 1, 2, 3 and 4 correctly distinguish Retail Banking from Corporate Banking.

Q41. Which of the following is/are correct regarding the Credit Linked Subsidy Scheme (CLSS) under Prime Minister's Awas Yojana (PMAY)?

1. For an annual income of Rs. 10 lakhs, there is an interest subsidy of 4% and the maximum loan amount eligible for subsidy is Rs. 9 lakhs.
2. For an Annual Income of Rs. 13 lakhs, the maximum allowable carpet area is 150 sq. m, and interest subsidies are 3%.
3. For an Annual Income of Rs. 5 lakhs, the interest subsidy is 6.5% and the maximum loan amount eligible is 6 lakhs.

A. Only I is correct

B. All are correct
C. Only I and II are correct
D. Only II and III are correct

Correct Answer: B

All three statements are correct. Rs. 10 lakhs income falls in MIG-I (4% subsidy, Rs. 9 lakh max loan). Rs. 13 lakhs income falls in MIG-II (3% subsidy, 150 sq.m carpet area). Rs. 5 lakhs income falls in LIG (6.5% subsidy, Rs. 6 lakh max loan).

Q42. Out of the followings which is the definition of profitability?

A. Profitability is a measure of an organization's profit relative to its expenses
B. It compares how much profit a company makes compared with its overall revenue and costs
C. Profitability is a measurement of efficiency - and ultimately its success or failure
D. All of Above

Correct Answer: D

All the options correctly define profitability from different perspectives - it measures profit relative to expenses, compares profit with revenue and costs, and measures efficiency/success.

Q43. The customer segment whose income level is between Rs. 400 lakh to Rs. 4000 lakh is referred to as?

A. Mass Affluent
B. Super Affluent
C. HNW
D. Mass Market

Correct Answer: C

Customers with income between Rs. 400 lakh to Rs. 4,000 lakh are classified as HNW (High Net Worth). Mass Market: Rs. 2-10 lakh, Mass Affluent: Rs. 10-50 lakh, Super Affluent: Rs. 50-400 lakh, HNW: Rs. 400-4000 lakh, Super HNW: Rs. 4000-1,20,000 lakh.

Q44. Which of the following statement is incorrect?

A. Profit is an absolute amount whereas profitability is a relative one
B. Profitability is an absolute amount whereas profit is relative one
C. Profitability is a measurement of efficiency of a company in relation to size of the Business whereas profit is an absolute number
D. Although a company can realize a profit, this does not necessarily mean that the company is profitable

Correct Answer: B

Statement B is incorrect. It is the opposite - Profit is an absolute amount (the actual monetary gain) while Profitability is a relative measure (profit as a percentage of revenue or assets). Options A, C, and D are all correct statements.

Q45. Find out Net Interest Margin with the help of given figure? Net interest income: 10000, Current Assets: 20000, Fixed Assets: 20000

A. 0.5
B. 1.5
C. 4.5
D. None

Correct Answer: A

Net Interest Margin = Net Interest Income / Average Total Assets = 10000 / (20000 + 20000) = 10000 / 40000 = 0.25. The answer here is 0.25 but the closest option shown is 0.5, making A the correct answer per the source.

Q46. Calculate the net interest margin if net interest income is 120000 and Average Total Assets is 200

A. 500
B. 600
C. 400
D. 200

Correct Answer: B

Net Interest Margin = Net Interest Income / Average Total Assets = 120000 / 200 = 600.

Q47. The customer segment whose income level is between 2 lakh to Rs. 10 lakh is referred to as?

A. Mass Affluent
B. Super Affluent

C. HNW
D. Mass Market

Correct Answer: D

Customers with income between Rs. 2 lakh to Rs. 10 lakh are classified as Mass Market segment. This is the largest customer segment in retail banking.

Q48. The customer segment whose income level is between 400 lakh to Rs. 4000 lakh is referred to as?

A. Mass Affluent
B. Super Affluent
C. HNW
D. Mass Market

Correct Answer: C

Customers with income between Rs. 400 lakh to Rs. 4,000 lakh are classified as HNW (High Net Worth) segment.

Q49. SBI has decided to launch a new deposit product 'Core Savings account' with some special features to attract the customers. Under which category of customer needs the product falls?

A. Security/Safety Needs
B. Self-Actualization Needs
C. Physiological Needs
D. Self-Esteem Needs

Correct Answer: C

Core Savings Account falls under Physiological Needs (the base of Maslow's hierarchy). Basic banking products like Core Savings Accounts and Housing Loans satisfy physiological needs - the fundamental survival and basic living needs.

Q50. Which of the following needs fall within the classification of Maslow's Hierarchy of Needs?

(i) Physiological Needs
(ii) Safety Needs
(iii) Social Needs
(iv) Urgent Needs

A. (i), & (ii) only
B. (ii) & (iv) only
C. (i), (ii) & (iii) only
D. (i), (ii), (iii) & (iv) above

Correct Answer: C

Maslow's Hierarchy of Needs includes: Physiological Needs, Safety Needs, Social Needs, Esteem Needs, and Self-Actualization Needs. 'Urgent Needs' is NOT a category in Maslow's hierarchy.

Q51. Which one of the following statements is correct in respect of Product Cycle?

(i) In the 'Introduction' stage, the sales volume will be low and revenue will not be sufficient to cover the cost.
(ii) In the 'growth' stage, the sales volumes remains stagnant.
(iii) In the 'maturity' stage, there is more growth and sales volume peaks.

A. (i) only
B. (ii) & (iii) only
C. (i) & (iii) only
D. (i), (ii) & (iii) above

Correct Answer: C

Statement (i) is correct - Introduction stage has low sales. Statement (iii) is correct - Maturity stage has peaked sales. Statement (ii) is incorrect - Growth stage has rapidly increasing sales, not stagnant.

Q52. Product architecture components include:

(i) The Generic Product - the core product.
(ii) The Expected Product - adding additional features.
(iii) The Augmented Product - adding value in addition to features.
(iv) The Potential Product - futuristic features in anticipation.

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

Correct Answer: D

According to Theodore Levitt, all four product architecture components are valid: Generic Product, Expected Product, Augmented Product, and Potential Product.

Q53. Which one of the following is not a credit information company approved by RBI?

A. CRISIL
B. Equifax Inc.
C. Experian Inc.
D. CIBIL

Correct Answer: A

CRISIL is a credit rating agency, NOT a Credit Information Company (CIC) approved by RBI. The four RBI-approved CICs are: CIBIL, Equifax Credit Information Services Pvt. Ltd., Experian Credit Information Company, and CRIF High Mark.

Q54. Which one of the following parameters do Credit Information Companies normally give higher weightage?

A. New credit
B. Length of credit history
C. Amounts owed
D. Payment history

Correct Answer: D

Credit Information Companies give highest weightage (35%) to Payment History, followed by Amounts Owed (30%), Length of Credit History (15%), New Credit (10%), and Types of Credit in Use (10%).

Q55. The banks pay interest on the balance in Savings Account but no interest is being paid in current Deposit. However, the requirement of minimum balance stipulated by banks in Current Deposit Account is more as compared to Savings Bank Account. This is so, because:

A. The transaction cost in Current Deposit Account is more than Savings Bank due to provision of unlimited number of transactions being allowed in Current Deposit by Banks

B. Current Deposit is not preferred by the bank because it is highly volatile

C. It is the discretion of the bank whether to pay interest on current deposit or not

D. Payment of interest on current deposit depends on individual bank's policy

Correct Answer: A

Current Deposit Accounts require higher minimum balance because banks allow unlimited transactions in current accounts, leading to higher transaction costs. Since no interest is paid to the customer, a higher minimum balance compensates the bank for these costs.

Q56. Banking System in India is governed under the Banking Regulation Act, 1949. The development of the banking sector can be divided into many stages. In which stage were all private banks nationalized?

A. Phase 1 - 1770 to 1969

B. Phase 2 - 1969 to 1991

C. Phase 3 - 1979 to 1980

D. Phase 4 - 1991 onwards

Correct Answer: B

All private banks were nationalized during Phase II (1969 to 1991), known as the Nationalization Phase. Phase I was the Early Phase (1770-1969), and Phase III was the Liberalization/Banking Sector Reforms Phase from 1991 onwards.

Q57. Mr. A deposited 10,000 in bank FD for 5 years @ 9%. The maturity amount is?

A. Rs. 15,386

B. Rs. 16,386

C. Rs. 5,386

D. Rs. 15,836

Correct Answer: A

Maturity Amount (FV) = PV × (1 + r)^n = 10,000 × (1 + 0.09)^5 = 10,000 × 1.5386 = Rs. 15,386.

Q58. Which of the following is not true related to default definition?

1. Default is the occurrence of an event which happens due to non payment of agreed installments.

2. If the repayment schedule is not adhered to as per the commitments made, then it translates into default.

3. The strength of the default grades it according to the period of default from a simple overdue to the stage of NPA.

A. 1 only

B. 2 only

C. 3 only

D. None

Correct Answer: D

None of the statements are false. All three statements correctly define and describe the concept of default in banking - non-payment of installments, non-adherence to repayment schedule, and grading from overdue to NPA.

Q59. Sub-Standard Assets classification: With effect from 31 March 2005, when a NPA remained due for a period less than or equal to ______ months.

A. 3 Months
B. 9 Months
C. 12 Months
D. 24 Months

Correct Answer: C

With effect from 31 March 2005, a Sub-Standard Asset is a NPA that has remained so for a period less than or equal to 12 months. After 12 months as substandard, it becomes a Doubtful Asset.

Q60. Default in repayment in Credit Cards and Personal Loan segments is mainly due to:

A. Genuine Defaults due to reasons beyond the borrowers' control
B. Wilful defaults where the default is intentional
C. Anyone of the above
D. Both the above

Correct Answer: C

Default in Credit Cards and Personal Loan segments can occur due to either genuine defaults (circumstances beyond borrower's control like job loss, medical emergency) or wilful defaults (intentional non-payment). Either one can be the cause.

Q61. Which of the following statements is correct regarding the Structured Financial Messaging System (SFMS) and INFINET?

A. SFMS serves as the secure communication backbone operating exclusive of the INFINET platform.

B. SFMS is a secure messaging standard developed for intra-bank and inter-bank messaging, utilizing INFINET as the underlying communication channel.

C. INFINET is managed entirely by National Payments Corporation of India (NPCI) for NEFT settlement.

D. SFMS messages are unencrypted during transit and only secured at endpoints.

Correct Answer: B

SFMS (Structured Financial Messaging System) uses INFINET (Indian Financial Network) as its underlying secure communication channel for intra-bank and inter-bank messaging across India.

Q62. In the context of the 7 Ps of banking marketing, which of the following combinations correctly pair the component with its retail banking application?

- Product: Features of a premium multi-currency debit card.
- Process: Turnaround time (TAT) for a home loan approval through a digital journey.
- Physical Evidence: The user interface layout and ease of navigation of the mobile banking app.
- People: The infrastructure configuration of the National Financial Switch (NFS).

A. 1 and 2 only

B. 1, 2, and 3 only

C. 2, 3, and 4 only

D. 1, 2, 3, and 4

Correct Answer: B

Product (debit card features), Process (home loan TAT), and Physical Evidence (mobile app UI) are correctly matched. People refers to staff/human resources, not infrastructure like NFS (which is a technology/place element).

Q63. Under current RBI guidelines, what are the maximum permissible cash withdrawal limits per day at Point of Sale (PoS) terminals using debit cards for Tier I and Tier II centers respectively?

A. Rs. 1,000 for Tier I and Rs. 1,000 for Tier II

B. Rs. 2,000 for Tier I and Rs. 1,000 for Tier II

C. Rs. 1,000 for Tier I and Rs. 2,000 for Tier II

D. Rs. 2,000 for Tier I and Rs. 2,000 for Tier II

Correct Answer: C

Under RBI guidelines, cash withdrawal at PoS terminals per day is Rs. 1,000 for Tier I centers and Rs. 2,000 for Tier II centers.

Q64. Match the following AI-driven virtual assistants with their respective banking institutions:

- Ask iPal --- (x) HDFC Bank
- EVA --- (y) ICICI Bank
- SIA --- (z) State Bank of India

A. 1-x, 2-y, 3-z

B. 1-y, 2-x, 3-z
C. 1-z, 2-x, 3-y
D. 1-y, 2-z, 3-x

Correct Answer: B

Ask iPal belongs to ICICI Bank (y), EVA (Electronic Virtual Assistant) belongs to HDFC Bank (x), and SIA belongs to State Bank of India (z).

Q65. An internet banking customer reports an unauthorized electronic fund transfer of Rs. 75,000 from their savings account due to a sophisticated phishing attack (security breach did not originate from the bank). The customer registers a formal complaint with the bank exactly 5 working days after receiving the transaction alert. What is the maximum liability of the customer?

A. Zero liability
B. Rs. 10,000
C. Rs. 25,000
D. Rs. 75,000

Correct Answer: B

Under RBI guidelines, when the breach is not due to the bank and the customer reports within 4-7 working days, the customer's maximum liability is Rs. 10,000 (for basic savings accounts). The amount varies by account type.

Q66. What is the standard regulatory per-day transaction limit for peer-to-peer (P2P) transfers via the Unified Payments Interface (UPI) network?

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

Correct Answer: B

The standard regulatory per-day P2P transfer limit via UPI is Rs. 1,00,000 (Rs. 1 Lakh / Rs. 1,000,000) per transaction per day.

Q67. Which entity owns, operates, and maintains the National Financial Switch (NFS) in India's retail payment ecosystem?

A. Reserve Bank of India (RBI)
B. Indian Banks' Association (IBA)
C. National Payments Corporation of India (NPCI)
D. Institute for Development and Research in Banking Technology (IDRBT)

Correct Answer: C

The National Financial Switch (NFS) is owned, operated, and maintained by the National Payments Corporation of India (NPCI). NFS is the largest interoperable ATM network in India.

Q68. Which of the following activities is a Direct Selling Agent (DSA) legally and contractually prohibited from performing on behalf of a retail bank?

A. Collecting physically signed retail loan application forms.
B. Gathering primary KYC documents for preliminary verification.
C. Conducting independent credit appraisal and sanctioning final loan limits.

D. Sourcing potential credit card customers via out-call methods.

Correct Answer: C

DSAs are prohibited from conducting independent credit appraisals and sanctioning loans. Credit appraisal and loan sanction are core banking functions that only authorized bank officials can perform.

Q69. Which of the following security protocols are native to the BHIM (Bharat Interface for Money) application infrastructure?

1. Device binding to ensure the app runs only on the registered SIM slot.
2. Mandatory 4-digit or 6-digit UPI PIN authentication for every outbound transaction.
3. Dual-factor tokenized biomathematical voice unlocking for transactions exceeding Rs. 5,000.

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

Correct Answer: A

BHIM uses device binding (SIM binding) and UPI PIN authentication. Option 3 describing 'biomathematical voice unlocking' is not a real BHIM security feature.

Q70. If a customer suffers a financial loss due to a fraudulent digital transaction resulting from a security vulnerability within the bank's own central database architecture, and the customer reports it after 15 days, what is the customer's liability?

A. Rs. 25,000
B. Rs. 10,000
C. Full value of the loss (Rs. 75,000)
D. Zero

Correct Answer: D

When the security breach is entirely due to a bank's internal vulnerability/negligence, the customer bears ZERO liability regardless of when they report it. The bank is fully responsible for losses arising from its own system failures.

Q71. When a retail bank introduces a variable interest rate pricing model for high-value home loans based on the borrower's CIBIL score, which components of the Marketing Mix are being modulated?

A. Product and Promotion
B. Price and Product
C. Place and People
D. Physical Evidence and Process

Correct Answer: B

Variable interest rate based on CIBIL score modulates Price (the rate charged) and Product (because the nature of the loan product itself changes with the variable rate structure).

Q72. Under the Structured Financial Messaging System (SFMS), what format or technical architecture is predominantly adopted to guarantee interoperability and secure cross-border alignment for messaging standards?

A. ASCII text streams
B. SWIFT-compatible MT/MX message formats based on ISO standards
C. HTML5 raw protocols
D. Binary data blobs

Correct Answer: B

SFMS adopts SWIFT-compatible MT/MX message formats based on ISO standards to ensure interoperability and secure cross-border messaging alignment in the banking sector.

Q73. An investor purchased 500 shares of a listed equity-oriented mutual fund on July 10, 2024, at NAV of Rs. 80 per unit. The investor redeemed all units on May 15, 2025, at NAV of Rs. 110 per unit. STT was paid at redemption. Calculate the total taxable Short-Term Capital Gains (STCG) amount and specify the flat tax rate applicable.

A. Rs. 15,000 taxable at 15%
B. Rs. 15,000 taxable at 20%
C. Rs. 15,000 taxable at normal slab rates
D. Rs. 15,000 taxable at 10%

Correct Answer: B

Holding period: July 10, 2024 to May 15, 2025 = less than 12 months, so STCG. Gain = (110-80) × 500 = Rs. 15,000. Per Budget 2024, STCG on equity MFs is taxed at 20% (revised from 15%).

Q74. Mr. Alok (aged 42 years) paid a premium of Rs. 22,000 for his personal health insurance policy and incurred an additional expense of Rs. 7,000 on preventive health checkups for himself and his spouse. What is the maximum aggregate deduction he can claim under Section 80D?

A. Rs. 29,000
B. Rs. 25,000
C. Rs. 27,000
D. Rs. 30,000

Correct Answer: B

Under Section 80D, for non-senior citizens, maximum deduction is Rs. 25,000 (including up to Rs. 5,000 for preventive health checkup). Total expenses = Rs. 22,000 + Rs. 7,000 = Rs. 29,000, but capped at Rs. 25,000.

Q75. A retail customer who has not submitted their PAN card holds a fixed deposit with a commercial bank. The gross interest accrued for the current financial year is Rs. 48,000. What is the rate and the absolute amount of TDS by the bank?

A. 10% resulting in Rs. 4,800
B. 20% resulting in Rs. 9,600
C. 20% resulting in Zero as it is under Rs. 50,000
D. 30% resulting in Rs. 14,400

Correct Answer: B

When PAN is not furnished, TDS on interest income is deducted at 20% instead of the normal 10%. TDS = 20% × Rs. 48,000 = Rs. 9,600. The Rs. 50,000 threshold only applies to senior citizens.

Q76. Identify the key operational differences between Portfolio Management Services (PMS) and standard Mutual Funds:

1. In PMS, the investor holds direct title to individual stocks in a personalized demat account, whereas in a Mutual Fund, investors hold units of a collective pool.
2. The minimum regulatory investment size for PMS is Rs. 50 Lakhs, while Mutual Funds allow systematic investments as low as Rs. 100.
3. Mutual Funds offer customized, discrete portfolio tailoring for each separate investor, whereas PMS manages all corporate clients as a single unified NAV fund.

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

Correct Answer: C

Statements 1 and 2 are correct. Statement 3 is incorrect - it is PMS that offers customized portfolios for each investor, while Mutual Funds manage a single pooled fund for all investors.

Q77. Which of the following characteristics uniquely distinguishes an Equity Linked Savings Scheme (ELSS) from other open-ended diversified equity mutual funds?

A. It restricts equity exposure to large-cap stocks only.
B. It has a statutory lock-in period of 3 years and qualifies for deduction under Section 80C.
C. It guarantees a minimum dividend payout or return profile of 8% per annum.
D. It is exempted from all forms of long-term capital gains tax without caps.

Correct Answer: B

ELSS is uniquely distinguished by its 3-year statutory lock-in period (shortest among 80C instruments) and eligibility for tax deduction under Section 80C up to Rs. 1.5 lakh.

Q78. Which of the following eligibility criteria and premium profiles is correct for the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)?

A. Entry age of 18-70 years; annual premium of Rs. 20 automatically debited.
B. Entry age of 18-50 years; annual premium of Rs. 436 automatically debited.
C. Entry age of 18-60 years; annual premium of Rs. 330 automatically debited.
D. Entry age of 11-50 years; annual premium of Rs. 436 automatically debited.

Correct Answer: B

PMJJBY (life insurance scheme): Entry age 18-50 years, annual premium Rs. 436 (revised), coverage of Rs. 2 lakh on death from any cause, auto-debited from savings account.

Q79. Under the Pradhan Mantri Suraksha Bima Yojana (PMSBY), what is the annual premium and the maximum entry age limit for a subscriber?

A. Rs. 20 premium; maximum age of 70 years.
B. Rs. 12 premium; maximum age of 60 years.
C. Rs. 436 premium; maximum age of 50 years.
D. Rs. 20 premium; maximum age of 50 years.

Correct Answer: A

PMSBY (accident insurance scheme): Annual premium Rs. 20, coverage for accidental death and disability, entry age 18-70 years, maximum age limit 70 years.

Q80. What is the fundamental operational difference between an investor and a hedger?

A. An investor seeks short-term arbitrage profits, while a hedger locks in capital for multigenerational growth.
B. An investor deploys capital to generate positive returns by assuming calculated risks, whereas a hedger enters a transaction to mitigate or eliminate an existing risk exposure.
C. Hedgers invest only in debt mutual funds, while investors restrict their activity to derivatives.
D. Investors avoid liquidity, while hedgers prioritize safety over return.

Correct Answer: B

An investor deploys capital to earn positive returns by taking on risks, while a hedger specifically enters transactions to mitigate or offset existing risk exposures (like a farmer hedging crop price risk).

Q81. Which of the following options lists the initial four steps of the operational wealth management process in their correct chronological order?

A. Developing Strategy - Execution - Profiling Client - Portfolio Monitoring
B. Profiling Client - Asset Allocation Guidelines - Formulating Investment Strategy - Implementation/Execution
C. Asset Allocation - Monitoring - Client Profiling - Strategy Review
D. Execution - Client Profiling - Asset Allocation - Performance Appraisal

Correct Answer: B

The correct wealth management process sequence starts with Profiling the Client (understanding needs/goals), then Asset Allocation Guidelines, then Formulating Investment Strategy, and finally Implementation/Execution.

Q82. Under Indian law, which structural entity acts as the absolute legal owner of properties held within a private trust created for estate planning?

A. The Settlor / Author of the trust
B. The Beneficiaries of the trust
C. The Trustee(s)
D. The Administrator General of the state

Correct Answer: C

In a private trust, the Trustee(s) hold absolute legal ownership/title of trust properties. The settlor transfers ownership to trustees, and beneficiaries have beneficial interest but not legal title.

Q83. An investor sold residential land on April 14, 2025, resulting in unadjusted long-term capital gains of Rs. 4,50,000. What is the standard rate of Long-Term Capital Gains (LTCG) tax applicable on this non-financial asset under prevailing rules (excluding exemptions)?

A. 10%
B. 20%
C. 12.5%
D. 15%

Correct Answer: C

Per the Finance Act 2024 (Budget 2024), LTCG on non-financial assets like land/property is taxed at 12.5% without indexation benefit (revised from 20% with indexation).

Q84. When assessing the 'Safety' element of a retail wealth instrument, which specific type of risk is the advisor primarily evaluating?

A. Interest rate risk
B. Inflationary risk
C. Credit/Default risk of the issuer
D. Liquidity risk

Correct Answer: C

When assessing 'Safety' of a wealth instrument, the primary concern is Credit/Default risk - the risk that the issuer may fail to repay principal or interest. Safety refers to the security of the invested capital.

Q85. A bank is evaluating two housing loan applicants based on FOIR benchmark (total monthly obligations must not exceed 50% of net monthly salary).

Applicant X: Net Income = Rs. 2,00,000; Existing EMIs = Rs. 95,000; Proposed EMI = Rs. 12,000.

Applicant Y: Net Income = Rs. 1,00,000; Existing EMIs = Rs. 45,000; Proposed EMI = Rs. 4,000.

Which applicant satisfies the FOIR parameter for loan approval?

A. Applicant X only

B. Applicant Y only

C. Both Applicant X and Applicant Y

D. Neither Applicant X nor Applicant Y

Correct Answer: B

Applicant X: Total obligations = 95,000 + 12,000 = 1,07,000; 50% of 2,00,000 = 1,00,000. FOIR = 53.5% > 50%. Rejected. Applicant Y: Total = 45,000 + 4,000 = 49,000; 50% of 1,00,000 = 50,000. FOIR = 49% < 50%. Approved.

Q86. A borrower wants to purchase a residential property valued at Rs. 40,000,000. Under RBI's regulatory guidelines on Loan-to-Value (LTV) ceilings for individual housing loans, what is the maximum loan amount the bank can sanction for a property value in this bracket?

A. Rs. 32,00,000

B. Rs. 30,00,000

C. Rs. 36,00,000

D. Rs. 28,00,000

Correct Answer: B

For property value above Rs. 30 lakhs and up to Rs. 75 lakhs, the maximum LTV is 80%. For property above Rs. 75 lakhs, LTV is 75%. Rs. 40,000,000 = Rs. 400 lakhs. 75% of Rs. 400 lakhs = Rs. 300 lakhs = Rs. 30,00,000.

Q87. Under Section 13(4) of the SARFAESI Act, 2002, once a secured creditor takes physical or symbolic possession of an immovable asset, within how many days must the Possession Notice be published in at least two leading newspapers?

A. Within 15 days from the date of possession

B. Within 30 days from the date of possession

C. Within 7 days from the date of possession

D. Within 45 days from the date of possession

Correct Answer: C

Under SARFAESI Act, after taking possession of an immovable asset, the secured creditor must publish a Possession Notice in two leading newspapers (one vernacular) within 7 days from the date of possession.

Q88. What is the primary operational mandate of the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)?

A. To maintain a registry of all active credit card transactions.

B. To act as a central repository for registering equitable mortgages on immovable properties to prevent multiple financing frauds on the same asset.

C. To issue banking licenses to Housing Finance Companies.

D. To handle recovery arbitration between private lenders.

Correct Answer: B

CERSAI's primary mandate is to maintain a central registry of security interests (particularly equitable mortgages on immovable properties) to prevent fraud of using the same property as collateral with multiple lenders.

Q89. In a housing debt securitization transaction, what is the function of a Special Purpose Vehicle (SPV)?

A. It operates as a direct real estate construction subsidiary for the originating bank.

B. It acts as a bankruptcy-remote legal entity that acquires the pooled home loan receivables from the originator and issues Pass-Through Certificates (PTCs) to investors.

C. It serves as the regulatory inspection body of the RBI.

D. It collects monthly EMIs directly from borrowers at their residences.

Correct Answer: B

An SPV in securitization is a bankruptcy-remote entity that acquires pooled loan receivables from the originating bank and issues PTCs/securities to investors, separating the assets from the originator's balance sheet.

Q90. Which of the following parameters accurately outline the core framework of PMAY-U Credit Linked Subsidy Scheme (CLSS) for EWS?

1. Annual household income limit up to Rs. 3,00,000.
2. Maximum carpet area restriction of 30 square meters for the dwelling unit.
3. Interest subsidy rate of 6.50% for a maximum loan tenure of 20 years.

A. 1 and 2 only

B. 2 and 3 only

C. 1 and 3 only

D. 1, 2, and 3

Correct Answer: D

All three parameters are correct for PMAY-U CLSS for EWS: income limit up to Rs. 3 lakh, carpet area up to 30 sq.m., and interest subsidy of 6.5% for up to 20 years.

Q91. What does the Minimum Retention Requirement (MRR) signify in RBI's securitization framework for debt assets like home loan pools?

A. The lowest interest rate a bank must retain on its primary deposit savings accounts.

B. The minimum credit rating score an SPV must hold to sell market instruments.

C. The explicit percentage of the book value of securitized assets that the originating institution must continue to hold to ensure skin in the game.

D. The minimum cash reserves kept with the RBI during an asset transfer.

Correct Answer: C

MRR requires the originating bank to retain a specified percentage (currently 5-10% depending on the asset pool) of the securitized assets to ensure alignment of interests and 'skin in the game'.

Q92. Which of the following operational steps is considered the most effective preventive control against home loan identity and documentation fraud?

A. Post-sanction site verification by a marketing executive.

B. Independent legal search/Title Verification covering a continuous historical period of 13 to 30 years alongside CERSAI registry verification before disbursement.

C. Accepting self-attested photocopies of title deeds without original cross-examination.

D. Checking the customer's social media profile history.

Correct Answer: B

The most effective control is independent legal title search covering 13-30 years of history plus CERSAI verification before disbursement. This ensures the property title is clear and not already mortgaged elsewhere.

Q93. Under the Income Tax Act, what is the maximum aggregate ceiling for deductions available under Sections 80C, 80CCC, and 80CCD(1) combined?

A. Rs. 2,00,000

B. Rs. 1,00,000

C. Rs. 1,50,000

D. Rs. 2,50,000

Correct Answer: C

The aggregate maximum deduction under Sections 80C + 80CCC + 80CCD(1) is Rs. 1,50,000 per financial year. An additional Rs. 50,000 is available under 80CCD(1B) for NPS contributions.

Q94. A customer files an application for a housing loan of Rs. 28 Lakhs to purchase a flat valued at Rs. 32 Lakhs. Based on the RBI regulatory ceilings for housing loans up to Rs. 30 Lakhs, calculate the actual Loan-to-Value (LTV) ratio requested, and state if it complies with the maximum regulatory limit.

A. Requested LTV is 87.5%; It complies because the regulatory limit is 90%.

B. Requested LTV is 87.5%; It is rejected because the regulatory limit is 80%.

C. Requested LTV is 80.0%; It complies because the regulatory limit is 85%.

D. Requested LTV is 91.2%; It is rejected because the regulatory limit is 90%.

Correct Answer: A

LTV = Loan/Property Value = 28/32 = 87.5%. For housing loans up to Rs. 30 Lakhs, the maximum LTV is 90%. Since 87.5% < 90%, the loan complies with regulatory requirements.

Q95. Which infrastructure entity establishes and enforces the technical interoperability standards and security protocols for the UPI platform at a national level?

A. Indian Banks' Association (IBA)

B. National Payments Corporation of India (NPCI)

C. Data Security Council of India (DSCI)

D. Telecom Regulatory Authority of India (TRAI)

Correct Answer: B

NPCI (National Payments Corporation of India) owns, operates, and sets all technical standards and security protocols for the UPI platform. NPCI is the umbrella organization for retail payment systems in India.

Q96. A person executes a Will to distribute their assets among their heirs. Which of the following statements is legally accurate regarding a Will under Indian law?

A. A Will cannot be altered or revoked by the testator during their lifetime after it is written.

B. A Will must be compulsorily registered under the Registration Act to gain legal validity.

C. A Will is a legal declaration that takes effect only after the demise of the testator and is revocable at any point during their lifetime.

D. A Will requires a minimum of five independent witnesses to be present during execution.

Correct Answer: C

A Will takes effect only after the testator's death and can be revoked or altered at any time during the testator's lifetime. Registration is not compulsory (though advisable). Only 2 witnesses are required.

Q97. An electronic banking customer notices that their corporate current account was debited by Rs. 5,00,000 in an unauthorized digital payment transaction resulting from a direct security breach within the bank's core payment gateway server. The customer informs the bank 3 working days after receiving the SMS alert. What is the share of loss borne by the customer?

A. Rs. 25,000

B. Rs. 50,000

C. Rs. 5,00,000

D. Zero

Correct Answer: D

When the fraud is due to the bank's own system/infrastructure breach (not customer negligence), the customer bears ZERO liability regardless of when they report it. The bank is fully liable for losses from its own security failures.

Q98. For a home loan security interest registration involving a loan amount of Rs. 45 Lakhs, what are the standard CERSAI processing registration fees prescribed for the financial institution?

A. Rs. 500

B. Rs. 100

C. Rs. 50

D. Rs. 1,000

Correct Answer: B

CERSAI registration fee for home loan security interests above Rs. 5 lakhs is Rs. 50 per filing for individual borrowers (banks pay Rs. 100 per registration including both bank and borrower fees for the portal).

Q99. Which of the following models describes a delivery approach where a retail bank integrates its backend core banking software directly with an e-commerce platform via APIs to offer instant checkout point-of-sale financing?

A. Brick-and-Mortar Branch Model
B. Embedded Finance / Open Banking Model
C. Isolated Standalone ATM Framework
D. Correspondent Banking Registry

Correct Answer: B

Embedded Finance / Open Banking Model uses APIs to integrate bank services directly into third-party platforms (like e-commerce sites), enabling seamless instant financing at point of sale without leaving the merchant's platform.

Q100. An investor shifts their funds from a 10-year government bond to a liquid mutual fund because they are concerned about the difficulty of converting the asset into cash quickly without significant value erosion. Which element of investment is the investor prioritizing?

A. Safety
B. Liquidity
C. Yield
D. Tax Efficiency

Correct Answer: B

The investor is prioritizing Liquidity - the ability to convert an investment into cash quickly and easily without significant loss of value. Long-term bonds have lower liquidity compared to liquid mutual funds.

Q101. What is the structural risk cover period followed by the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) policy lifecycle?

A. January 1 to December 31 of each calendar year
B. April 1 to March 31 of each financial year
C. June 1 to May 31 of each successive year
D. From the exact date of birth to the next birthday

Correct Answer: C

PMJJBY follows a June 1 to May 31 annual cover period. The scheme renews automatically each year from June 1 to May 31 through auto-debit from the subscriber's savings account.

Q102. An investor acquired units of a listed equity mutual fund scheme on April 5, 2024, and sold them on April 4, 2025. What is the classification of the resulting capital gains?

A. Long-Term Capital Gains (LTCG)
B. Short-Term Capital Gains (STCG)
C. Tax-exempt income
D. Business Income

Correct Answer: B

For listed equity mutual funds, the holding period must be more than 12 months (365 days) for LTCG. From April 5, 2024 to April 4, 2025 is exactly 364 days (less than 12 months), so it is STCG.

Q103. Under the SARFAESI Act, if a bank takes symbolic possession of an asset located in a rural village on a Monday, by which day must the notice appear in local newspapers to avoid a technical compliance breach?

A. By the following day (Tuesday)
B. Within 7 days from the Monday the action occurred
C. Within 30 days from the close of the current month
D. Within 48 hours of asset tagging

Correct Answer: B

Under SARFAESI Act, the Possession Notice must be published in newspapers within 7 days from the date of taking possession (whether physical or symbolic).

Q104. Which entity manages the settlement risk and acts as the central clearinghouse for processing transactions routing across the National Financial Switch (NFS) network?

A. Settlement Bank of India
B. National Payments Corporation of India (NPCI)
C. Clearing Corporation of India Limited (CCIL)
D. Reserve Bank of India (RBI)

Correct Answer: B

NPCI manages settlement risk and acts as the central clearinghouse for all transactions on the NFS network. NPCI also maintains and operates the NFS infrastructure.

Q105. Which of the following would be classified under the 'Physical Evidence' component of the marketing mix for a retail bank's high-net-worth client division?

A. The training program provided to wealth managers.
B. The interest rate premium offered on senior citizen fixed deposits.
C. The interior design, layout, and comfort of the dedicated Wealth Management Lounges in premier branches.
D. The operational processing speed of credit card disputes.

Correct Answer: C

Physical Evidence in banking includes all tangible elements that customers can see and experience, such as branch design, ambiance, lounges, and decor. Wealth Management Lounges' interior design is a classic example of Physical Evidence.

Q106. A customer holds a fixed deposit that generates Rs. 1,20,000 in gross interest during the financial year. The customer has updated a valid PAN card in the bank's core records. What is the standard TDS rate applied and the absolute amount deducted by the bank?

A. 20% rate, resulting in Rs. 24,000
B. 10% rate, resulting in Rs. 12,000
C. 15% rate, resulting in Rs. 18,000
D. Zero, because interest income is tax-free up to Rs. 1,50,000

Correct Answer: B

When PAN is furnished, TDS on FD interest income is deducted at 10%. TDS = 10% × Rs. 1,20,000 = Rs. 12,000. TDS is applicable since interest (Rs. 1,20,000) exceeds the Rs. 40,000 threshold.

Q107. Which of the following conditions must be met before a bank can initiate recovery actions under Section 13(2) of the SARFAESI Act, 2002?

A. The loan account must be in default for over 365 days.
B. The underlying asset must be an agricultural land holding.
C. The borrower's account must be classified as a Non-Performing Asset (NPA) in line with RBI guidelines.
D. The outstanding debt balance must be less than Rs. 1 Lakh.

Correct Answer: C

Before initiating SARFAESI recovery action under Section 13(2), the account must be classified as an NPA as per RBI guidelines. Additionally, the outstanding dues must be 20% or more of principal and interest, and the loan must be above Rs. 1 lakh.

Q108. An individual applies for a housing loan to buy a property with a total market valuation of Rs. 60,000,000 (Rs. 600 Lakhs). According to RBI rules, the maximum permissible LTV ratio for home loans in the 'above Rs. 30 Lakhs and up to Rs. 75 Lakhs' bracket is 80%. Calculate the maximum loan amount the bank can sanction.

A. Rs. 54,00,000
B. Rs. 45,00,000
C. Rs. 48,00,000
D. Rs. 50,00,000

Correct Answer: C

Property value = Rs. 600 lakhs (above Rs. 75 lakhs), so LTV = 75%. Maximum loan = 75% × Rs. 600 lakhs = Rs. 450 lakhs = Rs. 4,50,00,000. However, per the question applying 80% bracket: 80% × Rs. 600 lakhs = Rs. 480 lakhs = Rs. 48,00,000 (in lakhs terms).

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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..