



JAIIB November 2025

RBWM

Memory-Based MCQS Kit



JAIIB Paper 4 RBWM

Module A, B and C

Q1. Regarding the Departmental Approach in retail banking:

1. It divides the organisation on the basis of functions performed by teams.
2. Public sector banks in India generally adopt this approach.
3. It eliminates hierarchy and chain of command.
4. Old generation private sector banks often integrate retail banking into the overall business plan rather than as a separate department.

Which statements are correct?

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

Correct Answer: A

Q2. Profitability is best described as:

- A. Absolute measure of income minus expenses
- B. Relative measure of efficiency and return on resources
- C. Net profit after taxes and interest
- D. Gross profit margin only

Correct Answer: B

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: C

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Q4. Consider the following ratios:

1. $\text{ROA} = \text{Net Income} \div \text{Average Total Assets}$
2. $\text{ROE} = \text{ROA} \times \text{Leverage Ratio}$
3. $\text{Leverage Ratio} = \text{Bank Assets} \div \text{Bank Capital}$
4. $\text{Net Interest Margin} = \text{Net Interest Income} \div \text{Average Total Liabilities}$

Which are correct?

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

Correct Answer: A

Q5. Bank X reported Net Interest Income = ₹36 crore, Average Assets = ₹1,000 crore.

What is its Net Interest Margin?

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

Correct Answer: A

Q6. Bank A reports Net Income = ₹45 crore, Assets = ₹1,500 crore, Capital = ₹150 crore.

What is its ROE?

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

Correct Answer: C

Q7. Regarding Return on Equity (ROE):

1. $\text{ROE} = \text{ROA} \times \text{Leverage Ratio}$.
2. $\text{Leverage Ratio} = \text{Bank Assets} \div \text{Bank Capital}$.
3. Increasing leverage always reduces risk.
4. $\text{ROE} = \text{Net Income} \div \text{Bank Capital}$.

Which are correct?

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

Correct Answer: A

Q8. A customer with annual income between ₹50 lakh and ₹4 crore falls under which segment?

1. Mass Affluent
2. Super Affluent

3. HNW
4. Ultra HNW

Correct Answer: B

Q9. Which of the following banking products best align with Physiological needs?

- A. Core savings account
- B. Premium credit cards
- C. Retirement planning services
- D. Wealth management advisory

Correct Answer: A

Q10. In the introduction stage of the product life cycle:

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

Correct Answer: B

Q11. Basic Savings Bank Deposit Account (BSBDA) includes:

1. No minimum balance requirement.
2. Unlimited deposits but maximum of 4 withdrawals per month.
3. Free ATM-cum-Debit card facility.
4. Eligibility to open multiple SB accounts in the same bank.

Which are correct?

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

Correct Answer: A

Q12. Which of the following is not permitted in a Small Account?

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

Correct Answer: A

Q13. Post RBI deregulation (Oct 2011), banks:

1. Must offer uniform interest rate on SB deposits up to ₹1 lakh.

The advertisement is for Oliveboard's JAIIB May 2026 AFM Master Batch. It features a blue and red color scheme. At the top, it says 'Oliveboard' and 'Hinglish'. Below that, it says 'JAIIB May 2026 AFM Master Batch' and 'Concept + Questions'. A photo of Dr. Pradyumna Sir, an AFM Expert with 15+ years of experience, is shown. A red banner indicates '500+ Most Imp. Qs'. The 'Highlights' section lists four features: '110+ Live Sessions', 'Unit-Wise Coverage of All Modules', 'Exam Specific MCQs & Case Studies', and '10 Full - Length RBWM Mock Test'. A green 'Enroll Now' button is at the bottom.

2. Can offer differential rates beyond ₹1 lakh, non-discriminatory across branches.
3. Can selectively offer any rate to any customer.
4. Can apply deregulation only to NRI SB deposits.

Which are correct?

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

Correct Answer: A

Q14. Credit scoring models typically consider:

1. Defaults on previous credit transactions.
2. Payment behaviour and history.
3. Previous searches/inquiries.
4. Annual income of the borrower.

Which are correct?

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

Correct Answer: A

Q15. Which facility is typically available to current account holders but not to savings account holders?

- A. Cheque issuance
- B. Overdraft facility
- C. Online banking
- D. Cash deposit

Correct Answer: B

Q16. A current account with no operations continuously for two years is classified as:

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

Correct Answer: C

Q17. Which of the following statements are true?

1. Minors aged ≥ 10 years can open and operate SB accounts independently.
2. Maximum balance limit for minors below 14 years is ₹1,00,000.
3. For minors below 10 years, accounts can only be operated by guardians.
4. Overdraft facility is permitted for minors' SB accounts.

Which are correct?

- A. 1, 2, 3

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

Correct Answer: A

Q18. Which facility is not permitted in SB accounts of illiterate persons?

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

Correct Answer: C

Q19. What is the minimum period for a term deposit below ₹15 lakh?

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

Correct Answer: B

Q20. Which of the following statements are true?

1. Banks may allow loans up to 80–90% of FD value.
2. Interest charged on loan is higher than FD interest rate.
3. Advances against third-party deposits are encouraged by banks.
4. Advances against minors' deposits jointly with guardians may be permitted.

Which are correct?

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

Correct Answer: A

Q21. Which of the following 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: C

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Q22. In auto-renewal of FDs, deposits are generally renewed:

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

Correct Answer: B

Q23. As per Income Tax Act, repayment of FD proceeds:

- 1. Must be by A/c Payee cheque/draft/credit if maturity proceeds \geq ₹20,000.
- 2. Applies to deposits held singly or jointly at a branch.
- 3. Cash repayment is allowed for amounts $<$ ₹20,000.
- 4. Applies to the bank as a whole, not branch-wise.

Which are correct?

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

Correct Answer: A

Q24. Which of the following statements are true?

- 1. Deposits not operated for 10 years are classified as unclaimed.
- 2. Such deposits are transferred to RBI's Depositor Education and Awareness (DEA) Fund.
- 3. Depositors/legal heirs can claim later with applicable interest.
- 4. Banks are not required to disclose unclaimed deposits publicly.

Which are correct?

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

Correct Answer: A

Q25. If a sole locker hirer nominates a person, access after death is given to:

- A. Legal heirs only
- B. Nominee directly
- C. Survivor and nominee jointly
- D. RBI-appointed custodian

Correct Answer: B

Under CLSS, interest subsidy is calculated at:

- 5% NPV over 10 years
- 9% NPV over maximum 20 years
- 7% NPV over 15 years
- 10% NPV over 25 years

Correct Answer: B

Q26. Which institutions act as Central Nodal Agencies (CNAs) under PMAY?

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

Correct Answer: B

Q27. Which of the following statements are true about Educational Loan Features?

- 1. Margin may be brought in year-to-year on pro-rata basis.
- 2. Moratorium up to 2 years may be allowed for start-up incubation.
- 3. Scholarships/fee waivers must be deducted while computing loan requirement.
- 4. Lodging/boarding charges are excluded from loan eligibility.

Which are correct?

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

Correct Answer: A

Q28. In the standalone model, retail loans are processed:

- A. Centrally at loan hubs
- B. Independently at branch level
- C. By NBFCs only
- D. By regional offices only

Correct Answer: B

Q29. Banks can undertake credit card business independently if:

- A. They have net worth of ₹50 crore.
- B. They have net worth of ₹100 crore or more.
- C. They obtain prior RBI approval in all cases.
- D. They are foreign banks only.

Correct Answer: B

Q30. Which of the following statements are true?

- 1. MAD includes new debits, unpaid payments, and charges.
- 2. MAD includes over-limit amount.
- 3. MAD is minimum 5% of statement outstanding or ₹250.
- 4. Paying only MAD prolongs repayment and increases issuer revenue.

Which are correct?

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

Correct Answer: D

Q31. A cardholder makes a ₹20,000 purchase on 1st June. Billing cycle ends 30th June, due date 20th July. Payment made on 10th August. APR = 42%. Interest charged?

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

Correct Answer: B

Q32. Maximum cash loading permitted into PPIs per month is:

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

Correct Answer: C

Q33. Which of the following statements are true?

- 1. NEFT allows walk-in customers to remit cash up to ₹50,000 per transaction.
- 2. NEFT transactions are settled in half-hourly batches (48 per day).
- 3. NEFT is available 24×7×365 since Dec 2019.
- 4. NEFT transactions are free for all customers at branches.

Which are correct?

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

Correct Answer: A

Q34. Which of the following statements are true?

- 1. Settlement under NACH is final and irrevocable under Section 23 of Payment & Settlement Systems Act, 2007.
- 2. Settlement can be on T+0 or T+1 basis.
- 3. Sponsor Bank credits beneficiary account same day for NACH Debit.
- 4. Destination Bank credits beneficiary account next day for NACH Credit.

Which are correct?

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

Correct Answer: A



The advertisement is for Oliveboard's JAIIB May 2026 PPB Master Batch. It features a blue header with the Oliveboard logo and a 'Bilingual' tag. Below the header, the text 'JAIIB May 2026 PPB Master Batch' is prominently displayed in red and white, followed by 'Concept + Questions'. A red banner below this states '500+ Most Imp. Qs'. To the right, there is a photo of a man, 'Ajay Sir', with the text 'JAIIB / CAIIB Mentor, IBF Certified'. The main body of the ad is a blue box titled 'Highlights' containing four white boxes with icons and text: '110+ Live Sessions', 'Unit-Wise Coverage of All Modules', 'Exam Specific MCQs & Case Studies', and '10 Full - Length RBWM Mock Test'. At the bottom of this box is a red 'Enroll Now' button.

Q35. Which of the following statements are true?

1. Substandard asset – NPA for ≤ 12 months.
2. Doubtful-I – NPA > 12 months up to 1 year.
3. Doubtful-II – NPA > 1 year up to 3 years.
4. Loss asset – uncollectible, realisable value $< 10\%$ of outstanding.

Which is correct?

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

Correct Answer: D

Q36. General provision for substandard assets is:

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

Correct Answer: B

Q37. Under SARFAESI, reserve price in first auction 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: B

Q38. Which of the following statements are true?

1. DRTs are presided by officers qualified to be District Judges.
2. Recovery Officers assist but need not be judicial officers.
3. DRTs can pass civil court-like orders but not criminal negligence claims.
4. DRT jurisdiction applies for debts less than ₹20 lakh.

Which are correct?

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

Correct Answer: A

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Q39. Which of the following statements are true?

1. Lok Adalat awards are deemed decrees of civil courts.
2. Awards are final and binding, no appeal lies.
3. Cases up to ₹20 lakh (pre-litigative or suit filed) can be referred.
4. Settlement requires consent of both parties.

Which are correct?

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

Correct Answer: D

Q40. A CC account shows irregularity: Drawing Power = ₹10 lakh, Outstanding = ₹12 lakh. The excess persists for 45 days continuously. How will the account be classified?

- A. SMA-0
- B. SMA-1
- C. SMA-2
- D. NPA

Correct Answer: C

Q41. Outstanding loan = ₹15 lakh. Realisable value of security = ₹1 lakh (<10% of dues). How should it be classified?

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

Correct Answer: C

Q42. Which of the following is NOT eligible for securitisation under RBI guidelines?

- (a) Cash Credit accounts
- (b) Residential mortgage-backed securities
- (c) Standard term loans with bullet repayment
- (d) Credit card receivables

Correct Answer: (b)

Q43. Consider the following statements regarding Minimum Retention Requirement (MRR):

- (i) For loans ≤ 24 months maturity, MRR is 5% of book value.
- (ii) For loans > 24 months maturity, MRR is 10% of book value.
- (iii) For bullet repayment loans, MRR is 10%.
- (iv) MRR can be reduced through hedging of credit risk.

Which of the above are correct?

- (a) (i), (ii) & (iii) only
- (b) (i) & (iv) only

- (c) (ii) & (iii) only
- (d) (i), (ii), (iii) & (iv)

Correct Answer: (a) (i), (ii) & (iii) only

Q44. Security Receipts (SRs) issued by ARCs must:

- (a) Be rated only once at the time of issue
- (b) Have minimum 10% holding by ARC till redemption
- (c) Be rated on recovery rating scale and NAV declared twice a year
- (d) Be compulsorily guaranteed by Government of India

Correct Answer: (c)

Q45. Which of the following is NOT part of the 7 Ps of Marketing Mix in Retail Banking?

- (a) Product
- (b) Promotion
- (c) Priority
- (d) Process

Correct Answer: (c) Priority

Q46. Which of the following statements about Customer Liability in Unauthorised Electronic Transactions is correct?

- (a) Zero liability applies if fraud is due to bank's deficiency.
- (b) Limited liability applies if customer delays reporting by 4–7 days.
- (c) Shadow reversal must be done within 10 working days.
- (d) All the above.

Correct Answer: (d)

Q47. Match the following components of MKIS with their primary focus:

- (a) All matches correct
- (b) Only Internal & Intelligence correct
- (c) Only Research & Science correct
- (d) None correct

Correct Answer: (a)

Q48. Consider the following regarding MKIS usage of computers:

- (i) Majority of companies with MKIS had company-wide CIS plans.
- (ii) Expert systems and AI languages met high demand in MKIS software.
- (iii) Managers primarily used MKIS for reports, information needs, and data retrieval.
- (iv) Communications included email, bulletin boards, and limited video conferencing.

Which are correct?

- (a) (i), (ii) & (iii) only
- (b) (ii) & (iv) only
- (c) (i), (iii) & (iv) only
- (d) (i), (ii), (iii) & (iv)

Correct Answer: ©

Q49. Which of the following is a risk specific to the DSA model?

- (a) Market Risk
- (b) Operational Risk
- (c) Reputation Risk
- (d) Credit Risk

Correct Answer: (c) Reputation Risk



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Module D and E

Q50. RBWM PYQ Module D & EQ:-Mr. Rajeev applied for a vehicle loan of Rs. 6 lakhs for purchase of new car. He submitted the following quotation for car loan:-

- Ex-showroom price- Rs. 6,50,000/-
- Road Tax- Rs. 15,000/-
- Insurance- Rs. 25,000/-
- Margin is 15% and maximum repayment period 7 years.

If rate of interest is 12% on car loan calculate the EMI Which Mr. RAJEEV need to pay?

Ans: $EMI = p \cdot r \cdot (1+r)^n / ((1+r)^n - 1)$

$P = 586500$ $r = 12\% = 0.12$ Monthly $= 0.12/12 = 0.01$

$N = 7 \times 12 = 84$ Month

$EMI = (586500 \times 0.01) / ((1+0.01)^{84} - 1)$

EMI-10353

Q51. An asset cost Rs. 7,20,000/- has residual value of Rs. 90,000/-, and is expected to last 9 years. Calculate the depreciation for 5th year using the Straight-line Method.

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

Ans: Expected Life = 9 Years

Total Depreciation = Cost of the Asset - Residual Value

So, Value to be taken for Depreciation = $720000 - 90000 = 630000$

Depreciation per year = $630000/9 = 70000$

So, Depreciation for 5th year also will be Rs. 70000/-

Q52. These rules allow you to determine the number of years before your money becomes almost double-triple-and four times of the principal whether in debt or investment these rule are_____

- 1. 72,144,288
- 2. 72,115,144
- 3. 72,115,288
- 4. None

Ans: 2

Explanation: Divide the number 72, 115, 144 by percentage rate you are paying on your debt (or earning on your investment) which will give years during which money will be double, triple and four times respectively.

Q53. If ₹1,00,000 is invested for a period of 6 years at interest at 11% p.a. find the future value?

1. 187000
2. 177000
3. 167000
4. 157000

Ans: 1

Q54. What are essentially a series of fixed payments required from you or paid to you at a specified frequency over the course of a fixed period of time?

1. Annuities
2. Instalment
3. EMI
4. None

Ans: 1

- Ordinary Annuity: Payments are made/received at the end of each period.
- Annuity Due: Payments are made/received at the beginning of each period.

Q55. Future value of annuity due of ₹1,000 for a period of 5 years at interest rate of 5% would be Find future value of annuity formula?

$$F = A \frac{(1+i)^n - 1}{i} \times (1+r)$$

$$\begin{aligned} \text{FV (Annuity Due)} &= 1000 \times \frac{(1+.05)^5 - 1}{.05} \times (1+.05) \\ &= \text{Rs. } 1000 \times 5.53 \times 1.05 \\ &= \text{Rs. } 5801.91 \end{aligned}$$

Q56. Mr. A deposited 10,000 in bank FD for 5 years @ 9%. The maturity amount is?

Maturity Amount/Future Value

$$= 10,000 * (1+0.09)^5.$$

$$=(1+0.09)^5=1.5386$$

Hence the Maturity amount is (10,000 x 1.5386) = 15,386/-

$$FV = PV \times (1 + r)^n$$

A ₹ 15,386

B ₹ 16,386

C ₹ 5,386

D ₹ 15,836

Q57. The formula for the calculation of EMI is ___?

A
$$\frac{P \times r \times t^n}{[(1+r)^n - 1]}$$

B
$$\frac{P \times r \times t(1+r)^n}{[(1+r)^n - 1]}$$

C
$$\frac{P \times r \times (1+r)^n}{[(1+r)^n]}$$

D
$$\frac{P \times r \times (1+r)^n}{[(1+r)^n - 1]}$$

Ans: D

Q58. Two brothers jointly took a loan in April 2021 to construct a house for self-occupation.

The construction was completed by May 2022. They have been paying the loan instalments on a proportionate basis. During the financial year 2023-2024, they have paid interest of 5 lakhs. The maximum tax rebate (according to section 80C) each co-applicant can claim as a deduction is:

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

Ans: B

Q59. Identify the correct/appropriate statements:

1. Statement I: The assessment year is the year which is previous to the financial year, the financial year is also called Previous Year for Income Tax purposes.
2. Statement II: Taxation is how a government or the taxing authority imposes or levies a tax on its citizens and business entities.
3. Statement III: Income tax is the tax applicable on the profits earned by companies from their businesses.

Identify the correct/appropriate statements:

- A. Statement I,II True & III is Wrong
- B. Statement II is True I,III are wrong
- C. All Wrong
- D. All True
- E. None

Ans: B

Q60. Reverse Mortgage Loan scheme was introduced in India in _____ and made applicable with effect from April 01, 2008.

1. 2007
2. 2008
3. 2010



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4. None

Ans: 1

Banks like State Bank of India, Central Bank of India, etc., have issued guidelines under RML. Reverse Mortgage Loan (RML) is a Scheme developed by the National Housing Bank (NHB) to help Senior Citizens (persons above the age of 60 years) to avail of periodical payments from a lender against the mortgage of his/her house while remaining the owner and occupant of the house.

Q60. Which of the following is not true regarding RML?

- A. Indian Citizen above 60 years of age.
- B. Married couples will be eligible as joint borrowers for joint assistance. In such cases, the age criteria for the couple would be at the discretion of the RML lender, subject to at least one of them being above 55 years of age and the other not below 55 years of age.
- C. Should be the owner of a residential property (house or flat) located in India, with clear title indicating the prospective borrower's ownership of the property.
- D. The residual life of the property should be at least 20 years.
- E. Commercial property is not eligible for availing RML.

Ans: B

Q61. A new set of regulations by SEBI concerning developments in the Portfolio Management services area in India have come into play effective October 1, 2020. These guidelines were announced in February 2020 and were to be implemented in May 2020, but the deadline got pushed due to the pandemic. Identify the changes that are not true from the following given below.

- A. (i) CA has to certify the minimum specified net worth of portfolio managers of ₹2/- crore.
- B. (II) No upfront fees will be charged, operational fees excluding brokerage cannot exceed 0.5 percent per annum of the client's average AUM.
- C. (III) No exit load is applicable after two years.
- D. (IV) Clients will have to be onboarded directly, avoiding client engagement with the intermediaries and distributors

Ans: D

Q62. Identify the correct/appropriate statements

- 1. (i) Under section 24, interest paid on a home loan can be claimed as a deduction up to 2 Lakhs.
- 2. (II) Medical insurance premiums can be claimed at ₹50,000 (for spouse, children and dependent parents) under section 80D.

3. (III) A home loan reduces taxable income by allowing a deduction of up to 1 lakh on principal repayment under section 80C.
4. (IV) Section 80EE allows to claim a deduction of up to 1 lakh on home loan interest.
 - A. A :-III & IV
 - B. B :-II & IV
 - C. C :-I & II
 - D. D:-II & III

Ans: C

- 3rd Wrong:-A home loan reduces taxable income by allowing a deduction of up to 1.5 lakh on principal repayment under section 80C.
- 4th Wrong Section 80EE allows to claim a deduction of up to rs 50000 on home loan interest.

Q63. Which two statements about wealth management are correct?

1. Statement I: Wealth management focuses exclusively on investment planning and savings.
2. Statement II: Wealth managers often coordinate input from other professionals, such as accountants or attorneys, for comprehensive client strategies.
3. Statement III: Tactical management in wealth management aims to balance risk by moving among investment categories.
4. Statement IV: Wealth management services are typically suitable for individuals with simple and narrow financial needs.

A Statement I,II

B Statement I,III

C Statement II,III

D Statement II,IV

Ans: C

Q64. Which among the following statements are correct/appropriate regarding Pradhan Mantri Jeevan Jyoti Bima Yojana - PMJJBY?

1. (i) Benefits of ₹2 lakh are payable on a member's death due to any cause.
2. (II) A premium of 20/- per annum per member will be deducted from the account holder's bank account.

3. (III) All individual account holders of participating banks in the age group of 18 to 70 years will be entitled to join.
4. (IV) Reimbursement of Expenses to BC/Micro/Corporate/Agent is 20/- per annum per member.

A I, III, IV

B I, II, III

C BOTH I & III

D BOTH I

Ans: D

- (IV) Reimbursement of Expenses to BC/Micro/Corporate/Agent: Rs. 30/- per annum per member
- (II) A premium of 436/- per annum per member will be deducted from the account holder's bank account.
- (III) All individual account holders of participating banks in the age group of 18 to 50 years will be entitled to join.

Q65. Which among the following conditions should be fulfilled to claim a deduction on interest on housing loans?

1. (i) The lender issues a certificate at the end of the financial year.
2. (II) The loan has been taken on or after 1st April 1999.
3. (III) Interest payment of home loan taken for a self-occupied property.
4. (IV) In the case of a loan for construction, the construction should be completed within - 10 Years of raising the Loan.

A I, III, IV

B I, II, IV

C I, II, III

D I, II, III, IV

Ans: C

In the case of a loan for construction, the construction should be completed within – 5 Years of raising the Loan.

Q66.

Match List I with List II.

LIST I
I) Tax deduction on principal repayment of housing loan
II) Tax deduction on payment of home loan interest
III) Tax deduction for first-time home buyer

LIST II

A) Section 24

B) Section 80EE

C) Section 80C

A I)-B, II)-C, III)-A

B I)-C, II)-B, III)-A

C I)-A, II)-C, III)-B

D I)-C, II)-A, III)-B

Ans: D

Q67. Which among the following will be applicable if the property is not acquired or construction is not completed within 5 years from the end of the Financial Year in which the loan was taken?

- A. A:-The debtor cannot claim any tax benefit under section 24.
- B. B:-The debtor can claim a deduction up to a maximum of 2,00,000.
- C. C:-The debtor can only claim a deduction of up to 30,000.
- D. D:-The debtor is allowed a deduction under section 80C.

Ans: C

Q68. Which among the following equations is correct/appropriate to calculate the periodic payment under Reverse Mortgage Loan (RML)?

A $(PV \times LTVR \times (1+i)^{n-1})$

B $[PV \times LTVR \times i / (1+i)]$

C $(PV \times i) / (1+i)^{n-1}$

D $(PV \times LTVR \times i) / (1+i)^{n-1}$

Ans: D

Q69. Mohit A customer of XYZ Bank was making an online payment to a vendor of Rs 75000. The payment got deducted from his bank account but the vendor did not receive the payment. Mohit made a telephone complaint to the bank regarding the same. Based on the above answer the following questions.

The complaint of Mohit needs to be resolved within days by the bank.

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

Ans: C

Q70. Mohit A customer of XYZ Bank was making an online payment to a vendor of Rs 75000. The payment got deducted from his bank account but the vendor did not receive the payment. Mohit made a telephone complaint to the bank regarding the same. Based on the above answer the following questions

Mohit had not received any Bank Response regarding his issue even after 2 months. What action can be taken by the Mohit?

- A:-He can go to the district court.
- B:-Principal officer
- C:-Zonal Manager
- D:-Ombudsman officer

Ans: D

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Q71.

Match the following regarding Integrated Ombudsman Scheme

I. Responsibility of representing the regulated entity		
II. In charge of the consumer education and protection department		
III. Processing of Physical and Email Complaints		
C	A	I-C II-B, III-A
	B	I-B, II-C, III-A
	C	I-A, II-B, III-C
	D	I-B, II-A, III-C
		A. Principal Nodal officer
		B. Executive Director
		C. RBI Chandigarh

Ans: C

Q72. Wealth Management process involves the following steps:

- A:-Assessing the current financial situation of the client.
 - B:-Identifying financial goals.
 - C:-Provide customized solution to achieve the goals.
 - D:-Implementing the financial strategies into the plan.
 - E:-Monitoring the results and reviewing the plans.
- A:-Only 1,2,3
→ B:-Only 2,3,4
→ C:-Only 1,3,4
→ D:-All
→ E:-None

Ans: 4

Q73. A professional service provided by wealth managers includes_____

- (a) Investment Planning
- (c) Retirement Planning
- (b) Tax Planning
- (d) All of above

Ans: D

Q74. Types of Companies Based on Market Cap?

- a) One Type

- b) Two Type
- c) Three Type
- d) None

Ans: C

Q75. Mutual Funds can also be classified as or, depending on the maturity date of the fund.

1. Open-ended, Closed-ended
2. Convertible Non Convertible
3. Both
4. None

Ans: 1

Q76. Few important and common products and services which are generally offered by wealth management professionals.

1. Alternative Asset
 2. Bonds, Corporate Fixed Deposits, Fixed Maturity Plan & Debentures
 3. Insurance
 4. Mutual Funds
 5. All
-
- A. Portfolio Management Services
 - B. Real Estate Services
 - C. Retirement planning
 - D. Strategic Business Strategy
 - E. Will Writing
 - F. Systematic Investment Plan

Ans: E

Q77. As per provisions of Income Tax Act, 1961, any long-term capital gains arising from transfer of any capital asset would be exempt from tax under section 54EC of the Act if, the entire capital gain realized is invested within bonds.

- A. 6 months
- B. 1 year months of the date of transfer in eligible
- C. 9 months
- D. 3 year

Ans: A

Q78. A perpetual bond is a financial instrument with

- A.3 years maturity date
- B.5 years maturity date
- C.10 years maturity date
- D.No maturity or unlimited maturity date

Ans: D

Q79. Out of the following, which type of asset management is not followed by Wealth Management?

- (a)Asset Allocation Management
- (b)Concentrated Management
- (c)Diversified Management
- (d)Tactical Management

Ans: B

Q80. Identify the correct/appropriate statements concerning the 7.75% GOI Savings Bond.

- Statement I: The 7.75% GOI Savings Bond was launched in 2017 to replace the 8% savings bond.
- Statement II: Bonds are issued for a minimum amount of INR 1000 and in multiples of INR 1000 as well.
- Statement III: According to RBI stipulations these bonds can be in the possession of individual(s) except two i.e. NRIs and minors.
- Statement IV: Interest earned via these bonds is taxable as per the Income Tax Act of 1961 keeping in mind an investor's income tax slab.

A I, III, IV

B II, III, IV

C BOTH II & IV

D BOTH II & III

Ans: C

Q80. Identify the bond issued to expand business, pay off debt, or fund a specific project, as with any capital raising in India.

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

Ans: D

Types of Municipal Bonds in India -

- General Obligation Bonds - These bonds generate finance for various projects in general and therefore their repayments are made from the general revenues of the municipality.
- Revenue Bonds - These bonds are focused on generating funds for specified projects and the repayment and interest issued to bondholders are processed via revenue explicitly generated via the projects declared in the bonds.



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Q81. If a person dies intestate, without writing a will, how his property will be dealt with?

- A:-The whole property will be transferred to his wife.
- B:-It will be distributed amongst the legal heirs in a standard way defined by the respective Succession Act, which may not be as per the person's wishes.
- C:-It will be distributed to his parents and siblings.
- D:-It will be transferred into his children's names as per their wishes.

Ans: B

Q82. Identify the correct/appropriate statements concerning Real Estate Investment Trust (REIT).

- Statement I: The income earned from the real estate portfolio is distributed amongst the investors as dividends.
- Statement II: These REITs manage the real estate portfolios and mortgages excluding leasing services and generate rental income from the same.
- Statement III: It is an organisation that owns and operates real estate to generate a regular flow of income.

- Statement II wrong : These REITs manage the real estate portfolios and mortgages including leasing services and generate rental income from the same.

A I & II

B II & III

C I & III

D I, II, III

Ans: C

Q83. List of deductions “allowed” under new Tax rate regime:

1. Transport allowance for specially abled people
 2. Conveyance allowance for expenditure incurred for travelling to work
 3. Investment in Notified Pension Scheme under section 80CCD (2)
 4. Deduction for employment of new employees under section 80JJAA
 5. Depreciation u/s 32 of the Income-tax act except additional depreciation
 6. Any allowance for travelling for employment or on transfer
- a. Only 1
 - b. Only 2&3
 - c. Only 4&5
 - d. All
 - e. None

Ans: D

Q84. To consider the loan amount under housing loan scheme which of the following statements are true?

- (i) The property is jointly held with the spouse and the spouse is co-borrower.
- (ii) The property is held in single name and the spouse stands as a guarantor.
- (iii) The borrower's son or daughter who has a steady income, the salary is routed through Bank account and joins as a co-borrower.
- (iv) Expected rental less taxes, cess, etc., in case the house/flat being purchased is proposed to be rented.
- (v) Regular income from all sources can be considered to arrive at total eligible loan amount.
 - ❖ (a) All the above
 - ❖ (b) (i), (iv) and (v)

- ❖ (c) (i), (iii), (iv) and (v)
- ❖ (d) (i), (ii), (iv) and (v)
- ❖ (e) (i), (ii), (iii) and (v)

Ans: A

Q85. Mr. Rajeev Mishra working as a Senior Gazetted Officer in a Government Department having 20 years left over service was recently transferred to Hyderabad. He approached a branch and requested that he is in pursuit of a good house or apartment in Hyderabad for immediate purchase and he requires in principle sanction. Whether the bank accedes to his request? If so, it is valid for how many months?

1. No. Bank cannot accede to such request
2. Yes, it is valid for one month
3. Yes, it is valid for three months
4. Yes, it is valid for six months

Ans: 3

Q86. What is Pre EMI-Interest?

Let's consider an example to understand Pre EMI.

The home loan sanctioned to Mr. Raju is ₹10/-lac at the interest @10% p.a. The bank has disbursed 2/- lac towards the first phase of construction on 1st May 2021. The Pre EMI interest payable every month will be as under, Pre EMI = Simple Interest per month = PRT (P = Principal, R = Rate of Interest, T = Time in year) = $2,00,000 \times 10/100 \times 1/12 = 1667/-$

Q87. Simple Interest Formula $S.I. = P \times R \times T$; P = Principal, R = Rate of Interest in % per annum, and T = Time

Q. How much Simple Interest can a person get on Rs. 8,200 at 17.5% p.a. for a period of 2 years and 6 months?

- 1:-Rs. 2,850
- 2:-Rs. 3,587.50
- 3:-Rs. 3,750
- 4:-Rs. 3,770.50

Solution: $SI = PRT$, $SI = 8200 \times 17.5\% \times 2.5$, $SI = 3587.5$

Q88. Find the compound interest (CI) on Rs. 12,600 for 2 years at 10% per annum compounded annually.

Ans: Principal (P) = Rs. 12,600, Rate (R) = 10, Number of years (n) = 2

$$A = P[1 + (R/100)]^n$$

$$A = 12600[1 + (10/100)]^2$$

$$A = 15246$$

$$\text{Compound interest (CI)} = A - P = \text{Rs. } 15,246 - \text{Rs. } 12,600 = \text{Rs. } 2,646$$

Q89. Abhinav purchased a machine on 1 Apr 2015 for ₹400000. The useful life of the machine is 3 years and its estimated residual value is ₹40000. At the end of its useful life, the machine is sold for 50000. Find out Depreciation Amount?[SLM]

1. 120000 Rs
2. 12000RS
3. 10000RS
4. None

Ans: Formula- Amount of Depreciation = (Cost of Asset – Net Residual Value) / Useful Life

The rate of Depreciation = (Annual Depreciation x 100) / Cost of Asset

Calculation of amount of depreciation

= (Cost of Asset – Net Residual Value) / Useful life

$$= (400000 - 40000) / 3$$

$$= 120000 \text{ Rs}$$

Q90. Which of the following statements are true regarding the exemptions available under Sections 54 and 54F?

- Statement I: Section 54 allows exemption on long-term capital gains from the sale of any capital asset if the proceeds are reinvested in constructing or purchasing up to One house properties.
- Statement II: Section 54F applies only when capital gains are from the sale of a house property.
- Statement III: Under Section 54EC, exemption is available if capital gains are reinvested in specific bonds within six months from the date of transfer, up to a limit of ₹50 lakh.
- Statement IV: Under Section 54F, only the capital gain amount needs to be reinvested in the new property.

A Statement I, II, III

B Statement I, II, III

C Statement I, II, IV

D Statement I, III, IV

Ans: D

Q91. Which two of the following statements are true about Portfolio Management Services (PMS)?

- Statement I: PMS offers professional management of individual securities rather than mutual fund units, giving the investor more flexibility in tailoring their portfolio.
- Statement II: PMS is suitable for all investors, including those with low net worth, due to its inclusive nature.
- Statement III: Through PMS, investors can manage their portfolios based on personal preferences and financial goals, making it a personalized investment service.
- Statement IV: A person investing in PMS does not have the freedom to customize their portfolio, as it is managed solely by a fund manager.

A Statement I, II

B Statement I, III

C Statement II, IV

D Statement III, IV

Ans: B

Q92. Identify the element of investment which states that investors get back their original principal on maturity with no loss in value and hindrance.

- A:-Liquidity
- B:-Return
- C:-Risk

- D:-Safety

Ans: D

Q93. Choose the correct/appropriate statements.

- Statement I: Financial investment is an exchange of financial claims such as shares, debentures or bonds for money in the expectation of return and capital growth over the years.
- Statement II: Investment management services include asset allocation, financial statement analysis, stock selection, monitoring of existing investments, and portfolio strategy and implementation.
- Statement III: Corporate management refers to the handling of financial assets and other investments by professionals for clients.

A I & III

B II & III

C I & II

D I, II, III

Ans: C

Statement 3 Wrong :- Investment management refers to the handling of financial assets and other investments by professionals for clients.

Q94. Which among the following statements is incorrect?

- A:-Middle office functions include risk management, financial control, corporate treasury, corporate strategy, research and compliance.
- B:-The revenue for an Investment Bank is generated by the front office.
- C:-The back office provides supporting activities like operations and technology to the front office.
- D:-The interaction between the front office and the middle office comes during the function of capital raising.

Ans: A

Middle office functions include risk management, financial control, corporate treasury, corporate strategy, and compliance. Research is the function of the front office. Therefore, statement (a) is incorrect.

Q95. Which among the following is not the responsibility of an investment banker?

- (I) Mergers and acquisitions
- (II) Estate and retirement planning as well as asset distribution
- (III) New securities underwriting
- (IV) Debt issuance such as a bond offering

Ans: II

Equity research and buy and sell recommendations are the role of investment managers. Therefore, Option (II) is incorrect.

Q96. As per the SEBI guidelines of 2020, what should be the minimum specified net worth of portfolio managers?

- A:-1 crore
- B:-50 lakhs
- C:-5 crore
- D:-10 crore

Ans: C

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