

B.COM –CBCS EXAMINATION 2018
BANKING AND INSURANCE

Multiple Choice Questions

1. Which bank is known as banker's bank?
a. RBI b. SBI c. PNB d. NABARD
2. A banking system where business is carried on by a bank through a network of branches spread throughout the country is known as
a. Unit banking b. Branch banking c. chain banking d. group banking
3. refers to a system of banking in which two or more independent banks are brought under the control of a holding company
a. Group banking b. chain banking c. deposit banking d. investment banking
4. Banking is a system where banks combine both the deposit banking and invest banking functions
a. Chain banking b. deposit banking c. investment banking d. mixed banking
5. India's first women's bank The Bharatiya Mahila Bank was inaugurated in which city ?
a. Mumbai b. Delhi c. Kolkata d. Chennai
6. Current deposit is also known as
a. Savings deposit b. demand deposit c. time deposit.
d. recurring deposit
7. which deposits are repayable after the expiry of the fixed period ?
a. demand deposit b. time deposit c. savings deposit d. recurring deposit
8. is a credit facility granted by commercial banks to current account holders
a. Cash credit b. overdraft c. discounting of bills of exchange d. demand loans
9. The process of begins with banks lending money out of primary deposit.
a. credit creation b. cash credit c. debit creation d. over draft
10. CRR refers to
a. Cash Reserve Ratio b. Credit Reserve Ratio c. Common Reserve Ratio d. None of these

11. NBFI s refers to
- a. Non Banking Financial Industries
 - b .Non Banking Financial Institution
 - c .Net Banking Financial Industries
 - d. Net Banking Financial Institutions
- 12.DIGC refers to
- a .Deposit Industrial Guarantee Corporation
 - b . Development Insurance Guarantee Corporation
 - c. Development Industrial Guarantee Corporation
 - d. Deposit Insurance Guarantee Corporation
13. SLR refers to
- A .Statutory Liquidity Ratio
 - B. Stability Liquidity Ratio
 - C. Safety Liquidity Ratio
 - d.None of these
14. EFT stands for.....
- a Electronic Fund Transmission
 - b. Electronic Fund Transfer
 - c .Electronic Feature Transfer
 - d. None of these
15. Which bank was introduced first ATM machine in India?
- a. RBI
 - b. HSBC
 - C. PNB
 - D. ICICI bank
16. CDM refers to
- a. Cash Deposit Machine
 - b. Credit Development Method
 - c. Cash Development Method
 - d. Cash Development Machine
17. ECS refers to
- a. Easy Cash Service
 - b. Electronic Clearing Service
 - c. Electronic cash service
 - d. Easy Clearing Service
18. NEFT refers to.....
- a. National Economic Fund Transfer

- b. National Economic Fund Transfer
 - c. National Electronic Fee Transfer
 - d. none of these
19. IFSC stands for
- a. Indian Financial System Code
 - b. International Financial System Code
 - c. Indian Fund Service Code
 - d. None of these
20. RTGS stands for
- a. Real Time Gross Settlement
 - b. Real Term Gross Settlement
 - c. Real Time Goal Settlement
 - d. Real Term Goal Settlement
21. SWIFT stands for
- a. Society for Worldwide Internet Financial Telecommunications
 - b. Solution for Worldwide Interbank Financial Telecommunications
 - c. Society for Worldwide Internet Financial Telecommunications
 - d. Solution for Worldwide Interbank Financial Telecommunications
22. CBS stands for
- a. Code Banking Solutions
 - b. Core Banking Solutions
 - c. common Banking Solutions
 - d. Credit Banking Solutions
23. CTS refers to
- a. Cheque Truncation System
 - b. Cheque Transaction System
 - c. Cheque Truncation Solution
 - d. Cheque Transaction Solution
24. Credit Information Bureau India Limited is India's first credit rating agency which was incorporated in the year.....
- a. 1988
 - b. 2000
 - c. 2005
 - d. 1995
25. KYC refers to.....
- a. Know Your Customer
 - b. Know Your Credit

- c. Know Your City
 - d. Know Your Company
26. Delivery of financial services at affordable costs to the disadvantaged Low income segments of the society known as.....
- a. Credit creation b. financial exclusion c. Financial Inclusion
 - D. consumer credit
27. RBI ACT was comes in to existence.....
- a. 1934 b. 1935 c. 1948 d. 1945
28. Banking Regulation Act was comes into existence.....
- a. 1949 b. 1934 c. 1956 d. 1949
29. A cheque bears a date earlier than the date on which it is presented to the bank it is called
- a. post-dated cheque b. ante- dated cheque c. outstation cheque
 - d. local cheque
30. A cheque bears a date which is yet to come it is called as
- a. post dated cheque b. ante –dated cheque c. crossed cheque d. self cheque
31. If a cheque presented for payment after three months from the date of the cheque is known as
- a. self cheque b. mutilated cheque c. local cheque d. stale cheque
32. If a cheque is torn into two or more pieces and presented for payment it is called
- A. mutilated cheque b. stale cheque c. local cheque d. selfcheque
33. cancellation of cheque is known as
- a. crossing b. opening of crossing c. double crossing
 - d. general crossing
34. MICR refers to.....
- A. Magnetic Ink Character Recognition
 - b. Magnetic Information Character Recognition
 - c. Magnetic Ink Code Recognition
 - d. Magnetic Icon Character recognition
35. The person who seeks protection against a risk and to whom the insurance policy is issued is known as
- A. insurer b. customer c. insured d. creditor
36. Uberrimae fidei means that

- A .principle of utmost good faith
 - b .principle of insurable interest
 - c. principle of indemnity
 - d . principle of subrogation
37. Which principle means that make good or compensate the loss?
- a. principle of contribution
 - b .principle of subrogation
 - c. principle of indemnity
 - d principle of insurable interest
- 38.IRDA stands for
- a. Insurance Regulatory and Development Authority
 - b .Industrial Development and development Authority
 - c. Insurance Restructuring and Development Authority
 - d .Insurance Refinancing and Development Authority
39. IRDA Act was passed in the year
- a.1948 b.2000 c.1999 d.1956
40. Hull insurance related in the case of
- a. building b. life c .machine d. ship
41. In the case of life insurance HLV refers to.....
- a. Home Legal Value b. Human Life Value c. Human Legal Value
 - d House Length Value
- 42..... of a life policy means transferring the rights of the insured in respect of the policy to another one
- A .Nomination b. Consideration c .Assignment d. Agreement
43. Both assignment and nomination are possible in the case of
- insurance policies
- A .life b .fire c. marine d .vehicle
- 44..... is the price paid by the insured for the risk undertaken by the insurer
- a. Wages b. premium c. salary d. compensation
- 45..... schemes are intended to insure a group of individual together
- a. Insurance b .wages c. salary d. group insurance

46. Group insurance provides insurance cover to a number of persons under a single policy called
 A .master policy b. single policy c. group policy d. marine policy
47. In the case of group insurance the amount of premium is depends upon
 a. Types of insurance b. amount of premium c. Terms of insurance d . period of insurance
- 48..... means voluntary termination of the contract of life insurance by the policy holder
 a. Key man insurance policy b. surrender of policy c .master policy d . group insurance policy
49. Marine Insurance Act comes into existence on
 a.1963 b. 1988 c. 1948 d.1976
50. In the case of marine insurance Hull means that.....
 A sinking of ship b. loss of cargo c .body of the ship d None of these
- 51..... denotes the act of throwing overboard a part of the ship's cargo in order to reduce the weight of the vessel
 A .Barratry b. Jettison c. assignment d. seizure
52. Insurance Act was comes into existence on
 a.1956 b. 1948 c.1938 d 1988
53. Reinstatement policy is related in the case of which policy
 A .Life insurance policy b. Marine insurance policy c. Fire insurance policy
 d .Group insurance policy
- 54.A reinstatement policy is intended to cover damages or losses in respect of
 a. Fixed Assets b. Vehicle c .Ship d. Life
- 55.Payment of compensation in the case of reinstatement policy is in the form of.....
 a. Cash b. Replacement c. Cash or In kind d .In Kind
- 56.Which policy is taken to cover loss on those goods which are lying in different places and the stock value will be continuously fluctuating ?
 A .comprehensive policy b. Floating policy c .Declaration policy d. average policy
57. In the case of motor insurance policy Form A is commonly known as

a. Act policy b .package policy c. Act and Package policy d. liability policy

58. In the case of motor insurance policy Form B is commonly known as.....

a. Liability policy b. Act policy c. Package policy d. Act and Package policy

59. When a particular property is insured with two insurers it is called

a. property insurance b. double insurance c. single insurance d. particular insurance

60. Personal accident insurance is highly attractive for

a. Individuals b. Partners c. Industrialists and businessmen d. senior citizens

61. Which insurance covers the financial loss arising out of poor health condition or due to permanent disability

a. accident insurance b. health insurance c. life insurance d. burglary insurance

62..... means selling of insurance policies and products through banking firms

a. Assurance b. bancassurance c. insurance d. policy

63. Life Insurance Corporation of India was formed in the year

a. 1948 b. 1964 c. 1956 d. 1988

64. The General Insurance Corporation of India was formed in the year

a. 1973 b. 1948 c. 1956 d. 1984

65. General Insurance Corporation of India Act was formed in ----

a. 1973 b. 1963 c. 1972 d. 1962

66. Which risk may result in loss or gain ?

a. particular risk b. pure risk c. speculative risk d. fundamental risk

67. Risk arises due to changes in the economic policies of the government.

A. speculative risk b. particular risk c. dynamic risk d. financial risk

68. Risk which arises if there is no change in the economic policies of the government is

a. dynamic risk b. static risk c. particular risk d. financial risk

69. In which types of risk origin and consequences of risk affect a large number of people

- a. particular risk b. static risk c. fundamental risk d .particular risk
70. Where a monetary loss is likely occur such risks are described as
- a. monetary risk b. financial risk c. particular risk d. fundamental risk
71. Principle of insurable interest means
- a. Utmost good faith b .subrogation c .monetary interest
d .indemnity
- 72.The principle of subrogation is an extension of which principle ?
- a. principle of indemnity b. principle of utmost good faith
c .principle of insurable interest d .principle of insurance
- 73.When a deposit of money is received by the banker , the banker becomes the
- A .creditor b. debtor c. receiver d. customer
- 74.When a deposit of money is received by the banker , the customer becomes the
- A .debtor b. creditor c. customer d. lender
- 75.The primary relationship between banker and customer is
- a. Giver and receiver b. debtor and creditor c .insurer d .insured
76. A is a person to whom the management of a particular property is entrusted for the exclusive benefit of a third party
- a .customer b .beneficiary c . trustee d. agent
77. Bankers Book Evidence Act was comes into existence ----
- a. 1881 b. 1891 c. 1890 d.1892
- 78 is the right of a creditor to retain possession of the property belonging to the debtor until certain demands of the person in possession are satisfied.
- a. Lien b. Returning c Surrender d. None of these
79. FDR stands for
- A .Fixed Delivery Receipt b .Fixed Deposit Receipt c .Final Deposit Receipt
D .Final Delivery Receipt
80. In which year Negotiable Instrument Act was passed
- a.1981 b.1956 c.1881 d.1984
81. is a person who draws or makes a cheque

- A . Drawee b. Drawer c. Payer d. payee
82. In the case of a cheque the drawee will always be a specified with whom the drawer keeps an account.
- a. person b . partner c .customer d. banker
- 83..... is a person to whom the amount of a cheque is payable
- A .Drawer b . Drawee c.Payee d. Customer
- 84.Which one of them are correct in the case of parties involved in a cheque ?
- a. Debtor and Creditor
b. Banker and customer
c. Drawer , Drawee and Payee
d. Drawer and Payee
- 85.When a cheque is specially crossed to more than one banker it is called
- a. General Crossing b . Special Crossing c. Not negotiable crossing d. Double Crossing
- 86..... means signing a person's name on the back of the negotiable instrument.
- a. Crossing b. endorsement c. special crossing d. general crossing
87. Endorsement facilitates that.....
- a. selling b. transferability c .buying d .None of these
88. The person who endorses the instrument is called
- a. drawer b. drawee c. endorser d.endorsee
- 89.The person to whom the endorsement is made is called
- a. endorser b .endorsee c. drawer d. drawee
- 90.Sometimes further endorsement can be made on a separate slip of paper attached to the instrument such a paper called
- a. document b. stamp c .allonge d. notice
- 91.When an endorser merely signs his name on the back of the instrument without specifying the name of the person to whom the instrument is endorsed is called?
- a. blank endorsement b. full endorsement c. conditional endorsement
d. facultative endorsement
- 92.When an endorser not only signs his name on the back of the instrument but also specifies the name of the person to whom the instrument is endorsed is called?

- a. blank endorsement b. conditional endorsement c . full endorsement
d. partial endorsement
93. is an endorsement in which some of the rights of the endorser are waived.
a. restrictive endorsement b. special endorsement c. facultative endorsement
d. qualified endorsement
- 94..... Is an endorsement which limits the liability of the endorser.
a. Sans recourse endorsement b. san frais endorsement c. partial endorsement d. per pro endorsement
95. In san frais endorsement the word san frais means that.....
a. without name b. without expense c without money d. without consent
- 96..... endorsement is an endorsement made by an authorized person on behalf of another
A .partial endorsement b. restrictive endorsement c. per pro endorsement
d .sans recourse endorsement
- 97..... is a copy of customer's account in the bank's ledger.
A .cash book b pass book c. cheque book d. pay in slip
98. PMJDY stands for
a. Pradhan Mantri Jan-Dhan Yojana
b .Prime Minister Jan Dhan Yojana
c.Pradhan Mantri Jeevan Dhan Yojana
d. None of these
99. In which types of banking system several banks joins hands with each other for meeting the credit requirements of the large borrower ?
a. group banking b. consortium banking c.net banking d. none of these
- 100.Th e practice of conducting banking transactions from home rather than at bank branches by means of electronic telecommunication known as-----
a .branch banking b. group banking c. chain banking d. home banking
- 101.Risk is the chance of -----
a. Peril b. accident c. loss d. event .
- 102.Peril may lead to -----
a. Risk b. Losses c. accident d. None of these.
- 103.Risk is ----Loss
a. similar b. not c. same as. d. None of these.
104. Particular Risk can also be known as -----

- a. Personal b. Fundamental c. Pure d. None of these.
105. If losses occur out of individual events, such risks are ----
 a. Particular b. Fundamental c. Pure d. speculative
106. A----- risk may result in loss or gain .
 a. Particular b. Fundamental c. Pure d. speculative.
107. ----- are those occurring due to economic policies of the government.
 a. Particular b. Fundamental c. Dynamic d. speculative.
108. ---- risks are those occurring even if there is no change in economic policies of the government.
 a. Static b. Fundamental c. Dynamic d. speculative
109. When financial loss is likely to occur such risk is known as -----
 a. Static b. Financial c. Dynamic d. speculative
110. ----- guarantee insurance guarantees the employer for any damages or losses resulting from dishonesty of employee.
 a. Fidelity guarantee insurance b. cash in transit insurance c. social insurance
 d. Un employment insurance.
111. ----- insurance is given financial help to unemployed persons who lost employment due to some uncontrollable reasons.
 a. Fidelity guarantee insurance b. cash in transit insurance c. social insurance
 d. Un employment insurance.
112. ----- insurance compensates the insured against loss of money while it is being carried from office to bank or bank to office or branch.
 a. Fidelity guarantee insurance b. cash in transit insurance c. social insurance
 d. Un employment insurance.
113. ----- is popular among industrial workers.
 a. Fidelity guarantee insurance b. cash in transit insurance c. social insurance
 d. Un employment insurance.
114. ----- means insurance of all the members of a group as a social security measure.
 a. Fidelity guarantee insurance b. cash in transit insurance c. social insurance
 d. Un employment insurance.
115. --- is a method of transferring a portion of risk to another insurer.
 a. Re- insurance b. under insurance c. Double insurance d. None of these.
116. ----- is essential for the contracting parties to disclose all material facts relating to the contract.

a. utmost goodfaith b. Insurable interest c. certainty of the event d.none of these.

117.----- is the interest in the subject matter of the insurance which is insured.

a. utmost good faith b. Insurable interest c. certainty of the event d. none of these.

118. Insurance is a contract of -----

a. Indemnity b. surety c. guarantee d. None of these

119. Principle of ----- refers to the sharing of loss among co-insurers.

a. Indemnity b. Guarantee c. Contribution d. None of these

120. According to the Principle of -----, the insurer is liable only for those losses which are most closely caused by the peril insured against.

a. Contribution b. Guarantee c. Causa proxima d. Indemnity

121. Stepping into the shoes of the other is applicable to the principle of -----

a. Causa proxima b. Guarantee c. Subrogation d. Contribution

122. ----- is used in those contracts which guarantee the payment of certain sum of money on the happening of a specified event.

a. Assurance b. Insurance c. Indemnity d. none of these

123. ----- ensures payment of the sum assured to the policy holder or to his nominee either at the end of the period or on death of the assured.

a. Endowment Assurance b. Whole life plans c. joint life policy d. none of these

124. ----- is intended to spouses.

a. Whole life policy b. joint life policy c. Endowment Assurance d. None of these

125. Group insurance intended to insure a group of people under a single policy called ----

a. Endowment Assurance b. Whole life policy c. joint life policy d. Master policy

126. The proposal for group insurance is called -----

a. Leader proposal b. Master proposal c. Main proposal d. None of these

127. GGS means ----

a. Gratuity Group Scheme b. Group Gratuity Scheme c. All d. None of these

128. GSS means ----

a. Group Superannuation Scheme b. Group Service Scheme c. Gratuity Service Scheme d. None of these

129.ACR means -----

- a.Accountant's confidential Report
- b. Agent's Confidential Report
- c.Assessment of Confidential report
- d. None of these

130.MHR means-----

- a. Manual Hazard Report
- b. Moral Hazard Report
- c. Medical Hazard Report
- d.None of these

131.Voluntary termination of contract of life insurance is called -----

- a. Returning of policy
- b.Surrender of policy
- c. Withdrawal of policy
- d.None of these

132.The total amount remitted in the form of premium will be the -----of such policies

- a. surrender value
- b. paid up value
- c.surrender cost
- d.None of these

133.-----applies mathematical and statistical methods to assess the risk in the insurance business

- a.Mathematical science
- b.Behaviourial science
- c.Actuarial science
- d.None of these

134.FPR refers to ----

- a. First Premium Report
- b. First Premium Receipt
- c. First Proposal Report
- d.None of these

135.RPR refers to -----

- a. Renewal Premium Report
- b. Renewal payment Report
- c. Renewal Premium Receipt
- d. none of these.

136.Life insurance is a -----contract.

- a. long-term
- b. short-term
- c. medium –term
- d. None of these

137.In life insurance the amount of premium depends upon -----

- a. period of the policy
- b. Type of policy
- c. age of the insured
- d. Repaying capacity of the insured.

138.----- is a plan that is tailor made for families.

- a. Floater Health Insurance Policy
- b.Group health insurance
- c. Unit-linked health insurance
- d.None of these.

139.Low cost policy for employees is provided by -----

- a.Life insurance
- b. Health insurance
- c. Group insurance
- d.None of these

140. In marine insurance policies open policy is also known as -----

- a. valued policy
- b. time policy
- c. unvalued policy
- d. voyage policy

141. Writing off the policy before its actual maturity is known as ----

- a.Nomination b. Foreclosure c. Surrender d.None of these
- 142.-----Insurance covers many persons under one contract
a. Public insurance b. Group insurance c. Personal accident insurance
d.None of these
- 143.----- is the rate at which the central bank rediscounts the bills of commercial banks
a. Bank Rate Policy b. Central bank rate c. Credit rate d. None of these
- 144.----- is the deliberate attempt by the central bank to influence the volume of credit available in the country.
a.OMO b.SLR c.BRP d. None of these
145. Delivery of banks service to a customer at his office or home by using electronic technology is called ----
a. ATM b. EFT c. E-Banking d.None of these
- 146.The amount is instantly credited to the account of the customer in ----
a. ATM b. EFT c.CDM d.None of these
147. Virtual banking is also called -----
a. Internet Banking b.Home banking c.Mobile banking d.None of these
148. Plastic money is ----
a.Debit card b.Credit card c.ATM card d.None of these
- 149.KCC is ----
a. Kissan credit card b.Kissan customer card c.Key Credit Card d.None of these
- 150.NPA means ----
a.Net Performing Assesst b. Non-Performing Asset c. Net profit Acceptance
d.None of these
- 151.In case of -----banking several banks joint together to meet the credit needs of large borrowers.
a.Commercial banking b. Consortium banking c. Joint banking d.None of these
152. Example for Foreign Bank is -----
a. Centurion Bank b CityBank c Axis Bank d. All
153. Bank of Baroda is an example for -----
a. Private sector Bank b. Foreign Bank c. Public sector Bank .None of these
- 154.Federal Bank is a -----
a. Private sector Bank b. Foreign Bank c. Public sector Bank .None of these

155. IBRD is also Known as -----

- a. Central Bank b. World Bank c. Exim Bank d.All

156. State financial corporations is an example for -----

- a. Industrial Bank b. Foreign Bank c. Public sector Bank d.All

157.----- is a loan for short term temporary financing for Business firms .

- a. Term loans b. Bridge loans c. Cash credit d.All

158.----- is a temporary financial arrangement by the bank to draw more than the amount standing to his credit.

- a. Overdraft b. Bridge loans c. Cash credit d.None of these.

159.----- is based on the voice processing facility available with the bank computers.

- a. Internet Banking b. Tele Banking c. Mobile Banking d. All

160.----- is the deliberate attempt by the RBI to influence the volume of available in the country.

- a. Bank Rate Policy . b. Open Market Operations Qualitative credit control.d.All

161.-----insurance is a cash value policy that provides life time protection by paying a lump sum death benefits.

- a. Endowment insurance
- b. Term insurance
- c. Whole life insurance
- d. Life insurance

162.----- insurance policy pay the assured sum on maturity of the policy or on the death of the insured whichever is ealier

- a. Endowment insurance
- b. Term insurance
- c. Whole life insurance
- d. Life insurance

163.-----insurance cover loss or damage to a ship and intranist cargo over the water ways land and air

- a. Motor insurance
- b. Marine insurance
- c. Third party insurance
- d. Fire insurance

164. In the case of ----- policy, the premium amount is payable periodically throughout the entire life of the insured

- a. Ordinary whole life policy
- b. Limited payment whole life policy
- c. Convertible policy
- d. Double endowment policy

165. General relationship between banker and customer is -----

- a. contractual relationship
- b. trustee and beneficiary
- c. Right of agent
- d. none of these

166. While accepting deposit, a banker becomes ----- and customer is -----

- a. Creditor and debtor
- b. Debtor and Creditor
- c. None of these .

167. There is no fixed place of repayment in -----

- a. debt due from bank
- b. ordinary commercial debt
- c. special debt
- d. None of these

168. ----- is a clause or condition added to a basic life insurance policy which provides additional benefit at the option of the proposer.

- a. Nomination
- b. Exclusion.
- c. Riders
- d. Loans

169. ----- is the all rights title and interest of assignor in the policy is transferred to the assignee without reversion to the former.

- a. Conditional assignment
- b. Acceptance

- c. Absolute assignment
- d. Submission

170.-----is the all rights , title and interest of assignor in the policy are transferred to the assignee subject to certain conditions

- a. Conditional assignment
- b. Acceptance
- c. Absolute assignment
- d. Submission

171.----- is the process of writing off the policy before its actual maturity

- a. Foreclosure
- b. Surrender
- c. Nomination
- d. Execution

172.-----Clauses give the description of the nature, extent and scope of the cargo insurance

- a. Cargo clause
- b. Hull clause
- c. Freight clause
- d. Liability clause

173. Inch marl clauses is also known as -----

- a. Transit clause
- b. negligence clauses
- c. stay clause
- d. warehouse clause

174.----- clause enables the insured in trying to save the subject matter of insurance from any type of loss

- a. sue and labour
- b. running down clause
- c. continuation clause
- d. memorandum clause

175.-----clause relieves the insurer from paying small losses on perishable goods which are the subject matter of insurance

- a. reinsurance clause
- b. waiver clause
- c. memorandum clause
- d. sue clause

176. which is the odd one out

- a. voyage policy
- b. valued policy
- c. with profit policy
- d. Time policy

177. which one is not a condition relating to premium

- a. premium notice
- b. commencement of risk
- c. payment of premium
- d. Days of grace

178. ----- insurance is to help business to survive from the blow of losing the important person

- a. Unit linked insurance
- b. Group insurance
- c. Ordinary insurance
- d. Key man insurance

179.. KYC is -----

- a. Know Your Credit b. Know Your Customer c. Know Your Cash d. All

180. Bankers Bank Evidence Act in -----

- a. 1981 b. 1891 c. 1949 d. 1934

181. A cheque is in circulation for a long period is called ----

- a. Anti-dated cheque b. Stale cheque c. Mutilated cheque d. None of these

182. ----- crossing is not recognized by law, but only by banking custom

- a. Account payee crossing b. Double crossing c. Special crossing d. Not-negotiable crossing

183. ----- is an endorsement made by an authorized person on behalf of another

- a. Pre pro endorsement b. Facultative endorsement c. Partial endorsement d. None of these

184. In the case of ---- cheque, the payee need not be named and it can be transferred by mere delivery.

- a. Bearer cheque b. Order cheque c. stale cheque d. None of these.

185. ----- is the instruction given by the customer of a bank in writing requesting the banker not to honour the cheque whose date, number amount, and payees name is mentioned in the cheque .

a. General instruction b. Countermanding instruction c. Prohibitory instruction d. None of these.

186. Fixed deposit is also known as -----

a. Demand deposit b. cumulative deposit c. Savings deposit d. Time liabilities

187. When a cheque is torn into pieces, it is called-----

a. Post-dated cheque b. Ante-dated cheque c. Mutilated cheque d. None of these.

188. Cancellation of crossing of a cheque is called ----

a. Mutilated cheque b. Torned cheque c. Material alterations d. None of these

189. A ---- cannot be made payable to the bearer

a. Cheque b. Draft c. Bill of exchange d. None of these

190. A cheque which bears a date which has already elapsed is called-----

a. Post-dated cheque b. Ante-dated cheque c. Mutilated cheque d. None of these.

191. A ----- is a bank line any other bank operating on a small scale without involving credit risk.

a. Consortium Bank b. Payment Bank c. Small Finance Bank d. None of these

192. ----- bank can accept deposit only, but cannot lend.

a. Consortium Bank b. Payment Bank c. Small Finance Bank d. None of these

193. ----- Banks can issue ATM Debit cards but no Credit cards.

a. Payment Bank b. Consortium Bank c. Small Finance Bank d. None of these

194. ----- banks accept deposits but customer balance should not exceed Rs.1 lakh

- a. Small Finance Bank b. Consortium Bank c. Payment Bank d.
None of these.

195.----- is to perform lending activities among weaker sections of the community.

- a. Small Finance Bank b. Consortium Bank c. Payment Bank d. All

196.----- are norms for banks aimed at mitigating the risk and strengthening the capital structure of the banks of member countries.

- a.IRAC rules b.BASEL norms c.Capital Adequacy Norms d. None of these

197.To strengthen the capital base of banks RBI laid down -----

- a.IRAC rules b.BASEL norms c.Capital Adequacy Norms d. None of these

198.For providing transparency in accounting and reporting procedures of banks --
-- are introduced in 1992

- a.IRAC rules b.BASEL norms c.Capital Adequacy Norms d. None of these

- a. IRAC b. CAR c. BASEL d. None of these

200.----- banking refers to the use of technology and communication systems in delivering banking products and services to customers.

- a.Hi-tech banking b.Virtual banking c.PC banking d. Home banking.

201 .How many branches a unit bank have ?

- a. one branch
b .two branches
c no branches
d.None of these

202.Prime lending rate is charged by

- (a)Commercial bank
(b) Merchant bank

- (c) Co operative bank
- (d) Development bank

203. When did the banking sector reforms initiates

- (a) 1996
- (b) 1901
- (c) 1991
- (d) 1989

204. Under which banking aims at targeting customers with large value transaction

- (a) Whole sale banking
- (b) Merchant banking
- (c) Retail banking
- (d) Internet banking

205. Which of the following is known as plastic money

- (a) Credit card
- (b) Debit card
- (c) None of these
- (d) Both of these

206. On which rate method, the interest is charged on the full amount of the loan throughout the entire period of loan

- (a) Fixed rate of interest
- (b) Floating rate of interest
- (c) Flat rate of interest
- (d) Compound rate of interest

207. Debit card means

- (a) Pay later
- (b) Pay now
- (c) Both of these
- (d) None of these

208. Which type of loans have less prone to the risk of becoming NPA

- (a) Retail loans
- (b) Whole sale loans
- (c) Gold loans
- (d) Mortgage loans

209. Which is the fastest possible money transfer system through banking channel

- (a) RTGS
- (b) EFT
- (c) ATM
- (d) None of these

210. Which type of bank assets remained as NPA for a period exceeding 12 months

- (a) standard assets
- (b) Sub standard assets
- (c) Consortium banking
- (d) None of these

211. Those banking services based on the voice processing facility available with the bank computers

- (a) Internet banking
- (b) Home banking
- (c) E banking
- (d) Tele banking

212. Cash which is stored electronically on a microchip is called

- (a) E purse
- (b) Debit card
- (c) AYM
- (d) Credit card

213. Which of the banking asset are treated as performing asset?

- (a) Standard asset
- (b) Loss asset
- (c) Doubtful asset
- (d) Sub standard asset and standard asset

214 When was the banking ombudsman scheme was introduced

- (a) 1991
- (b) 1994
- (c) 1995
- (d) 1990

Ans: (c)

215. Under which type of interest calculation, the bank charges interest on interest

- (a) Compound interest
- (b) Floating rate
- (c) Fixed rate interest
- (d) Simple interest

216. The maximum age limit of housing loan borrower

- (a) 40 years
- (b) 60 years

- (c) 80 years
- (d) 65 years

217. The maximum repayment period of vehicle loan range

- (a) 60-84 months
- (b) 60-74 months
- (c) 80-84 months
- (d) 50-60 months

218. Paperless banking is known as

- (a) RTGS
- (b) Internet banking
- (c) EFT
- (d) mobile banking

219. What is the proof of the insurance contract?

- (a) Certificate
- (b) Policy
- (c) Receipts
- (d) None of the above

220. The first insurance company was started in

- (a) 1678
- (b) 1681
- (c) 1680
- (d) 1675

221. In India which is the first insurance company?

- (a) Bombay mutual assurance society Ltd

- (b) Bharat insurance co.
- (c) Oriental life insurance co.Ltd
- (d) Empire of India

222. When the life insurance corporation of India was formed?

- (a) August 1 1956
- (b) November 1 1956
- (c) September 1 1956
- (d) January 1 1956

223. In Insurance the consideration is known as

- (a) Money
- (b) Fund
- (c) Return
- (d) Premium

224. What is the basis of evaluation of risk in insurance ?

- (a) Heliocentric theory
- (b) Relativity theory
- (c) Quantum theory
- (d) Probability theory

225. Which risk affects the whole society?

- (a) Fundamental risk
- (b) Non fundamental risk
- (c) Speculative risk
- (d) Dynamic risk

226."Both parties of insurance contract to deal in good faith". What is that concept?

- (a) Aleatory
- (b) Unilateral
- (c) Uberximea fidei
- (d) Personal

227.A contract that based on the speculation is known as

- (a) Insurance
- (b) Wagering
- (c) Assurance
- (d) None of these

228.Maxine insurance covered which losses?

- (a) Cargo
- (b) Freight
- (c) Vessels
- (d) All

229.IRDA based in

- (a) Hyderabad
- (b) Kolkatta
- (c) Mumbai
- (d) Chennai

230.Insurance is defined as a

- (a) Contract
- (b) Social device
- (c) Co operative device
- (d) All

231. Surrender of policy is not applicable in

- (a) Life insurance
- (b) General insurance
- (c) Miscellaneous insurance
- (d) All

232. What is called the right of the insurer to refuse admittance of the claim by the insured ?

- a. reinsurance
- b. indemnity
- c. repudiation
- d. actuarial valuation

233. Mr. X the owner of a property insures it against fire for Rs 75000 with company A and Rs 50000 against with company B , It is an example of ; ?

- a. re – insurance
- b. double insurance
- c. fire insurance
- d. renewal of insurance

234. Which insurance policy is provide the unique combination of health insurance and investment ?

- a. unit –linked health insurance
- b. overseas travel insurance
- c. group health insurance
- d. none of these

235. If neither the word bearer nor order is written on a cheque payment will be made by treating as?

- a. a bearer cheque
- b. an order cheque
- c. at banks discretion
- d. cannot be paid at all

236. Account payee crossing is a direction of the drawer ?

- a. to collecting banker
- b. to drawee banker
- c. to payee
- d. none of these

237. which of the following is called bankers cheque ?

- a. demand draft

- b. debit card
- c .pay order
- d .fixed deposit

238. A type of loan given by one bank to another bank is.....?

- a. money at call and short notice
- b. bridge loan
- c. term loan
- d .none of these

239. Unit banking is also called ?

- a .branch banking
- b. specialized banking
- c. localized banking
- d. none of these

240. The principal amount repaid towards housing loan also qualify for deduction under sec 80 C of which Act.....?

- a. Income Tax Act b. Factories Act c. Corporate Tax
- d .Companies Act

241. Name the scheme of remittance of funds envisaged by the foreign exchange dealers association of India

- A .Differential Rate of Interest scheme
- b. Village Adoption Scheme
- c. Foreign Inward Remittance Payment Scheme
- d. Banking Ombudsman Scheme

242. Time period for bridge finance ranging from

- a. 1- 14 days b. 90-120 days c. 2 weeks to 3 years d. 3-5 years

243. How many branches a unit bank have ?

- a. one branch b. two branches c. no branches d. None of these

Answer key

1.(a)

2(b)

3(a)

4(d)

5(a)

6(b)

7(b)

8(b)

9(a)

10(a)

11(b)

12 (d)

13 (a)

14(b)

15(b)

16(a)

17(b)

18(d)

19(a)

20(a)

21(d)

22(b)

23(a)

24(b)

25 (a)

26(c)

27(a)

28 (a)

29(b)

30(a)

31(d)

32(a)

33(b)

34(a)
35(c)
36(a)
37(c)
38 (a)
39(c)
40(d)
41(b)
42(c)
43(a)
44(b)
45(d)
46(a)
47(b)
48(b)
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