

JAIIB PAPER NO. III – LEGAL & REGULATORY ASPECTS OF BANKING

1. If the pledgee wants to sell goods as per Section 176 of the Indian Contract Act.....

- a. The pledgee has to give a reasonable notice to the pawnor
- b. Notice is not necessary
- c. The pawnor will come to know by advertisement of auction
- d. The auctioneer will inform the pawnor

2. Whether a minor principal can appoint agent.....

- a. No
- b. Yes – after 10 years of age
- c. Yes – after 14 years of age
- d. Yes – after 15 years of age

3. Which of the following statement is incorrect.....

- a. Capital Charge for Operational Risk is 15%
- b. If the asset is taken for Reconstruction, the limit for Reconstruction is 7 years
- c. Non Performing Asset is linked to 90 days overdue period.
- d. While issuing Security Receipts necessary disclosures must to be made.

4. Alpha Bank realized some amount using Securitization procedure. The balance outside is still Rs.17/- Lac without any tangible security. The bank.....

- a. Will have to forego & write it off
- b. Can approach DRT
- c. Cannot adopt any further legal measures
- d. Can lodge a claim with the State Govt.

5. Which of the following is incorrect as regards Banking Ombudsman.....

- a. Remuneration is to be decided by RBI
- b. Banking Ombudsman is provided with a Secretariat
- c. Cost of the Secretariat is borne by RBI
- d. Banking Ombudsman cannot act as an arbitrator

6. The Paying Banker gets protection under Sec.85 of the Negotiable Instruments Act. This protection is available to which of the following situations.....

- a. Paying a post dated cheque of which the bank had prior knowledge
- b. Payment of a cheque under forged signature of the drawer
- c. Payment of a cheque under forged signature of the endorser
- d. Payment of a torn cheque not certified by the collecting banker

7. Which of the following bank is appointed to make reimbursement to the Negotiating, Paying or Confirming bank.....

- a. Negotiating Bank
- b. Issuing Bank
- c. Reimbursing Bank
- d. Confirming Bank

8. Find the 'odd man out' as regards the Companies.....

- a. Minimum 3 Directors are required for a Public Ltd. Co.
- b. Memorandum of Association is a public document
- c. For a Private Ltd. Co. minimum Issued Capital has to be Rs.1.0/- Lac
- d. A Private Ltd. Co. can accept deposits only from its members or directors

9. A Pvt. Ltd. company has its Head Office at Baroda, Registered office at Mumbai and manufacturing plant at Indore. Under Sec.125 charge on assets of the company will be filed at which ROC office.....

- a. Either of these
- b. Baroda
- c. Baroda or Mumbai
- d. Mumbai

10. Which of the following statements is correct.....

- a. A Foreign Institutional Investor is required to be registered with RBI
- b. SARFAESI Act 2002 is not applicable to RRBs
- c. Securitization Company is required to be registered with SEBI
- d. An Asset Reconstruction Company need not to be registered under Companies Act, 1956