

IMP QUESTIONS ON NPA, RECOVERY AND LEGAL ASPECTS

1. Right of lien is not affected by
 - a. **Law of limitation.**
 - b. Income tax Act,
 - c. Indian Succession Act.
 - d. Banking Regulation Act
2. M & N are having locker in joint names with E or S condition and "M" has reported loss of keys and at the same time "N" has come for locker operation with keys –
 - a. **Operation should not be allowed without the concurrence of "M".**
 - b. Operation should be allowed with the concurrence of "M".
 - c. Operation should be allowed jointly
 - d. Operation should not be allowed to the key holder.
3. The Legal expenses incurred by Bank in respect of suit filed accounts to be debited to:
 - a. **P& L account**
 - b. Customer account
 - c. Loan account
 - d. Need not be paid.
4. A bank who has purchased NPA from another bank can resell the same after holding the same init books for _____ months from the date of NPA.
 - a. 9 months
 - b. **12 months**
 - c. 36 months
 - d. Cannot sell as it is already NPA
5. Banks /fi should submit the list of suit-filed accounts of Wilful defaulters of Rs ____ as at endo march, June, Septemebt and December every year to Credit information Bureau (India) Ltd. (CIBIL) And and submit the quarterly list of wilful defaultgers where suits have not been filed only to RBI:
 - a. **25 lakhs and above**
 - b. 1 lakhs and above
 - c. 1 crore and above
 - d. Need not be submitted.
6. In which of the following Assets provisioning is not required
 - a. Standard Assets
 - b. Sub-Standard Assets
 - c. Doubt full Assets
 - d. **None of the above**
7. Consortium accounts will be classified as NPA based on
 - a. **the individual bank's recovery.**
 - b. The liability of the account
 - c. The capital of the bank
 - d. The no of directors of the company.
8. Issuance of bank guarantee will be accounted under
 - a. **Contingent Liability.**
 - b. Direct Liability
 - c. Indirect Liability
 - d. None of the above

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9. _____ cannot be partner in partnership firm
- Private Limited Company .**
 - Public limited company
 - Government Company
 - None
10. Future course of action to be taken within 60 days of account becoming NPA including revival/ restructure of loans.
- 45 days
 - 60 days.**
 - 90 days
 - 30 days
11. Wilfull defaulters will not be allowed to float any new ventures for a period of
- 07 years
 - 10 years
 - 05 years**
 - 03 years
- 14 A possession notice has been issued under _____ and no response from the borrowereven after 60 days – Bank can proceed for possession of security / take possession of management / sell the security.
- Banking Regulation Act.
 - SARFAESI ACT.**
 - The Reserve Bank Act.
 - The Income Tax Act
12. Cheque returned – As per Sec 138 of NI Act, the punishment is imprisonment
- 14 days
 - Upto 7 Years
 - Upto 5 years
 - upto 2 years**
13. Any aggrieved person by an order of DRT in an application filed by the borrower under SARFAESI act, can prefer appeal by paying fee in DRAT by depositing by_____
- 50% of the dues. DRAT can reduce it to 25%**
 - 60% of the dues. DRAT can reduce it to 30%
 - 20% of the dues. DRAT can reduce it to 10%
 - 50% of the dues. DRAT can reduce it to 10%
 - None of the above
14. Limitation period for loans secured by EMT of property/mortgage of property:
- 12 years**
 - 3 years
 - 7 years
 - None of the above
15. To obtain minimum 2 independent valuation reports from 2 panel valuers in respect of loan accounts where the value of property obtained is :

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- a. Rs 1 Cr and above
 - b. Rs.10 Cr and above.**
 - c. Rs 50 lacs and above
 - d. Rs 100 Cr and above
16. What are the remedies available to the banks under SARFAESI Act where the bidder fails to pay the full bid amount on confirmation of the sale?
- a. Forfeit the paid amount and proceed with fresh sale**
 - b. Return the initial amount paid to the bidder and go for fresh sale
 - c. Transfer the funds to the loan account
 - d. To charge interest until the
17. HUF can not be _____ in a Partnership Firm
- a. Nominee.
 - b. Partner**
 - c. Director
 - d. None of the above
18. Provision on Doubtful Assets more than 3 years old:
- a. No Provision
 - b. 15% of the Book liability
 - c. 75% of the Book Liability
 - d. 100% of the Book Liability**
19. Hypothecation defined under which act....
- a. SARFAESI Act**
 - b. Banking Regulation Act.
 - c. Negotiable Instrument Act
 - d. Right to Information Act.
20. Limitation time for execution of Decree _____ from the date of Decree
- a. 12 Years**
 - b. 3 years
 - c. Immediately
 - d. 15 days
21. Type of guardian not recognised in court of law for settlement of death claim :
Other than
- a) natural guardian
 - b) person appointed by natural guardian**
 - c) court appointed guardian
22. Under SARFAESI.....Option is available to Bank.
- a. To sell the secured assets,
 - b. to take over the management,
 - c. to appoint a manager
 - d. All the above**
23. SARFAESI Demand notice. Mode of service.
- a. e mail,
 - b. regd post,
 - c. courier

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- d. **All the above**
24. Whose assistance is taken for taking physical possession under SARFAESI Act.
- Dist Magistrate.**
 - Inspector of Police
 - Branch Manger
 - Recovery Agents
25. RBI is empowered to regulate Banking Companies Under
- Banking Regulation Act.**
 - Negotiable instruments Act
 - Reserve Bank of India Act
 - None of the above
26. Signature on Nomination form is to be attested by:
- one witness
 - two witness
 - Not Required**
 - the nominee
27. We have to submit to RBI the list of Wilful Defaulters of R s. _____ and above, List of Defaulters with liability of R s. _____ and above. Out of the above, Suit Filed accounts details being submitted to CIBIL
- Rs.25 lakhs, Rs.1 crore**
 - Rs.5 lakhs, Rs.5 crore
 - Rs.2 lakhs, Rs.5 crore
 - Rs 1 Crore and above
29. Following accounts need not be classified as NPAs as long as they maintain margin
- Loans against Govt policies securities
 - Loans against LIC**
 - Loans against town bank Deposits
 - Loans against other Deposits
30. Bank has sanctioned loan for a purpose but the party has taken out the amount out of business which resulted in deterioration of business. This is called as:
- willful default
 - diversion of funds
 - siphoning off**
 - write off.
31. LIMITED LIABILITY PARTNERSHIP (LLP) ACCOUNT (Cir 67/2011): Who are not eligible for becoming partners :
- HUF
 - Minor
 - body corporate
- a&b**
 - b & c
 - b only
 - a only
32. As per SARFAESI Act, sale notice of _____ days to be issued before sale of

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- assets taken into possession.
- a. **30 days.**
 - b. 90 days.
 - c. 45 days.
 - d. 180 days
33. Garnishee Order is issued by _____ and the relationship of Bank with customer should be Debtor
- a. **Court.**
 - b. Circle office
 - c. Branch
34. Following accounts need not be classified as NPAs as long as they maintain margin
- a. Loans against Govt .Securities.
 - b. **Loans against LIC policies**
 - c. Loans against Our Bank Deposits
 - d. Loans against Our Bank Shares
35. Income Tax authorities
- e. A Minor has extended Guarantee to a loan. It can be ratified by :
 - a. **Can not be ratified**
 - b. Can be ratified by Circle Head
 - c. Can be ratified by Court order
 - d. Can be ratified by the Minor on attaining majority.
36. After receiving cheque from customer, we affix our bank's crossing stamp. This is done for the purpose of:
- a) prevention of fraud
 - b) requirement of NI Act
 - c) **Cheque will become payable to our bank only.**
 - d) RBI regulation
37. Advantages of LokAdalat :
- a) No advocate fee
 - b) No court fee
 - c) No appeal as the decree is consent decree
 - d) **All the above**
38. When an account has become NPA, interest debited earlier and non recovered should be:
- a) Reversed
 - b) fully provided
 - c) **Reversed or fully provided**
 - d) write off
39. Garnishee order is served on a person who has 4 accounts as under:
- a) SB in personal Name; b) TD in personal name maturing in Oct next; c) Joint account with his wife; d) another account in his name as trustee of a Mandir.
- Which can be attached?
- a) a only
 - b) b Only
 - c) **both a& b**

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- d) both c & d.
40. As per right to information act in how many days information to be given to Customer –
- a) **30 days**
 - b) 15 days
 - c) 60 days
 - d) Need not be given
41. Locker- in the joint names of A and B with e or s condition. A given nomination To x. A dies. To whom it should be settled?
- a) **to b and nominee x jointly**
 - b) to nominee only
 - c) to be settled to B only.
 - d) To be settled by the branch
42. LLP minimum and max partners:
- a) **Minimum 2 and maximum unlimited**
 - b) Minimum 2 and maximum 7
 - c) Minimum 7 and maximum unlimited
 - d) No limit
43. Working capital advance not renewed, when it will become NPA –
- a) **180 days.**
 - b) 90 days
 - c) 120 days
 - d) 60 days
44. Lokadalat judgement:
- a) appeal at same court
 - b) appeal at High court
 - c) appeal at Supreme court
 - d) **no appeal.**
45. Bank Guarantee for ____ and above should be signed by 2 officials
- a. **Rs.50000**
 - b. Rs 1,00,000
 - c. Rs 20,000
 - d. no limit
46. If stock statements not submitted for more than ---- months and the irregular drawings are permitted in the account for a continuous period of --- days then the account becomes NPA(out of order accounts)
- a. **3 months, 90 days.**
 - b. 1 months, 30 days.
 - c. 6 months , 90 days
 - d. 1 month . 90 days
47. To recover possession of immovable property, mortgaged the period of limitation available to mortgager is _____ -
- a. **30 years**
 - b. 12 years
 - c. 13 years

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- d. 3 years
48. There are 3 trustees- A, B,C and operation condition of the accounts severally, then B has issued Rs.50000 in the trust a/c in favour of personal a/c of B. What is the position of banker?
- yes, banker can pass the cheque**
 - No bank cannot pass the cheque
 - Get signature of all trustees and pass the cheque
 - Inform to the police as fraud
49. Fraud of 3 crore should be reported to _____
- CBI economic offences wing.**
 - Police compliant only
 - Circle office only
 - Need not be reported
50. SARFAESI cannot be initiated in accounts with less than ____ of principal due
- 25%
 - 20%**
 - 100%
 - 33%
51. When the security in the account is less than 10% it is directly classified as
- Loss**
 - Standard
 - Doubtful only
 - SubStandard
52. Paripassu charge is as per share of each
- bank**
 - branch
 - Account
 - None of the above
53. Bank do not normally give loan to unregistered partnership firm because
- they cannot sue third party**
 - They do not repay the loan.
 - Because it is invalid as per law.
 - It is difficult to obtain permission from sanctioning authority.
54. OTS settled borrowers, loans can be given upto
- Rs.50,000/-**
 - Rs 10,000/-
 - Rs No limit
 - Rs 1000/-
55. Format of the the cheque is defined in which Act :
- No where it is defined (It is usage and practice)**
 - Banking Regulation Act
 - Negotiable instruments Act
 - Reserve bank of India Act
56. CERSAI is defined in : SARFAESI Act
- SARFAESI Act**

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- b. Banking Regulation Act
 - c. Negotiable instruments Act
 - d. Reserve bank of India Act
57. Relationship in leasing of Locker to customer:
- a. **Lesser and Lessee**
 - b. Bailor and Bailee
 - c. Debtor and Creditor
 - d. Seller and Buyer
58. Nomination facility is available for
- a. **Proprietorship**
 - b. Firms
 - c. Clubs
 - d. Trust
59. EMT can be done at _____ place :
- a. **Anywhere in India in places notified by State Govt.**
 - b. State capitals
 - c. Place of Regional offices
 - d. Place near to the Branch
60. What is the minimum claim amount to be eligible for filing case in DRT:
- a. **Rs.10 lakhs**
 - b. Rs 2 Laksh
 - c. Rs 1 lakh
 - d. Rs 20 lakshs
61. What is the status of nominee?
- a. he is only guardian for legal heirs
 - b. **he is only trustee for legal heirs.**
 - d. he is not related to the legal heirs
62. In the case of Electronic funds transfer is dishonored imprisonment of 2 years, double amount penalty or both are defined in which Act?
- a. Banking Regulation Act
 - b. Information Technology Act
 - c. **Negotiable instruments Act**
 - d. Reserve Bank of India
63. In the case of Electronic funds transfer is dishonoured imprisonment of 2 years, double amount penalty or both are defined in which Act?
- a. **NI Act**
 - b. RBI Act
 - c. Information Technology Act
 - d. BR Act
64. If Garnishee Order was mentioned with amount, action as a Banker
- a. **Amount mentioned in Garnishee Order.**
 - b. Half of the A/c balance amount has to be blocked.
 - c. Bankers Choice
 - d. Send return unpaid.
65. Which of the following is not material alteration
- a. Making Crossed
 - b. Filling the date column, which was unfilled?
 - c. Writing Bank name is already Crossed lines

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d. All of the above

Ans: All the above

66. A,B& C are partners, if deed is not written what is the liability level of partner?
- a. Jointly and severally liable**
 - b. No liability
 - c. Need not be entertained.
 - d. As per the loan amount sanctioned to individuals
67. What is the relationship between Bank and depositor in the cheque collection sent and received?
- a. Purchaser, seller,
 - b. Debtor , Creditor**
 - c. Principle, Agent,
 - d. none of the above
68. For equitable mortgage transaction the follow is/are necessary
- a. Depositing title deeds
 - b. to be done at four Metro only
 - c. any place where State Govt . Decides
 - d. Only in Urban places
- a. A and C**
 - b. B and C
 - c. A,B, And D
 - d. All the above
69. X is holding a locker with nominee Y, X died nominee Y can collect from banker
- a. all the things to nominee, sealed parcel in it to legal heirs
 - b. all the things except a sealed parcel in it to nominee
 - c. all the things inside including sealed parcel unopened to both
 - d. none of the above**
70. The settlement of claims by the branch shall be applicable only in case of domestic deposit accounts of the missing person held in individual capacity and up to a limit of _____
- a. Rs. 50000/-**
 - b. Rs 2,00,000/-
 - c. Rs 1,00,000/-
 - d. NO LIMIT
71. After expiry of validity period of Bank guarantee, registered notice should be sent to the beneficiary advising that liability discharged and no claim from beneficiary on basis of guarantee. If no reply is received from beneficiary within _____ months the entry is reversed by banks.
- a. 1month**
 - b. 2 months
 - c. 3 months
 - d. 6 month)
72. All fraud cases are to be reported to Police / CBI within _____ days of their detection as per guidelines. (Cir.81/2009)
- a. 21 days**
 - b. 15 days

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- c. 30 days
 - d. 7 days
73. CIBIL has categorized the credit information under certain groups. Which of the following are they?
- (a) Consumer Accounts- Borrowal accounts in the name of Individuals
 - (b) CommercialAccounts- Borrowal accounts of other than Individual.
 - (c) Both A&B**
 - d) None
74. In terms of Section 19 (2) of the Banking Regulation Act, 1949, no banking company shall hold shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding ___% of the paid-up share capital of that company or ___% of its ownpaid-upshare capital and reserves, whichever is less.
- a. 30 & 30**
 - b. 75 & 25
 - c. 50 & 50
 - d. No limit
75. Loan granted for short duration crops will be npa if overdue for –
- a. 2 cropping seasons.**
 - b. 6 cropping seasons
 - c. 90 days
 - d. next crop season
76. Loan treated doubtful After _____of becoming NPA
- a. 90 days
 - b. 6 months
 - c. 12 months**
 - d. 36 months
77. LOK ADALAT can handle cases up to
- aRs.20 LAKHS.**
 - b. Rs 2 Lakhs only
 - c. No limit
 - d. Discretion of the Judge
78. Which of the following Act gives legal recognition to a digital signature:
- a) Negotiable Instruments Act
 - b) Income Tax Act
 - c) Information Technology Act**
 - d) Indian Evidence Act e General Clauses Act
79. ROC - Pledge of movable: need to be registered as per
- a. Company act 2013.**
 - b. Banking Regulation Act
 - c. Negotiable Instruments Act
 - d. Income Tax Act
80. Death claims with Locker without out nomination can be settled under the Powers of
- a. Branch incharge
 - b. Divisional manager
 - c. The Deputy General Manager**

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- d. The over Seeing Executive of Premises Section.
81. For break open of Locker permission to be obtained from_____.
- e. Branch in charge
 - f. Recovery and Legal section
 - g. The Deputy General Manager
 - h. **The Premises Section**
82. Saving account with balance of Rs 7,45,000 and Term deposit of Rs 1,40,000/- both having nomination can be settled under
- a. **Branch Powers**
 - b. The Assistant General Manager
 - c. The Deputy General Manager
 - d. Cannot be settled.
83. The application received under Right to Information Act (other than information on life /exigencies) is to be replied within ___days
- a. 7 days
 - b. 15 days
 - c. **30 days**
 - d. Need not be replied
84. The highest applet authority given in Right To Information Act is
- a. The branch manager
 - b. The High Court
 - c. Public Information office
 - d. **CIC (Chief Information Commissioner)**
85. The Fees payable to obtain information under RTI Act is Rs _____
- a. Rs 100/-
 - b. No Fees
 - c. **Rs 10/-**
 - d. Rs 1/-
86. Under SARFAESI Act Possession to be taken after _____ days of issuing Demand notice.
- a. Immediately
 - b. 30 days
 - c. **60 days**
 - d. 90 days
87. Under SARFAESI Act Possession notice is to be published in newspaper within _____ days of taking possession.
- a. Need not be published
 - b. 7 days
 - c. **60 days**
 - d. 90 days
88. Under SARFAESI Act action can be initiated on all eligible NPA accounts having liability of more than _____
- a. **1 Lakh and above**
 - b. 5 lakhs and above
 - c. 10 lakhs and above
 - d. No limit

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89. The penalty payable under Right To Information Act for not providing information within the specified period is
- Rs 250 /- per day max. of Rs25000**
 - Rs 100/ per day max Rs 5,000/-
 - Rs 10 per day max Rs 5,000/
 - No limit can be paid as claimed by the borrower
90. Under COPRA 1986, what is the limit upto which State Forum can handle cases?
- No limit
 - Above 20 lakhs & upto 100 lakhs**
 - Above 10 lakhs & upto 50 lakhs
 - Above 1 lakhs & upto 10 lakhs
91. Limitation for filing complaint under COPRA from the date of cause of action is:
- Within 24 months**
 - Within 1 month
 - Within 36 months
 - With 12 years
92. Internal Banking Ombudsman is appointed as per the recommendation of
- Damodaran Committee**
 - Narasimhan Committee
 - Subbarao Committee
 - Guide lines of Reserve Bank
93. Very simple claims without insisting for Death Certificate can be settled at Br.Level upto
- Rs 2,00,000/-
 - Rs 500/-**
 - Death Certificate is mandatory
 - No limit if nomination is registered
94. When a court injunction is received before settlement of a nomination Claim
- Court injunction only has to be honoured**
 - To be settled to nominees only
 - Cannot be settled
 - To be settled to legal heirs
95. A depositor dying intestate means
- He has not made any WILL**
 - He has made nomination only
 - He has left no property to be inherited
 - Has no legal heirs.
96. Scrutiny of loan papers obtained by branches shall be done by the concerned Legal Section of respective CO in respect of limits both fund based and non fundbased (including adhoc limit) aggregating to Rs. _____ and above.
- Rs 5 crore and above
 - Rs 10 lakhs and above
 - Rs 1 Crore and above**
 - All Loans
97. Guarantee is defined under which act?
- Indian Contract Act**
 - Banking Regulation Act

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- c. Negotiable Instruments Act
 - d. Income Tax Act
- 98. Simple Mortgage, should be registered within**
- a. 1 month
 - b. 3 months
 - c. 12 months
 - d. 4 months**
99. Agencies which purchases NPA form Banks is called
- a. Asset Reconstruction Company**
 - b. Payment Banks
 - c. NBFC
 - d. None of the above
100. In case of OTS, what is the maximum period of clearing the dues as per the policy?
- a. The payment period may not ordinarily exceed 12 months**
 - b. The payment period may not ordinarily exceed 3 months
 - c. The payment period may not ordinarily exceed 6 months
 - d. The payment to be made immediately on the time of sanction.
101. RTI Act 2005 came into force on
- (a) 12 October 2005**
 - (b) 15 August 2005
 - (c) 15 June 2005
 - (d) 1 November 2005
102. The officer designated by the public authorities in all administrative units or offices under it to provide information to the citizens requesting for information under the Act is know as
- (a) Appellate Authority
 - (b) Chief Information Commissioner (CIC)
 - (c) Public Information Officer (PIO)**
 - (d) Assistant Public Information Officer
103. What is the time limit to get the information under RTI Act 2005?
- (a) 15 days
 - (b) 45 days
 - (c) 60 days
 - (d) 30 days**
104. What is the time limit to get the information concerning the life and liberty of a person?
- (a) 48 hours**
 - (b) 24 hours
 - (c) 5 days

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105. What is the fee for getting information under RTI Act
- (a) Rs.20/-
 - (b) Rs.50/-
 - (c) Rs.100/-
 - (d) Rs.10/-**
106. First appeal to the first appellate authority can be preferred by the applicant within ----- days from the expiry of the prescribed time limit or from the receipt of the decision from the PIO
- (a) 30 days**
 - (b) 45 days
 - (c) 60 days
 - (d) 90 days
107. First Appeal shall be disposed of by the first appellate authority within ----- days from the date of its receipt.
- (a) 40 days
 - (b) 30 days**
 - (c) 60 days
 - (d) 50 days
108. Second appeal to the Central Information Commission/ the State Information Commission can be preferred by the applicant within ----- days from the date on which the decision was given or should have been made by the First Appellate Authority.
- (a) 30 days
 - (b) 45 days
 - (c) 60 days
 - (d) 90 days**
109. Appointment Committee of Central Chief Information Commissioner (CIC) includes
- (a) Prime Minister
 - (b) Leader of the Opposition in the Lok Sabha
 - (c) One Union Cabinet Minister to be nominated by the Prime Minister
 - (d) All the above**
110. Central Chief Information Commissioner (CIC) is appointed by
- (a) President**
 - (b) Vice President
 - (c) Prime Minister
 - (d) Home Minister

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111. RTI Act 2005 enacted on
- (a) 2nd October 2005
 - (b) 15th June, 2005**
 - (c) 15th August 2005
 - (d) 26th January 2005
112. The Act extends to the whole of India except the State of .
- (a) Jammu and Kashmir**
 - (b) Sikkim
 - (c) North Eastern area
 - (d) Andaman & Nicobar island
113. Right to information includes the right to obtaining information in the form of:
- (a) Diskettes
 - (b) Floppies
 - (c) Tapes
 - (d) All the above**
114. According to the `RTI Act, 2005`, as far as exempted organizations are concerned, the exemption applies to
- (a) Certain organizations of the Central Government as listed in the 2nd Schedule and to the information submitted by these organizations to this Government.
 - (b) Certain organizations of the State Governments as may be notified by them in the Official Gazette, but NOT to the information furnished by these organisations to the respective State Governments.
 - (c) Both (a) & (b)**
 - (d) (d) None of the above
115. A Public Information Officer will be liable to be imposed a monetary penalty for
- (a) refusal to receive an information application.
 - (b) not providing information within specified time limits
 - (c) destroying information.
 - (d) All of them**