

MCQ on Recovery Related Matters 2025-26

1. Which one of the following is **NOT** correct? 1)OD/ OCC accounts if liability is more than limit or DP which ever is less between 1 to 30 days will be classified as SMA 0. 2)All accounts of borrowers with exposure of Rs 5 cro and above making default in payment between Saturday to Friday to be reported to Central Repository of Credit Information (CRILC) on a weekly basis.3) A term loan will slip to NPA if interest or instalment remain overdue for a period of 90 days 4)If stock statement is not submitted for more than 3 months from the due date and hence the drawing power calculated from stock statement is older than 3 months it is called as irregular OD/OCC account and if the irregularity continues for 90 days at the end of the 90th day the account will slip to NPA a)1 to 4 all are correct b) 1 to 4 all are incorrect c) 3 only is incorrect d) 1 only is not correct e) a to d all are not correct
2. Which one is correct statement? 1)Though the liability continues to be more than the limit sanctioned continuously for 90 days so long as there is no erosion in margin in respect of an OD account sanctioned against Gold jewellery, this account need not be classified as NPA 2) In a Central Govt guaranteed term loan account though Principal and Interest become over due for more than 90 days but if the central Govt not yet repudiates the guarantee this account need not be classified as NPA and provisioning need not be kept but income from the account should not be recognised. 3) In the case of advances given for short duration crops and if interest/instalments remains over due for two crop seasons, the account will be classified as NPA. Short duration crop for IRAC&P purpose is Harvest is within 18 months 4)Under Consortium, banks to classify the advance as per IRAC&P norms based on Lead Banks classification 5) If minimum amount due as mentioned in the statement is not paid fully within 90 days from the payment due date mentioned in the credit card statement the account to be classified as NPA a) all are correct b) 2 only is correct c) 2 & 5 are correct d) None of the options are correct e) I am not answering the question
3. What is dormancy in a OD / OCC account from IRAC& P norms ? a) No operations continuously for 30 days b) No debits continuously for 30 days but credits are noticed c) No credits continuously for 90 days but debits are noticed d) No debits and no credits continuously for 90 days e) None of these
4. Which is **correct** with regard to Asset Classification? a) A secured advance at the time of slipping to NPA, if the realizable value of the security is more than 10% but less than 50% of the value assessed by the bank in the last valuation it will be classified as DA 1 b)DA>3 if remains in this category for more than 12 months it will be classified as Loss asset c)The standard asset provisioning for Commercial Real Estate Residential Housing (CRE RH) is 75% d)The accelerated provision for DA>1 upto 3 is deficit + 40% on the unsecured portion e) None of these
5. As per the loan recovery policy of the bank for the year 2025-26 which is **odd man out**? a) large defaulter means a defaulter with outstanding amount of Rs

1 cro and above & Suit filed or the account is classified as DA or loss though the suit is not filed b) The chairman of wilful defaulter review committee with BL of Rs 100 cro and above is MD & CEO of the bank c) Photographs of wilful defaulters with liability of Rs 25 lac and above can be published in news paper d) The bar on additional facility to Wilful defaulter is effective for one year after their name is removed from the list of wilful defaulters e) None of these

SARFAESI

6. Which one is a false statement? a) As per SARFAESI Act time barred debts are not eligible for initiation of SARFAESI action b) Security interest created by lien, pledge and Assignment is not eligible for SARFAESI Action c) charge created against Movable assets can not be brought under SARFAESI Action d) Action can not be initiated for sale of Tractors under SARFAESI. e) a to d all
7. Which is correct? 1) Authorised officers to issue demand notice under Sec 13(2) within 3 days of account slipping to NPA and there is no need to get permission from appropriate authorities 2) only if the liability in the SARFAESI action initiation is Rs 20 lac and above parties can approach DRT court otherwise Civil court to be approached. 3) In consortium accounts mandatory requirement of 60% consensus ie banks representing 60% of the amount outstanding should agree for issuing demand notice. 4) Authorised Officers to ensure that the demand notice is served on the concerned within 7 days of issuing the notice 5)CAVET application to be filed by the authorized officer immediately on issuing demand notice. a) 1 only is correct b) 2 to 5 all are not correct c) 4 & 1 are correct d) 3 only is wrong e) a to d all are wrong
8. Which section of SARFAESI act does not match? a) Possession Notice Sec 13 (4) b) Borrower approaching DRT within 45 days of issuing possession notice Sec 17 c) Secured creditor approaching DM or CMM for taking actual possession Sec 14 d) Approaching DRAT Sec 18 e) None of these
9. When sale notice to be issued by Authorised Officer a) after 60 days of demand notice b) after 60 days of possession notice c) Immediately after publishing the possession notice in news papers d) after completion of redemption notice period e) within 30 days of possession notice
10. Reserve price to be fixed a) within 3 days of taking possession b) within 5 days of issuing possession notice c) within 7 days of taking actual possession d) Immediately after issuing demand notice e) No time limit
11. What is **NOT** correct with regard to reserve price? a) For loans sanctioned by all CACs at HO Circle Head CAC to fix reserve price b) Maximum reduction in reserve price when auctions fail is 35% of the Realisable Value c) Reserve price can be reduced for any number of times within the prescribed limits by authorities when auction fails d) If successful bidder fails to remit the amount Reserve Price should not be reduced below the last successful bid amount e) All are correct

12. Tick the correct answer. a) If the auction failed in SARFAESI, for next auction if there is a change in reserve price as compared to the failed auction, 30 days sale notice to be given other wise 15 days notice is sufficient b) Sale will be confirmed when the offered price is atleast equal to the Reserve price c) On the date of conclusion of sale successful bidder has to pay 25% of the reserve price including the Earnest Money Deposit d) Balance to be paid within 15 days and Authorised officer can give 3 months time on a case to case basis. e) For sale proceeds of Rs 100 lac and above TDS at appropriate rate to be deducted and remitted under the PAN of the mortgagor

OTHERS:

13. Which of the following acts was established first for recovery? A) Legal Services authority Act b) Recovery of Debts Due to Banks and Financial Institution Act (RDDBFI Act) c) SARFAESI Act
14. Orders passed by Lok Adalats are consent decrees. Appeal to be made against the order in which court. A) civil court b) High court c) Supreme court d) Other than the options given above.
15. What is the provision coverage ratio prescribed by RBI?
16. All loan accounts of borrowers where the aggregate liability is Rs 15 lac and above becoming NPA within 12 months from the date of ---- in respect of loans sanctioned to the concerned borrowers for the first time are defined as Quick Mortality Accounts. a) sanction b) first disbursement c) commencement of repayment of either interest or instalment d) Any of the above
17. The threshold limit for Early Warning Signal and Red Flagged Account is Rs --- million and above. A) 50 b) 30 c) 5 d) None of these
18. Recovery Committee at Circle Office shall review individually the accounts with liability above Rs--- slipped to NPA subsequent to last review. a) 2 lac b) 10 lac c) 1 cro d) 5 cro
19. Wherever, Securities (immovable properties) are insufficient to cover contractual dues, branches shall at the time of filing DRT Case, engage detective agency in all the cases where Book Liability is Rs. lacs and above to identify other assets of the borrowers/guarantors and note to file ABJ before DRT. A) Rs 10 b) 20 c) 50 d) 100
20. In all loans of Rs--- cro and above Aadhar details of applicant, Co applicant guarantors to be updated in CBS.
21. Tick the wrong answer with regard to ARM branches. a) NPA accounts with liability of Rs 20 lac and above having security at the end of the quarter to be transferred automatically on the 15th day of subsequent quarter b) Any account get upgraded to be transferred to the branch on the next day c) Fraud already reported and NFB limits which are yet to be crystalised not to be transferred d) Non suit filed cases should not be transferred e) ARM head to do physical verification of securities within 15 days of transfer if the value security is Rs 50 lac and above