



BRAINWARE UNIVERSITY

Term End Examination 2021 - 22

Programme – Bachelor of Law

Course Name – Banking Law

Course Code - LLB403A

(Semester IV)

Time allotted : 1 Hrs.15 Min.

Full Marks : 60

[The figure in the margin indicates full marks.]

Group-A

(Multiple Choice Type Question)

1 x 60=60

Choose the correct alternative from the following :

- (1) Which of the following bank was not a part of the Imperial Bank of India?

a) Bank of Bombay	b) Bank of Calcutta
c) Bank of Ahmedabad	d) Bank of Madras
- (2) Liberalization started in the year:

a) 1991	b) 1993
c) 1994	d) 1995
- (3) Who among the following proposed the Liberalization policy?

a) Mr. M. Narhasimham	b) Mr. Venkaiah Naidu
c) Smt. Indira Gandhi	d) Jawaharlal Nehru
- (4) Which of the following is not a right of the customer?

a) Right to Draw a Cheque	b) Right to Receive Pass Book
c) Dealing in Foreign Exchange	d) Right of Lien
- (5) The word bank is derived from which of the following words:

a) Banca	b) Banque
c) Banchas	d) Both a and b.
- (6) The inception of banking and transactions started from:

a) Marketplace	b) Rooms
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- c) Offices
d) Fields
- (7) The 'Early Phase' or Phase 1 of banking law occurred between the years:
a) 1770 -1969
b) 1969-1991
c) 1899-1900
d) 1765-1989
- (8) The 'Nationalization Phase' or Phase 2 of banking law occurred between the years:
a) 1770 -1969
b) 1969-1991
c) 1899-1900
d) 1765-1989
- (9) The 'Liberalization Phase' or Phase 3 of banking law occurred between the years:
a) 1770 -1969
b) 1969-1991
c) 1991-till date
d) 2002-2004
- (10) When did the Bank of Bengal come into existence?
a) 1809
b) 1840
c) 1843
d) 1865
- (11) When did the Bank of Madras come into existence?
a) 1809
b) 1840
c) 1843
d) 1841
- (12) When was the Imperial Bank renamed as the State Bank of India?
a) 1955
b) 1965
c) 1987
d) 1992
- (13) What is the most precise definition of a bank from among the following?
a) Any institution which mediates financial exchange between individuals
b) A money lending agency
c) A loan paying agency
d) None of these.
- (14) Which of the following is not a reason for Nationalization of Banks in India?
a) Social Welfare
b) Developing Banking Habits
c) Expansion of Banking Sector
d) Encouraging foreign exchange
- (15) The process of bringing all banks under a common central rule is known as:
a) Liberalization
b) Nationalization
c) De-centralization
d) None of these.
- (16) Liberalization is also known as:
a) Regularization
b) Centralization
c) De-centralization
d) Industrialization
- (17) Liberalization in banking sector refers to:
a) Restricted cash flow
b) No cash flow
c) More free cash flow
d) None of these
- (18) The primary relationship between a banker and customer starts from the time:
a) when customer visits that bank
b) when customer opens account
c) when customer visits that bank to made querie
d) All of these.

- (19) Which one of the following is the most important relationship between banker and customer?
- a) Debtor - Creditor
b) Bailor – Bailee
c) Agency - Principal
d) Trustee – Beneficiary
- (20) Services rendered by a banker not only to his customers, but also to the general public are called as:
- a) Principal services
b) Agency services
c) General utility services
d) General services
- (21) A cheque dated subsequent to the date of its issue is
- a) Post-dated cheque
b) Blank cheque
c) Crossed cheque
d) Account payee cheque
- (22) Nationalization of 14 major commercial in the year of
- a) 1969
b) 1987
c) 1972
d) 1999
- (23) Banking transaction that takes place in a virtual ambience on the website of a banking company is termed as:
- a) Internet Banking
b) Telephone Banking
c) Mobile Banking
d) Modern Banking
- (24) constitutes the foremost element of an electronic payment system
- a) Banker
b) Customer
c) Merchant
d) None of these
- (25) Which is the first bank to introduce Credit card in India?
- a) Bank of India
b) Global Trust Bank
c) IndusInd Bank
d) Central Bank of India
- (26) Credit cards first emerged in 1920s:
- a) India
b) China
c) USA
d) UK
- (27) ATMs are primarily used for performing the _____ functions:
- a) Infrastructure
b) Computer based
c) Banking
d) Hospitalization
- (28) A Banker's lien is also known as:
- a) Implied Lien
b) Express Lien
c) Set off
d) Security
- (29) Which of the following is a Right of Banker?
- a) Right to sue
b) Careful drawing of cheque
c) Right of lien
d) Foreign exchange
- (30) A loan which is granted against any type of security like collateral security, mortgage asset, pledge etc. and it is called a:

- a) Secured loan
c) Security
- b) Unsecured loan
d) Advance
- (31) A/An.....is a credit facility provided to the big corporations to fulfil their daily needs like salary and wages, admin expenses, material expenses etc.
- a) Loan
c) Security
- b) Advance
d) Collateral
- (32) An advance is a.....provided to the big corporations to fulfil their daily needs like salary and wages, admin expenses, material expenses etc.
- a) Credit facility
c) Security
- b) Debit facility
d) Advance
- (33) The time period of an advance is:
- a) Usually for a long time period
c) Unspecified period
- b) Usually for a short time period.
d) More than 10 years.
- (34) The following is an example of an advance:
- a) Short-term loan
c) Cash credit
- b) Overdraft
d) All of these
- (35) Securities are.....and.....financial instruments used to raise capital in public and private markets.
- a) Tradable, fungible
c) Marketable, fluid
- b) Permanent, non-tradable
d) None of these.
- (36) What is the most common type of hybrid security?
- a) Collaterals
c) Promissory notes
- b) Convertible bonds
d) Bills of exchange
- (37) Convertible preference shares is an example of:
- a) Debt security
c) Hybrid security
- b) Equity security
d) Advance
- (38) Which of the following is NOT a type of collateral?
- a) Real estate
c) Inventory financing
- b) Cash secured loan
d) Debt instrument
- (39) Which is the most common type of collateral?
- a) Real estate
c) Inventory financing
- b) Cash secured loan
d) Mortgage
- (40) The Recovery of Debts due to Banks and Financial Institutions Act (hereinafter referred to as the 'DRT Act') was the result of the findings of which committee?
- a) Manmohan Committee
c) Nehru Committee
- b) Tiwari Committee
d) None of these
- (41) In case you have made a default for a loan amount, what is the first step you should take?
- a) Contact the bank
c) Elope with assets
- b) Hide the details from the bank
d) File a suit

- (42) The SARFAESI Act was established in:
- a) 2002
 - b) 1999
 - c) 2000
 - d) 2001
- (43) When financial institutions and banks undertake activities related to banking like investment, issue of debit and credit card etc then it is known as _____.
- a) Internet banking
 - b) Universal banking
 - c) Virtual banking
 - d) Wholesale banking
- (44) Bank does not give loan against:
- a) Gold ornaments
 - b) LIC Policy
 - c) Lottery ticket
 - d) NSC
- (45) Which type of deposits earn higher interest rates?
- a) Current account
 - b) Savings account
 - c) Fixed deposit
 - d) None of these
- (46) Fixed deposit can:
- a) Not be withdrawn before maturity
 - b) Paid only after maturity.
 - c) Withdrawn before maturity.
 - d) All of the above.
- (47) What is Atal pension yojana ?
- a) Provides social security to the unorganised sector
 - b) Encourages workers to voluntarily save for retirement
 - c) Fixed pension is paid on any age of 60
 - d) All of these
- (48) What is meant by aadhar seeding ?
- a) Linking aadhar with bank account.
 - b) Duplicate issuance of aadhar
 - c) Transfer of aadhar
 - d) All of these
- (49) Maximum tenure of fixed deposit is:
- a) 5 years
 - b) 3 years
 - c) 10 years
 - d) All of these
- (50) Timely repayment of loans results in
- a) Good reputation
 - b) No tension
 - c) Easy availability of loans in the future
 - d) None of these
- (51) PPF stands for:
- a) Pension planning fund
 - b) Person having pension facilities
 - c) Public provident fund
 - d) Permanent practitioners forum
- (52) Interests on savings bank deposit is paid
- a) Quarterly
 - b) Yearly
 - c) Half yearly
 - d) Monthly
- (53) Payment of cheque can be stopped by :
- a) Beneficiary
 - b) Nominee
 - c) Drawer of cheque
 - d) None of these

- (54) TDS means:
- a) Time Deposit Scheme
 - b) Total Deposit Scheme
 - c) Tax Deducted at source
 - d) None of these
- (55) PAN number is required for:
- a) Deposits less than 50000
 - b) Deposits in excess of 1 lac
 - c) Deposits of 50000 and above
 - d) None of these
- (56) Maximum amount of cheque:
- a) Rs. 100 crore
 - b) Rs. 1 crore
 - c) Unlimited
 - d) None of these
- (57) If assets are overvalued, results would be:
- a) More surplus
 - b) Less surplus
 - c) More or less surplus
 - d) None of these
- (58) Whwn was the RBI established?
- a) 1st April, 1935
 - b) 1930
 - c) 1978
 - d) 1940
- (59) Who mints the coins in India?
- a) Ministry of Finance
 - b) Reserve Bank of India
 - c) Prime Minister's Office
 - d) Commerce and Industry Ministry
- (60) When was R.B.I. nationalised?
- a) 1935
 - b) 1949
 - c) 1929
 - d) 1914