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1. When was the Liberalised Remittance Scheme (LRS) first introduced?

- A) 1st January 2000
- B) 4th February 2004
- C) 1st April 2010
- D) 15th August 2005

Answer: B

2. Which of the following is eligible to avail of the LRS?

- A) Corporates
- B) Partnership Firms
- C) Resident Individuals (including Minors)
- D) Hindu Undivided Families (HUFs)

Answer: C

3. LRS is NOT available to which of the following entities?

- A) Minors
- B) NRIs
- C) Resident Individuals
- D) Sole Proprietorships (in individual capacity)

Answer: B

4. What is the overall annual limit for remittances under LRS per financial year?

- A) USD 100,000
- B) USD 200,000
- C) USD 250,000
- D) USD 500,000

Answer: C

5. Under FEMA, a transaction that alters assets or liabilities outside India for a person resident in India is called a:

- A) Current Account Transaction
- B) Capital Account Transaction
- C) Trade Account Transaction
- D) Escrow Transaction

Answer: B

6. Which section of FEMA deals with the power of RBI to penalize Authorized Persons for breaches in procedure?

- A) Section 4
- B) Section 6
- C) Section 10(6)
- D) Section 11

Answer: D

7. If a contravention of FEMA is not quantifiable, what is the maximum penalty that can be imposed?

- A) Rs. 10,000
- B) Rs. 50,000
- C) Rs. 2,00,000
- D) Rs. 5,00,000

Answer: C

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8. Which schedule under LRS lists prohibited (non-permissible) remittances?

- A) Schedule I
- B) Schedule II
- C) Schedule III
- D) Schedule IV

Answer: A

9. Remittance for which of the following is strictly prohibited under LRS?

- A) Studies abroad
- B) Purchase of lottery tickets
- C) Medical treatment
- D) Gift to a relative

Answer: B

10. Remittance for "Cultural Tours" requires approval from which ministry?

- A) Ministry of Finance
- B) Ministry of External Affairs
- C) Ministry of Human Resources Development
- D) Ministry of Information & Broadcasting

Answer: C

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