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1. According to Section 5(b) of the BR Act, "Banking" involves accepting deposits for the purpose of:

- A. Only lending
- B. Only investment
- C. Lending or investment
- D. Social welfare

Answer: C

2. Deposits received from the public under Section 5(b) of the BR Act must be:

- A. Repayable on demand or otherwise
- B. Non-refundable for 10 years
- C. Repayable only by cash
- D. Non-withdrawable by cheque

Answer: A

3. Which section of the BR Act defines a "Banking Company"?

- A. Section 5(b)
- B. Section 5(c)
- C. Section 7(1)
- D. Section 6

Answer: B

4. Section 7(1) of the BR Act prohibits the use of which words by companies other than a Banking Company?

- A. Finance or Credit
- B. Banker, Banking, or Banking Company
- C. Investment or Lending
- D. Trust or Agency

Answer: B

5. Under Section 6 of the BR Act, which of the following is considered an important function of a bank?

- A. Discounting of Bills
- B. Collection of Cheques
- C. Hiring Safe Deposit Lockers
- D. All of the above

Answer: D

6. What is the maximum number of partners allowed in a firm conducting Banking Business?

- A. 20
- B. 50
- C. 10
- D. 100

Answer: C

7. When a customer deposits money in a bank, the relationship between the Bank and the Customer is:

- A. Creditor (Bank) – Debtor (Customer)
- B. Debtor (Bank) – Creditor (Customer)
- C. Trustee (Bank) – Beneficiary (Customer)
- D. Bailee (Bank) – Bailor (Customer)

Answer: B

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8. If a customer takes a loan from the bank, the Bank's role is that of a:

- A. Debtor
- B. Creditor
- C. Agent
- D. Trustee

Answer: B

9. In a "Safe Custody" transaction, the Bank acts as the:

- A. Bailor
- B. Bailee
- C. Lessor
- D. Agent

Answer: B

10. In a Locker transaction, the Customer is referred to as the:

- A. Lessor
- B. Lessee
- C. Bailee
- D. Principal

Answer: B

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