

**Sample Question Paper**

**Subject- Banking Operations**

**Subject code 486**

Note – This is a sample Question paper for student's exam reference only, might be pattern of paper can be change in actual examination.

Q.1. The best form of method of payment for an importer would be:-

1. Advance remittance.
2. Letter of credit.
3. Documents against payment.
4. Open account.

**Correct Answer :-Open account**

Q.2. Gold - dollar exchange rate was fixed at \_\_\_\_\_ in Bretton Woods System.

1. 1 USD = \$35 ounce of gold
2. 1 USD = 53 ounce of gold
3. 1 USD = 50 ounce of gold
4. 1 USD = 15 ounce of gold

**Correct Answer :-**

**1 USD = \$35 ounce of gold**

Q.3. Which of the following transactions will not come under TT selling rate?

1. Issue of foreign currency draft to tourist
2. Export Bill purchased
3. Outward remittance to a student abroad
4. Outward remittance for medical treatment

**Correct Answer :-**

**Export Bill purchased**

Q.4. In cases of FEMA violation, accused has to prove that he is not guilty.

1. TRUE
2. FALSE

**Correct Answer :-**

**FALSE**

Q.5. FEMA defines Capital Account transaction as:-

1. A transaction which alters asset & liabilities.
2. A Transaction which is not current in nature
3. A Current account opened in Bank
4. A Current Account with RBI.

**Correct Answer :-**

**A transaction which alters asset & liabilities**

Q.6. Any person/firm interested in doing export & import activity has to fulfil certain conditions as per the:-

1. Government regulations
2. Trade & Exchange control regulations
3. Foreign embassy rules
4. All of these

**Correct Answer :-**

**Trade & Exchange control regulations**

Q.7. RBI plays a pivotal role in the control & management of forex in India.

1. TRUE
2. FALSE

**Correct Answer :-**

**TRUE**

Q.8. AD's in India move to Global forex markets and do purchase/sale transaction if:-

1. AD's retained exchange upto a certain level
2. It is not possible to cover to inter-bank market
3. It will match the position of inter-bank market
4. All of these

**Correct Answer :-**

**It is not possible to cover to inter-bank market**

Q.9. The Duty Credit Scrips can be used for:-

1. Payment of Customs Duties for import of inputs or goods
2. Payment of excise duties on domestic procurement of inputs or goods, including capital goods
3. Payment of service tax on procurement of services
4. Payment of Customs Duty and fee
5. All of these

**Correct Answer :-**

**All of these**

Q.10. In case of postal imports, parcel receipt and postal appraisal form has to be submitted as an

evidence of import within:-

1. 1 month of remittance
2. 3 months of remittance
3. 6 months of remittance
4. None of these

**Correct Answer :-**

**3 months of remittance**

Q.11 In Mumbai, US dollar is quoted as under:- USD 1 = Rs. 43.6725/6875. It means:-

1. The buying rate is Rs.43.6725 and selling rate is Rs.43.6875.
2. The buying rate is Rs.43.6875 and selling rate is Rs.43.6725.
3. The dollar is appreciating in value.
4. The dollar is depreciating in value.

**Correct Answer :-**

**The buying rate is Rs.43.6725 and selling rate is Rs.43.6875**

Q.12. Each and every country receives and remits foreign exchange on account of:-

1. Cross Border tangible trade
2. Cross Border intangible services

3. Cross Border Capital flow

4. All of these

Correct Answer :-

All of these

Q.13. Normally the maximum period for which packing credit advances are made is:-

1. 90 days

2. 135 days

3. 180 days

4. 360 days [Option ID = 1491058]

**Correct Answer :-**

**360 days**

Q.14. If a country wants promotion of international trade, it should be free from barriers.

1. TRUE

2. FALSE

**Correct Answer :-**

**TRUE**

Q.15 The foreign Trade Policy of the country is declared under the provisions of:-

1. Foreign Exchange Regulations Act 1973

2. Foreign Exchange Management Act 1999

3. Foreign Trade (Development & Regulations) Act 1992

4. Customs Act 1962

**Correct Answer :-**

**Foreign Trade (Development & Regulations) Act 1992**