
Question: 1. What is the validity period of the Policy on Bills Discounting for the year 2024-25?

Options:

- A) January 2024 to December 2024
- B) January 2024 to March 2025
- C) January 2024 to June 2024
- D) March 2024 to December 2024
- E) December 2023 to December 2024

Answer: A) January 2024 to December 2024

Question: 2. Which organization has introduced an electronic system of Bill Discounting for contractors?

Options:

- A) Reserve Bank of India
- B) Government of Maharashtra
- C) Government of Kerala
- D) Government of Tamil Nadu
- E) Indian Banks' Association

Answer: C) Government of Kerala

Question: 3. According to the document, which department is responsible for the monitoring of the TReDS system?

Options:

- A) MSME Department
- B) Central Office
- C) Large Corporate Vertical
- D) Credit Risk Department
- E) Operations Department

Answer: C) Large Corporate Vertical

Question: 4. Which of the following is NOT considered part of the Credit Facilities under Bills?

Options:

- A) UBD (Usance Bill Discounting)
- B) DBP (Documentary Bill Purchase)
- C) FDBP (Foreign Documentary Bill Purchased)
- D) Personal Loans
- E) AFBC (Advance against Foreign Bills for Collection)

Answer: D) Personal Loans

Question: 5. What is the maximum period for Standby Credit allowed to Gold Card holders?

Options:

- A) 6 months
- B) 3 months
- C) 12 months
- D) 1 month
- E) 2 months

Answer: B) 3 months

Question: 6. What is the minimum share required in a Joint Venture (JV) or Special Purpose Vehicle (SPV) for a borrower to apply for a Bank Guarantee?

Options:

- A) 10%
- B) 26%
- C) 33%
- D) 50%
- E) 51%

Answer: B) 26%

Question: 7. Which of the following is excluded from the Capital Market Exposure limit?

Options:

- A) Direct Investment in Equity Shares
- B) Loans to Mutual Funds against equity-oriented schemes
- C) Tier I & Tier II debt instruments issued by other Banks
- D) Advances against shares
- E) Loans for Margin Trading

Answer: C) Tier I & Tier II debt instruments issued by other Banks

Question: 8. What is the maximum exposure limit for intra-day exposures in the Capital Market Cell as per the policy?

Options:

- A) 5% of net worth
- B) 10% of net worth
- C) 20% of net worth
- D) 50 crores
- E) 100 crores

Answer: D) 50 crores

Question: 9. In which of the following cases can export bill finance facility NOT be extended?

Options:

- A) Foreign Bills under LC
- B) Foreign Usance Documentary Bill Purchase
- C) Bills related to service sector transactions
- D) Advance against Foreign Bills for Collection
- E) Documentary Bills under Bank Guarantee

Answer: C) Bills related to service sector transactions

Question: 10. Who has the authority to approve standby credit facilities for Gold Card holders?

Options:

- A) Central Credit Committee

- B) Sanctioning Authority at the branch
- C) Board of Directors
- D) Risk Management Department
- E) Regional Credit Committee

Answer: B) Sanctioning Authority at the branch

Question: 11. What is the maximum allowable time for Documentary Bills to remain outstanding?

Options:

- A) 10 days
- B) 15 days
- C) 20 days
- D) 30 days
- E) 45 days

Answer: D) 30 days

Question: 12. Which category of bills cannot be purchased or discounted according to the document?

Options:

- A) Usance Bills
- B) Bills drawn on connected firms
- C) Government Supply Bills
- D) Bills drawn under LC
- E) Export Bills

Answer: B) Bills drawn on connected firms

Question: 13. Which type of Bills is not eligible for rediscounting?

Options:

- A) Documentary Bills
- B) Bills under LC
- C) Clean Bills

D) Bills from the Services Sector

E) Government Bills

Answer: D) Bills from the Services Sector

Question: 14. What should the minimum margin of security be for secured guarantees?

Options:

A) 10%

B) 15%

C) 20%

D) 30%

E) 5%

Answer: A) 10%

Question: 15. What is the role of Finacle in the Bill Discounting Policy?

Options:

A) Generating monitoring reports

B) Approving bills for discounting

C) Checking customer creditworthiness

D) Auditing bill transactions

E) Discounting foreign bills

Answer: A) Generating monitoring reports

Question: 16. Which Bank's guarantees should not have a maturity of more than 10 years without special approval?

Options:

A) State Bank of India

B) Any bank issuing guarantees

C) International Banks

D) Reserve Bank of India

E) Co-operative Banks

Answer: B) Any bank issuing guarantees

Question: 17. Which platform facilitates the discounting of trade receivables for MSMEs?

Options:

- A) TReDS
- B) MSME Fund
- C) Large Corporate Vertical
- D) SEBI
- E) RBI's Credit Platform

Answer: A) TReDS

Question: 18. For Capital Market Exposure, the statutory limit on shareholding in companies is ____?

Options:

- A) 50%
- B) 30%
- C) 15%
- D) 5%
- E) 10%

Answer: B) 30%

Question: 19. Which regulatory body issued the guidelines for Bills Discounting?

Options:

- A) Securities and Exchange Board of India
- B) Reserve Bank of India
- C) Ministry of Finance
- D) Indian Banks' Association
- E) National Stock Exchange

Answer: B) Reserve Bank of India

Question: 20. Usance Bills rediscounting is restricted to bills held by:

Options:

- A) Non-banking financial companies
- B) Private equity firms
- C) Government institutions
- D) Other banks
- E) Individual lenders

Answer: D) Other banks

Question: 21. The operational aspects of TReDS are managed by which Bank's Vertical?

Options:

- A) Transaction Banking
- B) Retail Banking
- C) Credit Management
- D) Risk Management
- E) MSME Department

Answer: A) Transaction Banking

Question: 22. What is the appropriate interest rate applied to Bill Discounting facilities?

Options:

- A) 8%
- B) Same as the Working Capital Limits
- C) 10%
- D) RBI's base rate + 2%
- E) 12%

Answer: B) Same as the Working Capital Limits

Question: 23. What is the role of the CAC-III and above in Bill Discounting under Bank Guarantees?

Options:

- A) To issue standby credit
- B) To approve guarantees for a period over 3 months
- C) To negotiate and discount bills

D) To approve bill transactions above a certain limit

E) To authorize bill collections

Answer: C) To negotiate and discount bills

Question: 24. Bills discounting for which sector follows the "Union Alankaar" scheme?

Options:

A) Information Technology

B) Hospitality Sector

C) Agriculture Sector

D) Gems, Jewellery & Diamond Sector

E) Manufacturing Sector

Answer: D) Gems, Jewellery & Diamond Sector

Question: 25. Which department was previously responsible for TReDS before the transition to Large Corporate Vertical?

Options:

A) Risk Management

B) MSME Department

C) Finance Department

D) Operations Department

E) Treasury Department

Answer: B) MSME Department

Question: 26. Who is authorized to issue Letters of Credit (LCs) and discount bills under LCs?

Options:

A) All bank branches

B) Reserve Bank of India

C) Only approved branches with regular credit facilities

D) Financial Institutions

E) Private equity firms

Answer: C) Only approved branches with regular credit facilities

Question: 27. When is "value dating" applied in the Bill Discounting process?

Options:

- A) During the discounting of foreign bills
- B) During the realization of bill proceeds
- C) During negotiation of bills
- D) At the time of bill submission
- E) At the time of credit appraisal

Answer: B) During the realization of bill proceeds

Question: 28. According to the document, what is the maximum time limit for payment realization in the case of Documentary Bills?

Options:

- A) 30 days
- B) 45 days
- C) 10 days
- D) 15 days
- E) 60 days

Answer: A) 30 days

Question: 29. Which of the following organizations is included in the exclusions from Capital Market Exposure?

Options:

- A) SEBI
- B) National Payments Corporation of India
- C) Small Industries Development Bank of India (SIDBI)
- D) Reserve Bank of India
- E) Export-Import Bank of India (EXIM)

Answer: B) National Payments Corporation of India

Topic- "Policy on Bills Discounting

Question: 30. How often is the "list of approved shares" reviewed by the Capital Market Cell?

Options:

- A) Monthly
- B) Annually
- C) Quarterly
- D) Weekly
- E) Daily

Answer: A) Monthly