

1. LRS (Liberalised Remittance Scheme) is applicable for

1. Corporates
2. Partnership Firm
3. Resident
4. HUF
5. Minors
  - a. Only 1 & 2
  - b. Only 1, 2, 3
  - c. Only 3 & 5
  - d. Only 3
  - e. Only 1, 2, 3 & 4

**Answer:- Only 3 & 5**

2. What is the maximum amount that can be remitted per financial year under the Liberalized Remittance Scheme (LRS)?

- a. USD 20000
- b. USD 50000
- c. USD 100000
- d. USD 250000
- e. USD 50000

**Answer:- USD 250000**

3. In which currency remittance under LRS can be made?

- a. USD
- b. INR
- c. GBP
- d. AED
- e. Any freely convertible currency

**Answer:- Any freely convertible currency**

4. For which of the following transactions under LRS, credit facilities (fund or non-fund based) in Indian Rupees or foreign currency can be extended by AD banks to resident individuals:

1. Current Account Transactions
2. Capital Account Transactions
  - a. 1 Only
  - b. 2 Only
  - c. 1 & 2 Both
  - d. Can't be extended

e. RBI has left this on the AD banks to act as per their own policy

**Answer:- 1 Only**

5. Can a sole proprietor remit under Liberalised Remittance Scheme(LRS)?

- a. No, its prohibited
- b. Yes, permitted
- c. Can be given selectively
- d. Can be given
- e. RBI has left this on the AD banks to act as per their own policy

**Answer:- Yes, permitted**

6. Can a resident individual make a rupee gift to a NRI/PIO who is a close relative of resident individual, by of crossed cheque/ electronic transfer?

- a. Yes
- b. No
- c. Yes, With RBI permission
- d. Yes, with DFS Permission
- e. Yes, With AD discretion

**Answer:- Yes**

7. Which of the following options can not be the purpose of remittances under LRS?

1.Private Visits

2.Emigration

3.Medical Treatment abroad

4. Rupee loan to NRI

5. Investment in equity abroad

- a. 1, 2, 3 Only
- b. 2, 4 & 5 Only
- c. 1,2,3,4,5
- d. 2 & 5 only
- e. All are valid purposes under LRS

**Answer:- All are valid purposes under LRS**

8. What is the limit on number of the remittances in a FY under LRS?

- a. 12
- b. No limit
- c. 15
- d. 18
- e. 15

**Answer:- No limit**

9. Applicants should have maintained the bank account with the bank for a minimum period of one year prior to the remittance for capital account transactions. Whether this restriction applies to current account transactions?

- a. No
- b. Yes, Min 6 Month A/c operation
- c. Yes, Min 9 Months A/c operation
- d. Yes, Min 12 Months A/c operation
- e. Yes, Min 3 Months A/c operation

**Answer:- No**

10. Can an Offshore Banking Unit (OBU) in India be treated on par with a branch of the bank outside India for the purpose of opening of foreign currency accounts by residents under the Scheme?

- a. Yes
- b. No
- c. Yes, for temporary basis
- d. Yes, With RBI Permission
- e. Yes, With Dept. of Finance permission

**Answer:- No**

11. Which one is not the purpose for which LRS is permitted?

- a. Private visits to any country
- b. Studies abroad
- c. Maintenance of close relatives abroad
- d. Loan given by Resident utilised for Chit Fund
- e. Investment in Equity

**Answer:- Loan given by Resident utilised for Chit Fund**

12. Under the Liberalised Remittance Scheme (LRS), can a resident individual grant a rupee loan to a close relative who is an NRI/PIO through crossed cheque or electronic transfer?

- a. Yes, USD 200000 equivalent
- b. Yes, USD 250000 equivalent
- c. Yes, USD 300000 equivalent
- d. Yes, USD 100000 equivalent
- e. Yes, USD 50000 equivalent

**Answer:- Yes, USD 250000 equivalent**

13. If a resident individual make a rupee loan to a NRI/PIO who is a close relative of resident individual, by of crossed cheque/ electronic transfer what is the minimum maturity of the loan ?

- a. 1 Year
- b. 2 years
- c. 3 years
- d. 4 Years
- e. 5 years

**Answer:- 1 Year**

14. If a resident individual make a rupee loan to a NRI/PIO who is a close relative of resident individual, by of crossed cheque/ electronic transfer what is the minimum rate of interest p.a.?

- a. 3 Percent
- b. 3.5 Percent
- c. 4.5 Percent
- d. 5 percent
- e. No Interest is applicable

**Answer:- No Interest is applicable**

15. If a resident individual make a rupee loan to a NRI/PIO who is a close relative of resident individual, by of crossed cheque/ electronic transfer can the funds be remitted outside of India?

- a. Yes
- b. No
- c. Yes, Up to 250000
- d. Yes Up to USD 1 Mio
- e. Yes, Up to USD 100000

**Answer:- No**

16. Which form is to be used for remittances under LRS ?

- a. A2
- b. A1
- c. 15CA
- d. 15CB
- e. A3

**Answer:- A2**

17. Are resident individuals allowed to make remittances under LRS to International Financial Services Centres (IFSCs) in India ?

- a. Yes
- b. No
- c. yes, up to USD 100000
- d. yes, up to USD 50000
- e. Yes, up to 500000

**Answer:- Yes**

**18. Can resident Individuals settle any domestic transactions with other residents through the Foreign Currency Accounts held in IFSC?**

- a. Yes
- b. Yes, up to LRS Limit
- c. No, Not permitted
- d. Yes, Up to USD 100000
- e. Yes, up to 500000

**Answer:- No, Not permitted**

**19. For private visit abroad other than \_\_\_\_ & \_\_\_\_ LRS limit can be utilised for foreign exchange acquirement?**

- a. Pakistan & Bangladesh
- b. Nepal & Bhutan
- c. Myanmar & Bangladesh
- d. Thailand & Myanmar
- e. Myanmar & Bangladesh

**Answer:- Nepal & Bhutan**

**20. What is the maximum amount of foreign exchange that can be remitted for medical treatment expenses under the Liberalised Remittance Scheme (LRS)**

- a. Max USD 250000
- b. Max USD 250000 or the estimates which is higher
- c. Max USD 100000
- d. Max USD 500000
- e. Max USD 1000000 or the estimates which is higher

**Answer:- Max USD 250000 or the estimates which is higher**

**21. What is the foreign currency limit for studies abroad under LRS?**

- a. Max USD 500000
- b. Max USD 100000
- c. Max USD 250000 or the estimates which is higher
- d. Max USD 250000
- e. Max USD 1000000 or the estimates which is higher

**Answer:- Max USD 250000 or the estimates which is higher**

**22. Can Resident Individuals open a Foreign Currency Account (FCA) in IFSCs, for making permissible investments under LRS?**

- a. Yes
- b. No
- c. Yes, With RBI permission
- d. Yes, with DFS Permission
- e. Yes but account has to be closed within 12 months

**Answer:- Yes**

**23. Is LRS applicable for current account transaction or capital account transaction ?**

- a. Current account
- b. Capital accounts
- c. Both current accounts & capital accounts
- d. it's a separate scheme
- e. No of the above

**Answer:- Both current accounts & capital accounts**

**24. Can foreign exchange be acquired under LRS for gift to foreign nationals?**

- a. Yes
- b. No
- c. Yes, With RBI permission
- d. Yes, with DFS Permission
- e. Yes up to USD 100000

**Answer:- Yes**

**25. Is it possible for a resident Indian to open a foreign currency account abroad under LRS?**

- a. Yes
- b. No
- c. Yes, With RBI permission
- d. Yes, with DFS Permission
- e. Yes up to USD 100000

**Answer:- Yes**

**26. Under which Act is the definition of "close relatives" determined for NRIs availing loans from resident relatives?**

- a. HUF Act
- b. Contract Act
- c. IT Act

- d. Companies Act, 2013
- e. Banking Regulation Act

**Answer:- Companies Act, 2013**

**27. Is LRS scheme is available for minors?**

- a. Yes
- b. No
- c. Yes, With RBI permission
- d. Yes, with DFS Permission
- e. Yes up to USD 200000

**Answer:- Yes**

**28. What is the TCS rate for education remittances under LRS exceeding 7 lakhs funded by an education loan from a financial institution?**

- a. 0.5 Percentage
- b. 1 Percentage
- c. 5 Percentage
- d. 20 Percentage
- e. 0 Percentage

**Answer:- 0.5 Percentage**

**29. What is the TCS rate for remittances for the purpose of medical treatment under LRS exceeding 7 lakhs in a Financial year?**

- a. 0.5 Percentage
- b. 1 Percentage
- c. 5 Percentage
- d. 20 Percentage
- e. 0 Percentage

**Answer:- 5 Percentage**

**30. For the purpose of Overseas tour packages, if the amount being remitted under LRS is beyond Rs. 7 lacs in a FY, the applicable TCS rate is?**

- a. 0.5 Percentage
- b. 1 Percentage
- c. 5 Percentage
- d. 20 Percentage
- e. 20 Percentage

**Answer:- 20 Percentage**