

20 Recollected Questions in Accounting and Finance for Bankers (AFB) For JAIIB 2022 Examination

KEY HIGHLIGHTS

- Most likely to be Asked Questions
- Recollected from the Previous 5 Years
- Thoroughly Curated by Industry Experts
- 20 Questions with Solutions
- Based on the Latest Pattern for 2022 Exam

**PART
III**

Accounting & Finance for Bankers (AFB) – Part III

Q1. 1 US\$ = Rs. 67.75/78

1 US\$ = 7.52 HKD

1 HKD = Rs. _____?

(a) 7.2564

(b) 8.7328

(c) 9.0132

(d) 9.4368

Ans: (c)

Solution :

We will get US\$ 1 for Rs.67.78 and for one US\$ we will get HKD 7.52

So, so get 1 HKD

52 HKD = 1 US\$ = 67.78

1 HKD = $67.78/7.52$

1 HKD = 9.0132

Q2. Maximum allowed credit in a year in small savings a/c is _____

(a) Rs. 10000

(b) Rs. 20000

(c) Rs. 50000

(d) Rs. 100000

Ans: (d)

Q3. Maximum balance in the small savings a/c should not exceed _____ at any time

(a) Rs. 10000

(b) Rs. 20000

(c) Rs. 50000

(d) Rs. 100000

Ans: (c)

Q4. Deprecation is more by which method during the first and second year?

(a) Straight line method

(b) Double declining method

(c) Written down method

(d) Sun of the digits method

Ans: (b)



Q5. Wages paid for installation of machinery is what kind of expenditure?

- (a) Capital Expenditure
- (b) Revenue Expenditure
- (c) Deferred Revenue Expenditure
- (d) None of the above

Ans: (a)

Q6. 1 Rs = 64.68 \$ is direct or indirect quote? (i) Direct Quote, (ii) Indirect Quote

- (a) Only (i)
- (b) Only (ii)
- (c) Either (i) or (ii)
- (d) Both (i) and (ii)

Ans: (b)

Q7. Minor above _____ years can open and operate SB account independently

- (a) 10 years
- (b) 12 years
- (c) 15 years
- (d) 18 years

Ans: (a)

Q8. Limited company uses _____

- (a) double entry system
- (b) single entry system
- (c) hybrid
- (d) any

Ans: (a)

Q9. What will be the effect if sales return of 50000 posted 48200 and purchase return of 46000 posted 47800?

- (a) No effect
- (b) P&L increase by 3600
- (c) P&L decrease by 3600
- (d) P&L increase or decrease by 1800

Ans: (b)

Q10. A pass book is showing overdraft of Rs 9750. A cheque of Rs 750 presented. What will be the effect?

- (a) overdraft will increase by 750
- (b) overdraft will decrease by 750
- (c) cash book will be increased or decrease by 750
- (d) payment of chq will be denied or none of the above

Ans: (a)

- Q11.** Machinery value - 12,00,000, Salvage Value - 1,00,000, Useful Life in Years - 10 Years
Use sum of the years' digits method of depreciation to find the Book value after 3 years
- (a) 540000
 - (b) 660000
 - (c) 820000
 - (d) 1000000

Ans: (b)

Explanation:

Sum of the Years' Digits = $1 + 2 + 3 + 4 + \dots + 10 = 10(10 + 1) \div 2 = 55$

Depreciable Base = $12,00,000 - 1,00,000 = 11,00,000$

1st year = $10/55 * 11,00,000 = 2,00,000$

2nd year = $9/55 * 11,00,000 = 1,80,000$

3rd year = $8/55 * 11,00,000 = 1,60,000$

Book Value at the end of 3rd year = $12,00,000 - (2,00,000 + 1,80,000 + 1,60,000)$
 $= 12,00,000 - 5,40,000 = 6,60,000$

- Q12.** Bills are _____

- (a) Nominal
- (b) Real
- (c) Personal
- (d) Artificial personal

Ans: (b)

- Q13.** Medium risk customer document verified after every _____ years

- (a) 2
- (b) 3
- (c) 8
- (d) 10

Ans: (c)

- Q14.** Accounting Standard AS 10 deals with _____

- (a) Fixed assets
- (b) Depreciation Accounting
- (c) Consolidated Financial Statements
- (d) Accounting for Taxes on Income

Ans: (a)

- Q15.** On transfer of account from one branch to another branch of same bank what is required?

- (a) Fresh id proof
- (b) Address proof
- (c) Fresh identity and address proof
- (d) Self declaration

Ans: (d)

- Q16.** Which of the following is revenue expenditure?
(a) expenditure for used machinery part for sale
(b) purchase of motor car
(c) purchase of building
(d) cash paid for audit fee

Ans: (d)

- Q17.** Computer which are used in banks have _____
(a) digital
(b) analogue
(c) binary
(d) none of the above

Ans: (d)

- Q18.** Bond is inversely proportional to _____
(a) redemption rate
(b) coupon rate
(c) none of the above
(d) both 1 & 2

Ans: (d)

- Q19.** What will be the rectification entry for balance of sales account overcast by Rs. 24973?
(a) Cash A/c Rs. 24973 Dr/To Sales A/c Rs. 24973
(b) Sales A/c Rs. 24973 Dr/To Suspence A/c Rs. 24973
(c) Sales A/c Rs. 24973 Dr/To Cash A/c Rs. 24973
(d) Purchase A/c Rs. 24973 Dr/To Sales A/c Rs. 24973

Ans: (c)

- Q20.** Debt equity ratio is 4:1, Current ratio is 2:1, Total assets 2000000, Owned liabilities 300000. what are the current assets?
(a) 8 lakhs
(b) 10 lakhs
(c) 12 lakhs
(d) 15 lakhs

Ans: (b)

Explanation:

Debt equity ratios is 4:1 means 12 lac: 3 lac

Asset = Current Liabilities + Debt + Equity i.e.

20 Lac = Current Liabilities + 12 Lac + 3 Lac

Current Liabilities = 20 Lac - 15 Lac = 5 Lac

Current Ratio is 2: 1

Current Assets = 2 x 5 = 10 Lac

