



# **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?

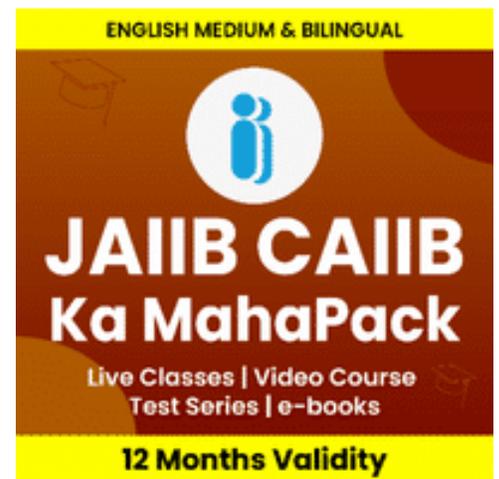
(a) Straight line method

(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

