20 True or False

Decide, then check the answer and reason below each statement.

Question 1

A power of attorney generally must be stamped under the Indian Stamp Act.

TRUE

POAs in the banking context typically require stamping, subject to state amendments.

Question 2

A mandate letter used inside a bank account is typically unstamped.

TRUE

Mandates are a simpler, usually unstamped authority compared to a power of attorney.

Question 3

For a joint bank account, all the depositors must sign the mandate letter.

TRUE

Bank rules require every joint holder's consent before a new operator is added via mandate.

Question 4

A special or limited power of attorney is used for a one-time financial or banking transaction.

TRUE

A special POA grants authority only for the specific act it names, such as one property sale.

Question 5

A general power of attorney is intended to operate over a length of time and covers a broader set of acts.

TRUE

Unlike a special POA, a general POA acts like a master key across many transactions.

Question 6

The person who grants a power of attorney is called the principal, also known as the donor.

TRUE

The donor delegates authority, and the recipient is called the agent or attorney.

Question 7

A protection mandate can be revoked only by court order.

TRUE

This makes it more rigid to end than an ordinary power of attorney, which the principal can revoke freely.

Question 8

For a Hindu Undivided Family account, the Karta and all major co-parceners must sign the mandate letter.

TRUE

This ensures everyone with authority over the HUF account consents before a mandate is accepted.

Question 9

A power of attorney is made and signed by the principal.

TRUE

The principal alone executes the power of attorney in favour of the chosen agent.

Question 10

Mandate vs power of attorney is tested in the Legal and Regulatory Aspects of Banking paper for JAIIB.

TRUE

It is a recurring objective-type topic covering definitions, stamping, and signatories.

Question 11

A mandate letter must always be stamped exactly like a power of attorney.

FALSE

A mandate is generally unstamped, unlike a power of attorney which typically requires stamping.

Question 12

A power of attorney is signed only by the agent, and the principal's signature is not required.

FALSE

A power of attorney is made and signed by the principal, who grants authority to the agent.

Question 13

A general power of attorney is valid for only a single, one-time transaction.

FALSE

A one-time transaction is covered by a special or limited power of attorney, not a general one.

Question 14

For a partnership firm account, only one partner needs to sign the mandate letter.

FALSE

All the partners of the firm must sign the mandate letter, not just one.

Question 15

A power of attorney can only cover personal health decisions and never applies to property or financial matters.

FALSE

In the banking context, a power of attorney applies specifically to property and financial transactions.

Question 16

A mandate letter for a joint account can be validly signed by just one of the depositors.

FALSE

All the depositors of a joint account must sign the mandate letter for it to be valid.

Question 17

A power of attorney can never be revoked once it has been granted.

FALSE

A power of attorney can be terminated by the principal at any time and becomes invalid on incapacity.

Question 18

The mandatary is the account holder who grants the mandate, not the person appointed to act.

FALSE

The mandatary is the person appointed to act, while the account holder granting the mandate is the mandator.

Question 19

A special power of attorney grants unlimited, open-ended authority over all of the principal's affairs.

FALSE

Open-ended, ongoing authority describes a general power of attorney, not a special one.

Question 20

Stamp duty on a power of attorney is fixed nationwide and never varies from state to state.

FALSE

Stamp duty can vary because several states have amended their own stamping provisions.