20 True or False

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

Question 1

BCSBI was established in 2006 under the aegis of the Reserve Bank of India.

TRUE

RBI set up BCSBI in 2006 to promote fair banking codes and standards.

Question 2

Membership in BCSBI was compulsory for all banks operating in India.

FALSE

BCSBI membership was voluntary, not compulsory.

Question 3

BCSBI operated as a registered, autonomous society rather than a government department.

TRUE

BCSBI was an independent body registered as a society.

Question 4

BCSBI continues to function today exactly as it did when it was first set up in 2006.

FALSE

BCSBI has since been wound up, with its role subsumed into RBI's wider customer-protection framework.

Question 5

The Code of Bank's Commitment to Customers covers foreign exchange services offered by banks.

TRUE

Deposits, remittances, and forex services fall within the Code's coverage.

Question 6

Merchant banking is covered under the Code of Bank's Commitment to Customers.

FALSE

Merchant banking is explicitly excluded from the Code's coverage.

Question 7

A bank must give advance notice before a revised fee or charge takes effect.

TRUE

Fee revisions apply prospectively after customers receive advance notice.

Question 8

Banks can revise account charges retrospectively without any prior notice to customers.

FALSE

Charges under the Code always take effect prospectively, never retrospectively.

Question 9

A small account can be opened by a customer who lacks standard KYC documents, subject to conditions.

TRUE

RBI's small-account provision is a KYC-relaxation route for financial inclusion.

Question 10

There is no limit on the balance or annual credits permitted in a small account.

FALSE

Small accounts carry a cap on both the balance at any time and total annual credits.

Question 11

DICGC insures deposits held with banks in India up to a specified limit.

TRUE

The Deposit Insurance and Credit Guarantee Corporation provides deposit insurance cover.

Question 12

The Depositor Education and Awareness Fund is used to distribute unclaimed deposits to bank shareholders.

FALSE

DEAF holds unclaimed deposits transferred after 10 years for depositor education and awareness, not shareholder distribution.

Question 13

An Either/Survivor joint account does not permit registration of two nominees.

TRUE

Two-nominee provisions apply only to specific joint-account constructs, not simple Either/Survivor accounts.

Question 14

A succession certificate is always mandatory even when a valid nomination exists on the account.

FALSE

Where a valid nomination or survivorship clause exists, banks need not insist on a succession certificate.

Question 15

Section 31 of the Negotiable Instruments Act requires a bank to honour a customer's cheque when funds and conditions permit.

TRUE

Section 31 imposes this statutory duty on the paying banker.

Question 16

A fixed or certain date of payment is a compulsory feature of every negotiable instrument.

FALSE

Instruments payable on demand need not carry a fixed date, so this is not an essential feature.

Question 17

Micro-ATM biometric authentication is verified against the UIDAI database.

TRUE

UIDAI performs biometric matching to authenticate Aadhaar-enabled micro-ATM transactions.

Question 18

Face-to-face interaction counts as a standard two-factor authentication check in digital banking.

FALSE

Digital checks rely on mechanisms like OTP and encryption, not face-to-face interaction.

Question 19

Appointing an Internal Ombudsman helps reduce the number of complaints escalating to the Banking Ombudsman.

TRUE

Internal Ombudsman review resolves eligible complaints before they reach the Banking Ombudsman.

Question 20

An account is generally classified as an NPA when interest or principal is overdue for 90 days or more.

TRUE

The 90-day overdue norm is the standard trigger for NPA classification.