

(6 pages)

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B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2021.

Third Semester

Commerce – Main

BANKING

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Which of the following types of crossing act as a caution to the holder and the collecting banker in the case of a negotiable instrument?
 - (a) special crossing
 - (b) general crossing
 - (c) account payee crossing
 - (d) non-negotiable crossing

2. A type of an endorsement that negates the liability of the endorser is called
- (a) conditional endorsement
 - (b) special endorsement
 - (c) blank endorsement
 - (d) general endorsement
3. The functions of the agricultural credit department and the rural planning and credit cell have been taken over by the _____.
- (a) IDBI
 - (b) NABARD
 - (c) EXIM
 - (d) Land Development Bank
4. For ancient times, _____ bankers lend money, act as money changer and finance internal trade by means of internal bill of exchange.
- (a) commercial (b) co-operative
 - (c) indigenous (d) development
5. The best suited deposit for a trading community is
- (a) Recurring deposit
 - (b) Fixed deposits
 - (c) Savings deposit
 - (d) Current deposit

6. _____ is the right of a creditor to retain the properties belonging to the debtor until the debt due to him is repaid.
- (a) Pledge (b) Lien
(c) Mortgage (d) Assignment
7. The acronym ATM stands for
- (a) Any Time Money
(b) Any Time Machine
(c) Automated Teller Machine
(d) All the above
8. Electronic fund transfer system allows for instantaneous transfer of funds
- (a) Between and among shops
(b) Between and among buyers
(c) Between and among e-shoppers
(d) Between and among banks
9. Which of the following enactments does not govern the working of RBI?
- (a) The Indian Contract Act of 1872
(b) The FEMA of 1999
(c) The Banking Regulations Act of 1949
(d) The RBI Act of 1934

10. The department of the RBI that is vested with the responsibility of printing and issuing currency notes and coins :
- (a) The department of banking operations
 - (b) The department of currency management
 - (c) Urban bank department
 - (d) The department of banking supervision

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Distinguish between bill of exchange and promissory note.

Or

- (b) Explain the banker's statutory obligations to honour cheques.

12. (a) What are the functions of NABARD?

Or

- (b) How are co-operative banks different from commercial banks?

13. (a) What are the different forms of banker's advances?

Or

- (b) Discuss the different forms of mortgages.

14. (a) What are the features of mobile banking? Explain.

Or

- (b) Write a note on the security aspects of smart cards.

15. (a) State the types of selective credit control.

Or

- (b) Explain the objects, constitution and working of the RBI.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Elaborate the functions rendered by modern commercial banking.

Or

- (b) Examine the effect of endorsement with regard to the nature of endorsement done by the endorser.

17. (a) Describe the relationship between the bankers and the customer.

Or

- (b) What are the fundamental principles of co-operation? State the structure of co-operative banking in India.

18. (a) What are the factors influencing bank lending?

Or

- (b) Discuss the formalities which a banker has to observe before opening a new account.

19. (a) What are the benefits accruing from EFT system? Describe the steps involved in EFT system.

Or

- (b) Discuss the major issues governing internal banking in India. Explain in detail.

20. (a) Discuss the main functions of RBI.

Or

- (b) What are the several kinds of weapons of credit control at the disposal of a RBI?