

I. CHOOSE THE BEST ANSWER:

1. Which bank is not a Industrial Bank?

- (a) ICICI (b) HSBC (c) SIDBI (d) IDBI

2. The Local Area Banks are promoting.

- (a) Rural Savings (b) Business Savings
(c) Industrial development (d) Agricultural development

3. Foreign banks are begun their operation since

- (a) 1978 (b) 1979 (c) 1980 (d) 1981

II. VERY SHORT ANSWER QUESTIONS

1. Give the meaning of Commercial Banks

Banks which accept deposits from the public and grant loans to traders, individuals, agriculture, industries, transport, etc. in order to earn profit.

2. What do you mean by Industrial Banks?

Huge finance required for investment, expansion and modernization of big industries and others are granted by a separate type of banks called development Banks.

3. Briefly explain about Correspondent Banks?

- ➔ It is a retail agents engaged by banks for providing banking services at low cost in locations other than a bank branch/ATM.
- ➔ They are not separate banks recognized by the RBI.

4. What are Foreign Banks?

Banks which have registered office in a foreign country and branches in India are called foreign banks.

III. SHORT ANSWER QUESTIONS:

1. Write a short note on Local Area Banks, Give two examples.

- ➔ Local Area Bank scheme was introduced by the RBI in August 1996.

- Its established in rural and semi-urban areas.
- Each bank serves two or three adjoining districts only.
- ✱ *Examples:* Coastal Local Area Bank, Vijayawada, Andhra Pradesh.
Subhadra Local Area Bank Limited, Kolhapur, Maharashtra.

2. What are the objectives involved in Regional Rural Banks?

- ✱ The RRBs were formed under the Regional Rural Bank Act 1976, jointly by the Central Government, State Government, and a sponsor bank.
- ✱ Their objective is to develop rural economy.
- ✱ As on 31.3.2016, there were 56 RRBs in India with 14,494 branches.
- *Examples:* Pallavan Grama Bank – Salem, Tamil Nadu.
Pandiyar Grama Bank – Thirumangalam, Madurai

3. Mention the purposes of Agricultural and Co-operative banks

- ✧ All cooperative banks in Tamil Nadu are registered under Tamil Nadu Cooperative Societies Act 1983.
- ✧ They are controlled by both RBI and the State Government.
- ✧ Their objective is providing service to rural and agricultural development.

IV. LONG ANSWER QUESTIONS

1. Explain the various types of banks based on organization with examples?

i). Commercial Banks

- ✧ Banks which accept deposits from the public and grant loans to traders, individuals, agriculture, industries, transport, etc. in order to earn profit.

Examples:

- ➔ State Bank of India
- ➔ Karur Vysa Bank

ii). Development Banks

- ✧ Huge finance required for investment, expansion and modernization of big industries and others are granted by a separate type of banks called development Banks.
- ✧ They are also called industrial banks.

Examples:

- ➔ Industrial Finance Corporation of India – IFCI

→ Small Industries Development Bank of India –SIDBI

iii). Cooperative Banks

- ❁ Cooperative banks in India are either urban based or rural based.
- ❁ All cooperative banks in Tamil Nadu are registered under Tamil Nadu Cooperative Societies Act 1983.

Examples:

- Madurai District Central Cooperative Bank Ltd.
- Batlagundu Cooperative Urban Bank Ltd. Dindigul District

iv). Foreign Banks

- ❁ Banks which have registered office in a foreign country and branches in India are called foreign banks.
- ❁ In 2017, there were 42 Foreign Banks in India and all of them were scheduled banks.

Examples:

- Bank of America – The USA
- Barclays Bank – The UK

v). Regional Rural Banks – RRBs

- ❁ The RRBs were formed under the Regional Rural Bank Act 1976, jointly by the Central Government, State Government, and a sponsor bank.
- ❁ They are established as low cost institutions in rural areas. As on 31.3.2016, there were 56 RRBs in India with 14,494 branches.

Examples:

- Pallavan Grama Bank, Salem, Tamil Nadu
- Pandian Grama Bank, Thirumangalam, Madurai District, Tamil Nadu

2. Explain the types of banks based on ownership pattern.

- ❁ Any bank in which not less than 51 percent of shares are owned by the Government are called Government banks or public sector commercial banks.
- ❁ All of them are joint stock company type banks.

Examples:

IFCI, SIDBI, EXIM Bank, etc.

- All banking companies owned by private people are called private sector commercial banks.
- All cooperative banks are owned by its members from the public.
- This is called nationalization of banks. 6 more banks were nationalized in 1980.
- Today there only 19 nationalized banks (2017).

Examples:

i). Nationalized Banks:

Indian bank, Indian Overseas Bank, Oriental Bank of Commerce.

ii). Public Sector Banks:

State Bank of India, IDBI Bank Ltd. And all nationalized banks

iii). Private Sector Banks:

Lakshmi Vila Bank, Karur Vysya Bank, Kotak Mahindra bank.

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