

Total No. of Questions: 6

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Enrollment No.....



Faculty of Management Studies

End Sem (Odd) Examination Dec-2019

MS3EF03 Basics of Commercial Banking

Programme: BBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. The share of State Govt in the capital of Regional Rural Bank is – **1**
(a) 50% (b) 35%
(c) 25% (d) 15%
- ii. Which bank was baptised as the State Bank of India? **1**
(a) New Bank of India (b) Imperial Bank of India
(c) Indian Bank (d) United Bank of India
- iii. Which type of deposits gives highest rate of interest? **1**
(a) Current deposit (b) Fixed deposit
(c) Recurring deposit (d) None of these
- iv. Which bank is called lender of last resort? **1**
(a) Commercial bank (b) Agricultural bank
(c) Industrial bank (d) Central bank
- v. KYC Policy does not consist of: **1**
(a) Customer Acceptance Policy
(b) Customer Identification Procedures
(c) Monitoring of Transactions
(d) Retention Management
- vi. Money Laundering means – **1**
(a) Conversion of illegal money into legitimate money
(b) Conversion of cash into gold to make them legitimate
(c) Conversion of assets into cash to make them legitimate
(d) Conversion of assets to invest in Laundromat

P.T.O.

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- vii. _____ credit refers to a series of electronic payment instructions that are generated to replace proper instruments **1**
 (a) Electronic Payment System
 (b) Electronic Clearing Service
 (c) Electronic Data Interchange
 (d) None of these
- viii. The maximum amount that can be remitted through RTGS is _____ **1**
 (a) Rs 1 crore (b) Rs 50 lacs (c) Rs 2 lacs (d) No upper ceiling
- ix. Which of the following statements is/are true about Green Banking? **1**
 (a) It stresses on environmentally friendly practices
 (b) It aims at reducing carbon footprint from banking activities.
 (c) It promotes deployment of clean energy technologies
 (d) All of these
- x. When financial institutions and banks undertake activities related to banking like investment, issue of debit and credit card etc then it is known as _____. **1**
 (a) Internet banking (b) Universal banking
 (c) Virtual Banking (d) Wholesale banking

- Q.2 i. Write in brief how banking evolved in India? **3**
 ii. Explain the features of Scheduled and Non-scheduled banks in detail. **7**
- OR iii. Write a note on: **7**
 (a) Public Sector Banks (b) Regional Rural Banks
- Q.3 i. Explain, how accepting and lending money is important for banks? **4**
 ii. What are different types of lending facilities available through Banking. **6**
- OR iii. Write a note on: **6**
 (a) Loan Syndication (b) Project Finance
- Q.4 i. Write in brief the steps to be followed to close an account. **2**
 ii. What precautions should be taken by a bank while opening an account of: **8**
 (a) Minor (b) Married women

(c) Illiterate Person (d) HUF
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- OR iii. Describe in detail the KYC norms of RBI. **8**
- Q.5 i. Write the benefits of using technology in banking. **4**
 ii. Explain in detail any three types of technology available in banking. **6**
- OR iii. Write a note on: **6**
 (a) RTGS (b) Digital Cash
- Q.6 Attempt any two:
 i. Write benefits and problem of merger & acquisition in banking industry. **5**
 ii. Explain the concept of Green banking & Shadow banking. **5**
 iii. Write a note on: **5**
 (a) Corporate Governance in banks
 (b) Universal Banking.

Marking Scheme
MS3EF03 Basics of Commercial Banking

Q.1	i.	The share of State Govt in the capital of Regional Rural Bank is – (d) 15%	1
	ii.	Which bank was baptised as the State Bank of India? (b) Imperial Bank of India	1
	iii.	Which type of deposits gives highest rate of interest? (b) Fixed deposit	1
	iv.	Which bank is called lender of last resort? (d) Central bank	1
	v.	KYC Policy does not consist of: (d) Retention Management	1
	vi.	Money Laundering means – (a) Conversion of illegal money into legitimate money	1
	vii.	_____ credit refers to a series of electronic payment instructions that are generated to replace proper instruments (b) Electronic Clearing Service	1
	viii.	The maximum amount that can be remitted through RTGS is ____ (d) No upper ceiling	1
	ix.	Which of the following statements is/are true about Green Banking? (d) All of these	1
	x.	When financial institutions and banks undertake activities related to banking like investment, issue of debit and credit card etc then it is known as _____. (b) Universal banking	1

Q.2	i.	6 Point explanation	(0.5 mark*6)	3
	ii.	Point wise explanation of each	(3.5 mark*2)	7
OR	iii.	Write a note on: (a) Public Sector Banks(Point wise explanation) (b) Regional Rural Banks(Point wise explanation)	(3.5 marks) (3.5 marks)	7
Q.3	i.	Accepting and lending money is important for banks	(0.5 mark*8)	4

	ii.	(2 mark for each explanation with example)	(2 marks*3)	6
OR	iii.	Write a note on: (a) Loan Syndication (3 marks for point wise explanation with example of each) (b) Project Finance (3 marks for point wise explanation with example of each)	3 marks 3 marks	6
Q.4	i.	Steps-2 Points each carry 1 mark	(1 mark*2)	2
	ii.	Precautions	(2 marks*4)	8
OR	iii.	4 Point with explanation	(2 marks*4)	8
Q.5	i.	Benefits- 4 Point wise explanation with example	(1 mark*4)	4
	ii.	Types of technology (Each point wise explanation with example).	(2 marks*3)	6
OR	iii.	Write a note on: (a) RTGS – with example (b) Digital Cash-with example	3 marks 3 marks	6
Q.6		Attempt any two: i. Benefits and problem (5 Point explanation). ii. Concept of Green banking & Shadow banking with example	(1 mark*5) (2.5 marks*2)	5 5
	iii.	Write a note on: (a) Corporate Governance in banks (Point wise explanation) (b) Universal Banking(Point wise explanation)	2.5 marks 2.5 marks	5
