



2018 VI 13

0930

Seat No. :

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Time : 2½ Hours

**BANKING**  
**(New Pattern)**

**Subject Code**

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**Total No. of Questions : 22**

**(Printed Pages : 4)**

**Maximum Marks : 55**

- INSTRUCTIONS:** 1) *The question paper consists of 22 questions.*  
2) *Marks for **each** question are indicated against it.*  
3) *Answer **each** "Part" on a fresh page.*  
4) ***All** questions are **compulsory**.*  
5) *Part – **A** are very short answer type questions.*  
*Part – **B** questions should be answered in about **30** words **each**.*  
*Part – **C** questions should be answered in about **60** words **each**.*  
*Part – **D** questions should be answered in about **100** words **each**.*

**PART – A**

1. What is the maximum CRR that can be prescribed by the RBI for Indian Banking Companies ? [1]
2. Name the body holding the apex position in the Banking System of our country. [1]
3. Ms. Shalini Vyas has placed her valuables in a locker rented at the Canara Bank – Margao. Identify the relationship between the customer and the banker in this case. [1]
4. Mr. Aman has appointed his Banker through a Will, to manage his assets and properties after his death. What is the legal position of the Banker in the above mentioned situation ? [1]



5. A customer has offered a Fixed Deposit Receipt as a security against a loan. As a Banker, which is the most favourable method that you would choose to create a charge over such a security. [1]

#### PART – B

6. Draft a neat proforma of 'Profit and Loss Account' of a Banking Company as required under the Banking Regulation Act, 1949. [2]
7. How is a transferable letter of credit different from a Back-to-Back Letter of Credit ? [2]
8. A banker can exercise his Right of General Lien only when certain conditions are satisfied. Bring out any 4 of such conditions. [2]
9. 'A Banker is commonly termed as a Dignified Borrower'. Comment. [2]
10. 'The eligibility of a borrower for a bank advance depends upon certain factors. Describe any 2 such factors. [2]
11. The owner of Jolly Travels has approached your bank to finance the purchase of a mini bus. As a branch manager, what precautions will you take while disbursing the loan ? [2]

#### PART – C

12. Explain the following schedules as appearing in the Balance Sheet of a Banking Company :
- a) Fixed Assets
  - b) Deposits
  - c) Borrowings. [3]
13. Every Bank in India needs to file timely 'Returns' to the Reserve Bank of India. With reference to this statement explain any 3 returns. [3]



14. 'The ECGC plays an important role in the Field of Export Promotion and Export Finance in India'. Explain. [3]
15. 'Plastic Money dominates todays commercial transactions'. Justify this statement by highlighting any 6 points. [3]
16. 'A banker needs to keep sufficient margin while advancing loans against tangible securities. In this regard, explain the various factors that determine the margin for advances'. [3]
17. Dr. Prakash Lambhor, a Dental Surgeon, has approached your Bank to avail a loan of Rupees Seven Lakhs to set up his own clinic. As a banker, what criteria would you adopt before financing his project ? [3]

#### PART – D

18. Discuss the provisions of Banking Regulation Act, 1949 under the following heads :
- a) Licensing of Banking Companies.
  - b) Inspection of Banks. [4]
19. Differentiate between Foreign Trade and Domestic Trade on the following basis :
- a) Meaning.
  - b) Currency used.
  - c) Complexity of Business Conducted.
  - d) Mobility of factors of Production. [4]
20. 'An important function of the Negotiating Banker is to critically study the documents drawn under the letter of credit arrangement. In this context, what aspects does the banker consider in order to ascertain the correctness of the following documents :
- a) Bill of Lading.
  - b) Bill of Exchange.
  - c) Marine Insurance Policy.
  - d) Commercial Invoice. [4]



21. A Banker's obligation to honour cheques drawn by his customer is subject to certain conditions. Discuss any 4 such conditions. [4]

22. Mr. Rajat Das, has approached your bank for a loan of Rs. 5 lakhs and is willing to provide the following securities :

a) Shares of a private company.

b) Debentures.

As a Branch Manager, which securities would you accept and why ? [4]

OR

Discuss the suitability of the following types of securities as a cover for granting bank advances :

a) Life Insurance Policies

b) Goods. [4]

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