

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2023
(First Semester)

Branch – BANKING, STOCK AND INSURANCE

FUNDAMENTALS OF BANKING

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

- 1 In India the _____ major banks were nationalized To speed up the tempo of economic development.
(i) 10 (ii) 20
(iii) 19 (iv) 18
- 2 The most undesirable customer is _____.
(i) A Minor (ii) A married women
(iii) An unregistered firm (iv) An undischarged bankrupt
- 3 The most important principle of a sound lending is _____.
(i) Safety (ii) Profitability
(iii) Security (iv) All the above
- 4 The term _____ denotes the person to whom the amount of the cheque is payable. A. B. C. D.
(i) Drawee (ii) Drawer
(iii) Payee (iv) Payer
- 5 The RBI is the banker to the government when it _____. A. B. C. D. All the above.
(i) Control the credit (ii) Advise the government
(iii) Issue loan (iv) Control the debit

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a Define Banking.
OR
b Who is an indigenous banker?
- 7 a Brief out the relationship between banker and customer.
OR
b Drunkard as a special type of customer. How?
- 8 a What is meant by secured advances?
OR
b What are the forms of advances?
- 9 a What are the types of negotiable instruments?
OR
b Write any two differences between promissory note and bill of exchange.
- 10 a Say the relationship between Qualitative and Quantitative control.
OR
b Write short notes on Reverse Repo rate and Bank rate.

Cont...

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks

(3 x 10 = 30)

- 11 Explain the origin of Banking.
- 12 Describe the types of deposits.
- 13 Explain about stock exchange securities.
- 14 Explain the characteristics of Negotiable Instruments and payment system.
- 15 Elaborate the organizational setup of RBI.

Z-Z-Z

END