

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)  
**BVoc DEGREE EXAMINATION DECEMBER 2023**  
(First Semester)

Branch – **BANKING, STOCK & INSURANCE**

**FUNDAMENTALS OF BANKING**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**  
Answer **ALL** questions  
**ALL** questions carry **EQUAL** marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Banking system in India can be categorized as _____ a. Unit Banking                      b. Branch Banking c. Mixed Banking                      d. Group Banking	K1	CO1
	2	The first bank in India to be given an ISO certificate a. Canara Bank                      b. SBI c. Central Bank of India              d. Indian Bank	K2	CO1
2	3	The primary relationship between banker and customer is a ---- ----- relationship a. Mutual                                  b. Contractual c. Personal                                d. None of the above	K1	CO2
	4	Which type of account holder has the permission to overdraw the amount from his/her account? a. Savings account                      b. Current account c. Fixed deposit account              d. Recurring deposit account	K2	CO2
3	5	Which of the following is a borrowing facility/loan advance? a. Term finance b. Performance guarantee c. Bill received under letter of credit d. All the above	K1	CO3
	6	A charge where there is neither the transfer of ownership nor the possession is called _____? a. Hypothecation                      b. Lien c. Pledge                                  d. Mortgage	K2	CO3
4	7	A Collecting banker is given the statutory protection only when he acts as _____? a. A Banker                              b. A holder for value c. A holder in due course              d. An agent	K1	CO4
	8	Drawing of two parallel transverse lines on the face of the cheque is called a. Special crossing                      b. General Crossing c. Upper Crossing                      d. Lower Crossing	K2	CO4
5	9	A Banking Company whose license is cancelled may appeal to the _____? a. High Court                              b. Supreme Court c. RBI                                        d. Central government	K1	CO5
	10	Who Controls Credit in India? a. Government of India                      b. RBI c. SBI                                        d. Indian bank	K2	CO5

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**SECTION - B (35 Marks)**Answer **ALL** questions**ALL** questions carry **EQUAL** Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Sketch a brief account of the Indigenous bank.	K2	CO1
	(OR)			
	11.b.	Explain about the small and payment banks.		
2	12.a.	Analyze the various steps involved in the opening of account with a banker.	K2	CO2
	(OR)			
	12.b.	Write about a detailed note on KYC guidelines.		
3	13.a.	Explain the main difference between pledge and hypothecation.	K2	CO3
	(OR)			
	13.b.	What is Banker's lien? When can a banker exercise his lien?		
4	14.a.	Enumerate the different kinds of endorsement.	K3	CO4
	(OR)			
	14.b.	State the effect of Special crossing.		
5	15.a.	Point out the importance of Repo rate and Reverse Repo rate.	K3	CO5
	(OR)			
	15.b.	What are the Functions of Reserve of Bank of India?		

**SECTION -C (30 Marks)**Answer **ANY THREE** questions**ALL** questions carry **EQUAL** Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Elaborate in detail the growth and development of Banking in India.	K3	CO1
2	17	Describe the special types of customers.	K3	CO2
3	18	What precautions should a banker take while lending against documents of title of goods?	K3	CO3
4	19	Discuss the statutory protection available to a collecting banker.	K3	CO4
5	20	What are the instruments of credit control used by the RBI? How far they are effective?	K3	CO5

Z-Z-Z

END