

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2024  
(First Semester)

Branch – COMMERCE (BANKING & 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            | What is the primary function of a bank?<br>a) Issuing currency                      b) Accepting deposits<br>c) Providing insurance                  d) Offering investment advice                                                                              | K1      | CO1 |
|            | 2            | Outline the following is a feature of payment banks.<br>a) They can issue credit cards.              b) They can provide loans.<br>c) They cannot accept deposits over a certain limit<br>d) They can invest in mutual funds.                                   | K2      | CO1 |
| 2          | 3            | What is the relationship between a banker and a customer primarily governed by?<br>a) Trust and legal agreements              b) Friendship<br>c) Informal understanding                  d) family members                                                     | K1      | CO2 |
|            | 4            | Classify the main advantage of a fixed deposit.<br>a) Flexibility in withdrawal<br>b) Higher interest rates compared to savings accounts<br>c) Instant access to funds      d) No minimum deposit requirement                                                   | K2      | CO2 |
| 3          | 5            | What is 'stock market liquidity'?<br>a) The ability to convert assets into cash quickly<br>b) The number of stocks available<br>c) The volatility of stock prices<br>d) The amount of stock held by investors                                                   | K1      | CO3 |
|            | 6            | Explain the term of 'foreclosure'<br>a) A type of loan default<br>b) The process by which a lender takes possession of a property<br>c) A method of loan repayment<br>d) A refinancing option                                                                   | K2      | CO3 |
| 4          | 7            | What is a "stale cheque"?<br>a) A cheque that has been altered<br>b) A cheque that is older than six months<br>c) A cheque that cannot be endorsed<br>d) A cheque issued in a foreign currency                                                                  | K1      | CO4 |
|            | 8            | Show the following best describes a crossed cheque.<br>a) A cheque that cannot be transferred<br>b) A cheque that must be presented at the bank for payment<br>c) A cheque with two parallel lines on the top left<br>d) A cheque that is void after six months | K2      | CO4 |
| 5          | 9            | What is one of the key tools for controlling inflation?<br>a) Increasing taxes                      b) Changing the CRR and SLR<br>c) Providing subsidies                  d) Encouraging exports                                                               | K1      | CO5 |
|            | 10           | Classify the term of 'repo rate'<br>a) The rate at which banks lend to customers<br>b) The rate at which the RBI lends to commercial banks<br>c) The rate on fixed deposits<br>d) The rate of inflation                                                         | K2      | CO5 |

Cont...

**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.        | Identify the importance of modern banking.                       | K3      | CO1 |
|            |              | (OR)                                                             |         |     |
|            | 11.b.        | Choose the features of payment banks.                            |         |     |
| 2          | 12.a.        | Select the relationship between banker and customer.             | K3      | CO2 |
|            |              | (OR)                                                             |         |     |
|            | 12.b.        | Select any two new deposits savings scheme introduced by banks.  |         |     |
| 3          | 13.a.        | Classify the features of pledge.                                 | k4      | CO3 |
|            |              | (OR)                                                             |         |     |
|            | 13.b.        | Categorize the differences of pledge mortgage.                   |         |     |
| 4          | 14.a.        | List out the various forms of crossing a cheque.                 | k4      | CO4 |
|            |              | (OR)                                                             |         |     |
|            | 14.b.        | Examine in detail the various negotiable instruments in banking. |         |     |
| 5          | 15.a.        | Explain the types of credit control measures.                    | K5      | CO5 |
|            |              | (OR)                                                             |         |     |
|            | 15.b.        | Criticize the powers of the RBI.                                 |         |     |

**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           | Identify the origin and development banking in India.                      | K3      | CO1 |
| 2          | 17           | Analyse the precautions to be taken by a banker before opening an account. | k4      | CO2 |
| 3          | 18           | Categorizes the various types of securities in loan.                       | k4      | CO3 |
| 4          | 19           | Determine the responsibilities of a collecting banker.                     | K5      | CO4 |
| 5          | 20           | Elaborate briefly the functions of RBI.                                    | K6      | CO5 |

Z-Z-Z

END

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BCom DEGREE EXAMINATION DECEMBER 2024  
(Fifth Semester)

Branch – COMMERCE (BANKING & INSURANCE)

**BANK MANAGEMENT**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

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

- 1 Which of the following is the main function of a commercial bank?
  - (i) Accepting deposits and providing loans
  - (ii) Manufacturing products
  - (iii) Providing agricultural subsidies
  - (iv) Creating insurance policies
- 2 Where is a drop box facility most commonly used?
  - (i) For submitting loan applications
  - (ii) For paying utility bills and loan EM
  - (iii) For depositing gold and valuables
  - (iv) For investing in mutual funds
- 3 Which of the following is the primary focus of a bank's grievance redressal policy?
  - (i) Maximizing profits
  - (ii) Advertising bank services
  - (iii) Ensuring customer satisfaction
  - (iv) Increasing loan approvals
- 4 Who conducts inspections to oversee the stability and regulatory compliance of banks in India?
  - (i) Ministry of Finance
  - (ii) World Bank
  - (iii) Securities & Exchange Board of India
  - (iv) Reserve Bank of India (RBI)
- 5 What is the main purpose of training in banks?
  - (i) To increase employee benefits
  - (ii) To improve employee performance & skills
  - (iii) To reduce bank loan interest rates
  - (iv) To advertise new bank services

**SECTION - B (15 Marks)**

Answer ALL Questions

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

- 6 a Analyze the factors that banks consider when deciding on shifting or relocating a branch.

OR

b Explain how core banking solutions (CBS) have impacted customer experiences in banking.

Cont...

- 7 a Describe the steps involved in using a safe deposit locker facility in bank.  
OR  
b Examine the impact of the cheque truncation system (CTS) on cheque fraud reduction.
- 8 a Explain the difference between a satisfied customer and a delighted customer.  
OR  
b How can ISO certification help improve customer service quality in an organization?
- 9 a Explain the CAMELS framework and its significance in banking audits.  
OR  
b What are the common types of fraud in banks, and how can they impact the banking system?
- 10 a Describe the importance of training in banks.  
OR  
b Explain the role of HRM in the banking sector.

**SECTION -C (30 Marks)**Answer any **Three** questions**ALL** questions carry **EQUAL** Marks (3 x 10 = 30)

- 11 Examine in detail banking structure in India.
- 12 Analyze the significance of letters of credit for exporters and importers in global trade.
- 13 Describe the role of a bank's grievance redressal policy in managing customer dissatisfaction.
- 14 Analyze the objectives of bank audits and discuss how they contribute to financial stability and transparency.
- 15 Briefly outline the purpose of performance appraisal in banks and its role in employee development.

Z-Z-Z

END

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**BCom DEGREE EXAMINATION DECEMBER 2024**  
(Fifth Semester)

Branch – **COMMERCE (BANKING & INSURANCE)**

**MAJOR ELECTIVE COURSE – I: DEVELOPMENT BANKING**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks

(5 x 1 = 5)

- 1 Which of the following is a characteristic feature of rural societies?
  - (i) High urbanization
  - (ii) Predominantly agrarian economy
  - (iii) Advanced technological infrastructure
  - (iv) Highly industrialized sectors
- 2 What is the primary purpose of Rural Financial Institutions (RFIs)?
  - (i) To provide financial services to rural areas
  - (ii) To manage urban credit
  - (iii) To invest in foreign markets
  - (iv) To regulate stock exchanges
- 3 When were Regional Rural Banks (RRBs) established in India?
 

|            |           |
|------------|-----------|
| (i) 1955   | (ii) 1969 |
| (iii) 1975 | (iv) 1985 |
- 4 Who acts as intermediaries between banks and rural customers to facilitate financial inclusion?
  - (i) Venture capitalists
  - (ii) Stockbrokers
  - (iii) Business facilitators & business correspondents
  - (iv) Government officials
- 5 When was the Lead Bank Scheme introduced in India?
 

|            |           |
|------------|-----------|
| (i) 1969   | (ii) 1975 |
| (iii) 1980 | (iv) 1991 |

**SECTION - B (15 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks

(5 x 3 = 15)

- 6 a. Describe the key characteristics of rural societies.  
OR  
b. Explain the significance of institutional credit for rural development.
- 7 a. Describe the organizational setup of NABARD.  
OR  
b. Bring out the functions of the District Consultative Committee (DCC).
- 8 a. Analyze the role of commercial banks in supporting rural banking.  
OR  
b. Outline the impact of technology on rural banking services.

**Cont...**

- 9 a. Explain the role of cooperative credit societies in promoting financial inclusion.  
OR  
b. Analyze the role of financial inclusion in rural banking.
- 10 a. Explain the role of the Lead Bank in the Lead Bank Scheme.  
OR  
b. Outline the purpose of the Service Area Approach (SAA) in rural credit planning.

**SECTION -C (30 Marks)**

Answer any **Three** questions

**ALL** questions carry **EQUAL** Marks (3 x 10 = 30)

- 11 Enumerate the effectiveness of government policies and programs aimed at reducing rural poverty.
- 12 Outline the role of the Block Level Bankers Committee (BLBC) and its importance for rural banking.
- 13 Examine the impact of the Kisan Credit Card (KCC) scheme on rural farmers and agriculture.
- 14 Highlights the effectiveness of business facilitators and business correspondents in achieving financial inclusion.
- 15 Explain the objectives of SIDBI and evaluate its role in the growth of small-scale industries in India.

Z-Z-Z

END