

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BVoc DEGREE EXAMINATION DECEMBER 2022  
(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 The commercial banks are \_\_\_\_\_ for generation of savings of the community.  
(i) Agency (ii) Bailor  
(iii) Chit funds (iv) Trader
- 2 The banker has a statutory obligation to  
(i) Honour customer's cheques  
(ii) Exercise lieu  
(iii) Maintain secrecy of his customer accounts  
(iv) Honour customer's bills 3
- 3 Businessman prefers \_\_\_\_\_.  
(i) Loan (ii) Over draft  
(iii) Cash credit (iv) Deposit
- 4 \_\_\_\_\_ is a dead cheque.  
(i) Stale (ii) Stake  
(iii) Stack (iv) Theft
- 5 RBI is the \_\_\_\_\_ to the government.  
(i) Banker (ii) Trader  
(iii) Linker (iv) None

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a State any two difference between RBI and commercial bank.  
OR  
b Explain out two functions of Banks.
- 7 a Define the terms 'banker' and 'customer'.  
OR  
b Explain the meaning of minors and lunatic.
- 8 a State any two principles of sound lending.  
OR  
b Explain about unsecured advances.
- 9 a Show the features of negotiable instrument.  
OR  
b State any two differences between bill of exchange and cheque.

Cont...

10 a State any 3 RBI's credit control measures.

OR

b Explain about CRR and SLR.

**SECTION -C (30 Marks)**

Answer any **Three** questions

**ALL** questions carry **EQUAL** Marks

(3 x 10 = 30)

- 11 Elucidate the role and functions of Banks.
- 12 Classify the types of customers of a bank.
- 13 Discuss the principles of sound lending.
- 14 Enumerate the rights and duties of a collecting banker.
- 15 Summarise the functions of RBI.

Z-Z-Z

END