

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2022
(First Semester)

Branch – COMMERCE (BANKING 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 a draft the drawer is ____
(i) Customer (ii) Government
(iii) Banker (iv) Business
- 2 Primary deposit of a commercial bank consists of ____
(i) Cash (ii) Loan
(iii) Overdraft (iv) Credit card
- 3 A fixed deposit receipt is ____
(i) Transferable (ii) Non – Transferable
(iii) Cash (iv) Pledge
- 4 Loans granted against the security of immovable property is called ____
(i) Mortgage (ii) Collateral
(iii) Bad debt (iv) Assignment
- 5 Rate of interest is increased by RBI at times of ____
(i) Lower inflation (ii) Higher inflation
(iii) From the pressure of commercial banks (iv) All of the above

SECTION - B (15 Marks)

Answer ALL Questions

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

- 6 a Give an account of Evolution of banking.
OR
b Explain the functions of money.
- 7 a State the main features of current account.
OR
b State the authority of a banking Ombudsman.
- 8 a What is secured loan?
OR
b What is meant by banker's lien.
- 9 a What is meant by material alteration?
OR
b Explain the importance of crossing.
- 10 a What is meant by bank rate policy?
OR
b Explain the monetary policy of RBI.

Cont...

SECTION -C (30 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks

(5 x 6 = 30)

- 11 a Describe the functions of banks.
OR
b List down the significance of banking.
- 12 a Briefly explain the importance of banker – customer relationship in modern days.
OR
b Analysis the different types of deposits.
- 13 a What are the different types of Mortgages?
OR
b Describe the general precautions to be taken by a banker before granting loans and advances.
- 14 a What is meant by dishonor of cheque? What are the circumstances in which it is allowed?
OR
b Explain the various types of endorsement and point out its significance.
- 15 a Explain the method of credit control by RBI.
OR
b Describe the objects, constitution and working of the RBI.

Z-Z-Z

END