

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2023
(Fifth Semester)

Branch – COMMERCE (ACCOUNTING & FINANCE)

BANKING AND FINANCIAL INSTITUTIONS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. In executing the standing instructions, there exists a relationship of _____.
(i) debtors and creditors (ii) trustee and beneficiary
(iii) bailee and bailor (iv) agent and principal
2. Which scheme concentrates on compact areas in financing agricultural activities?
(i) Lead bank scheme (ii) Village adaptation scheme
(iii) Service area approach (iv) Large scale industries
3. The document which can be used only for making local payment is:
(i) A cheque (ii) A bill of exchange
(iii) A banker's cheque (iv) A draft
4. One of the following endorsements is not a valid one _____.
(i) partial endorsement (ii) restrictive endorsement
(iii) facultative endorsement (iv) conditional endorsement
5. The most important principle of sound lending is _____.
(i) security (ii) profitability
(iii) safety (iv) cash credit
6. A legal title over share is created by executing _____.
(i) negotiable (ii) Transfer deed
(iii) unquoted (iv) mortgages
7. The Reserve Bank of India started functioning from _____.
(i) 1st April, 1932 (ii) 1st April, 1933
(iii) 1st April, 1934 (iv) 1st April, 1935
8. The important delivery channel of E-banking is _____.
(i) home banking (ii) virtual banking
(iii) internet banking (iv) mobile banking
9. The main functions of NABARD are to provide _____ to cooperative banks and RRBs.
(i) refinance facilities (ii) loss assets
(iii) doubtful assets (iv) non-performing assets
10. IDBI was established on _____.
(i) 1st April, 1964 (ii) 1st May, 1964
(iii) 1st June, 1964 (iv) 1st July, 1964

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SECTION - B (35 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 7 = 35)

11. a. Bring out the banker's duty to maintain secrecy of customer's account.
(OR)
b. Describe the role of commercial banks in the economic development of a country.
12. a. State the features of a negotiable instrument.
(OR)
b. Explain the various types of endorsement.
13. a. Outline the principles of sound lending.
(OR)
b. Narrate the merits of stock exchange securities.
14. a. Develop the popular delivery channels in e-banking.
(OR)
b. Classify the functions of reserve bank of India (RBI).
15. a. State the IDBI and its types of financial assistance.
(OR)
b. Explain the lending operations of EXIM Bank.

SECTION - C (30 Marks)

Answer any THREE Questions

ALL Questions Carry EQUAL Marks (3 x 10 = 30)

16. Discuss in detail about various types of relationship between banker and customer.
17. Justify the circumstances for dishonour of cheques.
18. Infer the precautions required to be taken by a banker in case of advance against the security of goods.
19. Point out the advantages of electronic banking.
20. Enumerate various functions of NABARD.

Z-Z-Z END