

CBCS SCHEME

16/17MBAFM301

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Third Semester MBA Degree Examination, Dec.2019/Jan.2020 Principles and Practices of Banking

Time: 3 hrs.

Max. Marks:80

Note: 1. Answer any FOUR full questions from Q.No.1 to 7.
2. Q.No. 8 is compulsory.

- 1 a. Define Banking. (02 Marks)
b. Briefly explain the role of RBI. (06 Marks)
c. Explain the functions of Commercial Banks. (03 Marks)
- 2 a. Define Right of Setoff. (02 Marks)
b. Explain the KYC norms in Indian Banking scenario. (06 Marks)
c. Explain the types of relationship between Banker and Customer. (08 Marks)
- 3 a. Define right of appropriation. (02 Marks)
b. Why Nomination is essential in death claims? Describe. (06 Marks)
c. Discuss types of commercial banks in India. (08 Marks)
- 4 a. Define Negotiable Instrument. (02 Marks)
b. What is 'Dishonour of Negotiable Instrument'? How can a Negotiable Instrument be dishonoured by Non-acceptance? (06 Marks)
c. Explain the components of Balance Sheet of a commercial Banks with schedules. (08 Marks)
- 5 a. Who is paying Banker? (02 Marks)
b. Explain the purposes and objectives of ALM in Banks. (06 Marks)
c. Explain the role of ECGC. (08 Marks)
- 6 a. What is letter of credit? (02 Marks)
b. What do you mean by Forex? What are the features of Forex markets? (06 Marks)
c. Write short notes on bills of exchange, promissory note, cheque. (08 Marks)
- 7 a. Define right of lean. (02 Marks)
b. Describe the services offered in E-Banking phase and its evolution. (06 Marks)
c. Discuss the phases of Evolution of commercial Banks. (08 Marks)

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CASE STUDY (Compulsory)

The slowdown in the economy and the resultant rise in bad loans have led to criticism of public sector banks and questioning of their performance. While there is a rush to find a quick solution by merging public sector banks. It would be wise to examine the ground realities closely. India needs a mix of efficiently run public sector banks and aggressive private banks to achieve growth and development along with social justice. SBI absorbed all 5 associate banks of SBI. Like this all 21 associated nationalized banks are in the process to get consolidated with 11 nationalised banks.

- a. Is mergers and acquisitions are only the way to improve performance of public sector banks. (08 Marks)
- b. Summarize different strategies of public sector banks to compete with private sector banks. (08 Marks)

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Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.