

C.B.C.S.S. B.Com. DEGREE EXAMINATION, NOVEMBER 2009**First Semester****Core Course II—MODERN BANKING**

(Common for B.Com. Model-I, B.Com. (Vocational—Model II) and
U.G.C. Sponsored B.Com. Programmes)

Time : Three Hours

Total Weight : 25

Answers may be written either in English or in Malayalam.

Section A

*This section consists of four bunches of four questions each.
Each bunch carries a weight of 1. Answer all questions.*

I. Choose the correct answer from the choices given :

1 The banking needs of individual customers are taken care of in :

- | | |
|------------------------|--------------------|
| (a) Wholesale Banking. | (b) Unit Banking. |
| (c) Retail Banking. | (d) Mixed Banking. |

2 Banking Regulation Act was passed in :

- | | |
|-----------|-----------|
| (a) 1959. | (b) 1969. |
| (c) 1949. | (d) 1939. |

3 Clayton's rule applies to appropriation of :

- | | |
|-------------|---------------|
| (a) Income. | (b) Payments. |
| (c) Wealth. | (d) Profits. |

4 The lien available to banker is :

- | | |
|---------------|------------------|
| (a) General. | (b) Special. |
| (c) Compound. | (d) Conditional. |

II. Fill in the blanks :

- 5 RTGs stands for _____.
- 6 _____ is also known as plastic money.
- 7 _____ ensures safety of payment of cheque.
- 8 _____ is the Central Bank of India.

Turn over

III. State whether the following are "True" or "False":

- 9 Indus Ind Bank Ltd is an example of new generation bank.
- 10 A Demat Account is used in trading of shares.
- 11 NPA stands for Non-processing Accounts.
- 12 Crossing of cheque is compulsory.

IV. Answer in a word or phrase :

- 13 What is called when a cheque bears a date which is yet to come ?
- 14 Name the electronic machine which is operated by the customer to make deposits and withdrawals.
- 15 In which type of endorsement, the endorser waives himself the notice of dishonour ?
- 16 What is the time limit allowed to a customer for making complaint under Ombudsman scheme ?

(4 × 1 = 4)

Section B

V. Answer any *five* questions. Each question carries 1 weight :

- 17 What is endorsement in blank ?
- 18 What is a derivative deposit ?
- 19 What do you mean by social banking ?
- 20 What is off-shore banking ?
- 21 Explain the concept of core banking.
- 22 What is a floating rate loan ?
- 23 What is cheque truncation ?
- 24 What is differential Rate of Interest scheme ?

(5 × 1 = 5)

Section C

VI. Answer any *four* questions. Each question carries 2 weights. Answers should not exceed *half a page* each :

- 25 Can Commercial banks create credit ? Explain.
- 26 What is a credit card ? What are its merits to businessmen ?
- 27 "The debtor-creditor relationship between banker and customer has certain unique features". What are they ?
- 28 Explain the main provisions of Agricultural Debt Waiver and Debt Relief Scheme, 2008.

- 29 What are the agency and general utility services provided by Commercial banks ?
- 30 Write short notes on :
- (a) Double crossing.
 - (b) EFT system.

(4 × 2 = 8)

Section D

VII. Answer any *two* questions. Each question carries 4 weights. Answer should not exceed *four pages* :

- 31 What do you mean by crossing of cheque ? Distinguish between general crossing and special crossing.
- 32 What is nationalisation of banks ? Discuss the pros and cons of nationalisation of banks in India.
- 33 Define endorsement and explain different kinds of endorsement with suitable examples.

(2 × 4 = 8)