

**B.Com. DEGREE (CBCSS) EXAMINATION, NOVEMBER 2010****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

Maximum 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** the questions.*

I. Choose the correct answer from the choice given :

1. The biggest constraint in E-banking is :

- |                    |                       |
|--------------------|-----------------------|
| (a) Training cost. | (b) Security cost.    |
| (c) Start-up cost. | (d) Maintenance cost. |

2. Narasimham committee Report was tabled in the parliament in :

- |           |           |
|-----------|-----------|
| (a) 1983. | (b) 1989. |
| (c) 1985. | (d) 1991. |

3. The rules framed in the Clayton's case have been incorporated in :

- |                                 |                                    |
|---------------------------------|------------------------------------|
| (a) The Banking Regulation Act. | (b) Negotiable Instruments Act.    |
| (c) Indian Contract Act.        | (d) The Reserve Bank of India Act. |

4. Which of the following limits the power of credit creation by commercial banks :—

- |                         |                        |
|-------------------------|------------------------|
| (a) fiscal policy.      | (b) monetary policy.   |
| (c) business pessimism. | (d) none of the these. |

II. Fill in the blanks :

5. ——— refers to a banking transaction routed through Internet.
6. Term loan means ——— loans.
7. The Imperial Bank of India was nationalised and renamed as ———.
8. Recession is ——— cause that contributes to NPA.

**Turn over**

III. State whether the following are 'True' or 'False' :—

9. A/C payee crossing restricts the transferability of a Cheque.
10. Endorsement is a must for a bearer cheque also.
11. To a banker, maintenance of secrecy is an absolute obligation.
12. Money paid by mistake of law cannot be recovered.

IV. Answer in a 'word' or 'phrase' :

13. Writing of a person's name on the back of the negotiable instrument for the purpose of negotiation is called \_\_\_\_\_.
14. The instruction given by the customer of a bank requesting the bank to stop payment is called \_\_\_\_\_.
15. What is the new system of payments evolved in the Indian Banking environment.?
16. Name the institution where mutual claims of local banks are settled.

(4 × 1 = 4 weight)

### Section B

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

17. What is Mutilated cheque ?
18. What is not Negotiable crossing ?
19. What is Debit card ?
20. What is Tele Banking ?
21. What is Regional Rural Bank ?
22. What do you mean by Mixed banking ?
23. What is Primary Deposit ?
24. Define 'Electronic cheque'.

(5 × 1 = 5 weight)

### Section C

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

25. What are the external factors that contribute to NPA ?
26. What are the objects of the Banking Ombudsman scheme, 1995 ?
27. Who is Holder in Due course ?
28. What are the functions of a commercial bank ?
29. Bring out the essentials of special crossing.
30. Distinguish between general lien and particular lien.

(4 × 2 = 8 weight)



**Section D**

*Answer any **two** questions.*

*Each question carries 4 weights.*

*Answer should not exceed four pages.*

31. How do the banks create credit ? What are the limits to their credit creation power ?
32. What is the relationship between a banker and his customer ? Discuss the special features of this relationship.
33. Distinguish between conventional banking and E-banking and explain the various models for E-Banking.

(2 × 4 = 8 weight)