

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, NOVEMBER 2012**First Semester****Core Course II—MODERN BANKING**

(Common for Model I, Model II and U.G.C. sponsored B.Com. Degree Programmes)

Time : Three Hours

Maximum Weight : 25

Answers may be written either in English or in Malayalam.

Section A

Answer all questions.

Each bunch of four questions carries a weight of 1.

I. Choose the correct answer from the choices given :

- 1 All currency notes beyond the denomination of rupee one is issued by :
(a) State Bank of India. (b) Ministry of Finance, Govt. of India.
(c) Reserve Bank of India. (d) Central Bank of India.
- 2 The working of banks in India is governed by :
(a) Banking Regulation Act, 1949.
(b) Banking Regulation Act, 1964.
(c) Banking Companies Act, 1968.
(d) None of the above.
- 3 ICICI bank is an example of :
(a) Private sector foreign banks. (b) Public sector banks.
(c) Nationalised banks. (d) Private sector Indian Banks.
- 4 Internet banking introduced in :
(a) 1995. (b) 1985.
(c) 1956. (d) 2002.

II. Fill in the blanks :

- 5 Overdraft is a temporary advances allowed by the bank through _____.
- 6 When a banker accepts deposits of money from a customer, he is only a _____ of the customer in respect of that money.
- 7 KYC stands for _____.
- 8 _____ is an instruction given by the customer to the banker not to pay the amount through its counter.

Turn over

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

- 9 EFT is a system of transferring money from one bank account directly to another without any paper money changing hands.
- 10 14 leading Commercial banks were nationalised on July 19, 1967.
- 11 Regional Rural Banks are Private Sector Banks.
- 12 Debit card is a post paid card.

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

- 13 How many banks were nationalised in 1980 ?
- 14 Regional Rural Banks were established in _____.
- 15 NPA stands for _____.
- 16 Name the institution where mutual claims of local bankers are settled.

(4 × 1 = 4)

Section B

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

- 17 What is DIR scheme ?
- 18 Define micro-finance.
- 19 What is investment banking ?
- 20 What is mixed banking ?
- 21 What is derivative deposit ?
- 22 What is PIN ?
- 23 What do you understand by the term "customer" of a bank ?
- 24 What is a stale cheque ?

(5 × 1 = 5)

Section C

*Answer any four questions.
Each question carries a weight of 2.*

- 25 Describe the functions of a Commercial banks.
- 26 Explain the benefits of Credit cards to card holders.
- 27 Explain the principles of sound lending.
- 28 What is Banking Ombudsmen scheme ?
- 29 Discuss the general relationship between a banker and his customer.
- 30 What is meant by banker's general lien ?

(4 × 2 = 8)

Section D

*Answer any **two** questions.*

Each question carries a weight of 4.

- 31 Explain the significance and benefits of E-banking.
- 32 Explain the important types of credit cards.
- 33 What are the procedures to be followed to open SB Account with a banker ?

(2 × 4 = 8)