

(6 Pages)

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M.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2021.

Third Semester

Commerce

Elective — MODERN BANKING

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — ($10 \times 1 = 10$ marks)

Answer ALL questions.

Choose the correct answer :

1. RBI was set up in the year

(a) 1934

(b) 1935

(c) 1944

(d) 1945

2. Which of the following is not a function of a central bank?
- (a) Acting as a banker's bank
 - (b) Issues of notes
 - (c) Control of credit
 - (d) Accepting deposits from the public
3. Which one of the following core principles for effective banking supervision were issued by
- (a) IMF
 - (b) BIS
 - (c) RBI
 - (d) World bank
4. The risk arising from deficiencies in the integrity of electronic banking is called
- (a) Operational risk
 - (b) Strategic risk
 - (c) Business risk
 - (d) Legal risk
5. Banking services delivered through the channel of smart mobile phone is termed as
- (a) Internet banking
 - (b) E-banking
 - (c) Mobile banking
 - (d) Telephone banking

6. ATM pin is a
- (a) five digit code number
 - (b) four digit code number
 - (c) three digit code number
 - (d) two digit code number
7. Electronic fund transfer system allows for instantaneres transfer of funds
- (a) Between and among shops
 - (b) Between and among buyers
 - (c) Between and among e-buyers
 - (d) Between and among banks
8. The threshold limit for RTGS is
- (a) Rs. 2 lakhs
 - (b) Rs. 1 lakh
 - (c) Rs. 3 lakhs
 - (d) Rs. 5 lakhs
9. The advantage of ECS is that
- (a) it saves cost
 - (b) it avoids transit loss
 - (c) it facilitates automatic reconciliation
 - (d) all the above

10. Over draft facility of made available only to
- (a) Current account depositors
 - (b) Saving account depositors
 - (c) Unfixed account depositors
 - (d) Fixed deposit account

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) State the need for central banking.
- Or
- (b) Explain the importance of banking in economic development.
12. (a) Explain the significance of risk management in the context of E-banking scenario.
- Or
- (b) Enumerate the drawbacks of internet banking.
13. (a) What are disadvantages of mobile banking?
- Or
- (b) Explain the mechanism of telephone banking.

14. (a) What are features of NEFT (National Electronic Fund Transfer)?

Or

- (b) Write a brief note on smart card.

15. (a) Explain the features of Indian financial network.

Or

- (b) Briefly explain the objectives of credit control.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Briefly explain the different method of credit control.

Or

- (b) Discuss about limitations of monetary policy of reserve bank of India.

17. (a) Elaborate the types of E-Banking.

Or

- (b) Explain the features of internet banking.

18. (a) What are the banking facilities provided by telephone banking?

Or

- (b) What are the security precautions concerning the use of ATM?

19. (a) What are the steps involved in the electronic fund transfer?

Or

- (b) Explain the features of RTGS (Real Time Gross Settlement).

20. (a) Explain the recent trends in Indian banking.

Or

- (b) Explain in detail about the functions of reserve bank of India.
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