

Code No. : 12079 E Sub. Code : CMCO 32

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

Third Semester

Commerce – Core

BANKING THEORY LAW AND PRACTICE

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The primary relationship between a banker and customer starts from the time
 - (a) when customer visits that bank
 - (b) when customer opens
 - (c) when customer visits that bank to made queries
 - (d) all of the above

2. How many parties are mainly involved in Promissory Note?
 - (a) One
 - (b) Five
 - (c) Two
 - (d) Three
3. Who controls credit in India?
 - (a) Government of India
 - (b) Reserve Bank of India
 - (c) State Bank of India
 - (d) Indian Bank
4. In which year the Reserve Bank of the India was established?
 - (a) 1982
 - (b) 1935
 - (c) 1832
 - (d) 1953
5. Fixed deposits and recurring deposits are?
 - (a) Repayable after an agreed period
 - (b) Repayable on demand
 - (c) Not repayable
 - (d) Repayable on demand or after an agreed period as per bank's choice

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6. Which type of deposits gives highest rate of interest?
 - (a) Current deposit
 - (b) Saving deposit
 - (c) Recurring deposit
 - (d) Fixed deposit
7. _____ is a technology that allows you to access your bank account from a mobile device.
 - (a) Home Banking
 - (b) Mobile Banking
 - (c) Internet Banking
 - (d) Television Banking
8. Electronic cash is also called as
 - (a) Hot money
 - (b) Digital money
 - (c) Instant money
 - (d) Easy money
9. When Bank rates increases the demand for loans
 - (a) Reduces
 - (b) Increases marginally
 - (c) Remains unchanged
 - (d) Increases drastically

10. Which of the following is not a selective credit control method?
 - (a) Rationing of credit
 - (b) Direct Action
 - (c) Changes in margin requirements
 - (d) Reserve requirements

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Explain the general relationship between banker and customer.
Or
(b) Define Endorsement. Explain its kinds.
12. (a) Explain the objectives of Land Development Bank.
Or
(b) Indicate the functions of EXIM bank.
13. (a) What are the precautions to be taken by a banker before accepting deposits?
Or
(b) Differentiate between Lien and Mortgage.

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[P.T.O.]

14. (a) List the features of Home Banking.

Or

(b) Mention the different methods of electronic funds transfer.

15. (a) Discuss the origin and development of RBI.

Or

(b) Enumerate the Bank Rate policy as measure 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) Distinguish between promissory note and bills of exchange.

Or

(b) Bring out the various types of crossing.

17. (a) Describe the role of NABARD in agricultural finance.

Or

(b) Explain the features of Foreign Exchange Banks.

18. (a) Examine the different types of deposits.

Or

(b) List out the various principles of sound lending.

19. (a) What is Internet Banking? Explain its merits.

Or

(b) Discuss the features and functions of e-cash.

20. (a) Discover the important functions of RBI.

Or

(b) State and explain various methods of credit control.