

Code No. : 12086 E Sub. Code : CMCO 32

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023.

Third Semester

Commerce – Core

BANKING THEORY LAW AND PRACTICE

(For those who joined in July 2021-2022)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer:

1. The primary relationship between banker and customer is a _____ relationship.
- (a) Mutual
(b) Contractual
(c) Personal
(d) None of these

2. A 'cheque' is a Bills of exchange and has been defined under
- (a) The Negotiable Instruments Act, 1881
(b) The General clauses Act, 1897
(c) The RBI Act, 1984
(d) The Banking Regulations Act, 1949
3. When did the National Bank of Agriculture and Rural Development established?
- (a) July 1892 (b) July 1969
(c) June 1951 (d) June 1961
4. The first RRB was established in India in the year
- (a) 1991 (b) 1975
(c) 1982 (d) 1980
5. Banks pays interest on
- (a) Deposits (b) Loans
(c) Both (a) and (b) (d) None of the above
6. What do banks utilise a major portion of the deposits for?
- (a) Loans (b) Guarantee
(c) Interest (d) Collaterals

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7. A debit card holder makes payment for purchases _____.

- (a) After 15 days
(b) After 20 days
(c) After a month
(d) Immediately through his account

8. EFT is introduced by

- (a) IRDA (b) RBI
(c) SEBI (d) NSE

9. Which of the following supervises the functioning of formal sources of loans?

- (a) Money lenders (b) Bank
(c) SHGs (d) RBI

10. What is the primary objective of the monetary policy in India?

- (a) Employment generation
(b) Printing currency notes
(c) Price stability
(d) Credit regulator

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 features of Bills of Exchange.
Or
(b) Bring out the essentials of general crossing.
12. (a) Analyse the functions of EXIM bank.
Or
(b) Categorize the innovative lending schemes introduced recently by commercial banks in India.
13. (a) Describe the features of current account.
Or
(b) Enumerate the rights of mortgager.
14. (a) Classify the facets of E-banking.
Or
(b) Analyse the advantages of smart card.
15. (a) Describe the limitations of qualitative credit controls.
Or
(b) Distinguish between bank rate and open market operation.

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PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 600 words.

16. (a) Is a banker obliged to maintain the secrecy of his customers account? Under what circumstances can he disclose the account?

Or

- (b) Differentiate between cheque and bills of exchange.

17. (a) Write a detailed note the role of RRBs in providing rural finance.

Or

- (b) Explain in detail about NABARD.

18. (a) Describe the legal position of a banker in regard to a fixed deposit.

Or

- (b) Explain the principles that guide a banker in granting loans and advances.

19. (a) Distinguish between conventional banking and E-banking.

Or

- (b) Analyse the various types of electronic delivery channels in banking business.

20. (a) Briefly explain the objects, constitution and working of the RBI.

Or

- (b) Examine the methods of quantitative credit controls.