

**FINAL YEAR B.Com. DEGREE EXAMINATION, MARCH 2003****Paper VII—BANKING THEORY AND PRACTICE**

Time : Three Hours

Maximum : 100 Marks

**Section A***Answer any ten questions.**Each question carries 2 marks.**Answer the questions in 1 or 2 sentences each.*

1. What is a clearing house ?
2. Explain the concept lead bank.
3. Define Bank rate.
4. What is moral suasion ?
5. What is the area of operation of a Central Co-operative Bank ?
6. Who is a Banker ?
7. Point out any *two* differences between a Savings Bank Account and Current Account.
8. Define a Bill of Exchange.
9. What is "A/C payee" crossing ?
10. What is a Domiciled bill ?
11. What is the purpose of a bank pass book ?
12. What is a Stock Exchange ?

(10 × 2 = 20 marks)

**Section B***Answer any ten questions.**Each question carries 5 marks.**Answers may be in about a page each.*

13. Explain the agency services performed by a Commercial Bank.
14. Write a note on Regional Rural Banks.
15. Briefly explain the role of Reserve Bank of India in Agricultural Finance.
16. What are the functions of Industrial Development Bank of India ?
17. Explain the special features of relationship between the banker and his customer.
18. State the precautions to be taken by a banker while opening a Savings Bank Account for customer.
19. Under what circumstances a holder is said to be a holder in due course.
20. Explain the circumstances when a Banker is justified in refusing payment.

21. Describe the statutory protection available to a collecting banker.
22. Explain the different types of mortgages.
23. State the legal provisions relating to promissory notes.
24. Explain the selective credit control techniques of Reserve Bank of India.

(10 × 5 = 50 marks)

### Section C

Answer any **two** questions.

Each question carries 15 marks.

Answers may be in about **four** pages each.

25. Explain the different types of endorsement of a cheque.
26. Explain the functions of National Banks for Agriculture and Rural Development.
27. Bank Nationalisation is both a success and failure in India—Examine.

(2 × 15 = 30 marks)

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