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**YEAR B.Com. DEGREE EXAMINATION, SEPTEMBER/OCTOBER 2004**

Part III—Commerce

Model I

Paper VII—BANKING THEORY AND PRACTICE

(2001 admissions)

Three Hours

Maximum : 80 Marks

**Part A**

*Answer any ten questions.*

*Each question carries 1 mark.*

What is mixed banking ?

Define trustee.

What do you mean by Garnishee order ?

What is open market operations ?

Who is a holder-in-due-course ?

What is call money market ?

What is a scheduled bank ?

What is banker's lien ?

What is a debit card ?

What are time deposits ?

What is "not negotiable crossing" ?

Define the term customer.

(10 × 1 = 10 marks)

**Part B**

*Answer any ten questions.*

*Each question carries 4 marks.*

What is meant by selective credit control ? What are its limitations ?

Explain the functions of a developed money market.

Explain the different forms of general crossing.

Examine the role of NABARD in rural credit.

Distinguish between Pledge and Hypothecation.

How does a Central Bank Acts as a banker's bank ?

Turn over

19. Define a bill of exchange and describe the various parties to it.
20. What is venture capital ? What are its features ?
21. What precautions a banker should take while opening accounts with minors and joint companies ?
22. What are the systems of note issue ?
23. What is lead bank ? Give its important functions.
24. What is nationalisation of banks ? Explain its objects.

(10 × 4 = 40 marks)

### Part C

*Answer any two questions.  
Each question carries 15 marks.*

25. Explain the term paying banker and discuss the nature of statutory protection given to him.
26. What is a credit card ? What are the benefits of credit cards to the card holder, to the merchant establishment and to the bank ?
27. Discuss the types of relationship between the banker and the customer.

(2 × 15 = 30 marks)