

SECOND YEAR B.Com. DEGREE EXAMINATION, MARCH/APRIL 2005

Part III – Commerce

Paper VII – BANKING THEORY AND PRACTICE

: Three Hours

Maximum : 80 Marks

Part A

*Answer any ten questions.
Each question carries 1 mark.*

1. What is "Double crossing" ?
2. What is a Call Money Market ?
3. Who is a customer according to Sir John Paget ?
4. What is Lead-Bank Scheme ?
5. Define a Banker.
6. What is a Credit Card ?
7. What do you mean by Apex Bank ?
8. What do you mean by 'lien as an implied pledge' ?
9. What is factoring service ?
10. What is hypothication ?
11. What is Primary Deposit ?
12. What is bank rate ?

(10 × 1 = 10 marks)

Part B

*Answer any ten questions.
Each question carries 4 marks.*

13. State the exceptions to "Keeping Secrecy of Customers' Accounts"
14. How will you open SB account with a Bank ?
15. Can a Pass Book be taken as a settled account.
16. Who is Holder in Due Course ?
17. What is Stock Invest ?
18. Distinguish between Pledge and Mortgage.

19. Explain the scheme of differential interest rate.
20. Explain the concept of "Banking Ombudsman".
21. Explain the concept of "Anytime Anywhere Banking".
22. Distinguish between General crossing and Special crossing.
23. State the consequences of NPA.
24. What is "material alteration" in a cheque ?

(10 × 4 =

Part C

Answer any two questions.

Each question carries 15 marks.

25. What do you understand by credit creation ? What are its limitations ?
26. Explain the various considerations that should be kept in mind while providing advances.
27. Explain the functions of Reserve Bank of India as the Central Bank of the country.

(2 × 15 = 30)