

**FINAL YEAR B.Com. DEGREE EXAMINATION, AUGUST 2009**

**Paper VII - BANKING THEORY AND PRACTICE**

(2005 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Section A**

*Answer any ten questions.*

*Each question carries 1 mark.*

1. Define banking.
2. What is meant by Repo Rate?
3. What is Electronic Cheque?
4. What is a clearing house?
5. What is a pass book?
6. What is Banking Ombudsman Scheme?
7. Define cheque.
8. What is particular lien?
9. What is smart card?
10. What is unsecured loan?
11. What is a bill market?
12. What is SLR?

(10 × 1 = 10 marks)

**Section B**

*Answer any ten questions.*

*Each question carries 4 marks.*

13. What are the important features of commercial banks?
14. What are the assumptions of credit creation?
15. What are the main functions of lead bank scheme?
16. What are the ways in which the central bank acts as government's bank?
17. Enumerate the important functions of NABARD.
18. What are the precautions to be taken by a banker in granting a loan under mortgage?
19. Distinguish between loan and overdraft.

20. What are the principles of sound lending?
21. What are the functions of EXIM bank?
22. What is crossing of a cheque? What are the important types of crossing?
23. What are the factors to be considered by the RBI in granting license to a bank to do business as per the Banking Regulation Act, 1949?
24. Write a short note on social banking.

(10 × 4 = 40)

### Section C

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

25. What are the main quantitative credit control techniques used by the RBI to control credit?
26. What are the major constituents of Indian banking system? Explain.
27. Explain Hi-tech banking. What are the innovations in banking sector under Hi-tech banking?

(2 × 15 = 30)