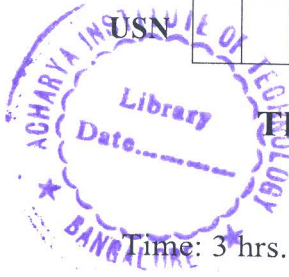


CBCS SCHEME

16/17MBAFM301



Third Semester MBA Degree Examination, June/July 2019 Principle and Practices of Banking

Time: 3 hrs.

Max. Marks: 80

Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.

- 1 a. Define 'Banking'. (02 Marks)
b. Explain the different types of banks. (06 Marks)
c. Explain the functions of commercial Banks. (08 Marks)
- 2 a. What is 'Garnishee Order'. (02 Marks)
b. Write a note on bank's obligation to customers. (06 Marks)
c. Explain the features of Negotiable instruments. (08 Marks)
- 3 a. Define MICR. (02 Marks)
b. Discuss the consequences of wrong disclosure by banks? (06 Marks)
c. Explain the essentials of Bills of Exchange. (08 Marks)
- 4 a. Define 'Exchange Rates'. (02 Marks)
b. Write a note on debit cards and credit cards. (06 Marks)
c. Discuss the main features of Banking customer. (08 Marks)
- 5 a. What is cheque Truncation? (02 Marks)
b. List out the benefits of internet Banking. (06 Marks)
c. Explain the role of RBI as regulator of Banking system. (08 Marks)
- 6 a. Define NEFT and IFSC. (02 Marks)
b. Write a note on 'Known Your Customer'. (06 Marks)
c. Discuss the components of liabilities and assets in Bank's Balance sheet? (08 Marks)
- 7 a. What is ALM? (02 Marks)
b. Write a note on EXIM Banks. (06 Marks)
c. List out the different types of factoring. (08 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.

8 Compulsory : Case Study

A 20 year old university student, Mr. D, lived at home and worked full time in a local supermarket during the vacations. He had a part time job at the same super market during exam time.

Mr. D applied successfully to his bank for loan Rs. 25,000, in order to buy and insure a second hand motorbike. But s soon as he told his mother about the loan she complied to the bank. She said its decision to lend her son the money had been “ ill judged and irresponsible” and that it had taken advantages of her son’s in experience.

Mrs. D told bank that her son had planned to travelling for a year after he graduated. She was concerned that the loan repayments would not only prevent him from money for his travels, but also leave him short of cash. She also believed that, by lending him the money, the bank had actively encouraged her son to buy a powerful motorbike.

Questions :

- a. List out the relationship between a banker and customer (08 Marks)
b. Explain the position the banker should take about Mrs. D allegations. (08 Marks)

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