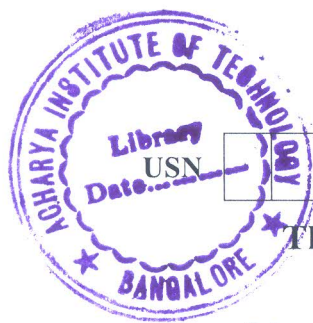


CBCS SCHEME



16/17MBAFM301

Third Semester MBA Degree Examination, Aug./Sept. 2020

Principles and Practice of Banking

Time: 3 hrs.

Max. Marks:80

Note: 1. Answer any FOUR full questions from Q1 to Q7.
2. Question No. 8 is compulsory.

- 1 a. What do you mean by payment banks? (02 Marks)
b. Describe the debtor and creditor relationship between a banker and a customer. (06 Marks)
c. Discuss the role of Reserve Bank of India as a regulator of Indian banking system. (08 Marks)
- 2 a. State the meaning of mobile banking. (02 Marks)
b. Explain the objectives of Asset-Liability management. (06 Marks)
c. What is universal banking? Discuss the advantages of universal banking. (08 Marks)
- 3 a. What is exchange rate? (02 Marks)
b. Differentiate a bill of exchange and a cheque. (06 Marks)
c. Explain the precautions to be taken by a paying banker while paying customers cheques. Discuss the protection granted to the paying banker as per Negotiable Instruments Act 1881. (08 Marks)
- 4 a. Comprehend the meaning of core banking solutions. (02 Marks)
b. Discuss the bankers right of set – off. (06 Marks)
c. Explain the role of EXIM bank in India's international trade. (08 Marks)
- 5 a. What do you mean by cheque truncation system? (02 Marks)
b. Describe the components of assets and liabilities of commercial banks in India. (06 Marks)
c. Discuss different types of short term loans provided by banks to a business concern. (08 Marks)
- 6 a. Differentiate NEFT and RTGS. (02 Marks)
b. Discuss the process of credit creation by commercial banks. (06 Marks)
c. Illustrate the activities of assets and liabilities committee (ALCo). (08 Marks)
- 7 a. What do you mean by Forex business? (02 Marks)
b. State the steps followed for opening a bank account by an individual. (06 Marks)
c. Elucidate the role of commercial banks in the economic development of a country. (08 Marks)

8 CASE STUDY [Compulsory]

With the ongoing digital drive in India, the number of users opting for online banking is expected to double, to reach 150 million mark by 2020, from the current 45 million active urban online banking users in India, according to a report drafted by facebook and the Boston consulting group (BCG). The development and increasing progress experienced in the information and communication technology coupled with the expansion of the global economy paved the way for the transformation of the Indian banking system's role from conventional banking to convenience banking. Today, banks are poised for digital banking at a rapid pace. There is a need to develop modern e –banking strategies to attract new and strain existing customers. Banks are the main stimulus of the economic progress to play a vital role in spearheading the economic development of the nation.

Questions :

- a. Discuss the merits and demerits of internet banking. (08 Marks)
- b. What are the major challenges faced by online banking industry in India. (08 Marks)

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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.