(6 pages)

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B.Com. (CBCS) DEGREE EXAMINATION, APRIL 2025.

Third Semester

Commerce – Core

BANKING THEORY LAW AND PRACTICE

(For those who joined in July 2021 and 2022 only)

Time : Three hours   Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. To constitute a person as a customer
   (a) There must be frequency transactions
   (b) There must be a dealing of a banking nature
   (c) There must be some sort of an account
   (d) There must be a single transaction of any nature

2. A cheque which is not crossed is called
   (a) Uncrossed cheque
   (b) Open cheque
   (c) Order cheque
   (d) Bearer cheque

3. IDBI was etablished ____________
   (a) 1964   (b) 1975
   (c) 1925   (d) 1993

4. The Indian commercial banks was registered in the year under the Indian company act ____________
   (a) 1956   (b) 1936
   (c) 1946   (d) 1966

5. The rate of interest payable on various deposits is determined by the
   (a) Central Government
   (b) Head Office
   (c) Reserve Bank of India
   (d) Concerned State Government

6. Business man prefer ________ form of advances.

(a) Overdraft (b) Cash credit

(c) Loans (d) Discounting bills

7. The first credit card in India was introduced in ________

(a) 1960 (b) 1964

(c) 1984 (d) 1904

8. The biggest constraint in E-banking is

(a) Start up cost (b) Maintenance cost

(c) Training cost (d) Security cost

9. The central bank adopts the following method of credit control is

(a) Quantitative methods only

(b) Qualitative methods only

(c) Both quantitative and qualitative methods

(d) None of the above

10. Banker's bank is

(a) RBI (b) SBI

(c) Nationalised banks (d) None

PART B — ($5 \times 5 = 25$ marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 250 words.

11. (a) What is right of set-off?

Or

(b) Briefly explain about endorsement and its features.

12. (a) Explain the objectives of IDBI.

Or

(b) What are the functions of foreign exchange banks?

13. (a) What is hypothecations?

Or

(b) Write short notes on:

(i) Demand loan

(ii) Term loan

14. (a) What are the features of mobile banking?

Or

(b) Explain the types of debit cards.

15. (a) What is causes of bank rate?

Or

(b) What is meant by variable reserve ratio?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 600 words.

16. (a) State the differences between a cheque and a bill of exchange.

Or

(b) What is meant by material alterations with suitable illustrations?

17. (a) Briefly explain the classification of commercial banks.

Or

(b) Describe land development banks and their functions.

18. (a) Explain the types of mortage.

Or

(b) What are the precautions to be tanken by a paying banker before making payment of a cheque?

19. (a) What are the advantages of automated Teller machine?

Or

(b) What is the nature of e-cash.

20. (a) Discuss the role of RBI.

Or

(b) What are the various department of Reserve Bank of India?
