

Code No. : 12133 E Sub. Code : CABF 11

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023.

First Semester

Banking and Finance — Allied

BANKING THEORY

(For those who joined in July 2021-2022)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

- Which is the Indian largest commercial bank?
(a) PNB (b) SBI
(c) UTI (d) ICICI Bank
- Which of the following is the institutional source of rural credit?
(a) R.R. Banks (b) Landlords
(c) Traders (d) Money lenders

- The minimum paid up capital to set up a local area bank is
(a) Rs. 5 crore (b) Rs. 10 crore
(c) Rs. 20 crore (d) Rs. 15 crore
- The minimum paid up capital to set up for giving license to new banking company is
(a) Rs. 10 crore (b) Rs. 50 crore
(c) Rs. 100 crore (d) Rs. 500 crore
- Maximum period for which deposits can be obtain by a NBFCs is
(a) 5 years (b) 3 years
(c) 8 years (d) 10 years
- NBFCs which must be computerizes signature with RBI have a net owned fund of
(a) Rs. 50 lakh and above
(b) Rs. 5 crore and above
(c) Rs. 25 lakh and above
(d) Rs. 15 lakh and above

- The present bank rate is _____.
(a) 6.5% (b) 4.75%
(c) 5.65% (d) 7%
- What is the amount of gold to be held in the issue department?
(a) Rs. 150 crore (b) Rs. 115 crore
(c) Rs. 175 crore (d) Rs. 200 crore
- The central bank is generally owned by
(a) Government
(b) Private
(c) Both (a) and (b)
(d) None of the above
- In what method the central bank prescribes the margin to be kept for loans?
(a) Direct action
(b) Rationing of credit
(c) Margin of requirement
(d) None of the above

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

- (a) Discuss the objective of the lead ban.
Or
(b) What is clearing house?
- (a) Discuss the objective of credit control by a Central Bank.
Or
(b) Explain the Central Bank is Banker's Bank.
- (a) State the salient features of the Banking Regulation Act 1949.
Or
(b) Can bank carry on trading activities? — Comment.
- (a) What is the minimum reserve system?
Or
(b) What is the statutory liquidity ratio?



15. (a) Discuss any two type of leasing companies.

Or

(b) What is a non banking financial company?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) What are the schedule banks? State the advantages of schedule bank.

Or

(b) Differentiate between regional rural banks and commercial banks.

17. (a) How do you distinguish the quantitative and qualitative technique of credit control?

Or

(b) Explain the relationship between the short term and long term rate of interest.

18. (a) State the provision of the Banking Regulation Act 1949, with regard to opening new bank.

Or

(b) Explain the minimum paid up capital and reserve as per the Banking Regulation Act 1949.

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19. (a) Explain the main function of RBI,

Or

(b) Discuss the role played by RBI in the provision of rural credit.

20. (a) Distinguish between NBFCs and Banking Companies.

Or

(b) Discuss the functions of the different kinds of non-banking financial companies in India.

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