

Code No: 32154E

Reg.No:
Sub. Code: CMBE32

B.COM (CBCS) DEGREE EXAMINATION,
APRIL 2024

THIRD SEMESTER
BANKING AND E-COMMERCE - CORE
BANK MANAGEMENT

(for those who joined in July 2021-2022)

Time: Three hours

Maximum marks: 75

PART - A (10 X 1 = 10 Marks)

Answer All Questions Choose the correct answer:

1. In India a scheduled bank is one which is included in the second schedule of _____
 - a) Banking Regulations
 - b) RBI
 - c) Indian constitution
 - d) SBI
2. In 1980 how many banks were nationalized?
 - a) 4
 - b) 5
 - c) 6
 - d) 14
3. _____ is a bank's capacity to readily meet in cash and collateral obligation of a reasonable cost.
 - a) Liquidity
 - b) Contribution
 - c) Ratio
 - d) Capital
4. _____ is the most liquid of all assets.
 - a) Land
 - b) Cash
 - c) Shares
 - d) Furniture
5. Capital adequacy ratio for Banks as per Basel III norms _____
 - a) 2%
 - b) 3%
 - c) 5%
 - d) 8%
6. Which aspect of the financial system do the Basel Norms focus on?
 - a) Insurance
 - b) Banking
 - c) Share market
 - d) Commodity market
7. The rate of interest in an unsecured loan is usually _____ than a secured loan.
 - a) Lower
 - b) Higher
 - c) Same
 - d) None of the above
8. Bank provides loans for _____
 - a) Home
 - b) Car
 - c) Education
 - d) All of the above

9. What is the expanded form of the term ALM used in Banking sector?
a) Asset Liability Maintenance b) Asset Liability Management
c) Asset Liability Manipulation d) Asset Liability Maximisation
10. A loan becomes an NPA when the principal or interest payment remains overdue for _____ days.
a) 45 b) 50
c) 90 d) 180

PART - B (5 X 5 = 25 Marks)

Answer ALL Questions, choosing either 'a' or 'b'

Each answer should not exceed 250 words

- 11.a) Briefly explain the origin of banks.
(OR)
b) What are the recommendations of Narasimham committee.
12. a) What are the factors affecting the profitability of banks?
(OR)
b) What is Liquidity? How to measuring Liquidity?
13. a) State the functions of capital funds in commercial banks.
(OR)
b) How is capital adequacy measured?
14. a) List out the contents of loan policy.
(OR)
b) Explain the reason for necessity of loan supervision.
15. a) What are the main objectives of Asset Liability Management.
(OR)
b) State the causes for Banking NPA.

PART - C (5 X 8 = 40 Marks)

Answer ALL Questions, Choosing either 'a' or 'b'

Each answer should not exceed 600 words

- 16.a) Examine the evolution and growth of banking system in India.
(OR)
b) What are the challenges faced by commercial banks in India?

17.a) What are the advantages and disadvantages of Commercial loan theory?

(OR)

b) Write the priorities in the employment of bank funds.

18.a) Explain the types of basel norms on capital adequacy.

(OR)

b) Describe the capital adequacy norms in Indian commercial banks

19.a) Discuss the cardinal principles of sound bank lending.

(OR)

b) How do evaluate credit applicants?

20.a) Explain the process of Asset Liability Management.

(OR)

b) How to reduce Non Performing Assets in Banking sector?
