

Code No. : 32116 E Sub. Code : CMBF 32

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

Third Semester

Banking and Finance — Core

BANK MANAGEMENT

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Which of the following is not an asset held by Commercial Banks?
- (a) Bills of Exchange
(b) Current Account Deposits
(c) Money Lent at short Notice
(d) Credit Balances with the Reserve Bank

6. In which schedule are the scheduled banks of India listed in the RBI Act, 1934?
- (a) 1st (b) 2nd
(c) 3rd (d) 4th
7. What is the main business of commercial banks?
- (a) Lending and deposits from public
(b) Lending and deposits from cooperation
(c) Both (a) and (b)
(d) None
8. Which bank is cells lender of last resort?
- (a) Commercial bank (b) Agricultural bank
(c) Industrial bank (d) Central bank
9. Which of the following is true about non-scheduled banks in India?
- (i) A non-scheduled bank does not have to maintain CRR with the RBI.
(ii) Also it cannot lend money from RBI under LAF.
(iii) The banks named under third schedule of RBI Act 1934, are non-scheduled banks.
- (a) Only (i) and (iii) are true
(b) Only (ii) and (iii) are true
(c) Only (i) and (ii) are true
(d) All are true

2. _____ allocates saving efficiently in an economy to ultimate users either for investment in real assets or for consumption.
- (a) Economic system
(b) Banking system
(c) Financial system
(d) Market system
3. _____ is regarded as a queen of Indian financial system.
- (a) SEBI (b) RBI
(c) Finance Ministry (d) BSE
4. "Scheduled bank" in India means a bank _____
- (a) Incorporated under the Companies Act, 1956
(b) Authorized to the Banking business
(c) Governed by the Banking Regulation Act, 1949
(d) Included in the Second schedule to the Reserve Bank of India Act 1934
5. Which is the largest commercial bank in India?
- (a) Bank of India
(b) Axis Bank
(c) State Bank of India
(d) HDFC

10. In India the Commercial Banks are given licence of operation by
- (a) The Govt. of India
(b) The Ministry of Finance
(c) Reserve Bank of India
(d) Banking Companies Regulation Act, 1949

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) What is a Narasimham Committee?
Or
(b) List out the different types of banks.
12. (a) State the meaning of Ranking System Liquidity.
Or
(b) Highlight the Components of Liquidity.
13. (a) Mention the objectives of Capital Adequacy Ratio (CAR).
Or
(b) Explain the importance of capital adequacy to banks and How to improve their capital adequacy?

14. (a) Explain the "Formulating Loan Policy Development".

Or

(b) Highlight the characteristics of a loan policy.

15. (a) Explain the Significance of NPAs.

Or

(b) List out the Sub-Classification for Non-Performing Assets (NPAs).

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Explain the characteristics of Indian Banking System.

Or

(b) Discuss the five key challenges faced by India's banks.

17. (a) Explain and highlight the nine major problems faced by India's nationalized banks.

Or

(b) Explain the various Sources of Liquidity.

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18. (a) Describe the different approaches to capital adequacy in modern times.

Or

(b) Determine the various types of bank capital.

19. (a) List out the importance of bank loan policy.

Or

(b) Explain the five major components of loan policy.

20. (a) Explain the process of ALM.

Or

(b) Explain the ALM objectives and scope.

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