

Code No. : 32144 E Sub. Code : CMBF 32

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2024

Third Semester

Banking and Finance – Core

BANK MANAGEMENT

(For those who joined in July 2021-2022 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. _____ 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

2. All schedule banks are bound to hold a capital of not less _____ than in the Reserve Bank of India.
- (a) rupees ten lakhs
(b) rupees five lakhs
(c) rupees three lakhs
(d) rupees two lakhs
3. Who proposed Anticipated Income Theory _____.
- (a) H.G. Moulton (b) H.V. Prochanow
(c) Ragu Ram Rajan (d) None of the above
4. When Current Liabilities are payable _____.
- (a) Within 5 years (b) Within 3 years
(c) Within one year (d) None of the above
5. BCBS stands for _____.
- (a) Basel Committee on Banking Supervision
(b) Basel Conference for Bank Service
(c) Bank Committee on Banking Supervision
(d) None of the above
6. Basel II was introduced in _____.
- (a) 2000 (b) 2015
(c) 2008 (d) 2004

Page 2 Code No. : 32144 E

7. _____ is the process of monitoring and collecting payments from customers.
- (a) Capital Management
(b) Credit Management
(c) Cash Management
(d) All the above
8. Banks make money by _____ to borrowers and charging some interest rates.
- (a) Lending land
(b) Lending Money
(c) Lending Buildings
(d) Lending Shares
9. ALM Stands for _____.
- (a) Applied Loan Management
(b) Assets Liability Management
(c) Application Lifecycle Management
(d) None of the above
10. The full form of NPA is _____.
- (a) Non Performing Asset
(b) Net Present Value
(c) Net Present Asset
(d) All the above

Page 3 Code No. : 32144 E

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Briefly explain the origin and development of banks in India.
- Or
- (b) Explain the challenges of Indian commercial banks.
12. (a) Explain anticipated Income theory.
- Or
- (b) Explain the confidence function.
13. (a) Explain Basle III.
- Or
- (b) Enumerate the functions of capital funds.
14. (a) Discuss factors affecting credit management.
- Or
- (b) Explain the process of loan Supervision.
15. (a) Explain the Gap Analysis Model.
- Or
- (b) What is interested rate risk?

Page 4 Code No. : 32144 E
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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 growth of banking sector.

Or

- (b) What are the functions of commercial banks?

17. (a) Explain how a bank can achieve liquidity?

Or

- (b) Give detailed information on Commercial Loan Theory and Shiftability Theory.

18. (a) Explain the capital adequacy in commercial banks.

Or

- (b) Briefly discuss the Basel Norms I and Basel Norms II.

19. (a) Explain the principles of Credit Management.

Or

- (b) Discuss the contents of loan policy.

20. (a) Explain the evaluation of ALM.

Or

- (b) Explain Risk Measurement techniques.