

Code No. : 12129 E Sub. Code : CMBF 32/
CMBE 32

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

Third Semester

Banking and Finance – Core

BANK MANAGEMENT

(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:

1. What is the main business of commercial banks?
- Lending and deposit from public
 - Lending and deposits from cooperation
 - Both (a) and (b)
 - None

6. In India the Commercial Banks are given licence of operation by
- The Government of India
 - The Ministry of Finance
 - Government expenditure
 - Reserve Bank of India
7. Which of the following is not an asset held by Commercial Banks?
- Bills of Exchange
 - Current Account Deposits
 - Money Lent at short Notice
 - Credit Balances with the Reserve Bank
8. A bank is a financial intermediary because
- it acts as the broker between depositor and borrower
 - it acts as the link between the savers and the borrowers
 - it is in the finance industry
 - it is in the intermediary industry
9. Which one among the following has not started commercial banking?
- SIDBI
 - IDBI
 - ICICI
 - UTI

2. _____ is an apex institution to coordinate, supplement and integrate the activities of all existing specialized financial institutions.
- IFCI
 - IDBI
 - RBI
 - SEBI
3. Which of the following is not an organized sector in India?
- Nationalized Banks
 - Regional Rural Banks
 - Cooperative Banks
 - Chits and Money lenders
4. "Scheduled bank" in India means a bank _____
- Incorporated under the Companies Act. 1956
 - Authorized to the Banking business
 - Governed by the Banking Regulation Act. 1949
 - Included in the Second schedule to the Reserve Bank of India Act 1934
5. Which of the following is not a function of a Bank?
- To accept deposits
 - To waive loans
 - To grant advances
 - To supply input to farmers

10. Which of the following is NOT a function of Commercial Bank?
- Providing Project Finance Settling of payments on behalf of the customers
 - Deciding policy rates like CRR, SLR and Repo rate
 - Issuing credit debit
 - ATM cards

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Explain the History of banking in India.
- Or
- (b) Mention the major recommendations of Narasimham Committee – II.
12. (a) Explain the Liquidity Management Theory.
- Or
- (b) Explain the Priorities in the employment of banking fund.

13. (a) What is the Basel committee on Banking Supervision?

Or

(b) What are the capital adequacy norms and its role in capital market support?

14. (a) Highlight the objectives of loan policy.

Or

(b) Discuss the Elements-Formulating Loan Policy,

15. (a) Explain the three pillars of ALM.

Or

(b) Explain the ALM Concepts.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Explain the Structure of Commercial bank.

Or

(b) Explain the different committees on the basis of the recommendations.

17. (a) Explain the pros and cons of Shiftability Theory.

Or

(b) Explain the Sources of Liquidity.

18. (a) Explain the present position in India with respect to capital adequacy.

Or

(b) Explain the importance of Capital Adequacy Ratio (CAR).

19. (a) Explain the seven factors of sanctioning loans to its customers.

Or

(b) Explain the influencing factors of loan policy.

20. (a) Explain the "Risks With Assets".

Or

(b) Explain the evolution of ALM.