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(October)

COMMERCE

(Honours)

(Fundamentals of Banking)

[BC–305 (C)]

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Answer **all** questions

1. What is a commercial bank? What are its important characteristics on the basis of which distinctions can be made with non-banking financial institution?   5+10=15

Or

Describe the present challenges of banks in India. Suggest some measures to address them.   7½+7½=15

2. *(a)* Elaborate the credit creation process in banks.   10

(b) Mention the procedure with regard to opening of an account by minor.   5

Or

(a) Define banker. Describe its relationship with customer as debtor and creditor.   2+4+4=10

(b) How does a bank deal with partnership firm?   5

3. *(a)* What do you mean by material alteration in negotiable instrument?   5

(b) Distinguish between a cheque and bills of exchange. Under what circumstances a cheque can be dishonoured by a bank?   5+5=10

Or

(a) Elaborate the rights and duties of a banker as a pledge.   10

(b) Give one example of fraud in banks and suggest the preventive measures to avoid such fraud.   5

4. *(a)* Highlight the reforms undertaken by Narasimhan Committee with regard to non-performing assets.   7½

(b) What do you mean by disinvestments in banks? What are its benefits to the economy?   7½

Or

(a) What are the three pillars under Basel recommendations? Describe them in nutshell.   7½

(b) Describe the positive contribution of computerisation of banks.   7½

5. *(a)* Elaborate selective credit control mechanism adopted by the RBI.   7½

(b) How does RBI control over management of banks?   7½

Or

(a) Describe the SLR and CRR requirements of RBI.   7½

(b) What are the kinds of business banking company cannot engage in?   7½

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