2022

(February)

COMMERCE

(Honours)

(Fundamentals of Banking)

[BC–305 (c)]

Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Explain the challenges faced by Indian banks due to the rapid change in technology. How do the banks cope with those challenges? 15

Or

(a) While describing the lending function of a bank, highlight the obstacles faced by banks in the backward regions. 7½

(b) What is a universal bank? How is it different from other banks? 7½

2. What are the two categories of relationships between a customer and a banker? Describe each of them in detail. 15

Or

(a) "Credit creation is a continuous process." In this context, elaborate the steps of credit creation in detail. 7½

(b) What are the duties of a banker towards the customer? Describe. 7½

3. *(a)* What are the different types of crossing of cheques? Who can cross a cheque? How is the crossing cancelled? 7½

(b) When is the presentation for acceptance of a bill necessary? Why is it always desirable to get a bill accepted as early as possible? 7½

Or

(a) What are the risks involved in payment of cheques? What precautions should a banker take while making payments? 10

(b) Under what circumstances can a cheque be dishonoured by a banker? Explain. 5

4. In both the reports of financial sector reforms of the Narashimham Committee, many suggestions were offered to improve the efficiency and profitability of Indian banks. Highlight those suggestions and explain how they have changed the efficiency of banks. 15

Or

What is Basel III? What are the presentations about the size of 'capital' for banks? What are the options available to Indian banks to raise additional capital to confirm to the Basel norm? 15

5. Explain the supervisory role of RBI in the context of banks in India as per the RBI Act by highlighting the power of RBI. 15

Or

(a) Describe the scope of business to be undertaken by a bank as per the Banking Regulation Act, 1949. 10

(b) Who are the persons to be included in the Board of Directors of a bank? 5

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