

C 30482

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Name.....

Reg. No.....

**FIFTH SEMESTER B.A./B.Sc./B.Com./B.B.A. DEGREE EXAMINATION
NOVEMBER 2017**

(CUCBCSS—UG)

Open Course

ECO 5D 03—BANKING

Time : Two Hours

Maximum : 40 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries ½ mark.

1. Which of the following is the function of RBI ?
 - (1) Sale- Purchase and rediscounting of Indian Trade bills.
 - (2) To provide loans to Central Government and State Government.
 - (3) To provide refinance to co-operative banks and RRB.
 - (a) (1).
 - (b) (1) and (2).
 - (c) (1) and (3).
 - (d) (1), (2), and (3).
2. A Banking system combines both Deposit banking and Investment funds for the Business and Industry :
 - (a) Mixed.
 - (b) Branch.
 - (c) Chain.
 - (d) Group.
3. Deposits created by banks in the process of granting credit :
 - (a) Derivative.
 - (b) Primary.
 - (c) Fixed deposit.
 - (d) Current.
4. When was RBI Nationalized ?
 - (a) 1st April 1935.
 - (b) 1st April 1948.
 - (c) 1st January 1949.
 - (d) 1st July 1955.

Turn over

5. Which of the following loan facilities is provided by a Scheduled Commercial Bank ?
- (a) Overdraft. (b) Cash Credit.
(c) Demand Loan. (d) All of the above.
6. Where are bills received for collection shown in the Balance Sheet of Banking Company ?
- (a) Liabilities. (b) Assets.
(c) Both Liabilities and Assets. (d) None of the above.
7. Whose signature can be seen on one - rupee note, among the following :
1. Governor, RBI.
 2. Finance Secretary.
 3. President, GOI.
- (a) 1. (b) 2.
(c) 1 and 2. (d) 1, 2, 3.
8. A system where an individual or a group of individual or group of individuals or members of a family control the operations of two /more banks :
- (a) Chain. (b) Group.
(c) Mixed. (d) Branch.

(8 × ½ = 4 marks)

Part B (Very Short Answer Questions)*Answer any five questions.**Each question carries 2 marks.*

9. What is Chain banking.?
10. What are major functions of Commercial bank ?
11. What is joint account ?
12. What is Credit Creation ?
13. Who can cross a Cheque ?
14. List any objectives of Reserve Bank of India ?
15. Enumerate merits of mixed banking ?

(5 × 2 = 10 marks)

Part C (Short Essay Questions)

Answer any four questions.

Each question carries 4 marks.

16. Write a short note on :

Branch Banking

Merchant Banking

Group Banking

17. Define Negotiable Instrument ? What are the characteristics of Negotiable Instrument ?

18. Explain the different functions of Reserve Bank of India ?

19. Explain Merits and Demerits of Balance Sheet of bank ?

20. Define Credit Creation and explain the limitations of credit creation.

21. What are the characteristics of Indian money market ?

(4 × 4 = 16 marks)

Part D (Essay Questions)

Answer any one question.

Each question carries 10 marks.

22. What are the significance of deposit insurance ?

23. "The Reserve Bank of India is not Controller a credit but also a Promoter of credit." Explain.

(1 × 10 = 10 marks)