

**THIRD SEMESTER M.A. DEGREE EXAMINATION, DECEMBER 2017**

(CUCSS)

Economics

ECO 3C 11—BANKING : THEORY AND PRACTICE

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

**Section A***Answer all the questions.**Each question carries a weightage of ¼.*

1. The objective of Government to appoint Narasimham Committee is :
  - (a) To strengthen the banking system.
  - (b) To improve customer service.
  - (c) To strengthen the credit portfolio.
  - (d) None of these.
2. The interest and principle amount of a loan not repaid by a customer in a bank ,the bank consider such loan as \_\_\_\_\_.
  - (a) RD.
  - (b) FD.
  - (c) NPA.
  - (d) TOD.
3. As regards development banks identify the exception :
  - (a) IDBI.
  - (b) SIDBI.
  - (c) NHB.
  - (d) NABARD.
4. The primary relationship between banker and customer is a \_\_\_\_\_ relationship.
  - (a) Mutual.
  - (b) Contractual.
  - (c) Personal.
  - (d) None of the above.
5. Core banking is a \_\_\_\_\_ branch computerization model.
  - (a) ATM.
  - (b) Centralized.
  - (c) Unified.
  - (d) Decentralized.

**Turn over**

6. Which finance company has been given banking license by RBI recently ?
- (a) Kotak Mahindra. (b) Ashok Leyland and Finance  
(c) TVS Finance. (d) Tata Finance
7. \_\_\_\_\_ is the result of combining technology and traditional bank services through websites that customers use to access their bank accounts.
- (a) Home Banking. (b) Mobile Banking.  
(c) Internet Banking. (d) Television Banking.
8. REPO facility means :
- (a) Borrowing of money without security.  
(b) Borrowing on the basis of guarantee.  
(c) Borrowing against term loans.  
(d) Borrowing against securities on repurchase basis.
9. \_\_\_\_\_ is a system by which cheques, pay-in-slips and other financial papers are replaced by customer controlled invisible and immediate transfer of funds from one account to another.
- (a) Electronic Fund Transfer. (b) Easy Fund Transfer.  
(c) Early Fund Transfer. (d) Efficient Fund Transfer.
10. In which year and date, Reserve Bank of India was established ?
- (a) May 1, 1935. (b) April 1, 1935.  
(c) October 1, 1935. (d) December 1, 1935.
11. The Apex Co-operative Bank is known as :
- (a) Central Co-operative bank. (b) State Co-operative bank.  
(c) RRB. (d) NABRD
12. Head quarter of ADB is situated at :
- (a) New York. (b) Chicago.  
(c) Manila. (d) Tokyo.

**Section B**

*Answer any five questions.*

*Each question carries a weightage of 1.*

13. National Housing Bank.
14. Bank of England.
15. Core banking.
16. Hedge funds.
17. Asian Development Bank.
18. Lead Bank Scheme.
19. Board for Financial Supervision.
20. Offshore banking.

(5 × 1 = 5 weightage)

**Section C**

*Answer any eight questions.*

*Each question carries a weightage of 2.*

*The Answer should not exceed one and half pages each.*

21. Explain the role of financial institutions in economic development.
22. Examine the objectives and functions of SIDBI
23. Comment on Land Development Banks and its operations.
24. What are the functions of Credit Information Bureau of India Limited ?
25. How priority sector lending is practiced in India ?
26. What are the advantages and disadvantages of Electronic fund transfer ?
27. Write a note on Bank for International Settlements.
28. What are the functions of a central bank ?
29. Comment on the operations of UTI.
30. Briefly explain the capital adequacy norms of Basel committee.
31. What are the major recommendations of Narasimham Committee ?

(8 × 2 = 16 weightage)

**Turn over**

**Section D**

*Answer any **three** questions.*

*Each question carries a weightage of 4.*

*The Answer should not exceed **three** pages.*

32. Explain the role of specialized investment institutions in the development of an economy.
33. Examine the effectiveness of monetary policy in counteracting inflation and boosting economic growth.
34. Explain the banking sector reforms in India since 1991. What are the major issues in banking sector reforms ?
35. Explain the structure and functions of commercial banks in an economy.
36. Examine the structure of co-operative banks in India and its role in economic development.

(3 × 4 = 12 weightage)