Full Marks: 70



BRAINWARE UNIVERSITY

Course -BCOM

Functions of Banks (Credits and Loans) (BCM201)

(Semester - 2)

Time allotted: 3 Hours

c. 25 lakhs

The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.] Group -A $10 \times 1 = 10$ (Multiple Choice Type Question) 1. Choose the correct alternative from the following (i) Through Paper Currency Act function of issuing currency notes was taken over by a. Government b. RBI c. SBI d. Presidency Bank Reserve Bank of India was set up in (ii) a. 1835 b. 1885 c. 1905 d. 1935 A demand draft is issued by the banks to be valid for (iii) a. 12 months b. 6 months c. 3 months d. None of the above Indirect Agricultural loans include up to Rs..... to dealers of fertilizers (iv) a. 10 crore b. 7 crore c. 3 crore d. 5 crore A micro enterprise in manufacturing sector is one where the investment in plant and (v) machinery does not exceed Rs b. 20 lakhs a. 10 lakhs

d. 50 lakhs

(vi)	(c) Cash reserve ratio(CRR) is the amount of funds that all scheduled commercial banks are required to maintain with				
	a.	RBI	b.	Government	
	c.	SEBI	d.	Government Nominees	
(vii)	Which one of the following is not the cardinal principles of lending				
	a.	Safety	b.	Profitability	
	c.	Efficiency	d.	Diversification of risks	
(viii)	Which one of the following is not included under Fund based service of who banking				
	a.	Letter of credit	b.	Working capital finance	
	c.	Export credit	d.	Term lending	
(ix) Which one of the following is the characteristic of high level of WC					
	a.	Increase of Risk	b.	Decrease in profitability	
	c.	Increase in profitability	d.	None of the above	
(x)	Which one of the following is not a method by banks for estimating working c requirement of a borrower				
	a.	Operating Cycle method	b.	Effective Utilization ratio me	thod
	c.	Projected turnover method	d.	Cash budget method	
		Gro	oup – B	.	
	(Short Answer Type Questions)				3 x 5 = 15
 3. 4. 	Write 5 requirem Write 5 s Write 5 s Rs.1cror	pree from the following policies adopted by banks nent of a borrower. salient features of Kisan Credit Cyuidelines of RBI on working cate. types of Mortgage.	Card.		[5] [5] [5]
5. 6.		uses of Banker's Cheque.			[5] [5]

Group - C

		(Long Answer Type Questions)	$3 \times 15 = 45$
Ans	wer a	ny <i>three</i> from the following	
7.	(a)	What are the legal implications of a pledge?	
	()		[8]
	(b)	Write short note on Credit Monitoring Arrangement.	2 3
			[7]
8.	(a)	What is NEFT? Write benefits of NEFT.	[3 + 5]
	(b)	What are the purposes for financing Dairy firms?	[7]
9.	(a)	How do Commercial Banks serve the needs to Exporters?	[8]
	(b)	Write short notes on Certificates of Deposit.	[7]
10.	(a)	Write 6 guidelines of RBI on portfolio Management Scheme.	[6]
	(b)	What are the main objectives behind nationalization of Banks in	2 3
	. ,	1969?	[5]
	(c)	How the Minimum support price is fixed?	[4]
11.	(a)	Define small enterprises in service sector.	[2]
	(b)	What is the role of SIDBI in MSME sector?	[2]
	(c)	What are the benefits of performance and credit rating?	[6]
	(d)	Write 5 features of Credit Guarantee Fund scheme for Micro and	
	` /	Small enterprises.	[5]