



BRAINWARE UNIVERSITY

Course – M.Com.

Bank Finance Management – Deposit & Other Businesses (MCM 105)
(Semester – 1)

Time allotted: 3 Hours

Full Marks : 70

[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 (Multiple Choice Questions)

Choose the correct answer from the given alternatives of the following: 1x10=10

1. A cheque is defined under section of N.I.Act,
 - a) Section 6
 - b) Section 13(a)
 - c) Section 3
 - d) Section 10

- 2) What punishment is prescribed under N.I.Act, for dishonor of cheque
 - a) Fine equal to the amount of the cheque
 - b) Fine double the amount of the cheque
 - c) Imprisonment up to 2 years
 - d) Both b & c.

- 3) Which of the following crossings are not defined in N.I.Act
 - a) Account Payee
 - b) General Crossing
 - c) Special Crossing
 - d) All the Crossings

- 4) Under section 26 of N.I.Act
 - a) A minor can not draw Promissory Note or Cheque
 - b) A minor who has been admitted to a Partnership firm can draw a cheque
 - c) A minor can draw, accept, endorse and negotiate bills of exchange, promissory note or cheque binding all parties except himself
 - d) A minor can be held liable for the bills of exchange he has accepted

- 5) Your branch is approached by a Partnership Firm to open a current account. But one of the partners in the firm is a limited company
- a) Yes, because company is a legal person
 - b) No because company has no physical presence
 - c) No because liability of shareholders is limited in a limited company
 - d) Yes, because company can enter into a legal contract
6. One of the following statement is **not** true with respect to RTGS
- a) Funds are transferable from the branch of one bank to the branch of another bank.
 - b) Only the corporate and Government departments can avail this facility
 - c) The RTGS system is maintained and operated by the RBI
 - d) Each participating bank in RTGS will be required to open a dedicated settlement account for putting through its RTGS transactions.
7. What relationship is created when the bank collects a cheque in clearing
- a) holder for value
 - b) clearing member and principal
 - c) agent and principal
 - d) collecting bank and holder
8. In deposit accounts, the main relationship between bank and customer is.....
- a) creditor – debtor
 - b) debtor - creditor
 - c) customer - client
 - a) Managing beforehand objectives b) Management by objectives
 - c) Management by order d) Management by object
9. The minimum and maximum number of directors in a Private Limited Company (as per Companies Act, 2013)
- a) 2 & 15 b) 3 & 15 c) 2 & 12 d) 3 & 12
10. LLP, governed by Limited Liability Partnership Act,2008, was introduced in India wef
- a) 01.04.200 b) 01.07.2008 c) 01.01.2009 d) 01.04.2009

Group – B
(Short Answer Type Question)
Answer any three questions

3 x 5 = 15

1. Define Holder in due course?. How it differs from Holder?
2. Write short note on National Electronic Fund Transfer?
3. What is 'General crossing of a cheque'? What are the protection available to a paying banker for crossed cheques?
4. Distinguish Electronic Cheque and Truncated Cheque.
5. What is Speed Clearing ? What is its working system?

Group – C
(Long Answer Type Question)
Answer any three questions

3 x 15 = 45

1. State the details of operations in the account of a Joint Stock Company.
2. Define Partnership Firm as per Indian Partnership Act, 1932. Whether registration of a partnership firm is compulsory? Which document is essential for opening account of an account of a Partnership Firm? Is it necessary to open a new account in case there is addition into the Partnership?
5+7+3
3. What is 'Payment in due course' as defined in section 10 of N.I.Act? What is conversion? What statutory protection available, in case of conversion, to a collecting banker as per N.I.Act?
3+2+10
4. What is 'Endorsement'? What is the effect of endorsement? What are different types of endorsement? Who can endorse? What is the effect of endorsement on a bearer cheque?
2+2+6+2+3
5. What is 'Negotiability'? What are negotiable instruments as per N.I.Act? Who are the different parties in a cheque? What is the validity period of a cheque? What is revalidation of a cheque?
3+4+3+1+4