



# BRAINWARE UNIVERSITY

Course – M.Com.

Wholesale Banking (MCM304B)

(Semester – 3)

**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 Type Questions)

**1. Choose the correct answer from the given alternatives of the following: 10 x 1=10**

i) Which charge can be created on the book debts by banks?

- (a) Pledge
- (b) Assignment
- (c) Mortgage
- (d) Hypothecation

ii) Cash credit or Overdraft account does not become sub-standard (NPA) in the following cases:

- (a) Limit was due for renewal and not renewed for more than 6 months
- (b) Account remained out of order for more than 90 days
- (c) Stock state ment not submitted for more than 3 months
- (d) None of the above

iii) The resolution to raise a loan from Bank in a Company should be passed

- (a) In a meeting of Board of Directors
- (b) In Annual General Meeting
- (c) Through Circulation
- (d) Any of the above none of the above.

iv) In which of the following mortgage, there is absolute transfer of the property in favour of the mortgagee:

- (a) English mortgage
- (b) Mortgage by conditional sale
- (c) Usufructuary Mortgage
- (d) Simple mortgage

- v) In respect of loan against a life insurance policy, this of the following value is taken as the basis for fixation of the loan limit:
- (a) face value of the policy
  - (b) net asset value of the policy
  - (c) maturity value of the policy
  - (d) surrender value of the policy
- vi) The charge on moveable assets to be created is known as
- (a) Set-off
  - (b) Assignment
  - (c) Mortgage
  - (d) Hypothecation
- vii) After the conversion of Hypothecation into pledge the bank will have the same right as that of:
- (a) Pledgee
  - (b) Mortgagee
  - (c) Pledger
  - (d) Hypothecatee
- viii) In which of the following mortgage, there is absolute transfer of the property in favour of the mortgagee:
- (a) English mortgage
  - (b) Mortgage by conditional sale
  - (c) Usufructuary mortgage
  - (d) Simple mortgage
  - (e) Equitable mortgage
- ix) Which of the following does not represent constructive delivery of the pledged stocks?
- (a) Directing the warehouse keeper to keep the stocks on behalf of the bank
  - (b) Handing over the railway receipt duly endorsed in favour of the pledgee
  - (c) Directing the agent to keep the stocks on behalf of the pledgee instead of the pledger
  - (d) Acknowledgement by the pawner that goods lying in his possession will be kept on behalf of the pawnee
- x) In which kind of mortgage, there is substantial saving of payment of stamp duty:
- (a) English mortgage
  - (b) Mortgage by conditional sale
  - (c) Usufructuary mortgage
  - (d) Simple mortgage

**Group – B**

**(Short Answer Type)**

**Answer any three from the followings**

**3 x 5=15**

2. Distinguish Gross NPA and NET NPA.
3. What is Pledge? What is Hypothecation? Are they defined in the same Act/Law? If no, what are those acts?
4. State the Prudential Guidelines on Restructuring of Advances by Banks.
5. What is collateral security? What kind of asset can be offered as collateral?

**Group – C**

**(Long Answer Type)**

**Answer any three from the followings**

**3 x 15=45**

6. What do you know about Personal Guarantee? What are the risks perceived in a Personal guarantee? Can it be considered as Intangible security? What is Primary security?
7. What are the two important methods of analysis of financial statements? What are the ratios represent to understand (a) Profitability, (b) Solvency, (c) Turnover? Write a short note on Cash flow analysis.
8. What is the meaning of ‘Analysis of Financial Statements’? What are the two important methods of analysis of financial statements?
9. What do you understand by ‘Asset Classification’? What are the different categories of NPAs? How advances against Term Deposits, National Savings Certificates (NSCs), Kisan Vikar Patra (KVP)/Indira Vikas Patra (IIVP), etc are treated as NPA?
10. What do you understand by the term ‘DOCUMENTATION’? What is the need for documents? What are the different types of documents taken by a banker from borrower at the time of disbursement of credit facilities sanctioned to the same borrower?