

Enrollment No.....



**Faculty of Management**  
**End Sem (Odd) Examination Dec-2018**  
**MS5OE03 Commercial Banking**

Programme: MBA                      Branch/Specialisation: Management

**Duration: 3 Hrs.****Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Banking companies act 1949 came in to force from- **1**  
 (a) 16 March 1949                      (b) 16 March 1948  
 (c) 16 March 1947                      (d) 16 March 1950
- ii. Rules and regulations for operations of merchant banks are **1**  
 designed by-  
 (a) RBI                      (b) SEBI                      (c) CBI                      (d) None of these
- iii. Current account is never used for the purpose of - **1**  
 (a) Business                      (b) Savings                      (c) Loans                      (d) None of these
- iv. After three months of the date written on cheque it turns in to - **1**  
 (a) Post dated cheque                      (b) Stale cheque  
 (c) Illegal cheque                      (d) Torn cheque
- v. Type of charge that gives a bank automatic claim over a **1**  
 borrower's Property is called-  
 (a) Lien                      (b) Security                      (c) Loans                      (d) None of these
- vi. Loans or advances that are in default on payment of principal or **1**  
 interest for a period of 90 days is classified as-  
 (a) NPA                      (b) API                      (c) OPA                      (d) None of these
- vii. A well known approach to analysing bank profitability using **1**  
 financial ratios is-  
 (a) Solvency of Bank                      (b) ROE  
 (c) CRR                      (d) None of these
- viii. A recognised International Rating System that bank supervisory **1**  
 authorities use in order to rate financial institutions according to  
 six factors-  
 (a) Auditing                      (b) Investigation  
 (c) CAMELS                      (d) None of these

- ix. Amalgamation of two banking companies is done under the **1**  
 provisions of-  
 (a) Sec 44 B.R.A. 1949                      (b) Sec 50 B.R.A. 1949  
 (c) Sec 55 B.R.A. 1949                      (d) None of these
- x. A financial transaction and a type of debtor finance in which a **1**  
 business sells its accounts receivable to a third party at a discount  
 is called –  
 (a) Factoring                      (b) Discounting  
 (c) Searching                      (d) None of these

- Q.2 i. Define commercial banks. **2**  
 ii. Differentiate between branch banking and unit banking. **8**
- OR iii. Describe important functions of commercial banks **8**
- Q.3 Attempt any two:  
 i. Elaborate different types of cheques. **5**  
 ii. Describe the conditions when bank can deny to honour a cheque. **5**  
 iii. Explain the procedure of opening an account in a bank. **5**
- Q.4 Attempt any two:  
 i. Explain the types of credits. **5**  
 ii. What do you mean by NPA Explain its types in brief. **5**  
 iii. Describe in brief: **5**  
 (a) Lien                      (b) Pledge
- Q.5 Attempt any two:  
 i. Explain financial statements of a bank. **5**  
 ii. Explain profitability ratios. **5**  
 iii. Explain liquidity ratios. **5**
- Q.6 Attempt any two:  
 i. What do you mean by merger and acquisition. **5**  
 ii. Elaborate the technological innovations and opportunities for **5**  
 banks.  
 iii. Describe benefits of International Banking. **5**

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**Marking Scheme**  
**MS5OE03 Commercial Banking**

Q.1	i. Banking companies act 1949 came in to force from- (a) 16 March 1949	<b>1</b>			
	ii. Rules and regulations for operations of merchant banks are designed by- (b) SEBI	<b>1</b>			
	iii. Current account is never used for the purpose of – (b) Savings	<b>1</b>			
	iv. After three months of the date written on cheque it turns in to - (b) Stale cheque	<b>1</b>			
	v. Type of charge that gives a bank automatic claim over a borrower's Property is called- (a) Lien	<b>1</b>			
	vi. Loans or advances that are in default on payment of principal or interest for a period of 90 days is classified as- (a) NPA	<b>1</b>			
	vii. A well known approach to analysing bank profitability using financial ratios is- (b) ROE	<b>1</b>			
	viii. A recognised International Rating System that bank supervisory authorities use in order to rate financial institutions according to six factors- (c) CAMELS	<b>1</b>			
	ix. Amalgamation of two banking companies is done under the provisions of- (a) Sec 44 B.R.A. 1949	<b>1</b>			
	x. A financial transaction and a type of debtor finance in which a business sells its accounts receivable to a third party at a discount is called – (a) Factoring	<b>1</b>			
Q.2	i. Definition of commercial banks in 30 words	<b>2</b>			
	ii. Any eight differences b/w branch banking and unit banking. 1 mark for each point (1 mark * 8)	<b>8</b>			
OR	iii. Any eight functions of commercial banks 1 mark for each point (1 mark * 8)	<b>8</b>			
Q.3	Attempt any two:				
	i. Any five types of cheques. 1 mark for each type (1 mark * 5)			<b>5</b>	
	ii. Any five conditions when bank can deny to honour a cheque. 1 mark for each condition (1 mark * 5)			<b>5</b>	
	iii. Procedure of opening an account in a bank. 1 mark for each step (1 mark *5)			<b>5</b>	
Q.4	Attempt any two:				
	i. Any five types of credits. 1 mark for each type (1 mark * 5)			<b>5</b>	
	ii. Meaning of NPA Any three types 1 mark for each type (1 mark * 3)		2 marks 3 marks	<b>5</b>	
	iii. Describe in brief: (a) Lien (b) Pledge		2.5 marks 2.5 marks	<b>5</b>	
Q.5	Attempt any two:				
	i. Financial statements of a bank in 100 words			<b>5</b>	
	ii. Profitability ratios Its types		2 marks 3 marks	<b>5</b>	
	iii. Liquidity ratios. Its types		2 marks 3 marks	<b>5</b>	
Q.6	Attempt any two:				
	i. Merger and acquisition in 100 words			<b>5</b>	
	ii. Technological innovations in 50 words Opportunities for banks in 50 words		2.5 marks 2.5 marks	<b>5</b>	
	iii. Any five benefits of International Banking. 1 mark for each point (1 mark * 5)			<b>5</b>	
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