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(Pages : 4)

Name.....

Reg. No.....

SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2019

(CUCBCSS—UG)

Economics

ECO 1C 03 AND ECO 2C 03—BANKING I AND BANKING II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Section A (Objective Type Questions)

PART I

Answer all questions.

Each question carries ½ mark.

1. Banking Regulation Act came into force on _____.
(a) 1st January 1949. (b) 16th March 1949.
(c) 19th July 1949. (d) 1st October 1949.
2. Which among this is not a function of RBI ?
(a) Banker to bank. (b) Issue of currency note.
(c) National clearing house. (d) Agriculture loan.
3. Regarding a fixed deposit the relation between a banker and a customer is _____.
(a) Creditor and debtor. (b) Trustee and beneficiary.
(c) Principal and agent. (d) Debtor and creditor.
4. Bank undertaking both commercial and industrial banking _____.
(a) Mixed banking. (b) Unit banking.
(c) Core banking. (d) Branch banking.
5. Branch banking has its origin in _____.
(a) New York. (b) South America.
(c) India. (d) England.
6. Number of banks nationalized in 1969 _____.
(a) 14. (b) 19.
(c) 17. (d) 21.

(6 × ½ = 3 marks)

Turn over

PART II

*Answer all questions.
Each question carries ½ mark.*

7. Negotiable instrument Act came into force with effect from _____.
- (a) 12th March 1882. (b) 1st April 1882.
(c) 19th July 1882. (d) 1st November 1882.
8. Which among this is a negotiable instrument ?
- (a) Bills of exchange. (b) Promissory note.
(c) Cheque. (d) All of the above.
9. Common place where mutual indebtedness between the members settled _____.
- (a) Discounting house. (b) Clearing house.
(c) Court. (d) None of the above.
10. A cheque presented at the bank on which it is drawn after a reasonable length of time has elapsed from the date of drawing is _____.
- (a) Crossed cheque. (b) Marked cheque.
(c) Stale cheque. (d) Post dated cheque.
11. When did FEMA come into being ?
- (a) 1st June 2000. (b) 1st June 2001.
(c) 1st June 2002. (d) 1st June 2003.
12. To whom a bank is liable for wrongful payment of cheque ?
- (a) Holder. (b) Holder in due course.
(c) Drawer. (d) Payee.

(6 × ½ = 3 marks)

Section B (Very Short Answer Type Questions)

PART I

*Answer any five questions.
Each question carries 2 marks.*

13. Define priority sector lending.
14. What do you mean by joint account ?
15. State the duties of collecting banker.
16. Define money market.

17. What is a bank ?
18. Explain the term Hundi.

(5 × 2 = 10 marks)

PART II

*Answer any five questions.
Each question carries 2 marks.*

19. Define Balance sheet.
20. Write a short note on crossing of cheque.
21. What is meant by wrongful dishonor of a cheque ?
22. Define promissory note.
23. Bring out any two advantages of unit banking.
24. Explain demand draft.

(5 × 2 = 10 marks)

Section C (Short Essay Questions)

PART I

*Answer any three questions.
Each question carries 5 marks.*

25. What is meant by negotiable instrument ? Explain its characteristics.
26. Explain various kinds of crossing of cheques.
27. Briefly explain about joint account and Partnership.
28. Write a short note on achievements of bank nationalization in India.

(3 × 5 = 15 marks)

PART II

*Answer any three questions.
Each question carries 5 marks.*

29. What is a commercial bank ? Enumerate its function.
30. Give the meaning of mixed banking. Explain its merits and demerits.
31. Modern banks play a vital role in the economic activity of a Country- Elucidate.
32. Differentiate between branch banking and unit banking.

(3 × 5 = 15 marks)

Turn over

Section D (Essay Questions)**PART I**

Answer any one question.

The question carries 12 marks.

33. "Nationalization of 14 major Commercial banks in India has been a step in the right direction". Do you agree with this statement. Give arguments in favour of your opinion.
34. Define negotiable instruments. Discuss various types of negotiable instruments.

(1 × 12 = 12 marks)

PART II

Answer any one question.

The question carries 12 marks.

35. State the achievements of bank nationalization in India.
36. Explain the evolution of banking institutions.

(1 × 12 = 12 marks)

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SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2018

(CUCBCSS-UG)

Complementary Course

ECO 1C 03/ECO 2C 03—BANKING—I AND BANKING—II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries ½ mark.

1. The RBI was nationalized in :
(a) 1934. (b) 1935.
(c) 1948. (d) 1951.
2. Which one of the following is the apex bank in agricultural finance in India ?
(a) Gramin Bank. (b) ARDC.
(c) NABARD. (d) RBI.
3. Which of the following is an asset of a bank ?
(a) Deposits. (b) Loans.
(c) Both loans and deposits. (d) None of these.
4. If the cash reserve ratio is 20 %, then the credit multiplier is :
(a) 2. (b) 5.
(c) 4. (d) 10.
5. The Reserve Bank of India, India's central banking authority was nationalized :
(a) 1956. (b) 1948.
(c) 1950. (d) 1951.
6. Crossing a cheque without the knowledge of the drawer is a case of :
(a) Material authorization. (b) Immaterial authorization.
(c) Authorised alteration. (d) None of these.
7. The money market for extremely short period loans is referred to as :
(a) Call money market. (b) Commercial bill market.
(c) Collateral loan market. (d) Treasury bill market.

Turn over

8. The major players in Indian money market is :
- (a) RBI. (b) Commercial Banks.
(c) Co-operative Banks. (d) Indigenous Banks.
9. A market for long term funds are called :
- (a) Money market. (b) Capital market.
(c) Commercial banks. (d) Foreign exchange banks.
10. Honouring of a cheque is a :
- (a) Privilege. (b) Obligation.
(c) Statutory obligation. (d) Contractual obligation.
11. Dishonour of a cheque due to want of funds is an offence under Section _____ of the Negotiable Instrument Act 1881.
- (a) 36. (b) 138.
(c) 56. (d) 146.
12. The document which can be used only for making local payment is :
- (a) A cheque. (b) A bill of exchange.
(c) A banker's cheque. (d) A draft.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

Section I

Answer any five questions.

13. What are the constituents of a financial system ?
14. What is an ATM ?
15. What is meant by Internet banking ?
16. Define branch banking.
17. Distinguish between Scheduled and Non-scheduled banks.
18. What is clearing house ?

Section II

Answer any five questions.

19. Distinguish between Money market and Capital market.
20. Define discount market.
21. Distinguish between current account and recurring account.
22. What is a derivative deposit ?
23. What are the types of negotiable instruments ?
24. What are bonus shares ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

Section I

Answer any three questions.

25. What is a balance sheet of bank ? Illustrate with an example.
26. Describe the impact of technological innovations in banking.
27. What are money market instruments ?
28. What are the arguments for and against nationalization of banks in India ?

Section II

Answer any three questions.

29. What are the salient features of a cheque ?
30. Describe different kinds of crossing.
31. Distinguish between discount market and acceptance market.
32. Explain the steps of opening a Savings Bank Account.

(6 × 5 = 30 marks)

Part D (Essay Questions)

Section I

Answer any one question.

33. Describe the functions of commercial banks.
34. Explain the development role of RBI.

Section II

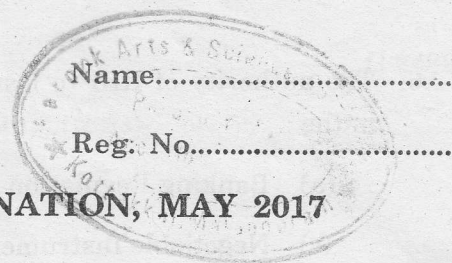
Answer any one question.

35. What are the peculiarities of Indian money market ?
36. Illustrate the process of credit creation by banks, if there are three banks, 20 % cash reserve ratio and initial one time deposit is 10000.

(2 × 12 = 24 marks)

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SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2017

(CUCBCSS—UG)

Complementary Course

ECO 1C 03 AND ECO 2C 03—BANKING I AND II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Section A (Objective Type Questions)

PART I

Answer all questions.

Each question carries ½ mark.

1. A system with a network of branches carrying banking business throughout the country.
 - (a) Chain Banking.
 - (b) Branch Banking.
 - (c) Mixed Banking.
 - (d) Group Banking.
2. The RBI was nationalized in :
 - (a) 1934.
 - (b) 1935.
 - (c) 1948.
 - (d) 1951.
3. The technique of deliberate and direct buying and selling of securities and bills in the money market by Central bank.
 - (a) Open Market Operation.
 - (b) Statutory Liquidity Ratio.
 - (c) Repo & Reverse Repo.
 - (d) Solvency.
4. Which among the following is not an apex financial institution in India ?
 - (a) IDBI.
 - (b) NABARD.
 - (c) IFCI.
 - (d) IRBI.
5. An organisation of banks constituted for settling inter-bank liabilities due to transfer of deposits.
 - (a) Central bank.
 - (b) Scheduled Banks.
 - (c) Clearing House.
 - (d) Discount House.

Turn over

6. The authority of RBI to issue directions to banking companies to control credit is contained in the :
- (a) Banking Regulation Act. (b) Reserve Bank of India Act.
(c) Negotiable Instrument Act. (d) None of these.

(6 × ½ = 3 marks)

PART II

Answer **all** questions.

Each question carries ½ mark.

7. The stock or shares of the highest quality, with long records of earnings and dividends, of well known, or stable companies.
- (a) Gilt-edged security. (b) Fixed income securities.
(c) Blue chip stocks. (d) Preferred stock.
8. The market in which prices are going up and the market sentiments are highly optimistic.
- (a) Bearer Market. (b) Bull market.
(c) Primary Market. (d) Secondary Market.
9. Market in which securities are sold for the first time.
- (a) Money Market. (b) Primary Market.
(c) Capital Market. (d) Secondary Market.
10. Shares issued to existing shareholders as a result of capitalization of reserves is _____.
- (a) Bonus shares. (b) Income bonds.
(c) Debentures. (d) Preferred stock.
11. The safest form of a crossed cheque is :
- (a) General crossing. (b) Special crossing.
(c) Double crossing. (d) A/c Payee crossing.
12. The offence under Sec. 138 of the Negotiable Instrument Act is deemed to have been committed, if the drawer fails to make payment within _____ Period from the date of the receipts of notice.
- (a) 1 Month. (b) 45 days.
(c) 15 days. (d) 3 Months.

(6 × ½ = 3 marks)

Section B (Very Short Answer Type Questions)**PART I**

Answer any five questions.

Each question carries 2 marks.

13. Define scheduled commercial bank ?
14. Write a note on RBI.
15. What is a clearing bank ?
16. What are NBFIs ?
17. Briefly mention Merchant Banking.
18. Write a note on liabilities of a bank.

(5 × 2 = 10 marks)

PART II

Answer any five questions.

Each question carries 2 marks.

19. Define a cheque.
20. What is a money market ?
21. Write a note on Acceptance House.
22. What is meant by Joint Accounts ?
23. What is a collateral security ?
24. Define ATM ?

(5 × 2 = 10 marks)

Section C (Short Essay Questions)**PART I**

Answer any three questions.

Each question carries 3 marks.

25. What are financial intermediaries ?
26. What are the advantages of deposit insurance ?
27. Write a note on balance sheet of a bank with an example.
28. What are the secondary functions of modern commercial banks ?

(3 × 3 = 9 marks)

Turn over

PART II

*Answer any three questions.
Each question carries 3 marks.*

29. What are the constituents of a good financial market ?
30. Mention the issues of dishonouring a cheque.
31. What are partnership firms ?
32. What are importance of crossing a cheque ? Illustrate with example.

(3 × 5 = 15 marks)

Section D (Essay Questions)

PART I

*Answer any one question.
The question carries 12 marks.*

33. What are the functions of commercial banks ?
34. Critically evaluate the Bank nationalization in India

(1 × 12 = 12 marks)

PART II

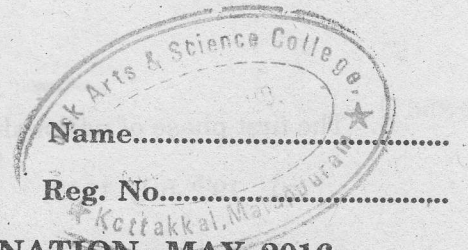
*Answer any one question.
The question carries 12 marks.*

35. What are negotiable instruments? Explain their properties.
36. Describe the salient features of Indian Money Market.

(1 × 12 = 12 marks)

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SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2016

(CUCBCSS—UG)

Complementary Course

ECO 1C 03 AND ECO 2C 03—BANKING I AND II

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all twelve questions.

1. The statement showing the asset and liabilities of a bank in a financial year is called :
 - (a) Balance of payment.
 - (b) Balance of accounts.
 - (c) Balance of trade.
 - (d) Balance sheet.
2. If 'K' is the credit multiplier and 'r' is the cash reserve ratio, then the relationship between K and r is :
 - (a) Direct.
 - (b) Inverse.
 - (c) Initially direct and then inverse.
 - (d) Indeterminate.
3. Which of the following is the apex bank in industrial finance in India ?
 - (a) RBI.
 - (b) NABARD.
 - (c) IDBI.
 - (d) ICICI.
4. The deposit that receives relatively higher rate of interest, is :
 - (a) Fixed deposit account.
 - (b) Current account.
 - (c) Savings bank account.
 - (d) Current and savings bank account.
5. A system with a network of branches carrying banking business throughout the country :
 - (a) Chain Banking.
 - (b) Branch Banking.
 - (c) Mixed Banking.
 - (d) Group Banking.

Turn over

6. The first phase of nationalization of Indian banks were in :
- (a) 19th July 1969. (b) 19th July 1971.
(c) 12th April 1980. (d) 11th January 1969.
7. After nationalization, the then Imperial Bank of India was renamed as :
- (a) RBI. (b) SBI.
(c) Central Bank of India. (d) Indian Bank.
8. A market for short term funds are called :
- (a) Money market. (b) Capital market.
(c) Securities market. (d) All the above.
9. Which of the following is an obligation or a liability of a bank ?
- (a) Primary deposits. (b) Derivative deposits.
(c) Loans and advances. (d) Discounting of bills.
10. The document drawn by a debtor on the creditor agreeing to pay a certain sum is called
- (a) Cheque. (b) Promissory note.
(c) Bill of exchange. (d) Draft.
11. The best suited deposit for a trading company is
- (a) Saving deposit. (b) Fixed deposit.
(c) Current deposit. (d) Recurring deposit.
12. Maintenance of the secrecy of a cheque is a
- (a) Privilege. (b) Obligation.
(c) Statutory Obligation. (d) Contractual Obligation.

(12 × ½ = 6 marks)

Part B (Very Short Answer)*Answer any five questions***SECTION I**

13. What is an open cheque ?
14. What is a Demand Draft ?
15. Define Call money market
16. Write a note on the Section 138 of the Negotiable Instrument Act.
17. Define banker's cheque.
18. What is meant by A/c payee crossing ?

SECTION II*Answer any five questions*

19. What are the deposit accounts ?
20. Define Core Banking.
21. What is derivative deposit ?
22. Define an acceptance market ?
23. What are the peculiarities of Indian money market ?
24. What are the constituents of financial system ?

(10 × 2 = 20 marks)**Part C (Short Essay Questions)***Answer any three questions.***SECTION I**

25. What is an ATM ? Bring out its advantages.
26. Describe the impact of bank nationalization in India.
27. What are the classifications of banks ?
28. Explain the relationship between banker and customer.

SECTION II*Answer any three questions.*

29. Distinguish between discount market and acceptance market.
30. Discuss the merits of Treasury bill market.
31. What are the kinds of crossing a cheque ?
32. What are the requirements of a good money market ?

(6 × 5 = 30 marks)**Turn over**

Part D (Essay Questions)

Answer any one question.

SECTION I

33. Explain the functions of RBI.
34. Describe the significance of commercial banks.

SECTION II

Answer any one question.

35. Illustrate the structure of Indian Money market ?
36. What is a cheque ? Describe the salient features of a cheque.

(2 × 12 = 24 marks)