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**T.Y.B.Com Semester VI (CBCS) Ordinance**  
**EXAMINATION NOVEMBER 2023**  
**Banking & Financial Services Major V - Law and Practice of Banking I**

[Time: 2 Hours]

[Max. Marks:80]

**Instructions:**

1. All questions are compulsory, however internal choice is available.
2. Figures to the right indicate maximum marks to the question.
3. Answer Q1 and Q2 in 100 words and Q3 to Q6 in 400 words.

**Q1** Answer any four of the following.

[4X4=16]

- a) Briefly explain the sources of term loan finance.
- b) What is base rate system?
- c) Explain the importance of credit appraisal techniques.
- d) Explain briefly the types of securities.
- e) Briefly explain practical difficulties and legal complications in case of advances against land and buildings.
- f) Explain the measures to ensure good title.

**Q2** Write short notes on any four of the following.

[4X4=16]

- a) Types of documents.
- b) Types of stamps.
- c) Letter of balance confirmation.
- d) Non legal Measures of debt recovery.
- e) Procedure to be followed in enforcement process in DRT act 1993.
- f) Enforcement of security interest in SARFAESI Act 2002.

**Q3** A. Explain procedure and practices of vehicle loan.

[12]

**OR**

B. 1. Gopal borrows Rs. 1,00,000 from a bank at 10% p.a. simple interest and clears the debt in five years. If the instalments paid at the end of the first, second, third and fourth years to clear the debt are Rs. 10,000, Rs. 20,000, Rs. 30,000 and Rs. 40,000 respectively, what amount should be paid at the end of the fifth year to clear the debt?

[6]

2. Ravi borrowed a sum of Rs. 50,000 from SBI Bank as a loan. Which will be repaid in 5 equal annual instalments. If the rate of interest be 5% per annum compounded annually, find the amount of each instalment.

[6]

**Q4** A. Explain the different modes and methods of creating charge over securities.

[12]

**OR**

B. Explain the risks and precautions in case of advances against supply bills.

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[12]

- Q5 A. Explain the legal formalities for bank documentation.  
OR  
B. Explain the precautions to be taken by bank with respect to bank documentation.

[12]

- Q6 A. Elaborate on recovery of debt due to banks and financial institution act 1993 (DRT Act)  
OR

B. Explain the Role of RBI in Supervision & Control of the commercial Banks in India.