



B.Com. (Semester – V) Examination, April 2017
BANKING AND FINANCIAL SERVICES (New Course)
Major – III : Law and Practice of Banking – I

Duration : 2 Hours

Total Marks : 80

Instructions : 1) Figures to the **right** indicate **full** marks.

2) Questions 1 & 2, must be **100** words and 3 to 6 of **400** words **approximately**.

3) **All** questions are **compulsory**.

1. Answer briefly **any four** of the following. (4×4=16)
 - a) Components of working capital.
 - b) Effects of non-registration of a document.
 - c) Balance confirmation letter.
 - d) Overdraft facility.
 - e) Attestation of documents.
 - f) Margin money for loans.
2. Answer briefly **any four** of the following. (4×4=16)
 - a) Secured and unsecured loans.
 - b) Foreign Exchange Management Act.
 - c) SARFAESI Act 2002.
 - d) Distinction between guarantee and indemnity.
 - e) Banker's lien.
 - f) Advances against a supply bill.
3. A) i) Explain the different principles that guide a banker in granting loans and advances. (6×2=12)
ii) Explain the meaning and types of loans and their advantages to business firm.

OR

B). What are term loans ? Explain the four criteria of term loan appraisal.

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4. A) List the different types of mortgages and explain any two of them. 12
- OR
- B) Outline the characteristics of Rledge and Hypothecation. Discuss the precautions the bank must take in lending against any one of them. 12
5. A) What is a Railway Receipt ? Explain the precautions that a banker must take when lending against a railway receipt as security. 12
- OR
- B) List the various advantages and disadvantages of goods as bank security for loans. Discuss the major precautions on bank must take when lending against goods as security. 12
6. A) Discuss why documentation of loans is an essential requirement for banks. 12
- OR
- B) Discuss the precautions that a bank must take with regard to documentation of bank loans. 12
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