

**B.Com. (Semester – V) Examination, October 2015**  
**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 and 2 must be of 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) Explain the features of cash credit system.
  - b) Examine the advantages of the loan system.
  - c) Mr. X has been sanctioned a loan of Rs. 50,000 @ 10% p.a. for 5 years. Calculate simple interest.
  - d) Explain briefly attestation of documents.
  - e) What is the importance of stamps on documents ?
  - f) What are the effects of non-registration of documents ?
2. Write short notes on **any four** : (4×4=16)
  - a) Usufructuary mortgage
  - b) Distinction between pledge and hypothecation
  - c) Contract of indemnity
  - d) FEMA
  - e) Debt recovery tribunals
  - f) Role of RBI in supervision and control of commercial banks.
3. A) Explain : (2×6=12)
  - i) Working capital finance
  - ii) Term loan finance

OR

B) Discuss the following borrowing facilities. (2×6=12)

  - i) Participation loans
  - ii) Overdrafts.



4. A) Discuss the precautions to be taken by a Banker while lending against land and building. 12
- OR
- B) What are the precautions a Banker should take while making advances against Stock Exchange Securities ? 12
5. A) What are the characteristics of Mortgage ? Explain English Mortgage. 12
- OR
- B) Examine the precautions the Banker should take while lending against goods. 12
6. A) Explain : (2×6=12)
- i) Registration of documents
  - ii) Execution of documents.
- OR
- B) Discuss the precautions to be taken by Banks with respect to documentation. 12
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