

**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)**
- Explain the features of cash credit system.
  - Examine the advantages of the loan system.
  - Mr. X has been sanctioned a loan of Rs. 50,000 @ 10% p.a. for 5 years. Calculate simple interest.
  - Explain briefly attestation of documents.
  - What is the importance of stamps on documents ?
  - What are the effects of non-registration of documents ?
2. Write short notes on **any four** : **(4×4=16)**
- Usufructuary mortgage
  - Distinction between pledge and hypothecation
  - Contract of indemnity
  - FEMA
  - Debt recovery tribunals
  - Role of RBI in supervision and control of commercial banks.
3. A) Explain : **(2×6=12)**
- Working capital finance
  - Term loan finance
- OR
- B) Discuss the following borrowing facilities. **(2×6=12)**
- Participation loans
  - 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 : (2x6=12)
- i) Registration of documents
  - ii) Execution of documents.
- OR
- B) Discuss the precautions to be taken by Banks with respect to documentation. 12
-