



B.Com. (Semester – V) Examination, April 2018
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** are 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) Bills purchased and discounted.
- b) Unsecured advances.
- c) Margin money.
- d) Cash credit facility.
- e) Execution of documents.
- f) Power of attorney.

2. Answer **any four** of the following : **(4×4=16)**

- a) Foreign Exchange Management Act.
- b) Banking Regulation Act 1949.
- c) The merits of stock exchange securities as security for bank advances.
- d) Essential features of pledge.
- e) Gold loans.
- f) Role of RBI in supervision and control of commercial banks.

3. A) Explain the various principles of sound lending followed by banks in giving loans. **12**

OR

B) What are term loans ? Explain the four criteria of term loan appraisal. **12**

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4. A) Briefly explain the features of : 12
i) Equitable mortgage.
ii) English mortgage.
iii) Usufructuary mortgage.

OR

- B) Outline the features and advantages of guarantee and explain the rights of a guarantor. 12

5. A) Explain the precautions that a banker must take when lending against goods as security. 12

OR

- B) List the features of a Bill of Lading. Explain the risks involved and the general precautions a banks needs to take when lending against title to goods. 12

6. A) Explain the importance of documentation for a banker. 12

OR

- B) What is the importance of stamps in documentation ? Explain the different types of stamps used. 12