



SUY - 17

B.Com. (Semester - V) Examination, October/November 2016
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) Overdraft facility
 - b) Clean advances
 - c) Power of attorney
 - d) Witnessing of documents
 - e) Letter of guarantee
 - f) Managerial competence – a factor for term loan appraisal.
2. Answer **any four** of the following : **(4×4=16)**
- a) Characteristics of hypothecation
 - b) Assignment
 - c) Banking Regulation Act
 - d) Foreign Exchange Management Act
 - e) Advantage of goods as security
 - f) Features of a bill of lading.
3. A) i) What is a term loan ? Explain any two aspects used for term loan appraisal.
- ii) Briefly explain the principles of sound lending followed by banks. **(6×2=12)**
- OR
- B) Outline the characteristics of working capital and explain its operating cycle. **12**

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4. A) Outline the features and advantages of guarantee and explain the rights of a guarantor. 12

OR

B) Explain the characteristics of a mortgage and discuss the rights of the mortgager and mortgagee. 12

5. A) What is meant by discounting bills of exchange ? Discuss the precautions, a bank must take when discounting bills of exchange. 12

OR

B) List the merits of stock market securities as security against loans. Explain the precautions, a bank must take when lending against stock market securities. 12

6. A) Discuss the controls increased by the RBI over commercial bank lending to industry. 12

OR

B) Explain the precautions that a bank must take with regard to documentation of bank loans. 12

(4x4=16)

(6x2=12)

12

P.T.O.