

Fundamentals of Banking

Duration: 2 hours

Marks: 80

Instructions:

- All Questions are compulsory.
- Figures to the right indicate marks.
- Answer each question on a fresh page.
- Draw diagrams where necessary.

1. Answer **any four** of the following (4 *4 =16)
 - a. Definition of a Banker.
 - b. Stale Cheques.
 - c. Features of a negotiable Instrument.
 - d. Material alteration.
 - e. Banker's Lien.
 - f. Banker as bailee.

2. Answer **any four** of the following: (4 *4 =16)
 - a. RBI as banker to the government.
 - b. List the items of Revenue and Expenditure of Bank statement and explain two of each.
 - c. Cash reserve ratio of RBI.
 - d. Main functions of Credit Information Bureau Ltd.
 - e. RBI's supervisory functions.
 - f. Capital adequacy ratio.

3. A. Explain the Debtor-Creditor relationship between Banker and Customer. (12)

OR
3. B. Explain the banker's duty to disclose the customer's account under:
 - i) Compulsion of Law.
 - ii) In public interest.

4. A. What is meant by crossing of cheques? Explain general crossing and special crossing. (12)

OR
4. B. Explain the circumstances under which a cheque can be dishonoured by the bank.

5. A. List all the Assets and Liabilities of a bank's financial statement and briefly explain them. (12)

OR

5. B Explain briefly the liquidity ratios used by banks.

6. A. Explain the quantitative Instruments of credit control used by the RBI. (12)

OR

6. B. Answer briefly: (6*2=12)

i. Banking Ombudsman Act.

ii. Development functions of the RBI.
