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CV—120—2018

FACULTY OF COMMERCE

B.Com. (First Year) (Second Semester) EXAMINATION

OCTOBER/NOVEMBER, 2018

BANKING AND INSURANCE

Paper III

(Fundamentals of Banking—II)

(MCQ & Theory)

(Tuesday, 9-10-2018)

Time : 10.00 a.m. to 12.00 noon

Time—2 Hours

Maximum Marks—40

- N.B. :—** (i) All questions carry equal marks.
(ii) All questions are compulsory.
(iii) First question will carry negative marking.

MCQ

1. Answer the following questions : 10
- (i) deposits are also called as passive deposits.
- (a) Primary (b) Derivative
(c) Both (a) and (b) (d) None of these
- (ii) Cash reserve ratio is always fixed as a measures.
- (a) Transaction (b) Speculative
(c) Precautionary (d) None of these
- (iii) The bank should carefully scrutinise the of loan demanding party.
- (a) Previous bank record (b) Nature of business
(c) Title of business (d) Credit worthiness

P.T.O.

- (iv) Negotiable instrument must be signed by :
- | | |
|-----------|------------------|
| (a) Payee | (b) Bank |
| (c) Maker | (d) All of these |
- (v) A signature on cheque must be match with :
- | | |
|------------------------|----------------------|
| (a) Specimen signature | (b) Thumb impression |
| (c) Other A/c holder | (d) None of these |
- (vi) cheque can be made payable to a particular person only.
- | | |
|----------------------|-------------------|
| (a) Bearer | (b) Order |
| (c) Both (a) and (b) | (d) None of these |
- (vii) How many parties are available in promisory note ?
- | | |
|-------|-------|
| (a) 2 | (b) 3 |
| (c) 1 | (d) 4 |
- (viii) can be used for recording the endorsement.
- | | |
|-------------|-------------------|
| (a) Stamp | (b) Bond paper |
| (c) Allonge | (d) None of these |
- (ix) Blank, full or special, restrictive, partial are types of :
- | | |
|----------------------|------------------|
| (a) Cheque | (b) Endorsement |
| (c) Bill of exchange | (d) All of these |
- (x) Debit card combine the functions of ATM cards and :
- | | |
|---------------------|------------------|
| (a) Cheque | (b) Credit card |
| (c) Travellers card | (d) All of these |

Theory

2. Explain negotiable instrument and its features in detail. 10
3. Explain the term of E-banking. 10

Or

Explain lending principles of commercial bank.

4. Write short notes on (any *two*) : 10
 - (a) Diversification of Risk
 - (b) ATM
 - (c) Debit Card
 - (d) Need of Technology in Banking.