Dr. Babasaheb Ambedkar Open University
Term End Examination July – 2018

Course	:	**BBAIB**	**Date**	:	**21-07-2018**
Subject Code	:	**BBAIB-204**	**Time**	:	**11:00am to 02:00pm**
Subject Name	:	**Indian Banking System**	**Duration**	:	**03 Hours**
			Max. Marks	:	**70**

Section A

Answer the following (Attempt any three) **(30)**

1. Discuss the importance of Development Banks in Economic Development. Discuss in detail their functions.
2. Write a detailed note on NABARD and its functions.
3. How and why does a Bank create a charge on his customer. Explain the following modes in brief:
   a) Lien
   b) Pledge
   c) Hypothecation
   d) Mortgage
4. Discuss the subsidiary and miscellaneous General utility services.
5. Explain the various forms of mortgage.

Section B

Answer the following (Attempt any four) **(20)**

1. Profitability
2. State Co-operative Banks
3. Advances against real estate
4. Liquidity vs. Profitability
5. Write a note on Banker as Trustee and Banker as Agent
6. How was Liberalization on Indian Banking industry brought about by Narsimha Rao Government in 1990s

Section C

Part – A (Multiple Choice Questions) **(10)**

1 Principal functions of a bank are
   A Lending and Investing B Accepting deposits
   C Non-fund business and Remittance services D All of the above

2 In deposit accounts, the main relationship between a bank and a customer is
   A Creditor-Bank, debtor- customer B Agent- Principal
   C Servant-owner D Creditor-customer, debtor- Bank

3 What relationship is created when the bank collects a cheque in clearing
   A Clearing member and principal B Holder for value
   C Collecting bank and holder D Agent and principal

4 Demand deposits are those which can be withdrawn

A On request
B On sanction by manager
C On demand
D On persuasion

5 In savings account deposits, interest is calculated on_____

A Daily basis
B Average
C Minimum Balance
D Last balance at the end of the month

6 By which year the Indian banking industry has become an important tool for the development of the Indian economy.

A 1947
B 1952
C 1960
D 1971

7 What is the main function of NABARD ?

A To work as an apex body to look after the credit requirement of the rural sector
B To provide deposits to commercial banks
C To control Co-operative society
D To issue credit cards

8 With how much capital Reserve Bank of lndia established?

A 1 crore
B 3 crore
C 5 crores
D 10 crores

9 As per Sec.24 of Bank Regulation Act how much minimum statutory liquidity ratio should be maintained?

A 10%
B 19.5%
C 25%
D 30.5%

10 How much cash reserve to be required to keep by the English Banks?

A 2%
B 4%
C 6%
D 8%

Part – B (Do as Directed) (10)

1 Banking in India originated in the last decades of the _____ century.
2 IDBI provides loans and advances to _____ industries only
3 Define Commercial Bank.
4 _____ Services is the secondary services of a bank.
5 A banker helps customers to remit money from one place to another by means of _____.
6 Define Regional Rural banks and give two examples
7 Define Cash Reserve Ratio.
8 Distinguish between a Savings Account and Current account
9 Write the full form of following acronyms:
a) ICICI
b) NHB
c) NEFT
10 Mention in brief the developmental services provided by IDBI.