

MAHARASHTRA AGRICULTURAL UNIVERSITIES EXAMINATION BOARD, PUNE
SEMESTER END THEORY EXAMINATION
B.Sc.(Hons.) A.B.M.

Semester : IV(New)	Term : Second	Academic Year : 2021-22
Course No. : BFA 243	Title : Theory and Practice of Banking	
Credits : 2 (2+0)	Time : 14:00 to 17:00 hrs	Total Marks : 80
Day & Date : Sunday, 18.09.2022		

- Note :**
1. Solve ANY EIGHT questions from SECTION 'A'.
 2. All questions from SECTION 'B' are compulsory.
 3. All questions carry equal marks.
 4. Draw neat diagram wherever necessary.

SECTION 'A'

- Q.1 Define bank and discuss the functions of bank.
- Q.2 Discuss the principles followed by banks for lending money.
- Q.3 What do you mean by credit creation by commercial bank? Discuss the limitations on the power of banks to create credit.
- Q.4 Discuss the concept of Unit banking and explain its merits and demerits.
- Q.5 Discuss the relationship of banker with customer.
- Q.6 Define negotiable instrument. Discuss the different types of negotiable instruments.
- Q.7 Write short notes on (Any Two):
 - a) Mortgage
 - b) Hypothecation
 - c) KYC
- Q.8 What are differentiated banks? Explain payment banks and small finance banks.
- Q.9 Discuss organized and unorganized financial institutions.
- Q.10 Explain monetary policy and its objectives.

SECTION 'B'

- Q.11 a) Define the following terms:
- 1) Investment banking
 - 2) Anti money laundering
 - 3) Chain banking
- b) Answer in one sentence:
- 1) What is merger and acquisition of banks?
 - 2) What is Banking Ombudsman Scheme as per RBI?
 - 3) What is the name of Central Bank of India?
 - 4) The RBI was nationalised in which year?
 - 5) What are the methods of credit control?

(P.T.O.)

Q.12 Choose the correct answer:

- 1) In commercial banking, who takes the risk while giving the loan?
 - a) Depositor
 - b) Borrower
 - c) Commercial Bank
 - d) Central Bank
- 2) Services of banks include _____.
 - a) Net banking
 - b) Mobile banking
 - c) Phone banking
 - d) All of these
- 3) 100/- Rupee note is signed by the _____.
 - a) Prime Minister
 - b) Finance Minister
 - c) RBI Governor
 - d) None of these
- 4) _____ are not a part of the Scheduled banking structure in India.
 - a) Money lenders
 - b) Public sector banks
 - c) Private sector banks
 - d) Regional Rural Banks
- 5) RBI is not expected to perform the role of _____.
 - a) Acting as a clearing house
 - b) Working as a banker to the Government
 - c) Managing Forex
 - d) Accepting deposits from general public
- 6) KYC consists of _____.
 - a) Customer Identification
 - b) Customer Due Diligence
 - c) Customer Acceptance
 - d) All of these
- 7) Which of the following is true, when words 'Not Negotiable' are included in a generally or specially crossed cheque?
 - a) Cheque becomes non-transferable
 - b) Cheque can be further transferred; but the transferee cannot get the better title than the transferor
 - c) An open or uncrossed cheque with the words 'Not Negotiable' has similar effect
 - d) None of these
- 8) Which of the following is not a feature of Negotiable Instrument?
 - a) It is transferable by mere delivery if payable to bearer
 - b) It is transferable by endorsement and delivery if payable to order
 - c) Both 'a' and 'b'
 - d) None of these

