

USN

--	--	--	--	--	--	--	--	--	--

## Third Semester MBA Degree Examination, Dec.2018/Jan.2019

### Principles and Practices of Banking

Time: 3 hrs.

Max. Marks:80

Note: 1. Answer any FOUR full questions from Q.No.1 to 7.  
2. Q.No. 8 is compulsory.

- 1 a. Define Universal Banking. (02 Marks)  
b. Explain the features of Home Banking. (06 Marks)  
c. Discuss in detail the various relationships that exists between the banker and the customer. (08 Marks)
- 2 a. What is "Bankers right to lien"? (02 Marks)  
b. Write short note on Debit card and Credit card. (06 Marks)  
c. What is Mobile Banking? Discuss the advantages and disadvantages of Mobile Banking. (08 Marks)
- 3 a. Who is a Paying Banker? (02 Marks)  
b. Explain the role of commercial banks in socio economic development. (06 Marks)  
c. Explain in detail the structure of Banking in India. (08 Marks)
- 4 a. What is "Exchange rate"? (02 Marks)  
b. Explain in detail the various types of loans. (06 Marks)  
c. What is EXIM Bank? Explain the Role of EXIM Bank in promotion of International Trade? (08 Marks)
- 5 a. What is a overdraft facility? (02 Marks)  
b. Explain in detail the working of letter of credit. (06 Marks)  
c. Discuss the circumstances under which a banker is justified in disclosing customers account. (08 Marks)
- 6 a. What is Asset Liability Management? (02 Marks)  
b. Explain the objectives of ALM. (06 Marks)  
c. What is ALM Committee? Explain its functions. (08 Marks)
- 7 a. What is a negotiable Instrument? (02 Marks)  
b. Differentiate between Assignment and Endorsement. (06 Marks)  
c. Explain in detail the functions of RBI. (08 Marks)

8

#### CASE STUDY

Banking sector frauds have been in existence for centuries. The Indian Banking sector too is experiencing the pain due to increase in frauds. A majority of survey indicated that more than 50 fraud incidents in the retail segment amount to around 100 crores and around 10 frauds amounting to Rs.20 crore on an average in non retail segment.

As the retail banking is more process as well as volume driven, increased fraud incidents in this area should trigger a wider review of the process and control to identify the root cause of these incidents.

- a. In the light of the above case. Explain the factors that play a key role in Identifying the (Fraud) customers before providing loans. (08 Marks)
- b. Explain the various types of frauds in retail banking. (08 Marks)

\* \* \* \* \*