

Internal Assessment Test - I

Su b:	Banking and Financial services						Code:	18MBAFM3 01	
Dat e:	18/9/2019	Duration:	60 mins	Max Marks:	50	Sem:	III	Branch:	MBA

		OBE	
		CO	RBT
Part A - Answer all the questions (30* 1 = 30 marks)			
1	Which of the following is not a function of a Bank? a. To accept deposits b. To waive loans c. To grant advances. d. To supply input to farmers	1	2
2	Which of the following is used for International Monetary Transfer? a. RTGS b. NEFT c. SWIFT d. None of these	1	2
3	Which of the following sentence is false a. Nationalization of commercial banks has achieved its objectives. b. Prior to nationalization, commercial bank in India were generally concerned with profit maximization only. c. Nationalization has enhanced the efficiency of commercial banks. d. Bank nationalization in India was promoted by the necessity of credit facilities reaching the rural sector and weaker section of the society.	1	2
4	The Commercial Banks in India are governed by a. Reserve Bank of India Act, 1934 b. Indian Companies Act, 1956 c. Indian Banking Regulation Act, 1949 d. Securities and Exchange Board of India Act, 1993	1	2
5	"Repo Rate" refers to the rate at which a. RBI borrows short term money from the markets b. Banks keeps the money with RBI c. Bills are discounted by RBI d. Forex purchased by RBI	1	2
6	NABARD has been established on the recommendation of a. Talwar committee b. Tandon committee c. Narasimhan Committee d. Shivaraman committee	1	2
7	A ___ card is basically a payment mechanism which allows the holder of the card to make purchase without any immediate cash payment a. ATM b. CREDIT c. DEBIT d. KISHAN CREDIT	1	2
8	The commercial bank do not perform one function out of the following a. Mobilization of saving b. Giving loans and advances c. Issues currency notes d. Financing priority sectors	1	2
9	Retail Banking means a. Credit facilities extended to retail traders b. Providing personal banking services directly to the consumers c. Collection of large number of dividend/interest warrants d. All of the above	1	2
10	One of the items is not related with e-banking a. Demand draft b. SPMS c. ECS d. ATM	1	2
11	What is OTP in credit card transaction? a. Odd Transaction Password b. Owner is Trading Pass code c. One Time Password d. One Time Pin code	1	2

12	Which of the following is not the fund based business of commercial banks? a. D.P. Operation b. Loans c. Deposits d. Depositing Bills	1	1	2
13	Which one among the following has not started commercial banking ? a. SIDBI b. IDBI c. ICICI d. UTI	1	1	2
14	Which of the following is not the function of the RBI? a. Banker's Bank b. Controller of credit c. Custodian of Foreign Exchange Reserve d. Allotting money directly to farmers for agricultural development	1	1	2
15	KYC means a. Know your customer b. Know your character c. Both of above d. None of above	1	1	2
16	Who issues one rupee notes in India? a. RBI b. Ministry of Finance c. Ministry of Corporate Affairs d. NABARD	1	1	3
17	When was RBI established? a. 1935 b. 1949 c. 1929 d. 1914	1	1	3
18	Which of the following sentence is not correct? a. RBI was nationalized on January 1, 1935. b. RBI's head quarter is in Delhi c. RBI is the custodian of the foreign currency in India d. RBI has 4 Deputy Governors	1	1	3
19	If a farmer want to take loan to purchase a tractor; which type of bank he should contact? a. Commercial banks b. RBI c. Regional Rural Bank d. NABARD	1	1	3
20	At present how many public sector banks are working in India? a. 27 b. 25 c. 29 d. 21	1	1	3
21	Which of the following term is not used in the Formation of Monetary Policy? a. Cash Reserve Ratio b. Repo Rate c. Bank Rate d. Blue chip	1	1	3
22	The open market operations refer to the sale and purchase by the RBI of a. foreign exchange b. gold c. government securities d. iron and steel	1	1	2
23	In order to control credit and investment, the Central Bank of a country should a. Sell securities in the open market and hike the cash reserve ratio. b. Buy securities in the open market and lower the cash reserve ratio. c. Buy securities from the open market and hike the cash reserve ratio. d. Sell securities in the open market and lower the cash reserve ratio.	1	1	3
24	Which one of the following is not an instrument of credit control in the banking system? a. open market operations b. Cash Reserve Ratio c. Tax rates d. All of the above	1	1	2
25	Micro credit or micro finance is a novel approach to bank with the poor. In this approach bank credit is extended to the poor through a. Self Help Groups b. Anganwadees c. Co-operative Credit Societies d. RBI	1	1	2
26	The full form of PIN in ATM transaction is a. Permanent Information Number b. Personal Identification Number c. Professional Identification Number d. Personal Index Number	1	1	2
27	Which of the following is the purpose of introducing 'Know Your Customer' norms by the bank? a. To bring more people under the banking net. b. Identify the people who do not pay Income Tax. c. To ensure that money deposited in the banks has come from genuine sources. To ensure whether the money deposited in the bank is of an Indian or a foreign national. d. To ensure whether the money deposited in the bank is of an Indian or a foreign national.	1	1	2
28	India has different categories of Commercial Banks. Which of the following is not one a. Nationalized banks b. Commodity banks c. Co-operative banks d. Private banks	1	1	2
29	What is the full form of FII ? a. Foreign Investment in India b. Foreign Indirect Investment c. Foreign Institutional Investment	1	1	1

d. Final Investment in India

30 Which of the following is a public sector unit?

- a. HDFC b. ICICI c. TCS d. BHEL

31 Answer the following questions for the case study mentioned below:

'Dhan Samudra' is a bank, which needs immediate cash. This has been the situation since the RBI chose to increase the CRR (Cash Reserve Ratio). It is looking for other banks to meet its cash requirements by borrowing from other banks in the industry. However, it resorts to a very expensive source of fund. This source of fund has an inverse relationship with other sources of funds like commercial paper and certificates of deposit.

- a) Which financial instrument is highlighted in the above case?
 b) How does increased CRR change the cash requirements by banks?
 c) Why this financial instrument considered an expensive source of finance?
 d) What type of inverse relationship exists between this instrument and commercial paper or certificates of deposit?

1
20

1	1	2
20	1	3

Course Outcomes		PO1	PO2	PO3	PO4	PO5
CO1	The Student will be acquainted to various Banking and Non-Banking financial services in India.	1-30				31
CO2	The Student will understand the activities of Merchant Banking and Credit Rating.					
CO3	The Student will be equipped to understand micro financing and other financial services in India.					
CO4	The Student will understand how to evaluate and compare leasing & hire purchase.					

Cognitive level	KEYWORDS
L1	list, define, tell, describe, recite, recall, identify, show, label, tabulate, quote, name, who, when, where, etc.
L2	describe, explain, paraphrase, restate, associate, contrast, summarize, differentiate interpret, discuss
L3	calculate, predict, apply, solve, illustrate, use, demonstrate, determine, model, experiment, show, examine, modify
L4	classify, outline, break down, categorize, analyze, diagram, illustrate, infer, select
L5	grade, test, measure, defend, recommend, convince, select, judge, support, conclude, argue, justify, compare, summarize, evaluate
L6	design, formulate, build, invent, create, compose, generate, derive, modify, develop, integrate

PO1–Theoretical Knowledge; PO2–Effective Communication Skills; PO3–Leadership Qualities; PO4 –Sustained Research Orientation; PO5 –Self-Sustaining Entrepreneurship

CCI

HOD

Scheme

Q.No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
	c	c	a	c	c	d	b	c	b	a	c	a	a	d	a	b	a	b	a	d	d	a
Q.No	23	24	25	26	27	28	29	30	31	32												
	c	c	c	a	b	c	b	c	d	Justify as per students view												