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14MBAFM301

**Third Semester MBA Degree Examination, June/July 2017**  
**Principles and Practices of Banking**

Time: 3 hrs.

Max. Marks:100

**SECTION - A**

*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 What is an overdraft? (03 Marks)
- 2 State the meaning of 'Right of set off'. (03 Marks)
- 3 State the characteristics of a spot market. (03 Marks)
- 4 What is bill of exchange? (03 Marks)
- 5 List the advantages of KYC. (03 Marks)
- 6 What is a 'Pledge'? (03 Marks)
- 7 What is Universal Banking? (03 Marks)

**SECTION - B**

*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 Explain the structure of commercial banks. (07 Marks)
- 2 Describe the banker's obligations to customers. (07 Marks)
- 3 Stat the features of Negotiable instruments. (07 Marks)
- 4 Explain the advantages and issues in internet banking. (07 Marks)
- 5 Explain the features of ECS. (07 Marks)
- 6 Describe the role of EXIM bank. (07 Marks)
- 7 Mention the purpose of ALM (Asset Liability Management). (07 Marks)

**SECTION - C**

*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 Explain the role of commercial banks in socio economic development. (10 Marks)
- 2 Describe :
  - i) Right of appropriation
  - ii) Essential of cheque. (10 Marks)
- 3 Bring out the essentials of a promissory note. (10 Marks)

- 4 What are the advantages of EFT? (10 Marks)
- 5 How does ECGC help exporters? (10 Marks)
- 6 Elaborate the prerequisites for Asset Liability Management. (10 Marks)
- 7 Describe the types of customers for a bank. (10 Marks)

**SECTION - D**  
**CASE STUDY – [ Compulsory ]**

Mr. Ramesh has HUF property and he sold that property for Rs 30 lakh. With this amount Mr. Ramesh visited to bank and make fixed deposit at 9% p.a for 1 year. After 6 months as Mr. Ramesh wife got hospitalized he urgently need Rs 15 lakh.

**Questions :**

1. Is Mr. Ramesh decision selling HUF property and investing full amount bank as a right decision? (05 Marks)
2. What decision Mr. Ramesh can take after urgently need of money for his wife hospitalization? (05 Marks)
3. Whether to withdraw his fixed deposit and utilize for hospital expenses? (05 Marks)
4. Mr. Ramesh can borrow additional loan for his wife hospital expenses. Is it a right decision? (05 Marks)

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