

5. Answer any one of the following : 14

- (a) Discuss the evolution and growth of banking in India.
- (b) Explain the various principles of sound lending of a bank.
- (c) Explain the statutory protection granted to a collecting banker by the Negotiable Instrument Act, 1881.

2023

COMMERCE

Paper : COMHC6136/COMRE6026

(Modern Banking Practices)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Choose the correct option from the following (any six) : 1x6=6

(a) Which one of the most important relationship between banker and customer?

(i) Debtor and Creditor

(ii) Bailee and Bailor

(iii) Agency and Principal

(iv) Trustee and Beneficiary

(b) It is a _____ obligation of a banker to honour the cheques of the customer drawn against current account.

- (i) mutual obligation
- (ii) statutory obligation
- (iii) unstatutory obligation
- (iv) All of the above

(c) _____ is a system under which an individual bank carries on banking business with a network of branches spread all over the counter.

- (i) Mixed banking
- (ii) Branch banking
- (iii) Unit banking
- (iv) Corresponding banking

(d) A Garnishee order is an order issued by

- (i) income tax officer
- (ii) official liquidator
- (iii) court
- (iv) RBI

(e) Negotiable instrument which are freely transferable from one party to another by mere delivery is known as

- (i) order documents
- (ii) bearer documents
- (iii) flexible documents
- (iv) clean documents

(f) Which one of the following is material alteration?

- (i) Alteration of the data
- (ii) Alteration of amount
- (iii) Alteration of crossing
- (iv) All of the above

(g) _____ is a dead cheque.

- (i) Post-dated cheque
- (ii) Ante-dated cheque
- (iii) Pre-dated cheque
- (iv) Stable cheque

(h) KYC means

- (i) Know Your Card
- (ii) Know Your Cost
- (iii) Know Your Customer
- (iv) Know Your Creditor

(i) Which of the following one is absolutely essential for a special crossing?

- (i) Two parallel transverse lines
- (ii) Words 'And Company'
- (iii) Word 'Not Negotiable'
- (iv) Name of a banker

- (i) MICR stands for
- (i) Magnetic Ink Character Recognition
- (ii) Magnetic Ink Company Recognition
- (iii) Magnetic Ink Cross Recognition
- (iv) Magnetic Ink Community Recognition

2. Answer any five the following : $2 \times 5 = 10$

- (a) Define the term 'Bank'.
- (b) What do you mean by Scheduled Bank?
- (c) State the meaning of Cash Credit.
- (d) Who is a Minor?
- (e) What is Overdraft?
- (f) Give the meaning of Bank Balance Sheet.
- (g) What is Investment Bank?

3. Answer any six of the following : $5 \times 6 = 30$

- (a) Mention five differences between branch banking and unit banking system.
- (b) Explain the features of Negotiable instruments.
- (c) Mention the various items of Assets and Liabilities of Bank balance sheet.

- (d) Briefly explain the procedure of opening a bank account by an illiterate person.
- (e) Discuss the difference between holder and holder in due course.
- (f) Give a brief note on Garnishee order.
- (g) Under what circumstances the banker must refuse payment of a cheque?
- (h) Write a note on material alteration.
- (i) Explain the various forms of loans and advances given by a bank.
- (j) What precautions a banker should take while opening bank account of partnership firm?

4. Answer any two of the following : $10 \times 2 = 20$

- (a) Explain the various advantages and disadvantages of branch banking system. $5+5=10$
- (b) Discuss the general relationship between banker and customer.
- (c) Explain the various privileges of holder in due course.
- (d) What do you mean by crossing of cheque? Briefly explain the various types of crossing with examples. $4+6=10$