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Name.....

Reg. No.....

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**FIFTH SEMESTER B.A. DEGREE EXAMINATION  
NOVEMBER 2014**

(UG-CCSS)

Open Course – Economics

EC 5D 03 – BANKING

(Common for Development Economics and Foreign Trade)

Time : Three Hours

Maximum : 30 Weightage

*Answers may be written either in English or in Malayalam.*

**Part A**

*Answer all twelve questions.*

**A. Multiple Choice Questions :**

1. Scheduled banks are :

- (a) Those banks included in the second schedule of the RBI Act.
- (b) Those banks included in the first schedule of the Banking Regulation Act.
- (c) Public sector banks in India.
- (d) None of these.

2. Unit banking system is prevalent in :

- (a) Great Britain.
- (b) USA.
- (c) India.
- (d) Canada.

3. Hundred rupee notes has the signature of :

- (a) RBI Governor.
- (b) Union Finance Secretary.
- (c) Prime Minister.
- (d) Union Finance Minister.

4. The Central Bank in India is :

- (a) The RBI.
- (b) The Reserve Bank.
- (c) SBI.
- (d) IDBI.

**B. Fill in the blanks :**

- 5. Nationalization of 14 major commercial banks in India was in \_\_\_\_\_.
- 6. The largest Public sector bank in India is \_\_\_\_\_.
- 7. Deposits create loans and loans create \_\_\_\_\_.
- 8. Development banks provide long term finance to \_\_\_\_\_ Sector.

**Turn over**

C. Answer in a word/sentence :

- |                     |                           |
|---------------------|---------------------------|
| 9. Central Bank.    | 10. Treasury bills.       |
| 11. Branch banking. | 12. Crossing of a cheque. |

(12 × ¼ = 3 weights)

**Part B (Short Answer Type Questions)**

*Answer all nine questions.*

13. What are negotiable instruments?
14. Define development banks.
15. What is bank rate?
16. Balance Sheet of a bank.
17. Distinguish between Group banking and Chain banking.
18. What is financial intermediary?
19. What is merchant bank?
20. Distinguish between money market and capital market.
21. What is banker's bank?

(9 × 1 = 9 weights)

**Part C (Short Essays or Paragraph Questions)**

*Answer any five questions from seven.*

22. Distinguish between unit banking and branch banking.
23. Explain development banks and bring out their features.
24. Explain the process of credit creation by banks.
25. What are the requirements of a good money market?
26. Briefly explain the objectives of bank nationalization in India.
27. Enumerate the main sources of a bank's funds.
28. Distinguish between a Central Bank and Commercial Bank.

(5 × 2 = 10 weights)

**Part D (Essay Questions)**

*Answer any two questions from three.*

29. Examine the structure of commercial banks in India.
30. What are Development Banks? Examine the structure of development banks in India.
31. Explain the functions of the central bank with reference to the RBI.

(2 × 4 = 8 weights)