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(Pages : 2)

Name.....

Reg. No.....

**FIFTH SEMESTER B.A./B.Sc./B.Com./B.B.A. DEGREE EXAMINATION
NOVEMBER 2016**

(CUCBCSS—UG)

Open Course

ECO 5D 03—BANKING

Time : Two Hours

Maximum : 40 Marks

Answers may be written either in English or in Malayalam.

Part A

Answer all questions.

Each question carries ½ mark.

1. Which is the first Public Sector bank to introduce Merchant Banking in India ?
(a) Central Bank of India. (b) SBI.
(c) Oriental Bank of Commerce. (d) Bank of Baroda.
2. When did RBI came into existence ?
(a) 1st November 1934. (b) 1st January 1935.
(c) 1st April 1935. (d) 1st July 1935.
3. Italian Mathematician, Lucas Pacioli developed a system in 1494. What is the name of this system in the field of commerce ?
(a) Balance sheet system. (b) Profit and Loss system.
(c) Double Entry system. (d) Single Entry system.
4. Treasury Bills are money market instruments issued by :
(a) Central Government. (b) State Government.
(c) RBI. (d) All the above.
5. A payment is made by the bank across its counter to the person or payee named in the cheque :
(a) Open Cheque. (b) Order Cheque.
(c) Cross Cheque. (d) Bearer Cheque.
6. Where is the headquarters of RBI ?
(a) New Delhi. (b) Mumbai.
(c) Kolkata. (d) Chennai.

Turn over

7. Which of the following is not a money market instrument ?
- (a) Preference shares. (b) Commercial paper.
(c) Certificate of Deposit. (d) All of the above.
8. A Banking system where two or more banks are controlled by a holding company :
- (a) Group. (b) Chain.
(c) Mixed. (d) Branch.

(8 × ½ = 4 marks)

Part B (Very Short Answer Questions)

*Answer any five questions.
Each question carries 2 marks.*

9. Name any five functions of Reserve Bank of India.
10. What is Group banking ?
11. What is a Cheque ?
12. What is a Negotiable Instrument ?
13. List the important function of RBI.
14. Define Partnership.
15. What is central Bank ?

(5 × 2 = 10 marks)

Part C (Short Essay Questions)

*Answer any four questions.
Each question carries 4 marks.*

16. Explain the advantages of Branch banking system.
17. Define Credit Creation and Explain the limitations of Credit Creation.
18. State the different functions of a Commercial Bank.
19. What is a Cheque ? Distinguish between Bearer Cheque and Order Cheque.
20. Explain Merchant Banking.
21. Write a short note on Mixed Banking.

(4 × 4 = 16 marks)

Part D (Essay Questions)

*Answer any one question.
Each question carries 10 marks.*

22. "The Reserve Bank of India is not controller or credit but also a Promoter of credit." Explain.
23. Differentiate between Branch and Unit Banking ? Explain their relative advantages and disadvantages ?

(1 × 10 = 10 marks)