

FIFTH SEMESTER UG DEGREE EXAMINATION, OCTOBER 2017
(CUCBCSS-UG)
CC15UECO5 D03-BANKING
(Economics - Open Course)
(2015-Admission)

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 one is the oldest commercial bank in India?
 - a) Allahabad Bank
 - b) Bank of Hindustan
 - c) Punjab National Bank
 - d) Oudh Commercial Bank
2. Who was the first governor of RBI?
 - a) Shanmugam Shetty
 - b) C. D. Deshmukh
 - c) Osborne Arkell Smith
 - d) Manmohan Singh
3. The instrument drawn by a debtor on the creditor agreeing to pay a certain sum is called:
 - a) Promissory note
 - b) Cheque
 - c) Bill of exchange
 - d) Demand draft
4. Which of the following is not considered as a money market instrument?
 - a) Treasury Bills
 - b) Commercial paper
 - c) Certificate of deposits
 - d) Shares and bonds
5. The sale and repurchase of government securities in the open market by the central bank is called:
 - a) Repo rate
 - b) Open market operations
 - c) Moral suasion
 - d) None of these
6. Payment of a cheque cannot be made on a cash counter of a bank, if the cheque is
 - a) Bearer
 - b) Cross
 - c) Order
 - d) All of the above
7. Which of the following is not a function of the RBI?
 - a) Management of foreign exchange
 - b) Deciding bank rate, CRR and SLR
 - c) Currency Management
 - d) Receiving deposits from the public

8. When a bank returns a cheque unpaid, it is called?
- a) Payment of the cheque
 - b) Drawing of the cheque
 - c) Cancelling of the cheque
 - d) Dishonour of the cheque

(8 x ½ = 4 marks)

Part B

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

- 9. What is credit creation?
- 10. What is reverse repo rate?
- 11. Define treasury bill.
- 12. Distinguish between cheque and bill of exchange.
- 13. What do you mean by joint account?
- 14. Define mixed banking.
- 15. What is call money market?

(5 x 2 = 10 marks)

Part C

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

- 16. Explain briefly about the economic importance of banks.
- 17. Distinguish between branch banking and unit banking.
- 18. Write a short note on money market instruments.
- 19. What is crossing? Mention various types of crossing.
- 20. What are the major features of negotiable instruments?
- 21. Explain the procedures required for the commencement of an account.

(4 x 4 = 16 marks)

Part D

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

- 22. Explain the primary and secondary functions of commercial banks.
- 23. Detail the different methods adopted by Central bank for credit control.

(1 x 10 = 10 marks)
