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63/1 (SEM-6) CC13/DSE1B/
COMHC6136/COMRE6116

2024

COMMERCE

Paper : COMHC6136/COMRE6116

(Modern Banking Practices)

Full Marks : 80

Pass Marks : 32

Time : Three hours

**The figures in the margin indicate
full marks for the questions.**

1. Choose the correct answer from the following: **(any six)** 1×6=6
- (a) In which year was the Imperial Bank India established ?
- (i) 1920
 - (ii) 1921
 - (iii) 1930
 - (iv) 1935

- (b) Statutory obligation of a banker is/are to
- (i) honour customers' cheque
 - (ii) maintain secrecy of customer's account
 - (iii) honour customers' bills
 - (iv) Both (i) and (ii)
- (c) Overdraft is granted to
- (i) Current Account
 - (ii) Savings Account
 - (iii) Recurring Account
 - (iv) Fixed Deposit Account
- (d) In which year 14 commercial banks were nationalised in India?
- (i) 1955
 - (ii) 1964
 - (iii) 1968
 - (iv) 1969

- (e) The most important Principle of sound lending is
- (i) safety
 - (ii) security
 - (iii) liquidity
 - (iv) profitability
- (f) Which of the following one is essential for a general crossing ?
- (i) Name of a banker
 - (ii) The word and company
 - (iii) The word not negotiable
 - (iv) The parallel transverse lines
- (g) The primary relationship between banker and customer is of
- (i) Debtor and Creditor
 - (ii) Agency and Principal
 - (iii) Bailor and Bailee
 - (iv) Trustee and Beneficiary

- (h) A cheque is deemed stale after
- (i) one month
 - (ii) three months
 - (iii) six months
 - (iv) one year
- (i) NPA stands for
- (i) Normal Profit Achievement
 - (ii) Non-Performing Assets
 - (iii) Non-Profit Advances
 - (iv) Non-Performing Agents
- (j) In which year, MICR system for cheque was implemented in India?
- (i) 1987
 - (ii) 1996
 - (iii) 1990
 - (iv) 1993

2. Answer the following questions : **(any five)**
2×5=10
- (a) Define bank.
 - (b) What is non-scheduled bank?
 - (c) What do you mean by crossing of a cheque?
 - (d) What is cash credit?
 - (e) Name *two* private sector banks.
 - (f) What is retail banking?
 - (g) What do you mean by contingent liabilities?
3. Answer the following questions : **(any six)**
5×6=30
- (a) Distinguish between public sector banks and private sector banks.
 - (b) Briefly state the general relationship between bankers and customer.
 - (c) Briefly state the principles of bank sound lending.
 - (d) Distinguish between promissory note and bill of exchange.

- (e) Write a note on Know Your Customers (KYC)
- (f) Mention *five* differences between scheduled and non-scheduled banks.
- (g) Write a brief note on Garnishee order.
- (h) Under what circumstances the banker may refuse payment of a cheque?
- (i) Explain the significance of 'Account payee crossing'.
- (j) Explain the term 'payment in due course'.

4. Answer the following questions : **(any two)**

10×2=20

- (a) Discuss the statutory obligations of bankers towards customer.
- (b) Explain the modern functions of commercial bank.
- (c) What is non-performing asset? How it is managed by the banks? Explain.
- (d) Discuss the privileges of holder in due course.

5. Answer the following questions : **(any one)**

14×1=14

- (a) Discuss the evolution of Banking Laws in India.
- (b) Discuss the procedure of opening bank account in the name of
 - (i) minor
 - (ii) married Women
 - (iii) partnership Firm
- (c) Briefly explain the different forms of banking system.

4+5+5=14