

September 2021

**PRINCIPLES OF BANKING**

Time Allowed: 1.5 Hours

Full Marks: 70

**Answer to Question No.1 is compulsory and Answer any two questions from the rest.**

1. Answer the following questions: 2x20
- i. Define demand draft
  - ii. What is bearer cheque?
  - iii. When 'NABARD' was established?
  - iv. What is meant by special crossing?
  - v. Name one private sector development bank in India.
  - vi. When can a bank refuse payment of cheque?
  - vii. Mention one essential feature of a 'Negotiable Instrument'.
  - viii. Mention two important functions of commercial bank.
  - ix. Mention an instance when a wrong entry in the pass book goes in favour of the account holder.
  - x. What is the full name of ICICI bank?
  - xi. Mention two supervisory functions of RBI.
  - xii. Name two private sector commercial banks in India.
  - xiii. What is Negotiable Instrument?
  - xiv. What is a Savings account?
  - xv. Define Current account.
  - xvi. Who issues one rupee notes and coins?
  - xvii. Mention one advantage of ATM.
  - xviii. Mention one disadvantage of ATM.
  - xix. Mention the year when IDBI was established.
  - xx. Define Travellers' Cheque.
  - xxi. What is ATM?
  - xxii. Name three public sector commercial banks in India.
  - xxiii. What is the full form of 'NABARD'?
  - xxiv. What is the full form of IDBI?
  - xxv. What is a pay order?
2. What is the difference between Current, Savings and Fixed Deposit Accounts? Discuss the procedures adopted for opening and closing of a bank account. 7.5+7.5
3. How can Commercial Banks create credit? Discuss its Limitations. 8+7
4. Define 'Customer' of a Bank. Who are special types of customers? 5+10
5. Briefly discuss the importance of Introducing RRB in Indian Banking System and also discuss the functions of those banks. 15
6. What is letter of credit? Discuss different types of letter of commercial credit. 5+10
7. What is an endorsement? Explain and illustrate different kinds of endorsements. 5+10
8. Discuss the functions of Commercial Banks. 15
9. Discuss the functions of RBI. 15
10. Discuss briefly about Co-operative credit societies in India. 15