**Banking Practices**

**Question Bank**

**Unit-1**

**2 Marks:**

1. Explain the concept of banking.
2. Define endorsement.
3. What are demand deposits?
4. Explain restrictive crossing.
5. What is meant by loan syndication?
6. Define risk charting.
7. Define financial distress.
8. What is meant by conglomerate merger?
9. What is ALM?
10. What is meant by EFT?
11. Define banker.
12. What is negotiable instrument?
13. What is meant by pricing of deposits?
14. What is financial distress?
15. What do you mean by risk management?
16. Define underwriting.
17. What is mutual fund?
18. Define merger.
19. What do you mean by credit monitoring?
20. Define E-Money.

**5 Marks:**

1. Define the term “Bank”.
2. Briefly trace the evolution of banking institutions.
3. How do bank create credit?
4. Briefly explain how can the Reserve Bank of India control creation of credit.
5. “Banks are not merely creators of money but also in an important senses manufacturer of money”. Explain.
6. Briefly explain the present banking structure in India.
7. What are development banks? Explain the salient features of IFCL.
8. Describe the function of banks providing agricultural finance in India.
9. Explain the steps involved in selection process.
10. What is apprenticeship training?

11. Discuss origin and evolution of Banking Institution in India.

12. Explain the functions of Reserve Bank of India.

13. Write a note on : State Bank of India. , U.T.I. (AXIS Bank)

14. What do you mean by gilt-edged securities ?

15. What are the advantage and disadvantage of these securities ?   
 16. Explain the priority sectors of Credit Guarantee Schemes.

17.Write a note one : Securitisation Act 2002. Special Banking Services.

18. What is Negotiable Instrument ? What are the kinds of Negotiable Instruments ?

19. How Negotiable Instruments are different from Transferable Instruments ?   
20. What is Endorsement ? Explain different kinds of Endorsement.

21. Write short note on : Bills in sets. ,Payment for Honour.

22. Explain the rights and obligations of the banker

23. Explain the highlights of the Banking regulations Act 1948.

24.What are the basic steps involved in credit analysis (5C’S)? Explain the sources of credit information?

25.Discuss the lending functions of banks. Explain different types of lending.

26.Explain different types of loans and advances in detail.

27.Describe the Framework for Evaluating Bank Performance.

28.Explain different types of payment systems followed in India.

29.Discuss the Security threats in e-banking.

30.Explain the CAMELS rating system in detail.

31.Discuss the overall functions performed by the commercial banks in India.

32.Discuss the various types of risks faced by a banker and suggest measures to mitigate them.

**Unit -2**

1. What are the functions of Reserve Bank of India?

2.Describe in brief Classification of Banking Institutions & clear to functions of commercial Banks?

3. How the Reserve Bank of India controls the credit?

4. State the importance of Indigenous Bankers.

5. Write a note on nationalization of commercial bank?

6. What is Industrial bank? Discuss in brief their functions.

7. Who is a Banker ? Explain General Relationship of Banker with his customer.

8.Discuss the precautions to be taken by the Banker while opening a new account by Joint Stock Company and Minor.  
 9.Write short note on :Garnishee Order, Customer.  
10.Write an explanatory note on Ancilary services of a Banker.   
11.Discuss powers and functions of Banking Ombudsman.  
12.Write note on :Cyber Evidence. E-Banking.

13.Critically examine the contributions of Regional Rural Banks in promoting rural economy.   
14.Discuss the management and functions of Reserve Bank of India.

15. Write a note on : State Bank of India, Scheduled and non-scheduled banks.

16.Explain the objects and features of Securitisation Act, 2002.

17.Explain the precautions to be taken by a banker while lending against goods.

**Unit-3**

1. What is fixed deposit receipt?

2. When can the banker close down the account of his customer? To whom he should pay the balance?

3. Explain the various forms of lending by the banks.

4. What is negotiable crossing?

5. What do you understand by payment in due course?

6. How maturity of a bill or note is determined? Give examples?

7. How the employment of funds of the bank in loans & advances takes place?

8. Describe in brief the following deposit scheme:- a) Kisan mitra jama yojana b) State bank gold deposit scheme

9. What do you mean by Investment management?

10. What is E-Banking process in bank? Clearly explain E- Banking network.

11.Write a note on promissory note.   
12. ‘The bankers’ duty of secrecy is not absolute but qualified’. Elucidate.   
13.Who is a paying banker ? State the statutory protections available to paying banker.

14.Write an explanatory note on : Pass book. Banker’s liability.

15.Explain the various E-banking services.   
16.Examine the grounds under which the banking Ombudsman may reject the complaint.  
17. Write a note on : A.T.M. Internet Banking.

**Unit-4**

1. What are the suggestion given by Narsimhan Committee .

2. State features of banking Regulation Act 1949.

3. Why Banking Act Regulation necessary in India? Discuss.

4. Write a note on new reforms in Banking sector in India.

5. Sate the provision of Banking Regulation Act 1949 about restrictions on advances.

6.Discuss the various types of crossing of cheques with their legal effects.

7.Analyse the penal provisions under Negotiable Instrument Act.

8.Explain “Holder in due course” and his advantages .  
9. Write short notes on the rights of appropriation by the bank .  
10. Explain the characteristics of negotiable instruments.

11. Termination of the banker-customer relationship .

12.Explain the various monetary and non monetary functions of RBI.

13.Elaborate on the items under the liability side of a banks balance sheet.

14. Differentiate between promissory notes, bills of exchange and cheques.

15.Highlight the provisions covered under Part II of the Banking Regulation Act 1949.

16.State the different approaches to capital adequacy.

17. Describe the steps involved in designing of deposit schemes.

18.Do you think credit analysis is essential before providing loan to the customers? 19.Explain the various credit Appraisal Techniques used by commercial banks to analyse the credit worthiness of a borrower.

20.Explain the need for credit monitoring.

21.Should rehabilitation be done on a continuous basis? Explain the procedure for rehabilitation of sick units.

22.What are NPA’s? Describe the major factors that contribute to high levels of NPA in India. Explain the steps taken by banking sector to resolve this problem.

23.What are the objectives of mergers in banking sector? Critically analyze on the mergers that have taken place in the post liberalization era.

24.Describe the various components used in CAMEL’S model to analyse the performance of banks.

25. Explain the importance of E-banking system in India. Describe how Indian customers are reacting to E-banking post demonetization?

26.Describe the role of RBI in addressing the security issues in e-payment system.

27. List out the advantages of SWIFT

**Unit-5**

1. Write a note on the audit of account of a bank.

2. what is the meaning of financial management or management of finance?

3. Explain the following: a) Credit Information Bureau b) Technical feasibility c) Financial viability d) Servicing the loan e) Liquidity

4. What is development Bank? Explain its functions.

5.What is standard policy issued by ECGC Ltd.?

6.Explain the functions of the Reserve Bank of India.   
7.Examine the various control of RBI over Commercial Bank

8.Write short note on : IDBI or State Bank of India.

9.Explain the precautions to be taken by a banker while lending against goods.

10.Examine the advantages of Securitisation Act to the banker