

GOVERNMENT DEGREE COLLEGE, NANDIKOTKUR

BANKING THEORY & PRACTICE

B. Com (Honours) Semester: III

Question Bank

Unit-I: Introduction

Essay Questions:

1. Define (Commercial) bank. What are its functions? (or) Define 'Bank' and what are the functions carried out by commercial Bank?
2. What is credit money? Explain how do commercial banks create credit? What are the limitations?
3. Explain the role of commercial banks in developing countries like India.
4. What are the principles of sound lending?
5. Explain the functions of the reserve Bank of India. Bring out its role in the economic development of India?
6. Explain the credit control measures used by the Reserve Bank of India (Quantitative and qualitative methods).
7. Explain the various types of loans and advances given by the banker.
8. Explain the history of Indian Banking.
9. Examine the structure of Indian Banking System.
10. Explain the role of RBI in economic development.
11. Discuss the recent developments in the banking system of India.

Short Answer Questions:

1. Define Bank and Banking.
2. Advantages and Characteristics of Banks.
3. Classification of Banks.
4. Objectives of bank.
5. Features of a Bank.

- 6.Explain the classification of commercial banks in India.
- 7.Explain the different types of Bank deposits.
- 8.Procedure involved in opening a deposit account in a bank.
- 9.Central Bank Vs Commercial bank.
- 10.State the features of Bhartiya Mahila Bank.
- 11.Write short notes on Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR).
- 12.Repo Rate and Reverse Repo rate.
- 13.Objectives of Nationalization of Banks.
- 14.Describe the achievements of Nationalized Banks after Nationalization.
- 15.Call money.

Unit-II: Banking Systems

Essay Questions:

1. Explain Branch Banking and Unit Banking. What are their merits and demerits?
2. Distinguish between Unit Banking and Branch Banking.
3. Describe the innovations in commercial banking in India.
4. What do you mean by Internet (online) Banking? State its features.
5. What is E-banking? Explain its advantages and disadvantages? Explain stages of E-banking.
6. What is Mixed banking? Discuss the merits and demerits of Mixed banking
7. Explain development banks established in India after Independence.

Short Answer Questions:

1. Advantages of Online banking / Internet banking.
2. Off-shore banking.
3. Define mobile Banking. State the various services provided by mobile banking to their clients.
4. Anywhere banking.
5. Automated Teller Machine (ATM).
6. Real -Time Gross Settlement (RTGS).
7. National Election Funds Transfer (NEFT).
8. Credit Card and Debit Card.
9. Group Banking and Chain Banking.
10. Unit banking.
11. Explain the characteristics of Branch banking.
12. Paytm.

13. Investment Banking.

14. Electronic purse.

Unit-III: Types of Banks

Essay Questions:

1. Bring out the defect of indigenous bankers? Also state the suggestions for improvement. (or) Who is an indigenous banker? Explain the characteristics of indigenous bankers and their importance. (Or) Who are indigenous banker? Discuss their role in providing rural credit.
2. Explain cooperative credit structure in India. Suggestions to make it more effective. (or) Discuss in detail various types of co-operative societies.
3. What do you mean by regional rural banks? Discuss the objectives and functions of regional rural banks.
4. Briefly explain the major problems of RRBs. What are the measures to improve the working of RRBs? (or) Critically examine the progress of Regional Rural Banks in India. (or) Explain about advantages and disadvantages of Regional Rural Banks?
5. Explain briefly the organization and functions of small Industries Development Bank of India (SIDBI).
6. Explain in detail the working of NABARD. (or) Discuss the functioning of NABARD and state its achievement.
7. Explain the functions and working of the Industrial Finance Corporation of India (IFCI)?
8. Explain the functions and working of the Industrial Development Bank of India (IDBI)?
10. State briefly the functions and working of the state Financial Corporations (SFCs).
11. Describe the problems of exchange banks.

Short Answer Questions:

1. Export and Import Bank (EXIM Bank) of India. (or) Explain the objectives and significance of Export –Import Bank (EXIM Bank) of India.
2. Explain the objectives and Functions of EXIM bank?
3. Bring out the characteristics of Indigenous bankers.
4. Discuss the role of indigenous bankers in the Indian Money Market? Offer some measures to link these with the organized sector of money market.
5. Explain the different functions of Indigenous Bankers.
6. Unit Trust of India (UTI).
7. Define Cooperative bank? Structure of Cooperative bank.

8. Features of a cooperative bank?
9. Characteristics of a cooperative bank?
10. Functions and objectives of NABARD.
11. Characteristics of the Regional Rural Banks (RRB).
12. Money lenders.
13. Features of Development Banks.

Unit – IV: Banker and Customer

Essay Questions:

1. Who is the customer of a bank? What are the conditions necessary to treat a person as a customer of a Bank?
2. Define Banker and Customer? Discuss the general and special features of the banker and customer relationship?
3. Explain the rights and duties of banker?
4. Documents required by a banker for opening an account?
5. Describe the types of Customers?
6. When can a banker disclose the information of customer account to others?

Short Answer Questions:

1. What is endorsement? Explain different types of Endorsements?
2. Explain the precautions to be taken by a banker in opening and conducting accounts in the name of minors and married women?
3. Precautions to be taken by the banker in opening the accounts of a (a) Pardanashin Women (b) Lunatics (c) Drunkards
4. How does the banker deal with executors and administrators?
5. Explain rules followed by a Banker while opening a current account in the name of Public Limited Company?
6. What is the procedure for operating the Joint Account?
7. What are the advantages of KYC?
8. When can a banker close the account of a customer?
9. What are Dormant Accounts?
10. What is Passbook? What are its features?
11. What are the types of Banks?
12. What are the rights of Bank Customer?
13. Write a note on Forged Endorsement Cheque?
14. What is materially altered cheque?
15. Write about NRI customer?

16. Clayton's case?

Unit – V: Collecting Banker and Paying Banker

Essay Questions:

1. Explain the term collecting banker. What are his duties and responsibilities?
2. Explain the duties and responsibilities of a Paying Banker?
3. What is Bankers Lien? When can a banker exercise the right of lien on securities of customers?
4. Explain Garnishee order?
5. State the general principles relating to recovery of money paid by mistake?
6. What are the various payment gateways available in banking system?

Short Answer Questions:

1. Explain Holder for value and holder in Due Course?
2. Distinguish between a holder and holder in due course?
3. Write the benefits of being a holder in due course?
4. Explain statutory protection to the collecting banker under section 131 of Negotiable Instrument Act, 1881?
5. When a banker is justified in refusing the payment of a cheque?
6. What are the consequences of wrongful dishonor of cheques?
7. Explain the liability of the paying banker on crossed cheques?
8. State and explain the protection offered by the Negotiable Instruments Act 1881 to the paying banker?
9. Payment Gateway
10. Under what circumstances the banker's lien right cannot be exercised?
11. What is Garnishee Order
12. What are the Features and types of Negotiable Instruments?
13. What is Dishonor of cheques?
14. What is Gross Negligence?
15. What is Mortgage?