(6 pages) **Reg. No. :** ....

Code No. : 12695 **Sub. Code : GSBA 4 A**

B.B.A. (CBCS) DEGREE EXAMINATION, APRIL 2015.

Fourth – Semester

Business Administration – Main

Skill Based Subject – BANKING PRACTICE

(For those who joined in July 2012 and afterwards)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer:

1. A banker's lien is ———— lien.
   (a) negative (b) general
   (c) particular (d) positive

2. A special damage is also known as ———— damage.
   (a) ordinary (b) nominal
   (c) substantial (d) vindictive

3. The minimum period for which a fixed deposit can be accepted ————.
   (a) 15 days (b) 45 days
   (c) 75 days (d) 90 days

4. The safest form of crossing is ———— crossing.
   (a) general (b) special
   (c) double (d) A/c payee

5. Which one of the following is a form of advance?
   (a) loans (b) overdraft
   (c) cash credit (d) all the above

6. ———— refers to the ability of an asset to convert into cash without loss within short time.
   (a) Liability (b) Liquidity
   (c) Profitability (d) Security

7. The bailment of goods as security for payment of a debt is called ————.
   (a) bailment (b) pledge
   (c) bailor (d) bailee

8. Transfer of an existing or future right, property or debt by one person to another is called ————.
   (a) pawner (b) agent
   (c) assignment (d) mortgage

9. E- banking through Extranet is used by ———— only.

(a) offices (b) cards

(c) banks (d) homes

10. ———— controls verify the identity of individuals like password, PIN etc.

(a) Accuracy (b) Privacy

(c) Authenticity (d) Encryption

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 250 words.

11. (a) How will you assess damages in the case of a wrongful dishonour of a cheque?

Or

(b) Distinguish between handling charges and possessing charges.

12. (a) What is the legal position of a banker with regard to a fixed deposit?

Or

(b) Distinguish between a stale and post-dated cheque.

13. (a) Distinguish between secured and unsecured advances.

Or

(b) List out the advantages of accepting guarantee as security for a loan.

14. (a) State the characteristics of English mortgage.

Or

(b) Explain in brief the advantages of pledge.

15. (a) Explain the Electronic delivery channels.

Or

(b) What are the major controls ensured in E- banking?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 600 words.

16. (a) Explain the different functions performed by a bank.

Or

(b) What are the differences between a Current Account and Savings Bank Account?

17. (a) Define a bill of exchange and state its essentials. How does it differ from a promissory note?

Or

(b) Explain material alteration with suitable examples. What is the duty of a banker with regard to a materially altered cheque?

18. (a) What are the precautions required by a banker in case of advances against the security of goods?

Or

(b) Examine the advisability of lending by a banker against documents of title to goods.

19. (a) Discuss the various types of securities and methods of charging them to cover bank advances.

Or

(b) Explain the characteristics of hypothecation. List out the precautions to be taken by a banker while hypothecation.

20. (a) Distinguish E-banking from Traditional banking.

Or

(b) State the advantages and disadvantages of E-banking.
