

**E (100)**  
**Batch(2020-21till 2022-23)**

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**MASTER OF COMMERCE (M.COM.)**

**EXAMINATION : MAY - 2023**

**FIRST SEMESTER**

**Sub: Banking Practices (MCB-111)**

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**Date: 30/05/2023**

**Total marks: 100**

**Time: 10.00 am to 01.00 pm**

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**Instruction: All questions are compulsory.**

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**Q. 1. Answer the following questions. (Attempt any two) (30)**

1. Explain the various types of relationships between the banker and a customer.
2. Explain the difference between the bankers's right of general lien and a particular lien.
3. What do you mean by the ALM and its objectives?
4. What is Internet Banking? What major services are provided through it?

**Q.2 Answer the following questions. (Attempt any three) (30)**

1. What are the categories of NPA? Explain.
2. Define Phone Banking and Mobile Banking? What benefits it has brought to banking customers?
3. Who are the players in the FOREX market?
4. What is a convertible and non-convertible currency?
5. Explain the Law of Limitation

**Q.3 Write short notes. (Attempt any four) (20)**

1. Interest Rate Risk
2. ATM Cards
3. Garnishee Orders
4. Currency Risk
5. RTGS
6. NEFT

**Q.4A. Answer in one Sentence (Attempt any five) (10)**

1. Full form of RTGS
2. Full form of NEFT
3. Full form of NRO
4. Full form of NAV
5. Full form of NIP
6. Define Bank
7. Define Cheque .

**Q.4B. Select the correct Alternatives (Attempt any ten)**

**(10)**

1. KYC actually means.....
  - a) Know your customer very well
  - b) Know your existing customer very well
  - c) Know your prospective customer very well
  - d) Satisfy yourselves about the customer's identity and activities
2. A banker's lien is .....
  - a) a particular lien
  - b) a general lien
  - c) a restricted lien
  - d) None of the above
3. The right of set-off is:.....
  - a) a customer's right
  - b) a customer's obligation
  - c) a banker's right
  - d) a banker's discretion
4. Net Interest Margin (NIM) is defined as .....
  - a) Net interest income divided by total earning assets.
  - b) Interest income – Interest expenses
  - c) Total interest income divided by total assets
  - d) None of the above
5. Cash inflows arise mainly from.....
  - a) Maturing assets
  - b) Maturing liabilities
  - c) Maturing T bills
  - d) Maturing CPs
6. Gp method is basically used for.....
  - a) Measuring bank's interest rate risk exposure
  - b) Measure maturity mismatch
  - c) Measure potential losses from off balance sheet exposure
  - d) None of the above
7. An account should be treated as.....if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power.
  - a) 'Overdue'
  - b) 'NPA'
  - c) "Out of Order"
  - d) 'NPI'
8. ....is essentially management of the timing and the value of the cash flows in banks and the consequential risks.
  - a) Asset Liability Management
  - b) Liability Management
  - c) Asset Management
  - d) Cash Flow Management
9. Banks face several risks such as the risks associated with liquidity, interest, currency exchange risks
  - a) True
  - b) False
  - c) Sometimes true
  - d) Sometimes false
10. RuPay is the Indian domestic card payment network being set up by National Payment Corporation of India (NPCI) at the behest of banks in India.
  - a) True
  - b) False
  - c) Sometimes true
  - d) Sometimes false
11. Treasury bills should not be valued at carrying cost.
  - a) True
  - b) False
  - c) Sometimes true
  - d) Sometimes false
12. Spot exchange rate is the current exchange rate.
  - a) True
  - b) False
  - c) Sometimes true
  - d) Sometimes false