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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)
EXAMINATION : DECEMBER - 2023
SEMESTER - VI
Sub. : Banking & Finance (BBA15-F-614)

Date : 23/12/2023

Total Marks : 60

Time: 10.00am to 12.30pm

- Instructions:** 1) All questions are compulsory.
2) Figures to the right indicate full marks.
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Q. 1. Choose the most appropriate option. (05)

1. What is the primary function of a central bank?
 - a) Lending to individuals
 - b) Regulating and supervising banks
 - c) Providing credit cards
 - d) Investing in the stock market
2. What is the purpose of the Federal Reserve in the United States?.
 - a) Monetary policy and financial stability
 - b) Fiscal policy implementation
 - c) Agricultural development
 - d) Currency printing
3. 'FDIC' means in the context of banking
 - a) Federal Department of Investment and Credit
 - b) Financial Deposit Insurance Corporation
 - c) Foreign Development and Investment Council
 - d) Federal Deposit Insurance Corporation
4. What is the role of a commercial bank in the economy?
 - a) Regulating monetary policy
 - b) Issuing currency
 - c) Accepting deposits and providing loans
 - d) Controlling inflation
5. What is the key function of an investment bank?
 - a) Accepting deposits
 - b) Providing mortgage loans
 - c) Underwriting securities and facilitating mergers
 - d) Retail banking services

Q. 2. State True / False (05)

1. Initial Public Offering is popularly known as IPO.
 - a) True
 - b) False
2. Assessing the creditworthiness of entities is the primary role of credit rating agencies in the financial market
 - a) True
 - b) False

3. Stock trading is the primary function of a central bank.
 - a) True
 - b) False
4. Discount rate is the interest rate at which the central bank lends money to commercial banks in the short term.
 - a) True
 - b) False
5. Facilitating the buying and selling of stocks and bonds is the role of an investment banker.
 - a) True
 - b) False

Q. 3. Write Short notes on (Any Three) (15)

1. Development of Indian Banking
2. Selective Credit Control
3. Capital Adequacy Ratio
4. Types of Banks
5. Non Performing Assets

Q. 4. Answer in detail (Any Two) (20)

1. What are the major problems of the Regional Rural Banks?
2. Explain the role of Bank Credit in Indian Economy.
3. Elaborate in detail – “Merchant Banking”

Q. 5. Case study (15)

A key component of India's efforts towards agricultural and rural development is NABARD, which was founded in 1982. With an all-encompassing emphasis on both monetary and developmental assistance, the bank has become a key player in encouraging constructive transformation in rural areas. Its main goal is to increase agricultural productivity and enhance livelihoods by providing funding to different organisations involved in these fields.

Providing loan support to commercial banks, cooperative banks, and regional rural banks (RRBs) is one of NABARD's primary duties. Farmers are able to purchase premium seeds, invest in cutting-edge technologies, and engage in contemporary farming methods thanks to this cash influx. In doing so, NABARD makes a substantial contribution to raising farmers' economic position and improving agricultural output.

Development of rural infrastructure is another important area in which NABARD is essential. Through funding projects like roads, bridges, and irrigation, the bank helps rural people overcome basic problems. For example, its backing of watershed improvement initiatives improves agricultural yield significantly while also improving water management. Better roads and connectivity, among other forms of infrastructure, make it easier for people to access marketplaces and other necessities, which promotes economic growth in rural areas.

Questions:

1. Explain the role of NABARD in promoting sustainable agriculture. How does this contribute to the overall development of rural areas?
2. Discuss the significance of NABARD's credit support in enhancing agricultural productivity. Provide examples of how this support impacts farmers and rural communities.
3. Elaborate on NABARD's role in institution building. How does it empower rural institutions, and what are the long-term benefits of this approach?