

B.Com. (Semester – V) (Repeat) Examination, April 2015
BANKING AND FINANCIAL SERVICES
Major – III : Law and Practice of Banking – I (Paper – I)

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) *Figures to the right indicate full marks.*
 2) *Answer sub-questions in Question 1 and Question 2 in not more than 100 words each.*
 3) *Answer Questions 3 to Question 6 in not more than 400 words each.*
 4) *All questions are compulsory.*

1. Write short notes on **any four** of the following : (4×4=16)
 a) Margin
 b) Discharge of surety
 c) Bills discounting
 d) Any four principles of sound lending
 e) Unsecured advances
 f) Operating cycle.
2. Write short notes on **any four** of the following : (4×4=16)
 a) Characteristics of hypothecation.
 b) Rights of a guarantor.
 c) Advantages of life insurance policy as security.
 d) Precautions a banker must take when lending against gold ornaments.
 e) Banking Regulation Act 1949 – provisions.
 f) Foreign Exchange Management Act – provisions.
3. A) Explain the characteristics of working capital and describe the various components that comprise working capital. 12

OR

- B) Explain the following aspects of term loan appraisal.
 i) Technical feasibility
 ii) Economic feasibility
 iii) Financial feasibility
 iv) Managerial feasibility. 12



4. A) Define a mortgage. Explain the features of an 'English Mortgage' and an 'Equitable Mortgage' and list the merits and demerits of an equitable mortgage. 12
- OR
- B) Outline the features of a pledge and state the rights and duties of a Banker as a pledge. 12
5. A) Outline the precautions a banker must take while giving loans against supply bills. 12
- OR
- B) Explain the essential features of a contract of guarantee and a contract of indemnity. 12
6. A) Outline the importance of stamps and describe the different types of stamps used in documentation. 12
- OR
- B) Discuss the need for documentation for a banker, when providing loans and advances to customers. 12