

B.Com. (Semester - V) Examination, October - 2011
MAJOR - III : BANKING AND FINANCIAL SERVICES
Law and Practice of Banking - I
(Paper - I)

Duration : 2 Hours

Total Marks : 80

- Instructions:*
- 1) All questions are compulsory.
 - 2) Answer each question on a new page.
 - 3) Answer sub-questions in question 1 and question 2 in not more than 100 words each and question 3 to 6 must be approximately 400 words each.
 - 4) Figures to the right indicate maximum marks.
 - 5) There is internal choice for questions from 3 to 6.

Q1) Write short notes on any four : [4 × 4 = 16]

- a) Bridge Loan.
- b) Operating Cycle.
- c) Stamps in Documentation.
- d) Lien
- e) Letter of Credit.
- f) Objectives of Margin

Q2) Write short notes on any four [4 × 4 = 16]

- a) Banking Regulation Act 1949.
- b) Features of Bill of Lading.
- c) Bankers right to setoff.
- d) Assignment.
- e) SARFAESI Act 2002.
- f) Precautions towards Stock Exchange Securities.

Q3) a) Explain the characteristics and sources of Working Capital Finance. [12]

OR

- b) Answer Briefly : [12]
- i) The principles that guide the banks in granting loans and advances.
 - ii) Different aspects of Term loan Appraisal.

- Q4)** a) What are the precautions a banker must take while advancing against : [12]
i) Book Debts
ii) Supply Bills

OR

- b) Explain the features of a contract of Guarantee and outline the precautions that a banker must take while lending against Guarantee. [12]

- Q5)** a) List different types of mortgages and explain the equitable mortgage and its advantages and drawbacks. [12]

OR

- b) Outline the characteristics of good tangible Security. Explain the precautions to be taken while advancing against Goods. [12]

- Q6)** a) Discuss the significance of documentation. What precaution should be observed while getting loan documents executed. [12]

OR

- b) Explain how the RBI controls the activities of commercial banks in India. [12]

