

Gauhati University Question Papers

MODERN BANKING PRACTICE (May-June' 2017)

Full Marks: 80

Time Allowed: 3 hours

Answer either in English or Assamese

The figures in the margin indicate full marks for the questions

1. Choose the correct answer:

1x10=10

a) In which year 14 commercial banks were nationalised in India?

- 1) 1955.
- 2) 1964.
- 3) 1968.
- 4) 1969.

b) In which year was the IDFC Bank established?

- 1) 2012.
- 2) 2013.
- 3) 2014.
- 4) 2015.

c) Schedule 8 in the bank balance sheet relates to

- 1) Deposits.
- 2) Advances.
- 3) Fixed Assets.
- 4) Investments.



d) The largest single item on the liabilities side of the bank balance sheet is

- 1) Capital.
- 2) Borrowings.
- 3) Deposits.
- 4) None of the above.

e) A banker's lien is

- 1) General lien.
- 2) Particular lien.
- 3) Negative lien.
- 4) All of the above.

f) Garnishee order is issued by

- 1) The banker.
- 2) Customer of the bank.
- 3) The court.
- 4) None of the above.

g) The most important principle of sound lending is

- 1) Safety.
- 2) Security.
- 3) Liquidity.
- 4) Profitability.

h) A cheque which is not crossed is called open cheque.

- 1) True.
- 2) False.

i) Two parallel transverse lines are not essential for a special crossing.

- 1) True.
- 2) False.



2) False.

j) "Cash credit is a secured advance." The statement is

1) True.

2) False.

2. Answer the following questions: $2 \times 5 = 10$

a) What is scheduled bank?

b) Write two differences between banking debt and commercial debt.

c) Who can cross a cheque?

d) Write the full form of N.S.F and W.F.D

e) What is Non-performing Asset?

3. Answer any four of the following questions (in about 200 words each): $5 \times 4 = 20$

a) Distinguish between public sector bank and private sector bank.

b) Briefly explain the meaning and significance of liquidity.

c) Briefly state the general relationship between banker and customer.

d) Distinguish between cheque and promissory note.

e) Under what circumstances the payment of a cheque must be refused by a bank?

f) Briefly state the precautions required to be taken by a banker in case of advances against security of goods.



4. (a) State the secondary functions of modern commercial banks. 5

(b) Distinguish between branch banking and unit banking. 5

Or

State the origin and development of modern banking in India. 10

5. State the various assets and liabilities contained in a bank balance sheet. 10

Or

Discuss the different types of loans granted by a banker to a customer. 10

6. Discuss the statutory obligations of banker to honour customer's cheques and maintain secrecy of accounts of customer. 5+5=10

Or

Discuss the procedures of opening bank account in the name of: 5+5=10

1)A minor and

2)A company.

7. What is collecting banker? State the statutory protections granted to the collecting banker under the Negotiable Instrument Act, 1881.

2+8=10

Or

Discuss the formalities which a banker has to observe before opening a new account.

10

