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**PRESIDENCY  
UNIVERSITY**  
BENGALURU

**School of Management**

**Mid - Term Examinations – November 2024**

**Semester:** III

**Date:** 07-11-2024

**Course Code:** MBA3069

**Time:** 09:30am – 11:00 am

**Course Name:** Commercial Banking

**Max Marks:** 50

**Program:** MBA

**Weightage:** 25%

**Instructions:**

- (i) Read all questions carefully and answer accordingly.  
(ii) Do not write anything on the question paper other than roll number.

**Part A**

**Answer ALL the Questions. Each question carries 3marks.**

**3Mx5Q=15M**

- |   |  |         |           |     |
|---|--|---------|-----------|-----|
| 1 | Summarize the functions of Commercial Banks.   | 3 Marks | Knowledge | CO1 |
| 2 | Explain the differences between Payments Bank and Small Finance Bank.  | 3 Marks | Knowledge | CO1 |
| 3 | Compare the differences between Narrow Banking and Universal Banking.  | 3 Marks | Knowledge | CO1 |
| 4 | Explain the different types of Treasury Bills issued in the Money Market and the constituent features of Treasury Bills. | 3 Marks | Knowledge | CO2 |
| 5 | Explain the differences between repo and reverse repo rate.  | 3 Marks | Knowledge | CO2 |

**Part B**

**Answer ALL the Questions. Each question carries 10 marks.**

**10Mx2Q=20M**

- |   |  |          |             |     |
|---|--|----------|-------------|-----|
| 6 | NABARD has sanctioned financial assistance of ₹769.58 crore for construction of two irrigation projects in Palamu and Giridih districts under Rural Infrastructure Development Fund during FY 2024-25," S K Jahagirdar, Chief General Manager, NABARD Jharkhand Regional Office, said. | 10 Marks | Application | CO1 |
|---|--|----------|-------------|-----|

Once completed, the project in Palamu will provide irrigation to an additional 11,000 hectares of land through pipelines across eight blocks in the district.

Identify the role that NABARD plays as an Apex Financial Institution in India.

**Or**

- 7** Indian banks are planning to issue more certificates of deposit to meet the year-end loan demand as attracting deposits remains difficult during the festive season in 2024. With retail sales peaking during the festive season, banks are opting for CDs due to competitive bulk deposit space and healthy demand from mutual funds. **10 Marks Application CO2**

Explain the reason for bank deposits to be considered as liabilities in the bank's balance sheet. 2. Explain the features of certificate of deposits (CDs)

- 8** List any 6 Public Sector Banks and explain their ownership structure. How are they different from Regional Rural Banks (RRBs). **10 Marks Application CO1**

**Or**

- 9** Explain the structure/ownership of Private Sector Banks (Old & New). How is universal banking related to the New Private Sector Banks? **10 Marks Application CO2**

### **Part C**

**Answer the Question. Question carries 15 marks.**

**15Mx1Q=15M**

- 10** The U S Federal Reserve cut the interest rate by 50 bps in September, 2024, which set the ball rolling for reversing the interest rate cycle. Many global central banks have started cutting rates, leading to many expecting a rate cut by the RBI. However, RBI was late in raising rates and increased the rates by lower quantum when other central banks were raising rate by bigger margins. The Indian central bank is likely to do the same during interest rate reduction by other central banks. **15 Marks Analysis CO1**

Analyze how repo, reverse repo, MSF and SDF are used as instruments to control the inflation and money supply in the economy.