Roll No.												

PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – December 2025

Date: 23-12-2025 **Time:** 09:30am – 12:30pm

School: SOM-PG	**Program:** MBA	
Course Code : MBA3069	**Course Name:** Commercial Banking	
Semester: III	**Max Marks**: 100	**Weightage**: 50%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	16	16	34	34	00

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 2marks. **10Q x 3M=30M**

1.	Explain the key differences between Commercial Banks and Cooperative Banks in India?	**3 Marks**	**L2**	**CO1**
2.	Explain Universal Banking? Give one example.	**3 Marks**	**L2**	**CO1**
3.	Outline the basic principles of bank lending?	**3 Marks**	**L2**	**CO2**
4.	Explain NPAs and how can banks manage them?	**3 Marks**	**L2**	**CO2**
5.	Explain Capital Adequacy in banking?	**3 Marks**	**L1**	**CO3**
6.	List out the role of the Banking Ombudsman Scheme?	**3 Marks**	**L2**	**CO3**
7.	List out the recent trends in banking sector consolidation in India?	**3 Marks**	**L1**	**CO3**
8.	Explain Financial Inclusion and name one government initiative promoting it.	**3 Marks**	**L2**	**CO4**
9.	Explain Trade Finance in international banking?	**3 Marks**	**L2**	**CO4**
10.	How do banks contribute to sustainable finance?	**3 Marks**	**L4**	**CO4**

Part B

Answer the Questions. **Total Marks 40M**

11.	**a.**	Evaluate how digital transformation and FinTech innovations have reshaped the Indian banking system. Illustrate with examples of major digital initiatives and their impact.	**10 Marks**	**L4**	**CO1**
		Or			
12.	**a.**	Analyze the role of different types of banking institutions in supporting India's economic development. Explain with examples of their contribution to key sectors.	**10 Marks**	**L5**	**CO1**

13.	**a.**	Apply your understanding of deposit products to recommend suitable deposit options for three different customer profiles: a salaried employee, a small business owner, and a senior citizen.	**10 Marks**	**L5**	**CO2**
		Or			
14.	**a.**	Examine how the bank's balance sheet and off-balance sheet items reflect its financial health and risk exposure. Provide applied examples.	**10 Marks**	**L4**	**CO2**

15.	**a.**	Evaluate how Negotiable Instruments and Clearing House Mechanisms support efficient financial transactions in the Indian banking system. Provide applied use cases.	**10 Marks**	**L5**	**CO3**
		Or			
16.	**a.**	As a risk manager, how would you apply Basel III guidelines to strengthen your bank's risk management framework? Discuss with examples of key risk types.	**10 Marks**	**L4**	**CO3**

17.	**a.**	Evaluate how global banking trends and sustainability initiatives are shaping the future of Indian banks. Support with examples of green finance or ESG-driven strategies.	**10 Marks**	**L5**	**CO4**
		Or			
18.	**a.**	Apply the principles of Anti-Money Laundering (AML) and Know Your Customer (KYC) to prevent financial crime in an international remittance transaction. Provide applied measures.	**10 Marks**	**L4**	**CO4**

Part C

Answer all the Questions. Each question carries 15marks **2Q x 15M=30M**

19.	**a.**	Mr. Ramesh, a customer of XYZ Bank, filed multiple complaints regarding failed UPI transactions and wrongful loan charges. After repeated delays in resolution, he approached the Banking Ombudsman. Around the same time, XYZ Bank is in the process of merging with another public sector bank under the government's consolidation plan. As a regulatory analyst, explain how the Banking Ombudsman Scheme can protect customer rights during the merger process and ensure service continuity. Also, analyze how such mergers contribute to overall sector reforms and efficiency.	**15 Marks**	**L4**	**CO3**

20.	**a.**	Bharat Grameen Bank (BGB) is a mid-sized public sector bank focusing on semi-urban and rural areas. In FY2025, the bank observed slow growth in priority sector lending and weak penetration of financial inclusion schemes. An internal audit also flagged gaps in AML compliance for cross-border remittances received from migrant workers in the Middle East. At the same time, BGB plans to expand into international banking through a correspondent banking relationship and strengthen its trade finance services for MSME exporters. The RBI has urged banks to integrate sustainability and green finance into their lending practices. As a consultant, you are asked to prepare recommendations to: **1.** Improve priority sector, rural and agricultural lending. **2.** Deepen financial inclusion using government initiatives. **3.** Strengthen AML/KYC for foreign remittances. **4.** Expand international banking and trade finance services. **5.** Align the bank with global trends and sustainability in banking.	**15 Marks**	**L5**	**CO4**