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Bengaluru

Mid Term Examinations - October 2026

Date: 05/10/2026 **Time:** 09:30 AM - 11:00 AM

Course Code: COM3040 **Course Name:** Regulatory Framework of Banking

Semester: Fifth Semester **Max. Marks:** 50 **Weightage:** 50%

CO - Levels	CO1	CO2
Marks	50	40

PART A: Answer Following Questions. 10 M

Q.N.	Questions	M	CO	BT
1	Who is an Additional Director?	2	CO1	BT1
2	Define licensing of a banking company?	2	CO1	BT1
3	What is meant by paid-up capital?	2	CO1	BT1
4	State any two ways in which the Government regulates banks.	2	CO1	BT1
5	Define the main purpose of the Banking Regulation Act, 1949?	2	CO1	BT1

PART B : Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
6	A large investor wants to acquire a substantial shareholding in a bank and influence its management. What regulatory issues should be considered?	10	CO2	BT2
7	The Board of a bank does not properly monitor its management and risks. What problems can arise, and what should the Board do?	10	CO2	BT2

PART C: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
8	XYZ Group wants to establish a new bank in India. What important requirements should it fulfil before starting banking operations?	10	CO1	BT1
9	Inflation is increasing and there is excessive credit in the economy. How can the RBI respond using its monetary policy functions?	10	CO1	BT1

PART D: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
10	A bank is facing serious governance problems and requires additional expertise on its Board. How can the appointment of an Additional Director help?	10	CO2	BT1
11	ABC Bank wants to establish a subsidiary to undertake financial activities. What factors should it consider?	10	CO2	BT1

PART E: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT

12	ABC Bank accepts deposits and provides loans to customers. It also wants to undertake unrelated commercial activities. Explain the activities that a bank can undertake.	10	CO1	BT1
13	A bank has increasing bad loans and its depositors are becoming concerned. What steps can the RBI take in its regulatory and supervisory role?	10	CO1	BT1