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**PRESIDENCY UNIVERSITY  
BENGALURU  
SCHOOL OF ENGINEERING**

**MID TERM EXAMINATION**

**Winter Semester:** 2021 - 22

**Course Code:** COM 2004

**Course Name:** INTRODUCTION TO BANKING

**Program & Sem:** B.TECH

**Date:** 13-MAY-2022

**Time:** 10.00 AM to 11.30 PM

**Max Marks:** 50

**Weightage:** 25%

**Instructions:**

- (i) Read the all questions carefully and answer accordingly.  
(ii) Only normal calculators are allowed.

**Part A [Memory Recall Questions]**

**Answer all the Questions. Each question carries TWO marks.**

**(10Qx2M= 20M)**

**1. RBI is regulated by \_\_\_\_\_.**

- A. Ministry of Finance    B. SEBI    C. Government of India    D. None of Above

**2. Goods to Goods Exchange System is called as \_\_\_\_\_.**

- A. Digital Era    B. Monetary System    C. Barter System    D. All of the Above

**3. RBI Stands for \_\_\_\_\_.**

- A. Regional Bank of India    B. Railway Board of India  
C. Reserve Bank of India    D. Railway Banks

**4. Which one of the below is example of Private Bank \_\_\_\_\_.**

- A. Airtel    B. HDFC    C. Paytm    D. Phonepe

**5. Three banks Pre Independence formed together and became \_\_\_\_\_.**

- A. RBI    B. Presidency Bank    C. SBI    D. SBM

**6. Which of the bank was a associate of SBI \_\_\_\_\_ .**

- A. Andhra Bank    B. Vijaya Bank  
C. Corporation Bank    D. State Bank of Mysore

**7. In First Phase of Nationalization of Banks how many banks were nationalized?**

- A. 14    B. 11    C. 19    D. 16

**8. Third Phase of Demonitization was announced by\_\_\_\_\_.**

A. Manmohan Singh    B.Nirmala Seetharaman    C.Shaktikanth Das    D.Narendra Modi

**9. Which one is the main function of RBI \_\_\_\_\_.**

A. Regulating the Commercial Banks in India    B.Controlling the politics in India

C. Issuing the Coins    D.Prepare Budget for Economy

**10. Which of the account are used by business concerns in Indian Banking System?**

A.FD Account    B.SB Account    C.RD Account    D.Current Account

### **Part B [Thought Provoking Questions]**

**Answer all the Questions. Each question carries FIVE marks.**

**(4Qx5M=20M)**

11. What are the various accounts of a Commercial Bank?

12. List out any 10 Public sector banks.

13. Write a Note on RBI inception.

14. Explain the functions of Commercial Banks.

### **Part C [Problem Solving Questions]**

**Answer this Question. It carries TEN marks.**

**(1Qx10M=10M)**

**15. Briefly explain the banking system and controlling mechanism in Indian Financial System.**



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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF ENGINEERING**

**END TERM EXAMINATION**

**Winter Semester:** 2021-22

**Course Code:** COM2004

**Course Name:** Introduction to Banking

**Program & Sem:** Open Elective, II Semester

**Date:** 1<sup>st</sup> July 2022

**Time:** 01:00 PM to 04:00 PM

**Max Marks:** 100

**Weightage:** 50%

Instructions:

(iii) Read the all questions carefully and answer accordingly.

**Part A [Memory Recall Questions]**

**Answer all the Questions. Each question carries FOUR marks.**

**(50Qx 2M=100M)**

1. What is the full form of CRR?

- A. cash reserve ratio B. currency reserve ratio C. cash revised rate D. cash reserve rate  
(C.O.No.1)[Knowledge]

2. Which of the following statements is true about demand deposits?

- A. It includes both fixed deposits and current account deposits  
B. It includes both savings account deposits and fixed deposits  
C. It includes both current account deposits and savings account deposits  
D. It includes fixed deposits, current account deposits and savings account deposits  
(C.O.No.1)[Knowledge]

3. Which of the following is not a regulatory institution in Indian financial system?

- A. RBI  
B. CIBIL  
C. SEBI  
D. IRDA  
(C.O.No.1)[Knowledge]

4. Which of the following statements is true about the central bank?

- A. It regulates the entire banking system in the country  
B. It is under the ownership of the central government of a country  
C. It is the apex bank of a country  
D. All of the above  
(C.O.No.1)[Knowledge]

5. What is the full form of SLR?

- A. Statutory Liquidity Ratio  
B. Simple Liquidity Rate  
C. Statutory Liquidity Rate  
D. Stationary Liquidity ratio  
(C.O.No.1)[Knowledge]

6. Which of the following statements represents the main function of the central bank in a country?
- It is responsible for the regulation over the supply of money in the market
  - It is responsible for the issuance of notes within the country
  - It acts as a banker both to the government and to other banks in the country
  - All of the above
- (C.O.No.1)[Knowledge]
7. Which of the following statements is true about credit creation by banks?
- Banks create credit on the basis of their total assets
  - Banks create credit on the basis of their total deposits
  - Banks create credit on the basis of their total securities
  - Banks create credit out of nothing
- (C.O.No.1)[Knowledge]
8. Which of the following is not the function of the central bank of a country?
- Being the custodian of foreign exchange reserves
  - Accepting deposits from the general public
  - Both a and b are correct
  - Both a and b are incorrect
- (C.O.No.1)[Knowledge]
9. Which of the statements gives a true picture of the effect of lowering the cash reserve ratio by the central bank of a country?
- The lending capacity of commercial banks will increase
  - The lending capacity of commercial banks will decrease
  - The lending capacity of commercial banks may increase or decrease
  - There is no effect on the lending capacity of commercial banks
- (C.O.No.1)[Knowledge]
10. Which agency regulates the money supply in India?
- The Government of India
  - Commercial banks
  - Reserve Bank of India
  - None of the above
- (C.O.No.1)[Knowledge]
11. Which of the following statements is true about the money supply?
- It is the total volume of money that is held by the government of a country
  - It is the total volume of money that is held by the general public of a country over a time period
  - It is the total volume of money that is held by the general public of a country at a particular point in time
  - All of the above
- (C.O.No.1)[Knowledge]
12. ----- allocates saving efficiently in an economy to ultimate users either for investment in real assets or for consumption. (C.O.No.1)[Knowledge]
- Economic System
  - banking system
  - Financial System
  - Market System
13. In which year was the Banking Regulation Act passed?
- A. 1949 B. 1955 C. 1959 D. 1969
- (C.O.No.1)[Knowledge]
14. Which of the following is the apex institution which handles refinance for agriculture and rural development in India?
- RBI
  - SIDBI
  - NABARD
  - RBI
- (C.O.No.1)[Knowledge]
15. Which form of money supply is used in India? .

A. M2 B. M3 C. M4 D. All of the above

(C.O.No.1)[Knowledge]

16. Which is the largest commercial bank in India?

- A. Bank of India
- B. Axis Bank
- C. State Bank of India
- D. HDFC

(C.O.No.3)[Knowledge]

17. What is the full form of NBFC?

- A. Non Bank Financial Competition
- B. Non Bank foreign company
- C. Non Bank Financial Company
- D. Non Bank Finance Corporation

(C.O.No.1)[Knowledge]

18. How many development banks are there in India?

A. 5 B. 6 C. 7 D. 8

(C.O.No.1)[Knowledge]

19. Which bank is known as banker's bank?

- A. RBI B. SBI C. PNB D. NABARD

(C.O.No.1)[Knowledge]

20. RBI ACT was comes in to existence.....

A. 1934 B. 1935 C. 1948 D. 1945

(C.O.No.2)[Knowledge]

21. Which bank is called lender of last resort?

- A. Commercial bank
- B. Agricultural bank
- C. Industrial bank
- D. Central bank

(C.O.No.1)[Knowledge]

22. Which of the following is not a function of a Bank?

(C.O.No.1)[Knowledge]

- A. To accept deposits
- B. To waive loans
- C. To grant advances
- D. To supply input to farmers

23. Repo Rate" refers to the rate at which

- A. RBI borrows short term money from the markets
- B. Banks keeps the money with RBI
- C. Bills are discounted by RBI
- D. Forex purchased by RBI

(C.O.No.2)[Knowledge]

24. Who works as RBI's agent at places where it has no office of its own?

- A. Axis Bank.
- B. SBI.
- C. HDFC.
- D. ICICI.

(C.O.No.2)[Knowledge]

25. Zero balance account is generally allowed to be open for –

- A. Salaried Class
- B. Business man
- C. Foreign Customers
- D. Children

(C.O.No.3)[Knowledge]

26. The main functions of NABARD is

(C.O.No.3)[Knowledge]

- A. granting crop loan to farmers
- B. future research

- C. providing rural employment  
D. facilitating credit flow for promotion and development of agriculture
27. Credit can be created by: (C.O.No.3)[Knowledge]  
A. RBI  
B. Foreign banks  
C. Commercial banks  
D. Private banks
- 28. Which of the following rules do not apply to banking companies?** (C.O.No.3)[Knowledge]  
A. Companies Act  
B. Banking Regulation Act  
C. Reserve Bank of India Act  
D. FRBM Act
29. Increase in cash reserve ratio (CRR) by the RBI will result in: (C.O.No.3)[Knowledge]  
A. Initially increase the supply but later on decrease automatically.  
B. No impact on the supply of money in the economy  
C. Decrease the supply of money in the economy  
D. Increase the supply of money in the economy
- 30. Current CRR rate in India is** (C.O.No.3)[Knowledge]  
A. 5.5  
B. 2.5  
C. 4.5  
D. 3.5
- 31. Which among these is not a monetary tool?** (C.O.No.3)[Knowledge]  
A. SLR  
B. Deficit financing  
C. Open market operations  
D. CRR
32. HDFC bank is an example of? (C.O.No.3)[Knowledge]  
A. Foreign Bank  
B. Public Bank  
C. Private Bank  
D. None of these
33. This is not a function of the RBI? (C.O.No.3)[Knowledge]  
A. Printing of currency  
B. Controller of credit  
C. Issuance of coins  
D. Custodian of foreign currency
34. What is the banking, where all banking operations are online, known as? (C.O.No.3)[Knowledge]  
A. Virtual Banking  
B. retail banking  
C. Mixed Banking  
D. Social Banking
35. The Indian Financial Year begins on (C.O.No.3)[Knowledge]  
A. January 1  
B. April 1  
C. July 1

- D. October 1
36. The global financial crisis started in the USA. It spread to other countries because:
- A. Foreign banks had bought securities based on US sub-prime mortgages. correct
  - B. Bank of China had lent massively to sub-prime borrowers in the USA. incorrect
  - C. European banks were taken into public ownership. incorrect
  - D. Banks in developing economies had invested heavily in US sub-prime mortgages. incorrect
37. In which year global financial crisis hit the world economy (C.O.No.3)[Knowledge]
- A. 1991-92
  - B. 2007-08
  - C. 2010-11
  - D. 2019-20
38. Which investment banker collapsed in the USA due to global financial crisis? (C.O.No.3) [Knowledge]
- A. Lehman Brothers
  - B. Mukesh Ambani
  - C. City Bank
  - D. Barclays Bank
39. What makes banking sector a good career choice in India? (C.O.No.3)[Knowledge]
- A. Good social standing
  - B. High growth sector
  - C. Competitive Compensation
  - D. All the above
40. Which bachelor's degree is required in banking sector? (C.O.No.3)[Knowledge]
- A. Economics
  - B. Finance
  - C. Commerce
  - D. All of the above
41. Choose the correct position offered in banking sector (C.O.No.3)[Knowledge]
- A. Bank Manager
  - B. Financial Accountant
  - C. Investment Banker
  - D. All of the above
42. What skills are required for a career in banking sector? (C.O.No.3)[Knowledge]
- A. Customer dealing
  - B. Customer satisfaction
  - C. Analytical skills
  - D. All of the above
43. \_\_\_\_\_ is a central recruitment agency under the ownership of Ministry of Finance , Government of India that was started with an aim to encourage the recruitment and placement of young undergraduates, postgraduates and doctorates at the rank of Group 'A' officer, Group 'B' officer, Group 'C' employee and Group 'D' employee in nationalised banks and regional rural banks in India. (C.O.No.2)[Knowledge]
- A. Institute of Banking Personnel Selection
  - B. RBI
  - C. NITI AAYOG
  - D. None of the above

44. What are the topics you need to study for Banking jobs? (C.O.No.3)[Knowledge]  
A. Quantitative Aptitude, Reasoning Ability  
B. English, General Awareness  
C. Computer Skills  
D. All of the above
45. \_\_\_\_\_ are financial entities established on a co-operative basis and belonging to their members. (C.O.No.3)[Knowledge]  
A. Co-operative banks  
B. Commercial Banks  
C. Central Bank  
D. Small Finance Banks
46. Short-term cooperative credit institutions are sub-divided into (C.O.No.3)[Knowledge]  
A. State Co-operative Banks,  
B. District Central Co-operative Banks  
C. Primary Agricultural Credit Societies  
D. All of the above
47. The age limit to appear for clerical bank exams is (C.O.No.3)[Knowledge]  
A. 18 to 30 years  
B. 18 to 28 years  
C. 18 to 32 years  
D. 18 to 34 years
48. What is the full form of PO post in banking sector? (C.O.No.3)[Knowledge]  
A. Provisionary officer  
B. Probationary officer  
C. Professional officer  
D. None of the above
49. Long-term cooperative credit institutions are also known as (C.O.No.3)[Knowledge]  
A. State Cooperative Agriculture and Rural Development Banks  
B. Primary Cooperative Agriculture and Rural Development Banks  
C. Both A & B  
D. None of the above
50. What is the full form of SCARDBs? (C.O.No.3)[Knowledge]  
A. State Cooperative Agriculture and Rural Development Banks  
B. State Commercial Agriculture and Rural Development Banks  
C. c. Statutory Cooperative Agriculture and Rural Development Banks  
D. None of the above





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**Part A [Memory Recall Questions]**

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**2. RBI is regulated by \_\_\_\_\_.**

- A .Ministry of Finance    B.SEBI    C. Government of India    D. None of Above

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C.Reserve Bank of India    D.Railway Banks

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### **Part B [Thought Provoking Questions]**

**Answer all the Questions. Each question carries FIVE marks.**

**(4Qx5M=20M)**

12. What are the various accounts of a Commercial Bank?

12. List out any 10 Public sector banks.

13. Write a Note on RBI inception.

14. Explain the functions of Commercial Banks.

### **Part C [Problem Solving Questions]**

**Answer this Question. It carries TEN marks.**

**(1Qx10M=10M)**

**15. Briefly explain the banking system and controlling mechanism in Indian Financial System.**