

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF COMMERCE
END TERM EXAMINATION - JAN 2023**

Semester : SEMESTER - V - 2020

Course Code : BFS106

Course Name : Sem V - BFS106 - Principles and Practices in Banking

Program : B.Com / B.Com. Honors

Date : 10-JAN-2023

Time : 1.00PM - 4.00PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.

PART A

ANSWER ALL THE FOLLOWING QUESTIONS

10 X 2 = 20M

1. _____ are major type of government owned banks in India, where a majority stake (i.e. more than 50%) is held by the Ministry of Finance of the Government of India or State Ministry of Finance or various State Governments of India.
a) Private Sector Banks (CO1) [Knowledge]
b) Public Sector Banks
c) Regional Rural Banks
d) Local Area Banks
2. _____ is the regulatory body responsible for regulation of the Indian banking system.
a) Reserve Bank of India (CO1) [Knowledge]
b) State Bank of India
c) Nationalized Banks
d) All of the above
3. In which of the following case(s) does the relationship between banker and customer ceases
a) Death of the customer (CO2) [Knowledge]
b) Insolvency of the customer
c) Lunacy of the customer
d) All of the above

4. A customer has availed locker facility with HDFC. The relationship that commences between a banker and a customer is _____ in this case. (CO2) [Knowledge]
- a) Agent and Principal
 - b) Bailor and Bailee
 - c) Lessor and Lessee
 - d) Trustee and Beneficiary
5. The major difference between cash credit and overdraft facility? (CO3) [Knowledge]
- a) OD is associated with a separate OD account and Cash credit is associated with current account
 - b) Cash credit is associated with a separate cash credit account and OD is with current account
 - c) Cash credit does not require a security and OD requires a security
 - d) None of the above
6. If the customers lack the finances for the renovation and repair works like external and internal repair, painting, construction of overhead water tank and electrical renovation, which loan could be availed? (CO3) [Comprehension]
- a) Balance transfer home loans
 - b) Home expansion loan
 - c) Home conversion loan
 - d) Loans for home improvement
7. IMPS stands for (CO4) [Comprehension]
- a) Immediate Money Payment System
 - b) International Money Payment System
 - c) Immediate Payment Services
 - d) Immediate Money Payment Services
8. _____ is a back-end system that connects multiple branches of the same bank together to deliver operations like loan management, interest calculation, passbook maintenance, withdrawals, deposits and payments in real-time. (CO4) [Comprehension]
- a) Blockchain
 - b) SWIFT
 - c) Central Bank Digital Currency
 - d) Core Banking
9. _____ is an interactive experience that combines the real world and computer-generated content. The content can span multiple sensory modalities including visual, auditory, haptic (sense of touch), somatosensory (sensation of pressure, warmth, pain) and olfactory. (CO5) [Comprehension]
- a) Robotic Process Automation
 - b) Prescriptive security
 - c) Augmented Reality
 - d) None of the above
10. _____ is a fusion of technologies and processes designed to reduce the time and effort needed to detect and respond effectively to cyber security threats and incidents. A critical aspect of prescriptive security is its use of automation and artificial intelligence technologies. (CO5) [Comprehension]
- a) API Platforms
 - b) Prescriptive security
 - c) Blockchain
 - d) Augmented Reality

PART B

ANSWER ALL THE FOLLOWING QUESTIONS

4 X 10 = 40M

11. A commercial bank is a type of financial institution that specializes in offering services such as deposits, loans and some basic investment products for individual customers. Discuss the functions of commercial bank.
(CO1,CO2) [Comprehension]
12. The most basic type of account a customer can open at any bank is Savings Account. In fact, the Savings bank has many classifications as per the requirement of the customer. Explain different types of Savings Accounts.
(CO3) [Comprehension]
13. Distinguish between Truncated and MICR Cheques.
(CO4) [Comprehension]
14. The use of Augmented Reality enhances the overall digital experience for users as it offers the perfect combination of physical and virtual components. The technology provides the necessary link between the real world and the digital world by striking the right balance. Summarize the opportunities with Augmented Reality in banking.
(CO5) [Comprehension]

PART C

ANSWER ALL THE FOLLOWING QUESTIONS

2 X 20 = 40M

15. Explain the banker-customer relationships in detail.
(CO3,CO2) [Comprehension]
16. Buyers can easily avail of goods and services from international sellers, Thanks to Letters of Credit. The buyers' creditworthiness improves as their transactions are secured by the reputed guarantors, i.e., banks. The sellers no longer fear the risk associated with the buyers' credibility and chances of non-payment. Discuss the steps in Letter of Credit with a neat diagram.
(CO4,CO5) [Application]
