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# PRESIDENCY UNIVERSITY BENGALURU

## Department of Research & Development

### Mid - Term Examinations - AUGUST 2024

**Odd Semester:** Ph.D. Course Work

**Course Code:** COM807

**Course Name:** Indian Banking System

**Department:** School of Commerce and Economics

**Date:** 12-08-2024

**Time:** 09.30am to 11.00am

**Max Marks:** 50

**Weightage:** 25%

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#### Instructions:

- (i) Read the all questions carefully and answer accordingly.
  - (ii) Do not write any matter on the question paper other than roll number.
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#### PART A (THOUGHT PROVOKING)

**Answer all the Questions. Each question carries 5 marks.**

**(4Qx 5M= 20M)**

1. The banking system in India plays a crucial role in the country's economy and development. Explain in what ways can the banking sector in India be reformed to better serve the unbanked and underbanked populations, thereby promoting inclusive economic growth? (CO1) [Knowledge]
2. Banks facilitate the efficient allocation of capital by lending to businesses and individuals. This enables investments in new projects, technologies, and infrastructure, driving economic growth. Discuss how can banks develop more inclusive and responsible lending practices that not only minimize risk but also support the socio-economic development of marginalized communities? (CO1) [Knowledge]
3. The dishonor of cheques, which occurs when a cheque is not honored or paid by the bank, has significant implications for both individuals and businesses. Enlighten the most common grounds for the dishonor of cheques, and how can banks educate customers to prevent these issues? (CO2) [Understand]
4. The role of a collecting banker is critical in the banking industry, as it ensures the smooth functioning of financial transactions involving cheques and other negotiable instruments. How does the role of a collecting banker differ from that of a paying banker, and what unique challenges do collecting bankers face? (CO2) [Knowledge]

## PART B (PROBLEM SOLVING)

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

**(3Qx 10M= 30M)**

5. Considering the rise of fintech, what strategies should traditional banks adopt to integrate modern functions like digital payments and blockchain technology into their existing primary and secondary functions while ensuring security and regulatory compliance? (CO1) [Application]
6. Commercial banks play a crucial role in the financial system, offering a wide range of services to individuals, businesses, and governments. Discuss the various types of commercial banks in Indian banking system (CO2) [Application]
7. A customer issues a cheque that has minor alterations, which are duly initialed by the customer. The paying banker dishonors the cheque citing the alterations. Was the banker justified in dishonoring the cheque? Discuss the implications. (CO2) [Application]