Reg. No………………………………………….   Name………………………………….………

B A, B SC, B COM DEGREE END SEMESTER EXAMINATION – OCTOBER 2025

UGP (HONS.) SEMESTER - 3: DISCIPLINE SPECIFIC COURSE

COURSE: 24UCOMDSC202: INNOVATIONS AND TRENDS IN BANKING

(For Regular 2024 Admission)

Time: 1.5 Hours   Max. Marks: 50

PART A

Answer any ten questions, each carries 1 mark

1. RBI was nationalized in the year_____.   (R, CO1)

2. When immediate financing is needed before securing long-term funding,

    borrowers often use a _____.   (U, CO2)

3. Name any one credit control measure exercised by RBI.   (U, CO2)

4. Expand SWIFT   (R, CO3)

5. Credit Cards are also known as _____.   (U, CO3)

6. What does Basel III aim to improve in the banking system?   (U, CO4)

7. Banking sector reforms were implemented on the basis of recommendations

    made by   Malhotra Committee. State whether True or False.   (R, CO4)

8. The rate at which central bank rediscounts the first class commercial bills of

    commercial banks are known as_____.   (U, CO2)

9. A cheques which is payable to any person who presents it for

    payment is known as_____.   (U, CO2)

10. How many schedules are prepared in the financial statements of a

     banking company?   (R, CO5)

11. Give the journal entry for the treatment of closing rebate on bills discounted.   (An, CO5)

12. _____ is a voucher which is used for posting transactions in

     ledgers of banking companies.   (U, CO5)

                                                                                          (1 x 10 = 10)

PART B

Answer any five questions, each carries 2 marks

13. What do you mean by capital adequacy ratio?   (U, CO4)

14. How do banks expand the money supply without actually receiving

     new currency?   (U, CO2)

15. State the difference between recurring deposit and fixed deposit.   (A, CO1)

16. How can banks keep track of a person's repayment behaviour across different loans and credit cards? List any two methods. (A, CO3)

17. If a loan has been non-performing for a long time and is considered completely uncollectible, how would a bank treat it in its books? Explain. (An, CO5)

18. What is a neo bank? (U, CO3)

19. How do international regulators ensure that banks are strong enough to absorb unexpected financial losses? (An, CO4)

(2 x 5 = 10)

PART C

Answer any four questions, each carries 5 marks

20. "Every loan creates a deposit and every deposit creates a loan." Explain. (U, CO2)

21. Explain the process of money laundering and discuss how modern technology can help banks   detect and prevent it. (A, CO3)

22. Briefly explain the general relationship between banker and customer with suitable examples. (U, CO1)

23. Discuss the three pillars of BASEL II. (U, CO4)

24. Discuss the role of the SARFAESI Act, 2002 in the recovery of Non-Performing Assets (NPAs). (E, CO3)

25. From the following information, find out the provision to be shown in the profit and loss account of Citi Bank.

ASSETS	AMOUNT (₹ In Lakhs)
Standard assets	3,000
Sub-standard asset:	
Secured	2,000
Unsecured	200
Doubtful assets:	
For one year	900
For two years	600
For three years	400
For more than three years	300
Non- recoverable assets	600

(A, CO5)

(5 x 4 =20)

PART D

Answer any one question, each carries 10 marks

26. Discuss how the Reserve Bank of India (RBI) uses monetary policy tools to control credit in the Indian economy. Evaluate the effectiveness of these tools during inflation and economic slowdown. (A, CO2)

27. From the following information, prepare profit and loss account of Lakshmi Bank Ltd for the year ended 31.03.2018:

Particulars	₹ Amount
Interest on fixed deposit	4,30,000
Interest on loan	6,50,000
Discount on bills discounted	4,15,000
Interest on overdraft	2,10,000
Interest on cash credits	4,10,000
Interest on savings deposit	1,25,000
Salaries and allowances	1,40,000
Locker rent	5,000
Repairs to banks property	2,000
Commission, exchange and brokerage	24,000
Directors fees	25,000
Transfer fees	2,000
Provident fund contribution	12,000
Audit fees	12,000
Loss on sale of securities	15,000
Loss on sale of furniture	2,000
Depreciation	7,000
Preliminary expenses	3,000
Advertisement	4,000
Legal charges	3,000
Profit on sale of investments	10,000

Additional information:

i)   Rebate on bills discounted as on 1.04.2017 was ₹19,000 and on 31.03.2018 was ₹26,000.

ii)   Bad debts written off ₹40,000.

iii)   Provide for taxation ₹50,000.

iv)   Provide ₹10,000 for dividend. (A, CO5)

(10 x 1 = 10)

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