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(Pages 2)

Name.....

Reg. No.....

**FIFTH SEMESTER. B.A. DEGREE EXAMINATION, OCTOBER 2012**

**(CCSS)**

Economics

**EC 5D 03—BANKING**

Time : Three Hours

**Maximum : 30 Weightage**

*Answers may be written in English I Malayalam.*

**Part A**

*Answer all twelve questions.*

**(A) Multiple choice questions**

1. Which of the **following** is a qualitative method of credit control ?  
(a) Bank Rate. (b) Open Market operation.  
(c) Statutory Liquidity Ratio. (d) Moral Suasion.
2. **SBI** was established in :  
(a) 1935. (b) 1955.  
(c) 1967. (d) 1951.
3. **Overdraft** facility is allowed on :  
(a) Fixed Deposit Account. (b) Current Account.  
(c) Savings Account. (d) Time. Deposit Account.
4. The Apex Rural bank in India is :  
(a) **NABARD**. (b) **ICICI**.  
(c) Co-operative Bank. (d) **IDBI**.

**(B) Fill in the blanks :**

5. Higher the **CRR**, \_\_\_\_\_ the power of banks to create credit.
6. The Call Money Market deals with \_\_\_\_\_ term loans.
7. One Rupee note was issued by \_\_\_\_\_ in India.
8. Indigenous Bills are called \_\_\_\_\_

**(C) Answer in a word/sentence**

9. Statutory Liquidity Ratio.
10. Repo rate.

**Turn over**

11. Bill of Exchange.
12. Ways and means Advance.

(12 x  $\frac{1}{4}$  = 3 weightage)

### Part B (Short Answer Type Questions)

*Answer all nine questions.*

13. New Issuance market.
14. Commercial Paper.
15. Discount Houses.
16. Unit Banking.
17. Stock Exchanges.
18. Clearing Houses.
19. Margin Requirements (of RBI).
20. Treasury Bills.
21. Lender of Last Resort.

(9 x 1 = 9 weightage)

### Part C (Short Essay/Paragraph Type Questions)

*Answer any five questions.*

22. Explain the structure of the Indian Money Market.
23. Which are the tools of selective credit control ?
24. Role of **NBFIs** in the saving-investment process.
25. **Functions** of Commercial Banks
26. Distinguish between branch banking and chain banking.
27. How do Banks create credit ? Illustrate with example.
28. Write a note on Negotiable Instruments.

(5 x 2 = 10 weightage)

### Part D (Essay Questions)

*Answer any two questions.*

29. What are Development banks ? Explain the major functions performed by them.
30. Explain in detail the quantitative credit control measures.
31. State and explain the functions of RBI.

(2 x 4 = 8 weightage)