

**BACHELOR OF VOCATION**  
**Financial Services**  
**Subject: Principles and Practices of Banking**  
**Subject Code: BFS-503**  
**Semester: First**  
**December 2019**  
**Theory (External): 70 Marks**  
**Time: 03 hours**

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**Instructions to the Students**

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

**Roll Number**

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**SECTION –A (OBJECTIVE TYPE QUESTIONS)**  
**(10x2=20 Marks)**

- A Define Banking ?
- B Define:
  - a. RTGS
  - b. IFSC
- C What is Overdraft ?
- D State the meaning of “Right of set off”?
- E List the advantage of KYC?
- F What is Universal Banking?
- G What is asset liability management?
- H Give the meaning of “Loan”?
- I Explain in brief agency function of commercial banks.
- J What is Reverse repo?

**SECTION –B (ESSAY TYPE QUESTIONS)**  
**(5x10=50 Marks)**

- Q1 Discuss the Phases in the growth of India banking system.
- Q2 What is “Universal banking”? Discuss the advantage of universal banking
- Q3 “Banker and the customer enjoy a unique relationship”. Discuss the various relationship that exist between the banker and customer.
- Q4 What is a ”commercial bank”? What are its Primary functions?
- Q5 Explain the role of commercial banks in socio economic development?
- Q6 Explain the objectives of asset liability management in bank?
- Q7 Explain the advantage and issue of internet banking?
- Q8 Discuss the KYC guidelines issued by the RBI?

\*\*\*\*\*THE END \*\*\*\*\*