

**Roll No.**

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**Total No. of Pages : 03**

**Total No. of Questions : 10**

**M.Com. (Sem.-3)**

# PRINCIPLES AND PRACTICES OF BANKING

**Subject Code : MCOPBI-321-18**

**M.Code : 76833**

**Date of Examination : 21-12-22**

**Time : 3 Hrs.**

**Max. Marks : 60**

**INSTRUCTIONS TO CANDIDATES :**

1. **SECTION-A** contains **EIGHT** questions carrying **TWO** marks each and students has to attempt **ALL** questions.
2. **SECTION-B** consists of **FOUR** Subsections : Units-I, II, III & IV. Each Subsection contains **TWO** questions each carrying **EIGHT** marks each and student has to attempt any **ONE** question from each Subsection.
3. **SECTION-C** is **COMPULSORY** and consists of **ONE** Case Study carrying **TWELVE** marks.

## SECTION-A

- 1. Write short notes on the following :**

- a) Define Banker
- b) What is a Cheque?
- c) Who is a Minor?
- d) What is Endorsement?
- e) What is NPA?
- f) What is RTGS?
- g) What is Reconstruction?
- h) What is Noting?

## **SECTION - B**

### **UNIT-I**

2. What is a Bank? Discuss the major functions of a bank in India.
3. Discuss in detail the major types of bank operating in India.

### **UNIT-II**

4. From the legal perspective, discuss the relationship between bank and its customer.
5. Discuss the major features of Negotiable Instrument Act in detail.

### **UNIT-III**

6. What is Assets Liability Management? Explain.
7. Discuss the Risk Management practices in Indian banks in detail.

### **UNIT-IV**

8. Discuss the recent major trends in Indian Banking with regard to technology.
9. What is Phishing? Why it is dangerous? Discuss.

## **SECTION-C**

10. **Read the following case study in detail and answer the questions :**

The system SWIFT is a "worldwide interbank financial telecommunication system. It was organized in 1973 in Brussels to develop unified methods of exchange of financial information and the establishment of an international data network using standardized messages. This system is the largest and most widespread in the world network of financial messages, any bank can consider itself a full-fledged member of the world financial community after connecting to the system. The main activity of SWIFT is to provide prompt, reliable, efficient, confidential and protected from unauthorized interference access to telecommunications services for banks and for works on standardization of forms and methods of sharing financial information. SWIFT provides the following services: the exchange of standardized financial messages with a fixed set of symbols; transfer by the network of mass payments and other files with an arbitrary set of symbols; the exchange of secured financial messages of own formats in real time(online, i.e. the departure time in the place where the starting point of transfer is located); union of structural units of the financial institution and its customers into a

single virtual network (creating a closed user group), led by a member of SWIFT; obtaining online data about the state of the correspondent account. Network payment messages as well as messages that are relevant to the treasury, securities and trade are sent by SWIFT. Financial SWIFT messages are classified into: system messages, client transfers and checks, transfers of financial organizations, money markets - forex, derivatives and deposits, collections and cash letters, securities markets, precious metals, letters of credit and guarantees, traveler's checks, money management and the status of the client. Transmission of a message over the SWIFT network takes from 20 seconds to 5-20 minutes, while the high degree of reliability and confidentiality is provided (about 100%).

**Questions :**

- a) Summarize the whole case in your own words.
- b) What is SWIFT? Discuss its purpose.
- c) Discuss the services provided by SWIFT in detail.

**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**