

PGDM/PGDM-IB, 2016-18
Banking Laws & Operations
DM-311/ IB-311

Trimester – III, End-Term Examination: March 2017

Time allowed: 2 Hrs 30 Min
Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

Section A

1. What do you understand by Repo and Reverse Repo rate? Who decides these rates and for what purpose?
2. Define a negotiable instrument. What are the main categories of negotiable instruments? Explain their main features.
3. What are non-funded liabilities of a Bank? Where do they figure in a Bank's Final Accounts?
4. What are NPAs and what are the recovery procedures available to a Bank?
5. What are the main features of the Information Technology Act?

Section B

1. X is the Managing Director of a limited company in which capacity he is authorized to sign cheques alone on the company's bank account kept with Y Bank, Kolkata. X has his personal account with Z Bank in Kolkata and deposits a cheque in Z Bank drawn on company account favoring himself for Rs.85,000. The cheque gets cleared and subsequently the company goes into liquidation. The liquidator files a suit against Z Bank for fraudulent conversion. What is the position of Z Bank? Give reasons for your answer.
2. What are the different Banker and Customer relationships? Explain with examples.
3. What are the secured and unsecured advances of a Bank? Explain with examples.

Section C

A has a current account with Bank Z with overdraft facility of Rs.1,00,000. Prepare a statement of account for calendar year commencing 1 Jan 2016 and apply interest in the account at quarterly intervals based on daily products.

Rate of interest 15% pa

Transaction details of A: for all months of the year are as follows:

1. He takes an advance in cash on 5th Jan 2016 of Rs.25000
 2. He pays Housing Loan instalment on 20th of Rs.12500
 3. He gets tax free interest of Rs.5000 credit on the 10th
 4. He draws Rs.10000 per month for expenses on 7th
 5. His salary is credited on 25th of every month of Rs.15000
- i) Prepare his statement for the calendar year 1st Jan to 31st Dec 2016 with application of interest up to end of every calendar quarter debited on 1st day of the following quarter. (10)
- ii) What are the tax benefits available to him on housing loan? (5)