

**Bachelor in Business Administration 2nd Semester****FUNDAMENTALS OF BANKING****Paper—BBA-207**

Time Allowed—3 Hours]

[Maximum Marks—50

**Note :—**(1) Section A consists of **12** very short answer questions from entire syllabus. Students are required to attempt **10** questions. Each question carries **1** mark.

(2) The candidates are required to attempt any **TWO** questions each from Section B and Section C. Each question carries **10** marks.

**SECTION—A**

1. Explain briefly :—

- (i) Define cheque.
- (ii) What is bank rate ?
- (iii) What is Clearing House System ?
- (iv) Explain limitation of Credit Creation.
- (v) What is Investment Banking ?
- (vi) What is the importance of technology in banking ?
- (vii) What kind of alteration on cheque cannot be considered as material alteration ?
- (viii) Explain the characteristics of Promissory Note.

- (ix) What do you mean by Financing of Priority Sector ?
- (x) What are NPAs ?
- (xi) What are forged instruments ?
- (xii) Explain Rationing of Credit. 1×10=10

### SECTION—B

2. Define Bank. Explain evolution of commercial banks. 10
3. Explain various types of banks in India. 10
4. Define Central Bank. Explain its functions. 10
5. "The selective instruments of credit control are more effective than general instruments in an under-developed economy." Discuss. 10

### SECTION—C

6. What is Endorsement ? Explain various kinds of endorsements. 10
7. What are Negotiable Instruments ? Explain various types of negotiable instruments. 10
8. What are the relative advantages and disadvantages of Unit and Branch Banking System ? 10
9. Explain the importance of Clearing House in banking system. 10