



Register Number:
Date: 26/11/2020

ST. JOSEPH'S COLLEGE (AUTONOMOUS) BENGALURU-27

BBA Regular - III SEMESTER

SEMESTER EXAMINATION: NOVEMBER 2020

BBA3319 -Banking Theory & Practice

This paper contains two printed pages and four parts

Time: 2 1/2 hrs

Max marks: 70 marks

SECTION A

Answer any FIVE of the following questions. Each question carries two marks. (5x2= 10)

1. Define a Banker?
2. What are the Non-Performing Assets?
3. State any two features of the current account.
4. What is meant by Unsecured Loans?
5. What is meant by material alteration?
6. Who is a Paying Banker?

SECTION B

Answer any THREE of the following questions. Each question carries five marks. (3x5=15)

7. How do commercial banks in India employ their funds?
8. What precautions should a banker take in opening an account of a partnership firm?
9. Differentiate between lien and hypothecation.
10. Write a note on the recent trends and innovations in the banking system.

SECTION C

Answer any TWO of the following questions. Each question carries fifteen marks. (2x15=30)

11. Describe the relationship between a banker and customer.
12. What are the precautions that the banker should take while honouring the cheque? What are the consequences of wrongful dishonour of Cheque?
13. Explain the principles of Sound Lending.

SECTION D

Answer the following compulsory question. (1x15=15)

14. Financial Inclusion is opening up the banking fold to bring in the excluded population. Access to banking and financial services allow individuals and firms to move away from short-term decision-making and clutches of illegal moneylenders towards the fulfilment of their requirements through proper banking channel. Especially in an emerging power like India, improved access to banking and financial services is necessary for the long-term sustainability of economic power. In India, more than 52 per cent of the

pointed out by the experts is the divide between the urban and rural population and financial illiteracy.

To bridge this gap of consumer expectation & the bank's perception of consumer expectation, Federal Bank introduced specific products addressing the needs of different target groups. Federal Bank concluded that the banking channels prevalent in urban areas cannot create the same impact in rural parts of the country.

To address this distinct demand, Business Correspondents (BC) network is selected as the alternate banking channel to reach the unbanked and under-banked rural segments. Similarly, by utilising the entire potential of microfinance institution for connectivity and reach help the bank to ensure access to all.

The financially illiterate excluded population had to be lured into the banking fold by providing financial education and introducing products and schemes tailor-made for them. To shift the customer's expectations towards the formal banking institutions, Federal Bank's Financial Literacy Centres have been launched.

Each of the following question carries **5 marks**.

- a. Discuss the importance of financial inclusion in India.
- b. Do you think it is necessary to bridge the gap between consumer expectation and the bank's perception of consumer expectation?
- c. Give your suggestions to federal bank on reaching out to unbanked and underbanked rural segments of India.

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