

**PART – IV NON MAJOR ELECTIVE PAPER- I**  
**FUNDAMENTALS OF BANKING**  
**SECTION - A** **(10 X 1 = 10 MARKS)**

## **ANSWER ALL OF THE FOLLOWING QUESTIONS.**

## MULTIPLE CHOICE QUESTIONS

**MAXIMUM MARKS: 50  
TIME: 2 HOURS**

1. The apex bank in India is \_\_\_\_\_.  
a) SBI                    b) RBI                    c) IOB                    d) KVB
2. \_\_\_\_\_ account has overdraft facility.  
a) Savings              b) Fixed                    c) Current              d) Recurring
3. When a customer borrows money he is \_\_\_\_\_ to banker.  
a) Debtor                b) Creditor                c) Seller                    d) Buyer
4. A cheque becomes stale after \_\_\_\_\_.  
a) One month            b) Six months            c) Three months            d) Two months
5. A collecting banker is given protection only when he collects \_\_\_\_\_ cheque.  
a) Crossed                b) Order                    c) Bearer                    d) Mutilated

**ANSWER THE FOLLOWING IN ONE OR TWO SENTENCES**

(K2)

6. Define the term banking.
7. Interpret recurring deposit account.
8. Define the term lien.
9. Draw a cheque.
10. Who is a paying banker?

**SECTION - B** **(5 X 8 = 40 MARKS)**

**ANSWER ANY FIVE QUESTIONS OUT OF EIGHT QUESTIONS.**

(K3)

11. Depict the nature of banking.
12. Inspect the types of bank customers.
13. List and explicate the type of accounts offered by bank.
14. Discuss the general relationship between a banker and a customer.
15. Describe the essential characteristics of cheque.
16. Illustrate and explain kinds of crossing.
17. Assess the statutory protection available for paying banker.
18. Sketch a note on loans and advances.