(FOR THE CANDIDATES ADMITTED | **24UIB409**

DURING THE ACADEMIC YEAR 2024-2025 ONLY) **REG.NO:**

N.G.M. COLLEGE (AUTONOMOUS): POLLACHI

END-OF-SEMESTER EXAMINATIONS: MAY 2026

BCOM IB **MAXIMUM MARKS:75**

SEMESTER: IV **TIME:3 HOURS**

PART - III

BANKING LAW & FOREIGN EXCHANGE

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. The Banking Regulation Act was passed in the year ________
   A) 1935 B) 1949 C) 1947 D) 1956
2. A savings account is mainly suitable for _________
   A) Traders B) Companies C) Individuals D) Government
3. A promissory note must contain ____
   A) Conditional promise B) Unconditional promise
   C) Oral promise D) Future contract
4. Arbitrage in foreign exchange means _______
   A) Speculation B) Hedging C) Profit from rate difference D) Forward trading
5. Exchange position refers to_________
   A) Cash balance B) Foreign currency holdings
   C) Loan amount D) Fixed deposit

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES (K2)

6. List the Banking functions.
7. State the meaning of savings account.
8. Define negotiable instrument.
9. State the meaning of a Nostro account.
10. Define Value at Risk

SECTION – B (5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)

11. a) Explain the general and special relationship between banker and customer.

(OR)

b) Describe the functions of modern commercial banks.

12. a) Explain the procedure for opening a new bank account.

(OR)

b) Discuss the features of Current account.

13. a) Describe the essentials of a cheque and its types of crossing.

(OR)

b) Explain the essential features of a negotiable instrument.

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14. a) Explain the features and participants of foreign exchange markets.

(OR)

b) Discuss the interbank transactions and arbitrage.

15. a) Discuss the concept and measurement of Value at Risk

(OR)

b) Explain foreign exchange risk management techniques.

SECTION – C (5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

(K4 (Or) K5)

16. a) Analyze the evolution of commercial banks and explain branch banking and multinational banking.

(OR)

b) Examine the role of CRM in banking and its importance in customer service.

17. a) Explain various types of special customers and precautions to be taken by banks.

(OR)

b) Discuss fixed deposit, recurring deposit and current account in detail.

18. a) Analyze the essentials of Bills of Exchange and Promissory Note.

(OR)

b) Evaluate the endorsement, crossing and marking of cheques with examples.

19. a) Explain interbank quotations, interbank rates and swap deals in foreign exchange market.

(OR)

b) Discuss funding of Nostro, Vostro and Loro accounts with suitable examples.

20. a) Explain exchange management by banks and dealing position in detail.

(OR)

b) Discuss accounting, reporting and foreign exchange risk measurement using Valuing at Risk

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Ethical paper