

**Avinashilingam Institute for Home Science and Higher Education for Women
[Deemed to be University] Coimbatore-641 043**

Bachelor's Degree Examination – November 2018

III Semester

**Class : II UG
Major : B.Com/B.Com(CA)**

**Time :3 hours
Max. Marks: 100**

15BCOC07/15BCCC07 – Banking Law and Practice

Part-A

10 x 1=10

Choose the correct answer

1. New private sector commercial banks are required to have minimum net worth of
a. Rs.50 crores
b. Rs.100 crores
c. Rs.200 crores
d. Rs.300 crores
2. The amount of cash reserve maintained by scheduled commercial banks with Reserve Bank of India is determined on the basis of their
a. total assets
b. total owned funds
c. total inter-bank borrowing
d. total demand and time liabilities
3. A Garnishee order is an order issued by
a. income tax officer
b. official liquidator
c. court
d. Reserve Bank of India
4. Floating rate of interest is the rate which is
a. decided by the bank arbitrarily
b. linked with another relevant rate
c. fixed by the Indian Banks' Association
d. notified by the Reserve Bank of India
5. Which of the following instrument does not contain an order to pay?
a. Cheque
b. promissory note
c. bill of exchange
d. bank draft
6. Who is an authority to cancel crossing on a Cheque?
a. the payee
b. the paying banker
c. the endorser
d. the drawer
7. A bridge loan is a loan granted for
a. construction of a bridge
b. meeting short term urgent needs pending availing a term loan
c. the winding up of a company
d. converting a short term loan into a long term loan
8. Surrender value means
a. the value which is payable at the pre-mature encashment of a fixed deposit receipt
b. the value realized by the banker on sale of goods pledged
c. the value of life insurance policy which the insurer pays the insured if the policy is given up or discontinued
d. the value of the shares which is received when the shares are forfeited by the company
9. NEFT means
a. Non Effective Fund Transfer System
b. National Effective Fund Transfer System
c. Negotiated Efficient Fund Transfer System
d. National Electronic Fund Transfer System
10. ----- is simply the use of electronic means to transfer funds directly from one account to another, rather than by cash
a. M-Banking
b. O-Banking
c. E-Banking
d. D-Banking

