



*K. Sambal*

**Avinashilingam Institute for Home Science and Higher Education for Women**  
(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD)  
Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12B  
Coimbatore - 641 043, Tamil Nadu, India

**Bachelor's Degree Examination – November 2024**  
**V Semester**

**Class: III UG**  
**Major: BBA Retail Management**

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

**21BREC17 Banking law and Practice**

**Course outcomes:**

- CO1: Comprehend the role and functions of the banking system in India  
CO2: Apply the knowledge about the key banking and regulatory norms for Banking operations  
CO3: Outline the banking procedures operations as per the statutory requirements  
CO4: Interpret the dynamic regulatory and procedural changes and provide solutions  
CO5: Evaluate the impact of government Policy and regulations on the banking industry.

**Part A**

**10 x 1 = 10**

**Choose the Correct Answer**

1. What is the primary function of the Reserve Bank of India (RBI)? CO1 K1
  - a. Providing loans to the public
  - b. Regulating the financial system and monetary policy
  - c. Managing foreign exchange
  - d. Operating retail banking services
2. Which of the following is NOT a function of commercial banks in India? CO1 K1
  - a. Accepting deposits
  - b. Providing short-term loans
  - c. Issuing currency notes
  - d. Facilitating electronic payments
3. Which of the following laws primarily governs the protection of personal data in the European Union? CO2 K1
  - a. The Digital Millennium Copyright Act (DMCA)
  - b. The General Data Protection Regulation (GDPR)
  - c. The Health Insurance Portability and Accountability Act (HIPAA)
  - d. The Fair Credit Reporting Act (FCRA)
4. Under the CAN-SPAM Act in the United States, what is a required component of commercial emails? CO2 K1
  - a. A telephone number for customer support
  - b. A clear and conspicuous opt-out mechanism
  - c. A link to the company's privacy policy
  - d. The sender's physical mailing address
5. Which type of bank account typically offers the highest interest rates on deposits? CO3 K1
  - a. Savings Account
  - b. Checking Account
  - c. Certificate of Deposit (CD)
  - d. Money Market Account
6. Which document is commonly required to open a new bank account? CO3 K1
  - a. Proof of income
  - b. Proof of citizenship
  - c. Government-issued ID
  - d. Proof of employment
7. Which of the following best describes a promissory note? CO4 K1
  - a. A written order to pay a specific amount of money to a third party
  - b. A written promise to pay a specific amount of money at a specified time
  - c. A document used to guarantee payment of a loan
  - d. An agreement between two parties for the delivery of goods
8. What is a key difference between a bill of exchange and a promissory note? CO4 K1
  - a. A bill of exchange is a promise to pay, while a promissory note is an order to pay
  - b. A bill of exchange is a written order to pay, while a promissory note is a written promise to pay
  - c. A bill of exchange can only be used for international transactions
  - d. A promissory note requires the signature of a witness, while a bill of exchange does not
9. Which regulation primarily governs the procedures and practices for digital loans in the United States? CO5 K1
  - a. The Dodd-Frank Wall Street Reform and Consumer Protection Act
  - b. The Electronic Fund Transfer Act (EFTA)
  - c. The Bank Secrecy Act (BSA)
  - d. The Fair Lending Act

10. In digital banking, which procedure is crucial for verifying the identity of loan applicants? CO5 K1
- a. Credit score check
  - b. Online banking activity review
  - c. Identity verification through Know Your Customer (KYC) processes
  - d. Income verification through employment records

**Part B**

**5 x 6 = 30**

**Answer All questions**

**Each answer should not exceed 400 words or two pages**

- 11.a. Describe banking in India. CO1 K3
- (or)
- 11.b. Elaborate commercial banking. CO1 K4
- 12.a. Discuss Customer relationship in banking. CO2 K4
- (or)
- 12.b. Explain rights and obligation in banking. CO2 K4
- 13.a. Describe DEMAT. CO3 K3
- (or)
- 13.b. Evaluate the various Account and its uses CO3 K4
- 14.a. Explain Cheque and write about its uses. CO4 K4
- (or)
- 14.b. Briefly explain Promissory notes and its uses. CO4 K3
- 15.a. Explain the various banking services. CO5 K4
- (or)
- 15.b. Describe Pledge with suitable example. CO5 K3

**Part C**

**5 x 12 = 60**

**Answer All questions**

**Each answer should not exceed 800 words or four pages**

- 16.a. Elaborate Commercial banking with example. CO1 K4
- (or)
- 16.b. Explain RBI powers and function in detail. CO1 K4
- 17.a. Explain bank Practices with appropriate example. CO2 K4
- (or)
- 17.b. Illustrate law and regulation in contract. CO2 K4
- 18.a. Explain the uses of Insurance with example. CO3 K4
- (or)
- 18.b. Classify different bank accounts and the legal issues CO3 K4
- 19.a. Explain your understanding on Legal Elements. CO4 K4
- (or)
- 19.b. Classify the legal issues and Patent and its characteristics. CO4 K4
- 20.a. Explain the digital banking regulations with example. CO5 K4
- (or)
- 20.b. Classify various types of loan and its uses. CO5 K4

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