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Kombaldg

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 (now MoE)
Re-accredited with 'A++' Grade by NAAC. CGPA 3.65/4, Category I by UGC
Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – May 2025
IV Semester

Class : II UG
Major : B.Com

Time: 3 Hours
Max. Marks: 100

23BCOSE2A Technical Knowledge about Banking Products and Processes

Course Outcomes:

- CO1: Identify the various functions of the banks.
CO2: List all banking products and regulations associated with banking products.
CO3: List out the different government initiatives in lending loan.
CO4: Able to understand the Regulations applicable for banking products and processes.
CO5: Analyze the growth of various government schemes for implementation by banks and micro finance companies.

Part A

10 x 1 = 10

Choose the Correct Answer

1. The term 'repo rate' refers to: CO1 K2
a. The rate at which banks borrow from RBI by selling securities
b. The interest rate paid on fixed deposits
c. The rate at which customers borrow from banks
d. The minimum interest rate on savings accounts
2. Which mode of creating charge gives the lender ownership rights over the security? CO1 K2
a. Hypothecation
b. Pledge
c. Mortgage
d. Lien
3. Which of the following is a direct tax? CO2 K1
a. GST
b. Income Tax
c. Service Tax
d. Customs Duty
4. A Certificate of Deposit (CD) is issued by: CO2 K1
a. Individuals
b. Commercial Banks
c. Stock Exchanges
d. Insurance Companies
5. Under which type of security does a bank take physical possession of the asset, until the borrower repays the loan? CO3 K2
a. Lien
b. Pledge
c. Hypothecation
d. Mortgage
6. Which of the following is a legal remedy available to banks for recovering bad loans? CO3 K2
a. SARFAESI Act
b. Companies Act
c. FEMA Act
d. SEBI Act
7. Under the Banking Regulation Act, 1949, which entity has the power to issue banking licenses? CO4 K2
a. SEBI
b. RBI
c. Ministry of Finance
d. State Governments
8. Under SARFAESI, banks can _____ CO4 K2
a. Sell off collateral assets without court intervention
b. Write off the loan without taking any action
c. Arrest the defaulter
d. Freeze the borrower's bank account permanently
9. What is the age limit for eligibility under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)? CO5 K2
a. 18 – 50 years
b. 21 – 60 years
c. 25 – 65 years
d. 18 – 70 years
10. The Self-Help Group – Bank Linkage Programme (SHG-BLP) was launched by which institution? CO5 K2
a. RBI
b. NABARD
c. SEBI
d. Ministry of Finance

Part B
Answer ALL questions
Each answer should not exceed 400 words or two pages

5 x 6 = 30

- 11.a. What are the main functions of commercial banks in India?
(or) CO1 K2
- 11.b. Explain the role of the Reserve Bank of India in the Indian banking system. CO1 K2
- 12.a. What are third-party products in banking?
(or) CO2 K2
- 12.b. Explain the concept of e-payment of direct and indirect taxes. CO2 K3
- 13.a. Differentiate between loans and advances.
(or) CO3 K2
- 13.b. What is a credit appraisal? Explain the importance. CO3 K3
- 14.a. What are the key provisions of the Banking Regulation Act, 1949?
(or) CO4 K3
- 14.b. Explain the importance of the Payment and Settlement Systems Act, 2007. CO4 K3
- 15.a. Explain the role of Micro Enterprise Development Programmes (MEDPs) in rural development.
(or) CO5 K3
- 15.b. Discuss the benefits of Pradhan Mantri Jan-Dhan Yojana (PMJDY) for financial inclusion. CO5 K3

Part C
Answer ALL questions
Each answer should not exceed 800 words or four pages

5 x 12 = 60

- 16.a. Explain the different types of bank customers and the procedures for opening accounts for them.
(or) CO1 K2
- 16.b. Explain KYC (Know Your Customer) norms and their significance in banking. CO1 K3
- 17.a. Compare about consumer banking and corporate banking.
(or) CO2 K3
- 17.b. Describe the Gold Loan product and its significance in India. CO2 K3
- 18.a. Discuss financial analysis techniques for bank lending.
(or) CO3 K3
- 18.b. Explain lien, pledge, hypothecation, and mortgage with examples. CO3 K3
- 19.a. Explain the SARFAESI Act, 2002, and how it helps banks recover Non-Performing Assets (NPAs).
(or) CO4 K3
- 19.b. Explain the Banking Regulations Act, 1949, and its impact on the Indian banking sector. CO4 K3
- 20.a. Explain the features and benefits of the Self-Help Group – Bank Linkage Programme (SHG-BLP).
(or) CO5 K3
- 20.b. Discuss the various types of credit risk and how banks can mitigate them. CO5 K3
