

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com. (Hons) Winter 2019 – 20 Examination

Semester: 4
Subject Code: 16102251
Subject Name: Bank Credit

Date: 18/12/2019
Time: 2:00pm to 4:30pm
Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.

A) Multiple choice type questions. (Each of one mark) (06)

- 1. The ratio between cash in hand and total assets maintained by the banks is called**
 - a) SBR Statutory Bank Ratio
 - b) SLR Statutory Liquid Ratio
 - c) CBR Central Bank Reserve
 - d) CLR Central Liquid Ratio
- 2. When the cash reserve ratio (CRR) is increased by the RBI, it will:**
 - a) Increase the supply of money in the economy
 - b) Decrease the supply of money in the economy
 - c) No impact on the supply of money in the economy
 - d) Initially increase the supply but later on decrease automatically.
- 3. Banking sector comes under which of the following sectors?**
 - a) Manufacturing sector
 - b) Industrial sector
 - c) Service sector
 - d) None of these
- 4. Which of the following provides the largest part of the demand for loanable funds in India?**
 - a) Farmers
 - b) Private house purchasers
 - c) Hire purchase borrowers
 - d) Corporate businesses
- 5. What is validity period of cheque?**
 - a) 4 months from date of issue
 - b) 3 months from date of issue
 - c) 1 month from date of issue
 - d) Unlimited
- 6. Which of the following is charged by the lenders from the borrowers for the privilege of giving loan?**
 - a) Inflation rate
 - b) Exchange rate
 - c) Interest rate
 - d) Aggregate price level

B) Definitions / One-liners / Terms. (Each of one mark) (06)

1. Bills Discounted
2. Housing Finance
3. Overdraft
4. Sick unit
5. Credit analysis
6. Refinance

Q.2 Numerical / Short Note Questions. (Each of 04 mark) (12)

1. Charges applicable to housing loan products.
2. Steps initiated by banks for credit analysis
3. Signals of sickness of an industrial unit

Q.3 Answer the following. (Any Three) (18)

1. Financing for small-scale industries (SSI)
2. Lead bank.
3. What are the principles of sound lending?
4. What are the Five C's" of credit analysis

Q.4 Answer the following. (Any two) (18)

1. What are the diverse categories of microfinance institutions in India?
2. Write about the factors affecting the estimate of fixed assets requirements.
3. Write a note on different Types of agriculture finance in detail.