

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com. (Hons) Summer 2018 – 19 Examination

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

Date: 13/04/2019
Time: 10:30am to 01:00pm
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. Direct exchange of goods against goods is called _____
a) Charter
b) Money
c) Barter
d) None of these
2. Which type of deposits gives highest rate of interest?
a) Current deposit
b) Fixed deposit
c) Recurring deposit
d) None of these
3. Which bank deals with short-term credit?
a) Agricultural bank
b) Commercial bank
c) Industrial bank
d) None of these
4. Which one is NOT a form of mortgage?
a) Provisional mortgage.
b) Mortgage by conditional sale.
c) Usufructuary mortgage.
d) English mortgage.
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) Define the following terms. (Each of one mark) (06)

1. Term loan
2. Bills discounted
3. Hypothecation
4. Mortgage
5. Pledge
6. Lien

Q.2 Answer the following. (Each of 04 mark) (12)

1. Discuss explicitly the "Five C's" of credit analysis.
2. State the objectives of lead bank scheme:
3. What are the advantages and disadvantages of refinance?

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

1. Write down the principle of sound lending used by banks smooth running of the business.
2. What are the factors affecting the estimate of fixed assets requirements?
3. What are several signals of sickness of an industrial unit?
4. Write a note on Service Area Approach

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

1. What are the various kinds of loan advances provided by commercial banks?
2. Explain the different types of microfinance institutions in India?
3. Write a detailed note on Self-Help Group (SHG) of India.