

Seat No: _____

Enrollment No: _____

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com (Hons) Sem IV
Mid Sem Internal Examination 2017

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

Date: 07/04/2018
Time: 8.00 to 10.00am
Total Marks: 40

Instructions:

1. Attempt all questions from each section
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.

Q.1 (A) Choose the correct options from given below. (04)

1. **Accepting of deposits and Lending by a bank is called as _____.**
 - a. Bankers duty
 - b. Secondary Function
 - c. **Primary Function**
 - d. Ancillary Function

2. **NPA is _____.**
 - a. Newly Proposed Asset
 - b. **Non Performing Asset**
 - c. Non Potential Asset
 - d. Newly Praised Asset

3. **Fixed Deposit can _____.**
 - a. Not be withdrawn before maturity
 - b. Paid only after maturity
 - c. **Withdrawn before maturity**
 - d. All of above

4. **CASA is _____.**
 - a. Capital Account Special Account
 - b. Current Account Special Account
 - c. Current Account and Savings Account
 - d. Capital Account substitute Account

5. **100/- Rupee note is signed by _____.**
 - a. Prime Minister
 - b. Finance Minister
 - c. **RBI Governor**
 - d. None of above

6. **OD is _____.**
 - a. On Duty
 - b. Official Disbursement
 - c. **Overdraft**
 - d. Overdoing

7. **Contents of locker are _____.**
 - a. **Only known to hirer**
 - b. Known to Bank
 - c. Both (a) & (b)
 - d. None of above

8. **TDS means _____.**
 - a. Time Deposit Scheme
 - b. Total Deposit Scheme
 - c. **Tax Deducted at Source**
 - d. None of above

Q.2 Answer the following(Compulsory) (4+4) (08)

1. What are the types of credit by commercial banks?
2. What are the signals of sickness of an industrial unit?

Q.3 Write a detailed note (Compulsory) (4+4) (08)

1. Explain the stages for due diligence in credit based on loan policy
2. What are the factors affecting the estimate of fixed assets requirements?

Q.4 Explain the principles of sound lending. (08)

Q.5 Answer the following (Any 2 out of 3) (08)

1. Explain the Credit appraisal techniques by financial institutions
2. What are the "Five C's" of credit analysis?
3. What are the steps followed by banks for credit analysis?
