

MODERN BANKING (17UEC4A4)

K1 LEVEL QUESTIONS

UNIT -1

1. The apex institution in agricultural finance is

A. NABARD

B. EXIM Bank

C. Reserve Bank of India

D. IDBI

2. Which banks which accept deposits from the public and lend them mainly to commerce for short periods?

A. Commercial Bank

B. Industrial Bank

C. Agricultural Bank

D. Central Bank

3. The national bank was established in the year _____

(a) 1982

(b) 1992

(c) 1962

(d) 1952

4. Which bank is otherwise called as Investment banks?

A. Exchange Bank

B. Reserve Bank of India

C. Industrial Bank

D. Agricultural Bank

5. Expand NABARD_____

6. IFCI was established in the year_____

(a) 1932

(b) 1948

(c) 1938

(d) 1928

7. A company who accepts demand deposit is called

A. Joint stock company

B. Banking company

C. Manufacturing company

D. IT company

8. Current Accounts are mainly opened by

A. Professionals

B. Agriculturalist

C. Salaried class people

D. Trading and industrial concern

9. Who controls credit in India?

A. Government of India

B. Reserve Bank of India

C. State Bank of India

D. Indian Bank

10. Expand S IDBI _____

11. Fixed Deposits is otherwise called as

A. Accrued Deposits

B. Time deposits

C. Recurring Deposits

D. Demand Deposits

12. The primary relationship between banker and customer is a ----- relationship

A. Mutual

B. Contractual

C. Personal

D. None of the above

13. Which one of the following is the most important relationship between banker and customer

A. Debtor and Creditor

B. Bailee and Bailor

C. Agency and Principal

D. Trustee and Beneficiary

14. When customer's account overdrawn or when customer has taken loan from banker, then the customer

A. Creditor

B. Agent

C. Debtor

D. Bailor

15. When banker received deposits from the customer, then the banker becomes ----- of the customer

A. Debtor

B. Creditor

C. Bailee

D. Trustee

16. ----- accepts the bailment of certain things on the condition that the things bailed will not utilized

A. Bailor

B. Trustee

C. Bailee

D. Beneficiary

17. Which bank is otherwise called as Investment banks?

A. Exchange Bank

B. Reserve Bank of India

C. Industrial Bank

D. Agricultural Bank

18. Foreign exchange banks specialized in providing .

A. long term loans

B. short term loans

C. agricultural loans

D. foreign exchange

19. In India, the law regulating the Negotiable instruments are

A. Banking Regulation Act 1949

B. Reserve Bank of India Act 1934

C. Negotiable Instruments Act 1881

D. Companies Act 1956

20. RBI was set up in the year

A. 1934

B. 1935

C. 1936

D. 1937

UNIT-II

1. The rate at which RBI discounts approved bills is .

A. Bank rate

B. Interest rate

C. Exchange rate

D. Discount rate

2. IDBI was established in the year _____

(a) 1964

(b) 1976

(c) 1946

(d) 1936

3. In a bill of exchange, drawee is the person

A. who draws the bill

B. on whom the bill is drawn

C. to whom the payment of the bill is to be made

D. to whom the payment of the bill is not to be made

4. It is a ----- obligation of a banker to honour the cheques of the customer drawn against current account

A. Mutual

B. Statutory

C. Unstatutory

D. All of the above

5. Which bank have given the instructions to the commercial banks regarding the immediate credit of outstation cheques?

A. Reserve Bank of India

B. Central Bank

C. World Bank

D. All of the above

6. Dishonour of cheque by a banker without any justifiable reason is called

A. Valid dishonour of cheques

B. Unmindful dishonour of cheques

C. Negligence dishonour of cheques

D. Wrongful dishonour of cheques

7. Special damages refers to damages payable by a banker to his customer for the actual -----
--- loss suffered by customer

A. Financial

B. Special

C. Unpecuniary

D. Unfinancial

8. ----- is the right of a person to retain the property of another person in his possession until the debt from that owner of that property is repaid

A. Lien

B. Retainment

C. Retrenchment

D. Libel

9. Usually incidental charges are levied on which type of account holders

A. Savings account

B. Fixed deposit account

C. Current Account

D. Recurring deposit account

10. RBI introduced 14-day intermediate Treasury Bills and 14-day Treasury bills on?

a) 1994

b) 1997

c) 1984

d) 1972

11. RBI introduced a bill Rediscounting Scheme in?

a) 1997

b) 1956

c) 1970

d) 1984

12. RBI introduced the system of repurchase of dated Government securities through addition at fixed cut-off rate of interest is?

a) Reverse Repos

b) CRR

c) LAF

d) SLR

13. Expand IFCI_____

a) Indian financial corporation of India

b) Industrial finance corporation of India

c) Indian finance corporation of India

d) Industries finance corporation of India.

14. In the which type of deposit, the high rate of interest is provided by the Bank?

A. Current Account

B. Recurring Deposit Account

C. Fixed Deposit Account

D. Savings Account

15. In Negotiable Instruments Act 1881, which section defines promissory note?

A. Section 1

B. Section s

C. Section 3

D. Section 4

16. A cheque dated subsequent to the date of its issue is

A. Post-dated cheque

B. Blank cheque

C. Crossed cheque

D. Account payee cheque

17. A cheque date before the date of its issue is

A. Worth cheque

B. Full worth cheque

C. Preemptive cheque

D. Ante dated cheque

18. A drawer in the bill of exchange can also be a

A. Paymaster

B. Payee

C. Banker

D. Creditor

19. Who is primarily liable on a promissory note?

A. Holder

B. Maker

C. Drawee

D. Endorser

20. How many parties are mainly involved in Promissory Note?

A. One

B. Five

C. Two

D. Three

UNIT-III

1. In a bill of exchange, drawee is the person

A. who draws the bill

B. on whom the bill is drawn

C. to whom the payment of the bill is to be made

D. to whom the payment of the bill is not to be made

2. ----- is a dead cheque

A. Post-dated cheque

B. Stale cheque

C. Ante dated cheque

D. Pre-dated cheque

3. Name the person to whom the amount of the cheque is payable?

A. Drawer

B. Payee

C. Drawee

D. Acceptor

4. Discounting of bills of exchange is

A. Clean advance

B. Secured advance

C. Neither clean advance nor secured advance

D. Unsecured advance

5. ----- is an endorsement in which the endorser merely signs his name on the back of the instrument without mentioning the name of the person to whom the instrument is endorsed

A. Blank Endorsement

B. Restrictive Endorsement

C. Qualified Endorsement

D. San Fraix Endorsement

6. Blank endorsement is otherwise called as

A. Full Endorsement

B. Qualified Endorsement

C. General Endorsement

D. Special Endorsement

7. What does the term "PIN" stands for

A. People Identification Number

B. Personal Instruction Number

C. Personal Identification Number

D. Personal Information Number

8. The ATM installed at bank premises is called as ----- ATM

A. Off-site

B. Branch

C. None of the above

D. On-site

9. RTGS means

A. Real Towards Gross Settlement

B. Real Turn Gross Settlement

C. Real Technique Gross Settlement

D. Real Time Gross Settlement

10. When the banking operations are carried out through electronic means, it take the form of

A. E-banking

B. M-banking

C. T-Banking

D. None of the above

11. Banking transaction that takes place in a virtual ambience on the website of a banking company is termed as

A. Internet Banking

B. Telephone Banking

C. Mobile Banking

D. Modern Banking

12. All banks having operations in India and intending to offer Internet Banking services to the public must obtain an approval for the same from

A. Government of India

B. Central Bank

C. Reserve Bank of India

D. All of the above

13. Which of the following terms do not represent any part of Banking technology?

A. NEFT

B. RTGS

C. ITC

D. EPS

14. Which electronic fund transfer system runs on the basis of "Deferred Net Settlement"?

A. NEFT

B. RTGS

C. SMS

D. BIFSC

15. Electronic payment system is a/an

A. Software

B. Hardware

C. Application

D. Package

16. The bank can consider ----- lien as their protection against loss on loan or overdraft which was given to its customers

A. Special

B. Particular

C. General

D. Lending

17. The rate of interest charged for the loan by the banker compared to overdraft and cash credit is generally

A. High

B. Low

C. Same

D. Based on the amount

18. Which type of account holder has the permission to overdraw the amount from his/her account

A. Savings account

B. Current account

C. Fixed deposit account

D. Recurring deposit account

19. The main aim of a banker for performing the subsidiary services is to earn a ----- of the customers

A. Money

B. Documents

C. Valuables

D. Goodwill

20. The services rendered by a banker as an agent of his customers are called

A. Principal services

B. Agency services

C. General utility services

D. Social services

UNIT-IV

1. The rate at which RBI discounts approved bill of exchange is

A. Bank rate

B. Interest rate

C. Exchange rate

D. Discount rate

2. Expand NEFT

A. National Electronic Fund Transfer

B. Neutral Electronic Fund Transfer

C. Nominal Electronic Fund Transfer

D. Natural Electronic Fund Transfer

3. Which section of Negotiable Instruments Act 1881, defines endorsement

A. Section 10

B. Section 15

C. Section 18

D. Section 20

4. ATMs are primarily used for performing the _____ functions

A. Infrastructure

B. Computer based

C. Banking

D. Hospitalized

5. EFT is introduced by

A. IRDA

B. RBI

C. SEBI

D. NSE

6. _____ is a technology that allows you to access your bank account from a mobile device

A. Home Banking

B. Mobile Banking

C. Internet Banking

D. Television Banking

7. Nationalization of 14 major commercial in the year of

A. 1949

B. 1935

C. 1956

D. 1969

8. If the endorser signs his name only, the endorsement is said to be

A. Blank Endorsement

B. Conditional Endorsement

C. Restricted Endorsement

D. Full Endorsement

9. The paying banker who makes cash payment of a cross cheque at the counter shall be liable for the loss of

A. Drawer of the cheque

B. True owner of the cheque

C. Collecting banker

D. the First endorser

10. Who can cancel the crossing on a cheque?

A. Payee

B. Paying banker

C. Endorser

D. Drawer

11. Drawing of two parallel transverse lines on the face of the cheque is called

A. Special crossing

B. General Crossing

C. Upper Crossing

D. Lower Crossing

12. Addition of the name of a banker across the face of a cheque is called as

A. General crossing

B. Special crossing

C. Upper Crossing

D. Lower Crossing

13. The safest form of crossing is

A. General crossing

B. Special crossing

C. Double crossing

D. Account payee crossing

14. A Cheque which is not crossed is called

A. Uncrossed cheque

B. Open cheque

C. Order cheque

D. Bearer cheque

15. The ATM pin is ----- digit code number used for authenticating and authorizing the use of the ATM facility by a customer

A. Four

B. Five

C. Three

D. Six

16. What is the major function performed by the ATM's worldwide

A. Passbook update facility

B. Cash withdrawal

C. Mini-statement facility

D. Funds transfer facility

17. ----- ATMs are a boost to smaller banks who cannot afford opening the ATMs in many places as possible

A. Lobby

B. Off-site

C. International

D. Shared

18. In which year and date, Reserve Bank of India was established?

A. May 1, 1935

B. April 1, 1935

C. October 1, 1935

D. December 1, 1935

19. A convenient way of making a purchase or paying for a service without holding cash is called as

A. Electronic Payment System

B. Electronic Clearing Service

C. National Electronic Fund Transfer

D. Electronic Fund Transfer

20. An electronic payment device that involves the use of networking services where by the e-customer issues digital cheques to e-merchant malls to settle transactions carried over the internet

A. Electronic cash

B. e-purse

C. Digital cheques

D. Electronic card

UNIT-V

1. Electronic cash is also called as

A. Hot money

B. Digital money

C. Instant money

D. Easy money

2. Use of personal computers at home for conducting their banking operation with their banks is called

A. Mobile Banking

B. Anywhere Banking

C. Internet Banking

D. Home Banking

3. -----is popularly known as Plastic cards or Plastic money

A. Smart cards

B. Electronic cards

C. Credit cards

D. Debit cards

4. Credit cards first emerged in 1920s

A. India

B. China

C. USA

D. UK

5. Which is the first bank to introduce Credit card in India?

A. Bank of India

B. Global Trust Bank

C. Indus Bank

D. Central Bank of India

6. Which is the first bank to launch Debit card in India?

A. Standard Chartered Bank

B. Citi Bank

C. ABN Amro Bank

D. American Express Bank

7. The reasonable period allowed in India for the presentation of a cheque is

A. 1 year

B. 3 months

C. 9 months

D. depending upon custom

8. If cheque is crossed an account payee, this is direction of ----- to -----

A. Payee, paying banker

B. Payee, collecting bank

C. Drawer, paying bank

D. Drawer, collecting bank

9. Which of the following is not the form of E-banking?

A. Internet Banking

B. Direct Deposit in Bank

C. Electronic cheque conversion

D. Mobile banking

10. _____ is an alpha-numeric code that uniquely identifies a bank branch participating NEFT System.

(a) IFS

(b) IFSC

(c) FSC

(d) RTGS

11. IFSC is an -----digit code

(a) 8

(b) 14

(c) 12

(d) 11

12. In RTGS Minimum amount to be remitted is

(a) Rs.1,00,000

(b) Rs.2,00,000

(c) Rs.1,50,000

(d) Rs.50,000

13. In India, RTGS has been implemented on _____

(a) 26 March 2004

(b) 26 March 1998

(c) 26 March 1994

(d) 26 March 2002

14. A debit card holder makes payment for purchases -----

- (a) after 15 days
- (b) after 20 days
- (c) after a month
- (d) Immediately through his account**

15. The relationship between banker and customer is broadly classified into..... and

- (a) General and special**
- (b) Agent and principal
- (c) Debtors and creditors
- (d) All of these

16. The fundamental or primary relationships between a banker and customer is that of and.....

- (a) Debtor and creditor**
- (b) Agent and principal
- (c) Trustee and Beneficiary
- (d) General and special

17. When an amount is deposited into an account banker becomes the..... and the customer becomes the.....

- (a) Creditors & debtor
- (b) Drawer and Drawee
- (c) Payer and Payee
- (d) Debtor and creditor**

18. The banker's debt is known as.....

(a) Cash reserve

(b) Deposit

(c) Advances

(d) None of the above

19. Which committee has recommended introduction of Smart card?

A. Rangarajan Committee

B. Saraf Committee

C. Nayak Committee

D. Pannirselvam Committee

20. AVR technology is used in

A. Internet banking

B. E banking

C. Mobile Banking

D. Telephone banking

MODERN BANKING (17UEC4A4)

K2 LEVEL QUESTIONS

UNIT - I

1. Define banking.

Bank as institution which channel peoples saving a border definition of banking is called financial substitutional that receive.

2. What is a commercial bank?

A commercial bank is a type of a bank that provided services such as loans and offers is called commercial banks

3. Define exchange bank

Exchange bank is engaged in the foreign exchange transactions

4. Define Nationalized bank.

State bank of India and its associates along with the Nationalized banks as the IDBIbanks, Indian banks etc. are all public sector banks.

5. What is the full form of IFCI?

Industrial finance corporation of India

6. ICICI abbreviation?

Industrial Credit and Investment Corporation of India.

7. Meaning of nationalized bank?

14 major commercial banks when nationalized by the government of India in July 1969 and 6 other banks nationalized in 1980.

8. What is state bank group?

The state bank of India was established on 1st July 1995 by nationalizing the imperial bank of India.

9. Abbreviate the NABARD

National Bank of Agriculture and Rural Development

10. What are the two types of development bank?

1. Agriculture oriented

2. Industry oriented

UNIT-II

1. What is a current deposit account?

A current account is an account which is generally opened by business people for their convenience.

2. What is the relationship between banker and the customer?

- **General relationship**
- **Special relationship**

3. Definition of partnership firm?

According to section 4 of Indian partnership act 1932 is the relation between the person who has to agree share the profit of the business “carried on by all and any of them acting for all”.

4. Write any two points to be mention in the partnership deed?

- **Name and nature of the business**
- **Sharing ratios of the partners.**

5. What are the privileges enjoyed by the married women?

- **Overdraft facility.**
- **Other facility likes of cheques.**

6. What is mean by fixed deposit account?

A fixed deposit is one which is repayable after the expiry of a predetermined period fixed the customer himself.

7. Who is minor?

A minor is a person who has not attained the age of eighteen.

8. What is joint stock company?

A joint stock company is an artificial person created by law.

9. Who is a banker?

A person who is doing the banking business is called a banker.

10. What is saving deposit?

This deposit is intended primarily for small-scale savers. The main object of this account is promotion of thrift.

UNIT-III

1. Under what circumstance penalty can be imposed on a banking company?

For submitting false inaccurate result.

2. Under what circumstance a banking company can be wind up?

When it is unable to pay its debts.

3. What are the instruments of credit control.

- **The bank rates**
- **Open market operations**

4. What are the functions of RBI?

- **Issue of currency notes**
- **bankers to the government**
- **Bankers bank**
- **Controller of credit**

5. What is local broad?

For each of the regional area of the country northern, southern, western, eastern is the local broad.

6. What is selective credit control?

The quantitative credit weapons are designed to reduce the volume of credit.

7. What are the types of credit control measure?

- **Quantitative methods**

•Qualitative methods

8. Expand NLR.

Net liquidity ratio

9. Define bank rate.

Section 49, of the reserve Bank of India Act defines a bank rate as the standard rate at which the bank is prepared to buy or rediscount bills of exchange or other commercial papers eligible for purchases and this act.

10. What are the main functions of RBI?

- **Issue of bank notes**
- **The keeping of reserves.**

UNIT-IV

1. Define negotiable instrument act.

In India the negotiable instruments are governed by the negotiable instrument act of 1881 section 13 of the NI simply states that negotiable instrument means promissory note bill of exchange or cheque payable either to order or to bearer.

2. Define promissory note.

Section 4 of the NI Act defines a promissory note as an instrument in writing (not being a banknote or a currency note) containing an unconditional undertaking, signed by the maker, to pay a certain sum of money only to or to the order of a certain person or to the bearer of the instrument.

3. Define bill of exchange

Unlike a promissory note the bill of exchange contain an order form the credited to the debited to pay a certain sum to a certain person after a certain period.

4. What is crossing?

A check without crossing is called an open check it is open to many risk in order to protect it from risk crossing has been introduced.

5. Define Negotiable.

A Negotiable instrument, thus plays a key role in the modern business as a document which is transferable with ease.

6. What is blank endorsement.

'An endorsement is blank as it is generally called as general endorsement, specifies no endorsee, and as such, the instrument becomes payable to the bearer'.

7. What is signification of general crossing?

The effect of general crossing is that it gives a direction to paying banking

8. What is a/c payee crossing?

This is no provision in law regarding this type of crossing.

9. Write the kinds of crossing.

Special crossing and Double crossing

10. Explain special crossing?

Two parallel transverse lines are not at all essential for a special crossing. The name of the banker must be necessarily specified across the face of the cheque.

UNIT-V

1. What is e banking?

E-Banking enables the customers to perform the basic banking transactions by sitting at the office or at homes through viewing their account details through PC or laptop.

2. What are the transactions made through e banking?

Account, enquiry fund transfer, payment of electricity, water, telephone bills,etc.

3. Define electronic cheque.

A cheque in the electronic form means a check which contains the exact mirror image of a paper check and is generated written and signed in your signature with or without biometrics signature and a symmetric crypto system.

4. What is mobile banking?

Another innovative banking product recently introduced is Mchq. Mchq is nothing but mobile to mobile payment option now one can do shopping without any money or credit/ debit cards but with mobile wallet

5. Write the advantages of e-banking.

- **Convenient banking**
- **Profitable banking**
- **Low cost banking**
- **Speed banking.**

6. Expand RTGS.

Real time gross settlement

7. What is internet banking?

Internet has enabled banking at the click of a mouse internet banking is poised to emerge as the most profound electronic channel in the near future.

8. Expand PIN.

Personal identification number

9. Expand EDI.

Electronic data interchange

10. List out the electronic delivery channels?

ATM, smart card, internet banking, tele banking

MODERN BANKING (17UEC4A4)

K3 LEVEL QUESTIONS

UNIT – I

1. Write the role of Co-operative Banks?
2. Discuss about ICICI.
3. Explain the regional rural banks
4. Write a brief note of Indian banking system.
5. Write note on rural financing.

UNIT-II

1. Explain the Current Deposits.
2. Write note on i) Secured Loan and ii) Unsecured Loan.
3. Explain the bank customer
 - i) Minor
 - ii) Married women
4. Explain the role of banker.
5. Write note on loans and advances.

UNIT-III

1. Explain the main functions of RBI
2. Discuss the role played by the RBI in the provision of rural credit.
3. Outline the role played by the RBI in the field of industrial finance in recent years.
4. Give a brief but a critical account of the working of the Reserve bank of India.
5. Explain the role of RBI as a banker to the government.

UNIT-IV

1. List out the features of 'Negotiable Instruments'?
2. List out the Salient Features of Cheque
3. Write note on i) Promissory Note and ii) Bill of Exchange.
4. Explain the significance of endorsement.
5. Explain the classification of negotiable instruments.

UNIT-V

1. Distinguish between Traditional Banking and Modern Banking.
2. Discuss the features of E-Banking and bring out its merits and constraints.
3. Explain the features of E-Cheque.
4. Write note on electronic delivery channels.
5. Write note on facts of E-Banking.

MODERN BANKING (17UEC4A4)

K4 LEVEL QUESTIONS

UNIT – I

1. Discusses the Classifications of Banks.
2. State the Modern Functions of Commercial Banks in India.
3. Discuss about IDBI.
4. Briefly explain the development banks.
5. Write the role of co-operative bank.

UNIT – II

1. Describe the several relationships between the Banker and the Customer.
2. Explain the bank customer
 - i) Joint stock company
 - ii) Partnership firm
3. Explain the saving deposits and fixed deposits.
4. Write note on principles of sound lending.
5. List out the some of the points in principles of sound lending.

UNIT – III

1. Explain the functions of RBI.
2. Write note on credit control measures of RBI.
3. Explain the RBI constitution.
4. Write note on banking regulation act 1949.
5. Briefly explain RBI.

UNIT – IV

1. Briefly explain the Negotiable Instruments act 1881?
2. Explain the kinds of endorsement.

3. Distinction between cheque and bill of exchange.
4. Explain the kinds of crossing.
5. List out the salient features of cheque

UNIT – V

1. Explain the functions of ATM and various Kinds of ATM.
2. List out the Advantages and Disadvantages of E-Banking?
3. Describe the Recent Developments in Banking Sector.
4. Write note on M-Banking.
5. Write note on electronic delivery channels.