

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2015-17) (Finance)
Fifth Trimester Examination December 2016

Subject	Fundamentals of Banking		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	22.12.2016

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

- What are the different Primary & Secondary Functions performed by Banks?
- Also, explain the difference between Fund-based products and Non-Fund based products, giving examples of each of them.

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is the difference between Bank Guarantee and Letter of Credit?
- b) What is the difference between Letter of Credit and Stand-by Letter of Credit?
- c) Identify a practical example in real life, where these products are used:
 - i. Letter of Credit
 - ii. Stand-by Letter of Credit
 - iii. Bank Guarantee

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain the term “Securitization”, and highlight few areas where it is used in practical life.
- b) What is the role of Asset Reconstruction Companies (ARC’s) in India? Can you name some of them?
- c) Explain what do you mean by “Basel Norms” and how are they relevant in the Indian Banking system

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What do you mean by “Trade Finance”
- b) What is the difference between the following credit facilities:
 - i. Term Loan,
 - ii. Project Loan and
 - iii. Working Capital
- c) What are the different documents required in a typical Loan Proposal. Highlight differences in documentation (if any) for each of the credit facilities (as mentioned in point b above)

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain differences between these terms (also cover the pros & cons in each of these):
 Consortium Banking v/s. Multiple Banking
- b) Primary Security V/s. Collateral Security
- c) First charge v/s Second charge

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain differences between these terms (also cover the pros & cons in each of these):
 Simple Mortgage v/s. Registered Mortgage
- b) Corporate Guarantee V/s. Personal Guarantee
- c) Simple charge v/s Second charge

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What do you mean by the term “Cross Selling” in Banking?
- b) Highlight the benefits of Cross Selling – to Customers as well as Banks
- c) Highlight the Issues / Challenges of Cross Selling