

OCTOBER 2006 PAPER – 1 BUSINESS ENVIRONMENT AND POLICY

(For those who joined in July 2003 and after)

Time: Three hours

Maximum: 100 marks

SECTION A - (4 x 10 =40 marks)

Answer any FOUR questions. Answer to each questions not to exceed 2 pages.

1. What are the elements of business environment?
2. Discuss and comment on the Industrial policy Resolution 1948.
3. Write a brief note on M.R.T.P Act.
4. What are the social responsibilities of business towards the community?
5. Point out the basic objectives of Investment.
6. Briefly state the guidelines of SEBI for the 'Rights Issue'.
7. Enumerate the problems faced by small scale units.
8. Write short notes on MNCs.

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions. Answer to each questions not to exceed 4 pages.

9. Discuss the social environment of business.
10. Critically analyse the industrial licensing policy of India.
11. What is meant by social audit? Trace its evolution growth.
12. Discuss the role of SIDBI and NABARD in the promotion and development of SSI units.
13. Is foreign capital a necessary evil? Outline the features of Government policy towards foreign capital.
14. Bring out the importance and different aspects of "Portfolio management".

OCTOBER 2006

PAPER – 2 COMPUTER APPLICATIONS IN BANKS

(For those who joined in July 2003 and after)

Time : Three hours

Maximum: 100 marks

SECTION A - (4 x 10 ~ 40 marks)

Answer any FOUR questions only.

1. Write a note on the digital computer systems.
2. How to add bullets and numbers in a MS Word document?
3. Mention any five slide show transition effects.
4. What is flowchart? List out the various charting symbols used in flowcharting.
5. Define Constant. How declare it? List any five back slash character constants.
6. What are the various format control codes used in scanf statement?
7. With an example, explain how to pass a structure to a function as an argument.
8. Narrate on the technological improvements in banking processes.

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions only.

9. Write an essay on the various generations of computers.
10. With a neat sketch, explain any five charts offered by MS-Excel.
11. Explain the various areas of active research in the development of an algorithm.
12. Write a C program to pick out the largest among three numbers using nested if else statement.
13. Write a C program to compute the simple interest using function proto typing.
14. Write note on : (a) Cyber-cash (b) Credit and Debit Cards (c) E-money.

OCTOBER 2006 PAPER – 3 FINANCIAL ACCOUNTING

(For those who joined in July 2003 and after)

Time: Three hours

Maximum: 100 marks

SECTION A -(4 x 10 =40 marks)

Answer any FOUR questions. Answer to theory questions not to exceed 2 pages.

1. Define a bill of exchange and explain its special features.
2. Explain the reasons on account of which the balance as shown by the Pass Book does not agree with the balance as shown by the Bank column of the Cash Book.
3. How cash flow statement differs from funds flow statement?

4. Rectify the following errors:

- (a) Rs. 3,000 sale proceeds of machinery, has been posted to the sales Alc.
- (b) A builder's bill for Rs. 7,200 for the erection of a small shed was debited to repair's account.
- (c) A sum of Rs. 570 drawn by the proprietor for his own use was debited to travelling expenses account.
- (d) A sale of Rs. 350 to Kishore was entered in the Sales Book as Rs. 530.
- (e) Purchased goods from Dinesh Rs. 800 passed through Sales Book.

5. From the following calculate funds from operation:

Rs.	Rs.
To Operating expenses	1,00,000
To Depreciation	40,000
To Loss on sale of building	10,000
To Discount allowed	500
To Preliminary expenses written-off	5,500
To Goodwill written-off	12,000
To Net Profit	52,000
	2,20,000

	By Gross profit	2,00,000
	By Profit on sale of plant	20,000
		2,20,000

6. Amar sold goods to Babu for Rs. 1,000. Babu accepted a bill for Rs. 1,000 drawn by Amar. On the due date, Babu approached Amar and requested him to cancel the original bill and to draw a new bill for Rs. 1,025 (including interest) which is agreed by Amar. On the due date, the second bill was honoured. Show the journal entries in the books of Amar.

7. A company issued 10000 equity shares of Rs. 10 each, payable Re. 1 on application, Rs. 2 on allotment, Rs. 3 on first call and Rs. 4 on final call. All shares were subscribed and amounts duly received. Pass entries in the books of the company.

8. From the following Profit and Loss Account of X industries Ltd prepare a comparative income statement.

Profit and Loss Account				(Rs. in Lakhs)	
	2003	2004		2003	2004
	Rs.	Rs.		Rs.	Rs.
To Cost of goods sold	500	640	By Sales	700	900
To Operating expenses:					
Administrative expenses	20	20			
Selling expenses	30	40			
To Net Profit	150	200			
	700	900		700	900

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions. Answer to theory questions need not to exceed 4 pages.

- 9. Explain the errors which are disclosed and not disclosed by the Trial Balance.
- 10. State the difference between Receipts and Payments Account and Income and Expenditure Account.
- 11. Following is the Trading and Profit and Loss Account of a concern for the year ending 31.3.2004.

	Rs.		Rs.
To Opening stock	76,250	By Sales	5,00,000
To Purchases	3,15,250	By Closing stock	98,500
To Wages	7,000		
To Gross profit	2,00,000		
	5,98,500		5,98,500

To Administration expenses	1,01,000	By Gross profit	2,00,000
To Selling expenses	12,000	By Profit on sale of investments	6,000
To Non Operating expenses	9,000		
To Net Profit	84,000		
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	2,06,000		2,06,000
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Calculate:

(a) Gross Profit Ratio (b) Net Profit Ratio (c) Operating Ratio and (d) Operating Profit Ratio.

12. Prepare a Trading and Profit and Loss Account for the year ended 31.12.2003 and a Balance Sheet as on that date from the following Trial Balance.

	Rs.		Rs.
Drawings	45,000	Capital	1,60,000
Goodwill	90,000	Bills payable	35,000
Buildings	60,000	Creditors	70,000
Machinery	40,000	Purchase Returns	2,650
Bills Receivable	6,000	Sales	2,18,000
Opening stock	40,000		
Purchases	51,000		
Wages	26,000		
Carriage outwards	500		
Carriage inwards	1,000		
Salaries	35,000		
Rent	3,000		
Discount allowed	1,100		
Repairs	2,300		
Bank	25,000		
Cash	1,600		
Debtors	45,000		
Bad debts	1,200		
Sales Returns	2,000		
Furniture	6,000		
Advertisement	3,500		
General expenses	450		
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	4,85,650		4,85,650
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Adjustments:

- (a) Closing stock was Rs. 35,000
- (b) Depreciate Machinery and Furniture by 10%
- (c) Outstanding wages Rs. 1,500
- (d) Prepaid Advertisement Rs. 500
- (e) Create 5% on debtors for bad debts as provision.

13. Bata Ltd supplies you the following balance on 31st December 2003 and 2004.

Liabilities	2003	2004	Assets	2003	2004
	Rs.	Rs.		Rs.	Rs.
Share capital	70,000	74,000	Cash balance	9,000	7,800
Debentures	12,000	6,000	Bills Receivable	4,900	17,700
Bills payable	11,060	12,640	Stock	49,200	42,700
Profit and Loss A/c	10,040	10,560	Land	20,000	30,000
			Goodwill	10,000	5,000
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	1,03,100	1,03,200		1,03,100	1,03,200

Following additional information has also been supplied to you:

- (a) Dividends amounting to Rs. 3,500 were paid during the year 1986.
 - (b) Land was purchased for Rs. 10,000.
 - (c) Rs. 5,000 were written off on Goodwill during year.
 - (d) Debentures of Rs. 6,000 were paid during the course of the year.
- You are required to prepare a cash flow statement.

14. From the following Receipts and Payments Account of a club and from the information supplied, prepare an Income and Expenditure Account for the year ended 31.12.2004 and the Balance Sheet as on that date.

Receipts and Payments Account			
		Rs.	Rs.
To Balance	350	By Salaries	1,400
To Subscription:		By General	
2003	250	expenses	300
2004	1,000	By Electric charges	200
2005	200	By Books	500
	1,450	By Newspapers	400
To Rent received from the use of hall	700	By Balance	200
To Profit from entertainment	400		
To Sale of Newspapers	100		
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	3,000		3,000
	-----		-----

- (a) The club has 50 members each paying an annual subscription of Rs. 25. Subscription outstanding on 31.12.2003 were Rs. 300.
- (b) On 31.12.2004 salaries outstanding amounted to Rs. 100. Salaries paid in 2004 included Rs. 300 for the year 2003.
- (c) On 1.1.2004 the club owned Building valued Rs. 10,000, Furniture Rs. 1,000 and Books Rs. 1,000.
- (d) Provide depreciation on furniture at 10%.

PAPER – 4 BANKING INSTITUTIONS

(For those who joined in July 2003 and after)

Time: Three hours

Maximum: 100 marks

SECTION A - (4 x 10 = 40 marks)

Answer any FOUR questions.

All questions carry equal marks.

1. What are the components of a money market?
2. Mention the role of SBI in rural credit.
3. Briefly explain the lending operations of the central cooperative banks.
4. Explain the employment of funds by commercial banks.
5. State the constitution of RBI.
6. Write a note on LIC's mutual fund.
7. Why does RBI regulates the non-banking companies?
8. Point out the objects of IDBI.

SECTION B - (3 x 20 = 60 marks)

Answer any THREE questions.

All questions carry equal marks.

9. Discuss critically the monetary policy of RBI.
10. Explain the differences between cooperative banks and commercial banks.
11. Highlight the different sources of credit information for a bank.
12. Examine the organizational structure and sources of funds of primary cooperative banks.
13. Explain the functions of NABARD.
14. Describe the functions and working of industrial Finance Corporation of India.

PAPER – 5 BANKING OPERATIONS AND PROCEDURES

(For those who joined in July 2003 or after)

Time: Three hours

Maximum: 100 marks

SECTION A (4 x 10 =40 marks)

Answer any FOUR questions. All questions carry equal marks.

1. Discuss banker-customer relationship.
2. Point out the effects of entries in the pass book which are favourable to the customer.
3. State the precautions to be taken by a banker before opening an account in the name of a minor.
4. What do you mean by MICR cheques? State its advantages.
5. What do you understand by payment in due course?
6. Explain any four types of endorsements.
7. What do you mean by STEPs?
8. What is a letter of credit?

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions. All questions carry equal marks.

9. State and explain the circumstances under which a banker can exercise lieu.
10. What precautions should a banker generally take while opening an account in the name of a (a) Trust, (b) Married woman, (c) Minor (d) Partnership firm?
11. When can a banker refuse payment for cheques?
12. Define crossing and explain different types of crossing.
13. Discuss the statutory protections as available to a paying banker.
14. Define guarantee and analyse various kinds of guarantee.

PAPER – 6 BANK MANAGEMENT

(For those who joined in July 2003 or after)

Time: Three hours

Maximum: 100 marks

SECTION A - (4 x 10 =40 marks)

1. Distinguish between Management and Administration.
2. Explain the Empirical school of Management Thought.
3. Discuss how social and cultural environment is needed in banking services.
4. Briefly explain the powers, and duties of a bank manager?
5. What are the recommendations of Narashiman Committee on the negative impact of nationalisation?
6. Briefly explain the impact of LPG on Commercial Banks.
7. Explain the importance of policies for the success of Banks.
8. Distinguish between strategic planning and tactical planning.

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions.

9. "Managers are born and not made" - Discuss.
10. Elucidate to contributions of P.F.Drucker towards management thought.
11. Explain the role of Bank Managers in decision making process.
12. What is the strategic planning? Explain the types of strategies.
13. Define man power planning. Explain the objectives of man power planning.
14. Define Functional Organisation and explain the advantages and disadvantages of Functional Organisations.

PAPER – 7 BANKLENDING - POLICY AND TECHNIQUES

(For those who joined in July 2003 or after)

Time : Three hours

Maximum: 100 marks

SECTION A - (4 x 10 =40 marks)

Answer any FOUR questions

1. "Loans are major sources of deposits" - Explain.
2. Explain the different types of Bank advances.
3. What do you mean by scheduling of loan in a Bank?
4. What is Lease financing? What are the advantages of Leasing?
5. What is project financing? What are the characteristics of project financing?
6. Explain the role of Banker as a Guarantor.
7. Explain consortium lending by Commercial Banks.
- 8.. What are the difficulties of Commercial banks in financing industries?

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions.

9. Explain the precautions to be taken by the Banker while lending against guarantees.
10. Explain the refinance facilities available to Commercial Banks from the National Housing Bank.
11. Explain the role of Commercial Banks in providing short term finance for industries.
12. Explain the various types of analysis of financial statements for sanctioning loans.
13. Explain the process of documentation to be followed by the commercial banks while advancing different types of loans to customers.
14. Explain the principles of sound lending.

PAPER – 8 FOREIGN EXCHANGE MANAGEMENT

(For those who joined in July 2003 or after)

Time : Three hours

Maximum: 100 marks

SECTION A - (4 x 10 =40 marks)

Answer any FOUR questions.

All questions carry equal marks.

1. State the important dealers in the foreign exchange market.
2. What are the methods by which a bank may quote the rate of exchange?
3. What are options? What are the features of option contracts?
4. Discuss various internal hedging methods.
5. Give the recent trends in the composition of foreign exchange reserves in India.
6. What are the merits and demerits of convertibility?
7. What do you mean by flexible exchange rate? What are its advantages?
8. Give an account of the features of forward contract.

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions.

All questions carry equal marks.

9. Discuss the various causes of changes in the exchange rate.
10. Give rules and regulations with regard to forward contract in India.
11. Explain in brief the external hedging methods.
12. Give the trends and management of foreign exchange reserves of India.
13. Give the various objectives of exchange control in India. ..
14. Explain the various factors influencing translation gains or losses.