

FM/BCAF-01

2015

(1st Semester)

COMMERCE

(Honours)

Paper No. : BCAF-01

(**Financial Management**)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Answer **all** questions

1. (a) Define Financial Management. Discuss the goals and objectives of Financial Management. 2+12=14

Or

- (b) What is Capital Budgeting? For each of the following, compute—
(i) payback period;
(ii) part payback profitability;

(2)

(iii) post-payback profitability index :

5+9=14

Project—1 :

Investment—₹ 1,00,000

Annual cash inflow

First 3 years—₹ 25,000

Next 5 years—₹ 10,000

Estimated life of the project—8 years

Project—2 :

Investment—₹ 1,00,000

Annual cash inflow—₹ 20,000

Estimated life of the project—8 years

2. (a) What is meant by cost of capital?
Explain the problems in determination
of cost of capital. 2+12=14

Or

- (b) Define weighted average cost of capital.
Explain the rationale behind the use of
weighted average cost of capital. 4+10=14
3. (a) Distinguish between Operating leverage
and Financial leverage. Discuss the
relation between debt financing and
financial leverage. 8+6=14

(3)

Or

- (b) A firm is considering two financial plans with a view to examine their impacts on Earnings Per Share (EPS). The total funds required for investment in assets are ₹ 2,50,000 :

<i>Financial Plans</i>	<i>Plan-I</i>	<i>Plan-II</i>
Debt (interest @ 10% p.a.)	2,00,000	50,000
Equity Share (₹ 10 each)	50,000	2,00,000
Total financial required	<u>2,50,000</u>	<u>2,50,000</u>
No. of equity shares	10,000	40,000

The earning before interest and tax are assumed as ₹ 25,000, ₹ 50,000 and ₹ 1,00,000. The rate of tax be taken at 50%. Comment. 14

4. (a) Define capital structure. What are the major determinants of capital structure? 4+10=14

Or

- (b) Compute the market value of the firm, value of shares and the average cost of capital from the following information : 14

Net operating income—₹ 2,00,000

Total investment—₹ 10,00,000

Equity capitalization rate :

(1) If the firm uses no debt—10%

(2) If the firm uses ₹ 4,00,000 debenture—11%

(4)

(3) If the firm uses ₹ 6,00,000 debenture—13%
Assume that ₹ 4,00,000 debenture can
be raised at 5% rate of interest whereas
₹ 6,00,000 debenture can be raised at
6% rate of interest.

5. (a) What is inventory management? What
are the tools and techniques of
inventory management? 4+10=14

Or

- (b) A proforma cost sheet of a company
provides the following particulars :

<i>Particulars</i>	<i>Amount per unit</i>
	₹
Raw Material	80
Direct Labour	30
Overheads	60
Total Cost	<u>170</u>
Profit	30
Selling Price	<u>200</u>

The following further particulars are
available :

- (i) Raw materials are in stock on an
average for one month
(ii) Work-in-progress on an average for
half a month

(5)

- (iii) Finished goods are in stock on an average for 1 month
- (iv) Credit allowed to customers is two months
- (v) Credit allowed by suppliers is one month
- (vi) Lag in payment of wages is $1\frac{1}{2}$ weeks
- (vii) Lag in payment of overhead expenses is one month
- (viii) $\frac{1}{4}$ th of the output is sold against cash
- (ix) Cash in hand and at bank is expected to be ₹ 25,000

You are required to prepare a statement showing the working capital needed to finance a level of activity of 104000 units of production.

You may assume that production is carried on evenly throughout the year. Wages and overheads accrue similarly and a time period of 4 weeks is equivalent to a month.

14

FA-1/BC-104

2015

(1st Semester)

COMMERCE

Paper No. : BC-104

(Financial Accounting—I)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) Define Accounting as per AICPA.
Explain various phases of accounting
cycle. 2+7=9

Or

- (b) What are meant by accounting concepts
and conventions? Explain any three
conventions. 3+6=9

2. (a) What are the bases of measurement of
business income? Explain. 9

(2)

Or

- (b) From the following Trial Balance and additional information, prepare Trading and Profit & Loss A/c of M/s. Kohima Traders for the year ended on 31st March, 2015 and the Balance Sheet as on that date : 5+4=9

Trial Balance

<i>Particulars</i>	<i>Dr.</i> ₹	<i>Cr.</i> ₹
Capital/Drawings	10,000	1,70,000
Plant and Machinery	1,10,000	—
Sales/Purchases	84,000	1,65,000
Returns	5,000	4,000
Bad Debts/Bad Debts Recovered	5,000	26,450
Freight Inward	5,000	—
Freight Outward	7,000	—
Discount	2,000	1,000
Rent	4,000	3,000
Commission	3,000	4,000
Interest	2,500	3,000
Office and Administration Expenses	6,000	—
Selling and Distribution Expenses	10,000	—
Creditors/Debtors	2,15,000	2,02,000
Bills Payable/Bills Receivable	10,000	5,600
Loan	20,000	50,000
Investments	50,000	—

(3)

<i>Particulars</i>	<i>Dr.</i>	<i>Cr.</i>
	₹	₹
Opening Stock	54,000	—
Cash in Hand	5,000	—
Cash at Vijaya Bank	45,550	—
Bank Overdraft at SBI	—	20,000
Wages and Salaries	1,000	—
	<u>6,54,050</u>	<u>6,54,050</u>

Additional Information :

- (i) Closing Stock—₹ 61,500
- (ii) Depreciation on Plant & Machinery @ 10% p.a.
- (iii) Provide Interest on Capital and Drawings @ 6% p.a. and 9% p.a. respectively
- (iv) Goods costing ₹ 10,000 were destroyed by fire on 30th March, 2015, the insurance company accepted claim up to 60% only and paid the claim money on 10th April, 2015
- (v) Manager is entitled to a commission of 5% of net profit after charging his commission

3. (a) What are different methods of recording hire-purchase transactions in the books of the buyer? Explain default and repossession of goods. 3+6=9

(4)

Or

(b) On 1st January, 2010, A sells a truck to B on the instalment payment system on the following conditions :

(i) The purchase price of truck is ₹ 1,00,000

(ii) This amount is payable to A in four equal instalments annually along with 12% interest p.a. on the outstanding balance, the first instalment being payable on the date of sale

B charges 20% depreciation (written-down value method) on the truck. All payments are made as per agreement. Show the Truck A/c and Interest Suspense A/c in the books of B. 5+4=9

4. (a) What is meant by right of recouping shortworkings? Write the conditions for the recoupment of shortworkings. 6+3=9

Or

(b) M Ltd. leases a property from Shri Z. Naga at a royalty of ₹ 1.50 per ton with a minimum rent of ₹ 10,000 p.a. Each year's excess of minimum rent over royalties are recoverable out of royalties of next five years.

(5)

The results of working of the property are as under :

Year	Actual Royalties ₹	Year	Actual Royalties ₹
2008	Nil	2011	11,100
2009	3,300	2012	14,000
2010	9,000	2013	15,000

Write up the Landlord A/c, Royalty A/c and Shortworkings A/c in the book of M Ltd. 3+3+3=9

5. (a) Mention the rules applicable in absence of 'partnership deed'. What are the accounting problems that arise on reconstitution of partnership? 4+5=9

Or

- (b) A and B are partners in a firm sharing profits and losses in the ratio of 4 : 1. Their Balance Sheet as on 31st March, 2015 is as under :

Balance Sheet

<i>Liabilities</i>	₹	<i>Assets</i>	₹
Capital A/c :		Furniture	20,000
A	25,000	Stock	40,000
B	65,000	Bills Receivable	10,000
Reserve	20,000	Debtors	30,000
Creditors	25,000	Cash at Bank	40,000
Bills Payable	5,000		
	<u>1,40,000</u>		<u>1,40,000</u>

(6)

They admitted *C* as a partner with effect from 1st April, 2015 on the following terms :

1. *A*, *B* and *C* will share profits and losses in the ratio of 5 : 3 : 2
2. *C* will bring ₹ 20,000 as premium and ₹ 30,000 as capital
3. Half of the reserve is to be withdrawn by the partners
4. The assets will be revalued as follows :

	₹
Furniture	30,000
Stock	39,500
Debtors	28,500

5. A creditor for ₹ 12,000 has agreed to forgo his claim by ₹ 2,000
6. After making the above adjustments, the Capital A/c of *A* and *B* should be adjusted on the basis of *C*'s capital, by bringing cash or withdrawing cash, as the case may be

Prepare—

- (i) Revaluation A/c;
- (ii) Partners' Capital A/c;
- (iii) the New Balance Sheet of the firm.

2+3+4=9

FA-1/BC-104

2 0 1 5
(1st Semester)

COMMERCE

Paper No. : BC-104

(**Financial Accounting—I**)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—I

(Marks : 15)

1. Indicate whether the following statements are True (T) or False (F) by putting a Tick (✓) mark : 1×5=5

(a) Double-entry system was introduced at first by Luca Pacioli.

(T / F)

(b) Net income or profit is the amount accruing to the owners.

(T / F)

(2)

(c) In hire-purchase system, the ownership passes immediately to the vendor on down payment.

(T / F)

(d) Royalty A/c is a Real A/c.

(T / F)

(e) Section 4 of the IPA, 1932 defines partnership business in India.

(T / F)

2. Fill in the blanks :

1×5=5

(a) Capital + Liabilities - Assets =

(b) Gross profit ratio is the ratio of gross profit

to

(c) The payment made at the time of taking delivery of goods under instalment-purchase system is

called

(3)

(d) Royalty is calculated either on the basis
of or on the

(e) The document containing the terms of
partnership is called

3. Match the items of *List—A* with those of *List—B* by
placing the codes from *List—B* in the brackets
provided : 1×5=5

<i>List—A</i>		<i>List—B</i>
(a) 1494	[]	(i) Hire purchase
(b) Conservatism	[]	(ii) Double-entry system
(c) Agreement	[]	(iii) W. A. Patton
(d) Surplus	[]	(iv) Royalty A/c
(e) Dissolution	[]	(v) Safety role
		(vi) Single-entry system
		(vii) Partnership firm

(4)

SECTION—II

(Marks : 10)

4. Write short notes on the following not exceeding more than 5 sentences each : 2×5=10
- (a) Going-concern Concept

(5)

(b) Capital Expenditure

(6)

(c) Hire-purchase System

(7)

(d) Minimum Rent

(8)

(e) Realization A/c

2015

(1st Semester)

COMMERCE

Paper No. : BC-102

(Principles of Management)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) Define the concept of management and bring out its importance in the present-day context. 4+5=9

Or

- (b) Assess the contributions of Henry Fayol in management thought. 9

(2)

2. (a) "Planning is an intellectual process, the conscious determination of courses of action, the basis of decisions on purposes, facts and estimates." Discuss the statement and identify the steps involved in planning process. 9

Or

- (b) What do you mean by 'management by objectives'? What are the different steps involved in it? 3+6=9

3. (a) What is departmentation? How is it essential for the management of a business enterprise? 3+6=9

Or

- (b) Discuss the merits and demerits of decentralization of authority. 9

4. (a) What do you mean by 'leadership styles'? Suggest the best leadership style for Indian managers. Justify your suggestion. 3+6=9

Or

- (b) What are the barriers in communication? How can communication be made effective? 3+6=9

(3)

5. (a) Give a brief note on modern techniques of controlling. 9

Or

- (b) Why is control a must in business management? What are the requirements of an effective control system?

PM/BC-102

2 0 1 5

(1st Semester)

COMMERCE

Paper No. : BC-102

(Principles of Management)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. Choose the correct answer and write its code in the brackets provided : 1×5=5

(a) Which of the following statements is true?

- (i) Planning is backward looking
- (ii) Planning provides base for control
- (iii) Planning is just the reverse of control
- (iv) Planning and control are not related

()

(2)

- (b) The term 'organization' is used in many ways except which of the following?
- (i) As entity
 - (ii) As process
 - (iii) As group of people
 - (iv) As production process ()
- (c) Which one of the following is not a form of autocratic leader?
- (i) Strict
 - (ii) Benevolent
 - (iii) Incompetent
 - (iv) Free rein ()
- (d) Who among the following had emphasized that bureaucratic type of power is the ideal one?
- (i) Henry Fayol
 - (ii) F. W. Taylor
 - (iii) Max Weber
 - (iv) Oliver Sheldon ()
- (e) The concept 'management by objectives' was introduced by
- (i) Elton Mayo
 - (ii) Rensis Likert
 - (iii) George Odiorne
 - (iv) Peter Drucker ()

(3)

2. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) The concept of scientific management was given by Henry Fayol.

(T / F)

(b) The best way of doing things can be determined by taking up time-motion-fatigue studies as suggested by Henry Fayol.

(T / F)

(c) The 'Need Hierarchy Theory' of motivation was given by Elton Mayo.

(T / F)

(d) Rumour is a grapevine information which is communicated without any standard of evidence being present.

(T / F)

(e) The managerial grid developed by Blake and Mouton identifies five leadership styles.

(T / F)

3. Fill in the blanks :

1×5=5

- (a) approach to management was developed by Lorsch, Lawrence and others.
- (b) planning denotes planning activities at the top level.
- (c) Henry Fayol advocated the functional or or process management.
- (d) Flat structure is that which reduces the levels of management, widens span of of managers at various levels of the organization.
- (e) refers to a formal or moderately formal set of procedures that begins with goal setting and continues through performance review.

(5)

4. Write short notes on the following in about 4 to 5 sentences each : 2×5=10

(a) Span of Management

(6)

(b) Corporate Planning

(7)

(c) Bounded Rationality

(8)

(d) Types of Leaders

(9)

(e) MBO

which was hanging from one corner of my rug. On it were the words 'Made in Manchester'.

Answer the following questions :

- (a) What were the boats bringing to the ship? 2
- (b) What did the writer do after leaving the ship? 1
- (c) What were the other passengers doing when the writer was leaving the ship? 2
- (d) What did he see in the city? 2
- (e) What did the old man want to sell to the writer? 1
- (f) Where did the writer see the old man? 1
- (g) How much did the old man demand and how much did the writer pay? 1
- (h) Why was the sailor unhappy about the price he had paid? 1
- (i) Who had paid more—the writer or the sailor? 1
- (j) When and what did the writer discover about the rug? What is a Persian rug? 2

2015

(1st Semester)

GENERAL ENGLISH

(Commerce)

Paper No. : ENG (BCM)-104

(Prose, Composition and Grammar)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 44)

The figures in the margin indicate full marks for the questions

SECTION—I

(Prose)

Answer the following questions :

10×3=30

1. (a) Discuss the various methods often used by union leaders to control labour as mentioned in the essay, *Management Speaks to the Graduate*.

Or

- (b) Describe how the bank clerk becomes the best citizen in the world.
2. (a) Can business have a social role? Make out a case for or against it in the light of the essay entitled, *A Social Role for Business*.

Or

- (b) Discuss the role of the editor of a newspaper with particular reference to the essay, *A Daily Newspaper*.
3. (a) "Crusoe's commonsense and practical approach to circumstances are his best tools." Briefly review the text from this point of view.

Or

- (b) Examine how Nicolson interweaves his account of the change that brought the modern world into being with his personal reminiscences.

SECTION—II

(Composition)

4. We were entering Port Said harbour when I came on deck. As soon as our ship came near enough, a large number of boats set out from the shore. We could see that they were bringing moneychangers, guides and men selling all the wonderful things of the East. While I was leaving the ship I noticed that the rest of the passengers were arguing about the prices in loud voices. I went to the city and walked about for an hour and watched the gay street life—men selling strange fruits and vegetables, and tradesmen mending shoes or making carpets in their little shops. I returned to my ship when the sun was setting; the market on the ship was still going on. An old man who was sitting on the deck offered me a beautiful Persian rug for only ten pounds. I talked hard for ten minutes, and just as the ship was leaving I bought it for one pound. As I was going on to my cabin I saw a sailor with a rug like mine. I asked him the price. "Five shillings," he said, "but I paid too much for it. A man that I talked to just now only paid 'two shillings'." As I was undressing at night, I noticed a little piece of cloth

Bc/Eng (BCM)-104

2 0 1 5
(1st Semester)

GENERAL ENGLISH
(**Commerce**)

Paper No. : ENG (BCM)-104

(**Prose, Composition and Grammar**)

(PART : A—OBJECTIVE)
(*Marks : 26*)

*The figures in the margin indicate full marks
for the questions*

SECTION—I

(**Prose**)

1. Answer the following questions : 2×6=12

(a) What basic facts of economics has Randall mentioned as the working tool for the graduate?

Module 103 (2)

- (b) Why does the banker find the matter of security a ticklish problem?

(3)

(c) What has traditionally been the major responsibility of business executives?

(4)

(d) Which was the first English newspaper and the oldest newspaper in the world?

(5)

- (e) What were the things Robinson Crusoe wanted in spite of all that he had amassed together?

(6)

(f) What does the Welfare State aim at?

(7)

SECTION—II

(Grammar)

2. Correct the following sentences :

1×7=7

(a) Each of these books are costly.

(b) His English knowledge is poor.

(c) He will go just now.

(d) His hairs are black.

(e) He has got full mark.

(f) He went out of my sight.

(g) This is a true fact.

3. Supply the proper form of the adjectives : 1×7=7

- (a) He has chance of promotion.
(little; a little; the little)
- (b) people can hope to achieve perfection.
(Few; A few; The few)
- (c) Sushil Kumar Ghosh is the barrister in Calcutta.
(foremost; first)
- (d) Jack is my son.
(eldest; elder; older; oldest)
- (e) The restaurant was two blocks away.
(nearest; next)
- (f) What is the news from Berlin?
(latest; latter; last; later)
- (g) With this telescope you can see the stars of the galaxy.
(uttermost; outermost; utmost)

Ba/Eco-101

2015

(1st Semester)

ECONOMICS

Paper No. : ECO-101

(Microeconomics—I)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. Make a brief comparative study of the definitions of Economics as given by Marshall and Robbins. 9

Or

Define 'economic problem'. How does it give rise to basic economic problems in an economy?

2. Show how a consumer can attain equilibrium with the help of indifference curves analysis. 9

(2)

Or

Discuss the concept of consumer surplus with a suitable example.

3. Distinguish between short-run and long-run production functions. 9

Or

Explain the case of constant returns to scale with example.

4. Why is the long-run average cost curve L-shaped? Answer with proper reasons. 9

Or

Define cost of production. What are the relationship between AC curve and MC curve? 2+7=9

5. Discuss the following criteria of social welfare : 4½+4½=9

(a) Growth of GNP

(b) A cardinalist criterion

Or

Define welfare economics. Examine the scope of welfare economics. 2+7=9

Ba/Eco-101

2 0 1 5
(1st Semester)

ECONOMICS

Paper No. : ECO-101

(Microeconomics—I)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—I

(Marks : 15)

A. Put a Tick (✓) mark against the correct answer :

1×10=10

1. The welfare definition of Economics was propounded by

(a) Adam Smith ()

(b) Alfred Marshall ()

(c) L. Robbins ()

(d) A. C. Pigou ()

(2)

2. At the midpoint on the demand curve, the elasticity of demand is equal to
- (a) one ()
 - (b) zero ()
 - (c) infinity ()
 - (d) All of the above ()
3. Which one of the following curves shows the quantities of a good which the consumer will purchase at various levels of income, given his tastes, preferences and price of the good in question?
- (a) Demand curve ()
 - (b) Supply curve ()
 - (c) Cost curve ()
 - (d) Engel curve ()
4. Who said that 'utility is cardinally measured'?
- (a) Robbins ()
 - (b) Hicks ()
 - (c) Marshall ()
 - (d) Pigou ()

(3)

5. When the total product curve reaches its maximum point, the marginal product becomes equal to
- (a) 1 ()
 - (b) 0 ()
 - (c) ∞ ()
 - (d) -1 ()
6. The C-D function is linear and homogeneous of degree one, when
- (a) $\alpha - \beta = 1$ ()
 - (b) $\alpha + \beta > 1$ ()
 - (c) $\alpha + \beta = 1$ ()
 - (d) $\alpha + \beta < 1$ ()
7. Which one of the following cost curves is not a U-shaped curve?
- (a) AVC curve ()
 - (b) AC curve ()
 - (c) MC curve ()
 - (d) AFC curve ()

(4)

8. The reason for the existence of L-shaped long-run average cost curve is
- (a) law of variable proportions ()
 - (b) technical progress ()
 - (c) diminishing returns ()
 - (d) diseconomies of scale ()
9. Pareto welfare theory avoids
- (a) cardinal measurement ()
 - (b) ordinal measurement ()
 - (c) value judgment ()
 - (d) None of the above ()
10. The concept of social welfare function was first introduced by
- (a) Kaldor ()
 - (b) Bergson ()
 - (c) Scitovsky ()
 - (d) Pareto ()

(5)

B. Indicate *True (T)* or *False (F)* by a Tick (✓) mark :

1×5=5

1. AVC curve is not a U-shaped curve.
(T / F)

2. The scarce means are capable of alternative uses.
(T / F)

3. When total product starts declining, the MP curve becomes positive.
(T / F)

4. Variable costs are known as prime costs of production.
(T / F)

5. Economic welfare implies the welfare of a group or society comprising all individuals.
(T / F)

(6)

SECTION—II

(Marks : 10)

C. Write short notes on any *five* of the following :

2×5=10

1. Elasticity of Demand

(7)

2. Deductive Method

(8)

3. Income Effect

(9)

4. Returns to Scale

(10)

5. Average Product

(11)

6. Variable Costs

(12)

7. Cost Function

(13)

8. Social Welfare

IBS/BC-103

2 0 1 5

(1st Semester)

COMMERCE

Paper No. : BC-103

(**Indian Banking System**)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(*Marks : 45*)

*The figures in the margin indicate full marks
for the questions*

Answer **all** questions

1. (a) Briefly explain the structure and organization of banks in India. 9

Or

- (b) What are the main functions of Regional Rural Banks? What are the problems faced by the RRBs in India? 5+4=9

(2)

2. (a) What are the objectives and functions of the State Bank of India? 4+5=9

Or

- (b) Highlight on the working and progress of the State Bank of India. 9

3. (a) Examine the provisions of the Banking Regulation Act, 1949 as are applicable to cooperative banks. 9

Or

- (b) The Banking Regulation Act, 1949 has given specific powers to the Reserve Bank of India. Explain them. 9

4. (a) Briefly explain the organizational structure of Regional Rural Banks. 9

Or

- (b) What are the features of cooperative banks? Briefly explain the role of cooperative banks in India. 4+5=9

5. (a) Explain how RBI uses both quantitative and qualitative methods of credit control to stabilize the price level in the country. 9

Or

- (b) What are the main functions of Apex Bank in India? 9

IBS/BC-103

2 0 1 5

(1st Semester)

COMMERCE

Paper No. : BC-103

(Indian Banking System)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. Choose the correct answer by putting a Tick (✓) mark
in the brackets provided : 1×5=5

(a) How many banks were nationalized in the second
phase, i.e., in 1980?

(i) 14 ()

(ii) 20 ()

(iii) 6 ()

(iv) 1 ()

(2)

(b) RBI was nationalized in the year

(i) 1935 ()

(ii) 1955 ()

(iii) 1949 ()

(iv) 1969 ()

(c) The ratio of deposits with the Central Bank is known as

(i) SLR ()

(ii) CRR ()

(iii) monetary ()

(iv) demand deposits ()

(d) Which bank is known as the Apex Bank for industrial banks?

(i) ICICI ()

(ii) IFCI ()

(iii) IDBI ()

(iv) SIDBI ()

(3)

(e) Long-term agricultural credit is provided to the farmers by the

(i) Land Development Banks ()

(ii) RBI ()

(iii) Primary Credit Cooperatives ()

(iv) State Cooperative Banks ()

2. Fill in the blanks :

1×5=5

(a) The first commercial bank with limited liability, managed by Indians and established in the year

1881 is known as

(b) The Government of India nationalized the Imperial Bank in 1955 and named it as

.....

(c) According to the Indian Banking Act, 1949, a bank which is legally bound to keep a certain ratio of deposits with themselves in the form of

liquid assets is known as

(d) RRB was established in

(4)

(e) The Reserve Bank of India is fully owned by the

.....

3. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) Commercial banks may be scheduled banks or non-scheduled banks.

(T / F)

(b) The State Bank of India is known as the Apex Bank in India.

(T / F)

(c) IFCI was established in 1948.

(T / F)

(d) The Apex Cooperative Bank is the State Cooperative Bank.

(T / F)

(e) The present governor of RBI is Raghuram Rajan.

(T / F)

(5)

4. Write short notes on the following : 2×5=10

(a) Cash Reserve Ratio

(6)

(b) Moral Suasion

(7)

(c) Banker's Bank

(8)

(d) SLR

(9)

(e) Development Banks
