

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM / PGDM (M) / PGDM (SM)
FOURTH TRIMESTER (Batch 2017-19)
MID TERM EXAMINATIONS, August 2018

Course Name	Banking Operations	Course Code	FIN 404
Max. Time	2 hours	Max. Marks	20 MM

INSTRUCTIONS: Attempt all Questions.

Q.1 (4+3 marks)

(a) Discuss a banker's right of set-off in the following cases:

- i. There is a credit balance in the account of A. The banker wishes to set this off against an overdraft in the joint name of A and B.
- ii. X is a guarantor for a loan granted by the bank to Y. The loan has become sticky. There is a credit balance in X's account. The banker wishes to set it off against X's liability as a guarantor.

(b) 'Branch Banking System is more popular than the Unit Banking System in India'. Justify the statement.

Q.2 (3+2 marks)

(a) "The Banker's duty of secrecy is not absolute but qualified." Explain with example.

(b) 'Loans make deposits'---- Discuss.

Q.3 (2+3+3 marks)

(a) 'The insured transfers his risk to the insurer'. Analyze the statement in the backdrop of 'Double Insurance' and 'Reinsurance'.

(b) Differentiate between 'Order' cheque and 'Crossed' cheque. If payment is made on a crossed cheque which has been stolen, on whom will the loss fall and why?

(c) 'CIBIL has helped the banks in building quality loans.'—Discuss.