JAIPURIA INSTITUTE OF MANAGEMENT
LUCKNOW NOIDA JAIPUR INDORE

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM (All streams)
Fifth TRIMESTER (Batch2024-26-)
END TERM EXAMINATIONS, Jan 2026
Set-1

Course Name: Management of Banking **Course Code: 20249**

Max. Time 2 hours **Max. Marks:40**

Instructions:
1.This question paper has 7 questions. Answer all questions.
2. Give relevant answers, to the point in response
3. State assumptions made, if any
4 Marks are indicated against each question

1. Sweet Sugars requires Working Capital facilities from your bank based on their Cash Budget for the next 12 month.

The firm has estimated month wise sales as given below. This being a new unit the firm has no sales in month 0.

Month	1	2	3	4	5	6	7	8	9	10	11	12
Sales	500	550	600	650	700	800	800	750	700	650	600	600

Notes

1 70% of the monthly sales are in cash and balance 30% realised in next month.
2 75% of previous month sales is payable as creditors of raw material
3 Wages are paid @ 10% of current month sales
4 Rs. 45 Lacs are payable every month as other expenses
5 Interest of Rs. 10 Lacs is payable each month.
6 Term Loan instalment of Rs. 75 Lacs is payable in months 3,6,9 & 12
7 Capital expenditure of Rs. 500 Lacs is payable in1st month and Rs. 200 Lacs in month 6
8 Opening cash balance is zero

Questions

a) **Formulate cash budget.**

Cash Budget Format

Month	1	2	3	4	5	6	7	8	9	10	11	12
Sales												

Cash Sales
Collections
Total Receipts
To Creditors: 75% of previous month sale
Capital Expenditure
Wages: 10% of sale
Other Expenses
Interest
TL Instalment
Payments
Surplus/Deficit
Cumulative Deficit
Permissible Finance

b) **Determine Maximum Permissible Bank Finance for the firm.**

(CO 3, BT Level V and VI)
Marks: 08+02

2. Shikha Khanna is an IT executive with an MNC for over 7 years. She has decided to purchase a house in Noida and has approached your bank for grant of Housing loan of Rs.30 lakhs to buy a house costing Rs.40 lakhs, repayable in 20 years. After proper KYC, her past satisfactory relationship of 4 years with bank and CIBIL score of 820, you are required to process the application for eligibility and approval.

Applicant's particulars are as follows:

i. Age in years: 37
ii. Retirement Age in years: 60
iii. Monthly salary: Rs.75000
iv Deductions in salary: Rs.20000

Your Bank's norms are given below:

For Housing Loan eligibility:

i. Maximum Loan to Value (LTV):80%
ii. Applicant's Minimum service tenure: 5 years
iii. Maximum loan in multiples of monthly salary: 60 times
iv Interest rate: 8.20% p.a.

v Minimum Net take home after EMI: 50% of Gross Salary
vi Maximum age at final repayment instalment: 65 years
vii. Minimum CIBIL Score: 800

Question

Examine whether Ms Shikha Khanna is eligible for grant of Housing Loan requested, if an EMI of Rs.25468 has been computed by you.

(CO 3, BT Level IV)
Marks: 05

3. Deepika LLP is an MSME manufacturing unit engaged in manufacture of cosmetics. It has projected annual sales of Rs.2200 lakhs for the financial year 2026-27. Its net working capital is estimated at Rs. 175 Lakhs. This unit has approached your Bank for working capital finance facility of Rs. 400 lakhs.

Questions

As per turnover method:
a. Determine the required Working Capital Gap,
b. Decide the working capital limit you will sanction as Loan Officer of the Bank.

(CO 3, BT Level V)
Marks: 03+02

4. Explain title, nature and features of banking products as Term Deposits offered by any Bank.

(CO 2, BT Level II)
Marks: 05

5. Outline role of Reserve Bank of India as Bankers Bank.

(CO 1, BT Level II)
Marks: 05

6. List and explain the type and features of retail loan products offered by banks.

(CO 2, BT Level I)
Marks: 05

7. Explain the types and features of Letter of Credit.

(CO 2, BT Level II)
Marks: 05