JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA
PGDM (All streams)
Fifth TRIMESTER (Batch2024-26-)
END TERM EXAMINATIONS, Jan 2026
Set-2

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. Sakshi Agro Pvt. Ltd. is engaged in manufacture of crystal sugar. They require Working Capital Facilities from Bank based on their projected Cash Budget for the next 12 months.

Month	0	1	2	3	4	5	6	7	8	9	10	11	12
Sales (Rs. Lacs)	0	500	550	600	700	750	800	880	900	900	850	800	780

Notes:
1 50% of the monthly sales are in cash and balance 50% realised in next month.
2 80% of previous month sales is payable as creditors of raw material.
3 Wages are paid @10% of current month sales.
4 Rs. 40 Lacs are payable every month as other expenses
5 Interest of Rs. 35 Lacs is payable each month.
6 Term Loan instalment of Rs. 60 Lacs is payable in months 3,6,9 & 12
7 Balance Capital expenditure of Rs.300 Lacs is payable in 1st month
8 Opening cash balance is zero

Cash Budget format

Month	0	1	2	3	4	5	6	7	8	9	10	11	12
Sales													
Cash Sales													
Collections													
Receipts													
To Creditors													
Capital Expenditure													

Wages													
Others													
Interest													
TL Instalment													
Payments													
Surplus/Deficit													
Cumulative Deficit													
Permissible Finance													

Question:
Formulate cash budget & **determine** Maximum Permissible Bank Finance for the firm. (CO 3, BT Level VI and V) **Marks: 8+2**

2. Ashutosh Sabharwal working with ABC Ltd. is drawing monthly salary of Rs. 90000 p.m. He is planning to purchase a new Hyundai car costing Rs. 11.50 Lacs on road (inclusive of price of car, insurance and road tax).
Ashutosh plans to raise Car Loan of Rs.8.50 Lacs as the balance amount is available with him.
The details of his salary as per last month Salary slip is as under:

Basic	50000
Dearness Allowance	30000
House Rent Allowance	10000
Total Earnings (A)	90000
Deductions	
Provident Fund	5,000
Income Tax	1,000
Total Deduction	6,000
Net Salary	84,000

Ashutosh wants to raise Car Loan with repayment period of 5 years.

Salient features of Car Loan Scheme of your bank are as under:
Purpose: To purchase: a) New Car/Van/Jeep/Multi Utility Vehicle (MUV) or Sports Utility Vehicles (SUV).
Extent of loan: Individuals & Proprietorship Concerns:
12 times of net monthly income or Rs. 100 lakh whichever is lower for one or more vehicles.
Eligibility: For private use: Individuals & Proprietorship Concerns having Minimum net monthly salary/ income – Rs.20000/-.
Margin : 15% of on-road price (Invoice Value +1Year Insurance + one-time road tax).
Interest 7.75% p.a. with monthly compounding
Repayment: Maximum 7 years without any Moratorium period
Maximum permissible deductions of Net Monthly Salary /Gross Salary: not to exceed 50%

Question:
You are required to **determine** whether the applicant is eligible for grant of Car Loan, if the EMI works out to be Rs.17133. **(CO 3, BT Level V) Marks: 05**

3. Anushka Enterprises is a Small Scale Industry engaged in manufacture of Electrical Wires. The firm has estimated sales of Rs. 2800 lakhs for the current year. The firm has requested for Working Capital limits of Rs.500 Lakhs for the current year. The Company has Promoters Margin in working capital at Rs.150 lakhs for the current year.

Questions:
As per turnover method :
Determine the Working Capital Gap and **decide** the working capital limit you will sanction as Loan Officer of the Bank. **(CO 3, BT Level V) Marks: 03+02**

4. **Explain** types and features of commercial loans offered by Banks. **(CO 2, BT Level II)**
Marks: 5

5. **Outline** role of Reserve Bank of India as Controller of Credit. **(CO 1, BT Level II)**
Marks: 5

6. **Outline** the types and features of fee-based services banks offer. **(CO 2, BT Level II)**
Marks: 5

7. **Explain** the types and features of a Bank Guarantee. **(CO 2, BT Level II)**
Marks: 5