

Dhanakarya Sthapanangalum Sevanangalum

Que 1: Write down the main objectives of the Co-operative Banks. Marks :(5)

Ans:

- Provide loans to the public.
- Protect the villagers from private money lenders
- Provide loans at low interest rate
- Encourage saving habit among people

Que 2: Explain how electronic banking and core banking are helpful to the individuals. Marks :(4)

Ans: Electronic banking

- Money can be sent and bills can be paid anywhere in the world from home
- Saves time
- Low service charge

Core Banking

- Banking services from one bank to another is made possible.
- ATM, debit card, credit card, net banking, tele banking, mobile banking, etc have been brought together.
- Transactions have become simple.
- An individual can send money from his bank account to his friend's account elsewhere.

Que 3: Identify the services provided by banks from the hints given.

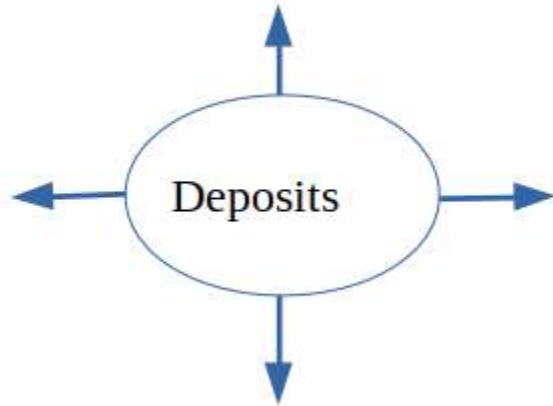
(a) Facility for banks to send money from one place to another.

(b) The mechanism by which the bank is able to send money through message faster than mail transfer. Marks :(2)

Ans: Demand Draft

Telegraphic Transfer

Que 4: Complete the word web related to the types of deposits in Banks. Marks :(3)



recurring deposit

Ans: Savings deposit

Current deposit

Fixed deposit

Que 5: The deposits received by commercial banks are mentioned below. Identify the types of deposits. Marks : (4)

(A) Depositing money in banks by individuals and institutions for a specific period of time.

(B) Depositing a specific amount every month for a specified period of time.

(C) Depositing and withdrawing money many times in a day.

(D) Depositing the savings for a number of times and money can be withdrawn as they needed.

Ans: Fixed deposit

Savings deposit

Current deposit

Recurring deposit

Que 6: How do current deposit differ from savings deposit? Marks : (4)

Ans: Current deposit

- Facility to deposit and withdraw money many times in a day.
- It does not receive any interest.

Savings deposit

- Helps the public to deposit their savings.
- Low interest rate

- Withdraw the money, subject to restrictions.

Que 7: Write down the features of the following deposits.

Marks :(4)

Fixed Deposit

Recurring deposit

Ans: Fixed deposit

- Depositing money by individuals and institutions for a specific period of time.
- The interest rate is calculated on the basis of the time period for which the money is deposited.
- The money can be withdrawn only after the completion of the specific time period

Recurring deposit

- Receive a specific amount every month for a specified period of time.
- The interest rate of recurring deposits will be higher than that of saving deposits

Que 8: Commercial banks allows a customer to withdraw money over and above the balance in his account. Name this service? Which type of customers get this service from the bank?

Marks :(2)

Ans: Over Draft

This facility is provided to individuals who have frequent transactions with the bank.

Generally, this opportunity is provided to individuals who maintain current deposits.

Que 9: What are the purposes for which the commercial banks provide cash credit to the public?

Marks :(3)

Ans: • Agricultural purposes

- Industrial purposes
- Constructing houses
- Purchasing vehicles
- Purchasing home appliances

Que 10: Commercial banks usually accept collateral to provide loans. Mention any two such collaterals.

Marks :(2)

Ans: • Physical assets - gold, property documents, etc.

- Fixed deposit certificates.

(Similar answers should be considered)

Que 11: Some banks are known as new generation banks. Why? Marks :(1)

Ans: Because of the rapid implementation of innovative trends in private banks

Que 12: Name the agency issuing one rupee note and its subsidiary coins in India.

Marks : (1)

Ans: Central Finance Department

Que 13: Which type of deposit do you suggest to save the money to be used for higher education after three years?

Marks : (1)

Ans: Fixed Deposit

Que 14: Classify the following functions as those of Commercial Banks and Reserve Bank of India.

Marks : (3)

Receive deposits from the public

Controlling other banks

Guide the financial institutions.

Provide loans to the public

Acting as a banker to government.

Introduce the demand draft system.

Ans: Functions of commercial banks

- Receive deposits from the public
- Providing loans to the public
- Introducing demand draft system.

Functions of the Reserve Bank

- Controlling other banks
- Guide financial institutions
- Acting as a bank of government.

Que 15: RBI increases interest rate by 1%. Which of the functions of Reserve Bank is applied here?

Marks : (1)

Ans: Controlling credit

Que 16: Explain how Micro Finance helps the common man. **Marks : (4)**

Ans: • Helps in collective development by mobilising money from individuals.

- Helps to increase the standard of living of the poor.
- Encourages saving habit
- Makes use of the individual potential for group

- Provides loans to members in need
- Starts small scale enterprises

Ans: To provide different financial services including micro credit to commons.

(KSFE, LIC, UTI, SBI)

Que 19: Write down the names of any two public sector mutual fund institutions.
Marks :(2)

Life Insurance Corporation Mutual Fund (LICMF)

Ans: KSFE

Ans: • Provide loans for hire purchases

- Provide loan for construction of house
- Provide gold loan
- Provide loan on the basis of fixed deposits
- Running chitty

(Write any four) (1 x 4 = 4)

Ans: Accept Deposits

Que 23: The following are the new banks emerged in the banking sector. Write down the main operational goal of each of them. Marks :(3)

(a) Bhartiya Mahila Bank

(b) Payment Banks

(c) Mudra Bank

Ans: (a) Women Empowerment

(b) To help the low-income groups, small scale industrialists and migrated employees

(c) Provides financial help to small scale entrepreneurs and micro finances.

Que 24: Describe the characteristics of NABARD. Marks :(3)

Ans: • Apex bank in India which functions for the Rural Development (NABARD) development of villages and agriculture.

• Unites all the banks which operate for the development of villages.

* Provides financial assistance to agricultural and handicraft and small-scale industries etc

Que 25: Identify the specialised bank associated with the hints given below

(a) Loans for export and import of products.

(b) Provides help to establish new small-scale industries and to modernise existing industries.

(c) India's apex Bank for Rural and Agricultural Development Marks :(3)

Ans: (a) Exim Bank of India

(b) Small Industries Development Bank of India

(c) NABARD

Que 26: Describe the functioning of Co-operative Banks based on the indicators given below. Marks :(5)

Indicators:

- **Major objectives of Co-operative Banks**
- **The different levels of co-operative banks**
- **Performance of Co-operative Banks**

Ans: Major objectives of Co-operative Banks (2)

- Provide loans to the public.
- Protect the villagers from private money lenders
- Provide loans at low interest rate
- Encourage saving habit among people

Different Levels of Co-operative Banks (2) State Co-operative Bank

District Co-operative Banks

Primary Co-operative Banks

Working principle of co-operative banks

Co-operation, self-help and mutual aid

Que 27: List any three benefits of electronic banking. Marks :(3)

Ans: • Money can be sent and bills can be paid anywhere in the world from home

- Saves time
- Low service charge

Que 28: Explain electronic banking and core banking. Marks :(4)

Ans: Electronic Banking

Electronic banking is a method by which all transactions can be carried out through net banking and tele banking without the assistance of banking equipment or employees.

Electronic banking is an innovative way of doing transactions.

Core Banking (2)

Branches of all banks are brought under a central server, with banking services from one bank to another bank is made possible.

Que 29: Some of the facilities and services offered by banks are given below. Specify them.

A. Demand Draft

B. Telegraphic Transfer

C. ATM

Marks :(3)

Ans: A. Demand draft is the facility provided by the banks to send money from one place to another.

B. The mechanism by which the bank to sends money through message. It is faster than mail transfer.

C. Withdrawal of money at any time without going to the bank.

Que 30: What are the precautions to be taken while using an ATM card?

Marks :(4)

Ans: • Make sure that there is no one at the counter.

- Do not share the ATM Personal Identification Number (PIN)

- Assure the balance amount on receiving the receipt of money withdrawal.
- Do not carelessly throw away the receipt

Que 31: Explain the main functions of the commercial banks. Marks :(5)

Ans: For explaining about deposits: (3)

For explaining about loans (2)

Que 32: Explain the three stages of the growth of the banking sector in India. Marks :(6)

Ans: The period from 1770 to 1969 - Banks of the British East India Company (2)

The period from 1969 to 1990-Nationalization of Banks (2)

Since 1991 - New Generation Banks (2)

(Explain each-3 x 2 = 6)

Que 33: Banks operate on the basis of general rules and regulations. Substantiate the statement based on the various functions of the banks. Marks :(4)

Ans: Accept deposits from individuals, institutions and government (1)

Loans are provided to individuals, institutions and the government. (1)

Collect the loan amount with interest. (1)

Give back the deposit amount with interest. (1)

Que 34: Name any two commercial banks that you know. Marks :(2)

Ans: Bank of India

Bank of Canara

Vijaya Bank

Bank of India

(To write the name of any two commercial banks) (2 x 1 = 2)

Que 35: Mutual fund institutions are one of the non-banking financial institutions. Mention the names of other two such institutions. Marks :(2)

Ans: Non-banking finance companies (1)

Insurance Companies (1)

Que 36: Explain the functions of the Reserve Bank of India. Marks :(4)

Ans: Indicators

(write short notes on printing of currency, controlling credit, banker to government and banker's bank.)

Que 37: One of the functions of the Reserve Bank of India is given below. Write down the other functions. Marks :(3)

Printing of currency

.....

.....

.....

Ans: Controlling credit

Banker to government

Banker's bank (3 x 1 = 3)

Que 38: Which of the following banks is related to the working principles of Co-Operation, Self-help and Mutual help? Marks :(1)

(New generation Banks, Commercial Banks, Co-Operative Banks, Specialised Banks)

Ans: Co-Operative Banks (1)

Que 39: Differentiate Mail Transfer and Telegraphic Transfer. Marks :(4)

Ans: Mail Transfer

Banks provide an opportunity to transfer money from anywhere in the world either to one's own account or to someone else's account. This service is called mail transfer. (2)

Telegraphic transfer. It is the mechanism which can transfer money through a message. It is faster than mail transfer. (2)