

Name:	
Enrolment No:	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2019**

<b>Course: International Banking</b> <b>Program: B.com (Hons) Banking Management &amp; Insurance</b> <b>Course code: FINC2028</b>	<b>Semester: III</b> <b>Time: 03 Hours</b> <b>Max. Marks: 100</b>
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**Instructions:**

**Section 'A' is for 20 marks.** In section 'A', attempt all question, each statement carries 2 marks.  
**Section 'B' is for 20 marks.** In section 'B', attempt all (four) questions each question carries 5 marks.  
**Section 'C' is for 30 marks.** In section 'C', attempt all (three) questions each question carries 10 marks.  
**Section 'D' is for 30 marks.** In section 'D', attempt all questions each question carries 15 marks.

**SECTION A ( 20 Marks)**

Q1	Hundi Rates are (a) 10% <b>(b) 3%</b> (c) 5%      (d) 7%	2 CO3
Q2	International Monetary Fund membership of how many countries (a)200      (b) 150 <b>(c) 189</b> (d) 125	2 CO4
Q3	Fed established in which Year (a)1910      (b) 1942 (c) 1920 <b>(d) 1913</b>	2 CO2
Q4	Present rate of Base Rate <b>(a) 9.40</b> (b) 9.6 (c) 10%      (d) 22%	2 CO1
Q5	The New York Clearinghouse Association was established in <b>a)1853</b> (b) 1913 (c)1875      (d) 1900	2 CO2
Q6	FED HeadQuater (a) Boston      (b) New York, (c) Philadelphia, <b>(d) All of the Above</b>	2 CO2
Q7	Fees payable by borrower in loan syndication is (a) Interest fee      (b) Loan fee <b>(c) Commitment fee</b> (d) Agreement Fee	2 CO2
Q8	The Current FED Rate <b>a) 2</b> (b) 5 (c) 2.25      (d) 3	2 CO2
Q9	The National Bank for Agriculture & Rural Development (NABARD) was established in the year (a) 1980 <b>(b) 1982</b> (c) 1985      (d) 1984	2 CO2
Q10	Present DEPOSIT RATE is (a) 6.55%      (b) 7% (c) 6% <b>(d) 7.30%</b>	2 CO1

**SECTION B ( 20 Marks)**

Q1	Explain Tools for Influencing Monetary Policy of Fed	5 CO4
Q2	Define Qualitative Measures	5 CO2
Q3	Define Zero Lower Bound	5 CO4
Q4	Explain The defects of money market	5 CO2

**SECTION-C (3\*10 = 30 Marks)**

Q1	What is NABARD and explain the developmental features.	10 CO3
Q2	Describe the Banking reforms in India	10 CO3
Q3	Explain Federal Reserve System , Organizational Structure and Working	10 CO4

**SECTION-D CASE STUDY ( 30 Marks)**

Q1	<p>ABC &amp; Company has applied for working capital loan to a bank of which you are working as Branch Manager. The balance of the company shows following position.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><b>Liabilities</b></th> <th style="text-align: right;"><b>Amount</b></th> <th style="text-align: left;"><b>Assets</b></th> <th style="text-align: right;"><b>Amount</b></th> </tr> </thead> <tbody> <tr> <td>Share capital</td> <td style="text-align: right;">15,00,000</td> <td>Fixed Assets</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Debentures</td> <td style="text-align: right;">8,00,000</td> <td>Investments</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td colspan="4"> </td> </tr> <tr> <td colspan="2"><b>Current Liabilities</b></td> <td colspan="2"><b>Current Assets</b></td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">3,00,000</td> <td>Stock</td> <td style="text-align: right;">12,00,000</td> </tr> <tr> <td>Bank loan</td> <td style="text-align: right;">2,00,000</td> <td>Debtors</td> <td style="text-align: right;">6,00,000</td> </tr> <tr> <td>Bills payable</td> <td style="text-align: right;">2,00,000</td> <td>Cash &amp; bank balance</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>Bills payable</td> <td style="text-align: right;">2,00,000</td> <td>Investments</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> <td></td> <td style="text-align: right;">-----</td> </tr> <tr> <td></td> <td style="text-align: right;">30,00,000</td> <td></td> <td style="text-align: right;">30,00,000</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> <td></td> <td style="text-align: right;">-----</td> </tr> </tbody> </table> <p>Out of above current assets, core current assets are worth Rs. 2,00,000/-. Calculate maximum permissible bank finance you would like to sanction as per all three methods suggested by Tandon Committee</p>	<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>	Share capital	15,00,000	Fixed Assets	4,00,000	Debentures	8,00,000	Investments	3,00,000	 				<b>Current Liabilities</b>		<b>Current Assets</b>		Creditors	3,00,000	Stock	12,00,000	Bank loan	2,00,000	Debtors	6,00,000	Bills payable	2,00,000	Cash & bank balance	3,00,000	Bills payable	2,00,000	Investments	2,00,000		-----		-----		30,00,000		30,00,000		-----		-----	<b>30 CO3</b>
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