

BANK MANAGEMENT

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(For those who joined in July 2002 or earlier)

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks.

1. Explain the different functions involved in Bank Management.
2. What is Management By Objectives (MBO)? What is the need for it? Explain its scope.
3. What is Profit planning in banks? Discuss the factors affecting profit planning in banks.
4. Explain the classical and neo-classical theories of organization.
5. What is departmentation? How banks adopt this to achieve customer satisfaction?
6. Discuss the qualitative and quantitative measures taken by RBI to control credit.

7. What are the features of working capital finance? What are the different types of credit facilities offered by the banks?
  8. What is meant by service marketing? What are the various products and services marketed by commercial banks?
  9. What is market planning? Explain the steps involved in market planning.
  10. Discuss the powers and responsibilities of a bank branch manager.
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FINANCIAL ACCOUNTING

(For those who joined in July 2002 or earlier)

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions, choosing not more than THREE questions from each Section.

All questions carry equal marks.

SECTION A

1. What are the differences between receipts and payment accounts and Income and expenditure account?
2. What is an Average Due date? Explain the various steps that are to be taken for computation of an average due date.
3. Explain the major recommendation of the Sachar Committee.
4. Write a short note on :
  - (a) Red ink interest
  - (b) Rebate on Bills discounted
  - (c) Contingent liability
  - (d) Bonus shares.

5. (a) Journalise the following transactions.

1993	Rs.
March 1 Sulthan started his business with cash	30,000
3 Bought goods for cash	15,000
5 Sold goods to Krishna for	8,000
7 Purchased goods from Govind for	20,000
8 Received from Krishna	5,000
10 Paid Govind	7,000
12 Krishna returned goods worth	500
15 Cash sales for	16,000
18 Bought furniture for cash	2,000
20 Martin sold goods on credit	4,000
24 Received commission from John	1,200
27 Sold goods to Rao and Co. for cash	6,000
29 Returned goods to Martin for	700
31 Paid salaries to Henry	2,000
31 Smith bought goods for	8,000

(b) Enter the following in a cash book.

1993	Rs.
January 1 Commenced business with a capital of	10,000
4 Bought goods for cash	2,500
8 Sold goods for cash	2,000

10 A gave us a loan of	400
18 Paid for traveling expenses to Manager	50
22 Bought goods from B for Rs. 1,800 and paid him immediately	
24 Received for cash sales	1,500
31 Paid rent	100
31 Office salaries	300

### SECTION B

6. From the following particulars prepare a bank reconciliation statement showing the balance as per cash book on 31<sup>st</sup> December, 1991. The following cheques were paid into bank in December 1991 but were credited by the bank in January, 1992.

Ammenal Rs. 700 Meenakshi Rs. 800, Kamatchi Rs. 600.

The following cheques were issued by the firm in December, 1991 but were presented for payment in January, 1992.

Pathak Rs. 600, Sankar Rs. 550.

The following charges were made by the bank which were not recorded in the cash book.

Incidental charges for the half year ended 31<sup>st</sup> December, 1991 Rs. 20.

Collection charges for out station cheques Rs. 15, The following payments made by the bank direct as per standing instructions were not entered in the cash book. Insurance premium Rs. 350 subscription for commission Rs. 75.

A cheque for Rs. 500 which was received from a customer entered in the bank column of cash book in December, 1991. But was omitted to be banked in December, 1991. A bill for Rs. 1,000 was retired by the bank under rebate of Rs. 20 but the full amount of the bill was credited in bank column of the cash book.

The bank balance as pass book was Rs. 15,800 on 31<sup>st</sup> December, 1991.

7. On January 1, 1993 Aristo owed Rs. 2,000 to Britto on account during the six months ended June 30, 1993 the transactions were as follows in the books of Britto.

January 1 Goods sold to Aristo Rs. 1,000

February 1 Amount received from Aristo Rs. 2,000

March 1 Goods sold to Aristo Rs. 4,000

May 1 Goods sold to Aristo Rs. 5,000

May 1 Goods received from Aristo Rs. 2,000

June 30 Cash received from Aristo Rs. 1,000.

Prepare account current to be rendered to Aristo on June 30, 1993 reckoning interest at 12% per annum.

8. On 31<sup>st</sup> December 2008 the balance sheet of Alfa Ltd. Was as under :

2000 equity shares of Rs. 100 each	2,00,000	Sundry Assets	9,00,000
300 6% Redeemable preference shares of Rs. 100 each	3,00,000	Bank	1,00,000
6% debentures	1,00,000		
General reserves	1,50,000		
Profit and Loss A/c	1,00,000		
Sundry creditors	<u>1,50,000</u>		
	<u>10,00,000</u>		<u>10,00,000</u>

Redeemable Preference Shares were redeemed on the above date at Rs. 105 and for the purpose, 1000 equity share were issued at Rs. 150. All these shares were taken by the public.

Give journal entries and show the balance sheet.

9. On 1st July 1990 a company issued 1000 12% debentures of Rs.100 each (interest payable on 30th June and 31<sup>st</sup> December). The company is allowed to purchase own debentures which may be cancelled or kept or reissued at the option of the company. Then company made the following purchases in the open market.

On 31st May, 1991, 100 debentures @ Rs. 98 ex-interest.

On 30th September 1991 80 debentures @ Rs.97 cum-interest.

The debentures purchased on 31<sup>st</sup> 1991 were cancelled on 31<sup>st</sup> December 1991. Give entries to record the transaction and show the Balance sheet on 31<sup>st</sup> December 1991.

10. Give the Proforma of the Profit and Loss Account and Balance sheet of a Joint Stock Company.

## RURAL BANKING

(For those who joined in July 2002 or earlier)

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks.

1. Bring out the principal features of rural economy of India.
2. Discuss the principles and guidelines for lending agricultural finance by commercial banks.
3. Explain the objectives, functions and operational problems of Regional Rural Banks.
4. Point out the various problems faced by Lead Bank scheme in implementation of District credit plans.
5. Discuss the significance of multi agency approach and explain the problems faced by multi agency approach in granting agricultural credit.

6. Explain the objectives of IRDP. List out the elements consists in the operational strategy of IRDP.
7. Bring out the classification and importance of agro based industries in rural economic development.
8. Discuss the functions of State Co-Operative Banks. Make appropriate suggestions for better functioning of the Co-operative credit structure.
9. Explain the objectives of District Credit Plans. What are the factors to be taken in to account in the formulation of District Credit plans?
10. Write short notes on :
  - (a) Defects of indigenous banks
  - (b) Village adoption scheme-advantages
  - (c) Objectives of NABAR
  - (d) Contents of EDP's.

