

OCTOBER 2006 PAPER – 1 BUSINESS ENVIRONMENT AND POLICY

(For those who joined in July 2003 and after)

Time: Three hours

Maximum: 100 marks

SECTION A - (4 x 10 =40 marks)

Answer any FOUR questions. Answer to each questions not to exceed 2 pages.

1. What are the elements of business environment?
2. Discuss and comment on the Industrial policy Resolution 1948.
3. Write a brief note on M.R.T.P Act.
4. What are the social responsibilities of business towards the community?
5. Point out the basic objectives of Investment.
6. Briefly state the guidelines of SEBI for the 'Rights Issue'.
7. Enumerate the problems faced by small scale units.
8. Write short notes on MNCs.

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions. Answer to each questions not to exceed 4 pages.

9. Discuss the social environment of business.
10. Critically analyse the industrial licensing policy of India.
11. What is meant by social audit? Trace its evolution growth.
12. Discuss the role of SIDBI and NABARD in the promotion and development of SSI units.
13. Is foreign capital a necessary evil? Outline the features of Government policy towards foreign capital.
14. Bring out the importance and different aspects of "Portfolio management".

OCTOBER 2006 PAPER – 2 COMPUTER APPLICATIONS IN BANKS

(For those who joined in July 2003 and after)

Time : Three hours

Maximum: 100 marks

SECTION A - (4 x 10 ~ 40 marks)

Answer any FOUR questions only.

1. Write a note on the digital computer systems.
2. How to add bullets and numbers in a MS Word document?
3. Mention any five slide show transition effects.
4. What is flowchart? List out the various charting symbols used in flowcharting.
5. Define Constant. How declare it? List any five back slash character constants.
6. What are the various format control codes used in scanf statement?
7. With an example, explain how to pass a structure to a function as an argument.
8. Narrate on the technological improvements in banking processes.

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions only.

9. Write an essay on the various generations of computers.
10. With a neat sketch, explain any five charts offered by MS-Excel.
11. Explain the various areas of active research in the development of an algorithm.
12. Write a C program to pick out the largest among three numbers using nested if else statement.
13. Write a C program to compute the simple interest using function proto typing.
14. Write note on : (a) Cyber-cash (b) Credit and Debit Cards (c) E-money.

OCTOBER 2006 PAPER – 3 FINANCIAL ACCOUNTING

(For those who joined in July 2003 and after)

Time: Three hours

Maximum: 100 marks

SECTION A -(4 x 10 =40 marks)

Answer any FOUR questions. Answer to theory questions not to exceed 2 pages.

1. Define a bill of exchange and explain its special features.
2. Explain the reasons on account of which the balance as shown by the Pass Book does not agree with the balance as shown by the Bank column of the Cash Book.
3. How cash flow statement differs from funds flow statement?

4. Rectify the following errors:

- (a) Rs. 3,000 sale proceeds of machinery, has been posted to the sales Alc.
- (b) A builder's bill for Rs. 7,200 for the erection of a small shed was debited to repair's account.
- (c) A sum of Rs. 570 drawn by the proprietor for his own use was debited to travelling expenses account.
- (d) A sale of Rs. 350 to Kishore was entered in the Sales Book as Rs. 530.
- (e) Purchased goods from Dinesh Rs. 800 passed through Sales Book.

5. From the following calculate funds from operation:

| Rs. | Rs. |
|-------------------------------------|----------|
| To Operating expenses | 1,00,000 |
| To Depreciation | 40,000 |
| To Loss on sale of building | 10,000 |
| To Discount allowed | 500 |
| To Preliminary expenses written-off | 5,500 |
| To Goodwill written-off | 12,000 |
| To Net Profit | 52,000 |
| | 2,20,000 |
| | 2,20,000 |

6. Amar sold goods to Babu for Rs. 1,000. Babu accepted a bill for Rs. 1,000 drawn by Amar. On the due date, Babu approached Amar and requested him to cancel the original bill and to draw a new bill for Rs. 1,025 (including interest) which is agreed by Amar. On the due date, the second bill was honoured. Show the journal entries in the books of Amar.

7. A company issued 10000 equity shares of Rs. 10 each, payable Re. 1 on application, Rs. 2 on allotment, Rs. 3 on first call and Rs. 4 on final call. All shares were subscribed and amounts duly received. Pass entries in the books of the company.

8. From the following Profit and Loss Account of X industries Ltd prepare a comparative income statement.

| Profit and Loss Account | | | | (Rs. in Lakhs) | |
|-------------------------|------|------|----------|----------------|------|
| | 2003 | 2004 | | 2003 | 2004 |
| | Rs. | Rs. | | Rs. | Rs. |
| To Cost of goods sold | 500 | 640 | By Sales | 700 | 900 |
| To Operating expenses: | | | | | |
| Administrative expenses | 20 | 20 | | | |
| Selling expenses | 30 | 40 | | | |
| To Net Profit | 150 | 200 | | | |
| | 700 | 900 | | 700 | 900 |
| | | | | | |

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions. Answer to theory questions need not to exceed 4 pages.

- 9. Explain the errors which are disclosed and not disclosed by the Trial Balance.
- 10. State the difference between Receipts and Payments Account and Income and Expenditure Account.
- 11. Following is the Trading and Profit and Loss Account of a concern for the year ending 31.3.2004.

| | Rs. | | Rs. |
|------------------|----------|------------------|----------|
| To Opening stock | 76,250 | By Sales | 5,00,000 |
| To Purchases | 3,15,250 | By Closing stock | 98,500 |
| To Wages | 7,000 | | |
| To Gross profit | 2,00,000 | | |
| | 5,98,500 | | 5,98,500 |
| | | | |

| | | | |
|----------------------------|----------|----------------------------------|----------|
| To Administration expenses | 1,01,000 | By Gross profit | 2,00,000 |
| To Selling expenses | 12,000 | By Profit on sale of investments | 6,000 |
| To Non Operating expenses | 9,000 | | |
| To Net Profit | 84,000 | | |
| | ----- | | ----- |
| | 2,06,000 | | 2,06,000 |
| | ----- | | ----- |

Calculate:

(a) Gross Profit Ratio (b) Net Profit Ratio (c) Operating Ratio and (d) Operating Profit Ratio.
12. Prepare a Trading and Profit and Loss Account for the year ended 31.12.2003 and a Balance Sheet as on that date from the following Trial Balance.

| | Rs. | | Rs. |
|-------------------|----------|------------------|----------|
| Drawings | 45,000 | Capital | 1,60,000 |
| Goodwill | 90,000 | Bills payable | 35,000 |
| Buildings | 60,000 | Creditors | 70,000 |
| Machinery | 40,000 | Purchase Returns | 2,650 |
| Bills Receivable | 6,000 | Sales | 2,18,000 |
| Opening stock | 40,000 | | |
| Purchases | 51,000 | | |
| Wages | 26,000 | | |
| Carriage outwards | 500 | | |
| Carriage inwards | 1,000 | | |
| Salaries | 35,000 | | |
| Rent | 3,000 | | |
| Discount allowed | 1,100 | | |
| Repairs | 2,300 | | |
| Bank | 25,000 | | |
| Cash | 1,600 | | |
| Debtors | 45,000 | | |
| Bad debts | 1,200 | | |
| Sales Returns | 2,000 | | |
| Furniture | 6,000 | | |
| Advertisement | 3,500 | | |
| General expenses | 450 | | |
| | ----- | | ----- |
| | 4,85,650 | | 4,85,650 |
| | ----- | | ----- |

Adjustments:

- Closing stock was Rs. 35,000
- Depreciate Machinery and Furniture by 10%
- Outstanding wages Rs. 1,500
- Prepaid Advertisement Rs. 500
- Create 5% on debtors for bad debts as provision.

13. Bata Ltd supplies you the following balance on 31st December 2003 and 2004.

| Liabilities | 2003 | 2004 | Assets | 2003 | 2004 |
|---------------------|----------|----------|------------------|----------|----------|
| | Rs. | Rs. | | Rs. | Rs. |
| Share capital | 70,000 | 74,000 | Cash balance | 9,000 | 7,800 |
| Debentures | 12,000 | 6,000 | Bills Receivable | 4,900 | 17,700 |
| Bills payable | 11,060 | 12,640 | Stock | 49,200 | 42,700 |
| Profit and Loss A/c | 10,040 | 10,560 | Land | 20,000 | 30,000 |
| | | | Goodwill | 10,000 | 5,000 |
| | ----- | ----- | | ----- | ----- |
| | 1,03,100 | 1,03,200 | | 1,03,100 | 1,03,200 |

Following additional information has also been supplied to you:

- Dividends amounting to Rs. 3,500 were paid during the year 1986.
 - Land was purchased for Rs. 10,000.
 - Rs. 5,000 were written off on Goodwill during year.
 - Debentures of Rs. 6,000 were paid during the course of the year.
- You are required to prepare a cash flow statement.

14. From the following Receipts and Payments Account of a club and from the information supplied, prepare an Income and Expenditure Account for the year ended 31.12.2004 and the Balance Sheet as on that date.

| Receipts and Payments Account | | | |
|---------------------------------------|-------|---------------------|-------|
| | | Rs. | Rs. |
| To Balance | 350 | By Salaries | 1,400 |
| To Subscription: | | By General | |
| 2003 | 250 | expenses | 300 |
| 2004 | 1,000 | By Electric charges | 200 |
| 2005 | 200 | By Books | 500 |
| 1,450 | | By Newspapers | 400 |
| To Rent received from the use of hall | 700 | By Balance | 200 |
| To Profit from entertainment | 400 | | |
| To Sale of Newspapers | 100 | | |
| | ----- | | ----- |
| | 3,000 | | 3,000 |
| | ----- | | ----- |

- (a) The club has 50 members each paying an annual subscription of Rs. 25. Subscription outstanding on 31.12.2003 were Rs. 300.
- (b) On 31.12.2004 salaries outstanding amounted to Rs. 100. Salaries paid in 2004 included Rs. 300 for the year 2003.
- (c) On 1.1.2004 the club owned Building valued Rs. 10,000, Furniture Rs. 1,000 and Books Rs. 1,000.
- (d) Provide depreciation on furniture at 10%.

PAPER – 4 BANKING INSTITUTIONS

(For those who joined in July 2003 and after)

Time: Three hours

Maximum: 100 marks

SECTION A - (4 x 10 = 40 marks)

Answer any FOUR questions.

All questions carry equal marks.

1. What are the components of a money market?
2. Mention the role of SBI in rural credit.
3. Briefly explain the lending operations of the central cooperative banks.
4. Explain the employment of funds by commercial banks.
5. State the constitution of RBI.
6. Write a note on LIC's mutual fund.
7. Why does RBI regulates the non-banking companies?
8. Point out the objects of IDBI.

SECTION B - (3 x 20 = 60 marks)

Answer any THREE questions.

All questions carry equal marks.

9. Discuss critically the monetary policy of RBI.
10. Explain the differences between cooperative banks and commercial banks.
11. Highlight the different sources of credit information for a bank.
12. Examine the organizational structure and sources of funds of primary cooperative banks.
13. Explain the functions of NABARD.
14. Describe the functions and working of industrial Finance Corporation of India.

PAPER – 5 BANKING OPERATIONS AND PROCEDURES

(For those who joined in July 2003 or after)

Time: Three hours

Maximum: 100 marks

SECTION A (4 x 10 =40 marks)

Answer any FOUR questions. All questions carry equal marks.

1. Discuss banker-customer relationship.
2. Point out the effects of entries in the pass book which are favourable to the customer.
3. State the precautions to be taken by a banker before opening an account in the name of a minor.
4. What do you mean by MICR cheques? State its advantages.
5. What do you understand by payment in due course?
6. Explain any four types of endorsements.
7. What do you mean by STEPs?
8. What is a letter of credit?

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions. All questions carry equal marks.

9. State and explain the circumstances under which a banker can exercise lieu.
10. What precautions should a banker generally take while opening an account in the name of a (a) Trust, (b) Married woman, (c) Minor (d) Partnership firm?
11. When can a banker refuse payment for cheques?
12. Define crossing and explain different types of crossing.
13. Discuss the statutory protections as available to a paying banker.
14. Define guarantee and analyse various kinds of guarantee.

PAPER – 6 BANK MANAGEMENT

(For those who joined in July 2003 or after)

Time: Three hours

Maximum: 100 marks

SECTION A - (4 x 10 =40 marks)

1. Distinguish between Management and Administration.
2. Explain the Empirical school of Management Thought.
3. Discuss how social and cultural environment is needed in banking services.
4. Briefly explain the powers, and duties of a bank manager?
5. What are the recommendations of Narashiman Committee on the negative impact of nationalisation?
6. Briefly explain the impact of LPG on Commercial Banks.
7. Explain the importance of policies for the success of Banks.
8. Distinguish between strategic planning and tactical planning.

SECTION B - (3 x 20 =60 marks)

Answer any THREE questions.

9. "Managers are born and not made" - Discuss.
10. Elucidate to contributions of P.F.Drucker towards management thought.
11. Explain the role of Bank Managers in decision making process.
12. What is the strategic planning? Explain the types of strategies.
13. Define man power planning. Explain the objectives of man power planning.
14. Define Functional Organisation and explain the advantages and disadvantages of Functional Organisations.

PAPER – 7 BANKLENDING - POLICY AND TECHNIQUES

(For those who joined in July 2003 or after)

Time : Three hours

Maximum: 100 marks

SECTION A - (4 x 10 =40 marks)

Answer any **FOUR** questions

1. "Loans are major sources of deposits" - Explain.
2. Explain the different types of Bank advances.
3. What do you mean by scheduling of loan in a Bank?
4. What is Lease financing? What are the advantages of Leasing?
5. What is project financing? What are the characteristics of project financing?
6. Explain the role of Banker as a Guarantor.
7. Explain consortium lending by Commercial Banks.
- 8.. What are the difficulties of Commercial banks in financing industries?

SECTION B - (3 x 20 =60 marks)

Answer any **THREE** questions.

9. Explain the precautions to be taken by the Banker while lending against guarantees.
10. Explain the refinance facilities available to Commercial Banks from the National Housing Bank.
11. Explain the role of Commercial Banks in providing short term finance for industries.
12. Explain the various types of analysis of financial statements for sanctioning loans.
13. Explain the process of documentation to be followed by the commercial banks while advancing different types of loans to customers.
14. Explain the principles of sound lending.

PAPER – 8 FOREIGN EXCHANGE MANAGEMENT

(For those who joined in July 2003 or after)

Time : Three hours

Maximum: 100 marks

SECTION A - (4 x 10 =40 marks)

Answer any **FOUR** questions.

All questions carry equal marks.

1. State the important dealers in the foreign exchange market.
2. What are the methods by which a bank may quote the rate of exchange?
3. What are options? What are the features of option contracts?
4. Discuss various internal hedging methods.
5. Give the recent trends in the composition of foreign exchange reserves in India.
6. What are the merits and demerits of convertibility?
7. What do you mean by flexible exchange rate? What are its advantages?
8. Give an account of the features of forward contract.

SECTION B - (3 x 20 =60 marks)

Answer any **THREE** questions.

All questions carry equal marks.

9. Discuss the various causes of changes in the exchange rate.
10. Give rules and regulations with regard to forward contract in India.
11. Explain in brief the external hedging methods.
12. Give the trends and management of foreign exchange reserves of India.
13. Give the various objectives of exchange control in India. ..
14. Explain the various factors influencing translation gains or losses.