

Enrolment No./Seat No.:

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**BBA - SEMESTER - VI EXAMINATION - SUMMER 2025**

**Subject Code: 1560106**

**Date: 19-05-2025**

**Subject Name: Indian Banking System**

**Time: 10:30 AM TO 01:00 PM**

**Total Marks: 70**

Instructions

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.

	<b>Marks</b>
<b>Q.1</b> Attempt ANY 7	<b>14</b>
(a) Explain how banks contribute to the economic development of a country.	
(b) What is the difference between commercial banks and cooperative banks?	
(c) Why is the Reserve Bank of India called the “regulator” of the Indian banking system?	
(d) Explain the meaning of branch banking with an example.	
(e) How did banking evolve in India after independence?	
(f) What is KYC in banking ?	
(g) What are the benefits of using a credit card for customers?	
(h) Explain different types of bank accounts	
<b>Q.2</b> Multiple Choice Questions ( All Compulsory )	<b>14</b>
(1) Which of the following is <b>NOT</b> a type of banking system? A) Unit banking B) Branch banking C) Chain banking D) Double-entry banking	
(2) The <b>main function</b> of the Reserve Bank of India is: A) Providing personal loans B) Selling mutual funds C) Regulating and supervising banks D) Managing the stock market	

- (3) Which of these is a **development bank** in India?
- A) ICICI Bank
  - B) NABARD
  - C) HDFC Bank
  - D) Canara Bank
- (4) RRBs stand for:
- A) Reserve and Revenue Banks
  - B) Regional and Rural Banks
  - C) Regional Rural Banks
  - D) Rural Reserve Boards
- (5) Which type of advance is **secured**?
- A) Credit card loan
  - B) Loan against property (mortgage)
  - C) Personal loan
  - D) Overdraft without collateral
- (6) Under **KYC norms**, banks are required to collect:
- A) Customer's educational certificates
  - B) Proof of identity and address
  - C) Customer's employment letter
  - D) Previous year tax returns
- (7) Which payment system settles transactions **immediately in real time**?
- A) NEFT
  - B) RTGS
  - C) UPI
  - D) Cheque clearing
- (8) What is **Neo Banking**?
- A) Using ATMs to withdraw cash
  - B) Traditional banking through mobile apps
  - C) Fully digital banks without physical branches
  - D) Mobile banking provided by public banks
- (9) What is the role of **CIBIL** in banking?
- A) Issue insurance policies
  - B) Maintain and provide credit scores
  - C) Approve housing loans
  - D) Supervise cooperative banks
- (10) Which loan type is usually used to buy consumer goods like appliances?
- A) Housing loan
  - B) Vehicle loan
  - C) Consumer loan
  - D) Educational loan

- (11) Which act helps banks recover **non-performing assets (NPAs)**?
- A) Companies Act
  - B) Banking Regulation Act
  - C) SARFAESI Act
  - D) Income Tax Act
- (12) Which type of account is most suitable for **frequent transactions**?
- A) Fixed deposit account
  - B) Savings account
  - C) Current account
  - D) Recurring deposit account
- (13) Who among the following can **open a joint bank account**?
- A) Only one individual
  - B) Only minors
  - C) Two or more individuals together
  - D) Only companies
- (14) Which of the following is an example of an **electronic funds transfer system**?
- A) Demand draft
  - B) Cheque
  - C) NEFT
  - D) Cash deposit

**Q.3 (a)** Explain the structure of the Indian banking system **07**

**(b)** Mr. Patel wants to open a savings account at a bank. Explain the steps he must follow to open the account **07**

**OR**

**(a)** Explain the role of RBI as regulator of banking system in india **07**

**(b)** A small business applies for an overdraft facility. How does an overdraft work, and what conditions typically apply? **07**

**Q.4 (a)** Explain what a credit card is and discuss its key benefits and disadvantages for the user. **07**

**(b)** Mr. Sharma took out a business loan from a commercial bank to expand his textile business. Due to unforeseen market fluctuations, he has been unable to repay his loan installments for the past 90 days. According to banking norms, what category of asset would this loan likely be classified under? Provide a brief explanation. **07**

**OR**

**(a)** Can you briefly explain one method banks use to recover NPAs? **07**

- (b)** A cooperative bank has a significant amount of outstanding loans that have been classified as NPAs. To improve its financial health, suggest one common method the bank can utilize to recover these bad loans. **07**

**Q.5 (a)** Explain major digital financial services offered by bank **07**

- (b)** Digital financial services like UPI and mobile banking have gained significant traction in India. Analyze 5 key advantages that these services offer to bank customers compared to traditional banking methods. **07**

**OR**

- (a)** Explain how microfinance products and services contribute to financial inclusion, particularly for underserved populations in India. **07**

- (b)** Compare and contrast the key features and purposes of NEFT and RTGS systems in India, and briefly discuss the advantages of online payment systems over traditional payment methods. **07**

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