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MODERN BANKING THEORIES
AND PRACTICE

SECOND PAPER

Full Marks : 100

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. Answer any five questions from the following : 5×5=25
- (a) What do you mean by the word 'consolidation of banks'?
 - (b) Define a banker and describe the banker-customer relationship.
 - (c) Write a short note on 'online banking products'.
 - (d) What are the main development functions of RBI?
 - (e) What is retail banking? How does it differ from corporate banking?
 - (f) Explain the terms 'exposure at default' and 'probability of default'.
 - (g) What parameters are used for measuring 'industry risk'?

2. Answer any *three* questions from the following : 10×3=30

- (a) What is the motive behind performance assessment of a bank? What purpose does it serve?
- (b) Discuss the various measures that the banks adopt to recover the NPAs.
- (c) Discuss credit risk, market risk and operational risk in the context of BASEL—II.
- (d) Describe the structure of internet banking. What are the advantages of internet banking?
- (e) Discuss the various types of consumer loans. How does bank earn revenue from consumer loans?

3. Answer any *three* questions from the following : 15×3=45

- (a) Discuss the various types of products and services offered by Barclays Bank. Why is Barclays considered to be the most innovative in the international banking industry?
- (b) Discuss some of the reform processes initiated by RBI after the economic liberalization process.

- (c) Suggest measures for improving credit rating systems followed by a bank. Identify some of the deficiencies/lapses in the credit monitoring systems.
- (d) What are the major technological breakthroughs in the banking technology? Discuss the various hardware components of an ATM.
- (e) Explain the mechanism of a consortium approach to corporate financing. What are the benefits of having consortium approach to financing?

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