

Time: 3 hours
Max marks: 100

Note: 1. Answer any five full questions including question No 8 which is Compulsory

2. All main questions carry 20 marks each

- 1.a) How is capital Adequacy Ratio arrived at? (3 marks)
b) Explain the various types of charging of securities. What is the difference? Between pledge and hypothecation? (7 marks)
c) Explain the concept of Lead Bank scheme in India? How does it help overall banking development of a particular district? (10 marks)

- 2.a) What is debt equity ratio? How do you calculate it? (3 marks)
b) How does an effective Credit portfolio management take place? (7 marks)
c) What are the various types of agricultural loans? Explain the general appraisal norms for agricultural loans (10 marks)

- 3a) What is assignment? Give examples of loans where assignment as a charge is created (3 marks)
b) What is pre sanction appraisal? How does a banker make an effective Pre sanction loan appraisal (7 marks)
c) What is term lending? How do you appraise a term loan proposal of Small Scale and large scale industries? (10 marks)

- 4a) What is the concept of Kisan Credit card? (3 marks)
b) How do you evaluate consumer loans? What is the difference between fixed and floating rate of interest (7 marks)
c) What is working capital finance? What are the methods of assessment of Working capital finance? (10 marks)

- 5a) What is a back to back letter of credit? (3 marks)
b) What is pre shipment finance? What are the pre-sanction and post-sanction Requirements of this credit facility to exporters? (7 marks)
c) What is a cash flow statement? In what context it is used? What are its Limitations? (10 marks)

- 6 a) What is securitization of debts? (3 marks)
b) What are the accounting ratios that banks follow for considering short term and long term loans? (7 marks)
c) Explain the role and functions of EXIM Bank. What are its facilities Offered by exporters? (10 marks)

- 7 a) How do you arrive at Current ratio? (3 marks)
b) What are the post sanction follow up measures banks are expected to take in respect of loans and advances sanctioned by them? (7 marks)
c) Explain the prudential norms with regard to income recognition, Asset classification and provisioning for NPAs (10 marks)

8. Case study on Charging of securities (Theory 5 marks, case 15)