

JB ACADEMY, AYODHYA
ANNUAL EXAMINATION/Class - XI (2024-2025)
BANKING (SUBJECT CODE -811)

Max. Time: 3 Hours

Max. Marks: 60

General Instructions:

1. Please read the instructions carefully.
2. This Question Paper consists of 24 questions in two sections – Section A & Section B.
3. Section A has Objective type questions whereas Section B contains Subjective type questions.
4. Out of the given (6 + 18 =) 24 questions, a candidate has to answer (6 + 11 =) 17 questions in the allotted (maximum) time of 3 hours.
5. All questions of a particular section must be attempted in the correct order.

SECTION A - OBJECTIVE TYPE QUESTIONS (30 MARKS)

- i. This section has 06 questions.
- ii. There is no negative marking.
- iii. Do as per the instructions given.
- iv. Marks allotted are mentioned against each question/part.

SECTION B – SUBJECTIVE TYPE QUESTIONS (30 MARKS)

- i. This section contains 18 questions.
- ii. A candidate has to do 11 questions.
- iii. Do as per the instructions given.
- iv. Marks allotted are mentioned against each question/part.

SECTION A: OBJECTIVE TYPE QUESTIONS

Q. 1 Answer any 4 out of the given 6 questions on Employability Skills (1 x 4 = 4 marks)

- i. Which of these is a positive (good) facial expression?
 - a) Staring hard
 - b) Nodding while listening
 - c) Wrinkled forehead
 - d) Looking away from the speaker
- ii. Mr B works hard to get the best employee award at the end of the year. Which type of motivation is this?
- iii. Choose the correct example of oral communication.
 - a) Reports
 - b) Newspapers
 - c) Face-to-face interaction
 - d) Notes
- iv. _____ refers to the things people do to keep themselves neat and presentable.
 - a) Appearance
 - b) Grooming
 - c) streak
 - d) strip
- v. _____ is an exercise that entrepreneurs do to understand whether there is a market for what they have to offer.
 - a) Customer survey
 - b) Business Idea
 - c) Business Planning
 - d) Customer Style
- vi. What makes you complete your work or studies without others cheering you?
 - a) Self-confidence
 - b) Communication
 - c) Self-motivation
 - d) Self-esteem

Q. 2 Answer any 5 out of the given 7 questions

(1 x 5 = 5 marks)

i. What is a "Banking Company" as per the Banking Regulation Act?

- a) A company engaged in manufacturing financial instruments
- b) A company that transacts the business of banking in India
- c) A government body regulating banks
- d) A firm providing insurance services

ii. Why do bankers review financial documents such as bank statements and loan applications daily?

- a) To increase their personal knowledge
- b) To alert authorities in case of fraudulent activities
- c) To promote banking services
- d) To assist customers in investment planning

iii. What is one of the primary duties of a banker?

- a) Helping clients fulfil their financial needs
- b) Selling insurance policies
- c) Investing in the stock market
- d) Managing real estate properties

iv. According to the Banking Regulation Act, 1949, which of the following is a primary function of a commercial bank?

- a) Granting loans and advances
- b) Selling insurance policies
- c) Providing legal advice
- d) Conducting stock market investments

v. What is the role of the Reserve Bank of India (RBI)?

- a) Accepting deposits from the public
- b) Lending money to individuals
- c) Acting as the central bank of the country
- d) Running profit-making businesses

vi. In what form do banks provide loans and advances?

- a) Overdrafts and cash credits
- b) Real estate investments
- c) Mutual funds
- d) Business ownership

vii. What document must be signed by all joint account holders at the time of opening the account?

- a) Partnership deed
- b) Memorandum of Association
- c) Mandate containing clear instructions
- d) Trust deed

Q. 3 Answer any 6 out of the given 7 questions

(1 x 6 = 6 marks)

i. What is the primary relationship between a banker and a customer when a customer deposits money in the bank?

- A) Agent and Principal
- B) Debtor and Creditor
- C) Lessor and Lessee
- D) Pledger and Pledgee

ii. Which of the following is not a feature of a Current Account?

- A) No limitation on the number of transactions.
- B) Banks pay interest on the balance maintained.
- C) Overdraft facility is available.
- D) Higher minimum balance requirement compared to a Savings Account.

iii. What is the primary objective of KYC (Know Your Customer) guidelines in banking?

- A) To track customer spending habits
- B) To prevent banks from being used for money laundering
- C) To offer personalized banking services
- D) To increase the number of bank customers

iv. Which of the following is a characteristic of a cheque under the Negotiable Instruments Act, 1881?

- a) It requires acceptance before it can be presented for payment.
- b) It is always drawn on a specified banker and is payable on demand.
- c) It can only be payable to the drawer.
- d) It is only payable after a specified period of time.

v. Which type of cheque can be transferred by mere delivery without the need for an endorsement?

- a) Crossed cheque
- b) Order cheque
- c) Bearer cheque
- d) Post-dated cheque

vi. What is the primary difference between a Promissory Note (PN) and a Bill of Exchange (BE)?

- a) A PN is always drawn on a bank, while a BE is not.
- b) A PN contains a promise to pay, while a BE contains an order to pay.
- c) A BE is payable on demand, while a PN is not.
- d) A BE requires acceptance, while a PN does not.

vii. What is the effect of a "Not Negotiable" crossing on a cheque?

- A) It restricts the transferability of the cheque.
- B) It allows the holder to claim a better title than the transferor.
- C) It deprives the holder of the cheque from obtaining a better title than the transferor.
- D) It makes the cheque non-transferable

Q. 4 Answer any 5 out of the given 6 questions

(1 x 5 = 5 marks)

i. Which of the following is required for a valid endorsement of a negotiable instrument?

- A) The endorsement must be made only on the back of the instrument.
- B) The endorsement must transfer the entire instrument and not just a part of it.
- C) The endorsement must be done by the maker or drawer of the instrument.
- D) The endorsement must include the specified event for conditional endorsement.

ii. When a negotiable instrument is dishonoured by non-payment?

- A) The instrument becomes invalid and cannot be enforced.
- B) The parties involved cannot be held liable.
- C) The holder can take legal action against the drawer and endorsers.
- D) The bank automatically settles the payment.

iii. Which of the following statements about an overdraft facility is true?

- A) Overdrafts are only provided against security like Fixed Deposits.
- B) Overdrafts allow a borrower to withdraw more money than is available in their account.
- C) Overdrafts are always long-term financial arrangements.
- D) Overdrafts do not have any interest or fees.

iv. Which of the following statements about consumer durable loans is true?

- A) They require collateral for approval.
- B) They are categorized under personal loans and have higher interest rates.
- C) They cannot be foreclosed before the full loan tenure.
- D) They are only available for electronic gadgets.

v. What is the typical CIBIL score range used to assess an individual's creditworthiness?

- A) 100 to 800
- B) 200 to 850
- C) 300 to 900
- D) 400 to 1000

vi. Which of the following is not one of the 5 Cs of lending?

- A) Character
- B) Capacity
- C) Collateral
- D) Convenience

Q. 5 Answer any 5 out of the given 6 questions

(1 x 5 = 5 marks)

i. Who must give notice of dishonour in case of non-acceptance or non-payment of a negotiable instrument?

- A) Only the bank
- B) Any stranger who is aware of the dishonour
- C) The government authority
- D) The holder or a liable party to the instrument

ii. What does Section 5(b) of the Banking Regulation Act, 1949 define?

- a) Structure of financial markets
- b) Meaning of banking
- c) Functions of RBI
- d) Role of foreign banks in India

iii. Which of the following statements is true regarding a pledge?

- A) Ownership of the goods is transferred to the pledgee.
- B) A pledge is created only when goods are physically delivered to the lender.
- C) The pledger retains ownership of the goods while delivering them as security.
- D) No actual or constructive delivery of goods is required to create a pledge.

iv. Which of the following is NOT a right of a pledgee?

- A) The right to sell the pledged goods after giving reasonable notice to the pledger.
- B) The right to retain possession of the goods if the pledger defaults on repayment.
- C) The right to claim surplus proceeds from the sale of pledged goods.
- D) The right to recover extraordinary expenses incurred for preserving the pledged goods.

v. Which of the following is NOT an advantage of an equitable mortgage?

- A) No stamp duty and registration charges are payable.
- B) The mortgagor's credit remains unaffected as the transaction is not publicly registered.
- C) The mortgagee gains fewer rights compared to a legal mortgage.
- D) It is easily and inexpensively acquired.

- vi. What is the principal risk associated with an equitable mortgage?
- A) The borrower may execute a legal mortgage in favour of another party.
 - B) The mortgagee can never recover the loan amount.
 - C) The mortgaged property cannot be sold under any circumstances.
 - D) The mortgagee is required to pay additional legal charges.

Q. 6 Answer any 5 out of the given 6 questions

(1 x 5 = 5 marks)

i. What is the primary purpose of crossing a cheque?

- A) To allow the cheque to be cashed at any bank counter
- B) To ensure the payment is made only through a banker
- C) To increase the value of the cheque
- D) To allow multiple endorsements without restrictions

ii. What does "Account Payee Only" crossing on a cheque indicate?

- A) The cheque can be cashed over the bank counter
- B) The cheque can be credited to any account
- C) The cheque must be credited only to the payee's account
- D) The cheque can be transferred multiple times freely

iii. What is the effect of a "Not Negotiable" crossing on a cheque?

- A) The cheque cannot be transferred at all
- B) The cheque can be transferred, but the transferee does not get a better title than the transferor
- C) The cheque must be deposited into the payee's account only
- D) The cheque becomes invalid for payment

iv. Which section of the Negotiable Instruments Act protects the collecting banker from liability if a cheque with a defective title is collected in good faith?

- A) Section 130
- B) Section 123
- C) Section 131
- D) Section 126

v. When is a negotiable instrument considered dishonoured by non-payment?

- A) When the drawee refuses to accept the bill of exchange
- B) When the instrument remains unpaid after its due date
- C) When the instrument is lost before the due date
- D) When the drawer cancels the instrument before maturity

vi. Which of the following statements is true regarding Savings Accounts in India?

- A) Banks are not allowed to offer interest on Savings Accounts.
- B) RBI regulates Savings Account interest rates and sets them at 4% for all banks.
- C) Banks calculate interest on Savings Accounts using the daily balance method.
- D) Overdraft facility is always provided for Savings Accounts.

SECTION - B: SUBJECTIVE TYPE QUESTIONS

Answer any 3 out of the given 5 questions on Employability Skills

(2 x 3 = 6 marks)

Answer each question in 20 – 30 words.

- Q7. What are the two ways of understanding the market?
Q8. What are the barriers to communication?
Q9. Explain the two major communication styles.
Q10. Briefly describe about the Business Cycle.(in brief)
Q11. Write about the important factors that influence Team Building.

Answer any 3 out of the given 5 questions in 20 – 30 words each

(2 x 3 = 6 marks)

- Q.12. State two objectives of nationalisation of Public Sector Bank.
Q. 13. State the purpose of issuing Pass Book from bank to customer.
Q. 14. What is liquid asset and explain when an asset is considered liquid?
Q.15. List two points of distinction between 'Call Money' and 'Notice Money'.
Q. 16. What does Notice of dishonour means?

Answer any 2 out of the given 3 questions in 30– 50 words each

(3 x 2 = 6 marks)

- Q. 17. State any 3 initiatives taken by RBI in improving the payment mechanism.
Q. 18. What is Money Laundering? What are the objectives of prevention of Money Laundering?
Q. 19. State the effects of Endorsement.

Answer any 3 out of the given 5 questions in 50– 80 words each

(4 x 3 = 12 marks)

- Q. 20. Explain the characteristics of Negotiable instrument? (Any Four)
Q. 21. Explain the concept of Overdraft? State any three of its limitation?
Q. 22. What are the functions of RBI?
Q. 23. What is the difference between Cash Credit and Overdraft Facility.
Q. 24. Compare the characteristics of Bills of Exchange and Promissory Note?