

Time : 2 1/2 Hrs.

Marks : 75

**Instructions :** 1. All questions are compulsory, subject to internal choice.  
2. Figures to the right indicate full marks.

**Q1. Answer the followings (Any Three) (15)**

- Explain the concept of Universal Banking.
- Write a note on "Bancassurance".
- Explain the term Project Lending.
- Explain the concept of Consumers Finance.
- Write a note on the concept of "Asset Liability Management".

**Q.2 Answer the followings (Any Three) (15)**

- State the present trends in Universal Banking in India.
- Explain the concept of Merchant Banking.
- What is the difference between Development Banking and Commercial Banking?
- Explain the concept of Mutual Fund.
- What is the need of Universal Banking?

**Q.3 A. What are the functions of Asset Liability Management. (8)**

- B. Explain the recommendations of Khan Working Group on Universal Banking. (7)**

**OR**

**C. State the limitations of Universal Banking. (8)**

**D. Explain the nature of Glass Stegal Act and Gramm -Leach Bliley Act. (7)**

**Q.4 A. Identify the Risks involved in Project Lending. (8)**

- B. Explain the recommendations of Narasimhan Committee - II on Universal Banking. (7)**

**OR**

**C. What are the challenges before Universal Banks in India? (8)**

**D. Identify the services rendered by Merchant Banks. (7)**

**Q.5 Case Study (15)**

Introducing a new concept of niche banking in India, RBI issued final norms for payment banks and small finance banks that would allow mobile firms and supermarket chains, among others, to enter the banking arena to cater to individuals and small businesses. The move, aimed at deepening financial

inclusion and boost saving habits.

As per the guidelines, those seeking to set up these two new categories of banks would need minimum Rs 100 crore of capital and fulfill the necessary 'fit and proper' criteria, among other conditions. Those interested, would need to apply before January 16, 2015. Among others, existing Non-Banking Financial Institution (NBFCs) and micro finance lenders would be allowed to set up small finance banks, while large public sector enterprises and big industrial houses would not be allowed to establish such banking entities.

Payment banks, will initially be restricted to holding a maximum balance of Rs 1 lakh per individual customer. They will be allowed to issue ATM/debit cards as also other prepaid payment instruments, but not the credit cards. They can also distribute non-risk sharing simple financial products like mutual funds and insurance products, but Non Resident Indians will not be allowed to open accounts.

1. Which business limitations are imposed on payment banks? (2)
2. Explain the term Non-Banking Financial Institutions. (3)
3. Explain the concept of Financial Inclusion. (3)
4. What are the basic criteria's to start new types of banks? (2)
5. Explain the need and requirement of small and payment banks. (5)