

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 4

NOTE : Answer ALL Questions.

1. Following information is given on Ratios and the figures for Balance Sheet items of M/s Way to Wisdom Company as on March 31, 2017. Net Sales of the company for the Financial Year 2016-17 was Rs 20 lakh.

1	Debt Assets Ratio	0.6
2	Debtors Turnover Ratio based on Net Sales	2.0
3	Inventory turnover ratio	1.25
4	Fixed Assets turnover ratio	0.80
5	Net Profit Margin	5%
6	Gross Profit Margin	25%
7	Return on investment	2%

Balance Sheet as at March 31, 2017

Liabilities	Amount	Assets	Amount
	(in Rs)		(in Rs)
Equity	?	Net Fixed Assets	?
Long Term Debts	?	Inventory	?
Short Term Debts	1000000	Debtors	?
		Cash	?
Total	?	Total	?

: 2 :

On the basis of given details :

(a) Compute the Balance Sheet items and prepare Balance Sheet of the Company as on March 31, 2017.

(20 marks)

(b) Calculate working capital requirement with a provision for contingencies @ 10% of net working capital.

(10 marks)

(c) Out of the 7 ratios mentioned, which are more important for working capital lending and why? As a banker give your comments on these ratios of the company.

(15 marks)

(d) Do you agree that working capital is the long term investment in Operating Current Assets ?

(5 marks)

2. (a) Comments on the following :

(i) Know Your Customer (KYC)

(ii) Important Instruments of financial markets,

(5+5=10 marks)

: 3 :

(b) What are the objectives and guidelines for Corporate Governance in Banking System ?

(10 marks)

(c) Presently the Biggest challenge before the Banks in India is Non Performing Assets (NPAs). What are the legal tools available with banks for resolution of NPAs ?

(10 marks)

3. Answer the following questions in brief :

(a) 'Cross Border Risk' and 'Currency Risk' in relation to international banking business.

(b) Bretton Woods System paved the way for the formation of three important multilateral international institutions. Name them.

(3+2=5 marks)

4. Bank X entered into a spot Forex deal with Bank Y. Bank X agreed to sell US\$ 1 million to Bank Y at a particular exchange rate. On the date of delivery, Bank Y settle the equivalent rupee funds to Bank X. However Bank X could not deliver the US\$ 1 million.

Examine the above case with reference to Credit Risk and Market Risk involved.

(5 marks)

5. (a) What are the Cyber Crimes ? How Cyber Crimes can be managed ?

(b) Narrate the Preventative Controls and Detective Controls to handle IT related issues and risks in Banks.

(3+2=5 marks)

6. Which type of charge is more suitable in respect of each of the following security ?

- (i) Bank Deposits
- (ii) Book Debts
- (iii) Immovable Property
- (iv) Movable Stock
- (v) Plant and Machinery

(5 marks)

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