Seat No.: _____   Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA– SEMESTER - IV-EXAMINATION- SUMMER-2023

Subject Code: 4549292   **Date: 21/06/2023**
Subject Name: Banking
Time: 10:30 AM TO 01:30 PM   **Total Marks: 70**

Instructions:

    1. **Attempt all questions.**
    2. **Make Suitable assumptions wherever necessary.**
    3. **Figures to the right indicate full marks.**
    4. **Use of simple calculators and non-programmable scientific calculators are permitted.**

Q.1		Briefly explain the below mentioned terms.	**14**
	(a)	Plastic Money	
	(b)	NPA	
	(c)	Microfinance	
	(d)	Retail Banking	
	(e)	Participatory Note	
	(f)	Merchant Banking	
	(g)	International Banking	
Q.2	**(a)**	Differentiate: Retail Banking V/S Wholesale Banking	**07**
	(b)	Classified Banker Customer Relationship in Detail	**07**
		OR	
Q.2	**(b)**	What are the opportunities of retail banking in India? Explain it.	**07**
Q.3	**(a)**	Discuss the characteristics of a saving bank account offered by any nationalize bank in India.	**07**
	(b)	Define NEFT and RTGS. Differentiate : RTGS V/S NEFT	**07**
		OR	
Q.3	**(a)**	Brief KYC. Why it is required to submit?	**07**
	(b)	Explain the features of Digital Wallets.	**07**
Q.4	**(a)**	Elaborate the concept of Unified Payments Interface (UPI) and discuss its Mechanism and Services	**07**
	(b)	Suppose Mr. M is a salaried person earning Rs 7 Lakh per year is in need of home loan to buy its own home. Guide him regarding different home loan features and documentations requires for the same.	**07**
		OR	
Q.4	**(a)**	Are you in favor of internet banking service or against it? Justify your answer with proper explanation for your view.	**07**
	(b)	What is a credit card? Discuss the advantages and disadvantages for using credit card as a customer.	**07**

Q.5 CASE STUDY:
Scam in Indian banking industry

According to RBI, Fraud is defined as, "A deliberate act of omission or commission **07** by any person, carried out in the course of banking transactions or in the books of accounts maintained manually or computerized system in banks, resulting into wrongful gain to any person for a temporary period otherwise, with or without any monetary loss to the bank.

An efficient and good banking system is the requirement for the proper functioning of economy. The banking industry since it has begun to grow rapidly is also facing many challenges because of it. Recent frauds have shown that the bank is vulnerable to many risk including fraud, scam etc., banking fraud is a criminal act. At a time when bank's objective is recapitalization, scams are big problem for banking industry in general. A default of 12700 crore was found in PNB. Nirav Modi is an Indian diamond merchant, who is the owner of Gitanjali gem and Firestar. Nirav Modi wanted to import diamonds, so he had required money and, therefore, had requested to PNB for loan. But PNB put a clause that it will give you the loan but charge 10% interest. Nirav thought hard and said, no that is too much. Then, Nirav Modi decided to take loan from overseas bank because the interest rate of overseas bank was very low, the rate of interest was only LIBOR+2, and LIBOER was like 1.5%. PNB gave LOU (letter of undertaking) to Nirav Modi and his company without following proper procedure and without recording transaction in core banking transaction. A LOU (letter of undertaking is a guarantee by issuing bank to the receiving bank and the company that would commit to pay a certain sum of money on a specific date.

PNB claimed that Nirav Modi and his company got a loan worth 1.77 billion through a false bank guarantee. In this way Nirav got a loan from the foreign branch of Indian bank. In order to avoid detection, they bypassed the lender's internal message system.

(a) Explain the stages of money laundering from the above case study. **07**

(b) What are the damages caused by the money laundering to the society and financial **07** institute?

OR

(a) Explain various steps taken by the regulators to control money laundering **07**

(b) NPA is arising due to money laundering. What are the steps a bank should take to **07** control NPA?

*****