**JAIPURIA INSTITUTE OF MANAGEMENT, INDORE**

**PGDM**

**FOURTH TRIMESTER (Batch 2019-21)**

**END TERM EXAMINATION, OCT- NOV-2020**

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| Course Name | **Banking Operations** | Course Code | **FIN 404** |
| Max. Time | **2 hours** | Max. Marks | **40** |

**INSTRUCTIONS:**

**Q1.** In coming times, it is expected to work faster with no error. This is possible by using AI in banking sector as well. Indian banking sector has started adopting AI in their everyday banking.

Considering the above statement, explain applicability along with benefits of AI in context of Indian Banking. **(8 Marks)**

**Q2.** Of late, few payments and small banks have been given licenses to operate their business within the country. After demonetization, new currencies have been brought in while some of the earlier ones, withdrawn. In the face of slowdown in economy, certain policy rates have been altered under the Monetary Policy, to give a boost to economy. It is now easier for any resident to avail foreign exchange with liberal limits from its bank for going abroad on personal or business trip.

In the back drop of the above, please identify and describe various function of the regulator of Banking in our country? **(8 Marks)**

**Q3.** After demonetization, many small businesses could not repay their due instalments to their banks, they borrowed money from. Kingfisher Air lines borrowed huge limits from different banks and did not return, partly due to loss in business. The promotor has other businesses and assets in India and abroad from where he could have paid Kingfisher’s dues, but he did not. In the case of Neerav Modi, Banks Guarantees worth of hundreds of crores were issued through SWIFT by the concerned bank but these guarantees were not on banks’ record. In the recent case of Yes bank NPA increased disproportionately and it is alleged that loans were given to select sectors and groups without proposer appraisal. Also, NPAs were not correctly reported during previous periods inflating the profit of the bank.

Considering above cases, in view of the above, highlight some of the sound practices from the point of view of Board of Directors and Audit Committee which aim to help national authorities and firms to continue to improve their risk governance. **(8 Marks)**

**Q4.** A customer approaches you with a proposal for an advance against an urban immovable property. As Branch Manager, what are the factors which you would examine in considering the proposal? **(8 Marks)**

**Q5.** News Excerpts from Economic times dated July 18, 2020: “The continued slowdown in economic activity has led to a decrease in retail loan origination, sale of third-party products, use of credit and debit cards by customers, efficiency in collection efforts and waivers of certain fees,’’ .

Considering this statement, state reasons which has hit sale of third party products. **(8 Marks)**