

**SVKM's NMIMS**  
**NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION**

Programme: PGDBFM

Academic year: 2014 – 2015

Subject: Advance and Credits

Date: 21.06.2014

Semester: IV

Course : New

Marks : 70

Time: 3.00 p.m. to 6.00 p.m.

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**Instructions:**

1. Answer to each new question to be started on a fresh page.
2. Figures in bracket indicate full marks.

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**Q.1) Attempt any 2 out of 4**

**(Marks: 2X5=10)**

- a) What are the key principles of good lending?
- b) Define cash credit system of lending. Against which securities this facility is given?
- c) What are the RBI guidelines regarding Priority Sector lending?
- d) How is working capital calculated as per the first method of lending under Tandon Committee?

**Q.2) Write short notes on (2 out of 5)**

**(Marks: 2X5=10)**

- a) What is the meaning of working capital?
- b) How working capital limit is assessed by cash budget method?
- c) What is equitable mortgage?
- d) What is base rate? Who determines the same? On what basis is base rate arrived at?
- e) Give the Salient features of Banker's fair practices code.

**Q.3) Attempt any 3 out of 5**

**(Marks: 3X10=30)**

- a) What are the key methods of post shipping finance?
- b) What are the six different modes of charging securities, so that such securities are available to the bank for sale, in case of default?
- c) What is consortium lending? What are RBI guidelines in this regard?
- d) What is the meaning and concept of corporate rating?
- e) Explain the mechanism of issuing letter of credit. What are the important types of letter of credit?

**Q.4) Attempt both the questions**

**(Marks: 2X10=20)**

- a) What is term loan? Write on the term loan appraisal.
- b) What are the key guidelines issued by RBI for advances to MSME sector?

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