

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

Programme: PGDBFM

Examination: December 2015
Subject: Advance and Credits

Semester: IV

Course : New

Marks : 70

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

Date: 18.12.2015

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 non performing assets? What are the classifications within NPA?
- b) Banks have to invest in a professional manner to improve profitability. Mention the specific guidelines for investing in Government securities and shares by banks.
- c) Define cash credit? Write the precautions to be taken for advances against hypothecation of stock?
- d) Working capital can be calculated as per the first method of lending or the second method of lending under Tandon Committee. What is the difference between Method I or II? Which method the borrower will prefer and which method is safe for the banker?

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

(Marks: 2X5=10)

- a) Write a short note on performance guarantee?
- b) What are types of advances which are considered as advances against the borrower's own deposits?
- c) Write a note on Nayak Committee on SSI lending?
- d) What are the different types of letter of credit?
- e) How the number of days of a working capital/ operating cycle is arrived at?

Q.3) Attempt any 3 out of 5

(Marks: 3X10=30)

- a) Explain the meaning and concept of four sections of the corporate rating.
- b) What are key guidelines issues by RBI regarding Micro, Small and Medium enterprises?
- c) Write on the following interest rates applicable to loans.
 - a. Base rate
 - b. Floating rate
 - c. Fixed rate
 - d. Penal interest rate
- d) Explain Micro finance, Self help groups. What are the criteria for assessing SHG for financing by banks?
- e) What are criteria to be looked into while appraising term loan?

Q.4) Attempt both the questions

(Marks: 2X10=20)

1) Write on the following methods of working capital assessment:-

- a) Turnover method,
- b) Cash budget method,
- c) Projected balance sheet method.

2) Write on the following methods of creating a charge over securities. Give examples for each.

1. Pledge
2. Hypothecation
3. Assignment
4. Mortgage
