INDIRA UNIVERSITY, PUNE

SCHOOL OF BUSINESS- MBA

Term End Examination (2025 Pattern) April- May – 2026- Semester – II

Course Name: Commercial Banking **Max. Marks: 25**
Course Code: 25MBA244 **Time: 1:30 Hrs.**

Instructions

Instruction 1 All questions are compulsory.
Instruction 2 Kindly read the detailed instructions for each question.

<table>
<tr><td>Q1.</td><td>Attempt Any 1 out of 2 Questions (10 Marks)</td><td>CO1</td></tr>
<tr><td>a)</td><td>The government has launched a financial inclusion program in rural India. Commercial banks are instructed to open zero-balance accounts, provide debit cards, and extend small loans to rural households.

1. Identify the primary function of commercial banks highlighted in this case.
2. List any two roles performed by banks in promoting financial inclusion.
3. What type of deposit account is being referred to in this case?
4. State any two benefits of financial inclusion for the economy.</td><td></td></tr>
<tr><td>b)</td><td>Explain how RBI controls inflation using monetary policy tools.?</td><td></td></tr>
<tr><td>Q2.</td><td>Attempt any 1 out of 2 Questions (5 Marks)</td><td>CO3</td></tr>
<tr><td>a)</td><td>NakodaTextiles sells goods worth ₹10 lakh to Katri Retailers on a credit period of 90 days. To meet immediate cash needs, Nakoda approaches a bank and gets the bill discounted. The bank deducts interest and provides immediate funds.

1. Identify the type of bill finance used in this case.
2. Explain how bill discounting works.
3. What benefit does Nakoda Textiles receive?
4. What risk does the bank face?</td><td></td></tr>
<tr><td>b)</td><td>Mr. Arjun purchases a car worth ₹10 lakhs by taking a loan from DEF Bank. The car is hypothecated to the bank, but the possession remains with Mr. Arjun. After a year, he stops paying EMIs. The bank tracks the vehicle and repossesses it through legal procedures.

Questions:

1. What is the nature of the charge created?
2. Who retains ownership and possession before default?
3. Why is hypothecation considered riskier than pledge for banks?
4. What rights does the bank have after repossession?</td><td></td></tr>
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Q3. **Attempt any 2 out of 3 Questions:** **(10 Marks)** CO6

a) PQR Bank sanctioned a loan of ₹10 crores to a real estate developer. The loan became a Non-Performing Asset (NPA) after 90 days of non-payment. The bank issued a 60-day notice under SARFAESI Act.

When the borrower failed to repay, the bank took possession of the secured property and auctioned it to recover dues—without approaching any court.

Questions:

What are the rights of the bank under SARFAESI Act?

1. **Can the borrower challenge the bank's action? Where?**
2. **How is SARFAESI different from DRT proceedings?**

b) A borrower, Mr. Shine, obtained a loan from Bank A by mortgaging his property. Later, he approached Bank B and tried to secure another loan against the same property without disclosing the earlier mortgage.

Before sanctioning the loan, Bank B checked the records in CERSAI and discovered the existing charge. The bank rejected the loan application.

Questions:

1. **What is the role of CERSAI in this case?**
2. **How does CERSAI help prevent fraud?**
3. **What could have happened if Bank B had not checked CERSAI?**

c) Ms. Neha noticed unauthorized charges on her savings account by XYZ Bank. Despite repeated complaints, the bank failed to resolve the issue within 30 days.

She filed a complaint with the Banking Ombudsman. After reviewing the case, the Ombudsman directed the bank to refund the charges along with compensation.

Questions:

1. **Under what conditions can a customer approach the Banking Ombudsman?**
2. **What types of complaints are covered under the scheme?**
3. **Is the decision of the Ombudsman binding on the bank?**

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