



*Yogoda Satsanga Mahavidyalaya*

(Established in 1967)

NAAC Accredited B++ (CGPA 2.89)

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## INDIAN BANKING SYSTEM

**PAPER CODE -GE 4B ,SEM 4**

### **ANSWER TYPE OF QUESTION (3MARKS)**

1. What is the nature of banking?
2. Name two types of banks commonly found in India.
3. What is unit banking?
4. Explain branch banking and its functions.
5. What is the primary function of commercial banks?
6. How do commercial banks create credit?
7. Name two other functions of commercial banks besides credit creation.
8. What is investment policy in the context of commercial banks?
9. Describe the investment policy of commercial banks.
10. What is the central bank?
11. Name three functions of the central bank.
12. How does the central bank control credit?
13. Name two tools of monetary policy used by the central bank.
14. What is the Reserve Bank of India (RBI)?
15. Describe two functions of the Reserve Bank of India.
16. What factors contribute to the success of the Reserve Bank of India?
17. What are the functions of NABARD?
18. Explain the concept of cooperative banks.
19. Describe the role of cooperative banks in rural areas.
20. What are rural banks, and how do they differ from commercial banks?

### **LONG ANSWER TYPE QUESTION ( 20 MARKS )**

1. Discuss the nature and importance of banking in the economy.
2. Compare and contrast unit banking and branch banking systems, highlighting their respective advantages and disadvantages.
3. Explain the functions of unit banking and branch banking, emphasizing their roles in financial intermediation and customer service.
4. Explain the process of credit creation by commercial banks and its significance in the economy.
5. Describe the various functions performed by commercial banks besides credit creation, such as deposit mobilization, lending, and payment services.
6. Discuss the role of commercial banks in promoting economic development and financial inclusion.



7. Define investment policy in the context of commercial banks and its importance in portfolio management
8. Describe the factors that influence the investment policy of commercial banks, including regulatory requirements, risk appetite, and market conditions.
9. Discuss the key principles and strategies that commercial banks employ in formulating their investment policies.
10. Discuss the functions of the central bank in a modern economy, including monetary policy formulation, currency issuance, and regulation of the banking sector.
11. Explain the methods and tools used by the central bank to control credit and influence the money supply, such as open market operations, reserve requirements, and discount rate changes.
12. Evaluate the effectiveness of credit control methods employed by the central bank in achieving macroeconomic objectives like price stability and sustainable economic growth.
13. Provide an overview of the Reserve Bank of India (RBI) and its role as the central bank of India.
14. Discuss the functions performed by the RBI, including monetary policy implementation, currency management, and regulation of the financial system.
15. Analyze the factors contributing to the success and challenges faced by the RBI in fulfilling its mandate, considering its institutional framework, governance structure, and policy effectiveness.
16. Explain the importance of agricultural credit in rural development and food security.
17. Discuss the role of the RBI and NABARD in promoting agricultural credit, including their policy initiatives, lending programs, and institutional support measures.
18. Evaluate the success and failures of the RBI and NABARD in addressing the challenges of agricultural credit delivery, such as credit accessibility, loan repayment, and rural livelihood sustainability.
19. Define cooperative banks and rural banks and discuss their organizational structures and functions.
20. Explain the role of cooperative banks and rural banks in providing financial services to rural and underserved communities.
21. Evaluate the contributions of cooperative banks and rural banks to rural development, poverty alleviation, and inclusive growth in India.