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D1BCM2503

Name: .....

Reg. No.: .....

FIRST SEMESTER FYUGP EXAMINATION NOVEMBER 2025

(Regular/Improvement/Supplementary)

MINOR

COM1MN106: FOUNDATIONS OF MODERN BANKING

Time: 2 Hrs. **Maximum Marks: 70**

M: Mark BL: Bloom's Taxonomy Level (1 to 6) CO: Course Outcome

Section A: Answer all questions. Each carries 3 marks.

Ceiling: 24 Marks

No.	Question	M	BL	CO
1.	Explain the two essential characteristics of negotiable instruments.	3	2	CO1
2.	What do you mean by endorsement?	3	2	CO1
3.	Define the term banker as per banking regulations.	3	1	CO1 CO2
4.	Evaluate the role of savings accounts in managing a bank's liquidity through ALM.	3	2	CO2
5.	Analyze how mismatches between assets and liabilities can create liquidity risk for a bank.	3	4	CO2
6.	How can AI be utilized to improve customer service in banking operations?	3	2	CO2
7.	What do you mean by agent banking?	3	2	CO2
8.	Describe Multi Factor Authentication.	3	2	CO2 CO3
9.	Describe the significance of regulatory guidelines for technology adoption in Indian banking.	3	2	CO3
10.	Mention the key components of cloud security.	3	2	CO3

Section B: Answer all questions. Each carries 6 marks.

Ceiling: 36 Marks

No.	Question	M	BL	CO
11.	Mention the name of private sector banks introduced by RBI? Give brief description of each bank.	6	1	CO1
12.	Assess the role of the Reserve Bank of India (RBI) in maintaining financial stability in India. Support your answer with examples.	6	5	CO1

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13.	Analyze the process of credit creation by commercial banks. How does this process expand the money supply in the economy ?	6	4	CO1
14.	Evaluate the role of different types of accounts in helping banks manage their Asset Liability Management effectively.	6	5	CO2
15.	Analyze the importance of Know Your Customer (KYC) norms in banking. How do KYC regulations help prevent financial fraud and money laundering?	6	4	CO2
16.	Evaluate the role of Anti-Money Laundering (AML) regulations in banking. How do these regulations complement KYC norms in reducing financial crime?	6	5	CO2
17.	Propose a strategy for promoting financial inclusion in banks by considering ethics in technology.	6	4	CO2 CO3
18.	How do the regulatory guidelines ensure the security and efficiency of banking operations?	6	2	CO2 CO3

Section C: Answer any one question. Each carries 10 marks. (1 x 10 = 10 Marks)

No.	Question	M	BL	CO
19.	Analyze the rights and duties of a banker in relation to handling customer accounts. What challenges can arise if these duties are not followed properly?	10	4	CO1
20.	Illustrate how AI can improve operational efficiency in Indian banks. Give examples of AI-based solutions that are currently in use in the banking sector.	10	5	CO3