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14MBAFM306

Third Semester MBA Degree Examination, Dec.2016/Jan.2017
Strategic Credit Management

Time: 3 hrs.

Max. Marks:100

SECTION – A*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 What is strategic credit management in banks? (03 Marks)
- 2 What are the three facets of overall credit policy? (03 Marks)
- 3 Differentiate between fixed rates and floating rates. (03 Marks)
- 4 What do you mean by 'security' in credit management? (03 Marks)
- 5 What is retail lending? Give examples. (03 Marks)
- 6 What is loan syndication? (03 Marks)
- 7 What do you mean by non-performing assets? (NPA). (03 Marks)

SECTION – B*Note : Answer any FOUR questions from Q.No.1 to Q.No.7.*

- 1 What are the principles of sound lending? (07 Marks)
- 2 Briefly explain the fund-based facilities provided by banks. (07 Marks)
- 3 How can the borrowers of consumer loan be evaluated? (07 Marks)
- 4 What are the characteristics of a good security? (07 Marks)
- 5 What are the characteristics of crop loans? (07 Marks)
- 6 Using the following projected balance sheet calculate MPBF under Tondon committee method I and II. (07 Marks)

<u>Liability</u>	<u>Amount</u>	<u>Assets</u>	<u>Amount (Rs. in lakhs)</u>
Net worth	800	Fixed assets	668
Term loan	400	Non – current assets	80
Current liability (other than bank finance)	600	Current assets	1800
Bank borrowing (projected)	748		
	2548		2548

What is your observation in the above cases?

- 7 Write a note on 'Lok-Adalats' as a tool to speed up recovery of loans. (07 Marks)

SECTION – C

Note : Answer any FOUR questions from Q.No.1 to Q.No.7.

- 1 What are prudential norms? Describe the areas identified for application of prudential norms. (10 Marks)
- 2 Discuss the causes of sickness in industries. (10 Marks)
- 3 Briefly explain the components of project appraisal. (10 Marks)
- 4 Describe the loan schemes available for farmers/agriculturist for rural development. (10 Marks)
- 5 What is mortgage? What are the different types of mortgage? (10 Marks)
- 6 Briefly describe the types of borrowers. (10 Marks)
- 7 The financial position of X Ltd. as on 1-4-2014 and 31-3-2015 was as follows:

Liabilities	1-4-2014	31-3-2015
Capital and reserve	2,96,000	2,98,000
Loan from bank	60,000	50,000
Loan from associate firm	0	40,000
Current liabilities	72,000	82,000
	4,28,000	4,70,000
 Assets		
Fixed assets: Land	40,000	60,000
Building	1,00,000	1,10,000
P&M	1,60,000	1,72,000
Current assets: Stock	50,000	44,000
Debtors	70,000	76,800
Cash	8000	7200
	4,28,000	4,70,000

Notes: During the year Rs.52,000 was paid as divided provision for depreciation against P&M as on 1-4-2014 was Rs.54,000 and on 31-3-2015 was Rs.72000. Considering the above prepare cash flow statement for the year ended 31-3-2015. (10 Marks)

SECTION – D
(Compulsory)

- 8 a. What is 'Document' and 'Documentation'?
b. What are the objectives (purpose) of documentation?
c. Briefly explain the process (stepwise treatment to) of documentation.
d. List out any five 'facility documents'. (20 Marks)

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