

CBCS Scheme

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16MBAFM306

Third Semester MBA Degree Examination, Dec.2017/Jan.2018 Strategic Credit Management

Time: 3 hrs.

Max. Marks:80

**Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.**

1.
 - a. Write the three main areas of deployment of funds by banks. (02 Marks)
 - b. List any six credit institutions in India. (06 Marks)
 - c. Write the principles of good lending. Explain in detail. (08 Marks)
2.
 - a. What is cash credit? (02 Marks)
 - b. Define documentation in lending. Write the purposes of documentation. (06 Marks)
 - c. Write a detailed note on the significance of solvency ratio for making a lending decision. (08 Marks)
3.
 - a. What is the capitalization ratio? (02 Marks)
 - b. What precautions a banker would take before advancing against book debts? (06 Marks)
 - c. Discuss the different types of mortgages. (08 Marks)
4.
 - a. What is an assignment? (02 Marks)
 - b. Write a note on Kissan Credit Cards. (06 Marks)
 - c. What are NABARD initiatives for agriculture and rural development? Explain. (08 Marks)
5.
 - a. What are the documents of title to goods? (02 Marks)
 - b. Explain the effect of NPA on profitability. (06 Marks)
 - c. Mention the guidelines for classification of non-performing assets. (08 Marks)
6.
 - a. What is Crop insurance? (02 Marks)
 - b. Describe the strategies for reducing NPS's. (06 Marks)
 - c. What precautions a banker would take while advancing against supply Bills? (08 Marks)
7.
 - a. What are loss assets? (02 Marks)
 - b. What is agriculture finance? What are the types of agriculture finance? (06 Marks)
 - c. Briefly explain the precautions a banker has to take while hypothecating commercial vehicles. (08 Marks)

8. Extracts from financial account of ABC Ltd. are given below:

	Year 2015	Year 2016
Assets:		
Stock	10,000	20,000
Debtors	30,000	30,000
Payment in advance	2,000	-
Cash in hand	20,000	15,000
Liabilities:		
Sundry creditors	25,000	30,000
Bills payable	15,000	12,000
Bank overdraft	-	5,000

Sales amounted to Rs.3,50,000 in 2015 and Rs.3,00,000 in 2016. Compute the short-term solvency analysis of ABC Ltd and comment on the ratios calculated. (16 Marks)

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Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.