

--	--	--	--	--	--	--	--	--	--

**Third Semester MBA Degree Examination, Dec.2015/Jan.2016**

**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 Bring out the types of agriculture finance. (03 Marks)
- 2 According to RBI, what results in willful default? (03 Marks)
- 3 What is prudence norms? (03 Marks)
- 4 List out the various types of bank guarantee. (03 Marks)
- 5 Enumerate the significance or purpose of obtaining documents by the banks. (03 Marks)
- 6 If a loan is given to a minor, who is guaranteed by a major or guarantor, the same can be recovered from the major as per law. Do you agree with this statement? Comment on this statement. (03 Marks)
- 7 Explain the concept of insured value, paid value and surrender value of LIC policies by giving suitable examples. (03 Marks)

**SECTION - B**

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

- 1 Discuss various measures suggested to implement the lead bank scheme. (07 Marks)
- 2 Briefly discuss the principles of good lending. (07 Marks)
- 3 Elucidate the various types of financial analysis used in credit appraisal and their objectives. (07 Marks)
- 4 Explain the important conditions for granting advances against security of shares to an individual. (07 Marks)
- 5 Discuss lending frame work or method proposed by Tandon Committee. (07 Marks)
- 6 Explain how NPA's are classified on the basis of period. (07 Marks)
- 7 What are the important causes for industrial sickness? (07 Marks)

**SECTION - C**

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

- 1 Write a note on various credit institutions in India and their role in economic development of the country. (10 Marks)
- 2 Briefly explain the characteristics of different types of credit facility granted by banks. (10 Marks)

- 3 Discuss the various retail banking products offered by commercial banks in general. (10 Marks)
- 4 Define mortgage. Briefly explain the types of mortgages recognized under transfer of property act. (10 Marks)
- 5 Explain the important measures that have proved effective and successful in reducing the quantum of NPA's. (10 Marks)
- 6 Following are the ledger balances taken from the books of a limited company as on 31<sup>st</sup> March.

Cr. Balance	2014 (Rs)	2015 (Rs)	Dr. Balance	2014 (Rs)	2015 (Rs)
Share capital	2,00,000	2,60,000	Cash at bank	2,500	2,700
Sundry creditors	39,500	41,135	Debtors	85,175	72,625
Bills payable	33,780	11,525	Advances	2,315	735
Bank overdraft	59,510	-	Stock	1,11,040	97,370
Provision for tax	40,000	50,000	Land & Building	1,48,000	1,44,250
Reserves	50,000	50,000	Plant & Machinery	1,12,950	1,16,200
Surplus account	39,690	41,220	Goodwill	-	20,000
	4,62,480	4,53,880		4,62,480	4,53,880

Following additional information is available from book:

- During the year ended 31-3-2015, an additional dividend of Rs.26,000 was paid.
  - The assets of another company were purchased for Rs.60,000 payable in fully paid shares of the company. These assets consisted of stock Rs.21,640, machinery Rs.18,360 and goodwill Rs.20,000. In addition sundry purchases of plant were made totaling Rs.5650.
  - Income tax paid during 2014-15 was Rs.25000.
  - The net profit for the year before tax was Rs.62,530. (10 Marks)
- 7 Consider the following data for ABC Company.

Assets	Rs. in Lakhs
Inventory	130
Semi finished goods	100
Finished goods	75
Receivables	150
Total Assets	455
Liabilities	
Creditors	110
Other CL	50
ST borrowing	75
Provisions	50
CCA	170
Total liabilities	455

What will be MPBF under the different methods by Tandon committer under the assumption CCA for ABC is 60 millions. (10 Marks)

### SECTION - D

#### **CASE STUDY – [ Compulsory ]**

Lending decision of a bank is very crucial and is always subjected to lot of post mortem analysis. If the project fails and the loan becomes bad at a later stage. It puts lot of question marks on the ability and more particularly on the integrity of bank officials and may pose serious problems for them in service career.

Briefly explain various types of project finance appraisal done by bank/financial institutions.

(20 Marks)

\* \* \* \* \*