

CBSE Question Paper – 2010

LENDING OPERATIONS

(Theory) paper II

Class – XII

Time allowed: 3 hours

Maximum Marks: 60

1. Differentiate between cash credit and Demand Loan. Give four points of distinction.

6

OR

Define cash credit. How does it differ from an overdraft? Give three points of distinction.

2+4=6

2. The market value of a vacant land in Delhi is Rs. 25 lakhs. For construction of a house a loan of Rs. 15 lakhs is being demanded. Would you sanction the loan? What precautions would you take in this connection?

5

3. Define a bill of exchange. Would you sanction a loan of full amount of the Bill? If not, why? Give two reasons.

2+3=5

OR

Explain the functions of DICGC.

5

4. Define Guarantee. How does it differ from Indemnity? Give two points of distinction.

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| 5. What is a Bank deposit? Give three kinds of Bank Deposit. | 3+2=5 |
| 6. What two types of securities will you ask from the borrower for the purchase of a washing machine? | 2+3=5 |
| 7. Differentiate between a warehousing receipt and a bank godown receipt. Give four points of distinction. | 4 |
| 8. What is a railway Receipt? What two precautions would you take while sanctioning a loan against it? | 4 |
| 9. Distinguish between a Cheque and a Bank Draft. | 2+2=4 |
| 10. What is a Godown Receipt? | 4 |
| 11. Explain mortgage. | 2 |
| 12. What is hypothecation? | 2 |
| 13. A retail shopkeeper applies for a loan of Rs.25,000 against his shop worth Rs.1,00,000. How would you proceed to sanction a loan to him? | 2 |
| 14. Would you like to sanction Rs.25, 000 as loan to a fishing pond owner against the said pond security? Give two reasons. | 2 |
| 15. What two precautions would you take to sanctions a loan to a wholesale cycle merchant? | 2 |
| 16. Name priority sectors for financing. | 2 |
| 17. Give two advantages of discounting a bill. | 2 |

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18. Should a Bank Manager advance a loan of Rs.5, 000 without security?

2

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