

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86**  
**(For candidates admitted from the academic year 2023 – 2024)**

**B.VOC. DEGREE EXAMINATION, APRIL 2024**  
**BANKING, FINANCIAL SERVICES AND INSURANCE**  
**SECOND SEMESTER**

**COURSE : MAJOR CORE**  
**PAPER : LEGAL AND REGULATORY FRAMEWORK OF BANKS AND NBFC'S**  
**SUBJECT CODE : 23VB/VM/LB26**  
**TIME : 3 HOURS** **MAX. MARKS: 100**

<b>Q. No.</b>	<b>SECTION A (5 x 2 =10)</b> <b>Answer all questions not exceeding 50 words</b>	<b>CO</b>	<b>KL</b>
1	What are the two primary objectives of the Reserve Bank of India (RBI)?	1	1
2	Define banking.	1	1
3	What are negotiable instruments?	1	1
4	What are the two regulatory requirements that Non-Banking Financial Corporations (NBFCs) in India must adhere to?	1	1
5	How is money laundering defined?	1	1
<b>Q. No.</b>	<b>SECTION B (4 x 5 = 20)</b> <b>Answer any 4 questions not exceeding 150 words</b>	<b>CO</b>	<b>KL</b>
6	What is the role of RBI in managing monetary policy and issuing currency?	2	2
7	How do banks contribute to economic development by mobilizing savings, providing credit, and aiding efficient capital allocation?	2	2
8	Explain the features of negotiable instruments effective in facilitating trade.	2	2
9	Discuss the RBI guidelines for NBFCs to ensure the safety and stability of the sector.	2	2
10	How does the Money Laundering Act, 2002 safeguard the financial system in India and prevent illicit activities?	2	2
11	What challenges does the NBFC sector encounter?	2	2
<b>Q. No.</b>	<b>SECTION C (4 x 10 =40)</b> <b>Answer the following questions not exceeding 500 words</b>	<b>CO</b>	<b>KL</b>
12 a.	Analyze the management and administration of the RBI.	3	3
	<b>(OR)</b>		
12 b.	Explain the RBI's guidelines for new bank licenses and revised priority sectors lending norms.	3	3

13 a.	What factors does the RBI consider in opening new banks and branches?  (OR)	3	3
13 b.	Analyze the role of the Board of Directors and the rights of shareholders in the management and administration of banks.	3	3
14 a.	Explain the different types of negotiable instruments and its features.  (OR)	4	4
14 b.	Explain the different types of endorsement in the context of negotiable instruments.	4	4
15 a.	Analyze the concept and reasons for anti-money laundering.  (OR)	4	4
15b.	Compare and contrast the legislations and RBI guidelines related to money laundering. How do these guidelines and legislations contribute to preventing financial crimes?	4	4
<b>Q. No.</b>	<b>SECTION D (2 x 15 = 30)</b> <b>Answer any 2 questions not exceeding 1000 words</b>	<b>CO</b>	<b>KL</b>
16	Explain the role of RBI in Indian Economic Development.	5	5
17	Evaluate the importance of currency management in the banking sector.	5	5
18	Validate the challenges faced by the NBFC sector and the measures taken by the RBI to address these challenges.	5	5

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