

CBSE | DEPARTMENT OF SKILL EDUCATION

BANKING (SUBJECT CODE- 811)

CLASS XII (SESSION 2021-2022)

MARKING SCHEME SAMPLE QUESTION PAPER FOR TERM - II

Max. Time Allowed: 1 ½ Hours (90 min)

Max. Marks: 30

General Instructions:

1. Please read the instructions carefully
2. This Question Paper is divided into 03 sections, viz., Section A, Section B and Section C.
3. Section A is of 05 marks and has 06 questions on Employability Skills.
 - a) Questions numbers 1 to 4 are one mark questions. Attempt any three questions.
 - b) Questions numbers 05 and 06 are two marks questions. Attempt any one question.
4. Section B is of 17 marks and has 16 questions on Subject specific Skills.
 - a) Questions numbers 7 to 13 are one mark questions. Attempt any five questions.
 - b) Questions numbers 14 to 18 are two marks questions. Attempt any three questions.
 - c) Questions numbers 19 to 22 are three marks questions. Attempt any two questions.
5. Section C is of 08 marks and has 03 competency-based questions.
 - a) Questions numbers 23 to 25 are four marks questions. Attempt any two questions.
6. Do as per the instructions given in the respective sections.
7. Marks allotted are mentioned against each section/question.

SECTION A

(3 + 2 = 5 marks)

Answer any 03 questions out of the given 04 questions		1 x 3 = 3
Ans.1	1. Work to improve communication, 2. Engage and recognize your employees at work	1
Ans.2	1. Seeking and acting on opportunity. 2. Perseverance	1
Ans.3	Need human resource for collecting, processing and preparing materials. This way employment will be created.	1
Ans.4	Yes banks can help by lending money to those people who want to start business in this sector.	1
Answer any 01 question out of the given 02 questions		1 x 2 = 2
Ans.5	In the process of entrepreneurship, many fears serve as obstacles in taking action. If entrepreneurs don't confront them, the fears can ultimately consume them. <ul style="list-style-type: none">• Fear of failure• Fear of being pushed into uncomfortable situations• Fear of taking risks (any two points 1 mark each)	2
Ans.6	1. Pool your rides. 2. Less use of Air conditioner. (Any other correct point).	2

SECTION B

(5 + 6 + 6 = 17 marks)

Answer any 05 questions out of the given 07 questions		1 x 5 = 5
Ans.7	Clearing is an arrangement through which a Bank exchanges cheque drawn on other Banks are received by it for collections with the cheques which are drawn on it and sent by other banks for collection from it	1
Ans.8	BR does not change daily but changes as and when economic situations warrant. MIBOR is decided on a daily basis, based on the demand for and supply of funds among banks.	1
Ans.9	Shorter terms are less risky from the point of view of default and exposure to inflation because the near future is easier to predict	1
Ans.10	A bank rate is the interest rate at which a nation's central bank lends money to domestic banks, often in the form of very short-term loans	1
Ans.11	In India, the Statutory liquidity ratio is the Government term for the reserve requirement that commercial banks are required to maintain in the form of 1.cash, 2.gold reserves,3.PSU, 4.Bonds and Reserve Bank of India-approved securities before providing credit to the customers.	1
Ans.12	The purpose of information presented in notes to the financial statements is to enhance the information included in the statements . This may include providing further details of amounts that are included in totals on the statement.	1
Ans.13	'Provisions and contingencies' in the simplest terms, these are liabilities that are of uncertain timing or amount.	1
Answer any 03 questions out of the given 05 questions		2 x 3 = 6
Ans.14	The Shutter gate should be open to permit entry or exit of only one person at a time. This will prevent the miscreants to run away quickly if they try to do some mischief	2
Ans.15	Amount=9680 and interest is 1680	2
Ans.16	It is related to direct taxes and government spending. The aim is to stimulate the economy and ensure consumers' purchasing power does not weaken.	2
Ans.17	Inflation is a sustained increase in the general price level of goods and services in an economy over a period of time. Reserve Bank of India is the authority to control inflation through monetary policies	2
Ans.18	Bank deposits consist of money placed into banking institutions for safekeeping. These deposits are made to deposit accounts such as savings accounts, checking accounts, and money market accounts.	2
Answer any 02 questions out of the given 04 questions		3 x 2 = 6
Ans.19	<ol style="list-style-type: none"> 1. Facilitate the exchange of instruments 2. Settlements of Claims 3. Settlements with Major Banks 4. Settlements with the Central Bank (any three points ½ mark for point and ½ for explanation)	3
Ans.20	A fixed rate of interest on a loan would mean that the equated monthly installments or EMIs would remain constant over the tenure of the loan. On the other hand for floating interest rates , the EMIs would fluctuate as per the market dynamics, that is, when interest rates increase or decrease.	3
Ans.21	Main functions of RBI of are as follows: <ol style="list-style-type: none"> 1. Financial supervision: BFS objective is to undertake consolidated supervision of the financial sector comprising commercial banks, financial institutions and non-banking finance companies. 2. Monetary management: As main monetary authority of the country, it formulates implements and monitors the monetary policy as well as it has to ensure an adequate flow of credit to productive sectors. 	3

	<p>3. Issue of currency: Design, printing and distribution of different currency notes. RBI issues and exchanges or destroys currency and coins not fit for circulation.</p> <p>4. Banker to Government: Performs banking functions for the central and the state governments; also acts as their banker and advisor.</p> <p>(any three points ½ mark for point and ½ for explanation)</p>	
Ans.22	<p>1. The key expense of a bank is interest on deposits that are made with it. These could be in the form of term (fixed) or savings bank account deposits.</p> <p>2. The second biggest expense head for a bank would be its operating expenses. This head would include all operational costs.</p> <p>3. It includes employee costs, advertisement and publicity costs, administrative costs, rent, lighting and stationary.</p>	3

SECTION C
(COMPETENCY BASED QUESTIONS)

(2 x 4 = 8 marks)

Answer any 02 questions out of the given 03 questions		
Ans.23	<p>Market rates of interest go on changing due to various factors. Some of them are as follow:</p> <ol style="list-style-type: none"> 1. Opportunity cost: refers to any other use to which the money could be put, for example lending to others or investing elsewhere 2. Inflation: Because future inflation is unknown, the lender will always add some 'premium' to the expected inflation rate and demand that as his interest rate. 3. Demand and supply: Demand for and supplies of money are the crucial factors in determining the interest rates. 4. Borrower Default: There is always the risk that the borrower will become bankrupt, abscond or otherwise default in repaying the loan. . In order to limit the bad consequences of such situations, the lender usually adds some 'risk premium' to the interest rate already decided and quotes such rates to the borrower. 5. Government intervention: Government's and RBI's actions may also influence short-term interest rates. <p>(any four points ½ mark for point and ½ for explanation)</p>	4
Ans.24	<p>The rate at which banks borrow short-term funds from RBI is called Repo Rate. Such funds are provided on the promise of repurchase of approved securities by banks. Thus there are two legs in the Repo Transaction Process. Banks facing a shortage of funds can borrow from RBI through a repo transaction. The transaction is backed by sale of approved securities to the RBI. A reverse repo is the opposite of a repo</p> <p>A decline in the repo rate can lead to the banks bringing down their lending rate. This can prove to be beneficial for retail loan borrowers</p>	4
Ans.25	<p>The banks have to classify their advances into four broad groups (1) standard assets, (ii) sub-standard assets, (iii) doubtful assets and (iv) loss assets. Standard asset is one which does not disclose any problems and which does not carry more than normal risk attached to the business. Such an asset is not a NPA</p> <p>Sub-standard asset is one which has been classified as NPA for a period not exceeding 12 months.</p> <p>A loss asset is or where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off, wholly or partly</p>	4