

JK Lakshmipat University Jaipur
INSTITUTE OF MANAGEMENT

End Term Examination, December 2025
B.B.A. Semester V, 2025-26

Roll No.....

FA 1129: Banking, Securities and Collection Operations

Time: 2.5 hours

Max. Marks: 40

Instructions to students:

1. Do not write anything other than your roll number on the question paper.
 2. Non-programmable scientific calculator is allowed.
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- Q. 1 The Negotiated Dealing System supports auctions and trading of treasury bills, state development loans, and other debt instruments. It integrates with real-time gross settlement (RTGS) systems for seamless funds transfers. Discuss the role of such platforms in supporting monetary policy transmission and the government borrowing program. 4.0 (CO2, 4)
- Q. 2 "A bank invests heavily in coupons, Separate Trading of Registered Interest and principal of Securities (STRIPS), but later discovers poor secondary market liquidity, causing valuation losses when trying to liquidate." Discuss liquidity risk in STRIPS. 4.0 (CO1, 3)
- Q. 3.1 "A cheque is presented for clearing to an account that was opened two weeks earlier. Due to Core Banking System (CBS) synchronization services, the cheque gets paid in T+1 settlement times." Explain the entire process of cheques initiated by a paying bank. 4.0 (CO1, 4)
- Q.3.2 A bank borrows ₹20,00,00,000 in an overnight repo at a repo rate of 6.50% p.a. Calculate the interest payable for 1 day and the total repayment. 4.0 (CO 3)
- Q. 4.1 Sine Bank Ltd has Net Demand and Time Liabilities of ₹280 crore. It has maintained a CRR balance = ₹8.9 crore. The Government, after reviewing monetary policy, modified the CRR from 4% to 4.5%. Calculate the actual CRR and determine if any shortfall or excess CRR. 4.0 (CO2, 3)
- Q. 4.2 Mr Anuj, wants to remit USD 48,000 for his daughter's tuition fees in the UK. He has not made any outward remittances in the current financial year, 2024-2025, as of August 2024. He submits her admission letter, fee invoice, passport, and PAN. Mrs. Kavita, wife of Mr. Anuj, needs emergency cardiac surgery in Singapore costing USD 1,00,000 in October 2024. Later on in January, the family requests the bank to remit USD 5,000 to a foreign crypto margin-trading platform. In February 2025, the family remitted USD 30,000 in the year for travel. Finally, in March, the family received a gift from relatives and received USD 45,000 for it. Design an individual remittance table for Mr. Anuj's family. Based on the above information, under the liberalized Remittance Scheme (LRS) of RBI. 4.0 (CO1, 4)
- Q. 5.1 The Government of India announces a yield-based auction for a new 10-year Government Security with a notified amount of ₹18,000 crore. Several banks submit aggressive bids expecting falling yields. However, due to sudden inflation news, market yields rise, and the cut-off yield turns out much higher than anticipated. A major bank gets a large allotment at an unfavourable yield, causing mark-to-market losses. Explain in detail how government securities are issued through the auction process, and critically analyze:
(a) Yield-based vs price-based auction procedures.
(b) Role of competitive and non-competitive bids. 5.0 (CO1, 4)

- Q.5.2 Explain the concept of a Core Banking Solution (CBS). Discuss in detail the scope of evaluating security controls in CBS with reference to data confidentiality, integrity, availability, and regulatory compliance. 5.0 (CO2,3)
- Q.6 A mid-sized commercial bank faces unexpectedly large customer withdrawals on a Friday due to social media rumours. By the end of the day, the bank's cash position drops, and it fails to maintain the required CRR balance in its RBI current account. 6.0 (CO 1,3)
- (a) Explain the concept of CRR and SLR.
- (b) How should the bank manage delivery vs payment settlement to overcome such violations?

all the best!