

**Note: 1. Answer any five full questions including question No 8 which is Compulsory**

**2. All main questions carry 20 marks each**

1. a) How do you arrive at Current ratio? ( 3 marks)  
b) What is pre shipment finance? What are the pre-sanction and post-sanction requirements of this credit facility to exporters? ( 7 marks)  
c) Explain the prudential norms with regard to income recognition, asset classification and provisioning for NPAs (10 marks)
2. a) What is debt equity ratio? How do you calculate it? ( 3 marks)  
b) How do you evaluate consumer loans? What is the difference between fixed and floating rate of interest ( 7 marks)  
c) What are the various types of agricultural loans? Explain the general appraisal norms for agricultural loans ( 10 marks)
3. a) What is assignment? Give examples of loans where assignment as a ( 3 marks) charge is created  
b) Explain the various types of charging of securities. What is the difference between pledge and hypothecation? ( 7 marks)  
c) Explain the role and functions of EXIM Bank. What are its facilities offered (10 marks) to exporters?
4. a) What is securitisation of debts? ( 3 marks)  
b) What are the accounting ratios that banks follow for considering short term and long term loans? ( 7 marks)  
c) What is working capital finance? What are the methods of assessment of working capital finance? ( 10 marks)
5. a) What is a back to back letter of credit? ( 3 marks)  
b) What are the post sanction follow up measures banks are expected to take in respect of loans and advances sanctioned by them? ( 7 marks)  
c) Explain the concept of Lead Bank scheme in India? How does it help overall banking development of a particular district? ( 10 marks)
6. a) What is the concept of Kisan Credit card? ( 3 marks)  
b) What is pre sanction appraisal? How does a banker make an effective pre sanction loan appraisal ( 7 marks)  
c) What is a cash flow statement? In what context it is used? What are its limitations? ( 10 marks)
7. a) How is capital Adequacy Ratio arrived at? ( 3 marks)  
b) How does an effective Credit portfolio management take place? ( 7 marks)  
c) What is term lending? How do you appraise a term loan proposal of Small scale and large scale industries? ( 10 marks)
8. Case study on Credit appraisal by using financial ratios ( Theory 5 marks, case 15 marks)