



United College
Kumaripati, Lalitpur
PRE UNIVERSITY EXAM – 2081

**Subject: Wholesale and Retail Banking
(VIIIth Semester) (Set: A)**

Program: Bachelor of Business Management (BBM)

Time: 3:00 hrs.

Date: 2081/03/19

F.M.: 60

P.M. 30

Candidates are required to give the answer in their own words as far as practicable. The figures in the margin indicate full marks.

Group A

Brief Answer Questions:

6 x 1 = 6

1. Define credit monitoring and credit recovery.
2. What is collateral in BFIS. List cash backed and assets backed collateral.
3. Define credit policy guidelines.
4. Define ATM, POS and QR.
5. Explain marketing concept in BFIs.
6. Define term loan and mortgage loan with examples.

Group B

Descriptive Answer Questions:

[6* 3 = 18]

7. Why is industry analysis and SWOT analysis useful tool for banks?
8. Define customers. Who are the customer of bank and financial institutions?
9. Explain credit documentation and administration.
10. List and explain types of bank and financial institution with capital as prescribed by central bank.
11. Explain utility function of banks.
12. What are the different types of bank and financial institutions? Explain by mentioning 4 BFIS name of each class.

Group C

Analytical Answer Questions:

[4 * 6 = 24]

13. Explain the present status of banking business in Nepal.
14. Discuss in brief about the pricing strategy of banking product and services (Deposit, Loan and Digital)
15. Discuss the market mix strategies used by bank.
16. Discuss the pros and cons of wholesale banking. What are the major function performed by modern banking?

Group D

Comprehensive Answer Questions:

[4 * 3 = 12]

17. **Read the following cases carefully and answer the questions that follow:**

Bank loans are a flexible source of funding for businesses. These loans can be structured either as short or long term, consumer loan or business loan, funded loan or non-funded loan or term loan or overdraft loan. While each potential borrower's business is unique, reasons to borrow generally include the purchase of assets including new fixed assets or entire business, repayment of obligations, raising of temporary or permanent capital, and the meeting of unexpected needs. Loan payment generally comes from one of four sources: operations, turnover or liquidation of assets, refinancing, or capital infusion. While increased competition has forced banks to develop innovative credit facilities and financing techniques, traditional products, which include short term, long term, and revolving loans, continue to be the mainstay of commercial banking.

Banks succeed when the risks they assume are reasonable, controlled, and commensurate with their resources and credit competence. Lending officers, in turn, must accurately identify, measure, and manage risk if their banks are to succeed. Thus, the role of loan officer is very important. Loans are classified as performing and non-performing loan according to Nepal Rastra Bank. Loans are provided on the basis of Credit Policy Guidelines (CPG) of the bank which is based on the rules and regulations of the Nepal Rastra Bank as well as bank, but some loans are not paid in time and overdue by one year.

Before a bank agrees to commit its funds to a company, its loan officers analyze the prospective borrower to determine creditworthiness. Loan officers have a responsibility to grasp the quantitative and qualitative details of each transaction thoroughly, analyze its variables, and make adequate allowance for their impact. All terms and conditions regarding credit are mentioned in the credit policy guidelines prepared by the credit department.

Questions:

- Describe the importance of credit department of a bank.
- Define performing loan and non-performing loan. Describe the classification of loan by NRB?
- What do you mean by creditworthiness? How is it measured?
- Discuss the procedures of collecting overdue loans.

ALL THE BEST



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Time: 3:00 hrs.

Date: 2081/03/19

F.M.: 60

P.M. 30

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Group A

Brief Answer Questions:

6 x 1 = 6

1. Define credit approval with example.
2. What do you mean by retail deposit and retail loan product?
3. List the features of saving, fixed, call, current, margin deposit account.
4. Write the meaning of wholesale banking. List the name of five corporate depositors.
5. Define bridge gap loan.
6. Explain corporate salary account and RTGS in banking.

Group B

Descriptive Answer Questions:

[6* 3 = 18]

7. Briefly explain the types of corporate loans.
8. What is Debit, Credit and Prepaid card? Explain the features of debit and credit card.
9. What is collateral. Illustrate with examples.
10. Highlight the features of corporate and consumer lending.
11. Discuss the pros and cons of consumer banking (retail)
12. What are the factors which are evaluate in credit appraisal process?

Group C

Analytical Answer Questions:

[4 * 6 = 24]

13. Describe the various marketing strategies used by bank.
14. Discuss about the lending process of bank.
15. Write about the features of wholesale and retail banking.
Explain opportunities and challenges of modern banking business on the basis of wholesale/retail deposit and loan.

16. Write short notes: - (Any Three)

- a. Working Capital Loan
- b. Agency Services
- c. Consumer Lending
- d. Product Paper
- e. Mortgage Loan

Group D

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quantitative and qualitative details of each transaction thoroughly, analyze its variables, and make adequate allowance for their impact. All terms and conditions regarding credit are mentioned in the credit policy guidelines prepared by the credit department.

Questions:

- Describe the various types of loan discussed in the case.
- What are the roles of loan officer in credit department?
- Explain the major risks faced by credit department.
- What do you mean by credit policy guidelines? What are the contents in the credit policy guidelines?

ALL THE BEST