MBSC-4.1F

Sl. No.

IV Semester M.B.A. Degree Examination, May/June - 2026
MANAGEMENT (CORPORATE LAW)
Law of Banking (Elective - F)
(CBCS, SLM Scheme)

Time : 3 Hours **Maximum Marks : 80**

SECTION - A

Answer any Five questions. Each question carries 5 marks. **(5×5=25)**

1. Discuss the advantages of Internet banking.

2. Elaborate on the bankers' obligation of honouring the demand of customer.

3. Discuss the steps taken by Reserve Bank for regulation of Indian banking sector.

4. How does the Reserve Bank function as the custodian of Foreign Exchange? Explain.

5. Explain the rights and duties of the Paying and the Collecting Banker.

6. What are priority sector advances? What is its role in framing socio-economic policies?

7. Describe the reasons behind the introduction of SARFAESI Act?

SECTION - B

Answer any Four questions. Each question carries 10 marks. **(4×10=40)**

8. Define a Commercial Bank and highlight its primary role in the economy.

9. Critically analyze the bank's role in managing systemic risk through prudent lending practices, especially during financial downturns.

10. Discuss the risks involved when banks rely heavily on short-term borrowing for long- term lending operations.

11. Discuss on sufficiency of NBFC regulation in the current Fintech-driven financial ecosystem.

12. Comment on 'The adequacy of current laws in protecting customers during digital transactions and fraud risk'.

13. Assess the effectiveness of central registries like CERSAI under SARFAESI in preventing fraud.

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SECTION - C

Case Study (Compulsory) **(1×15=15)**

14. In early 2025, the RBI took decisive action against New India Cooperative Bank after detecting massive misappropriations worth Rs.122 crore across two branches - Rs.112 crore missing from the Prabhadevi branch and Rs.10 crore from Goregaon. The Economic Offences Wing arrested several high-ranking bank officials, including the former General Manager and CEO, as well as issuing a Blue Corner notice for the absconding chairman and vice chairperson. Additionally, the RBI imposed operational restrictions, superseded the board for 12 months, and capped withdrawals to safeguard depositors' interests. The case highlights significant lapses in governance, lack of internal controls over a prolonged period, and the central bank's regulatory authority to protect the public and financial stability.

Questions:

a) What were the key regulatory measures imposed by the RBI following the detection of fraud.

b) How did internal control failures and governance weaknesses contribute to the large-scale misappropriation over several years?

c) Propose a set of risk management reforms that cooperative banks should implement to prevent similar frauds and strengthen depositor protection.

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