

CBSE | DEPARTMENT OF SKILL EDUCATION

BANKING (SUBJECT CODE - 811)

MARKING SCHEME for Class XII (Session 2020-2021)

Max. Time: 3 Hours

Max. Marks: 60

General Instructions:

1. Please read the instructions carefully.
2. This Question Paper consists of **24 questions** in two sections – Section A & Section B.
3. Section A has Objective type questions whereas Section B contains Subjective type questions.
4. **Out of the given (6 + 18 =) 24 questions, a candidate has to answer (6 + 11 =) 17 questions in the allotted (maximum) time of 3 hours.**
5. All questions of a particular section must be attempted in the correct order.
6. **SECTION A - OBJECTIVE TYPE QUESTIONS (30 MARKS):**
 - i. This section has 06 questions.
 - ii. There is no negative marking.
 - iii. Do as per the instructions given.
 - iv. Marks allotted are mentioned against each question/part.
7. **SECTION B – SUBJECTIVE TYPE QUESTIONS (30 MARKS):**
 - i. This section contains 18 questions.
 - ii. A candidate has to do 11 questions.
 - iii. Do as per the instructions given.
 - iv. Marks allotted are mentioned against each question/part.

SECTION A: OBJECTIVE TYPE QUESTIONS

Q. 1	Answer any 4 out of the given 6 questions on Employability Skills (1 x 4 = 4 marks)	
i.	sources of motivation and inspiration are: a) Books, b) Activities, c) Dreaming big etc. <p style="text-align: right;">(Any one)</p>	1
ii.	jobs in water conservation are; Water treatment specialist. Water Auditor Water policy Analyst Water resource planning manager Water Quality Monitoring Water conservation Representative	1
iii.	Power point presentation	1
iv.	Interpersonal	1
v.	Non Verbal	1
vi.	Slides	1

Q. 2	Answer any 5 out of the given 7 questions (1 x 5 = 5 marks)	
i.	d) Demand Draft	1
ii.	a) No limit	1
iii.	b) RTGS	1
iv.	Commitment	1
v.	b) Automated Teller Machine	1
vi.	a) Front Office	1
vii.	c) SBI	1

Q. 3	Answer any 6 out of the given 7 questions (1 x 6 = 6 marks)	
i.	11	1
ii.	Magnetic Ink Character Recognition.	1
iii.	Approved	1
iv.	Custodian	1
v.	d) Principal plus Interest	1
vi.	d) Asset	1
vii.	c) Financial Position	1

Q. 4	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)	
i.	Short Message Service	1
ii.	Anywhere, Anytime	1
iii.	Middle	1
iv.	Bank vault	1
v.	c) Interest rate in the future is lower	1
vi.	Overdrawn	1

Q. 5	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)	
i.	OTP -One time password	1
ii.	DSA-Direct Sales Agents	1
iii.	Anti-Money Laundering	1
iv.	3 days	1
v.	Base Rate	1
vi.	Deposits	1

Q. 6	Answer any 5 out of the given 6 questions (1 x 5 = 5 marks)	
i.	IDBI – Industrial Development Bank of India	1
ii.	c) Repo /Reverse Repo transaction	1
iii.	a) Bank Rate	1
iv.	Central	1
v.	Vouchers	1
vi.	Balance Sheet	1

SECTION B: SUBJECTIVE TYPE QUESTIONS

Answer any 3 out of the given 5 questions on Employability Skills (2 x 3 = 6 marks)

Answer each question in 20 – 30 words.

Q. 7	True, any valid reason required	1 mark 1 mark	2
Q. 8	Self-motivation is important because <ul style="list-style-type: none"> • It increases individual’s energy and activity. • It directs an individual towards specific goals. • It results in initiation and persistence of specific activities, thus keeps him/her active. • It affects cognitive processes and learning strategies used by individual for completing similar tasks. <p style="text-align: right;">Any two reasons</p>		2
Q. 9	He/she may present a number of slides containing text, graphics, movies, sound, and graphs. Slides of a presentation can be displayed one by one on the screen in front of management.		2
Q. 10	Recycling materials helps the environment by reducing wastages and improves the efficiency too. Valid explanation in 30 words required.		2
Q. 11	Listening skills helps the employees to <ol style="list-style-type: none"> 1. Understand the concept and 2. The instructions provided to them 3. Which reduces wastages and improves quality of work <p style="padding-left: 20px;">I.e. profitability can be increased.</p>		2

Answer any 3 out of the given 5 questions in 20 – 30 words each (2 x 3 = 6 marks)

Q. 12	i)Banks offering wealth management services are exposed to reputational risks on account of miss-selling of products & conflict of interest. (State any two) ii) Lack of knowledge and clarity on products	2
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	<p>iii) Front line staff at banks may be more interested in pushing insurance and para-banking products instead of promoting core banking products.</p> <p>iv) Staffs may be untrained to the job and do not take responsibility of the outcome in any manner.</p>	
Q. 13	<p>a) NEFT (1 Mark)</p> <p>b) RTGS (1 Mark)</p> <p>Brief explanation of any one</p>	2
Q. 14	<p style="text-align: right;">(1 X 2 = 2 Marks)</p> <p>When the rate of interest applied to a loan remains constant and unchanged from the beginning till the maturity of the loan it is called “Fixed Rate of Interest”.</p> <p>Interest rate remains fixed irrespective of market conditions.</p> <p>The borrower or the depositor has peace of mind.</p> <p>The uncertainty is removed, Thus it brings a sense of Certainty and security.</p>	2
Q. 15	<p style="text-align: right;">Any two (1 X 2 = 2 Marks)</p> <p>i) To restrict the expansion of Bank’s limit</p> <p>ii) To increase Bank’s investment in approved securities</p> <p>iii) To ensure solvency of Banks</p>	2
Q. 16	<p>Phishing: Phishing is the Centre stage of Internet Scams. Phishing is the way of sending emails at arbitrary, indicating to come from a candid company which is operating on the internet. When the customers make an attempt, its request disclosing information at a bogus website will be operated by them. Information entered on the bogus website is captured by the criminals and they use it for their own purpose.</p>	2

Answer any 2 out of the given 3 questions in 30– 50 words each (3 x 2 = 6 marks)

Q. 17	<p>Improve operational efficiency - reduce cost of operations:</p> <p>Core Banking will provide various alternative delivery service channels, which reduce cost and time taken for the transactions. The centralised process of core banking will also improve efficiency by avoiding duplication of work in posting entries from Branch Office (BO) to Head office and vice versa.</p> <p>Improve customer service:</p> <p>Core Banking will improve customer services by providing services through alternate channels on 24 x 7 basis –ATM, Internet, Phone, SMS and Mobile Banking. Customers would be able to operate their accounts, and avail banking services from any branch on CBS network, regardless of where they maintain their account.</p> <p>Comply with Anti Money Laundering (AML) /Know Your Customer (KYC) requirements:</p> <p>It is easy to comply with anti–money laundering norms through core banking. The AML norms require the Banks to detect when a customer has opened multiple accounts.</p> <p style="text-align: right;">(1 Mark for each point)</p>	3
Q. 18	<p>i) Issue Letters of Credit/Guarantees on behalf of its customers;</p> <p>ii) Rent out Safe Deposit Lockers to its customers and allow them to operate the lockers;</p> <p>iii) Sell Third Party Products (TPPs) like Insurance products and Mutual Fund units to its customers.</p> <p>iv) Accept cheques / drafts from their customers in their favour, for collection and credit to their deposit accounts;</p> <p>v) Issue of drafts on outstation locations as required by customers; (1 X 3 = 3 Marks)</p>	3

Q. 19	<p>a) RS 2160</p> <p>b) RS 3120</p> <p>c) RS 3972</p> <p>d) None of these</p> <p>2 Marks to show working</p> <p>Let P = RS 100. Then, S.I. RS 60 and T = 6 years.</p> $\therefore R = \left(\frac{100 \times 60}{100 \times 6} \right) = 10\% \text{ p.a.}$ <p>Now, P = RS 12000. T = 3 years and R = 10% p.a.</p> $\therefore \text{C.I.} = \text{RS} \left[12000 \times \left\{ \left(1 + \frac{10}{100} \right)^3 - 1 \right\} \right]$ $= \text{RS} \left(12000 \times \frac{331}{1000} \right)$ <p>c) RS 3972.</p>	3
	1 Mark	

Answer any 3 out of the given 5 questions in 50– 80 words each (4 x 3 = 12 marks)

Q. 20	<p>Key Differences between Banker's Cheque and Demand Draft (Any four) 1 Mark for each point of difference</p> <p>i) Banker's Cheque is issued for transfer of money within the local limits of the drawer branch, whereas Demand Draft is issued for transferring money to a person residing at a different place.</p> <p>ii) The area of banker's cheque is limited while the area of demand draft is very vast.</p> <p>iii) The banker's cheque is pre-printed with the word "Not Negotiable" however, this is not so in case of demand draft.</p> <p>iv) A demand draft of value Rs. 20,000 or more can be issued only with a/c payee crossing, however in case of banker's cheque there is no such condition.</p> <p>v) Banker's cheque can only be cleared in the branch of bank from where it is issued, but Demand Draft can be cleared at any branch of the same bank.</p>	4
Q. 21	<p>Functions of the Back office: The functions carried out by the Back office are:</p> <ol style="list-style-type: none"> 1. Sending statements to clients on mail and at the addresses provided if required. 2. Resolving clients' queries 3. Processing clients' standing instructions 4. Checking and Opening Clients' accounts as per the details provided. 5. Issuance of cheque books to clients 6. Cheque clearing 7. Positioning for all Bank products viz. cheques, cards, personal loan, mortgage loan etc. <p style="text-align: right;">(Any for)</p>	4

<p>Q. 22</p>	<p>i) Opportunity cost, ii) Inflation, iii) Borrower's default, iv) Length of time etc.....</p> <p style="text-align: center;">½ Mark each ½ X 4 = 2 Marks) Explanation of any two 1 X2 = 2 Marks</p> <p>Opportunity cost: Opportunity cost refers to any other use to which the money could be put, for example lending to others or investing elsewhere. If one can get a higher return elsewhere, the interest rate on loans will also rise.</p> <p>Inflation: Simply put, inflation is the movement in prices in % per annum terms. Usually prices move only upwards. For example, now if you can buy some articles for RS 100 and after one year you require RS 110 to purchase similar articles, then the inflation is 10%. Since the lender is postponing his consumption now to use it later, he will require as a bare minimum compensation to recover enough to make up for the inflation and plus something more as an incentive. Because future inflation is unknown, the lender will always add some 'premium' to the expected inflation rate and demand that as his interest rate.</p> <p>Demand and supply: Demand for and supplies of money are the crucial factors in determining the interest rates.</p> <p>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.</p> <p>Length of time: Shorter terms are less risky from the point of view of default and exposure to inflation because the near future is easier to predict. In these circumstances, short term interest rates are lower than longer term interest rates.</p> <p>Government intervention: Government's and RBI's actions may also influence short-term interest rates.</p>	<p style="text-align: center;">4</p>
<p>Q. 23</p>	<p>a) Bank rate: is the standard rate at which RBI is prepared to buy or rediscount bills of exchange or other eligible commercial paper from Banks It is basic rate of rediscounting and refinance facilities from RBI Change in Bank rate by RBI affects interest rates on the Loans, and Deposits across the board in the same direction. Hence, increase in Bank rate will increase the interest rates on the Loans /Deposits and vice versa. (2 Marks)</p> <p>b) Repo Rate: Reserve Bank of India lends funds to the commercial banks under its Liquidity Adjustment Facility to meet their short term needs of funds. 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. (2 Marks)</p>	<p style="text-align: center;">4</p>
<p>Q. 24</p>	<p>1. Cash a. Cash on hand b. Cash with central bank and other banks 2. Money at call and short notice 3. Bills discounted 4. Bills for collection 5. Investments 6. Loans and advances 7. Acceptances and endorsement 8. Fixed assets</p>	<p style="text-align: center;">4</p>