

Duration: 2.5 hours

Marks:75

Note: Figures to right indicate marks

Q.1.a. State whether the following statements are true or False: (Any 8) (8)

- 1) Microfinance primarily targets low-income individuals and communities. T
- 2) Microfinance has been credited with helping to alleviate poverty by providing financial resources to those who otherwise wouldn't have access to them.
- 3) Cooperative banks are regulated and supervised by central banking authorities.
- 4) Cooperative banks operate solely for profit, similar to commercial banks.
- 5) MSMEs are only found in certain sectors of the economy, such as manufacturing and services.
- 6) MSMEs face fewer challenges compared to large enterprises.
- 7) NPAs only impact the profitability of banks and have no broader implications for the economy.
- 8) The Banking Regulation Act of 1949 does not address issues related to capital adequacy and risk management in banks.
- 9) MFIs have no regulatory oversight and operate without supervision.
- 10) Transaction risk can be mitigated through effective internal controls and risk management practices.

Q.1.b. Match the following (any 7): (7)

Sr. No.	Column A	Column B
1	One of the issues in rural area	1) Accelerating the socio-economic development of rural India
2	Ministry of rural development	2) Refinances microfinance activities of NGOs
3	Rastriya Mahil Kosh	3) No continuous supply of electricity
4	Mission of NRLM	4) Democratized funding
5	Micro enterprise	5) Part of bank's deposit which is with central bank
6	Crowd funding	6) Restriction on Banking Company on commission, brokerage, discount.
7	Cash reserve ratio	7) Loss of portfolio for MFIs
8	Section 13 in The Banking Regulation Act, 1949	8) Founded on 2 nd April, 1990
9	PAR	9) Investment in machinery not exceeding Rs.25 lakhs
10	SIDBI	10) To reduce poverty by promoting self employment

Q.2. Calculate Breakeven point from the following details for plumbing business: (08)

Particulars	Rs.
Depreciation of tools	Rs.24000 per year
Rent per month	Rs.700
Stationery per month	Rs.350
Director's salary per month	Rs.600

Assistant's salary per month	Rs. 400
Workmen's salary (worker works for 16 days in a month)	Rs.25 per day
Variable cost per piping	
Taps	Rs.150
Pipes	Rs.100

The revenue earned by sales per unit is Rs.400

Q.2.b. Explain role of rural banking. (07)

OR

Q.2.a. Explain meaning and role of Microfinance institutions in rural development. (08)

Q.2.b. Explain significance of agricultural finance. (07)

Q.3.a. Explain meaning of MSME and how finance is provided to MSME. (08)

Q.3.b. Explain benefits of FinTech. (07)

OR

Q.3.c. From the following information prepare profit and loss A/c of Tiny Bank Ltd for the year ended 31st March 2022. (15)

Interest on Loan	25,90,000
Bill Discount (Net)	14,60,000
Rebate on Bill Discount	4,90,000
Stationery and Printing	29,000
Postage and Telegram	14,000
Interest on Cash Credit	22,30,000
Interest on Overdraft	15,40,000
Commission	82,000
Interest on Fixed Deposit	27,50,000
Interest on Saving Bank Deposit	6,80,000
Interest on Current Account	4,20,000
Establishment Charges	5,40,000
Director's Fees and Allowance	30,000
Other Expenses	17,000

Rent and Taxes	1,80,000
Audit Fees	12,000

1. Bad debts to be written off amounted to Rs.4,00,000.
2. Provision for taxation at 55% of net profit.
3. Transfer to statutory reserve to be 25%

Q.4.a. Explain advantages of risk management in rural finance. (08)

Q.4.b. Explain objectives of rural development. (07)

OR

Q.4.c. What is NSIC. Also explain its functions. (08)

Q.4.d. Explain meaning of NBFCs. Also explain compliances requirements given by RBI for NBFCs. (07)

Q.5.a. Explain objectives of risk management in rural finance. (08)

Q.5.b. Explain legal framework that MFIs need to comply for providing financial services to low-income clients. (07)

OR

Q.5. Write short notes on any three: (15)

- a. Self help groups
- b. National Rural Livelihood Mission,
- c. SMERA
- d. Section 11 of Banking Regulation Act, 1949
- e. Credit risk