

# **BANKING SYLLABUS FOR STANDARD XII COMMERCE**

## **UNIT I**

### **A) FINAL ACCOUNTS OF BANKS AS REQUIRED BY THE BANKING REGULATION ACT**

1. Proforma of the Profit and Loss Account and details of all the schedules appearing therein
2. Proforma of the Balance Sheet and details of all the schedules appearing therein

### **B) BANKING REGULATION ACT**

Some important sections of the Act relating to:

1. Objectives of passing the Act
2. Definition of banks
3. Functions of banks
4. Activities prohibited for banks
5. Various returns to be submitted by the banks to the RBI
6. Inspection by the RBI
7. Directives issued by the RBI
8. Licensing of banks
9. Capital Requirements
10. Opening of branches
11. Provisions regarding Cash Reserves, Liquidity Ratio
12. Management of banks
13. Winding Up of banks

## **UNIT II: INTERNATIONAL TRADE**

A) Need for international trade, International division of labour, advantages and disadvantages of international trade, comparison of domestic trade with international trade

B) Banks and foreign trade

1. Methods of payment used in international trade
2. Letters of Credit: Meaning, definition, types of LC, parties to LC, Procedure of opening LC, importance of documents in LC transactions, negotiation of Bills under LC

3. Various shipping documents: Bills of Lading, Bills of Exchange, Commercial and Consular Invoice, Certificate of Origin, Packing List, Health Certificate, Uniform Customs and Practice for Documentary LC, International Commercial Terms
4. Issuing and encashment of traveler's cheques, purchase and sale of foreign currency notes and coins, currencies of various countries
5. Role of ECGC and EXIM Bank in financing international trade

### **UNIT III: GENERAL BANKING BUSINESS**

A)

1. General relationship between banker and customer- debtor- creditor, agent- principal, bailee- bailor, trustee-beneficiary relationship
2. Banker's obligation to honour cheques
3. Garnishee Order- Meaning, Steps in the issue of a garnishee order
4. Banker's obligation to maintain secrecy of customer's accounts- exceptions to the rule of secrecy
5. Banker's Rights- Right of general lien, Right of set-off, Right of appropriation of accounts, Right of charging compound interest and Right of charging commission

B) Ancillary services rendered by banks:

Executor, Administrator, Trustee, References given by banks, Standing instructions, Credit cards, Debit cards, Buying and selling securities on behalf of customers.

### **UNIT IV: LOANS AND ADVANCES AND PRIORITY SECTOR ADVANCES**

A) LOANS AND ADVANCES

1. Principles of good lending- safety, liquidity, profitability, security, spread, national interest, liquidity v/s profitability of banks
2. Borrower study and status report- character, capacity, capital, personal interview of the borrower
3. Secured Loans- Characteristics of good security  
Margin- Meaning, Need, basis of charging margin
4. Methods of creating charge over securities- Lien, Pledge, Hypothecation, Mortgage and Assignment (meaning, features and differences)
5. Various securities accepted by banks-

-Stock exchange securities: Government securities, Shares and debentures issued by joint stock companies, others- NSC, KVP

-Land and building

-Life insurance policies

- Goods and commodities

- Documents of title to goods

- Fixed deposit receipts

- Gold

(Precautions to be taken by banks, advantages and disadvantages to the banker)

#### B) PRIORITY SECTOR LENDING TO:

1. Agriculture

2. Small Scale Industries

3. Transport operators

4. Self-employed/ educated unemployed

5. Small traders

(Precautions to be taken by bankers while lending, for prompt recovery of loans advanced to these sectors)

## **BANKING SYLLABUS (PRACTICALS) FOR STANDARD XII COMMERCE**

### **A) PROBLEMS**

1. Disclosure to the police
2. Safe custody of articles- Power of attorney
3. Safe deposit locker- Death of the renter
4. Arrest of a customer
5. Advances against shares
6. Garnishee order
7. Set-off against the account of a partnership firm
8. Letter of credit
9. Remittance of funds- Telegraphic transfer
10. Limitation period

### **B) SPECIMENS OF**

1. Demand Draft
2. Demand Promissory Note
3. Travelers cheque

### **C) APPLICATION FORM FOR**

1. Travelers cheques
2. Loan against term deposits
3. Documentary credit
4. House loan

Reference books:

Banking Theory Law and Practice- B.S. Raman,

Banking Law and Practice- P.N. Varshney and H.C Agarval

Practical Problems on Commercial Banking- H.C Agarval

**DISTRIBUTION OF UNITS AND MARKS AS PER THE EXAMINATIONS TO BE  
HELD DURING THE ACADEMIC YEAR 2025- 2026**

**SUBJECT: BANKING (4601)**

**STD: XII**

The weightage/distribution of marks over different dimensions of the question paper shall be as follows:

**1) Weightage to Learning Outcomes**

<b>Sr. No.</b>	<b>Learning Outcomes</b>	<b>Marks</b>	<b>Percentage</b>
1	Knowledge	21	30 %
2	Understanding	35	50 %
3	Application	14	20 %
	<b>TOTAL</b>	<b>70 Marks</b>	<b>100 %</b>

**2) Weightage to Difficulty Level of questions.**

<b>Sr. No.</b>	<b>Estimated Difficulty Level</b>	<b>Marks</b>	<b>Percentage</b>
1	Easy	14	20 %
2	Average	42	60 %
3	Difficult	14	20 %
	<b>TOTAL</b>	<b>70 Marks</b>	<b>100 %</b>

A question may vary in difficulty level from one individual to another. As such the marking of the difficulty level in respect of each question will be made by the paper setter on the basis of general anticipation from the group as a whole, taking the examination into consideration. This provision is only to make the paper balanced in weightage, rather than to determine the pattern of marking at any stage.

**3) Weightage to Content/Subject Units**

**Duration : 3 hours**

<b>Sr. No</b>	<b><u>UNITS</u></b>	<b><u>Topics</u></b>	<b><u>Marks</u></b>
1.	Unit 1-	Final Accounts of Banking Companies	10
2.		Banking Regulation Act -1949	10
3.	Unit 2 –	Banks and International Trade	14
4.	Unit 3 –	Banker- Customer Relationship & Banker’s Rights	10
5.		Ancillary Services	06
6.	Unit 4-	Loans & Advances	12
7.		Priority Sector Advances	08
		<b>TOTAL</b>	<b>70</b>

## **FINAL PRACTICAL EXAMINATION**

Duration: 90 Minutes

Max. Marks: 20

Q. No.	Topic	Marks
1	Problem	4
2	A. Specimen	3
	B. Specimen	3
3	Problem	4
4	Application form	4
	Journal	2
	Total	<b>20</b>

### **Note:**

The guidelines/ general instructions for the assessment of answer booklets of candidates by the internal and external examiners together, will be as follows:

1. The **External Examiner** will assess

Q.1 (1 problem) of 4 marks

Q.2. A) and B) (2 Specimens) of 3 marks each

2. The **Internal Examiner** will assess

Q.3 (1 problem) of 4 marks and

Q.4 (1 application form) of 4 marks each.

The internal examiner will also assign marks (Max 02 marks) for the certified **journal**.

### **I. MID TERM TEST**

Duration: 1 hour

Max. Marks: 20

<b>Unit No.</b>	<b>Name of the Unit</b>	<b>Marks</b>
Unit 1	A. Final accounts of banks	06
	B. Banking Regulation Act, 1949	14
	Total	<b>20</b>

### **II. FIRST TERM EXAMINATION**

Duration: 2 1/2 hours

Max. Marks: 60

<b>Unit No.</b>	<b>Name of the Unit</b>	<b>Marks</b>
Unit 1	A. Final accounts of banks	10
	B. Banking Regulation Act, 1949	20
Unit 2	Banks and International Trade	20
Unit 3	Banker Customer Relationship	10
	Total	<b>60</b>

### **III. FIRST TERM PRACTICAL EXAM**

Duration: 1 1/2 hours

Max. Marks: 20

Problems	Any one problem	4 marks
Specimens	Any two Specimens	6 marks
Problems	Any one problem	4 marks
Application forms	Any one Form	4 marks
Journal	Complete journal	2 marks
	TOTAL	<b>20 MARKS</b>

NOTE: The Teacher can use his discretion to test the students on any topic of his choice for the mid-term test and first term examination. The above are only suggested topics.

# MODEL STD. XII BANKING QUESTION PAPER, FINAL EXAMINATION

To be implemented from the academic year 2025-2026 onwards

<b>Time: 3 hours</b>	<b>FINAL EXAMINATION</b>	<b>BANKING</b>					
<b>Subject Code</b>							
<table border="1"><tr><td><b>H</b></td><td><b>4</b></td><td><b>6</b></td><td><b>0</b></td><td><b>1</b></td></tr></table>			<b>H</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>1</b>
<b>H</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>1</b>			
<b>Total No. of Questions: 35</b>	<b>Maximum marks: 70</b>						
<b>INSTRUCTIONS:</b>							
<p>i. The question paper consists of <b>35</b> questions.</p> <p>ii. All questions are compulsory.</p> <p>iii. There is no overall choice for questions. However, there is an internal choice for Question No. <b>35</b></p> <p>iv. Marks for each question are indicated against it.</p> <p>v. Questions <b>1 to 18</b> are multiple choice questions. Every question/incomplete statement has four choices and only one of them is the correct answer. Choose the correct answer and rewrite.</p> <p>vi. Questions <b>19 to 23</b> should be answered in about 30 words each</p> <p>vii. Questions <b>24 to 29</b> should be answered in about 60 words each.</p> <p>viii. Questions <b>30 to 35</b> should be answered in about 100 words each.</p> <p>ix. Use only blue ball point pen for answering on the answer-book.</p>							
1.	The time period within which the accounts of Banking Companies have to be submitted to the RBI from the closure of the financial year is _____.	01					
	<ul style="list-style-type: none"><li>• 1 month</li><li>• 2 months</li><li>• 3 months</li><li>• 4 months</li></ul>						
2.	What is the maximum CRR that can be prescribed for banking companies in India?	01					
	<ul style="list-style-type: none"><li>• 3% of the time and demand deposits</li><li>• 25% of the time and demand deposits</li><li>• 15% of the time and demand deposits</li><li>• 40% of the time and demand deposits</li></ul>						

3.	<p>Under which schedule does the item 'Commission received' appear in the Final Accounts of the banking company?</p> <ul style="list-style-type: none"> <li>• Other income</li> <li>• Fixed assets</li> <li>• Interest earned</li> <li>• Other assets</li> </ul>	01
4.	<p>Which of the following is recorded in the Profit &amp; Loss Account of a banking company?</p> <ul style="list-style-type: none"> <li>• Cash in hand and balance with RBI</li> <li>• Investments of the Bank</li> <li>• Advances of the Bank</li> <li>• Interest earned by the bank</li> </ul>	01
5.	<p>Which of the following document will help the custom officials in calculating the custom duty to be levied on the goods traded?</p> <ul style="list-style-type: none"> <li>• Health Certificate</li> <li>• Insurance Policy</li> <li>• Packing List</li> <li>• Consular Invoice</li> </ul>	01
6.	<p>Identify the organization which aims to facilitate globalization of Indian business.</p> <ul style="list-style-type: none"> <li>• RBI</li> <li>• EXIM Bank</li> <li>• Advising Bank</li> <li>• Negotiating Bank</li> </ul>	01
7.	<p>Which of the following type of Letter of Credit is considered to be risky for an exporter?</p> <ul style="list-style-type: none"> <li>• Revocable Letter of Credit</li> <li>• Irrevocable Letter of Credit</li> <li>• Fixed Letter of Credit</li> <li>• Red Clause Letter of Credit</li> </ul>	01
8.	<p>Identify the type of Letter of Credit is issued by the issuing bank without insisting that the bills drawn under the letter of credit transaction be accompanied by relevant shipping documents.</p> <ul style="list-style-type: none"> <li>• Clean Letter of Credit</li> <li>• Irrevocable Letter of Credit</li> <li>• Documentary Letter of Credit</li> </ul>	01

	<ul style="list-style-type: none"> <li>• Red Clause Letter of Credit</li> </ul>	
9.	<p>Fall in the value of the Rupee against foreign currency may lead to</p> <hr/> <ul style="list-style-type: none"> <li>• depletion of natural resources</li> <li>• excessive outflow of the Nation's foreign reserves</li> <li>• unhealthy competition between nations</li> <li>• excessive imports by the country</li> </ul>	01
10.	<p>Which of the following is the fundamental duty of the banker towards its customers?</p> <ul style="list-style-type: none"> <li>• To provide investment advice</li> <li>• To guarantee loan proposals</li> <li>• To maintain confidentiality</li> <li>• To offer marketing schemes</li> </ul>	01
11.	<p>What is the banker's obligation when a customer requests for a loan?</p> <ul style="list-style-type: none"> <li>• To approve the loan without evaluation</li> <li>• To disapprove the loan without evaluation</li> <li>• To evaluate the loan proposal based on customer's creditworthiness</li> <li>• To sanction the loan without evaluating customer's creditworthiness</li> </ul>	01
12.	<p>What will be the effect of garnishee order on a bank account?</p> <ul style="list-style-type: none"> <li>• The account will be closed immediately</li> <li>• The account will be frozen, no transactions will be allowed</li> <li>• The account will be directly debited to pay the creditor</li> <li>• There will be no effect on the account</li> </ul>	01
13.	<p>What is the primary objective of diversified lending practiced by the banks?</p> <ul style="list-style-type: none"> <li>• To increase profits</li> <li>• To reduce risks</li> <li>• To improve customer service</li> <li>• To comply to banking regulations</li> </ul>	01
14.	<p>Which of the given security will be accepted by the bank due to its marketability?</p> <ul style="list-style-type: none"> <li>• Shares of Private Company</li> <li>• Shares of Public company</li> <li>• Seasonal Goods</li> <li>• Perishable Goods</li> </ul>	01
15.	Mr. 'R' has approached the Bank to finance the purchase of electric	01

	<p>bike for Rs. 1,50,000/- .Which method of creating charge will be considered most suitable in case of the said security?</p> <ul style="list-style-type: none"> <li>• Assignment</li> <li>• Hypothecation</li> <li>• Mortgage</li> <li>• Pledge</li> </ul>	
16.	<p>Which of the following will a banker be reluctant to accept as a security against a long term loan?</p> <ul style="list-style-type: none"> <li>• Shares of a public company</li> <li>• Debentures of a well-established company</li> <li>• Stock of goods</li> <li>• Real Estate</li> </ul>	01
17.	<p>What is the legal position of the Banker when he accepts fixed deposit receipt as a security?</p> <p>A) Pledgee B) Hypothecatee C) Mortgagee D) Assignee</p>	01
18	<p>‘Priority Sector’ lending guidelines will be applicable to which of the following type of loans?</p> <p>A) Personal Loans A) Agricultural Loans B) Loans to MNC’s C) Unsecured Loans</p>	01
19.	<p>‘CRR &amp; SLR’ are tools used by the RBI to control bank credit &amp; increase the safety of funds. Justify the given statement with two reasons.</p>	02
20.	<p>The Reserve Bank of India refused to grant license to a foreign origin bank for commencing its business in India. With reference to the statement bring out the reasons for such refusal. (2 points)</p>	02
21.	<p>Provide details for the schedule ‘Interest Earned’, as appearing in the Profit &amp; Loss Account of a Banking Company.</p>	02
22..	<p>Provide details for the schedule ‘Other Assets’, as appearing in the Final Accounts of a Banking Company.</p>	02
23.	<p>Explain any two advantages of International Trade.</p>	02



35.	<p>i) A customer approaches you with a proposal for an advance against the following securities: a) Stock of wheat grains    b) Shares issued by Britanica Pvt. Ltd.</p> <p>As a branch manager, which of the securities will you accept and why.</p> <p style="text-align: center;">Or</p> <p>ii) Discuss the comparative suitability of the following securities as cover for a bank advances: a) Land and Building        b) Life Insurance Policies.</p>	04

**BLUE PRINT- FINAL EXAMINATION, XII COMMERCE, BANKING 2025- 2026**

DURATION: 3 HOUR

MAX. MARKS: 70

Objectives	Knowledge				Understanding				Application				Total
	VS A	SA-I	SA- II	LA	VSA	SA- I	SA - II	LA	VSA	SA -I	SA -II	LA	
<b>Banking Reg. Act</b>	2(1)			1(4)		2(2)							<b>10</b>
<b>Final Acc.</b>	2(1)	2(2)		1(4)									<b>10</b>
<b>Foreign Trade</b>	1(1)	1(2)			2(1)		1(3)	1(4)	2(1)				14
<b>Banker- customer relations</b>					3(1)		1(3)					1(4)	<b>10</b>
<b>Ancillary services</b>							2(3)						<b>06</b>
<b>Loans &amp; advances</b>	1(1)				4(1)		1(3)					*1(4)	<b>12</b>
<b>Priority sect. adv.</b>	1(1)						1(3)					1(4)	<b>08</b>
<b>Total Marks</b>	<b>07</b>	<b>06</b>	<b>-</b>	<b>08</b>	<b>09</b>	<b>04</b>	<b>18</b>	<b>04</b>	<b>02</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>70</b>

(Marks per question are shown in the brackets and number of questions is shown out of the brackets)

\*Denotes choice in question.

Knowledge: 21 marks (30 %)

Easy: = 14 marks (20 %)

Understanding: 35 marks (50 %)

Average: 42 marks (60 %)

Application: 14 marks (20 %)

Difficult: 14 marks (20 %)

Total: 70 marks (100 %)

Total: 30 marks (100 %)