For 2021
AD admitted
Students

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT
Office of the Dean
November 2025

Full Marks: 100
Pass Marks: 50
Time: 3 Hrs.

BBA / Seventh Semester / BNK 206: Commercial Bank Management

Candidates are required to answer the questions in their own words as far as practicable.

Group "A"

Brief Answer Questions: *[10 × 2 = 20]*

1. What is Commercial Bank Management?
2. Write the meaning of deposit insurance.
3. How does debit card differ from credit card?
4. State the concept of Right Time Gross Settlement (RTGS).
5. What is credit monitoring?
6. Mention the major parties involved in the Letter of Credit (LC) process.
7. What is convertible and non-convertible currency? Give example.
8. What are the major functions of front office in treasury department?
9. How do you measure capital adequacy?
10. Write the meaning of branchless banking.

Group "B"

Short Answer Questions: (Attempt any SIX Questions) *[6 × 5 = 30]*

11. Who is the regulatory authority of commercial bank and what are the major laws and guidelines regulating the commercial banks in Nepal? Explain.
12. What is deposit marketing? What are the strategies of deposit marketing?
13. What is clearing system? What are the different electronic clearing system service in Nepal?
14. Describe the role of Foreign Exchange Dealers Association of Nepal (FEDAN).
15. Explain the concept of import financing and export financing with suitable example.
16. What is treasury management? What are the scope poof treasury management? Explain.
17. What is financial technology (Fin Tech)? What are the opportunities and threats of financial technology (Fin Tech) sector in Nepal?

Group "C"

Long Answer Questions: (Attempt any THREE Questions) *[3 × 10 = 30]*

18. Risk is an event that may negatively affect the financial health of an organization. In light with the above statement, explain the different kind of risk faced by Banks and Financial Institutions in Nepal.

19. With the rapid rise of Fintech access, the threat of banking fraud has increased, making KYC more important than ever before as a means to defense in verifying identities, detect suspicious activities and protect financial system. In light with this, explain the concept as well as the components of KYC and also explain why KYC is important in minimizing such risk.

20. What is bank credit? Explain the entire process involves in the bank credit.

21. What is agency related services provided by the bank? Explain the different kind of agency related services provided by the commercial bank in Nepal.

Group "D"

Comprehensive Answer / Case / Situation Analysis Questions: ***[20]***

22. Read the following information carefully and answer the questions that follow:

Saurav, a cashier (Teller) at ABC Bank, had always taken pride in his work. He knew that handling cash transactions required precision, security, and compliance with strict banking regulations.

One ordinary morning, as the doors of the bank opened, he noticed something unusual - an audit team from Nepal Rastra Bank (NRB) had arrived for a surprise inspection. As the team began their review, they examined the bank's cash management system, ensuring that proper liquidity measures were in place to maintain financial stability. They also assessed the vault security, checking whether advanced protective measures such as surveillance cameras, biometric access controls, and secure locking systems were being implemented as per NRB directives.

Saurav was relieved when the vault security met all the necessary standards. However, the auditors raised concerns regarding cash insurance coverage, reminding bank officials that every financial institution must secure their cash holdings against risks such as theft or fraud. The team explained the significance of cash insurance, emphasizing how it serves as a financial safeguard during unexpected events. At the cash counter, the NRB team monitored transactions, ensuring that cashiers followed guidelines for accuracy and security.

Saurav demonstrated the proper procedure, verifying payments, handling customer transactions efficiently, and maintaining financial records. He knew that his role was vital in ensuring compliance with banking regulations. Later, the auditors examined the clearing system, which facilitates smooth transactions between banks, preventing settlement delays. They also reviewed the electronic clearing system, which enhances transaction speed and security, ensuring seamless operations.

Finally, the NRB team evaluated interbank and intrabank fund transfers, confirming that ABC Bank followed the latest regulatory measures on digital payment security. They celebrated the bank for adhering to NRB directives on funds transfer, reinforcing transparent and secure banking practices.

Questions:

a. Based on the above case and your understanding, why the cash management is important for the Bank?

b. The NRB audit examined ABC Bank's vault security measures. What are the vault security measures as required by Nepal Rastra Bank? Explain.

c. The auditor raised concerns about the bank's cash insurance policies. What is cash insurance and what is the significance of cash insurance in Bank.

d. Saurav ensures proper compliance with cash management, vault security measures, cash insurance, and clearing system. What consequences would have been faced by ABC bank if such compliance had not been met? Explain.

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