

16 OCT 2008

**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE & MANAGEMENT**  
**FINAL YEAR 2<sup>ND</sup> SEMESTER EXAMINATION IN BBA / ECONOMICS**  
**2007/08 (REPEAT) (JULY 2008)**

**ECN 4023 Banking Theory and Practice**

Answer all questions

Time : 03 hours

01. (a) What are the basic services of a Commercial Bank?  
(04 marks)
- (b) List out some expanded services of Commercial Banks.  
(04 marks)
- (c) What is meant by off-balance sheet activities of a Commercial Bank?  
(12 marks)  
**(Total 20 marks)**
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02. (a) Briefly state some main items of Bank assets.  
(08 marks)
- (b) What is meant by the term "deposits"? List various types of deposits.  
Explain its importance in Commercial banking.  
(12 marks)  
**(Total 20 marks)**
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03. (a) Explain various types of Banks.  
(04 marks)
- (b) Explain some specific measures which have been taken to maintain public confidence in banks in Sri Lanka.  
(08 marks)
- (c) Show the organization structure and departments of the Central bank of Sri Lanka.  
(08 marks)  
**(Total 20 marks)**

04. (a) Briefly state the present day functions of Central bank of Sri Lanka (08 marks)

(b) Explain the main features of American Banking system. (12 marks)  
(Total 20 marks)

05. Briefly explain the following :

- (a) Active open market operations
- (b) Financial Intermediation
- (c) Technological advances and commercial banking
- (d) Economic importance of share market in Sri Lanka.

(20 marks)

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