

**P.G. DIPLOMA IN RURAL BANKING
(PGDRB)**

Term-End Examination

December, 2011

**MCQ-037 : AGRICULTURAL PROJECT :
FINANCING AND ANALYSIS**

Time : 2 hours

Maximum Marks : 50

*Note : Attempt any five questions. Question 1 is compulsory.
All question carry equal marks.*

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1. (a) Define the followings : 1x5=5
- (i) Short term loans
 - (ii) Security
 - (iii) Net Worth
 - (iv) Liabilities
 - (v) Sunk costs
- (b) Fill in the blanks : 1x5=5
- (i) The scale of finance for crop loan should not exceed _____ % of gross returns as per RBI guidelines.
 - (ii) The returns derived from the loan investment is sufficient to clear off the entire loan in the same accounting year is called _____ loan.

- (iii) The cooperative institution established to look after the credit needs of tribal farmers is _____ .
- (iv) Cost of credit includes _____ besides other acquisition charges.
- (v) For getting crop loan, the beneficiary must be the _____ cultivator of crop.

2. Discuss the magnitude of rural indebtedness in India. Why it is increasing in India ? 10
3. What do you mean by credit ? Discuss the flow of agricultural credit from various sources. 10
4. (a) Explain the role of agricultural credit in poverty reduction in rural India. 5
- (b) What are the problems in agricultural finance ? Suggest the measures to improve agricultural finance. 5
5. Discuss the major reforms in commercial banking sector to increase lending to priority sector. 10
6. Write short notes on *any five* : 2x5=10
 - (a) Cooperative credit
 - (b) NABARD
 - (c) Lead bank scheme
 - (d) Five year plans and rural credit

- (e) Credit supply and demand
 - (f) Crop insurance
 - (g) Tangible cost
7. (a) Define project. Projects are cutting edge of development. Explain. 5
- (b) What are the phases through which a project passes ? Explain any two. 5
8. (a) Differentiate between undiscounted and discounted measures of project worth. 2
- (b) Explain the significance of various discounted measures of project worth using hypothetical data. 8
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