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Total Number of Pages: 02

MBA

15MNG-204

SECOND SEMESTER Regular / Back Examination – 2015-16

BANKING AND INSURANCE

Branch: MBA

Time: 3 Hours

Max marks: 100

Q.CODE: W 462

Answer Question No.1 and 2 which is compulsory and any four from the rest.

The figures in the right hand margin indicate marks.

Q1 Answer the following questions by filling in the blanks: (2x 10)

- a) Interest on savings account now determined by -----and calculated on-----.
- b) -----cheque is not honored by the bank and when a bank returns a cheque unpaid, it is called -----.
- c) The reserves which can act as liquidity buffer for commercial banks during crisis times are ----- and -----.
- d) ----- and ----- are the two Indian banks allowed to open branches in Pakistan in August 2012.
- e) Regulatory Authority for RRBs are ----- and -----.
- f) IFSC denotes ----- and involves ----- digits.
- g) Life insurance is a contract that pledges payment of ----- on the happening of -----.
- h) The punch line and tag line of the advertisement of LIC are ----- and ----- respectively.
- i) Risk management is a discipline that provides for ----- and -----.
- j) Micro insurance should provide greater economic and psychological security to the poor as it reduces ----- and -----.

Q2 Answer the following questions: (2x10)

- a) Why do business people prefer a current account?
- b) State with reasons whether the following statement is correct or not:
“Whatever be the type of charge, ownership of the security will never pass on to the bank”.
- c) Does Banking ombudsman create a healthier and ethical customer relationship? Justify.
- d) Define cheque truncation.
- e) State the reasons for retaining margin on loans.

	f) What does banking regulation seek to ensure?		
	g) When and why the SARFAESI ACT was enacted?		
	h) What do you mean by the statement "Insurance involves indemnification"?		10
	i) State the circumstances under which the registration of an insurance company may be suspended.		
	j) Dinesh was traveling with his son in his own car. The car met with an accident and his son died in the accident. Whether Dinesh will get claim for third party damages?		
Q3	"The government of India has brought about an improvement in the functioning of nationalized banks by introducing the element of competition from new private sector banks".- Elucidate.	(15)	10
Q4	A A Fixed deposit in the name of X and Y (payable to either or survivor) is presented for payment discharged by X alone. How will you, as a banker, deal with the situation?	7	10
	B Mrs. X approaches you with a request to pay to her the amount of a fixed deposit standing in the name of her husband. The Fixed deposit is already matured. Mrs. X claims that Mr. X is reported missing for five years. How will you act, as a banker?	8	
Q5	The increasing NPAs and the time consuming legal process of loan recovery prompted enactment of SARFAESI Act. Describe the important provisions of this act having a bearing on NPAs. Is it justified to use this act as a tool in management of NPAs? Has this act helped in quicker recovery of loan and reducing NPAs?	15	10
Q6	A. "Insurance acts as a social tool"--- comment.	7	
	B. What are the essentials of insurable interest in general insurance?	8	
Q7	A. "uncertainty is the very core of the concept of risk". Explain the statement.	7	10
	B. Why the insurance is considered the most practical method for handling risk?	8	
Q8	What are the wide variety of risks for which micro insurance is offered? Discuss the different models through which micro insurance is delivered	15	10