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Total Number of Pages: 02

MBA
MBA302

3rd Semester Back Examination 2016-17
BANKING AND INSURANCE MANAGEMENT
BRANCH: MCA
Time: 3 Hours
Max Marks: 70
Q.CODE: Y1184

Answer Question No.1 which is compulsory and any five from the rest.
The figures in the right hand margin indicate marks.

Q1 Answer the following questions: (2 x 10)

- a) What areas of Banking are covered by information and communication technology?
- b) What made the government of India to nationalize the commercial banks in India?
- c) What do you mean by intangible assets of banks?
- d) SriRam has a savings account with a bank. He is always on the move and would like to transact his account at his convenience. What are the banking channels available to him?
- e) Why the payment mechanism of Banks is important for the economy?
- f) How does compliance with KYC provisions in letter and spirit help banks?
- g) Do the following have insurable interest, give reasons:
 - i. A Professor wishing to insure a research scholar, working under him.
 - ii. A Steel company desirous of insuring its director who is also one of its promoters.
- h) A Business man has applied in the court for adjudication as an insolvent. Can he become an insurance agent? Justify.
- i) What does Micro Finance include?
- j) For each of the following hazards State the peril to which the hazard relates
 - i. A Person with damaged kidney
 - ii. A Drunken driver of a Truck

Q2 CASE STUDY:-

- a) Excellent plastics Ltd. Are having a cash-credit limit of Rs.10 crores and bills purchase limit of Rs.5 crores. The company has sought increases in cash-credit limit up to Rs.20 crores and bills purchase limit up to Rs.10 crores. Memorandum and Articles of Association of the company give powers to the directors to borrow and give security, but are silent as to the limit upto which the company can borrow. The paid-up capital and reserves of the company as on the date of last balance sheet amounts to Rs20 crores. Turnover in the account and other operating data are satisfactory. Would you as a banker recommend the proposal? **(5)**
- b) A Cheque payable to "M or Order" drawn by X on your branch is stolen and the thief forges "M's signature and presents to you for payment. However you make the payment in due course. M is having a S.B. a/c with you not operated for the last 5 years. M wants to recover the cheque amount from you. What Recourse you have, as a banker, in this case. **(5)**

	Q3	“ The Government has brought about an improvement in the functioning of nationalized banks by introducing the element of competition from new private sector banks”- Elucidate.	(5)
210	Q4	“Fundamental principles on which credit is generally based are Character, Capacity, and Capital”. Explain	(5)
	Q5	a) Mrs. Das approaches you with a request to pay to her the amount of a fixed deposit of Rs.50, 000 standing in the name of her husband. The Fixed deposit is matured. Mrs. Das claims that Mr. Das is reported missing for 5 years. How will you deal with this situation?	(5)
210	b)	A grandfather wants to open a Savings bank account in the names of his grandchild (aged 6 years) and himself. How would you deal in this case?	(5)
	Q6	What is meant by liquidity of commercial banks? How do Indian banks distribute their assets to secure liquidity?	(5)
	Q7	What do you mean by Policy holder’s interest? What steps is the insurer to take to protect the policy holder’s interest?	(10)
210	Q8	SHG-BANK linkage programme in India is considered as the biggest micro finance programme in the World. Analyse the validity of the statement	(10)