

Registration No. :

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Total number of printed pages – 2

MBA
MBA 302

Third Semester Examination – 2013

BANKING AND INSURANCE MANAGEMENT

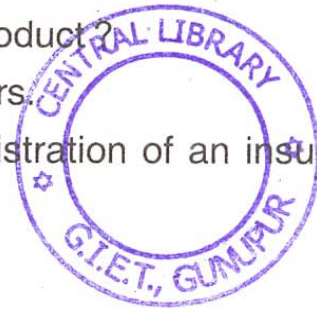
QUESTION CODE : C-518

Full Marks – 70

Time : 3 Hours

*Answer Question No. 1 & 2 which are compulsory and any **four** from the rest.
The figures in the right-hand margin indicate marks.*

1. Answer the following questions : 2×10
- (a) Why the Government of India decided to permit setting up of Banks in the private sector in 1994 ?
 - (b) Distinguish between indigenous banker and money lender.
 - (c) State the factors which are considered when a request has been received by a Foreign bank for conducting business in India.
 - (d) Why is Credit card considered to be a hybrid product ?
 - (e) State the advantages of letter of credit to exporters.
 - (f) State the circumstances under which the registration of an insurance company may be suspended.
 - (g) What do you mean by “Causa- Proxima” ?
 - (h) What do you mean by chance of loss ?
 - (i) Why was insurance nationalized in India ?
 - (j) For what risks Micro insurance is offered ?
2. Analyze and comment on the following situations : 10
- Your branch has advanced Rs.50, 000 against the pledge of cloth bales valued at Rs.90; 000. The cloth bales are stored in a godown in the business locality. The keys of the godown are with the bank. One morning it is reported to you by the



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borrower that the locks of the go down are broken and substantial quantity of the goods is stolen. Since the possession of the go down is with the bank, the borrower makes a claim on the bank for the loss.

(a) What action the bank should take on hearing of the theft ?

(b) What is the position of the bank with regard to the claim of the borrower ?

3. State the reasons for imposing social control over commercial banks in India and their subsequent nationalization and effects of nationalization. 10
4. Explain the different forms of Banker's advances. What precautions should a banker take while making unsecured advances ? 10
5. Discuss the provisions in the Banking Regulation Act, 1949 which are intended to foster a sound and healthy banking system in India. 10
6. Examine the role of various Authorities and Acts existing in India for protecting the policy holder's interests. 10
7. What is meant by "Management of Risks" ? Explain the importance of Risk management in insurance. 10
8. Write short notes on : 5×2
 - (a) Delivery mechanism of Micro insurance
 - (b) SHG-Bank linkage programme

