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Total Number of Pages: 03

**MBA**  
**15MNG204**

**2<sup>ND</sup> Semester Regular / Back Examination – 2016-17**

**BANKING AND INSURANCE**

**Branch: MBA**

**Time: 3 Hours**

**Max marks: 100**

**Q.CODE : Z1091**

**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)** The main business of banks is to accept deposits from the public. However a bank can refuse to permit opening an account on behalf of-----
- (i) Undesirable persons
  - (ii) Artificial persons
  - (iii) Arrested persons
  - (iv) Convicted persons
- b)** Every banking company is required to use the word "Bank" in its name and no company other than a banking company can use the words bank, banker or banking as part of its name as per:
- (i) Section 7 of BR Act
  - (ii) Section 7 of RBI Act
  - (iii) Section 7 of Nationalization Act
  - (iv) Section 7 of SEBI Act
- c)** Mortgage is a;
- (i) Security on movable property for loans
  - (ii) Security on immovable property on loans
  - (iii) Concession on immovable property
  - (iv) Security on loan sanctioned against Fixed deposits
- d)** Crypto currency is a-----
- (i) Plastic money
  - (ii) Digital medium of exchange
  - (iii) Digital payment
  - (iv) Both(a) and (b)

- e) Which one is not the most common objective of Banking regulations?
- (i) Systematic risk reduction
  - (ii) Credit allocation
  - (iii) Prudential objectives
  - (iv) Market discipline
- f) Which statement is not correct about capital adequacy ratio (CAR)?
- (I) It is Thermometer of Bank's health
  - (II) It is the ratio of its capital to its risk
  - (III) It can indicate the capacity of the bank's ability to absorb the possible losses
  - (v) A good CAR makes vulnerable to the depositors and lose faith in the banking system.
- g) In April 2013, A Bill has been introduced in the Lok sabha to raise the authorized capital of RRBs to Rs-----
- (i) 1000 cr
  - (ii) 500 cr
  - (iii) 250 cr
  - (iv) 100 cr
- h) Anmol jeevan is a ----- of the LIC
- (I) Basic life insurance plan
  - (II) Term insurance plan
  - (III) Children's plan
  - (v) Pension plan
- i) Which type of insurance provides a tax free lump-sum?
- (i) Whole of life plan
  - (ii) Family income benefit
  - (iii) Level term assurance
  - (iv) Income protection
- j) Which type of life assurance combines insurance and investment?
- (i) Mortgage Repayment
  - (ii) Whole of life plan
  - (iii) Family income benefit
  - (iv) Level term assurance

**Q2 Answer the following questions:**

**(2x10)**

- a) What type of services do banks provide as a financial services provider.?
- b) What do you mean by "Any where banking"? Mention any two facilities under Anywhere banking.
- c) What is private banking?
- d) What are the activities, termed as cross selling by commercial banks?

- e) From where does the special importance of commercial banks among financial institutions come from?
- f) What is RTGS? Why it is named so?
- g) When and why the SARFAESI ACT was enacted?
- h) What do you mean by "insurance coverage"?
- i) Can an agent work for life as well as non-life insurer? Justify.
- j) Distinguish between risk and uncertainty. What are the risks which are covered in life insurance?

- Q3** "The secret of successful banking is to strike a proper balance between liquidity and profitability".- Elucidate. **(15)**
- Q4** (a) Do fixed deposits provide any liquidity to the depositors? If so, in what manner? **(8+7)**  
 (b) Why have Flexi-deposits become a very popular deposit product among middle/ upper class clientele of banks?
- Q5** Distinguish between conventional banking and E-banking. Analyze the various issues involved in E-banking and suggest measures to overcome them. **(15)**
- Q6** a) State and explain Banking sector reforms with special reference to prudential norms and capital adequacy norms. **(8)**  
 b) How does the central bank monitor and supervise the functions of its member banks? **(7)**
- Q7** a) What constitutes an unfair or misleading advertisement according to IRDA Act? Discuss. **(7)**  
 b) Discuss the different kinds of proofs of death required for Life insurance claim? **(8)**
- Q8** What is the importance of Risk management in insurance? Elaborate the process of managing risks in insurance. **(15)**