

**B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2015****Sixth Semester****Core Course—BANKING AND INSURANCE MANAGEMENT**

Time : Three Hours

Maximum Weight : 25

**Part A (Objective Type)***Answer all questions.**Each bunch of four questions carries a weight of 1.***I. 1 Unit banking is originated in :**

- |            |                |
|------------|----------------|
| (a) India. | (b) Sri Lanka. |
| (c) USA.   | (d) U.K.       |

**2 SLR stands for :**

- |                                |                                 |
|--------------------------------|---------------------------------|
| (a) Solvency Liquidity Ratios. | (b) Statutory Liquidity Ratios. |
| (c) Seasonal Liquidity Ratios. | (d) Safety Line Requirement.    |

**3 The best suited deposit for a trading community is :**

- |                      |                        |
|----------------------|------------------------|
| (a) Saving deposit.  | (b) Fixed deposit.     |
| (c) Current deposit. | (d) Recurring deposit. |

**4 Before opening a current or savings account ——— must be obtained.**

- |                         |                               |
|-------------------------|-------------------------------|
| (a) Power of Attorney.  | (b) A letter of introduction. |
| (c) A letter of credit. | (d) Authority Letter.         |

**II. 5 The document drawn by a debtor on the creditor agreeing to pay a certain sum is called :**

- |                      |             |
|----------------------|-------------|
| (a) Promissory Note. | (b) Cheque. |
| (c) Right to issue.  | (d) Draft.  |

**6 The reasonable period allowed in India for the presentation of a cheque is :**

- |               |                                    |
|---------------|------------------------------------|
| (a) 1 year.   | (b) 6 months.                      |
| (c) 9 months. | (d) Depending upon banking custom. |

**7 The Banking Regulation Act was passed in :**

- |           |           |
|-----------|-----------|
| (a) 2000. | (b) 2005. |
| (c) 1947. | (d) 1949. |

**Turn over**

8 In the case of a negotiable instrument the following person generally gets a good title :

- (a) Finder of the lost instrument.
- (b) Holder of a stolen instrument.
- (c) Holder in due course.
- (d) Holder of a forged instrument.

III. 9 The subject matter of insurance is :

- (a) Income.
- (b) Profit.
- (c) Risk.
- (d) Wealth.

10 Fire Insurance contract is a contract of :

- (a) Guarantee.
- (b) Validity.
- (c) Indemnity.
- (d) Contribution.

11 The principle of insurance which states that both the parties to the contract should disclose every material fact known to them is :

- (a) Causa Proxima.
- (b) Utmost good faith.
- (c) Contribution.
- (d) Insurance interest.

12 Insurance sector in India is monitored by \_\_\_\_\_.

- (a) LIC.
- (b) RBI.
- (c) IRDA.
- (d) Central Government.

IV. 13 When the Central Bank persuades the commercial banks to adhere to its credit policies it is called :

- (a) Direct Action.
- (b) Moral Suasion.
- (c) Open Market Quotation.
- (d) None.

14 For rediscounting and giving advance, the central bank charges interest rate which is called :

- (a) Open Market operations.
- (b) Cash Reserve Ratio.
- (c) Bank Rate.
- (d) Penal Interest.

15 The person who will get the amount of the policy in the event of the death of the assured is called :

- (a) Beneficiary.
- (b) Insured.
- (c) Nominee.
- (d) Recipient.

16 The main protection in ATM card is :

- (a) Pin code number.
- (b) STD number.
- (c) Secret code number.
- (d) Telephone number.

(4 × 1 = 4)

**Part B (Short Answer Type)**

*Answer any five questions.  
Each question carries a weight of 1.*

- 17 Define the term "Banking".
- 18 What do you mean by "marking of a cheque" ?
- 19 What is "e-banking" ?
- 20 What is double insurance ?
- 21 Define Marine Insurance.
- 22 What do you mean by Assignment of Policy ?
- 23 What is mediclaim policy ?
- 24 What is micro finance ?

(5 × 1 = 5)

**Part C (Short Essay/Problem Solving Type)**

*Answer any four questions.  
Each question carries a weight of 2.*

- 25 What are the agency services rendered by a Commercial bank ?
- 26 What are the characteristic features of "Negotiable Instruments" ?
- 27 How does the RBI act as a banker to the Government ? Explain.
- 28 Give a brief account of different types of risks pertaining to the electronic banking as compared to traditional banking.
- 29 Explain the objectives of IRDA.
- 30 Write a note on "Motor Vehicle Insurance".

(4 × 2 = 8)

**Part D (Essay Type)**

*Answer any two questions.  
Each question carries a weight of 4.*

- 31 Discuss in detail the different types of accounts opened and operated by a bank.
- 32 Give an account of E-banking and financial services provided by a modern banker.
- 33 Define Life Insurance. Briefly explain the important principles of life insurance.

(2 × 4 = 8)