


**FOURTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION
APRIL 2017**

(CUCBCSS-UG)

Common Course

A 14—BANKING AND INSURANCE

5405268

Time : Three Hours

Maximum : 80 Marks

Part A*Answer all questions.**Each question carries 1 mark.***A. Choose the correct answer :**

1. A bill drawn by one bank on other bank is known as :

(a) Bill of Exchange.	<input checked="" type="checkbox"/> (b) Demand draft.
(c) Bank note.	(d) Promissory note.
2. Regional Rural Banks are sponsored by :

(a) RBI.	(b) State Government.
(c) Central Government.	<input checked="" type="checkbox"/> (d) Nationalized Commercial Banks.
3. To transmit money from one place to another, bank issues :

<input checked="" type="checkbox"/> (a) Draft.	(b) Old.
(c) Postal order.	(d) Money order.
4. Whole life policy is a policy taken for a period of :

<input checked="" type="checkbox"/> (a) 10 years.	(b) Till 60 years.
(c) 15 years.	(d) Throughout life.
5. The most important feature of a negotiable instrument is :

(a) Free transfer.	<input checked="" type="checkbox"/> (b) Transfer free from defects.
(c) Right to sue.	(d) (a) and (b) together.

B. Fill in the blanks :

6. An order cheque can be transferred by _____ and delivery.
7. _____ is a cheque that a bank as refused to cash or pay because the account holder does not have sufficient funds.
8. Particular average loss is associated with _____.

Turn over

9. _____ cheque is a dead cheque.

10. The time between a proposal and issue of policy, the risk is covered by _____:

(10 × 1 = 10 marks)

Part B (Short Answer Questions)

Answer any eight questions.

Each question carries 2 marks.

11. What is meant by mixed banking?
12. What is double insurance?
13. What do you understand by the term "banker"?
14. What is base rate?
15. Define the principle of contribution.
16. What is assurance?
17. What is meant by RTGS?
18. Who is a beneficiary?
19. What is credit card?
20. What is Hull insurance?

(8 × 2 = 16 marks)

Part C (Short Essay Questions)

Answer any six questions.

Each question carries 4 marks.

21. Differentiate between promissory note and bill of exchange.
22. Describe innovative functions of commercial banks.
23. State the requirements of a valid cheque.
24. State the utility services offered by commercial banks.
25. What is endorsement? Explain the liability of an endorser.
26. List out the essential elements of a valid Life Insurance Contract.
27. What is Debit card? Explain different types of Debit card.
28. Explain the functions of RBI.

(6 × 4 = 24 marks)

Part D (Essay Questions)

Answer any two questions.

Each question carries 15 marks

29. Discuss the role of commercial banks in the economic development of a country.
30. "Insurance meets the social obligation of every member of the society" – How? Elucidate.
31. What is insurance contract? Explain the formalities under maturity claim.

(2 × 15 = 30 marks)

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A 14—BANKING AND INSURANCE

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	Total No. of Questions : 20	Maximum : 20 Marks
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INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (a), (b), (c) and (d) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

A 14—BANKING AND INSURANCE
(Multiple Choice Questions for SDE Candidates)

1. The present governor of RBI :
 (a) Dr. D. Subba Rao. ~~(b)~~ Dr. Raghuram Rajan.
 (c) Dr. Y.V. Reddy. (d) Dr. Bimal Jalan.
2. _____ is called the purchase and sale of government securities in the open market by Central Bank.
 (a) Open market operation. (b) Clearing.
 (c) Securitization. (d) None of these.
3. The combination of investment banking and commercial banking is called _____.
 (a) Group banking. (b) Unit banking.
 (c) Mixed banking. ~~(d)~~ None of these.
4. Capital Adequacy Ratio is the ratio of Bank's capital to its _____.
 (a) Fixed assets. (b) Current assets.
 (c) Risk assets. ~~(d)~~ None of these.
5. Commercial banks to expand deposit through expanding their loans and advances is known as :
 (a) Credit creation. (b) Trade discount.
 (c) Deposit. ~~(d)~~ Bank advances.
6. The first Joint Stock Bank in India is _____.
 (a) IDBI. (b) ICICI.
 (c) Imperial Bank. (d) Allahabad Bank.
7. Apex bank for rural credit is :
 (a) RRB. ~~(b)~~ PACS.
 (c) LDB. (d) NABARD.
8. A _____ bank is usually created to fund a specific project.
 (a) Branch banking. ~~(b)~~ Consortium banking.
 (c) Correspondent banking. (d) None of these.
9. The right of a creditor to retain possession of those properties in respect of which debt is due is called _____.
 (a) General Lien. ~~(b)~~ Particular lien.
 (c) Garnishee order. (d) None of these.

10. The initial share capital of RBI :
- (a) 20 Crores. (b) 10 Crores.
(c) 1 Crore. (d) 5 Crores.
11. If the loan remains overdue for more than 90 days, it is treated as _____.
- (a) NBA. (b) NPA.
(c) PA. (d) None of these.
12. In _____ deposit, there is no restriction regarding the number and amount of withdrawals.
- (a) Savings. (b) Current.
(c) Fixed. (d) Recurring.
13. When the customer is a depositor, banker is a _____.
- (a) Debtor. (b) Creditor.
(c) Principal. (d) Agent.
14. The endorser simply signs on the back of the instrument for the purpose of negotiation is called _____.
- (a) Special endorsement. (b) Restrictive endorsement.
(c) Blank endorsement. (d) None of these.
15. RTGS stands for :
- (a) Real Time Gross Scheme. (b) Real Time General Settlement
(c) Real Time Gross Settlement. (d) None of these.
16. EFT was introduced by _____.
- (a) SBI. (b) RBI.
(c) ICICI. (d) None of these.
17. SWIFT is for _____.
- (a) Cheque payment.
(b) Clearing accounts.
(c) Communication for Financial Transactions.
(d) None of these.
18. Insurance agreement is _____.
- (a) Written. (b) Written or Oral.
(c) Oral. (d) None of these.

19. When the same person is insured by several insurers, it is called _____
- (a) Reinsurance.
 - (b) ~~Double insurance.~~
 - (c) Third party insurance.
 - (d) None of these.
20. _____ insurance is not a contract of indemnity.
- (a) Fire.
 - (b) Property.
 - (c) Marine.
 - (d) ~~Personal accident.~~