


FOURTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, APRIL 2016

(CUCBCSS—UG)

Common Course

A14—BANKING AND INSURANCE

Time : Three Hours

Maximum : 80 Marks

Part I*Answer all questions.*

1. _____ Bank meets the requirements of medium and long term financial needs of industrial concerns.
 - (a) Commercial Bank.
 - (b) Agricultural Bank.
 - (c) NABARD.
 - (d) Industrial Bank. ✓
2. Account with either 'Nil' balance or very low minimum balance :
 - (a) Savings.
 - (b) No frills. ✓
 - (c) Current.
 - (d) None of these.
3. _____ is the minimum rate at which the RBI is ready to grant loans and advances to Commercial banks.
 - (a) Repo rate. ✓
 - (b) Prime Lending rate.
 - (c) Bank Rate. ✓
 - (d) None of these.
4. The Bank doesn't pay any interest on _____ Account.
 - (a) Current. ✓
 - (b) Fixed.
 - (c) Savings.
 - (d) Recurring.
5. The principle of subrogation is introduced to protect the interests of _____.
 - (a) Insured.
 - (b) Agents.
 - (c) Insurer.
 - (d) All of the above. ✓
6. Life Insurance Corporation was nationalized in _____ 1956.
7. If there is no insurable interest, the insurance contract will become _____ void.
8. Note Issue is the major function of _____ RBI.
9. Insuring the same subject matter with two or more insurer is _____ double.
10. _____ cover is a policy which specifies the agreed value of the subject matter.

(10 × 1 = 10 marks)

Turn over

Part II (Short Answer Questions)*Answer any eight questions.*

11. Define Customer.
12. What is financial inclusion ?
13. What is SLR ?
14. What is assignment of a policy ?
15. What is re-insurance ?
16. What is micro finance ?
17. What is current account ?
18. What is a scheduled bank ?
19. What is fire insurance ?
20. What is causa proxima ?

(8 × 2 = 16 marks)**Part III (Short Essays)***Answer any six questions.*

21. Explain briefly the Functions of NABARD.
22. Explain the features of Insurance Contract.
23. Explain the procedure for opening a Joint Account.
24. Explain the role of banking sector in the Economic Development.
25. Explain the Principle of Subrogation.
26. What are the various types of Deposits ?
27. What are the circumstances under which a Bank Account can be closed ?
28. Explain in brief different kinds of Insurance.

(6 × 4 = 24 marks)**Part IV (Long Essays)***Answer any two questions.*

29. Explain the Innovative functions of bank today.
30. Explain the functions of Reserve Bank of India ?
31. What is Life Insurance ? Explain the principles of Life Insurance Contract.

(2 × 15 = 30 marks)

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(Pages : 4)

Name.....

Reg. No.....

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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

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. Employees State Insurance Act was passed in the year _____.

(A) 1972.	(B) 1938.
(C) 1956.	(D) 1948.

2. Public Liability Insurance Act was passed in the year _____.

(A) 1990.	(B) 2001.
(C) 1991.	(D) None of these.

3. General insurance is a contract of _____.

(A) Contribution.	(B) Indemnity.
(C) Guarantee.	(D) None of these.

4. In the case of marine insurance reserve for unexpired risk is _____.

(A) 50%.	(B) 100%.
(C) 40%.	(D) None of these.

5. Insurance Regulatory and Development Authorities Act came into effect in :

(A) 2001.	(B) 2004.
(C) 1999.	(D) None of these.

6. Bonus payable on maturity of the policy is termed as :

(A) Cash bonus.	(B) Capital bonus.
(C) Reversionary bonus.	(D) None of these.

7. Uberimane Fidei means _____.

(A) Insurable interest.	(B) Free consent.
(C) Utmost good faith.	(D) None of these.

8. The number of insurers in the life insurance business in India at present :

(A) 29.	(B) 28.
(C) 30.	(D) 24.

9. The premium paid on life insurance policy is a deductible expense under Section _____ of the Income Tax Act.
- (A) 80 D. (B) 80 C.
(C) 80 DD. (D) None of these.
10. _____ is a financial contract in the form of an insurance product according to which a Life Insurance Company makes a series of future payments to a person in exchange for the immediate payment of a lump sum or a series of regular payments.
- (A) Surrender. (B) Reversions.
(C) Annuity. (D) None of these.
11. _____ is the receipt issued by the captain of the ship for the cargo loaded in the ship.
- (A) Promissory note. (B) Bill of Exchange.
(C) Bill of Lading. (D) None of these.
12. Average clause is applicable for _____.
- (A) Double Insurance. (B) Reinsurance.
(C) Over Insurance. (D) Under Insurance.
13. The first Bank in India was started in the year :
- (A) 1825. (B) 1786.
(C) 1912. (D) None of these.
14. Regional rural banks are sponsored by _____.
- (A) Foreign exchange banks. (B) Nationalized banks.
(C) Industrial banks. (D) None of these.
15. RBI was started in the year :
- (A) 1947. (B) 1942.
(C) 1938. (D) 1935.
16. The number of nationalized banks in India at present :
- (A) 17. (B) 16.
(C) 19. (D) 21.

Turn over

17. During the time of inflation, Central bank _____ the bank rates.
- (A) Decrease. (B) Increase.
(C) Doubles. (D) None of these.
18. IBRD is also known as _____.
- (A) Asian Development Bank. (B) World Bank.
(C) Central bank. (D) None of these.
19. Which deposit offered the highest rate of interest ?
- (A) Savings. (B) Current.
(C) Recurring. (D) Fixed.
20. The first Women bank in India :
- (A) RRB. (B) BMS.
(C) LAB. (D) None of these.