

D 21148

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Name.....

Reg. No.....

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2011

(CCSS)

Core Course

BC 5B 09—BASICS OF BANKING AND INSURANCE

Time : Three Hours

Maximum Weightage : 30

I. Fill in the blanks with suitable words :

- 1 _____ is the minimum rate at which RBI grants loans to commercial banks.
(a) Market rate. (b) Bank rate.
(c) Prime lending rate. (d) None of these.
- 2 The customer is required to remit a fixed sum for a certain period is _____ deposit scheme.
(a) Current deposit. (b) Fixed deposit.
(c) Recurring deposit. (d) Saving deposit.
- 3 _____ Insurance is not a contract of indemnity :
(a) Marine. (b) Fire.
(c) Property. (d) Personal accident.
- 4 The principle of subrogation is introduced to protect the interest of _____.
(a) Insured. (b) Agents.
(c) Insurer. (d) All of these.

II. Choose the correct answer.

- 5 Insuring the risk with other insurers is known as :
(a) Double insurance. (b) Reinsurance.
(c) Underinsurance. (d) None of these.
- 6 Fixed deposits are called :
(a) Term deposit. (b) Demand deposit.
(c) Current deposit. (d) Savings deposit.
- 7 Note issue is the major function of :
(a) Central Bank of India. (b) Central Bank.
(c) Imperial Bank. (d) None of these.
- 8 Apex development bank for Agriculture and rural development are :
(a) State Cooperative Bank. (b) Agriculture Bank.
(c) NABARD. (d) None of these.

Turn over

III. State whether the following statements are true or false, if false correct it.

- 9 Commercial Bank can issue currency notes.
- 10 Saving Bank deposits are withdrawable on demand.
- 11 The rate of interest is high in the case of saving deposit.
- 12 If there is non insurable interest, the insurance contract will become void.

(12 × ¼ =

IV. Short answer questions. Answer all *nine* questions, each question carries 1 weightage.

- 13 What are the parties of an insurance ?
- 14 What is open market operation ?
- 15 Who is the banker to Government of India ?
- 16 Expand RTGs.
- 17 What is SLR ?
- 18 What is Consumer credit ?
- 19 What is demand deposit ?
- 20 What is insurance policy ?
- 21 What do you mean by indemnity ?

(9 × 1 =

V. Answer any *five* questions from seven :

- 22 Explain the functions of RBI as a financial agent to the Government.
- 23 What is moral suasion as a measure of qualitative credit control ?
- 24 What are the precautions to be taken by the banker while opening account in the name of agent ?
- 25 What are the advantages of Fixed Deposit ?
- 26 State the promotional functions of RBI.
- 27 What are the agency services of commercial bank ?
- 28 What do you mean by quantitative methods of credit control ? What are the different types

(5 × 2 = 10

VI. Answer any *two* questions. Each question carries 4 weightage.

- 29 Define insurance. Explain the features of insurance.
- 30 Explain briefly the innovative functions of banks.
- 31 Explain the monetary functions of RBI.

(2 × 4 = 8