

**MASTER OF BUSINESS ADMINISTRATION
THIRD SEMESTER [SPECIAL REPEAT]
BANKING AND INSURANCE
MBA – 303C**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. What is a commercial bank?
 - a. A financial institution that accepts deposits, offers to check account services
 - b. An organization that is, generally, formed independently from the government
 - c. Legal entity representing an association of people
 - d. Precise kind of business structure found only in India
2. What is a presidency bank?
 - a. A financial institution that accepts deposits, offers to check account services
 - b. An organization that is, generally, formed independently from the government
 - c. Legal entity representing an association of people
 - d. Banks under a common statute and imposed some restrictions on their business
3. Bank of Bengal was renamed after which bank?
 - a. State Bank of India
 - b. Reserve Bank of India
 - c. Bank of Calcutta
 - d. Bank of Hindustan
4. What is the Reserve Bank of India?
 - a. The central bank and regulatory body and is responsible for the issue and supply of the Indian rupee
 - b. Banks are owned by either individual or general partners with a limited partner
 - c. A financial institution that accepts deposits
 - d. Type of international bank that is required to obey both the home and host country's legislation
5. What is the number of digits in IFSC Code?
 - a. 11
 - b. 9
 - c. 7
 - d. 15
6. Overdraft facility is provided on:
 - a. Savings accounts
 - b. Current accounts
 - c. Fixed account
 - d. Recurring accounts

7. The number of parties of a bill of exchange are:
 - a. One
 - b. Two
 - c. Three
 - d. Four
8. The crossing of a crossed cheque is cancelled by-
 - a. Drawer
 - b. Drawee bank
 - c. Drawee
 - d. Payee
9. Any alteration in a Cheque must be signed by:
 - a. the Bank
 - b. Gazetted Officer
 - c. Drawer
 - d. Payee
10. Open market operations refer to-
 - a. Military operation
 - b. Buying and selling Government securities
 - c. Receiving deposits from markets
 - d. Selling treasury bills
11. If the drawer of a cheque signs on the back for transferring the rights to another person, it is called
 - a. Material change
 - b. Endorsement
 - c. Crossing
 - d. Acceptance
12. When was Life Insurance sector nationalized in India?
 - a. 1947
 - b. 1951
 - c. 1956
 - d. 1959
13. A person whose risk is insured is called-
 - a. Merchandiser
 - b. Insurer
 - c. Agent
 - d. Insured
14. The concept of insurance involves a transfer of
 - a. Liability
 - b. Needs
 - c. Ownership
 - d. Risk
15. The IRDAI head quarter is situated at
 - a. New Delhi
 - b. Mumbai
 - c. Hyderabad
 - d. Chennai
16. According to common law, when should insurable interest be present in general insurance contract?
 - a. At the time of taking the policy
 - b. At the time of claim
 - c. Both a & b
 - d. None of the above
17. In which Policy, if the policyholder survives till the end of this period, the risk cover lapses, and no insurance benefit payment is made to him/her?
 - a. Money Back Plan
 - b. Endowment Plans
 - c. Term Insurance Plans
 - d. Unit-linked insurance plan
18. Which one of the following is a type of marine insurance?
 - a. Hull insurance
 - b. Freight insurance
 - c. Cargo insurance
 - d. All of the above

19. Which of the following is not a principle of insurance?
- a. Maximization of profit
 - b. Principle of contribution
 - c. Causa Proxima
 - d. Principle of utmost good faith
20. A country's rate of local currency against that of another currency is known as:
- a. exchange control
 - b. exchange mechanism
 - c. exchange rate
 - d. balance of payments

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(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. Define Commercial banks. Describe briefly the functions of commercial banks. 2+8=10
2. a) Explain the process of opening saving deposit account. 5+5=10
b) Elucidate the concept of KYC.
3. a) Discuss the functions of Central bank of India. 5+5=10
b) Point out some differences between bill of exchange and cheque.
4. Define negotiable instruments. State its characteristics and explain any two types of negotiable instruments. 2+4+4=10
5. State the functional definition of Insurance. Discuss the seven groups of principle on which the entire business of insurance is based. 2+8=10
6. a) List out the different types of life insurance policies and briefly explain each one of them. 5+5=10
b) Draw a comparison life insurance and general insurance policies.
7. There are eight major types of general insurance policies available in India. Explain each one of them. Highlight the benefits of health insurance policies. 10
8. What is the name the apex body that supervises and regulates the insurance sector in India? Discuss the functions and operations of this apex body in detail. 10

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