

**D 136303**

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Name.....

Reg. No.....

**THIRD SEMESTER M.B.A. DEGREE (REGULAR) EXAMINATION****JANUARY 2026**

M.B.A.

BUS 3EF 03—BANKING AND INSURANCE

(2024 Scheme)

Time : Three Hours

Maximum : 60 Marks

**Part A***Answer all questions.**Each question carries 2 marks.*

1. Define Central Banking.
2. What is a Non-Performing Asset (NPA) ?
3. Define a bank guarantee.
4. Define risk management in insurance.
5. Define underwriting in insurance.

(5 × 2 = 10 marks)

**Part B***Answer any four questions from this Part.**Each question carries 4 marks.*

6. Explain the functions of a central bank.
7. Discuss the duties and rights of a banker.
8. Explain the characteristics of NPAs/stressed assets.
9. Describe the procedure for opening accounts of different types of customers.
10. Explain the impact of technology adoption in banking.
11. Explain the structure of the Indian banking system.

(4 × 4 = 16 marks)

**Turn over**

**Part C**

Answer any **three** questions from this Part.

Each question carries 8 marks.

12. Discuss in detail the structure, functions, and role of the banking system in India.
13. Discuss the different types of customers and the procedure for opening accounts for each category.
14. Explain the appraisal and assessment of credit facilities along with documentation requirements.
15. Write a detailed note on Priority Sector Lending, agricultural finance, and government-sponsored credit schemes.
16. Describe cybercrimes in banking, fraud risk management, and mitigation strategies.

(3 × 8 = 24 marks)

**Part D**

**Compulsory Question.**

10 marks.

17. Case

Mr. Rajesh, a small business owner, approaches a nationalized bank to open a current account. He provides his PAN card but does not have proof of address, as he recently relocated. The bank official insists on complete KYC documentation, but Rajesh feels inconvenienced and argues that PAN is enough.

During the verification process, the bank system flags Rajesh's name for earlier suspicious cash deposits in another branch. The bank must decide how to proceed.

Meanwhile, Rajesh demands immediate account opening as he needs to deposit cheques from his customers.

**Questions**

- a) Discuss the operational aspects of KYC and AML guidelines that the bank must follow in Rajesh's case. What steps should the bank take before opening the account ?
- b) Explain the banker-customer relationship involved in this scenario and describe how the bank should handle Rajesh's service expectations while ensuring regulatory compliance.

(10 marks)