

C 2151

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Name.....

Reg. No.....

FOURTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, APRIL 2021

Common Course for L.R.P.

A 14—BANKING AND INSURANCE

(2017 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

Answer all questions.

Each question carries 1 mark.

I. Choose the correct answer :

- 1 Nationalization of 14 commercial banks happened in the year _____.
(a) 1969. (b) 1968.
(c) 1981. (d) 1978.
- 2 Money at call and short notice is also called _____.
(a) Capital market. (b) Inter-bank call money market.
(c) Financial system. (d) Stock market.
- 3 NEFT means :
(a) Normal Electronic Fund Truncation.
(b) National Electronic Fund Truncation.
(c) National Electronic Fund Transfer.
(d) National Electronic Finance Transfer.
- 4 Compensation for actual loss suffered is called _____.
(a) Reinsurance. (b) Insurance.
(c) Indemnity. (d) Hazard.
- 5 When an insurer agrees to pay the insured a sum of money on his death or on maturity (whichever is earlier), it is called _____.
(a) Endowment life policy. (b) Health insurance policy.
(c) Whole life policy. (d) None of the above.

II. Fill in the blanks :

- 6 RTGS means _____.
- 7 _____ is an instrument in writing containing an unconditional undertaking to pay a sum of money.

Turn over

- 8 _____ committee recommended the formation of central bank in 1926.
- 9 _____ means writing something on the back of an instrument to transfer the right, title and interest therein to some other person.
- 10 _____ insurance provides coverage against the risk of a ship being attacked by enemies
- (10 × 1 = 10 marks)

Part B

*Answer any **eight** questions from the following.
Each question carries 2 marks.*

- 11 Explain agency services of banks with examples.
- 12 What is a foreign bank ?
- 13 What is a micro-finance institution ?
- 14 Who is an insolvent ?
- 15 Compare NEFT and RTGS.
- 16 Compare branch banking and unit banking.
- 17 Compare Repo and Reverse Repo rates.
- 18 What is moral suasion ?
- 19 Is life insurance a contract of Indemnity ? Why ?
- 20 What is reinsurance ?

(8 × 2 = 16 marks)

Part C

*Answer any **six** questions from the following.
Each question carries 4 marks.*

- 21 Explain EXIM bank. What are its major functions ?
- 22 Explain briefly the functions of RBI.
- 23 What are the primary and secondary functions of insurance ?
- 24 What are the three basic principles of Life insurance ?
- 25 What are Open market operations of RBI ?
- 26 What is Cheque Truncation Payment System ?
- 27 What is a Bill of exchange ? Who can be the parties to it ?
- 28 What is Noting and Protesting in case of a bill ?

(6 × 4 = 24 marks)

Part D

Answer any two questions from the following.

Each question carries 15 marks.

- 29 Explain in detail, the composition of Indian banking system.
- 30 What are the features of life insurance ? What are the different types of Life Insurance policies ?
- 31 What is the role of commercial banks in a developing economy ?

(2 × 15 = 30 marks)