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(Pages : 3)

Name.....

Reg. No.....



**FIFTH SEMESTER B.Com. DEGREE (SUPPLEMENTARY/IMPROVEMENT)  
EXAMINATION, NOVEMBER 2016**

(UG—CCSS)

**BC 5B 09—BASICS OF BANKING AND INSURANCE**

Time : Three Hours

Maximum : 30 Weightage

**Part A**

*This part consists of three bunches of questions carrying equal weightage.  
Each bunch has four questions.  
Answer all twelve questions.*

(A) Fill in the blanks :

- 1 \_\_\_\_\_ is a method of controlling and regulating the purposes for which credit is granted by commercial banks.
- 2 The \_\_\_\_\_ is entrusted with the responsibility of maintaining the stability of the monetary unit and of controlling the currency and credit system of the country.
- 3 \_\_\_\_\_ policy describes the general terms and leaves the amount of each shipment and other particulars to be declared later on.
- 4 The price for the risk undertaken by the insurer is called \_\_\_\_\_.

(B) Choose the most appropriate answer from the following :

- 5 The rate at which RBI rediscounts the bills of commercial banks is called :
  - (a) Bank Rate.
  - (b) Prime Lending rate.
  - (c) Repo rate.
  - (d) BPLR.
- 6 The central bank is the lender of last resort because :
  - (a) It acts as banker to the government.
  - (b) The commercial banks can approach for financial accommodations.
  - (c) It acts as the clearing house for commercial banks.
  - (d) None of these.
- 7 A specialist in the mathematics of insurance who calculates rates, reserves, dividends and other statistics is called :
  - (a) Insured.
  - (b) Actuary.
  - (c) Agent.
  - (d) Insured.

Turn over

8 According to the principle of \_\_\_\_\_, the insurer undertakes to put the insured, in the event of loss, in the same position that he occupied immediately before the happening of the event insured against.

- (a) Utmost good faith.                      (b) Mitigation of loss.  
(c) Causa proxima.                          (d) Indemnity.

(C) State whether the following statements are true or false :

- 9 Term deposits are those deposits, which are kept for a specified fixed period with a bank and are not payable on demand.
- 10 The central bank receives deposits and makes payment on behalf of commercial banks.
- 11 Marine insurance provides protection against loss of marine perils.
- 12 The insurance policy is formal and enforceable stamped document signed and issued by the insurance company embodying the terms of the contract between the parties.

(12 × ¼ = 3 weightage)

### Part B

*Answer all nine questions in one or two sentences each.*

*Each question carries a weightage of 1.*

- 13 What do you mean by a secured loan ?
- 14 What is meant by a current account ?
- 15 What is open market operation ?
- 16 What do you understand by Variable Reserve Ratio ?
- 17 Define insurance.
- 18 What is fire insurance ?
- 19 What do you mean by insurable interest ?
- 20 What is meant by 'mitigation of loss' ?
- 21 What do you understand by a valued policy ?

(9 × 1 = 9 weightage)

## Part C

*Answer any five questions not exceeding one page each.*

*Each question carries a weightage of 2.*

- 22 'The Central Bank acts as banker, agent and adviser to the government'. Explain.
- 23 Give a brief account of Village Adoption Scheme.
- 24 Enumerate the advantages of fixed deposit account.
- 25 Explain the different types of loans granted by commercial banks.
- 26 What are the fundamental principles of insurance ?
- 27 "All insurance contracts except personal insurance are contracts of indemnity". Explain.
- 28 What are the different kinds of insurance ?

(5 × 2 = 10 weightage)

## Part D

*Answer any two questions.*

*Each question carries a weightage of 4.*

- 29 Discuss in detail the major functions of the Central Bank of a country.
- 30 Analyse the various functions of insurance.
- 31 Elucidate the basic elements of marine insurance contract.

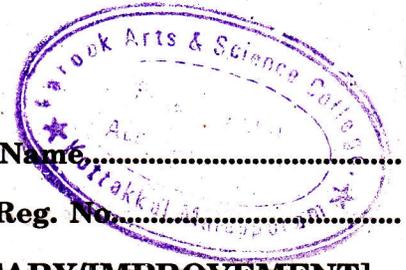
(2 × 4 = 8 weightage)

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(Pages : 2)

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**FIFTH SEMESTER B.Com. DEGREE [SUPPLEMENTARY/IMPROVEMENT]  
(UG—CCSS) EXAMINATION, NOVEMBER 2016**

**BC 5B 09—BASICS OF BANKING AND INSURANCE**

Time : Two Hours and Forty-Five Minutes

Maximum : 27 Weightage

*Answers should be written only in English.*

**Part B**

**SECTION A**

*Answer all **nine** questions in one or two sentences each.  
Each question carries a weightage of 1.*

1. Define Banking.
2. Who is a trustee ?
3. What do you mean by assignment of life insurance policy ?
4. What do you mean by a debit card ?
5. What is double insurance ?
6. What do you mean by SLR ?
7. What is the principle of Causa Proxima ?
8. What is Branch Banking ?
9. What do you mean by paid up value of a policy ?

(9 × 1 = 9 weightage)

**SECTION B**

*Answer any **five** questions.  
Answer not to exceed **one** page each.  
Each question carries a weightage of 2.*

10. What are the major functions of NABARD ?
11. Briefly explain the procedure for settlement of claims under life insurance.
12. Write a short note on IRDA.
13. Explain the features of RTGS system.
14. Explain the relevance of social insurance.

**Turn over**

15. Differentiate between *insurance* and *assurance*.

16. What do you mean by social control of banks ?

(5 × 2 = 10 weightage)

SECTION C

Answer any two questions.

Each question carries a weightage of 4.

17. Briefly explain the functions of Commercial Banks.

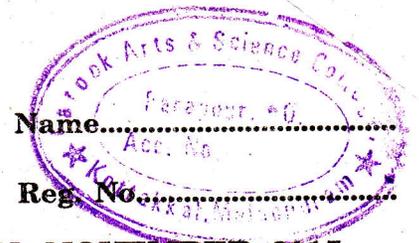
18. Describe the importance of insurance. What are its uses to the business community and society as a whole ?

19. Write a note on the recent trends in banking.

(2 × 4 = 8 weightage)

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**FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2015**

(UG—CCSS)

Core Course

**BC 5B 09—BASICS OF BANKING AND INSURANCE**

Time : Three Hours

Maximum : 30 Weightage

**Part A**

*Answer all twelve questions.  
Each question carries ¼ weightage.*

Choose the correct answer :

1. Banking Regulation Act passed in the year :  
(a) 1969. (b) 1934.  
(c) 1949. (d) 1956.
2. A cheque bearing a back date from the date of issue is :  
(a) Stale cheque. (b) Post dated cheque.  
(c) Marked cheque. (d) Ante dated cheque.
3. The amount payable to the insured when he decides to discontinue the policy is called :  
(a) Surrender value. (b) Paid-up value.  
(c) Market value. (d) Intrinsic value.
4. The major law governing marine insurance in India is :  
(a) Marine Insurance Act 1906.  
(b) Marine Insurance Act 1963.  
(c) IRDA Act 1999.  
(d) General Insurance Nationalization Act, 1972.

Fill in the blanks :

5. In banking EFT stands for \_\_\_\_\_.
6. \_\_\_\_\_ is also called 'Plastic money'.
7. The policy holder should have \_\_\_\_\_ interest in the subject matter of insurance.
8. Reinsurance of a reinsurer's business is called \_\_\_\_\_.

State whether True or False :

9. RBI was established in the year 1935.
10. A crossed cheque can be easily transferred from one person to another by mere delivery.

**Turn over**

11. Insurance cover eliminates risk.
12. A breach of warranty may be waived by the insurer.

(12 × ¼ = 3 weightage)

**Part B (Short Answer Type Questions)**

*Answer all questions.*

13. What is micro-finance ?
14. What is cheque truncation ?
15. Define commercial bank.
16. What is personal accident insurance ?
17. Define Wagering contract.
18. What is Differential Rate of Interest Scheme ?
19. What is Credit creation ?
20. Who is an Actuary ?
21. What is Fidelity Guarantee Insurance ?

(9 × 1 = 9 weightage)

**Part C**

*Answer any five questions.*

*Each question carries 2 weightage.*

22. Explain briefly the structure of co-operative banks in India.
23. Explain the objectives of IRDA.
24. Differentiate between Life insurance and General insurance.
25. What is a Credit Card? What are its merits to businessmen ?
26. Explain the nature or characteristics of insurance.
27. Explain the developmental or promotional functions of RBI.
28. What is EXIM bank and explain its functions ?

(5 × 2 = 10 weightage)

**Part D**

*Answer any two questions.*

*Each question carries 4 weightage.*

29. What are the important functions performed by commercial banks in India?
30. Explain the different kinds of Marine insurance policies?
31. Explain the procedure for opening and operating an account in the name of Joint Stock Company and Partnership firms.

(2 × 4 = 8 weightage)

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Name.....

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**FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2014**

(UG-CCSS)

Core Course

**BC 5B 09—BASICS OF BANKING AND INSURANCE**

Time : Three Hours

Maximum Weightage : 30

**Part A**

*This part consists of three bunches of questions carrying equal weightage of 1.*

*Each bunch consists of four objective type questions.*

*Answer all questions.*

- I. 1 According to the principle of \_\_\_\_\_, the insurer undertakes to put the insured, in the event of loss, in the same position that he occupied immediately before the happening of the event insured against.
- (a) Utmost good faith. (b) Mitigation of loss.  
(c) Causa proxima. (d) Indemnity.
- 2 In insurance, the passing of beneficial rights from one party to another is called :
- (a) Assignment. (b) Average clause.  
(c) Abandonment. (d) Salvage.
- 3 According to the principle of \_\_\_\_\_, risk coverage is available to the insured party, provided the loss has occurred directly from such events as specified in the insurance policy.
- (a) Loss mitigation. (b) Causa proxima.  
(c) Good faith. (d) Reinsurance.
- 4 The \_\_\_\_\_ is given the monopoly of note issue.
- (a) Central Bank. (b) State Bank of India.  
(c) Finance Minister. (d) Central Government.

(4 × ¼ = 1 weightage)

II. Fill in the blanks :

- 5 The \_\_\_\_\_ is entrusted with the responsibility of maintaining the stability of the monetary unit and of controlling the currency and credit system of the country.
- 6 Bank rate is the rate at which the \_\_\_\_\_ rediscounts certain specified bills.
- 7 \_\_\_\_\_ is a formal and enforceable stamped document signed and issued by the insurance company embodying the terms of the contract between the parties.

Turn over

- 8 ——— insurance is a contract between insurer and insured, whereby the insurer undertakes to indemnify the insured in a manner and to the interest thereby agreed, against marines losses incident to the marine adventure.

(4 × ¼ = 1 weightage)

III. State whether the following statements are True or False :

- 9 The main functions of the Central Bank are the acceptance of deposits and making of advances.  
 10 Whole life policy is one which matures only at the death whenever it may occur.  
 11 A bank overdraft occurs when money is withdrawn from a bank account and the available balance goes below zero.  
 12 A time policy is a policy which specified the agreed value of the subject-matter insured.

(4 × ¼ = 1 weightage)

### Part B

*Answer any nine questions in one or two sentences each.*

*Each question carries a weightage of 1.*

- 13 What is a current account ?  
 14 What is a term deposit ?  
 15 What do you mean by voyage policy ?  
 16 What do you understand by insurable interest ?  
 17 What you mean by general utility services of a commercial bank ?  
 18 What is a valued policy ?  
 19 What is "mitigation of loss" ?  
 20 What is marine insurance ?  
 21 What do you mean by selective credit controls ?

(9 × 1 = 9 weightage)

### Part C

*Answer any five questions.*

*Answers not to exceed one page each.*

*Each question carries a weightage of 2.*

- 22 Explain the salient features of term deposits.  
 23 "The Central Bank is the lender of the last resort." Discuss.  
 24 Give a brief account of innovations in Customer Services in banks.  
 25 What are the different types of loans granted by Commercial banks ?  
 26 What risk does a banker incur in opening an account with trustees and executors ? What precautions will you take, as a banker in such a case ?

- 27 Enumerate various types of bank customers.
- 28 Explain the important features of life insurance contract.

(5 × 2 = 10 weightage)

**Part D**

*Answer any two questions.*

*Each question carries a weightage of 4.*

- 29 Discuss the major functions of the Central Bank of a Country.
- 30 What are the essential information that a standard marine insurance policy should contain? Explain different classes of marine insurance policies.
- 31 What precautions should a banker generally take while opening an account in the name of a minor?

(2 × 4 = 8 weightage)

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**FIFTH SEMESTER B.Com. DEGREE (SUPPLEMENTARY) EXAMINATION  
NOVEMBER 2017**

(CCSS—SDE)

**BC 5B 09—BASICS OF BANKING AND INSURANCE**

Time : Two Hours and Forty-Five Minutes

Maximum : 27 Weightage

**Part B**

**SECTION A**

*Answer all nine questions in one or two sentences each.*

*Each question carries 1 weightage.*

1. Write any two advantages of unit banking.
2. When joint and several liability of partners come to an end towards a bank loan ?
3. What is reinsurance ?
4. What is principle of Uberrima Fides ?
5. What is meant by insurable interest ?
6. What is operative clause in a insurance contract ?
7. Write any two disadvantages of branch banking.
8. What is e banking ?
9. What is suicide clause in life insurance ?

(9 × 1 = 9 weightage)

**SECTION B**

*Answer any five questions.*

*Answer not to exceed one page each.*

*Each question carries 2 weightage.*

10. What are the limitations of bank rate policy as a tool of credit control ?
11. Bring out various contributions of RBI in promoting rural finance.
12. Which are the components of a life insurance contract ?
13. Which are the standard riskd covered under a fire policy ?

Turn over

14. Which are the forms of selective credit controls ?
15. Which are the types of marine policies ?
16. State the precautions to be taken by a banker while dealing companies.

(5 × 2 = 10 weightage)

SECTION C

*Answer any two questions.*

*Each question carries 4 weightage.*

17. Bring out the role of commercial banks in a developing economy.
18. State the precautions to be taken by a banker while dealing (a) joint accounts ; (b) Trustees ; (c) Joint Hindu Family.
19. Briefly explain features of different general insurance policies.

(2 × 4 = 8 weightage)