16U335	(Pages: 3)	Name:			
Reg. No THIRD SEMESTER B.A DEGREE EXAMINATION, NOVEMBER 2017 (Regular/Supplementary/Improvement) (CUCBCSS-UG)					
CC15UECO3B04- MODERN BANKING AND INSURANCE					
	(Economics - Core Course) (2015 Admission onwards)				
Time: Three Hours		Maximum: 80 Marks			
Section A Objective Type Questions. Answer <i>all</i> questions					
1. When was the second phase of nationalisation done?					
a) 1969	b) 1968				
c) 1985	d) 1980				
2. Who was the first governor of RBI?					
a) ShanmugamShetty	b) C. D. Deshmukh				
c) Osborne Arkell Smith	d) Manmohan Singh				
3. Which principle is not applicable in the case of life insurance?					
a) Interest	b) Subrogation				
c) Contribution	d) Good faith				
4. The headquarters of GIC is located at:					
a) Kochi	b) Calcutta				
c) Delhi	d) Mumbai				
5. One invests a specific amount in a bank on a monthly basis for a fixed rate of return is:					
a) Savings deposits	b) Recurring deposits				
c) Fixed deposits	d) Current deposits				
6.Insurance which pays the loans of the policy holder in case of any accident or death:					
a) Third party insurance	b) Health insurance				
c) Credit insurance	d) None of these				
7. The present rate of CRR is:					
a) 4%	b) 4.5%				
c) 3.5%	d) 3.75%				
8. General insurance contracts are:					
a) Monthly	b) Yearly				
c) Half yearly	d) Long period				
		Turn Over			

9. Increase in the probability of an accident	when an individual is insured than he or she is				
not is called:					
a) Coinsurance	b) Moral hazard				
c) Risk reduction	d) None of these				
10. Which was the first insurance firm established in India?					
a) Bombay Assurance Company	b) Oriental Life Insurance				
c) Life Insurance Corporation	d) Triton Insurance Company				
11. MCLR was introduced in the year:					
a) 2000	b) 2016				
c) 2010	d) 2017				
12. Who regulates the capital market in Indiaa) RBIc) IRDA	ia? b) SEBI d) NABARD (12 x ½ = 6 marks)				
	Section B				
(Very Short Answer Questions) Answer <i>any ten</i> questions not exceeding in one paragraph					
13. What is moral suasion?					
14. What is RTGS?					
15. Explain different types of NPAs.					
16. Distinguish between Brown Label ATMs and White Label ATMs.					
17. What do you mean by risk management?					
18. Define Cheque Truncation System					
19. Define Marginal Standing Facility.					
20. What is reinsurance?					
21. Explain burglary insurance.					
22. What is consortium banking?					
23. What is surrender value?					

 $(10 \times 2 = 20 \text{ marks})$

Section C

(Short Essay Questions)

Answer any six questions not exceeding in one page

25. Write a short note on social banking.

24. Define annuities.

- 26. Distinguish between unit banking and branch banking.
- 27. Write a short note on Banking Ombudsman Scheme.

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- 28. What are the major principles of insurance?
- 29. Compare life insurance and general insurance policies.
- 30. What is motor insurance? Explain different types of motor insurance.
- 31. Briefly explain the objectives and functions of IRDA.
- 32. Write a short note on sub markets of money market.

 $(6 \times 5 = 30 \text{ marks})$

Section D

(Essay Questions)

Answer any two questions not exceeding three pages

- 33. Critically examine banking sector reforms in India.
- 34. Explain primary and secondary functions of commercial banks.
- 35. "Effective risk management is essential to optimize the functions of insurance companies". Comment
- 36. Elucidate the role of insurance sector in the socio- economic development of the country.

 $(2 \times 12 = 24 \text{ marks})$
