

**FOURTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, APRIL 2020**

(CUCBCSS—UG)

B.Com./B.B.A.

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. Banking functions centrally controlled by the :

- a) Central Bank of India.                      b) RBI.  
c) SBI.    d) Both [b] and [c].

2. The ratio between cash in hand and total assets maintained by the banks is called :

- a) SBR (Statutory Bank Ratio).              b) SLR (Statutory Liquid Ratio).  
c) CBR (Central Bank Reserve).              d) CLR (Central Liquid Reserve).

3. What is 'Repo rate' ?

- a) Is the rate at which the RBI lends to State Government.  
b) Is the rate at which the International aid agencies lend to RBI.  
c) Is the rate at which the RBI lends to banks.  
d) Is the rate at which the banks lends to RBI.

4. Which of the following combinations are correct ?

- a) NABARD — Industrial Loans.  
b) RBI — Long term finance.  
c) RRB — Agricultural finance.  
d) IDBI — Short term loans.

5. Which one of the following Indian banks is not a nationalized bank ?

- a) Federal Bank.                                      b) Vijaya Bank.  
c) Corporation Bank.                                d) Dena Bank.

**Turn over**

## II Fill in the blanks :

- 6 \_\_\_\_\_ is the place where bankers meet and settle their mutual claims and accounts
- 7 For regulation and development of the insurance sector of the country the Government has formed \_\_\_\_\_.
- 8 \_\_\_\_\_ is the largest Public Sector Bank in India ?
- 9 The Reserve Bank of India was taken over by the Government in the year \_\_\_\_\_.
- 10 \_\_\_\_\_ is the first Bank established in India.

(10 × 1 = 10 marks)

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

- 11 Define Bank.
- 12 Who is a money lender ?
- 13 What is material alteration ?
- 14 What is a crossed cheque ?
- 15 What is CORE Banking ?
- 16 What is RTGS ?
- 17 Define Insurance.
- 18 What is average clause ?
- 19 What is insurable interest ?
- 20 What is meant by contract of indemnity ?

(8 × 2 = 16 marks)

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

- 21 Explain the characteristics of a Central Bank.
- 22 What are the types of deposits accepted by Commercial banks ?
- 23 Distinguish between general crossing and special crossing.
- 24 Distinguish between holder and holder in due course.
- 25 Briefly explain the importance of general insurance for business.

- 26 What are the powers of IRDA ?
- 27 Distinguish between Debit card and Credit card.
- 28 What are the advantages of internet banking ?

(6 × 4 = 24 marks)

**Part D**

*Answer any two questions from the following.*

*Each question carries 15 marks.*

- 29 What is Fixed Fiduciary System of note issue ?
- 30 What is crossing ? Explain its types.
- 31 Define Life Insurance. What are the general principles of insurance ?

(2 × 15 = 30 marks)