REV-01
MBA/42/47

2025/11

SET A

MASTER OF BUSINESS ADMINISTRATION
THIRD SEMESTER
BANKING AND INSURANCE
MBA – 303C
[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

Objective

Time: 30 mins. **Marks: 20**

Choose the correct answer from the following: ***1×20=20***

1. The term banking has been defined under which section of the Banking Regulation Act, 1949?
   a. Section 149 b. Section 6 (b)
   c. Section 5 (b) d. Section 103 (a)

2. The primary function of a commercial bank is……
   a. Accepting deposits b. Utility functions
   c. Remittance facility provisions d. Acting as agent

3. Which of the following started as a development bank in India?
   a. ICICI b. NEDFi
   c. UBI d. SBI

4. Scheduled banks as per the Reserve Bank of India Act, 1949 are included in the……
   a. Fourth schedule b. Second schedule
   c. Fifth schedule d. Third schedule

5. RBI was established in
   a. 1949 b. 2012
   c. 1956 d. 1935

6. Which of the following is not a function of the RBI?
   a. Issuer of currency b. Credit control
   c. Banker to the government d. Accepting deposits from public

7. Which banking technology allows fund transfers between accounts through mobile phones?
   a. NEFT b. IMPS
   c. SWIFT d. RTGS

8. The term Core Banking Solution (CBS) refers to……
   a. Banking centralized through networked branches b. Internet-only banks
   c. Cashless banking d. Insurance-based financing

9. SWIFT stands for.....
   a. Society for Worldwide Interbank Financial Telecommunication
   b. Secure Web International Fund Transfer
   c. System for Worldwide Instant Fund Transactions
   d. Simple Wire Interbank Fund Transfer

10. Which of the following services is linked with financial inclusion?
   a. Demat account
   b. Term loans
   c. No-frills account
   d. Forex services

11. The concept of insurance is primarily based on the principle of:
   a. Contribution
   b. Indemnity
   c. Utmost good faith
   d. Subrogation

12. The IRDA (Insurance Regulatory and Development Authority) was established in:
   a. 1991
   b. 2000
   c. 2002
   d. 1999

13. The first life insurance company in India was:
   a. LIC
   b. National Insurance
   c. Oriental Life Insurance
   d. ICICI Prudential

14. Which type of insurance protects a borrower from paying off their debts in cases of death, disability, or unemployment?
   a. Credit Insurance
   b. Marine Insurance
   c. Debtor Insurance
   d. General Insurance

15. In insurance, *subrogation* refers to:
   a. Sharing of profits
   b. Transfer of rights from insured to insurer after claim payment
   c. Combining two policies
   d. Double insurance

16. The *Narasimham Committee* was related to:
   a. Industrial policy reform
   b. Banking sector reform
   c. Insurance pricing
   d. Agricultural subsidies

17. The *Basel norms* are associated with:
   a. Environmental protection
   b. Insurance solvency
   c. Financial literacy
   d. Banking capital adequacy

18. The re-insurance system is used to.....
   a. Reduce insurer's risk exposure
   b. Increase customer base
   c. Duplicate Insurance policies
   d. Avoid taxation

19. Which of the following is a para banking activity?
    a. Mutual fund services
    b. Credit creation
    c. Maintaining accounts
    d. General utility functions

20. Risk of non-repayment of loans by customers is called.....
    a. Mitigation risk
    b. Cyber risk
    c. Compliance risk
    d. Credit risk

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(Descriptive)

Time : 2 Hr. 30 Mins. **Marks : 50**

[Answer question no.1 & any four (4) from the rest]

1. Explain the structure and functions of the Indian banking system. 10

2. Discuss the role of the Reserve Bank of India as a regulator and controller of credit. 10

3. Explain the various types of risks faced by banks in the modern financial system. 10

4. Discuss the principle of insurance and their relevance in business contracts. 6+4=10

5. Critically analyze the impact of technology on modern banking operations in India. 10

6. What are the laws relating to Negotiable Instruments in India? Discuss the Negotiable Instruments that are in use. 5+5=10

7. Discuss the major reforms introduced in the banking and insurance sectors in India since liberalization. 5+5=10

8. Examine the differences between life insurance and general insurance with suitable examples. 10

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