REV-01
MBA/70/10

2024/11

SET A

MBA
THIRD SEMESTER
BANKING AND INSURANCE
MBA – 303C
[USE OMR FOR OBJECTIVE PART]

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

(Objective)

Time: 20 min. **Marks: 20**

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

1. What does the term 'demand deposit' refer to?
   a. A type of fixed deposit
   b. Money that can be withdrawn anytime
   c. A long-term investment
   d. None of the above

2. The word "bank" is derived from which Italian term?
   a. Banco
   b. Banca
   c. Benko
   d. Banko

3. When did the first major wave of bank nationalization occur in India?
   a. 1949
   b. 1956
   c. 1969
   d. 1980

4. A fixed deposit is meant for those investors who want to deposit a ---------- of money for a fixed period.
   a. Small amount
   b. Interval
   c. Lump sum
   d. Maturity

5. Assertion (A): Banks in India are required to follow Know Your Customer (KYC) norms for every new account opened.
   Reason (R): KYC norms help prevent money laundering and other illegal financial activities.
   a. Both (A) and (R) are true, and (R) is the correct explanation of (A)
   b. Both (A) and (R) are true, but (R) is not the correct explanation of (A)
   c. (A) is true, but (R) is false
   d. (A) is false, but (R) is true

6. What does "NEFT" stand for in the context of net banking?
   a. National Electronic Funds Transfer
   b. Net Exchange for Transactions
   c. National Emergency Financial Transfer
   d. Network Enabled Funds Transfer

7. What is the primary role of the Reserve Bank of India (RBI)?
   a. To manage the country's foreign trade policy
   To oversee and implement monetary
   c. To regulate stock markets
   To provide loans to the public

8. What is net banking primarily used for?
   a. Managing physical cash at banks
   Conducting financial transactions online through a bank's website or app
   c. Buying physical goods at retail stores
   Obtaining personal loans directly from bank branches

9. What type of cheque is payable to the person who presents it at the bank?
   a. Crossed cheque
   Bearer cheque
   c. Order cheque
   Post-dated cheque

10. What does SWIFT stand for?
    a. Society for Worldwide International Financial Transactions
    Society for Worldwide Interbank Financial Telecommunication
    c. System for Worldwide International Financial Transactions
    Society for Worldwide Internal Financial Transfers

11. What does it mean if a cheque is crossed?
    a. It can be encashed at any bank
    It is not transferable to another party
    c. It can only be deposited into a bank account
    It is a bearer cheque

12. Which year marked the establishment of the first bank in India, Bank of Hindustan?
    a. 1906
    1786
    c. 1806
    1770

13. Assertion (A): Life insurance provides financial security to the family of the insured in theeventof their untimely death.
    Reason (R): The primary purpose of life insurance is to cover medical expenses incurred by the insured.
    a. Both (A) and (R) are true, and (R) is the correct explanation of (A)
    Both (A) and (R) are true, but (R) is not the correct explanation of (A)
    c. (A) is true, but (R) is false
    (A) is false, but (R) is true

14. What is the main purpose of general insurance?
    a. To provide investment opportunities
    To offer a guaranteed return on premiums paid
    c. To protect against specific risks like accidents, theft, and property damage
    d. To provide a lump sum amount on maturity

15. The terms drawer, drawee and payee are associated with:
   a. Cheques
   b. Promissory notes
   c. Delivery order
   d. Hundis

16. What is a common use for an overdraft facility?
   a. To purchase long-term assets
   b. To manage short-term liquidity needs
   c. To secure long-term investments
   d. To make fixed deposits

17. What does the principle of "Utmost Good Faith" imply in general insurance?
   a. Both insurer and insured must disclose all relevant information truthfully
   b. Only the insured needs to disclose relevant information
   c. The insured is guaranteed a return on premiums paid
   d. The insurer should compensate the insured without any investigation

18. Which of the following is NOT a feature of net banking?
   a. Checking account balances and statements
   b. Depositing physical cash
   c. Transferring funds between accounts
   d. Paying utility bills online

19. The principle that prevents the insured from profiting from insurance is called:
   a. Principle of Indemnity
   b. Principle of Subrogation
   c. Principle of Contribution
   d. Principle of Utmost Good Faith

20. Which of the following acts was enacted to establish the IRDAI?
   a. Insurance Act, 1938
   b. Insurance Regulatory Authority Act, 2000
   c. Insurance Regulatory and Development Authority Act, 1999
   d. Financial Services and Insurance Act, 1997

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Descriptive

Time: 2 hr. 40 mins. Marks: 50

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

1. Elucidate the key functions of a bank. 10

2. What is Negotiable Instrument? Explain the types of Negotiable Instruments. Discuss the features of a Negotiable instrument. 2+4+4=10

3. How does the credit card work? Write down the key differences between a debit and a credit card. 5+5=10

4. Why is technology important in banking? Discuss the technological advancement in modern banking sector. 5+5=10

5. What is Core Banking System? How does a Core Banking System (CBS) operateand what are the key benefits it provides to banks and their customers? 3+4+3=10

6. Explain the concept of insurance and outline its fundamental principles. 3+7=10

7. How has the government's approach to the insurance sector evolved over time. Explain the current scenario of life insurance in India. 10

8. "General insurance plays a vital role in managing non-life risks by offering coverage for property losses, health expenses, and liability protection, ensuring financial stability in unexpected situations."-Examine this statement, providing an in-depth explanation of the various types of general insurance. 10

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