Roll No. Total No. of Pages : 02

Total No. of Questions : 15

MBA (2016 to 2017) (Sem.–4)

BANKING & INSURANCE OPERATIONS

Subject Code : MBA-927

M.Code : 71386

Time : 3 Hrs. Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.
2. SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consist of ONE Case Study carrying EIGHT marks.

SECTION-A

1. What is the effect of the words 'Not Negotiable' written in the crossing of a crossed cheque? Explain.

2. Discuss the different types of accounts dealt in the banks in India.

3. What is operational risk for a bank? Explain the process of operational risk management in banks.

4. Discuss the financing of exporters and importers by commercial banks in India.

5. "*Risk management is an integral part of insurance business environment*". Explain.

6. Discuss the main functions of Life Insurance Corporation of India.

SECTION-B

UNIT-I

7. Discuss the role and significance of Reserve Bank of India in Indian banking system.

8. Discuss the relationship between the banker and customers. What types of relationship exist between banker and customers?

UNIT-II

9. What is the KYC and anti-money laundering policy? What are the key elements of the policy?

10. Explain internet banking. Also discuss the need and the advantages of internet banking for banks as well as for customers.

UNIT-III

11. What are the consequences of Non-performing assets? Explain the identification and framing of NPA management policy.

12. How a loan policy is formulated in the banks? Also explain the factors influencing loan policy in the banks.

UNIT-IV

13. "*Insurance Act, 1938 can be called as the pioneer in insurance business*". Explain. Also discuss the important features of this act.

14. "*Reinsurance is the backbone of the non-life business but it has a flip side as well*". Explain.

SECTION-C

15. Bank A and Bank B have the following opportunities for borrowing in the short term (floating rate) and long-term (fixed rate) markets.

	Bank A	**Bank B**
Floating rate	T-bill +1.0%	T-bill+2.0%
Fixed rate	8%	10.5%

Bank A has a positive gap and Bank B has a negative gap.

Questions :

(a) Show that both banks can benefit from a swap in the sense of lowering their interest rate risk.

(b) Can they also lower their cost of funds?

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.