

Seat No.: _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – EXAMINATION – WINTER 2018**Subject Code:3539224****Date:12/12/2018****Subject Name: Banking and Insurance****Time:10:30am To 01:30pm****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q. No.		Marks
Q.1	Explain following terms (a) Reinsurance (b) Cash Reserve Ratio (c) Prime lending rate (d) RTGS (e) Indemnity (f) Disclosure Principle (g) NEFT	14
Q.2	(a) Explain the role and function of IRDA	07
	(b) Compare life insurance, General Insurance and Health Insurance	07
	OR	
	(b) “In the development of Indian Economy Insurance plays a pivotal role”. Discuss in detail	07
Q.3	(a) Define Bank guarantee, highlight the precautions to be taken for the issuance of Bank guarantee	07
	(b) Differentiate between Secured and Unsecured loan with suitable examples	07
	OR	
Q.3	(a) Discuss the monetary and non monetary functions of RBI	07
	(b) Explain briefly the recent trend in Indian Banking System	07
Q.4	(a) What are marine losses? Explain various kinds of marine losses in brief.	07
	(b) Explain in detail Lien, pledge and hypothecation with suitable examples	07
	OR	
Q.4	(a) What is a bill of exchange? How does it differ from a promissory note?	07
	(b) What are the principle defects in Indian banking system? Give suggestion to remove them	07

Q.5

CASE STUDY:

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ABN AMRO Bank started its India operations and like other foreign multinational banks, focused primarily on wholesale banking, to service top-tier corporate clients. This changed in the 1990s, when strategic business imperatives and an increased level of competition both from domestic and multinational banks in India led the bank to look at retail banking as a key area for growth. In an effort to strengthen its retail banking presence, ABN AMRO acquired Bank of America's retail banking operations in India. As part of the acquisition, the bank migrated to Bank of America's technology infrastructure, which was based on ICBS solution from Fiserv, running on an IBM AS/400 platform. However, the existing solution was not flexible enough to meet the requirements of a competitive consumer banking environment, where offering a range of products and services to customers across multiple delivery channels is critical. With frequent maintenance requirements, the platform was also proving to be a drain on the bank's resources. At the same time, the focus at the bank was on reduction of TCO (Total Cost of Ownership) and therefore, a mere upgrade to a newer version of the existing, aging system would not have met the objective. As a result, the bank decided to replace the legacy system with a new generation, robust core banking solution.

The cornerstone of a successful consumer banking strategy is to have a technology platform that can offer anytime, anywhere banking through multiple delivery channels like the Internet, ATM, mobiles and call centers. ABN AMRO Bank required a platform that could easily support existing delivery channels and add new ones, while seamlessly integrating them to provide a relationship view of customers' interactions across all delivery channels.

Being a multinational bank, ABN AMRO Bank was also keen to adopt best practices being followed in other countries, such as the ability to roll out new products and services in line with domestic market requirements. Equally important was the need to roll out these customizations rapidly so as to gain critical time-to-market advantage. This could only be achieved by deploying a platform that was flexible and easily extensible. After intense discussions and evaluation, ABN AMRO chose Finacle, the new-generation universal banking solution from Infosys, to address its needs in core banking and consumer ebanking spaces.

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| (a) | Identify the problem faced by ABN Amro in India | 07 |
| (b) | How Finacle Software by Infosys has changed the Banking sector working? | 07 |

OR

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| Q.5 | (a) | Explain the Role of IT in Banking Sector. | 07 |
| | (b) | How takeover of Bank of America in India helped ABM Amro? | 07 |