

Subject Code: MB1336/R13

M B A - III Semester Regular Examinations, Jan/Feb - 2015

BANKING AND INSURANCE

Time: 3 hours

Max Marks: 60

Answer any FIVE of the following

All questions carry equal marks. Q.No.8 is compulsory

1. Explain the role of commercial banks in the economic development of a country.
2. What are the 4 causes of NPAs? Explain the recovery process of NPAs.
3. Explain the recent banking innovative instruments.
4. Write about the products & services offered under Retail banking? Explain.
5. Define the term “ Insurance” explain the principles of insurance in detail.
6. What is the criteria for the appointment of an insurance broker?
7. “ Life Insurance contract provisions bestow certain rights and privileges and impose duties on the policy owner and the beneficiary”. Elucidate the above statement.

8. Case study:

Shri AKD aged 47 years, on 31st.March 2000, submitted a proposal for Rs. 20 lakh and paid Rs. 84,110 as initial deposit towards half yearly premium. He suddenly expired on 07-06-2000. On the claim being made, the wife of the deceased was informed that the contract was un-concluded and the legal heirs were entitled to get the refund of the deposit amount only.

The insurer contended that the medical reports submitted along with the proposal revealed that the health of the deceased was substandard and their higher office, after verifying the reports proposed to give insurance provided the proposer was ready to pay Rs. 27 per Rs.1000 sum assured as extra premium. This was informed to the proposer when he visited the office on 02-06-2000 to enquire about the proposal. He submitted a request to the insurer to consider a fresh policy under ‘Endowment’ for a term of 10 years and quote the terms within 5 days he died.

The general rule is that the contract of insurance will be concluded only when the party to whom an offer has been made accepts it unconditionally and communicates his acceptance to the person making the offer. Whether the final acceptance is that of assured or insurers however depends simply on the way in which negotiations for insurance have progress.

Questions:

- a) What are the underwriting issues involved in the above case?
- b) What steps can be taken to avoid such unpleasant litigation in future?
