

Code No: MB1639/R16**MBA III Semester Regular Examinations, Nov-2017****BANKING AND INSURANCE MANAGEMENT****Time: 3 Hours****Max. Marks: 60**

*Answer Any FIVE Questions
All Questions Carry Equal Marks
Question No. 8 is Compulsory*

1. a What do you understand by Unit Banking system? Discuss its merits and demerits? 6M
b Define the terms 'Banker' and 'Customer'. What are the general and special relationships between banker and customer? 6M
2. a What are the different forms of banker's advances? Discuss the principles which govern secured loans? 6M
b What is NPA? Explain the causes, recovery and implications of NPA's? 6M
3. a Define Bancassurance. Briefly explain the various models of Bancassurance. 6M
b What do you understand by Online banking and Tele banking? Explain? 6M
4. a What is the nature of Insurance? Explain its important functions? 6M
b Who can become an Agent? What are the functions of an Agent? 6M
5. a Write an over view of IRDA. 6M
b Write an explanatory note on claims tribunal. How does it help in the expeditious disposal of motor claims? 6M
6. a What are the principles of Re-insurance? Discuss the method of re-insurance. 6M
b Comment on the various underwriting practices in India? 6M
7. a Write an overview on Micro insurance in India. 6M
b Classify life insurance policies based on the mode of payment of premium. 6M

Code No: MB1639/R16**8. Case study:****12M**

Mr. N Submitted a proposal for Rs.10000 and a life insurance policy with the date of commencement as 28-9-1973 was issued. The premium installments were payable in half-yearly mode in March and September. The premium was initially fixed at Rs.329.10. However because of loss of teeth, the rate of premium was increased by 2% extra so as to make a total of Rs. 339.10, half-yearly. This was mentioned in the policy. Subsequently, amounts of Rs.329.10 were paid to the insurer in respect of the installments falling due up to September 1974. Each time the insurer accepted the amounts.

It was open to the insurer to have refused to accept the payment of premium installment if it was deficient, but the amount of Rs.329.10 was accepted and the insured was accommodated by allowing him time to make the deficiency good.

Mr. N expired on 8-12-1974. Can the insurer deny the claim on the ground that in as much as the premium paid is deficit; the insurer is not bound to pay the claim?

Discussion:

1. What are the underwriting issues involved?
2. How and what steps can be taken to avoid such unpleasant litigation in future?

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