

C 21196

(Pages : 3)

Name.....

Reg. No.....

**FOURTH SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, APRIL 2022**

B.Com.

A14—BANKING AND INSURANCE

(2017—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A***Answer all questions.**Each question carries 1 mark.*

I. Choose the correct answer :

1 Nationalization of banks happened in :

- |          |          |
|----------|----------|
| a) 1949. | b) 1969. |
| c) 1959. | d) 1979. |

2 The drawee of the cheque is always the :

- |              |                      |
|--------------|----------------------|
| a) Customer. | b) Account holder.   |
| c) Bank.     | d) All of the above. |

3 Garnishee order is to restrain the banker from :

- |                         |                                 |
|-------------------------|---------------------------------|
| a) Receiving deposit.   | b) Accepting loan applications. |
| c) Crossing of cheques. | d) Making payments.             |

4 EFT in banking means :

- |                                      |
|--------------------------------------|
| a) Economic Fund transfer.           |
| b) Electronic fund transfer.         |
| c) Electronic financial transaction. |
| d) Entry of fund transfer.           |

5 In insurance, CAUSA PROXIMA means :

- |                           |                           |
|---------------------------|---------------------------|
| a) In good faith.         | b) Prevent cause of loss. |
| c) Closely related peril. | d) Mitigation of loss.    |

**Turn over**

## II. Fill in the blanks :

- 6 Negotiable instruments Act was passed in the year \_\_\_\_\_.
- 7 SBI was set up by nationalizing \_\_\_\_\_.
- 8 IDBI and IFCI are examples of \_\_\_\_\_.
- 9 LAB means \_\_\_\_\_.
- 10 Insurance of insurance is \_\_\_\_\_.

(10 × 1 = 10 marks)

**Part B**

*Answer any **eight** questions.  
Each question carries 2 marks.*

- 11 What are industrial banks ?
- 12 Explain IDBI.
- 13 Explain Promissory note.
- 14 Explain payment in due course.
- 15 What is a smart card ?
- 16 What is RTGS ?
- 17 What is no claim bonus ?
- 18 What is marine insurance ?
- 19 Life insurance is a contract of indemnity. Give your opinion
- 20 What is term policy ?

(8 × 2 = 16 marks)

**Part C**

*Answer any **six** questions.  
Each question carries 4 marks.*

- 21 Specify the circumstances when a banker MAY refuse payment/honour a cheque issued by a customer.
- 22 What are the precautions a banker has to take while opening and operating a joint account ?

- 23 What is a bill of exchange ? What are the essentials of bill of exchange ?
- 24 Explain holder in due course. What are the conditions to be satisfied to be a holder in due course ?
- 25 What, is financial inclusion ? Specify any two financial inclusion schemes of Government of India.
- 26 What is insurance ? Explain its characteristics.
- 27 What is life insurance ? What are the principles of life insurance ?
- 28 What is cash reserve ratio and statutory liquidity ratio ?

(6 × 4 = 24 marks)

#### Part D

*Answer any two questions.  
Each question carries 15 marks.*

- 29 Discuss about Reserve Bank of India. What are the specialized departments of the RBI? What are the major objectives of RBI ?
- 30 What is a cheque ? What are its essentials ? What is the distinction between cheque and bill of exchange ?
- 31 What are specialized banks ? Briefly discuss about EXIM bank and SIDBI and give their important functions.

(2 × 15 = 30 marks)

C 21196-A

(Pages : 4)

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B.Com.

A 14—BANKING AND INSURANCE

(2017—2018 Admissions)

(Multiple Choice Questions for SDE Candidates)

**Time : 15 Minutes****Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

## A 14—BANKING AND INSURANCE

(Multiple Choice Questions for SDE Candidates)

1. IMF stands for \_\_\_\_\_.  
(A) International Monetary Fund. (B) Investment Management Fund.  
(C) International Monetary Finance. (D) None of these.
2. \_\_\_\_\_ deposits generally do not carry any interest.  
(A) Savings. (B) Recurring.  
(C) Current. (D) Fixed.
3. The maximum period of Money at call is :  
(A) 90 days. (B) 180 days.  
(C) 360 days. (D) 7 days.
4. During the time of inflation , central bank \_\_\_\_\_ the bank rates.  
(A) Decrease. (B) Increase.  
(C) Doubles. (D) None of these.
5. When banks sells insurance products, it is called :  
(A) Lead banking. (B) Banc assurance.  
(C) Credit rationing. (D) None of these.
6. The first nationalization of banks in India in the year :  
(A) 1969. (B) 1980.  
(C) 1991. (D) None of these.
7. The Central bank of the country :  
(A) RBI. (B) RRB.  
(C) SBI. (D) None of these.
8. The first Women bank in India :  
(A) RRB. (B) BMS.  
(C) LAB. (D) None of these.

9. DFHI stands for \_\_\_\_\_.
- (A) Discount and Finance Housing Investment Ltd.  
(B) Direct Finance House of India Ltd.  
(C) Discount and Finance House of India Ltd.  
(D) District Finance House of India Ltd.
10. \_\_\_\_\_ case apply where the account goes into debit the first item on the debt side is discharged by first item on the credit side.
- (A) Clayton's case. (B) Right to set off.  
(C) Garnishee order. (D) Byelaw.
11. A demand draft is issued by \_\_\_\_\_.
- (A) Bank. (B) Customer.  
(C) Creditor. (D) None of these.
12. Any person who acquires the title to the instrument bona fide and for value is called \_\_\_\_\_.
- (A) Principal. (B) Agent.  
(C) Trustee (D) Holder in due course.
13. The person to whom money is payable on a cheque is called \_\_\_\_\_.
- (A) Payee. (B) Debtor.  
(C) Creditor. (D) None of these.
14. The number of parties in a Bill of Exchange transaction \_\_\_\_\_.
- (A) 2. (B) 3.  
(C) 4. (D) None of these.
15. The term Causa Proxima means \_\_\_\_\_.
- (A) Nearest cause. (B) Relative cause.  
(C) Financial cause. (D) None of these.

Turn over

16. \_\_\_\_\_ insurance provides protection to the weaker sections of the society who are unable to pay premium.
- (A) Social insurance. (B) Personal insurance.  
(C) Liability insurance. (D) None of these.
17. In the case of marine insurance reserve for unexpired risk is \_\_\_\_\_.
- (A) 50%. (B) 100%.  
(C) 40%. (D) None of these.
18. Insurance Regulatory and Development Authorities Act came into effect in :
- (A) 2001. (B) 2004.  
(C) 1999. (D) None of these.
19. If more than one person claim the policy money is called \_\_\_\_\_.
- (A) Rival claim. (B) Death claim.  
(C) Both. (D) None of these.
20. \_\_\_\_\_ a document issued in advance of the policy.
- (A) Endorsement. (B) Cover note.  
(C) Certificate of Deposit. (D) None of these.