

**FOURTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, APRIL 2019**

(CUCBCSS—UG)

B.Com.

**A 14—BANKING AND INSURANCE**

(2017 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.*

*Each question carries 1 mark.*

(A) Choose the correct answer :

- 1 The bank which meets the long-term credit requirements of the agriculturist :
  - (a) Land Development Banks.
  - (b) Regional Rural Banks.
  - (c) Foreign Banks.
  - (d) Private Sector Bank.
- 2 A chip-based card which is a kind of an electronic purse :
  - (a) Debit Card.
  - (b) Credit Card.
  - (c) Smart Card.
  - (d) E- Card.
- 3 Inserting the name of the collecting banker between the two parallel transverse lines on the face of a cheque :
  - (a) General crossing.
  - (b) Special crossing.
  - (c) Account payee crossing,
  - (d) Not negotiable crossing.
- 4 General Insurance business in India with effect from :
  - (a) 1<sup>st</sup> January 1987.
  - (b) 1<sup>st</sup> January 1973.
  - (c) 1<sup>st</sup> January 1937.
  - (d) 1<sup>st</sup> January 1978.
- 5 The bank which has taken up the entire refinancing functions of the RBI :
  - (a) RRB.
  - (b) ICICI.
  - (c) IDBI.
  - (d) NABARD.

**Turn over**

(B) Fill in the blanks :

- 6 Non-payment of money when the cheque is presented for payment is known as \_\_\_\_\_.
- 7 Selective credit control is also known as \_\_\_\_\_.
- 8 \_\_\_\_\_ means buying and selling of commercial paper and government securities in the market by the Central bank.
- 9 \_\_\_\_\_ is coverage for the risk that an event is bound to happen.
- 10 IRDA Stands for \_\_\_\_\_.

(10 × 1 = 10 marks)

**Part B (Short Answer Questions)**

*Answer any eight questions.*

*Each question carries 2 marks.*

- 11 What do you mean by indemnity ?
- 12 What is Gift cheque ?
- 13 What do you mean by Currency principle ?
- 14 Define a Banker.
- 15 What do you mean by Current deposit ?
- 16 What is Causa Proxima ?
- 17 Explain the term E-banking ?
- 18 What is Stale cheque ?
- 19 What is Nomination ?
- 20 Write a note on letter of credit ?

(8 × 2 = 16 marks)

**Part C (Short Essay Questions)**

*Answer any six questions.*

*Each question carries 4 marks.*

- 21 Write a note on the dimensions of E-banking.
- 22 Explain the quantitative credit control methods adopted by the Central bank of a Country.
- 23 Describe the primary functions of Commercial bank ?

- 24 What points must be considered by the drawer before issuing a cheque to avoid the dishonor of Cheque ?
- 25 What are the limitations of credit creation by Commercial banks ?
- 26 Explain the principles which govern the issue of currency notes.
- 27 Write a note on IRDA Act 1999 ?
- 28 Explain the drawbacks of Regional Rural banks.

(6 × 4 = 24 marks)

**Part D (Essay Questions)**

*Answer any two questions.*

*Each question carries 15 marks.*

- 29 Define Cheque. What are the essentials of a Valid Cheque ? What are the advantages of printed forms of cheque ?
- 30 What is Internet banking ? Explain the advantages and disadvantages of Internet banking ?
- 31 What is Insurance ? Elaborate the role and importance of insurance.

(2 × 15 = 30 marks)

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