

**THIRD SEMESTER B.A. DEGREE EXAMINATION
NOVEMBER 2017**

(CUCBCSS—UG)

Economics

ECO 3B 04—MODERN BANKING AND INSURANCE

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A

*Answer all twelve questions.
Each question carries ¼ weightage.*

1. SIDBI was established in the year _____.
(a) 1980. (b) 1990.
(c) 1985. (d) 1995.
2. IBRD is Popularly known as _____.
(a) IMF. (b) Exchange Bank.
(c) SIDBI. (d) World Bank.
3. _____ Bank has been included in the Second Schedule of the Reserve Bank of India Act 1934.
(a) Commercial Banks. (b) Scheduled Banks.
(c) Central Banks. (d) None of these.
4. Which one is the controller of credit ?
(a) RBI. (b) Federal Bank.
(c) Union Bank. (d) Bank of India.
5. The rate at which Central Bank grant loans to the Commercial banks against the security is _____.
(a) Repo rate. (b) Reverse repo.
(c) Bank rate. (d) Discounting bills.
6. The apex institution in the financial system of a country is _____.
(a) Central bank. (b) State bank.
(c) National bank. (d) Federal bank.

Turn over

7. _____ is the biggest Private Sector bank.
- (a) ICICI. (b) IDBI.
(c) IFCL. (d) None of these.
8. Market for short term funds refers to _____.
- (a) Capital market. (b) Money market.
(c) Security market. (d) None of these.
9. Certificate of deposits are one of the instrument of _____.
- (a) Capital market. (b) Money market.
(c) Central Bank. (d) None of these.
10. NEFT is _____ payment system facilitating one to one fund transfer.
- (a) Nationwide. (b) State wide.
(c) Region wise. (d) District wise.
11. Continuous settlement of fond transfer is related to :
- (a) Real Time Gross Settlement. (b) Deferred Net Settlement.
(c) Capital Settlement. (d) None of these.
12. _____ Ensure the financial soundness of banks.
- (a) Capital adequacy ratio. (b) Labour adequacy ratio.
(c) Financial liabilities. (d) None of these.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

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

13. What are the kinds of Insurance ?
14. Explain the concept of Banker's bank.
15. What is meant by endowment ?
16. What are the features of Reinsurance ?
17. Explain the several system of banking.
18. What are the functions of E-banking ?
19. Explain credit cards and debit cards.
20. Explain the classification of risks.

21. Explain the concept of *e-purse*.
22. What are the features of life insurance ?
23. Explain non-performing assets.
24. Describe unorganized sector of money market.

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

*Answer any six questions.
Each question carries 5 marks.*

25. What are the principles of risk insurance management ?
26. What are the functions of SFCs ?
27. Difference between mediclaim insurance and Personal accident insurance.
28. Explain the evolution of insurance in India.
29. What are the functions of Developmental banks in India ?
30. What are the instruments of money market ?
31. Explain need for security against risk management process.
32. What are the problems of E-banking ?

(6 × 5 = 30 marks)

Part D (Essay Questions)

*Answer any two questions.
Each question carries 12 marks.*

33. Explain major innovations in banking history.
34. Explain the structure of Money Market.
35. Explain risk management of life insurance companies.
36. Explain kinds of policies under Life Insurance in India.

(2 × 12 = 24 marks)