Roll No. | | | | | | | | | | | | **Total No. of Pages: 02**

Total No. of Questions: 15

MBA (2012 & Onwards) (Sem. – 4)

BANKING AND INSURANCE OPERATIONS

M Code: 71386

Subject Code: MBA-927

Paper ID: [A2532]

Time: 3 Hrs. **Max. Marks: 60**

INSTRUCTIONS TO CANDIDATES:

1. **SECTION-A contains SIX questions carrying FIVE marks each and students have to attempt any FOUR questions.**
2. **SECTIONS-B consists of FOUR Subsections : UNITS-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and students have to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY carrying Case Study of EIGHT marks. Analyse the facts given in case study and answer the questions asked.**

SECTION A

Write short note of the following:

1. Explain the 'Right of lien'.
2. What are debit cards and how are theses different from credit cards?
3. What are the characteristics of Reinsurance?
4. Discuss the role of IRDA.
5. Explain the role of money laundering.
6. What are the Prudential norms for the asset classification?

SECTION B

UNIT-I

7. Explain the various provisions of Banking Regulation Act and Reserve Bank of India Act.
8. What are the different banker's obligations towards customers? Also discuss the relationship between Banker and customers.

UNIT-II

9. What are the different kinds of deposits that can be made in a bank by a customer?
10. Write a short note on ECGC policies and guarantees.

UNIT III

11. Describe the BASEL principles of Asset-Liability Management.

12. What is NPA? Explain the effect of NPA on banks and Foreign Investments. What are the reasons for assets becoming NPAs?

UNIT-IV

13. Discuss the Insurance Act 1938. Explain in detail insurance Ombudsman and its powers.

14. Write a short note on Functional Aspect of Banc Assurance.

SECTION C

15. CASE STUDY: Read the case and answer the following question:

Mr and Mrs A both worked in a local factory, earning modest wages. They were using the overdraft facility on their current account to its full extent. They also had a personal loan from their bank and had borrowed from various credit card companies.

In March 2004, realising they were in financial difficulty but unsure what to do about it, they visited their bank. They explained their situation to the lending officer, who told them the bank could give them a consolidation loan to cover all their existing debts.

Mr and Mrs A were pleased with this suggestion and they took out the loan, which paid off all their existing debts and returned their current account into credit. But the bank left the couple's overdraft facility in place on their current account, and within a couple of months Mr and Mrs A had begun to go overdrawn again.

In June, having found they were unable to keep within the overdraft limit, Mr and Mrs A visited the bank to discuss the position. The bank's lending officer arranged another consolidation loan for them, to cover the overdraft debt.

Again, the bank left the couple's overdraft facility in place, and within a few months Mr and Mrs A were again in financial difficulties. When they visited the bank in November they were given a third loan. This covered the debts that the couple had acquired since taking out the consolidation loan in June. It also covered an additional £500. The bank agreed to lend them this because they had said they were worried about how they would pay for all the "extras" they would need over the Christmas period.

By early 2005, realising that they were unable to meet their repayment commitments, Mr. and Mrs. A complained to the bank. They said they had asked for help in managing their debts but - instead - it had made their situation worse.

Question: *What are the reasons and factors do you think due to which the financial position of Mrs. and Mr. A worsen? Suggest some measures for the same.*