

Term End External Examination 4th Semester (Session- July 2024)

Subject: Commerce

Course No and Title: COMC1422M2/Banking and Insurance

Time: 2.15 hours Max Marks:100 Min. Marks:40

Section A: Objective Type Questions

Q1. Choose the appropriate Answer: (8x1.5=12)

- i. In a Bank Balance sheet Deposit is a/an
 - A Liability
 - B Asset
 - C None of the above
 - D Both of the above
- ii. Bank loans have _____ impact on entrepreneurship Development.
 - A No impact
 - B Positive
 - C Negative
 - D Both B&C.
- iii. The person who issues the cheque and has funds in the account to cover the payment is?
 - A The drawer
 - B The payee
 - C The creditor
 - D The Debtor
- iv. What is the maximum period for which a cheque is valid in India?
 - A 1 year
 - B 6 Months
 - C 3 Months
 - D 1 Months
- v. What does NEFT stand for?
 - A National Electronic Funds Transfer
 - B Net Electronic Funds Transfer
 - C National Electronic Fund Transactions
 - D Net Electronic Fund Transactions
- vi. What is the primary purpose of a credit card?
 - A To deposit money into an account
 - B To transfer funds between accounts
 - C To withdraw cash from ATMs
 - D To make payments for purchases
- vii. What is the primary purpose of insurance?
 - A To diversify risk
 - B To eliminate risk
 - C To reduce the cost of risk
 - D To transfer risk to the insurer

- viii. The party who agrees to indemnify or compensate another party for certain losses or damages they may incur is:-

- A Indemnatee
- B Insurance
- C Indemnitor
- D Claim

Section-B: Descriptive Type Questions (Short Type)

Q2: Answer all the Questions (8 x 4 =32)

- i. Write about the various types of bank deposits.
- ii. What is a financial service what are the various financial services offered by banks?
- iii. Define Cheque? What is a bearer cheque?
- iv. What are the two main types of cheque crossing?
- v. What four advantages of E-banking?
- vi. Define E- Purse? What are the main advantages of using an e-purse for consumers and merchants
- vii. What is Risk? What is the relationship between risk and return?
- viii. Write about four types of business risk?

Section – C: Descriptive Type Questions (Medium Type)

Answer all the questions: (4 x 7=28)

- Q 3.** Define the term 'bank'. What are the primary functions of a commercial bank?

OR

Write about the various types of banks in India.

- Q 4.** Write about Paying bank and its duties?

OR

Write a short note on

- a. Negligence
- b. Endorsement of a cheque

- Q 5.** Differentiate between Credit card and Debit card.

OR

Write about home banking its features and its limitations

Q6. Explain the concept, importance and types of insurance.

OR

Write about the “Basic Principal of Utmost Good Faith” and “Proximate Cause”

Section – D: Descriptive Type Questions (Long Type)

Answer any two of the following: (2 x 14=28)

- Q7.** Write about the evolution of the banking system in India and explain the contribution of commercial banks to the economic development of a country.
- Q8.** Write about advances, their types, advantages, disadvantages, and the principles of sound lending.
- Q9.** Write about:-
A. NEFT
B. RTGS
C. ECS
D. Virtual Banking.
- Q10.** Write about IRDA its powers, functions and role?