

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**MBA Summer 2023-24 Examination**

**Semester: 04**  
**Subject Code: 06201253**  
**Subject Name: Banking and Insurance**

**Date: 22/04/2024**  
**Time: 1:30pm to 4:00pm**  
**Total Marks: 60**

**Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

<b>Q.1</b>	<b>Do as Directed.</b>		<b>CO</b>	<b>PO</b>	<b>BT</b>
<b>A).</b>	<b>Multiple choice type questions/Fill in the blanks. (Each of 1 mark)</b>	<b>(05)</b>			
	1 Which of the following is not a quantitative tool of money supply used by the RBI?		<b>1</b>	<b>1</b>	<b>2</b>
	Bank rate	Repo rate			
	Open market operations	Margin requirement			
	2 Indian financial system comprises of		<b>2</b>	<b>1</b>	<b>1</b>
	Schedule commercial banks	Non-banking financial institutes			
	Urban co-operative bank	All of these			
	3 Which of the below option best describes the process of insurance		<b>2</b>	<b>1</b>	<b>3</b>
	a) Sharing the losses of many by a	b) Sharing the losses of few by many			
	c) One sharing the losses of few	d) Sharing the losses through subsidy			
	4 _____ a loan or advance for which the principal or interest payment remained overdue for a period of 90 days.		<b>1</b>	<b>1</b>	<b>1</b>
	a) NII	c) NPA			
	b) NIM	d) CASA			
	5 Risk transfer through risk pooling is called		<b>2</b>	<b>1</b>	<b>1</b>
	a) Saving	c) Insurance			
	b) Risk mitigating	d) Investment			
<b>B).</b>	<b>Define the following. (Each of 1 mark)</b>	<b>(05)</b>			
	1 CASA Ratio		<b>1</b>	<b>1</b>	<b>1</b>
	2 NPA in banking		<b>1</b>	<b>2</b>	<b>3</b>
	3 Risk management in banking		<b>1</b>	<b>2</b>	<b>1</b>
	4 SARFAISI Act		<b>2</b>	<b>1</b>	<b>1</b>
	5 General Insurance		<b>1</b>	<b>1</b>	<b>2</b>
<b>C).</b>	<b>Direct questions. (Each of 1 mark)</b>	<b>(05)</b>			
	1 What is the role of Banks in Indian financial system?		<b>2</b>	<b>1</b>	<b>3</b>
	2 Why central banks conducts open market operations?		<b>1</b>	<b>2</b>	<b>2</b>
	3 What is sum insured?		<b>1</b>	<b>2</b>	<b>3</b>
	4 Define term insurance.		<b>2</b>	<b>1</b>	<b>3</b>
	5 Who regulates banks in India?		<b>1</b>	<b>3</b>	<b>1</b>

<b>Q.2</b>	<b>Answer the following questions.</b>				
<b>A).</b>	Explain the core business of banks in India.	<b>(07)</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>B).</b>	How ratio analysis can be helpful in analyzing performance of bank. Mention four important ratios related banks.	<b>(08)</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Q.3</b>	<b>Answer the following questions.</b>				
<b>A).</b>	How insurer calculate the premium on life policy? Give basic idea about the same.	<b>(07)</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>B).</b>	Briefly explain different types of life and general insurance policies	<b>(08)</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Q.4</b>	<b>Attempt any two questions. (Each of 7.5 mark)</b>	<b>(15)</b>			
	Indian banking sector is going through severe problems due to rising NPAs. The NPA related to bad loans in public sector banks are much higher than in private banks. What is Non-performing assets? Why public sector banks are more succumbed to NPA? Explain Sub-standard, doubtful and loss assets in detail.		<b>2</b>	<b>2</b>	<b>3</b>
	Basel committee has issued some norms to regulate the banks internationally. Briefly explain any three parameters of Basel norms in details. Discuss implementation of Basel III norms in Indian banking system.		<b>3</b>	<b>2</b>	<b>1</b>
	Mr. A is planning to take the insurance policy from an insurance company, he was offered different premiums for different sum assured. However, being new to the insurance- terms he wondered about the insurance coverage. You are required to help Mr. A by making him understand the concept of “insurance coverage” by giving some examples.		<b>3</b>	<b>2</b>	<b>4</b>
	Explain “Term Life Insurance” with its features. Compare term life insurance and whole life insurance.		<b>1</b>	<b>4</b>	<b>2</b>