

Note: 1) All questions are compulsory with internal option.

2) Figures to the right indicates full marks.

Q1 A) State whether the following statements are True or False (Any Eight) 08

1. Cash credit is a running account to which deposit and withdrawals can be made frequently.
2. The second schedule of the RBI Act contains a list of banks which are described as scheduled banks.
3. General insurance was nationalized in 1956.
4. Principle of utmost good faith is not applicable in life insurance.
5. Dynamic risk normally benefits the individuals.
6. Life insurance is a contract of indemnity.
7. Speculative risk is a situation in which there is a possibility of loss but also possibility of gain.
8. Cattle insurance is a type of general insurance
9. Cause proxima means far off cause.
10. Commodity price risk arises from fluctuations in the price of commodity.

B) Match the following: (Any Seven)

07

Group A	Group B
1) Fund Transfer	a) 1999
2) Fixed Deposit	b) Fire Insurance
3) Standard Chartered Bank	c) Pure Risk
4) EXIM	d) Term Deposit
5) KYC Norms	e) Foreign Bank
6) Banking Regulation Act	f) 1956
7) Earthquakes	g) Loan for Export Import
8) Doctrine of Subrogation	h) 1949
9) IRDA	i) Know Your customer
10) Life Insurance Act	j) NEFT
	k) 1935
	l) Fundamental Risk

Q2 a) Define banking. Explain the scope of banking.

08

b) Explain in brief main functions of bank.

07

OR

c) What is commercial bank? What is their role in finance?

08

d) Distinguish between Public Sector and Private Sector banks.

07

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- Q3 a) What is fixed deposit? Explain the features of fixed deposits. 08  
b) What are NBFCs? Explain how NBFCs differs from banking companies? 07

**OR**

- c) Explain the provisions of section 22 of Banking Companies Act for obtaining a license to start a bank. 08  
d) Define financial inclusion. Explain the scope of financial inclusion. 07

- Q4 a) Define risk. Explain the classification of various risk in business. 08  
b) Define insurance. Explain the benefitsof insurance. 07

**OR**

- c) What is risk management? Explain the features of risk management. 08  
d) What are the different types of social security insurance schemes? 07

- Q5 a) Explain the claim settlement procedure under fire insurance policy. 08  
b) Explain in brief important functions of LIC. 07

**OR**

Write short note on following (Any three) 15

- a) Investment Banking
- b) Current Account
- c) Methods of handling risk
- d) Marine insurance
- e) Powers of IRDA

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