



SRN – 22

M.Com. (Semester – III) (Accounting and Finance)
Examination, April 2017

COO3A2 : BANKING AND INSURANCE MANAGEMENT (OA-18)

Duration : 3 Hours

Max. Marks : 60

- Instructions :** 1) This question paper consists of **Nine** questions carrying **equal** marks.
2) Question No. 1 consists of **5 compulsory** questions of **2 marks each**.
3) Answer **any 5** questions from question 2, 3, 4, 5, 6, 7, 8 and 9.
4) **Each** question carries **10** marks. Figures to the **right** indicate marks.

1. Answer the following short questions in brief : (5×2=10)
 - a) Explain any four traditional functions of banks.
 - b) Distinguish between public sector and private sector banks.
 - c) Explain any four unique features of insurance.
 - d) List out the documents required for consideration of death claim in life insurance.
 - e) Explain any four challenges in front of Life Insurance Corporation of India in present context.
2. Insurance facilitates transfer of risk from an individual to group. In this regards explain the different types of risk in insurance business and explain in detail risk management processes in insurance companies. 10
3. The role of the Reserve Bank of India as regulator of banking sector by virtue of the provisions of the Banking Regulation Act, 1949. In this context explain the major powers of Reserve Bank of India entrusted by the Act. 10
4. A) Assets Liabilities Management is the significant management tool of liquidity management in banks. In this regards discuss the broad objectives of ALM and explain achievement of these objectives in the Indian banks. 5
B) Explain Basel III norms for capital adequacy in the Indian commercial banks and bring out how it is effective to maintain capital adequacy in the banks. 5

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5. Enumerate the socio economic benefits of insurance to the different stakeholders of insurance business and explain costs of insurance to the society. 10
6. A) Explain the regulatory environment of insurance business in India with reference to Insurance Regulatory and Development Authority (IRDA). 5
B) Pricing of non life insurance product is crucial for success of insurance business. In this context discuss objectives and methods of rating of non life insurance products. 5
7. Enumerate the main recommendations of Narasimham Committee-I on banking in India and explain its impact on Indian banking sector. 10
8. A) Explain the guidelines of Reserve Bank of India (RBI) for credit risk management in banks and bring out its effectiveness in managing credit risks in the Indian banks. 6
B) Risk is inherited in the banking activities. For successful operation of banking activities it is necessary to manage it. Discuss. 4
9. A) What are the necessities of Motor Insurance ? Explain the relevance of different types of Motor insurance policies. 5
B) Reinsurance is the necessity of insurance industry worldwide. Discuss the role of reinsurance in insurance business. 5