

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF COMMERCE
END TERM EXAMINATION - JAN 2023**

Semester : SEMESTER - V - 2020 Batch
Course Code : BFS101
Course Name : Sem V - BFS101 - Banking and Insurance
Program : B.Com.

Date : 5-JAN-2023
Time : 1.00PM - 4.00PM
Max Marks : 100
Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.

PART A

ANSWER ALL THE FOLLOWING QUESTIONS

10 X 2 = 20M

1. Define Commercial Bank. (CO1) [Knowledge]
2. Define EFTS. (CO2) [Knowledge]
3. Define Rollover Loan. (CO3) [Knowledge]
4. Define Health Insurance. (CO4) [Knowledge]
5. What do you meant by NPA? (CO5) [Knowledge]
6. List out any two features of commercial banks. (CO1) [Comprehension]
7. Write any two deficiencies of universal banking. (CO2) [Comprehension]
8. Write a short note on Interest Rate Risk. (CO3) [Comprehension]
9. Explain the term " Accident Insurance". (CO4) [Comprehension]
10. Why is NPA management important? (CO5) [Comprehension]

PART B

ANSWER ALL THE FOLLOWING QUESTIONS

4 X 10 = 40M

11. Banking Ombudsman has been made mandated by Reserve Bank of India. Explain the reasons and role of banking ombudsman behind the same.
(CO1) [Comprehension]
12. Know Your Customer (KYC) standards are designed to protect financial institutions against fraud, corruption, money laundering and terrorist financing. With reference to the above statement, Identify the benefits of KYC.
(CO2) [Comprehension]
13. Risk refers to an undesirable or an unplanned event concerning finances that can result in loss of investment or reduced earning. It includes the possibility of losing some or the entire amount of investment. So why do banks take a risk? Well, it is because of the fundamental relationship between risk and return, there is a direct relationship between risk and return. Hence, the greater the risk, the higher the chances of profit. But it is not always the case, hence the risks that the banks take need to be managed well. With reference to above, Briefly explain Market Risk and Compliance Risk and Illustrate CAMELS Framework.
(CO3) [Comprehension]
14. Marine insurance refers to a contract of indemnity. It is an assurance that the goods dispatched from the country of origin to the land of destination are insured. With reference to this statement, Briefly explain the nature of marine insurance.
(CO4) [Comprehension]

PART C

ANSWER ALL THE FOLLOWING QUESTIONS

2 X 20 = 40M

15. Risk management in banking sector can be defined as "The logical development and execution of a plan to deal with potential losses". Usually, the focus of the risk management practices in the banking industry is to manage an institution's exposure to losses or risk and to protect the value of its assets. With reference to this statement, Explain the Important Guidelines laid down by the Reserve Bank of India (RBI) for Risk Management.
(CO3) [Comprehension]
16. Non-Performing Assets (NPA's) are loans and arrears lent by banks or financial institutions whose principal and interests are delayed beyond 90 days. Non-Performing Assets (NPA's) continue to be a prominent buzzword since the last decade. When a borrower deliberately defaults on a loan payment (either on interest and capital repayment) or is unable to make loan repayments because of adverse business economic conditions. With reference to above statement, Explain the various types of banking assets and Illustrate Performing and Non-performing Assets.
(CO5,CO4) [Application]
