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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF LAW  
END TERM EXAMINATION - JUN 2023**

**Semester :** Semester IV - 2021

**Course Code :** SOC2002

**Course Name :** Sem IV - SOC2002 - Banking and Insurance

**Program :** BBL&BCL

**Date :** 16-JUN-2023

**Time :** 1.00PM - 4.00PM

**Max Marks :** 100

**Weightage :** 50%

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**Instructions:**

- (i) *Read all questions carefully and answer accordingly.*
  - (ii) *Scientific and non-programmable calculator are permitted.*
  - (iii) *Do not write any information on the question paper other than Roll Number.*
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**ANSWER ALL THE QUESTIONS**

**(10 X 10 = 100M)**

1. The possibility of financial loss or damage arising from uncertain events. Substantiate the statement and what are the strategies or measures that can be implemented to mitigate or transfer financial risks in order to protect against potential losses  
(CO3) [Comprehension]
2. Mark is a working professional who relies on his car for daily commuting and occasional road trips. Understanding the risks associated with owning a vehicle, he decided to purchase comprehensive motor insurance coverage to protect his investment and mitigate potential financial burdens. On October 5, 2022, while driving on a busy highway, Mark's car was involved in a collision/ accident with another vehicle. The impact resulted in significant damage to both vehicles and left Mark shaken. However, thanks to his comprehensive motor insurance coverage, Mark was able to navigate through the aftermath with confidence.
  - What motivated Mark to purchase comprehensive motor insurance coverage for his car?
  - What are some lessons that individuals can learn from this case study regarding the importance of comprehensive motor insurance coverage?(CO4) [Application]
3. Insurance plays a vital role in every aspect of life. Medium losses can be minimized through it. Insurance business is rapidly expanding these days. The life insurance is really a help not only for the individuals but also for the business and the society. Discuss the advantages of Life insurance  
(CO4) [Comprehension]

4. Mr. John Davis, a customer of ABC Bank, encountered an issue with an unauthorized transaction on his bank account. He discovered that a significant amount of money was debited from his account without his knowledge or consent. Despite his attempts to resolve the matter with the bank, the issue remained unresolved, prompting Mr. Davis to seek assistance from the Banking Ombudsman.

a. What steps did Mr. John Davis take to initially resolve the issue of the unauthorized transaction with ABC Bank before approaching the Banking Ombudsman?

b. What role did the Banking Ombudsman play in facilitating the resolution of the dispute between Mr. Davis and ABC Bank?

(CO1) [Application]

5. A rollover loan is a type of loan which is automatically renewed when it is not repaid in full within a predefined loan term. Instead of entering into default, as would be the case with other types of loans, the debt is simply carried over to a new loan. What are the potential advantages and disadvantages of rollover loans for borrowers compared to other types of loans?

(CO3) [Comprehension]

6. On July 15, 2022, an electrical short circuit occurred in one of ABC Corporation's production units. The fire quickly spread, engulfing multiple areas of the facility and causing substantial damage. The incident resulted in the complete destruction of machinery, raw materials, and a significant portion of finished goods. Upon discovering the fire, ABC Corporation promptly contacted the fire department and implemented their emergency response plan. The fire department arrived promptly and efficiently controlled the fire, minimizing further damage. However, the extent of the destruction was substantial, leading to an immediate halt in the company's production operations.

- What caused the fire incident at ABC Corporation's production unit?
- How did the insurance adjuster assess the loss and determine the value of the damaged property?

(CO4) [Application]

7. Insurance plays a crucial role in assisting individuals and businesses in mitigating potential financial risks or losses that may arise from unforeseen events. In the light of the above statement, explain the fundamental principles of insurance.

(CO1) [Comprehension]

8. Venture capital (VC) plays a significant role in the economy by providing funding, expertise, and support to early-stage and high-growth companies like Financing Innovation and Entrepreneurship, Job Creation and Economic Growth etc. What is venture capital? Explain the features and advantages of venture capital.

(CO2) [Comprehension]

9. Life insurance and general insurance are two different forms of insurances. General insurance covers any other risk except for life-risk of the person insured. Life Insurance covers only the life-risk of the person insured. What are the dissimilarities between life insurance and general insurance?

(CO1) [Comprehension]

10. Fraudulent attempts to deceive individuals into disclosing sensitive information such as passwords, credit card details, or personal data. While phishing is a malicious activity, its significance lies in the Cybersecurity Enhancements Security Awareness. What is phishing, and how does it differ from other forms of cyber-attacks?

(CO2) [Comprehension]