

Roll No																			
---------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF LAW
MID TERM EXAMINATION - APR 2023**

Semester : Semester IV - 2021

Course Code : SOC2002

Course Name : Sem IV - SOC2002 - Banking and Insurance

Program : BBL,BCL

Date : 15-APR-2023

Time : 9:30AM - 11:00AM

Max Marks : 50

Weightage : 25%

Instructions:

- (i) Read all questions carefully and answer accordingly.
 - (ii) Question paper consists of 1 part.
 - (iii) Scientific and non-programmable calculator are permitted.
 - (iv) Do not write any information on the question paper other than Roll Number.
-

ANSWER ALL THE QUESTIONS

(5 X 10 = 50M)

1. Branch banking and unit banking are two different models of banking systems. *Branch Banking:* Branch banking refers to a banking system where a bank operates multiple branches in different geographical locations. *Unit Banking:* Unit banking, on the other hand, refers to a banking system where a bank operates as a single, independent unit without any branches. What are the differences between Branch and Unit Banking System.
(CO1) [Comprehension]
2. How can an insurance ombudsman help resolve disputes between customers and insurance companies? Explain the process of conflict resolution through the insurance ombudsman
(CO1) [Comprehension]
3. "Bank is a financial institution that accepts deposits from customers and uses those deposits to lend money and provide other financial services". Substantiate the statement and explain the various features of Bank.
(CO1) [Comprehension]
4. "Insurance just helps customers to manage the financial risk crisis or amount of loss if the adverse event actually take place". With reference to the above statement, Explain different types of insurance with examples.
(CO1) [Comprehension]

5. In 2018, Punjab National Bank (PNB), one of India's largest public sector banks, was hit by a massive fraud involving electronic fund transfers (EFTs) that resulted in a loss of over \$1.7 billion. The fraud involved two of the bank's employees, who used their access to the bank's SWIFT (Society for Worldwide Interbank Financial Telecommunication) messaging system to issue fraudulent letters of undertaking (LoUs) and letters of credit (LoCs) on behalf of companies belonging to diamond jeweler Nirav Modi and his uncle Mehul Choksi. These LoUs and LoCs were then used to obtain loans from other banks. The fraud went undetected for several years, as the employees had the ability to bypass the bank's core banking system and issue the fraudulent transactions directly through the SWIFT messaging system. The fraud was eventually uncovered when other banks involved in the transactions started raising questions about the validity of the LoUs and LoCs. What lessons were learned from the PNB fraud, and what were the implications for the banking sector in India? and What were the two types of fraudulent transactions involved in the PNB fraud?

(CO2) [Application]