QP Code : 07034

(2½ Hours) **[Total Marks : 75**

N.B. : (1) **All** questions are **compulsory** with internal choices.
(2) **Figures** to the **right** indicate **full** marks.

1. (a) Fill in the Blanks (any **eight**) :— **8**

(i) Banking is essentially a business dealing with ________
1. Goods
2. Money
3. Electronic.

(ii) Hypothecation is the mortgage of _______ property for securing loan.
1. Movable
2. Immovable
3. Land and building.

(iii) NABARD was established in the year _______
1. 1982
2. 1956
3. 1955.

(iv) SBI was nationalized in the year _______
1. 1969
2. 1956
3. 1955.

(v) _______ provides licence for all banks by the Reserve Bank of India.
1. Section 23
2. Section 22
3. Section 35.

(vi) General Insurance was nationalized in the year _______
1. 1973
2. 1956
3. 1935.

(vii) Marine policy is also called as ________
1. Sea policy
2. Floating policy
3. Valued policy.

(viii) ________ deals with the financial impact of risk and uncertainty
1. Rider
2. Risk Manager
3. Actuary.

(ix) ________ are also called as fixed deposits and are repayable after the expiry of specified term
1. Term deposit
2. Demand deposit
3. Saving deposit

(x) Minimum period of fixed deposit is _______ days.
1. 120
2. 30
3. 7

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(b) State whether the following statements are **True** or **False** :– (any **seven**) **7**

(i) Nomination can be cancelled by the policyholder without informing to the nominee.

(ii) The Reserve Bank of India has the righth of issuing all denominations of currency notes.

(iii) If the property is insured with two or more independent insurers it is called reinsurance.

(iv) The principle of subrogation is applicable to life insurance.

(v) Insurance is a co-operative device.

(vi) Shifting of risk is one of the methods for handling risk.

(vii) Micro finance is financial service of large quantity provided by financial institution to the poor.

(viii) IDBI was established in the year 1964.

(ix) Obtaining credit card is easier than obtaining debit card.

(x) Unit Trust of India is first mutual fund started in India in 1964.

2. (a) Define Banking. Explain the need of banks. **8**

(b) Explain in brief main functions of banks. **7**

OR

(c) Explain the reasons for regulation of banks. **8**

(d) Distinguish between Public Sector and Private Sector Banks. **7**

3. (a) What are the privileges enjoyed by the Current Account Holder ? **8**

(b) Define Financial Inclusion. Explain the scope of Financial Inclusion. **7**

OR

(c) What is licensing of banking company ? Explain the provision in the Act for obtaining a license to start a bank. **8**

(d) Explain the role and functions of Reserve Bank of India. **7**

4. (a) What is Risk ? Discuss the various methods of handling Risk. **8**

(b) Discuss the classification of Life Insurance Policy. **7**

OR

(c) Explain in brief basic Principles of Insurance. **8**

(d) Discuss in brief the various Social Security Insurance Schemes. **7**

5. (a) Explain the claim settlement procedure under Fire Insurance Policy. **8**

(b) Define Actuary. Explain the role of Actuaries in insurance. **7**

OR

(c) Write short notes on following (any **three**) :— **15**

(i) Debit cards

(ii) Power of IRDA

(iii) Marine Insurance

(iv) Inspection of banking company

(v) E-banking.
