

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

**P A R T – A**

*(Answer Question No.1 which is compulsory  
and any two of the rest from this part.)*

1. (a) In a civil suit to which the bank is not a party, some certified copies of books of account have been produced. One party to the suit wants to call bank officer as witness to prove the contents of the copies. Can it be done ?  
*(4 marks)*
- (b) Vishwas took a loan from Reliable Bank and pledged certain shares and debentures as security with the bank. These securities were entitled to bonus, dividend and interest. In case of default in payment of debt, whether the bank has right to sell the pledged securities along with the accretions ?  
*(4 marks)*
- (c) State, with reasons in brief, whether the following statements are correct or incorrect :
- (i) 'Not negotiable' crossing does not restrict the transferability of a negotiable instrument.
  - (ii) Whatever be the type of charge, ownership of the security will never pass on to the bank.
  - (iii) There is no statutory definition of 'banking' under Indian law.
  - (iv) SLR at present is lower than CRR.
- (2 marks each)*
- (d) Choose the most appropriate answer from the given options in respect of the following :
- (i) Which one is a hybrid between a commodity and a financial asset --
    - (a) Real estate
    - (b) Mutual fund
    - (c) Insurance
    - (d) Gold.
  - (ii) 'Repo' implies --
    - (a) Injection of liquidity
    - (b) Absorption of liquidity
    - (c) Market stabilisation operations
    - (d) Intervention in forex liquidity.

- (iii) Which code determines the bank-branch location for on-line transfer of funds under RTGS/NEFT –
- (a) MICR code
  - (b) Transaction code
  - (c) IFSC code
  - (d) None of the above.
- (iv) The pecuniary jurisdiction of Debt Recovery Tribunal (DRT) at present extends only when the amount of debt due to any bank is –
- (a) Rs.10 lakh or more
  - (b) Rs.5 lakh or more
  - (c) Rs.2 lakh or more
  - (d) Over Rs.10 lakh.

(1 mark each)

2. Attempt **any three** of the following :

- (i) Give a brief account of the strategy pursued by the Reserve Bank of India for growth stimulus in view of the knock-on effects of the global financial crisis.
- (ii) What are the main characteristics of a negotiable instrument ?
- (iii) State the legal remedies available to banks for dealing with non-performing assets (NPAs) .
- (iv) What are the sources of medium and long-term finance for an industrial unit and how do industrial development banks help them ?

(5 marks each)

3. Attempt **any three** of the following :

- (i) What are the recommendations of the Tarapore Committee in respect of gold banking ?
- (ii) What are different types of securities which may be acceptable to the bank ?
- (iii) What are the soundness and performance indicators of a bank ? Also expand CAMELS .
- (iv) Write a note on 'Tier-I' and 'Tier-II' capital of a bank. What is 'Tier-III' capital ?

(5 marks each)

4. Attempt **any three** of the following :

- (i) Describe the 'internet banking' services provided by banks.
- (ii) State the three categories for classifying the 'investment portfolio' of the banks.
- (iii) How do banks identify the problem credit ?
- (iv) What are the basic approaches recently adopted by banks to address their risk management under Basel-II norms ?

(5 marks each)

**P A R T – B**

*(Answer Question No.5 which is compulsory and any two of the rest from this part.)*

5. (a) An insurance company runs both fire as well as marine hull business. The premium received, net of re-insurances, amounted to Rs.76.25 lakh and Rs.100.50 lakh respectively for the year ended 31<sup>st</sup> March, 2009. What amount of 'reserve for unexpired risks' should be provided by the company for (i) fire business; and (ii) marine hull business ?
- (4 marks)*
- (b) What are the essentials of insurable interest in general insurance ?
- (4 marks)*
- (c) State, with reasons in brief, whether the following statements are correct or incorrect :
- (i) Assignment of a policy automatically cancels the existing nomination.
  - (ii) Insurance is not bought, it is sold.
  - (iii) Chance of loss is closely related to the concept of risk.
  - (iv) Minors and persons of unsound mind can be beneficiary of insurable contracts.
- (2 marks each)*
- (d) Choose the most appropriate answer from the given options in respect of the following :
- (i) The transfer of rights and remedies of the insured to the insurer who has indemnified the insured in respect of the loss, is termed as –
    - (a) Indemnity
    - (b) Subrogation
    - (c) Nomination
    - (d) Assignment.
  - (ii) In case of life insurance business, the primary component of distribution channel is –
    - (a) Banking
    - (b) Broker
    - (c) Supervisor
    - (d) Agent.
  - (iii) An applicant seeking a licence to act as a surveyor and loss assessor shall undergo a practical training of not less than –
    - (a) 18 Months
    - (b) 15 Months
    - (c) 12 Months
    - (d) 6 Months.

(iv) In India, the Deposit Insurance and Credit Guarantee Corporation (DICGC) provides insurance cover upto –

- (a) Rs.5,00,000
- (b) Rs.2,00,000
- (c) Rs.1,50,000
- (d) Rs.1,00,000.

(1 mark each)

6. Attempt **any three** of the following :

- (i) Describe the principle of indemnity in motor insurance.
- (ii) Write at least five points of code of conduct applicable to insurance surveyors.
- (iii) What is the capital requirement criteria for an Indian insurance company under section 6 of the Insurance Act, 1938 ?
- (iv) What is 'group insurance policy' ? How does it work ?

(5 marks each)

7. Attempt **any three** of the following :

- (i) What is the difference between 'static risks' and 'dynamic risks' ?
- (ii) What are the provisions pertaining to refund of duty on loss of goods under the Customs Act, 1962 ?
- (iii) Explain the liability of postal authorities and air authorities pertaining to postal sendings.
- (iv) What is the need for 'credit insurance' ?

(5 marks each)

8. Attempt **any three** of the following :

- (i) Explain briefly the concept of speculative risk management.
- (ii) "Insurance works as a social security tool." Comment.
- (iii) Who is the beneficiary in case of accidents under the motor insurance and what is the limitation period for filing the claim ?
- (iv) What are the effects of breach of duty of utmost good faith on insurance contracts ?

(5 marks each)

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