

D 31667

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Name.....

Reg. No.....

**THIRD SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2022**

Economics

ECO 3B 04—MODERN BANKING AND INSURANCE

(2017—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A (Objective Type Questions)

*Answer all twelve questions.
Each question carries ½ mark.*

1. NEFT stands for :
 - a) National Electronic Finance Transfer.
 - b) National Electronic Funds Transfer.
 - c) National Economic Finance Transfer.
 - d) Net Electronic Funds Transfer.
2. Who is the chairperson of the Monetary Policy Committee of India ?
 - a) The President of India.
 - b) The Finance Minister.
 - c) The Prime Minister.
 - d) RBI Governor.
3. How many nationalized banks are there in India as of July 2020 ?
 - a) 12.
 - b) 16.
 - c) 19.
 - d) 22.
4. General insurance does not cover :
 - a) Fire insurance.
 - b) Marine insurance.
 - c) Life insurance.
 - d) Travel insurance.

Turn over

5. The term 'risk' includes :
- a) Damage to machinery and property.
 - b) Impact on the health or life of a person.
 - c) Effect on the healthy life of the neighbourhood.
 - d) All of the above.
6. Industrial Finance Corporation of India was formed in :
- a) 1947.
 - b) 1948.
 - c) 1951.
 - d) 1964.
7. A contract between a policy holder and insurance company is called :
- a) Annuity.
 - b) E-purse.
 - c) Hedging.
 - d) Reinsurance.
8. Identify the correct statement/s related to treasury bills :
- a) The treasury bills are issued by the Central Government and known to be one of the safest money market instruments available.
 - b) Treasury bills carry zero risk, so the returns are not attractive.
 - c) Treasury bills come with different maturity periods.
 - d) All the above.
9. The Commercial Banks in India are governed by :
- a) Reserve Bank of India Act, 1934.
 - b) Indian Companies Act, 1956.
 - c) Indian Banking Regulation Act, 1949.
 - d) Securities and Exchange Board of India Act, 1993.
10. Insurance helps to :
- a) Prevent adverse situations from occurring.
 - b) Reduce the financial consequences of adverse situations.
 - c) Negate all consequences of adverse situations.
 - d) Make assets continuously productive.

27. Compare insurance and reinsurance.
28. What are the major benefits of health insurance.
29. Examine the functions of commercial banks in India.
30. What are the instruments of money market ?
31. Explain the role of IFCI and IDBI as development banks in India.
32. Differentiate between unit banking and branch banking. Identify the advantages of branch banking.

(6 × 5 = 30 marks)

Part D (Essay Type Questions)

Answer any two questions.

Each question carries 12 marks.

33. Explain important principles of insurance. Discuss the importance of insurance as a security against economic difficulties.
34. Explain the traditional and promotional functions of the Reserve Bank of India.
35. Narrate milestones in banking sector reforms in India. Discuss the major recommendations of Narasimham Committee as part of banking sector reforms.
36. Distinguish between risk and uncertainty. What are the major types of risk management ?

(2 × 12 = 24 marks)