

R-3162

Sub. Code

632203

M.B.A. (B & I) DEGREE EXAMINATION, APRIL 2019

Second Semester

Banking and Insurance

PRACTICE OF COMMERCIAL BANKING

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Write a short note about commercial bank.
2. What is meant by overdraft?
3. List the important functions of joint stock companies.
4. Define corporate securities.
5. What is mortgage? Give example.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Write an essay on Indian commercial banking structure.

Or

- (b) Explain in detail about micro finance banks with examples.

7. (a) Discuss about deposit min types of deposits and factors affecting deposit levels.

Or

- (b) Describe the process of retail lending by banks.

8. (a) Elaborate the operations and duties of joint stock companies.

Or

- (b) State and explain the types of joint account holders and the risk involved in joint account.

9. (a) Analyse the pros and cons of different types of life insurance policy.

Or

- (b) Mention in detail about various types of Government securities.

10. (a) What is a banker's general lien? When can this be involved by the bank? Explain.

Or

- (b) Explain the process of hypothecation with example.

Part C (1 × 10 = 10)

Compulsory

11. Twins Emma and Emmett are excited to be starting college next year Emma is leaving home behind and heading to college in Florida while her brother Emmett is going to live at home and attend a local university. Up until now, they have always used cash or gift cards

received for holidays or birthdays to pay for their expenses. Any savings that has was in their piggy banks in their rooms. Now that college is almost here, they realize that cash may not be the best option.

- (a) Why is cash not always a good option?
 - (b) What should Emma consider when picking a bank? What about Emmett? Do they have different needs?
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R-3163

Sub. Code

632204

M.B.A. (B & I) DEGREE EXAMINATION, APRIL 2019

Second Semester

Banking and Insurance

MONETARY MANAGEMENT

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Distinguish money market from capital market.
2. What is meant by controller of credit?
3. List the KYC norms in banking.
4. What is export credit?
5. Write note on objectives of RBI.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Write in detail about the importance and characteristics of money market.

Or

- (b) Explain the structure and features of money market in detail.

7. (a) Discuss the evolution and functions of Central Bank.

Or

- (b) Describe elaborately about controller of credit.

8. (a) Examine the structure and functions of RBI.

Or

- (b) Write an essay on the history and types of NBFC's in India.

9. (a) State and explain about export credit and the procedure for expert credit.

Or

- (b) What is priority sector lending? Explain its categories.

10. (a) Enumerate the scope and objectives of market stabilization scheme.

Or

- (b) Comment on the working of monetary policy committee.

Part C (1 × 10 = 10)

Compulsory.

11. Lisa and Joel are married with two children, aged three and five. Joel works full-time in manufacturing and Lisa works four days a week as solicitor. When they got married they were renting and maintained 2 separate accounts as well as a joint account for bills. Now they own a home, are paying off a mortgage and saving determinedly for the future so that they can afford private education for then children by the time they enter

high school. Soon after Lisa and Joel started their savings plan their financial adviser recommended an investment strategy that included a mixture of shares, bonds and term deposits. Their adviser also recognised that they were a time poor couple needed an efficient system to monitor their savings. Their financial picture now included home loan investment funds, shares, term deposits, transaction accounts. They wanted to have clear visibility of there overall cash position at all times. A cash management account allowed them to establish a central account into which their mortgage, payments, investments savings and super could all interact.

Comment on their case.

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632205

M.B.A. (B & I) DEGREE EXAMINATION, APRIL 2019

Second Semester

Banking and Insurance

BANKING LAW

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. How does the Government regulate banks?
2. Who can acts as the chairperson of banking companies?
3. What do you mean by acceptance of deposits?
4. Write a short note on payment in good faith.
5. Define Law of Limitation.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Explain the institutions that come under cooperative banks and their functions.

Or

- (b) Write elaborately about constitution of banks.

7. (a) Discuss about branch licensing and branch authorization policy.

Or

- (b) Elaborately mention about share holding in banking and the rules and regulations to be followed.

8. (a) Write an essay on banking ombudsman.

Or

- (b) Describe the characteristics and types of various money market instruments.

9. (a) Evaluate the obligations and rights of a banker.

Or

- (b) What is bill? Mention about the classification of bills and various types of bill finance.

10. (a) Analyse the methods of recovery of debts due to banks and financial institutions.

Or

- (b) State the provisions and features of banks and financial institutions act 1993.

Part C

(1 × 10 = 10)

Compulsory

11. Mrs. W contacted her bank to complain that, over a three month period, € 9,600 has been withdrawn from the account without her knowledge. The withdrawals had all been made from cash machines, using her debit card and PIN. She did not consider that she should be liable for the transactions and she thought that the bank should have done more to prevent them taking place.

According to Mrs. W, her debit card had been taken from her by a Mr. C. who had made the disputed withdrawals without her permission and had then refused to give the card back. She said she often suffered from periods of depression and that, during these periods. Mr. C “enucised control” over her. She assumed that he must have obtained her PIN by watching her use the card.

- (a) What is the role of bank in this issue?
 - (b) Who is liable for this?
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632501

M.B.A. (B & I) DEGREE EXAMINATION, APRIL 2019

Second Semester

Banking and Insurance

CO-OPERATIVE BANKING

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. What is credit policy?
2. What is Ban assurance?
3. Explain the term “capital adequacy”.
4. What is Branch Licensing?
5. Who are credit institutions?

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Explain the procedure involved in recovery of debts due to banks.

Or

- (b) List the functions of ombudsmen.

7. (a) Write a note on MSME financing.

Or

(b) Explain the different deposit products with illustrations.

8. (a) What are Indemnities and bank guarantees? Explain.

Or

(b) Write note on Foreign Exchange Market.

9. (a) Explain the advantages and limitations of Technology banking.

Or

(b) Discuss the effects of NPA on profitability.

10. (a) Write brief note on statutory audit and co-operative audit.

Or

(b) Discuss the role of RBI in supervising and controlling banks.

Part C

(1 × 10 = 10)

Compulsory

11. Explain the components of Management Information System.

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Sub. Code

632401

M.B.A. (B & I) DEGREE EXAMINATION, APRIL 2019

Fourth Semester

Banking and Insurance

RISK MANAGEMENT

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Section A

(5 × 3 = 15)

Answer **all** questions.

1. What is risk?
2. What is credit risk?
3. What do you mean by delta neutral strategies?
4. What are the hidden costs involved in accidents?
5. What do you mean by risk financing?

Section B

(5 × 10 = 50)

Answer **all** questions choosing either (a) or (b).

All questions carry equal marks.

6. (a) Describe the nature and sources of risk.

Or

- (b) Explain the cost of risks and benefits of risk management.

7. (a) Explain ways to measure market risk and interest rate risk.
Or
(b) Explain the procedure to manage credit risk and operational risk.
8. (a) Explain Basel II and Basel III norms and RBI guidelines on risk management.
Or
(b) Describe the Bull Spreads. Neutral and Volatile Strategies for risk management in banking operations.
9. (a) Explain how statistical methods and probability concept are used for risk assessment.
Or
(b) Elucidate the framework for potential risk identification.
10. (a) Through light on risk avoidance and risk reduction techniques.
Or
(b) Elucidate the importance and methods of risk retention and risk transfer.

Section C

(1 × 10 = 10)

Compulsory.

11. Read the following case and answer the question given at the end of the case.

Now a days many innovative business enterprises coming into operations. Some companies are very successful and many organisations fail. In this scenario Bank X has started venture capital finance division. You are the head of that division. Many start-ups have given their application for funding. The bank is having common risk management system. You feel that there should be different risk management system for venture capital division.

- (a) How risk management system will be different for venture capital financing?
 - (b) What is the entry mode and exit mode the bank can prefer to minimise the risk?
 - (c) What are the risks involved in financing start-ups?
 - (d) How to transfer the risk financing start-ups?
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R-3167

Sub. Code

632402

M.B.A. (B & I) DEGREE EXAMINATION, APRIL 2019.

Fourth Semester

Banking and Insurance

MARINE INSURANCE

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** the questions.

1. What is an underwriting document?
2. What are trade clauses?
3. What is marine cargo loss?
4. What is salvage charges?
5. What is subrogation?

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Discuss the risks and rating factors in cargo underwriting.

Or

- (b) Explain the types of policies to cover cargo owner's insurable interest.

7. (a) Write note on non-institute clauses.

Or

(b) List down the cargo contract clauses used in India.

8. (a) Discuss the role of insures in cargo prevention.

Or

(b) Explain the types of marine cargo toss.

9. (a) Write note on salvage charges with illustration.

Or

(b) Explain how settlement of claim in respect of cargo is done.

10. (a) Write note on cargo clearing procedures and documentation.

Or

(b) Explain the role and function of claim setting agents.

Part C

(1 × 10 = 10)

Compulsory

11. Discuss the types of marine frauds and precautionary measures for their prevention.

R-3168

Sub. Code

632403

M.B.A. (B&I) DEGREE EXAMINATION, APRIL 2019

Fourth Semester

Banking and Insurance

MOTOR INSURANCE

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Section A

(5 × 3 = 15)

Answer **all** the questions.

1. What is a commercial vehicle?
2. What is removal costs?
3. What are renewal receipts?
4. What is passenger risk?
5. What are non fatal accidents?

Section B

(5 × 10 = 50)

Answer **all** questions choosing either (a) or (b).

6. (a) Explain the motor vehicles Act, 1988 in detail.

Or

- (b) Discuss the motor vehicle (Amendment) Bill 2016 in detail.

7. (a) Discuss the package policies for private cars and two wheelers.

Or

- (b) Write a note on liability to Third parties and risk coverage.

8. (a) Explain the concept of cover note and period of insurance in motor policy.

Or

- (b) Write note on registration and endorsement in a motor policy.

9. (a) Discuss the rise involved in Hit and Run accident cases.

Or

- (b) Explain how tariff is fixed for commercial vehicles.

10. (a) Discuss the guidelines for assessment of permanent disablement.

Or

- (b) Explain the procedure in road in claims of a motor insurance policy.

Section C

(1 × 10 = 10)

Compulsory.

11. How to reduce motor accident claims? Suggest measures.

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Sub. Code

632404

M.B.A. (B & I) DEGREE EXAMINATION, APRIL 2019.

Fourth Semester

Banking and Insurance

EXECUTIVE COMMUNICATION

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Section A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. Write short notes on need for communication.
2. What is non – verbal communication?
3. Differentiate circular and memo.
4. List out the skills required in a group discussion.
5. What is meant by press release?

Section B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) Explain the process of communication with suitable illustration.

Or

- (b) Discuss in detail about the barriers of communication.

7. (a) Write in detail about types of listening and also the stages involved in listening.

Or

- (b) Write an essay on the importance of non – verbal communication with examples.

8. (a) What is a business letter? Explain the types of business letter.

Or

- (b) Describe in detail about the steps in report writing.

9. (a) State and explain the stages in making a presentation.

Or

- (b) Elaborately discuss about the do's and don't's in group discussion.

10. (a) Evaluate the importance of electronic and non – electronic medias.

Or

- (b) Examine the essential elements of conducting a seminar and conference.

Section C

(1 × 10 = 10)

Compulsory.

11. Make a list of types of companies requiring extensive communication then make a list of types of companies requiring little communication what explains the difference in these two groups?

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Sub. Code

632405

M.B.A. DEGREE EXAMINATION, APRIL 2019.

Fourth Semester

Banking and Insurance

DIGITAL BANKING

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. What is a “Kiosk Machine”?
2. What is a ‘digital signature’?
3. Define ‘lot’ enabled banking.
4. What is the uniqueness of ‘Repay Card’?
5. Define ‘Solvency’.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Demonstrate the significance of digital banking in the demonitized era.

Or

- (b) What is a digital locker? How does cash deposit machines function to recycle cash?

7. (a) What are protocols of establishing WAN? How does signature storage and retrieval system operate in a core banking system?

Or

- (b) How does customer education on digital channel enhance the usage of digital banking capacity building?

8. (a) Describe the USSD and its applications for mobile banking.

Or

- (b) Discuss about the models of Internet loading and if segments.

9. (a) Describe an overview of domestic payment systems. Enumerate the role of NPCI.

Or

- (b) What are the scope of National Automated Clearing House (NACH) under the unified payment interface?

10. (a) What are cyber crimes in banking? Describe the defence measures of digital banks?

Or

- (b) Enumerate the challenges in digital banking on its operational and specific risks.

Part C (1 × 10 = 10)

Compulsory.

11. Digitization in banking : A case on house tax payment.

Mr. Romeo has owned houses in Coimbatore and Cuddalore. He has let the house in Coimbatore on rental basis and he rarely visits Coimbatore house. The payment of house tax for the property has been done on

online mode using ICICI net banking service. Through RTGs mode during 2015-16. The Corporation officer in charge of digital payment has not reconciled the accounts for two years. The officer in charge Miss. Juliet called Romeo to pay the house property tax for the year 2015-16 & 2016-2017. Mr. Romeo replied that he has paid the tax online and he has produced the transaction details to her. She was surprised to note the details found true. As she has failed to reconcile the payment, she has arranged for repayment by returning the money online to his bank account digitally. Keeping in view of the transactions and relationship with corporation office, Mr. Romeo has arranged for the digital net banking vat throughout a Wallet. He has made the payment and received the receipt in accordance. The wallet account till has ₹ 1,500 as balance for more then eight months.

The issue in the case has become the validity of payment of property tax through net banking and mobile wallet. Both Mr. Romeo and Juliet have become disciplined users of digital banking, however the channel of accessing digital transaction has proud it right for mobile wallet and wrong for net banking.

Questions :

- (a) What are the best mode of net banking payment options?
- (b) Does the money parked on mobile wallet, mean purposeful.
- (c) Who has to attend education on digital beauty?

R-3171

Sub. Code

632406

M.B.A. DEGREE EXAMINATION, APRIL 2019

Fourth Semester

Banking and Insurance

RURAL BANKING

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. Who is a facilitator of micro finance?
2. Define 'BPL'.
3. What is 'NABARD'?
4. What is 'MSME'?
5. Define 'Mino credit'.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Describe the features of rural economy of India.

Or

- (b) Enumerate the various socio-economic development indicators of Indian rural economy.

7. (a) What is the role of cooperative banks as a source of finance for agriculture?

Or

- (b) Enumerate the progress and problems of regional rural banks in rural development.

8. (a) Describe the lead bank scheme for financing agriculture and allied activities.

Or

- (b) Discuss about the schemes of financing as credit to minority communities under MSME sectors.

9. (a) Examine the role and performance of small industries development bank of hiden on the promotion of rural development.

Or

- (b) Enumerate the financing schemes of agriculture and horticulture sectors under NABARD.

10. (a) Describe the government initiatives for financing poor as bankable opportunities.

Or

- (b) Evaluate the recent initiatives on priority sectors as 'Jan Dhan Yojana'.

Part C (1 × 10 = 10)

Compulsory.

11. Micro Insurance : Is it a viable solution?

The cashpor financial and Technical services (CFTS) was started in 1996 by Prof. Gibbons (a pioneer in replicating the Grameen Bank model in delivering savings and credit to the poor) and Mr. Hasan in the Mirzapur district of the eastern Uttar Pradesh (V.P). The organization was setup with the purpose of providing micro credit to the poor women. Being a backward district, the main occupations of the households are agriculture and wage labour. The dependence on unpredictable rainfall is one of the rain reasons for poverty and agricultural backwardness. More often they are driven to the door steps of the money lenders. March 2000, CFTS had become a public limited company. The aim of the CFTS is to reach 25,000 clients by 2003 and become operationally self-sufficient.

The CFTS operates on the Grameen Bank model using five member group for delivery unsecured loans linked with weekly compulsory savings and loan repayment. As a may 2002, the CFTS has 10 bunches with a loan outstanding of ₹ 57.9 million covering about 15,000/-client.

The CFTS initiated its work with two types of financial services – saving and credit. While credit has directly delivered saving, was started in collaboration with the Mirzapur mutual benefit savings trust. The CFTS started recycling the inadequate resources of its clients to manage their risk. Their inability to cope up with the loss of assets like livestock or even loss of life of either the client or her spouse was noted. The loss of life was found to be either because of complications during pregnancy or due to some illness or malnutrition. Even inadequate health, service facilities were form contributed to the problem.

The CFTS started exploring the possibility of providing insurance services to its client. However, it could not decide which type of insurance would serve the purpose. The CFTS decided to launch on a pilot basis two types of insurance services, life insurance and livestock insurance to its members. Four insurance companies introduced to product in different branches of CFTS. The first company to after its product was the HDFC standard life insurance companys which began life insurance venture in August 2001. Initially it was started in three CFTS branches. The ICICI prudential Life Insurance Corporation of India (LIC) introduced their services in three more branches. The national Insurance Company also started to livestock insurance to the clients of CFTS. All the insurance schemes ended up in loss for three life insurance.

	HDFC	LIC	ICICI
No. of clients	1323	373	1304
Income (₹)	23,663	1,865	20,495
Expenditure (₹)	46,472	36,127	45,182
Loss (₹)	-22,809	-34,262	-24,687

Questions :

- Should CFTS continue with all the insurance companies for some more time?
- Should CFTS choose only one company for providing insurance service to its clients?
- If so, which of the three companies is most beneficial to CFTS?

R-3172

Sub. Code

632506

M.B.A. DEGREE EXAMINATION, APRIL 2019

Fourth Semester

Banking and Insurance

MICRO FINANCE

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

1. What is Kisan Credit card?
2. Define 'Micro finance'.
3. What is meant by 'Financial inclusion'?
4. Define 'Due diligence check'.
5. What is 'Financial literacy'?

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

6. (a) Distinguish between working capital and term loans.

Or

- (b) Describe the recent developments in MSMEs schemes with eligibility norms and repayment terms.

7. (a) Discuss about the Asset classification norms for appraising, processing and secretaryship microfinance.

Or

- (b) Enumerate the evolution and significance of microfinance in India.

8. (a) Examine the concept of financial inclusion and its importance.

Or

- (b) How does the peer pressure impact the SHG models in India?

9. (a) What are the ethical issues contemplated as Do's and Don'ts for both business facilitators and Business Correspondents?

Or

- (b) What are the check and balance system on the fulfillment of training needs and other risks faced by banks?

10. (a) Distinguish between interviewing skills and borrower profiling skills among BFs and BCs.

Or

- (b) What are the marketing skills needed for BFs? Discuss about the opportunities for cross selling.

Part C

(1 × 10 = 10)

(Compulsory)

11. Gram Abhyudaya Mandali (GRAM) is a non-profit rural development organization. There is a feeling among the SHGs that the formation of a federation like Mutually Speed Co-operative Society (MACS) should take place only after two years of SHG's formation. GRAM management feels that the formation of federation can be taken up when the SHG's are atleast one year old and have been given intensive training for capacity building. The SHGs which were hither to mainly borrowing from the banks are now looking towards MACS for the purpose. In a participatory assessment exercise carried out, 12 SHGs gave highest rank to MACs as compared to other institutions like the District rural Development Agency (DRDA), banks, BASIX, GRAM, and the Scheduled Caste (SC) corporation both on the basis of importance they attach and the frequency with which they interact with these institutions. Both the old and new SHGs gave similar kind of ranking in the exercise.

Questions :

- (a) What is the approach followed by GRAM in forming the federation?
- (b) Whether GRAM was right in promoting the SHG federation?
- (c) How to make the Federation self-reliant?

R-3296

Sub. Code

632301

M.B.A. DEGREE EXAMINATION, APRIL 2019

Third Semester

Banking and Insurance

FINANCIAL SERVICES

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. What are the traditional activities in financial services?
2. What are the problems of merchant bankers in India?
3. List any two schemes that can be offered by a mutual fund.
4. What is factoring? State any two types of factoring.
5. State the objectives of credit rating.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) What are the challenges facing the financial service sector? Explain.

Or

- (b) Critically analysis the present scenario of the financial service sector in India.

7. (a) The scope for merchant banking is great in India – Discuss.

Or

- (b) Explain the qualities required and problems of merchant bankers in India.

8. (a) Discuss the growth factors of the real estate financing.

Or

- (b) Explain in detail the working mechanism of Asset Management Companies.

9. (a) Discuss in detail the advantages and disadvantages of leasing.

Or

- (b) Distinguish the lease financing and hire purchase financing.

10. (a) Explain the features and various stages of venture capital financing.

Or

- (b) Enumerate the various benefits of securitisation.

Part C (1 × 10 = 10)
Compulsory.

11. Read the following case and answer the questions.

The New Pension Scheme (NPS), which was introduced by the central government in Jan 2014 for its new entrants and subsequently extended to the private sector in May 2009, has accumulated a corpus of Rs 33,000 crore contributed by 50 lakh subscribers. NPS regulated by

Pension Fund Regulatory and Development Authority (PFRDA) earned double digit returns of as much as 14.19 percent during 2012–13. The pension scheme for other than government employee with investment focus on corporate debt generated return of 14.19 percent while investment in government debt earned 13.52percent. Pension scheme for central government earned a return of 2.39 percent while the scheme for state government generated 13 percent. It is not only the cheapest retirement product but also the highest returns generating scheme.

Last year PFRDA had issued revised guidelines for registration of pension fund managers to manage NPS for private sector, under which eight pension fund managers have been registered so far. The fund managers are SBI pension fund pvt, Ltd, UTI retirement solutions Ltd, LIC pension fund Ltd., Kotak Mahindra pension find ltd., Pension fund managers are now allowed to prescribe their own fee subject to ceiling of 0.25% to enable an economically viable model for their operations PFRDA also recently revised its investment guidelines, with a view to improve performance of pension fund managers by direct investment in equity and corporate debt and not through mutual funds etc.

Question :

Trace the growth prospects and analysis the features of New Pension Scheme.

R-3297

Sub. Code

632303

M.B.A. DEGREE EXAMINATION, APRIL 2019

Third Semester

Banking and Insurance

FOREIGN EXCHANGE

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 3 = 15)

Answer **all** questions.

All questions carry equal marks.

1. What is balance of payment?
2. What is the foreign exchange transaction?
3. List any two functions of exchange dealings.
4. What do you mean by foreign currency loans?
5. Define lending.

Part B

(5 × 10 = 50)

Answer **all** questions, choosing either (a) or (b).

All questions carry equal marks.

6. (a) What is the administration function of foreign exchange? Explain.

Or

- (b) Explain the foreign currency accounts.

7. (a) Explain in detail the forward exchange contracts.
- Or
- (b) What are the steps involved during the calculation of fixed and option forward rates? Explain.
8. (a) Explain about the differences between Accounting and reporting.
- Or
- (b) Describe the currency exchange risk and their management.
9. (a) What is the procedure for opening a letter of credit? Explain.
- Or
- (b) Enumerate the merits and demerits of letter of credit.
10. (a) Explain the lending and non lending services.
- Or
- (b) Discuss the lending to foreign governments and companies.

Part C (1 × 10 = 10)

Compulsory

11. Mahindra and Mahindra (M and M) is a major player in the tractor and certain segments of the automobile market in India. After an impressive growth for a few years, the tractor market in India has been stagnating during 1998-1999 to 2000-2001. M and M has been selling its tractors and utility vehicles in foreign markets including USA. Some of the components for its products have been sourced from abroad. M and M has a 100 per

cent subsidiary in USA, Mahindra USA, with a strong network of 100 dealers. Mahindra has a five per cent market share in the US market in the 20-30 horse power (HP) range. As a part of the strategy aimed at building a global supply chain, Mahindra USA has signed a memorandum of understanding (MoU) with the Korean tractor major Tong Yang, a part of the \$ 2 billion Tong Yang Moolsam group, according to which Mahindra will source high horse power (mostly 25-40 hp range) and sell them around the world under the M & M brand name. To start with, the premium range of tractors will be sold in the US. M & M's current tractor range is more utility-oriented and lacks the aesthetic appeal that Tong Yang's tractors have, a must for a strong presence in the US market.

- (a) What are the advantages and disadvantages of global sourcing?
- (b) How will the foreign market expansion help M and M?
- (c) How does the strategic alliance with Tong Yang benefit M and M?
- (d) What are the possible risks of the alliance? How can they be overcome/ minimised?

R-3298

Sub. Code

632305

M.B.A. DEGREE EXAMINATION, APRIL 2019

Third Semester

Banking and Insurance

CREDIT MANAGEMENT

(CBCS – 2017 onwards)

Time : 3 Hours

Maximum : 75 Marks

Section A

(5 × 3 = 15)

Answer **all** questions.

1. Who is a lending banker?
2. What is retail credit?
3. What is credit proposal?
4. What is a sick unit?
5. What is documentation?

Section B

(5 × 10 = 50)

Answer **all** questions choosing either (a) or (b).

6. (a) How to manage risks in lending? Explain.

Or

- (b) Explain the role of information technology in credit management.

7. (a) Write note on MSME financing.

Or

(b) What is priority sector lending? Explain in detail.

8. (a) How to prepare a project report? Explain.

Or

(b) Explain the objectives and benefits of credit rating.

9. (a) Explain the process of documentation in credit management.

Or

(b) Discuss the types of documents required for credit appraisal.

10. (a) How to rehabilitate a sick unit? Explain.

Or

(b) Explain the legal and non legal measures of recovery of NPA.

Section C

(1 × 10 = 10)

Compulsory

11. Discuss the RBI guidelines on credit risk management.
