

R7385

Sub. Code

632301

M.B.A. DEGREE EXAMINATION, NOVEMBER – 2022

Third Semester

Banking and Insurance

RISK MANAGEMENT IN BANKING AND INSURANCE

(CBCS – 2019 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 1 = 5)

Answer **all** questions.

1. An alternative approach to the check list is _____
 - (a) Threat Analysis
 - (b) Event Analysis
 - (c) Operability Study
 - (d) Minimum Level Analysis
2. Insurance is best suited to risk with _____
 - (a) High frequency and low loss severity
 - (b) Low frequency and high loss severity
 - (c) Minimum frequency and no loss severity
 - (d) High frequency and high loss severity
3. An instrument by which a pure risk is transferred by a party other than insurer is
 - (a) Insurance
 - (b) Retention
 - (c) Non Insurance Transfer
 - (d) Reinsurance

Part C

(5 × 8 = 40)

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

11. (a) How do you handle risk in insurance?

Or

- (b) Discuss in detail the need for risk management.

12. (a) Explain the role of asset liability management for measuring of interest rate risk.

Or

- (b) How do you manage credit risk and market risk?

13. (a) Discuss in detail the RBI guidelines of risk management.

Or

- (b) Explain the role of credit rating in risk management.

14. (a) Draw the frame work for potential risk identification.

Or

- (b) Explain the features of Basel II and Basel III norms.

15. (a) Discuss in detail of risk management policy.

Or

- (b) Explain risk control tools and techniques.

Case Study (Compulsory)

16. Operational Risk Management: A Case Study of an Indian Commercial Bank.

Operational risk in ordinary sense is the risk of losses arising to us when we don't perform our activities appropriately; rather conduct them in a bad or improper manner. Operational risk is not a recent phenomenon; it is being managed in the financial institutions since long by ensuring proper internal control and supervision, taking of safety measures and precautions, regular audits, and checks and balances, etc. Recently, in response to some disastrous operational loss events which shook the developed world and led to collapse of some financial giants, (Barings, LTCM and Daiwa) banking regulators have agreed to implement an explicit capital provision in the banks towards their exposure of operational risk. Across the world, banks are being now encouraged to develop operational risk management frameworks so that they are capable of measuring their operational risk exposure scientifically to determine the economic capital towards operational risk. In India also, since the onset of Basel II accord which pioneered the operational risk capital charge, hectic activity has been witnessed inside the banking industries towards setting up and development of operational risk management framework suitable to the new regulatory demands. On these lines, the current study attempts to understand the stage of development and preparedness of an Indian bank towards the operational risk management framework.

Questions :

- (a) Explain about operational management in commercial banks in India.
- (b) Develop the model for operational risk management.

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M.B.A. DEGREE EXAMINATION, NOVEMBER – 2022.

Third Semester

Banking and Insurance

DIGITAL BANKING

(CBCS – 2019 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 1 = 5)

Answer **all** questions.

1. The network of shared automatic computing machines in India is called _____
 - (a) UPI
 - (b) BBPS
 - (c) NPCI
 - (d) NFS

2. Swiping a credit card is based on the principle of _____
 - (a) Electromagnetic Induction
 - (b) Frictional force
 - (c) Photoelectric effect
 - (d) Dynamic Technology

3. NEFT operates in how many batches in a day?
 - (a) Hourly basis
 - (b) Half hourly basis
 - (c) Two hourly basis
 - (d) Three hourly basis

4. Debit card PIN generation through BOB ATM is called
- (a) Pink PIN (b) Green PIN
(c) Red PIN (d) Blue PIN
5. MMID stands for _____
- (a) Mortgage Money Identifier
(b) Maturity Money Identifier
(c) Mobile Money Identifier
(d) All the above

Part B

(5 × 4 = 20)

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

6. (a) What are different channels of digital banking?
Or
(b) What are the avenues of digital payments available at the point of sale terminds?
7. (a) What are the strength of core Banking system?
Or
(b) Draw the HR competency map for digital banking.
8. (a) Explain the IOT enabled banking services.
Or
(b) What are the access channels in mobile banking?
9. (a) What are features of digital payment system?
Or
(b) Describe the role of NPCI.
10. (a) Discuss about solvency and liquidity risk.
Or
(b) What are the channel specific risks?

Part C

(5 × 8 = 40)

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

11. (a) Demonstrate the marketing efforts of digital Banking products.

Or

- (b) Draw the journey of various channels of digital Banking services.

12. (a) Bring out the need for customer education on digital Banking channels.

Or

- (b) Critically evaluate the infrastructure for digital banking.

13. (a) Describe the regulatory framework for mobile banking.

Or

- (b) Discuss about the usefulness of various models of internet banking services.

14. (a) Describe the unique features of AEPS, ECS, RTGS and NEFT.

Or

- (b) Compare the role of NPCI and NACH.

15. (a) What are challenges in digital banking and its operational risks?

Or

- (b) What are issues in managing data integrity, authenticates and trust?

Case Study (Compulsory)**16. Transformation in Digital Banking**

The use of IT banking was the norm. There was gradual shift to LAN connectivity. With passage of time, there was further advancements and the banks adopted the core banking system. With this, there was a change in the way banking was done as the banking transformed from Branch Bank to Bank Banking. Core Banking Solutions (CBS) enabled the Banks to enhance the convenience of customers through anywhere and anytime banking. A number of CBS platforms started to gain popularity which included the FINACLE by infosys, BANCS by TCS, FLEXWBE by 1-flex.

E-banking has resulted in reducing costs basically and also helped banks to generate revenue through various channels. As per estimates, cost of transaction on Branch Bank, is in the range of ₹ 70 to ₹ 75, while it is around ₹15 to ₹16 on ATM ₹2 or less on online bank at ₹1 or less on mobile banking. It is clear that the wave is due to mobile phones. The intervention of NPCI by introducing UPI and BHIM as mobile interface have created the mobile banking services more accessible and competitive.

Question:

- (a) How do you see the digital making in the next five years 2027?
- (b) How do you foresee the competition between internet banking and mobile banking in the next three years 2025?

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M.B.A. DEGREE EXAMINATION, NOVEMBER 2022.

Third Semester

Banking and Insurance

LIFE ASSURANCE

(CBCS – 2019 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 1 = 5)

Answer **all** questions.

1. What does the unbundling of life insurance products refer to?
 - (a) Correlation of life insurance products with bonds
 - (b) Correlation of insurance products with equities
 - (c) Amalgamation of protection and savings element
 - (d) Separation of the protection and savings element

2. In a life insurance contract, the stated sum of money to be paid to the beneficiary upon the insured's death is termed as
 - (a) Premium Amount
 - (b) Special Amount
 - (c) Face Value
 - (d) Extra Expense Insurance

3. A single policy covering a group of individuals, usually employees of the same company or members of the same association and their dependants is called
- (a) Hospital Insurance
 - (b) Hull Insurance
 - (c) Group Insurance
 - (d) Identity Theft Insurance
4. Which of the risks mentioned below cannot be covered under pension attached insurance?
- (a) Life Longevity
 - (b) Inflation
 - (c) Investment Risk
 - (d) Repayment Risk
5. A seller's market in which insurance is expensive and in short supply is termed as
- (a) Hard Market
 - (b) Soft Market
 - (c) Alternative Market
 - (d) Death Benefit Market

Part B

(5 × 4 = 20)

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

6. (a) What are the distribution channels available in the marketing of life assurance?

Or

- (b) Explain the principle of 'utmost good faith' as related to life assurance.

7. (a) State any four factors that may affect the rates of mortality.

Or

- (b) What do you mean by numerical rating method?

8. (a) What are the consequences of policy lapse?

Or

- (b) State the procedure for effecting 'valid alterations' in a life policy.

9. (a) Explain the concept of 'surrender value' with an example.

Or

- (b) What is meant by 'assignment' in life policies?

10. (a) List out the functions of Ombudsman in life insurance business.

Or

- (b) Explain the concept of 'presumption of death' in life insurance.

Part C

(5 × 8 = 40)

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

11. (a) Explain the fundamental principles of life assurance.

Or

- (b) What are the available life insurance plans in Indian market? Explain any four of their specialty.

12. (a) Discuss the methods of underwriting in brief.

Or

- (b) What are the essential 'documents proof' in support of a life policy to be produced along with the proposal?

13. (a) Distinguish between the alteration of a policy conditions and issue of a duplicate life assurance policy.

Or

- (b) Explain the revival methods of a life policy for a valid claim On maturity.

14. (a) State the non-forfeiture options in life assurance policies.

Or

- (b) Distinguish between 'Nomination' and 'Assignment' in life policies.
15. (a) Compare the accident benefits of a policy with that of disability benefits.

Or

- (b) Explain the following:
- (i) Post-maturity options
- (ii) Valuations and surplus

Part D

(1 × 10 = 10)

Case study (Compulsory)

16. Mr. R. Dheenandayalan proposed a life policy on 01-09-2003 for a period of 20 years and nominated his wife Smt.K.Pushpakanthi. The sum assured was Rs. 10 lakhs. He went on pilgrimage to Tirumala Tirupati on 02-02 2019 and found missing from then onwards. Later on 07-07 2019 the Police Department issued a notice for confirmation of the death of Mr.R. Dhennandayalan, based on physical evidences of a body found in surrounding forest in Tirumala, closing the case as wild animal attack on a mob of pilgrims near Papavinasam. Claim was settled on 10.10.2019 to the nominee Mrs.K.Pushpakanthi based on the legal documents produced before the issuing authorities.

But, Mr.R.Dheenandayalan has returned live on 12.12.2019. On survival of the 'certified - diseased', explain the procedure for revival and continuation of the policy as per the existing legal environment in support of the life-assured, provided the entire monetary benefit received by the nominee is returned to the Company.

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632304

M.B.A. DEGREE EXAMINATION, NOVEMBER – 2022

Third Semester

Banking and Insurance

FOREIGN EXCHANGE

(CBCS – 2019 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 1 = 5)

Answer **all** questions.

1. The larger fluctuations in portfolio value of foreign exchange of financial institutions leads to
 - (a) greater liquidity of assets
 - (b) greater volatility of rates
 - (c) lesser volatility of rates
 - (d) lesser liquidity of assets
2. If PPP holds constant
 - (a) The nominal exchange rate will not change
 - (b) The real exchange rate will not change
 - (c) Both real and nominal exchange rates will not change
 - (d) Both real and nominal exchange will move together
3. The effect of speculation on foreign exchange rate is
 - (a) It causes violent fluctuations in exchange rate
 - (b) It aggravates the market trends
 - (c) Either or both of (a) and (b)
 - (d) Neither (a) nor (b)

4. The acronym SWIFT stands for
- (a) Safety Width In Financial Transactions
 - (b) Society for Worldwide International Financial Telecommunication
 - (c) Society for Worldwide Interbank Financial Telecommunication
 - (d) Swift Worldwide Information for Financial Transaction
5. The demand for domestic currency in the foreign exchange market is indicated by the following transactions in balance of payment.
- (a) Export of goods and services
 - (b) Import of goods and services
 - (c) Export of goods and services and capital inflows
 - (d) Import of goods and services and capital outflows

Part B (5 × 4 = 20)

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

6. (a) What are the gains from international trade to an importing Nation?

Or

- (b) Distinguish between visible and invisible items in foreign trade. Give two examples each.

7. (a) Explain the meaning of buying and selling rates with an example each.

Or

- (b) What are known as arbitrage operations in foreign exchange transactions?

8. (a) State the essential features of foreign exchange markets.

Or

- (b) What do you mean by settlement of transactions in exchange dealings?

9. (a) State the meaning of post-shipment credit in foreign trade.

Or

- (b) What is meant by exchange arithmetic?

10. (a) Why should the Ex-Im Bank of India give guarantee to Indian Commercial banks?

Or

- (b) State any four specific policies issued to exporters in India.

Part C (5 × 8 = 40)

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

All questions carry equal marks.

11. (a) State the functions of foreign exchange department of a commercial bank in India.

Or

- (b) “Balance of Payments always balances itself” – Explain How?

12. (a) Explain the importance of exchange quotations. How is it ascertained in soft-ware export?

Or

- (b) Discuss the role and functions of the Fixed and Option forward contracts in foreign trade.

13. (a) Explain the 'changing role' of foreign exchange markets under extraordinary 'conditions like Covid-19.

Or

- (b) What are known as currency exchange risks? How are they managed?

14. (a) Distinguish between the risks associated with the financing of exports from that of financing of imports from home-country point of view.

Or

- (b) What are the various types of letters of credit? Explain their importance in detail.

15. (a) State the procedure followed by the Ex-Im Bank of India in lending to foreign governments and companies towards foreign trade.

Or

- (b) What are the objectives and functions of ECGC of India? What are its achievements in recent times?

Part D

(1 × 10 = 10)

Case Study (Compulsory)

16. M/S Ganga & Co has exported five ship loads of cement to Maldives on 31-03-2020 without any stop-over in-between the ports on both the sides from Chennai. However on 10th April 2020, the ships were asked to halt in Colombo International Port on covid-19 protocol without necessary acceptance from the Indian exporter. When the stocks reached the destination on 30th July, 2020, the Importer declined to download due to late arrivals. The condition of the supply (cement) was almost demurrage.

As a legal advisor to the exporter, what are your points in favour of the importer and as well as the exporter to resolve the issue between two parties without any damage, except some incidental charges. List them down.

R7389

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632305

M.B.A. DEGREE EXAMINATION, NOVEMBER – 2022

Third Semester

Banking and Insurance

EXECUTIVE COMMUNICATION

(CBCS – 2019 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 1 = 5)

Answer **all** questions.

All questions carry equal marks.

1. _____ is an official record of the proceedings of a meeting.
(a) Agenda (b) Notice
(c) Minutes (d) Correspondence
2. The following is / are non-verbal communication
(a) Facial expression (b) Appearance
(c) Posture (d) All of the above
3. Bypassed instruction is an example for _____ barrier.
(a) Medium Barrier (b) Physical Barrier
(c) Semantic Barrier (d) Communication barrier

4. What kind of information should be included in a resume? (1) Work experience, (2) Education, (3) Affiliation and membership (4) Letter of recommendation.
- (a) All, except (1) (b) All, except (2)
(c) All, except (3) (d) All, except (4)
5. Which of the following information should be included in minutes? (1) Date and venue of the meeting (2) Decisions made at the meeting (3) Comments from the members (4) Action to be taken by the members.
- (a) All of the above (b) All, except (2)
(c) All, except (3) (d) All, except (4)

Part B

(5 × 4 = 20)

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

All questions carry equal marks.

6. (a) State the meaning of 'encoding' and 'decoding' in the context of communication.
- Or
- (b) List down any four objectives of communication.
7. (a) What are the advantages of telephonic communication?
- Or
- (b) What is meant by 'body language'? How does it help effective communication?
8. (a) Differentiate official 'notices' from that of memos'.
- Or
- (b) What are known as complaint letters in business communication?

9. (a) List out the skills required for preparing a Power Point Presentation.

Or

- (b) What are the skills required for an Officer-in-charge for organizing interviews?

10. (a) What precautions are to be considered while fixing the venue of a Meeting of the Board of Directors?

Or

- (b) State the essential features of a press release issued while lock-out of a company.

Part C

(5 × 8 = 40)

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

All questions carry equal marks.

11. (a) What are the channels of communication? State advantages of limited channels as against multi-channel system followed by a company.

Or

- (b) Explain the essentials of an effective communication in a Government of India Undertaking.

12. (a) What is oral communication? What are the demerits of oral communication? – Explain.

Or

- (b) Discuss the steps involved in listening process with a focus on determinants of listening process.

13. (a) Write down a set of business letters for purchase of new soft-ware applications for your systems while placing a new order for 'inbuilt' 40 desktops and 14 laptops for your new office to come up elsewhere, which is 240 km away from headquarters.

Or

- (b) Prepare an imaginary Office Private Circular separately for Grade-I and Grade-II officials of a Regional Office a commercial Bank informing some transfers among the former and promotions in later.
14. (a) Explain the impact of technological advancement on Business communication as applied to a branch of an Indian commercial bank.

Or

- (b) What are the elements of presentation? State the factors determining the designing a presentation for informing the workers about the need for instant retrenchment.
15. (a) Explain the various purposes for which office meetings are held in a company.

Or

- (b) What do you mean by media management? Prepare a press release related to closure of a production plant on account of business losses due to Covid-19.

Part D

(1 × 10 = 10)

Case Study (Compulsory)

16. Write down, in your capacity as the official correspondent three different letters to the Employment Applicants for a few administrative vacancies in your company which you advertised in February 2020 for (a) conducting the Interview on 31.03-2020, (b) for postponement of the same to 30-09-2020 on account of the onset of Covid-19 and (c) for complete cancellation of the interview due to unprecedented business contraction.

R7390

Sub. Code

632306

M.B.A. DEGREE EXAMINATION, NOVEMBER – 2022

Third Semester

Banking and Insurance

CREDIT MANAGEMENT

(CBCS – 2019 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 1 = 5)

Answer **all** questions.

1. The Insurance Act, is a law originally passed in
 - (a) 1936
 - (b) 1937
 - (c) 1938
 - (d) 1939
2. Subprime lending' is a term applied to the loans made to
 - (a) Those borrowers who do not have a good credit history
 - (b) Those borrowers who have a good credit history
 - (c) Those borrowers who do not have a good debit history
 - (d) Those borrowers who have a good debit history
3. CIBIL stands for
 - (a) Company Information Bureau (India) Limited
 - (b) Credit Initiative Bureau (India) Limited
 - (c) Company Initiative Bureau (India) Limited
 - (d) Credit Information Bureau (India) Limited

10. (a) What are the various tools available for credit monitoring?

Or

- (b) What are Non-Performing Assets?

Part C

(5 × 8 = 40)

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

11. (a) Explain the role of Information Technology in credit management?

Or

- (b) Write the objectives and significance of credit management.

12. (a) Explain how does the credit delivery system in banks work?

Or

- (b) What is Financial Inclusion? Name few initiatives undertaken for financial inclusion in India.

13. (a) Differentiate between credit rating and credit scoring.

Or

- (b) Explain the types of credit appraisals

14. (a) What is the need for documentation? Explain the process.

Or

- (b) State special features of Law of Limitations.

15. (a) What are the legal and non-legal measures available to make recovery of the loans?

Or

- (b) Explain the process of rehabilitation of sick units.

Part D (1 × 10 = 10)

(COMPULSORY)

16. The primary objective of the case is to deal with the problems encountered by Suzlon Energy Ltd.. due to the liquidity crisis that surfaced in the company in the year 2008. Suzlon started as a very small company to provide alternate source of energy to the textile company of the founder, Tulsi R.Tanti. Within no time, it evolved as the world's fifth largest manufacturer of wind turbines. However, the company faced several problems in the year 2008 due to over leveraging, increased costs involved in replacing the faulty blades that it supplied to its US and Portugal clients and slowdown in sales due to the global financial downturn. The liquidity crisis was further compounded by the acquisition commitments for stake in RE power. Suzlon is looking at various financing options to meet its commitments.

- (a) Evaluate the reasons for the current crisis in Suzlon.
- (b) Suggest the different alternative finance sources, which Suzlon can tap in order to come out of the liquidity crisis?

R7391

Sub. Code

632E08

M.B.A. DEGREE EXAMINATION, NOVEMBER – 2022

Third Semester

Banking and Insurance

MICRO FINANCE

(CBCS – 2019 onwards)

Time : 3 Hours

Maximum : 75 Marks

Part A

(5 × 1 = 5)

Answer **all** questions.

All questions carry equal marks.

1. What does the micro finance model cannot predict _____.
 - (a) A decrease in interest rates when repayment is regular and in time
 - (b) Homogenous risk groups.
 - (c) Self-selection of the best Borrowers
 - (d) None of the above

2. What option Blocks the poor to get bank loans?
 - (a) Absence of Collateral
 - (b) High rate of interest
 - (c) Complexity of procedure
 - (d) None of the above

3. Self help group involves _____
- (a) Group of 5 to 20 people
 - (b) Regular Saving habits
 - (c) Can be exchanged at Bank
 - (d) None of the above
4. In India, which organizations take care of the Agriculture and Rural Development Credit's needs?
- (a) FCI (b) IDBI
 - (c) NABARD (d) ICAR
5. What is not a mechanism that contributes to success of Micro-Credits?
- (a) Dynamics incentives
 - (b) Peer monitoring
 - (c) Regular repayment schedules
 - (d) Collaterals

Part B

(5 × 4 = 20)

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

All questions carry equal marks.

6. (a) How does you Appraise and Monitoring Rural Lending?

Or

- (b) What are the different categories of loan in retail lending?

7. (a) Can you list out the various types of Retail lending?

Or

(b) Explain the Financial Assistance provided to MSME and other priority sectors under rural credit.

8. (a) Explain the documentation procedures for Retail Lending.

Or

(b) Discuss the problems of Micro finance institutions in financial inclusion.

9. (a) Explain the channels for delivering Micro Credit.

Or

(b) Explain the different activities outsourced by banks.

10. (a) What are duties and responsibilities of business facilitators?

Or

(b) Write a short note on

(i) Borrower Profiling Skill

(ii) Debt Management Skill.

Part C

(5 × 8 = 40)

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

All questions carry equal marks.

11. (a) Describe the recent development in rural and retailing lending.

Or

(b) Discuss the evolution and characteristics of micro finance in India.

12. (a) Discuss the rural and retail lending to priority sector in India.

Or

- (b) Describe the different types of securities and modes of Crediting change on Rural Credit.

13. (a) Explain the various skills needed by Business Facilitators/Business correspondence for successful functioning.

Or

- (b) Describe the various types of charges for delivering micro credit.

14. (a) Describe the role of business facilitators and business correspondence.

Or

- (b) Who can become business facilitators and business correspondents? Justify.

15. (a) How does cash flow and cash budgeting technique help the beneficiaries under micro finance?

Or

- (b) Discuss the precautions to be followed by BCs and B.Fs before their enrollment.

Part D

(1 × 10 = 10)

Compulsory.

16. Case Study.

“How SHG group can help the group members in post Covid 19 situation” Evaluate positively.