

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA Semester –IV Examination Dec. - 2011

Subject code: 849905

Date: 21/12/2011

Subject Name: Banking & Insurance - II

Time: 02.30 pm – 05.30 pm

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 Explain briefly: **14**

- a) Bank Guarantee
- b) Letter of Credit
- c) Proximate Cause
- d) Role of IT in Insurance Sector
- e) Subrogation
- f) Principle of Utmost Good Faith
- g) Foreign Exchange Loans

Q.2 (a) (i) Shreekant insures his wife Shreya for Rs.500000. The policy term is 10 years. He discloses all material facts at the time of the insurance. A few years later, his wife suffers from a fatal disease and dies after some time. Is the insurer liable to pay? **04**

(ii) An insured suffered accidental injuries and was taken to hospital while undergoing treatment, he contracted an infectious disease which caused his death. In this case, the court rejected the claim under a personal accident policy. What could be the reason? **03**

(b) “Technology in banks has revolutionised banking functions.” Discuss. **07**

OR

(b) What is bank’s spread? How do the banks manage it to ensure better profitability? **07**

Q.3 (a) Explain important provisions of the SARFAISI Act. Has the Act helped banks in their recovery efforts of money lent by them? **07**

(b) Which are the important factors that affect determination of insurance premium? Explain. **07**

OR

Q.3 (a) Explain various kinds of insurance. Differentiate life insurance and non-life insurance? **07**

- (b) What is 'NPA'? How do the banks manage their NPA to the minimum? 07
- Q.4 (a) "Insurance is a risk coverage device." Discuss. 07
- (b) What are the important regulations governing banking functions in our country? 07

OR

- Q.4 (a) What is 'Bancassurance'? Do you feel the arrangement of selling the insurance products is a win-win situation for banks and insurance companies? 07
- (b) Discuss the functions of insurance. What role does it have in the financial system of an economy? 07
- Q.5 (a) What are the sources and uses of funds for the banks? Explain briefly. 07
- (b) Explain important features of 'Marine Insurance Contract'. Write about different kinds of Marine Insurance Policies. 07

OR

- Q.5 (a) You are branch manager of a bank and a customer who has opened his firm's account about two months ago submits you an application for working capital loan of Rs.1000000 for his SSI unit. How will you make appraisal of his loan application? 07
- (b) Define risk management. Explain the process of risk management in insurance sector. 07
