

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2022  
(Sixth Semester)

Branch – COMMERCE (BUSINESS ANALYTICS)

**FUNDAMENTALS OF BANKING AND INSURANCE**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. Demand deposit also known as \_\_\_\_\_.  
a. Current a/c  
b. Fixed Deposit a/c  
c. Capital a/c  
d. Recurring Deposit
2. Commercial banks to expand deposit through expanding their loans and advances are known as \_\_\_\_\_.  
a. Credit creation  
b. Trade discount  
c. Deposit  
d. Bank advances
3. The Govt. delegates the right of \_\_\_\_\_ to the central bank.  
a. Printing currency note  
b. Coins  
c. One Rupee note  
d. All of these
4. Banks maintain customer's a/c both for \_\_\_\_\_ and \_\_\_\_\_.  
a. Loan and payment  
b. Deposits and loans  
c. Loans and interest  
d. None of these
5. In India, RTGS has been implemented on \_\_\_\_\_.  
a. 26 March 2004  
b. 26 March 1998  
c. 26 March 1994  
d. 26 March 2002
6. \_\_\_\_\_ means the transfer of money from one bank a/c to another electronically  
a. EFT  
b. SWIFT  
c. NEFT  
d. E-purse
7. The life insurance contract is expressed in a document known as \_\_\_\_\_.  
a. Premium  
b. Policy  
c. Indemnity  
d. None
8. Expanded form of IRDA is \_\_\_\_\_.  
a. Insurance Regulatory Development Authority  
b. Insurance reforms development Act  
c. Insurance Restructure Development Authority  
d. Indian insurance Development Authority
9. \_\_\_\_\_ is concerned with overseas trade  
a. Life insurance  
b. Non-life insurance  
c. Marine Insurance  
d. Fire Insurance
10. A fire policy containing an average clause is \_\_\_\_\_.  
a. Valued policy  
b. Average policy  
c. Specific policy  
d. Floating policy

**SECTION - B (35 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 7 = 35)

- 11 a Explain the functions of foreign banks.  
OR  
b Write a short note on banking system in India.

Cont...

- 12 a Explain the right of lien of banker. How and when it is exercised.  
OR  
b Describe the Garnishee order?
- 13 a Briefly explain the RBI's guidelines on internet banking.  
OR  
b Discuss the benefits of E-payment.
- 14 a Write a short note on role of Actuaries.  
OR  
b Explain the nature of Assurance.
- 15 a State the features of Fire insurance.  
OR  
b Discuss the Scope of Marine insurance.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Define commercial bank. Discuss the functions of a commercial bank.
- 17 Explain the salient features of banker Customer relationship.
- 18 What are the features of internet banking? Discuss various internet banking services.
- 19 Outline the various principles of insurance.
- 20 Enumerates classification of insurance.

Z-Z-Z

END