



# BRAINWARE UNIVERSITY

**Term End Examination 2021 - 22**  
**Programme – Bachelor of Business Administration**  
**Course Name – Banking & Insurance**  
**Course Code - BBAS301**  
**( Semester III )**

Time : 1 Hr.15 Min.

Full Marks : 60

[The figure in the margin indicates full marks.]

## Group-A

(Multiple Choice Type Question)

1 x 60=60

Choose the correct alternative from the following :

- (1) The person who is directed to pay in a Bill of exchange or Cheque is known as \_\_\_\_
  - a) Drawer
  - b) Drawee
  - c) Holder
  - d) Payee
- (2) A cheque becomes stale after expiry of how many months from the date of the cheque?
  - a) 2 months
  - b) 3 months
  - c) 4 months
  - d) 6 months
- (3) 'Mr. X I owe you a sum of Rs 1000/' It is a-
  - a) Promissory Note
  - b) Acknowledgement of debt
  - c) Conditional Promise
  - d) None of these
- (4) Pre shipment finance facility is provided to
  - a) User
  - b) Importer
  - c) Exporter
  - d) Both importer and exporter
- (5) The issue of having regular income during old age is taken care off by \_\_\_\_\_ Policies
  - a) Endowment
  - b) Benefit
  - c) Annuity
  - d) Regular Income
- (6) Under a comprehensive motor insurance policy apart from the coverage of Third Party Liability (as provided in the mandatory policy) \_\_\_\_\_ risks are also covered
  - a) Fire
  - b) theft
  - c) fire & theft
  - d) various other
- (7) A capital market financing is most likely to finance
  - a) New plant and machinery
  - b) Seasonal inventory needs

- c) A quarterly dividend payment  
d) The sale of common stock
- (8) Punjab National Bank was established in \_\_\_\_\_  
a) 1881  
b) 1894  
c) 1913  
d) 1917
- (9) Which bank was baptised as the State Bank of India?  
a) New Bank of India  
b) Imperial Bank of India  
c) Indian Bank  
d) United Bank of India
- (10) According to which issue of guidelines did the RBI grant approval for the setting up of 13 new privately-owned domestic banks?  
a) April, 1980  
b) March, 1971  
c) January, 1993  
d) September, 1993
- (11) When did the nationalisation of major banks happen?  
a) June, 1951  
b) June, 1961  
c) June, 1969  
d) July, 1969
- (12) When did the Reserve Bank of India notify the draft regulations relating to the Credit Information Companies (Regulation) Act, 2005?  
a) April 5, 2006  
b) May 26, 2006  
c) June 29, 2007  
d) September 30, 2005
- (13) When did the draft guidelines for building grievance redressal mechanism within NBF Cs (Non-Banking Financial Companies) publish?  
a) April 5, 2006  
b) May 26, 2006  
c) June 29, 2007  
d) September 30, 2005
- (14) When did the Centre acquire the Reserve Bank of India's entire 59.73% equity stake in the State Bank of India (SBI) at over Rs. 35,531 crore in New Delhi?  
a) April 5, 2006  
b) May 26, 2006  
c) June 29, 2007  
d) September 30, 2005
- (15) In pursuance of which one of the following was the General Insurance Corporation of India formed?  
a) General Insurance Business (Nationalisation) Act, 1972  
b) Insurance Act, 1938  
c) Insurance Amendment Act, 2002  
d) IRDA Act 1999
- (16) Which of the following are to be followed by Commercial Banks for risk management?  
a) Basel II norms  
b) Basel III norms  
c) Basel I norms  
d) Solvency II norms
- (17) What is the full form of 'MAT'?  
a) Maximum Alternate Tax  
b) Minimum Alternate Tax  
c) Maximum Alternate Time  
d) Minimum Alternate Time
- (18) What is the full form of NDTL?  
a) New Demand & Tenure Liabilities  
b) Net Demand & Time Liabilities  
c) National Deposits & Total Liquidity  
d) Net Demand & Tax Liabilities
- (19) Which one of the following set up core banking infrastructure for rural banks?  
a) IBA  
b) NABARD  
c) RBI  
d) SIDBI

- (20) Which organization provides credit history of the borrowers?  
a) CIBIL  
b) CII  
c) FRBI  
d) IRDA
- (21) What is 'fiat money'?  
a) The currency is backed by Government Guarantee  
b) The currency is backed by tangible assets  
c) The currency is backed by gold reserves  
d) The currency is backed by budgetary support
- (22) What is the full form of IRR?  
a) Internal Rate of Return  
b) Internal Reserve Ratio  
c) Internal Rate of Ratio  
d) Internal Recession Rate
- (23) Which among the following made the initial contribution for setting up Financial Inclusion Fund and Financial Inclusion Technology Fund?  
a) Government of India, NABARD and RBI  
b) NABARD, UTI and RBI  
c) SIDBI, Government of India and IDBI Bank  
d) SIDBI, NABARD and UTI
- (24) Which one of the following is known as the real return to the investor getting reduced due to sudden rise in the prices of the commodities?  
a) Cost risk  
b) Demand risk  
c) Market risk  
d) Systemic risk
- (25) Which of the following is the correct definition of Hot Money?  
a) This is the fund which is dumped into a country to get the advantage of a favourable interest rate  
b) This is the fund which is provided by a bank in US \$ at very short notice and at a very high rate of interest and for a longer period of repayment  
c) This is the fund which is pushed into market through illegal methods  
d) None of these
- (26) What will bank customers pay for using safe deposit locker facilities?  
a) Commission on locker  
b) Exchange on locker  
c) Rent on locker  
d) Safe custody charges
- (27) Which one of the following is known as a Savings Bank Account opened with a commercial bank with zero balance or very minimal balance?  
a) Current Account  
b) No frill account  
c) Savings Bank-ordinary Account  
d) Students Savings Bank Account
- (28) What does the letter 'R' denote in the abbreviation 'BR Act' which controls banking activities in the country?  
a) Reclamation  
b) Reformation  
c) Regulation  
d) Rule
- (29) What is Mortgage?  
a) A security created on immovable property for a deposit received by a bank  
b) A security created on immovable property for a loan given by a bank  
c) A facility created on movable property for a deposit received by a bank  
d) A security created on movable property for a loan given by a bank
- (30) Which one of the following depicts the financial position of a bank or business enterprise at a given point of time?  
a) Balance sheet  
b) Cash flow statement  
c) Income statement  
d) Model audit

- (31) Which one of the following provides banking services to all villages having a population upto 2000?
- a) Plan for Financial Inclusion  
b) Plan for Financial Exclusion  
c) Plan for Financial Inclusion Technology  
d) None of these
- (32) What is the full form of LIBOR?
- a) Local Indian Bank Offered Rate  
b) London-India Bureau Of Regulations  
c) Liberal International Bank Official Ratio  
d) London Inter Bank Offered Rate
- (33) Which one of the following is called the frequent changes made by Banks in their product profile?
- a) Product Control  
b) Product Enhancement  
c) Product Enrichment  
d) Product Marketing
- (34) What does the letter 'M' depict in the term SME as used in the financial world?
- a) Maximum  
b) Medium  
c) Market  
d) Mutual
- (35) Foreign trade policy of India is announced by-
- a) RBI  
b) Ministry of commerce  
c) FEDAI  
d) Ministry of finance
- (36) Loan against the security of immovable property is by executing an agreement of-
- a) Assignment  
b) Pledge  
c) Transfer  
d) Mortgage
- (37) Which one of the following has proposed \$11 billion infrastructure debt fund?
- a) NABARD  
b) SBI  
c) RBI  
d) Planning Commission
- (38) Regulator of banking system in India is-
- a) AMFI  
b) Finance Minister  
c) SEBI  
d) RBI
- (39) Full form of letter C in word CBS commonly used in banking industry is-
- a) Core  
b) Credit  
c) Continuous  
d) Complete
- (40) Under provision of which one of the following acts, RBI issued directives to Banks of India?
- a) RBI Act  
b) Essential commodities act  
c) RBI and Banking Regulation Act  
d) None of these
- (41) Which one of the following nations is considered as the originator of the concept micro finance.
- a) India  
b) Bangladesh  
c) South Africa  
d) USA
- (42) Which one of the following is not a banking / finance related term
- a) Credit Swap  
b) Diffusion  
c) Held to maturity  
d) Exposure limited
- (43) At which one of the following rates central bank lends to bank against government security
- a) Repo rate  
b) Reverse repo rate

- c) Bank rate  
(44) Driving force of industrial growth in economy is-  
a) Economic factors only  
c) Innovation / market based only
- d) SLR  
b) Investment only  
d) All (1), (2) and (3)
- (45) Rate of interest in savings bank account is stipulated by -  
a) concerned bank  
c) Indian bank association
- b) RBI  
d) Government of India
- (46) Which one of the following is not a part of the scheduled banking structure of India  
a) Money lenders  
c) Private sector bank
- b) public sector bank  
d) Regional rural bank
- (47) Main function of IMF is-  
a) finance investment loan to developing countries  
c) help to solve balance of payment problem of member countries
- b) Act as a private sector lending arms of the world bank  
d) arrange international deposits from bank
- (48) Bank of Rajasthan has been merged with-  
a) Axis bank  
c) ICICI bank
- b) IDBI bank  
d) HDFC bank
- (49) Zero balance account in general, is allowed to be opened for-  
a) Salaried class  
c) Foreign customer
- b) Businessman  
d) Children
- (50) Basel II norms are associated with-  
a) risk management  
c) Retirement benefits of employees
- b) Manpower planning  
d) Corporate governance
- (51) Full form of IFRS is-  
a) Indian financial review standard  
c) International financial reporting standard
- b) Indian financial reporting standard  
d) International financial review standard
- (52) Lending to self-help group by bank is known as-  
a) non-priority sector  
c) commercial sector
- b) priority sector  
d) corporate sector
- (53) Which one of the following is considered as key policy rate by RBI-  
a) Bank rate  
c) SLR
- b) CRR  
d) all of them
- (54) Concept of flat money used by India related with issuing currency indicates-  
a) Currency backed by government guarantee  
c) Currency backed by gold reserve
- b) Currency backed by government assets  
d) Currency backed by budgetary support
- (55) Sometimes in a country two recessions occur with a very small gap.  
a) Double deflation  
c) Deep recession
- b) Deflation  
d) Double deep recession
- (56) The Basis of risk is  
a) liability  
c) probability of loss
- b) uncertainty  
d) insurance

(57) A fire destroyed store of a concern. Investigators determined the fire has originated in the garbage dumpster behind the store. Insurance company indemnified the loss. What insurance term describes the fire that caused the destruction in store

a) Hazard

b) severity of loss

c) Perils

d) captive

(58) Which of the following is an example of a hazard?

a) fire

b) vandalism

c) slippery floor

d) flood

(59) A very large corporation has set up its offshore full coverage insurance company. This offshore full coverage insurance company is known as-

a) risk manager

b) captives

c) reserves

d) employers liability

(60) Meaning of the term 'indemnify' is-

a) put back in the same financial position just prior to the loss.

b) put aside funds to pay for losses reported but not yet paid

c) transfer risk to someone who has better financial resources and can withstand loss.

d) make financial provisions for dealing with potential losses