41361

BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – BBA-Hons-2023
Course Name – Banking and Insurance Management
Course Code - BBA60206A
(Semester VI)

Full Marks : 60 **Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) Identify the function of a commercial bank that directly increases money supply in the economy.

a) Agency function b) Credit creation
c) Safe custody d) Remittance

(ii) Tell which relationship between banker and customer arises in the case of fixed deposits.

a) Bailor–Bailee b) Trustee–Beneficiary
c) Debtor–Creditor d) Agent–Principal

(iii) Select the principle which requires banks to maintain sufficient cash reserves.

a) Profitability b) Safety
c) Liquidity d) Solvency

(iv) Tell which banking function involves underwriting securities.

a) Primary function b) Secondary function
c) Utility function d) Agency function

(v) Name the principle violated when banks grant unsecured advances recklessly.

a) Liquidity b) Safety
c) Profitability d) Solvency

(vi) Select the operational challenge most associated with e-banking.

a) Credit risk b) Cyber security risk
c) Liquidity risk d) Market risk

(vii) Identify the major income item in a bank's profit and loss account.

a) Interest paid b) Operating expenses
c) Interest earned d) Provisions

(viii) Cite the expense that reflects credit risk provisioning in banks.

a) Depreciation b) Interest paid
c) Provision for NPAs d) Commission paid

(ix) Cite the banking practice used to monitor suspicious transactions.

a) Credit scoring
b) Risk-based pricing
c) Transaction monitoring
d) Asset classification

(x) Cite the feature of insurance contracts that requires them to be in writing.

a) Unilateral nature
b) Conditional nature
c) Contract of adhesion
d) Formal contract

(xi) Predice the primary objective of investment management in commercial banking.

a) Maximization of liquidity only
b) Profit maximization with safety and liquidity
c) Elimination of all risks
d) Compliance with statutory ratios only

(xii) Choose the security that offers the highest liquidity for banks.

a) Equity shares
b) Corporate debentures
c) Treasury Bills
d) Fixed deposits

(xiii) Choose the most appropriate indicator of systematic risk in security investment.

a) Yield to maturity
b) Duration
c) Beta coefficient
d) Credit rating

(xiv) Choose the concept that links risk with expected return in security investment.

a) Time value of money
b) Capital Asset Pricing Model
c) Arbitrage theory
d) Dividend discount model

(xv) Choose the principle violated when material facts are deliberately concealed.

a) Indemnity
b) Insurable interest
c) Utmost good faith
d) Proximate cause

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Describe the primary and secondary functions of a commercial bank. (3)
3. Describe the fundamental principles of banking. (3)
4. Explain the meaning and objectives of credit management in banks. (3)
5. Illustrate the various types of bank deposits. (3)
6. Illustrate the concept of financial management in banking institutions. (3)

OR

Explain the role of bank accounts in effective financial administration. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. Illustrate the concept and meaning of insurance. (5)
8. Explain the functions of insurance in the modern economy. (5)
9. Illustrate the nature of an insurance contract. (5)
10. Analyze the leadership role of a Development Officer. (5)
11. Analyze the difference between personal and commercial general insurance products. (5)
12. Predict the relevance of fundamental principles of insurance in modern insurance practices. (5)

OR

Evaluate the principle of utmost good faith in insurance contracts. (5)

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