

K J SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH
VIDYA NAGAR, VIDYAVIHAR, MUMBAI – 400 077
PGDM (Finance) – Trimester V. 2016 - 18 batch
Banking and Insurance
(End Term Examination)

Max. Marks: 50

Duration: 3 Hrs.

January 8, 2018.

Instructions:

- (1) Attempt any **FIVE** questions.
- (2) All questions carry equal marks.
- (3) Answer each new question on a fresh page.
- (4) Answer all sub questions of a main question together.
- (5) Don't write extra answers. Only first five will be assessed.
- (6) If these instructions are ignored, appropriate marks will be reduced.

- Q.1 Explain in detail the process of computing and maintaining CRR by Indian commercial banks.
- Q.2 Why the regulator is insisting for “adequate capital” by Indian commercial banks and what are the RBI guidelines for measuring and maintaining of adequate capital?
- Q.3 (a) Why NPAs are considered as one of the major problem in Indian banking sector?
(b) What measures are taken to address this problem by banks and the RBI?
- Q.4 (a) Explain fundamental and technical approach to minimise liquidity risk by banks.
(b) What is rate adjusted GAP method of minimizing interest rate risk by banks?
- Q.5 (a) Explain the principle of indemnity and its significance in insurance contract.
(b) What is the implication in case of life insurance, if the insured is unable to pay the premium?
- Q.6 Write short notes on any **TWO** of the following
- (a) IRDA
 - (b) Pricing of loans
 - (c) Lead bank scheme
- Q.7 Write your views on the recent decision of Indian Government to infuse large amount of capital in Indian public sector banks with reference to its significance and implications.

End of the paper