

END SEMESTER EXAMINATION, MAY - 2026**B. Com. (Hons.) Semester – IV****Paper Code: 541121****Subject Name: Banking & Insurance****Subject Code: BCM402****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully****Q.1. Objectives Type****(Very short/ Short Answer, MCQ, One-liners, Fill in the Blank, True/ False) Attempt all. (10x2=20)**

a.	Define rider.	CO2
b.	Define insurance.	CO2
c.	Explain key man's insurance.	CO2
d.	Difference between life insurance and general insurance.	CO2
e.	What is surrender value?	CO2
f.	Mention two characteristics of a promissory note.	CO1
g.	What do you mean by term plan?	CO2
h.	What is average clause in fire insurance?	CO1
i.	Write down the subsidiary of RBI.	CO1
j.	Explain CRR.	CO1

Q.2. Short notes / Short Answer Type (Attempt any five out of Seven)**(5x4=20)**

a.	Describe the primary functions of commercial banks with examples.	CO3
b.	Value of policy-Rs.1,00,000, stock in godown on the date of fire-Rs.1,25,000.Cost of stock destroyed by fire-Rs.50,000.Calculate amount of claim.	CO3
c.	What is the Prevention of Money Laundering Act (PMLA)? Summarize its importance.	CO3
d.	Rishabh has taken a life insurance policy hiding the fact that he is a heart patient. Later on he dies of a heart attack. Is insurance company liable to pay the insured amount to heirs of Rishabh? Why?	CO3
e.	Explain the concept of reinsurance and its application in risk management.	CO3
f.	Compare the principles of indemnity and guarantee with suitable illustration.	CO4
g.	What is IRDA? Discuss how it protects policyholders.	CO4

P.T.O./-

Q.3. Structured Question (Attempt any three out of four)

(3x10=30)

a.	Explain the concepts of repo and reverse repo rate. Evaluate their impact on inflation and economic liquidity.	CO4
b.	Define a bill of exchange. Discuss its key features with an example.	CO4
c.	Ram gets his ship insured with ICICI Prudential life insurance for Rs.10000 for a certain premium. Now, if ICICI Prudential life insurance, underwriter, wishes to reinsure half the risk, he may reinsure half the risk, he may insure with C, for Rs.5000. state the liabilities two underwriters ICICI Prudential life insurance and C?	CO5
d.	Discuss the historical evolution and growth of the insurance sector in India.	CO5

Q.4. Long Answer / Essay type (Attempt any two out of three)

(2x15=30)

a.	I. Identify the principle of insurance in the given statement : (a) To claim for insurance the insured must take reasonable steps to minimize the loss. (b) Insured is entitled to recover the loss suffered by him, up to the limit of policy amount. (c) The insured is expected to disclose all the important facts related to the property insured. (d) Insured must have some economic interest in the subject – matter of insurance contract II. Speed Ltd. is a transport company took an accident insurance policy on all its vehicles. A truck of that company carrying tomatoes met with an accident. Due to that accident there was no damage to tomatoes but tomatoes were unloaded from truck and reloaded to another. Due to the time wasted in unloading and reloading the tomatoes got spoiled will the company get compensation for loss of tomatoes from the insurance company? Which principle of insurance is reflected in this case? Explain that principle also.	CO5
b.	I. (Deepanshu is a very good friend of shubham. Can Deepanshu take life insurance policy on the life of Shubham? Give reason in support of your answer. II. Sail gets his godown insured (worth Rs 8 lakh) from three insurance companies X- (Rs 2 lakh), Y-(Rs 4 lakh), Z-(Rs 2 lakh). At the time of loss, what is the compensation amount by insurance companies? Which principle of insurance is applied here? Explain	CO6
c.	Define repo and reverse repo rate. How do changes in these rates by RBI influence borrowing costs, lending rates, and liquidity? Support your explanation with practical examples.	CO6
