

(7 pages)

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Code No. : 5647

Sub. Code : WKCM 13/  
VKCC 13

M.Com. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2024.

First Semester

Commerce – Core

BANKING AND INSURANCE

(For those who joined in July 2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (15 × 1 = 15 marks)

Answer ALL questions.

Choose the correct answer :

1. SFMS is primarily used for:

- (a) Online shopping
- (b) Secure messaging within financial institutions
- (c) Real-time stock trading
- (d) Social media communication

2. In NEFT, settlements occur in batches at specific intervals during the business day. What is the typical settlement interval for NEFT transactions in India?

- (a) 15 minutes
- (b) 1 hour
- (c) 2 hours
- (d) 24 hours

3. Which of the following is a key advantage of RTGS over NEFT?

- (a) Lower transaction fees
- (b) Instant and real-time settlement
- (c) No transaction limits
- (d) Only available for corporate customers

4. What is one of the applications of AI in banking?

- (a) Monitoring customer service queues
- (b) Conducting physical bank audits
- (c) Performing manual document verification
- (d) None of the above

5. Why is AI considered important in banking?

- (a) It reduces customer data security
- (b) It increases the need for human intervention
- (c) It enhances efficiency, reduces costs, and improves customer service
- (d) It leads to higher transaction fee

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6. What does "Cloud Banking" refer to?
- (a) Banks providing weather forecasts
  - (b) Banks operating entirely in the cloud
  - (c) Banks offering loans for cloud infrastructure
  - (d) Banks that store money in the clouds
7. Which function of insurance involves spreading the risk of a few policyholders over a larger group?
- (a) Risk pooling
  - (b) Risk transfer
  - (c) Risk retention
  - (d) Risk avoidance
8. What is the primary role of an insurance broker?
- (a) Selling insurance policies directly to customers
  - (b) Representing and advising policyholders on insurance matters
  - (c) Assessing and documenting insurance claims
  - (d) Underwriting insurance policies
9. Which of the following insurance intermediaries represents multiple insurance companies?
- (a) Insurance broker
  - (b) Insurance agent
  - (c) Surveyor and loss assessor
  - (d) Third-party administrator

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10. What is a key aspect of customer service in the insurance industry?
- (a) High premium rates
  - (b) Quick claims denials
  - (c) Timely and efficient support to policyholders
  - (d) Complex policy documentation
11. What does "Quality of Service" in insurance refer to?
- (a) The price of insurance policies
  - (b) The speed of claim settlement
  - (c) The ethical conduct of agents
  - (d) The location of insurance offices
12. Insurance agents play a crucial role in:
- (a) Rejecting insurance claims
  - (b) Maximizing profits for the insurance company
  - (c) Advising and assisting customers with their insurance needs
  - (d) Managing underwriting processes
13. Corporations often use which financial tool to manage currency exchange rate risks?
- (a) Swaps
  - (b) Leverage
  - (c) Dividends
  - (d) Warrants

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14. What financial tool is used to hedge against the fluctuations in the price of an underlying asset?
- (a) Insurance policy      (b) Derivative  
(c) Share certificate      (d) Savings account
15. What is one of the primary purposes of stress testing in risk management?
- (a) Identifying the best-performing investments  
(b) Evaluating the financial institution's response to adverse scenarios  
(c) Ensuring high returns on investments  
(d) Increasing market volatility

PART B — (5 × 4 = 20 marks)

Answer ALL questions, choosing either (a) or (b).  
Each answer should not exceed 250 words.

16. (a) Explain the role of FINTECH in banking arena.
- Or
- (b) Write short notes on SWIFT.
17. (a) Differentiate between Block chain and DLT.
- Or
- (b) Discuss the features of Crypto currency.

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18. (a) Explain the doctrine of subrogation.

Or

- (b) What are the secondary functions of insurance?

19. (a) Write any five regulations of IRDA.

Or

- (b) Explain Ombudsman.

20. (a) Explain corporate risk management and its tools.

Or

- (b) Describe the ways to identify and evaluate potential risk by Individuals.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).  
Each answer should not exceed 600 words.

21. (a) Explain the various electronic payments methods in banking sector.
- Or
- (b) Explain the financial disruptors in banking.
22. (a) Enumerate the types of Block chain.
- Or
- (b) Explain the future trends in banking industry.

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23. (a) Discuss the code of conduct followed in insurance sector.

Or

- (b) Explain the duties of insurance agent.

24. (a) Explain Agent communication with customer service.

Or

- (b) Enumerate the quality of customer service in Insurance sector.

25. (a) Explain corporate risk management and its tools.

Or

- (b) Describe the ways to identify and evaluate potential risk by Individuals.
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