



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

M.Com. DEGREE EXAMINATION – COMMERCE

FOURTH SEMESTER – APRIL 2025

PCO4MC01 – BANKING AND INSURANCE



Date: 23-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A – K1 (CO1)

Answer ALL the questions

(5 x 1 = 5)

1 Choose the Correct Answer

- a) When was the Lead Bank Scheme introduced?
A) 1960 B) 1965 C) 1969 D) 1975
- b) The total priority sector lending target for foreign banks operating in India is _____
A) 20% B) 32% C) 40% D) 18%
- c) LORO account is
A) My account with you B) Mirror of NOSTRO account
C) Your account with me D) Their account with Third Bank
- d) What is the primary purpose of insurance?
A) To generate profit for the insurer
B) To protect against financial loss due to unforeseen risks
C) To increase savings for the policyholder
D) To eliminate all risks
- e) Which type of motor insurance policy provides both third-party coverage and own damage coverage?
A) Third-party policy B) Comprehensive policy C) Life insurance policy D) Fire and theft policy

SECTION A – K2 (CO1)

Answer ALL the questions

(5 x 1 = 5)

2 True or False

- a) IDBI is one of the public sector Bank.
- b) Consortium banking and syndication of loan are same.
- c) FOREX markets are not affected by government policies.
- d) IRDA was constituted as an autonomous body to regulate and develop the business of insurance and reinsurance in India.
- e) A Port-Risk Policy provides protection when the ship is sailing in international waters.

SECTION B – K3 (CO2)

Answer any THREE of the following in 100 words each.

(3 x 10 = 30)

- 3 Explain how NABARD provides credit for rural development and agriculture.
- 4 Describe the step-by-step process of consortium lending and its advantages.
- 5 Sketch the various factors that determine exchange rates.
- 6 Illustrate how the principles of insurance help insurers and policyholders manage uncertainty and ensure financial security
- 7 Summarize the essential marine policy conditions and their role in protecting insurers.

SECTION C – K4 (CO3)	
	Answer any TWO of the following in 200 words each. (2 x 12.5 = 25)
8	Differentiate between quantitative and qualitative credit control measures and their impact on the economy.
9	How do the different types of credit ratings contribute to achieving the objectives of credit evaluation, and what are their key benefits in financial decision-making?
10	Examine the key functions of IRDAI and analyze how they contribute to the regulation, development, and protection of the insurance industry in India.
11	Classify the kinds of fire insurance policies based on their coverage and risk assessment methods.
SECTION D – K5 (CO4)	
	Answer any ONE of the following in 500 words (1 x 15 = 15)
12	Evaluate how technological advancements like digital banking have transformed the role of commercial banks.
13	Examine the importance and advantages of insurance for individuals, society, businesses, and the government, and differentiate how it benefits each sector
SECTION E – K6 (CO5)	
	Answer any ONE of the following in 1000 words (1 x 20 = 20)
14	Design a future roadmap for the Indian banking sector based on lessons from its five major phases of evolution.
15	Discuss the importance of life insurance in ensuring financial security for families in the event of unforeseen circumstances and explain the various kinds life insurance policies.

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