

Code No: MB1639/R16

MBA III Semester Supplementary Examinations, March-2021

BANKING AND INSURANCE MANAGEMENT

Time: 3 Hours

Max. Marks: 60

*Answer Any FIVE Questions
All Questions Carry Equal Marks
Question No. 8 is Compulsory*

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| 1. a | Explain the reasons for banks nationalization in India. | 6M |
| b | What are the implications of basel accords on banking business? | 6M |
| 2. a | Discuss the types of loans granted by the bank to its customers. | 8M |
| b | List out the primary functions of banks? | 4M |
| 3. a | What is loan pricing? Describe cost plus loan pricing model. | 6M |
| b | Elucidate key elements of a quality credit process. | 6M |
| 4. a | “Plastic money has replaced paper money.” Critically analyze the statement. | 6M |
| b | Explain the role of retail banking in development of economy. | 6M |
| 5. a | Bring out the main characteristics of insurance. Why one should have insurance cover? | 6M |
| b | Elaborate the responsibilities of insurance agents. | 6M |
| 6. a | Explain the powers and duties of IRDA. | 6M |
| b | Give an overview on classification of life insurance. | 6M |
| 7. a | Discuss the provisions related to third party administrator in health service. | 6M |
| b | Brief out the current status of general insurance market in India. | 6M |

8. **CASE STUDY (Compulsory)**

XYZ Bank has to manage more than 13 million customers. The bank has over 550 branches, a network of 2025 ATMs, multiple call centres, Internet banking and mobile banking. Its customers often use multiple channels, and they are increasingly turning to electronic banking options. XYZ Bank has distinguished itself from other banks through its relationship with customers. The Teradata solution focuses on a Customer Relationship Management (CRM) platform.

CRM Initiatives of XYZ Bank include:

Mobile ATMs: These ATMs are kept in vans and parked at locations that have a high traffic of bank customers such as the commercial areas in a city or up market residential areas. XYZ Bank now provides standard ATM facilities through ATM vans.

Bulk Deposits: The XYZ Bank's Bulk Deposit ATMs enable customers to deposit large amounts at one time. The Bulk Deposit ATM is available in Mumbai's Vashi sector branch office of XYZ. XYZ Bank issues a special card called the 'Deposit Only Card' to facilitate this service.

ATMs for the visually challenged: XYZ Bank has launched ATMs with special voice-guided systems, which guide a visually challenged person to access ATMs without any help. The jack on the terminal enables headphones to be connected to it and voice commands enable the customer to transact business.

Mobile phone as a Virtual Wallet: The mobile phone has been transformed into a virtual wallet – a new innovation in mobile commerce. On September 19, 2017, PQR, XYZ Bank and ABC Bank collaboratively announced the launch of mobile Cash – a revolutionary new service – which is a credit card using the mobile phone. The service has eliminated the need for carrying physical cash for making a purchase and also the problems associated with the point of sale (POS) terminal since the mobile phone services as a secure POS and a payment mechanism.

Social Events: XYZ Bank organized the largest domestic invitational amateur football event for HN1 (high-net-worth individuals) customers. This nation-wide football tournament had over one lakh high-net-worth clients of XYZ Bank's private banking division participating in the event.

Mobile Banking Benefits: Mobile banking enables the customer to avail of many facilities by just sending an SMS. These facilities, which are currently offered free of cost, are : Locating ATM, Locating branch, Locating drop box, Alert facilities like salary credit, account debit/credit, cheque bounce, etc., and Queries on banking, cards and demat account.

Questions:

- i. Analyse the case.
- ii. Explain the initiatives taken by XYZ Bank to promote Customer Relationship Management.
- iii. Discuss the benefits of the initiatives taken by XYZ Bank to promote Customer Relationship Management.
- iv. Give your suggestions to improve Customer Relationship Management by XYZ bank.
