

Seat No./Enrollment No.: _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 3 – EXAMINATION – SUMMER 2026

Subject Code: MB03092081

Date: 15/05/2026

Subject Name: BANKING AND INSURANCE

Time: 02:30 PM To 05:30 PM

Total Marks: 70

Instructions:

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. Use of simple calculators and non programable scientific calculators are permitted**

- Q.1** Definitions / terms / explanations / short questions based on concepts of theory/practical (Explanation of Terms /Concepts with Practical examples. (7 (Nos.), Each of 2 mark), No. Options, 14 All 7 Questions must be Compulsory.)
- (a) Define Retail banking.
 - (b) What is Hypothecation?
 - (c) What is SMA-0 under NPA classification?
 - (d) What is Video KYC?
 - (e) Define Unsecured loan.
 - (f) What do you mean by Riders in insurance? Explain in detail.
 - (g) Differentiate between pure risk and speculative risk.
- Q.2**
- (a) Differentiate between Retail Banking and Wholesale Banking business models in terms of revenue generation, risk concentration, and profitability. **07**
 - (b) What are KYC Norms and AML regulations? Explain their importance and reporting requirements under PMLA 2002 with examples. **07**
- OR
- (b) Differentiate between Secured and Unsecured Lending. Explain Mortgage, Pledge, and Hypothecation with examples. **07**
- Q.3**
- (a) Discuss Priority Sector Lending (PSL) guidelines in India and their role in financial inclusion. **07**
 - (b) Explain the SARFAESI Act, Debt Recovery Tribunal (DRT), and Insolvency & Bankruptcy Code (IBC) and compare their efficacy in debt resolution. **07**
- OR
- Q.3**
- (a) Differentiate between following terms: **07**
 - Financial V/S Non Financial risk
 - Static risk V/S Dynamic risk
 - Sovereign risk V/S Settlement risk
 - (b) What is insurance? Discuss the principles of insurance regulated by IRDAI. **07**

- Q.4** (a) Discuss different types of insurance along with its examples. **07**
 (b) Define underwriting and its process. Also discuss different types of underwriting. **07**
- OR
- Q.4** (a) A private sector bank has observed an increasing number of cyber fraud cases reported by its customers. Suggest security measures and customer awareness initiatives to minimize digital banking fraud. **07**
 (b) A fintech startup wants to partner with a traditional bank to offer microfinance loans to rural women entrepreneurs. Explain how SHG-bank linkage and digital onboarding can be leveraged to create a sustainable lending model. **07**
- Q.5 CASE STUDY:**
- Case Study:
- Sunrise Engineering Ltd., a small manufacturing company, borrowed ₹2 crore from a commercial bank for expansion of its business. Initially, the company paid all EMIs regularly. However, due to decline in sales and rising raw material costs, the company started missing loan installments.
- After 90 days of non-payment, the bank classified the loan account as a Non-Performing Asset (NPA). The bank issued notices under the SARFAESI Act and asked the company to repay dues immediately. The company requested restructuring of the loan, claiming that business conditions would improve in the coming year.
- The bank manager now has to decide whether to recover the loan through legal action or support restructuring.
- (a) What is an NPA? Explain the reasons that may lead to loan accounts becoming NPAs. **07**
- (b) Explain the role of SARFAESI Act in loan recovery. What steps should the bank take before initiating legal recovery? **07**
- OR
- Q.5** (a) What factors should the bank manager consider before approving restructuring of the loan for Sunrise Engineering Ltd.? **07**
 (b) Compare loan recovery through legal action and loan restructuring. Which option would be more suitable in this case and why? **07**

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER - III EXAMINATION - WINTER 2025

Subject Code: MB03092081

Date: 19-12-2025

Subject Name: Banking and Insurance

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	Marks
Q.1 ALL 7 Questions must be Compulsory.	14
(a) Internet banking	
(b) Personal loan	
(c) Overdraft	
(d) Digital wallet	
(e) ULIP	
(f) Health insurance	
(g) Default risk	
Q.2 (a) Discuss various products/ services offered under retail banking.	07
(b) Explain various types of bank customer relationships.	07
OR	
(b) Briefly explain KYC process and documents required for KYC of an Individual.	07
Q.3 (a) Explain fundamental principles of Insurance.	07
(b) Briefly explain role and functions of IRDA.	07
OR	
(a) Explain benefits and risks involved with digital banking	07
(b) Briefly explain home loan and procedure of availing it.	07
Q.4 (a) Discuss the importance and functions of reinsurance.	07
(b) Explain underwriting with respect to insurance.	07
OR	
(a) Explain various types of life insurance policies.	07
(b) Define micro insurance and discuss the role of Insurance in achieving Social and Economic development.	07

Q.5

Read the following and answer the questions below

A Bank approved a business loan of INR 1 crore to a manufacturing firm named Vibrant Ltd- a manufacturer of industrial chemicals in 2017. The loan was intended to facilitate the expansion of their production capacity and market reach. However, despite initial success, the company faced several challenges that led to the loan turning into a Non-Performing Asset (NPA). Initially, the company struggled with fluctuating raw material prices and increasing competition. This led to a decrease in their profit margins, making it difficult for them to meet their loan obligations. Additionally, the company's management faced internal conflicts, resulting in poor decision-making and operational inefficiencies. As a result, the company started defaulting on their loan payments, leading to the loan being classified as an NPA by the bank.

- (a) You are required to explain the causes of NPAs in general and also explain in the case above what caused this loan to be NPA. 07
- (b) Discuss early warning signals to identify NPAs in general and also discuss in the case above which were the signals that hinted that the loan may turn out to be NPA. 07

OR

- (a) Explain principles of sound lending and also explain how they help in lowering NPAs. 07
- (b) If you were the officer at the bank who had been approached by the above company for granting it loan , discuss the steps you would have taken before granting the loan and after granting the loan to the company. 07
