

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**
