



INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)
Dundigal, Hyderabad-500043

MASTER OF BUSINESS ADMINISTRATION

TUTORIAL QUESTION BANK

Course Title	Banking, Insurance and Risk Management				
Course Code	CMBB37				
Programme	Master of Business Administration				
Semester	III				
Academic Year	2019 - 2020				
Course Type	IARE - R18				
Regulation	Theory			Practical	
Course Structure	Lectures			Tutorials	
	Theory	Practical	Credits	Laboratory	Credits
	4	-	4	-	-
Chief Coordinator	Dr. T Vara Lakshmi, Associate Professor				
Course Faculty	Dr. T Vara Lakshmi, Associate Professor				

COURSE OBJECTIVES:

The course should enable the students to:	
I	Understand about banking business in the country for the purpose of knowing the deposits of banks in the new dimensions.
II	Analyze banking sector reforms and regulations for the purpose of knowing and minimizing deficiencies in Indian Banking system.
III	Evaluate the business and economics of insurance for changing mindset and implement latest trends in Insurance business
IV	Understand the risk management techniques and non insurance methods for identification and measures of risk with the objective of minimizing the risk

COURSE OUTCOMES (COs):

CMBB37.01	Understand the Indian banking system and its origin and structure
CMBB37.02	Discuss the various services providing by the banks and new dimension in the real world
CMBB37.03	Demonstrate various legal aspects, purpose, functions and acts related to banking system and RBI
CMBB37.04	Analyze the role of commercial banks, NPAs and reforms & deficiencies in Indian banking system
CMBB37.05	Explain the need, importance, principles and characteristics of insurance and its contract
CMBB37.06	Examine different products and branches of insurance and the role of agents and brokers

CMBB37.07	Describe the history, legal framework, functions and governing issues of IRDAI
CMBB37.08	Enumerate business and economics of insurance for changing mindsets as per the latest trends
CMBB37.09	Introduce the risk, types of risks, methods and risk management process in business
CMBB37.10	Identify the techniques and measurements for risks and non insurance methods

TUTORIAL QUESTION BANK

UNIT- I				
INTRODUCTION TO BANKING BUSINESS				
Part - A (Short Answer Questions)				
S No	QUESTIONS	Blooms Taxonomy Level	Course Outcomes	Course Outcomes (COs)
1	Describe the banking system in the contemporary India.	Remember	CO 1	CMBB37.01
2	Classify the features of Commercial Banks and Cooperative Banks.	Understand	CO 1	CMBB37.01
3	Apply the usage of Mobile banking services for an individual or to a any organization.	Apply	CO 2	CMBB37.02
4	Analyze KYC norms to open a account in Indian Banks	Analyze	CO 2	CMBB37.02
5	Criticize the pros and corns of E-banking system.	Evaluate	CO 2	CMBB37.02
6	Memorize the meaning and functions of Scheduled Commercial Banks.	Remember	CO 1	CMBB37.01
7	Demonstrate different types of ATMs and its services	Understand	CO 2	CMBB37.02
8	Generalize the key services that are available in the Commercial Banks.	Apply	CO 2	CMBB37.02
9	Classify different types of credit facilities available for the customers in the banks	Analyze	CO 2	CMBB37.02
10	Compare the cheques and demand drafts that are using to transfer the funds through the banks.	Evaluate	CO 2	CMBB37.02
11	Explain the banking system in present scenario.	Remember	CO 1	CMBB37.01
12	In what way the Commercial Banks and Cooperative Banks are serving for the development of the economy.	Understand	CO 1	CMBB37.01
13	What are the benefits of Mobile banking and Digital banking services	Apply	CO 2	CMBB37.02
14	Criticize the KYC norms and its importance while opening a account in Indian Banks	Analyze	CO 2	CMBB37.02
15	What are the advantages and disadvantages of E-banking services	Evaluate	CO 2	CMBB37.02
16	Explain the functions of Commercial Banks as per the instructions of Reserve Bank of India.	Remember	CO 1	CMBB37.01
17	Write in brief about Automated Teller Machines and its services	Understand	CO 2	CMBB37.02
18	Explain the key products that are serving by the Commercial Banks.	Apply	CO 2	CMBB37.02
19	Explain different loan facilities available for the customers in the banks	Analyze	CO 2	CMBB37.02
20	How the cheques are different from Demand Drafts and Challanas explain in brief	Evaluate	CO 2	CMBB37.02
Part - B (Long Answer Questions)				
1	List the different types of accounting services providing by Scheduled Commercial Banks to accept the demand and fixed deposits of investors.	Remember	CO 2	CMBB37.02
2	Defend the importance of new dimensions and products of Banks to increase financial literacy rate in India.	Understand	CO 2	CMBB37.02
3	Judge the role of KYC norms in Preventing money laundering activities of investors in the banking sector.	Apply	CO 2	CMBB37.02
4	Categorize various kinds of Cheques and explain Cheque Truncation system	Analyze	CO 2	CMBB37.02
5	Define Customer relationship management and its importance for better banking services in India.	Evaluate	CO 2	CMBB37.02
6	State the history of banking business phases and evolutions from the 17th century to till now in India.	Remember	CO 1	CMBB37.01
7	Express your opinion on present banking system and need for new dimensional products to the economical growth of the country.	Understand	CO 1	CMBB37.01
8	Produce different phases in the history of Indian banking system and the important committees that introduced many regulations	Apply	CO 1	CMBB37.01
9	What assumptions made you that Indian banking system is the main source for the financial inclusion in India	Analyze	CO 1	CMBB37.01
10	Which is role of scheduled commercial banks in the development of Indian financial system?	Evaluate	CO 1	CMBB37.01
11	Explain the various kinds of accounting services available in th Scheduled Commercial Banks for Indians and Foreigners.	Remember	CO 2	CMBB37.02
12	Criticize the importance of services of Banks to increase financial inclusion rate in India.	Understand	CO 2	CMBB37.02

13	What is the role of KYC norms in Preventing money laundering activities of investors in the banking sector?	Apply	CO 2	CMBB37.02
14	Describe different kinds of Cheques and Cheque Truncation system that are available for the account holders of banks.	Analyze	CO 2	CMBB37.02
15	Describe the procedure of Customer relationship management and its importance for improving banking activities in India.	Evaluate	CO 2	CMBB37.02
16	Examine the history of banking business phases and evolutions from the 17th century to till date.	Remember	CO 1	CMBB37.01
17	Critically evaluate present banking system in India and need for new dimensional products to the development of the country.	Understand	CO 1	CMBB37.01
18	Exhibit different phases in the history of Indian banking system and the important committees that introduced for many regulations.	Apply	CO 1	CMBB37.01
19	In what way Indian banking system is the main source for the financial inclusion in India	Analyze	CO 1	CMBB37.01
20	Explain the role of Financial Institutions in the development of Indian financial system?	Evaluate	CO 1	CMBB37.01

Part - C (Problem Solving and Critical Thinking Questions)

1	Critically examine the number of Public and Private sector banks in India and their headquarters and slogans.	Apply	CO 1	CMBB37.01
2	Is the commercial banking practices in India are developing the priority sectors of the economy? if yes/no give the explanation	Analysis	CO 2	CMBB37.02
3	What is the importance of Insolvency and Bankruptcy Board of India in resolving the Non Performing Assets of Banks?	Apply	CO 1	CMBB37.01
4	Explain your experience when you visited the bank or banking services that are availing by you	Analysis	CO 2	CMBB37.02
5	In your opinion is the banking system is important for the economic growth or not. Give your justifications.	Apply	CO 1	CMBB37.01
6	What is the reason behind the merging of banks? Is it useful for the society? Justify with explanation	Analysis	CO 2	CMBB37.02
7	Suggest any reformations that are required for the banking system in their services for the present economy situations	Apply	CO 1	CMBB37.01
8	Criticize the pros and corns of electronic payment mechanism in India	Analysis	CO 2	CMBB37.02
9	Is there any insurance for the deposits in the banks, which organization is dealing with these aspects	Apply	CO 1	CMBB37.01
10	How the banks are different from Non banking financial corporations	Analysis	CO 2	CMBB37.02

UNIT-II

BANKING REFORMS AND REGULATIONS

Part – A (Short Answer Questions)

1	Memorize the pre and post phases of RBI establishment.	Remember	CO 3	CMBB37.03
2	Demonstrate Banking regulations act-1949.	Understand	CO 3	CMBB37.03
3	Generalize the functions of Reserve Bank of India.	Apply	CO 3	CMBB37.03
4	Classify different Non Performing Assets of Scheduled Commercial Banks.	Analyze	CO 4	CMBB37.04
5	Conclude various banking sector reforms in India.	Evaluate	CO 3	CMBB37.03
6	List the functions of Commercial Banks in India	Remember	CO 4	CMBB37.04
7	Defend banking sector problems in the contemporary scenario	Understand	CO 3	CMBB37.03
8	Judge the credit control system of Commercial Banking system in preventing the frauds.	Apply	CO 4	CMBB37.04
9	Categorize various sections in Reserve bank of India act-1934	Analyze	CO 3	CMBB37.03
10	Defend the apex status and independency of Reserve Bank of India.	Evaluate	CO 3	CMBB37.03
11	Explain different phases of Reserve Bank of India establishment.	Remember	CO 3	CMBB37.03
12	Write about the provisions of Banking regulations act-1949.	Understand	CO 3	CMBB37.03
13	In what way Reserve Bank of India is functioning for strengthening Indian banking system.	Apply	CO 3	CMBB37.03
14	How many kinds of Non Performing Assets are categorized by Scheduled Commercial Banks?	Analyze	CO 4	CMBB37.04
15	Examine various reforms that are taken place in Indian banking system	Evaluate	CO 3	CMBB37.03
16	Describe various functions of Commercial Banks in India	Remember	CO 4	CMBB37.04
17	What are the present banking sector problems in India	Understand	CO 3	CMBB37.03

18	Why credit control system is important for Commercial Banking system. Is this system really helps in preventing the frauds.	Apply	CO 4	CMBB37.04
19	Explain various facts in Reserve bank of India act-1934	Analyze	CO 3	CMBB37.03
20	As an apex body, what is the status and independency of Reserve Bank of India?	Evaluate	CO 3	CMBB37.03
Part - B (Long Answer Questions)				
1	Identify different banking sector deficiencies and banking problems in India	Remember	CO 3	CMBB37.03
2	Distinguish the Performance and Non-Performance Assets of the banking services.	Understand	CO 4	CMBB37.04
3	Organize the role and functions of commercial banks to strengthen the Indian financial system	Apply	CO 3	CMBB37.03
4	Point out the need and implications of Banking regulation act-1949	Analyze	CO 3	CMBB37.03
5	What are the functions of Reserve Bank of India? Explain its organization structure	Analyze	CO 3	CMBB37.03
6	Appraise the reforms of various committees in banking sector reforms in India	Evaluate	CO 3	CMBB37.03
7	Examine the Role of boards and branches of Reserve Bank of India in the credit control system of banks.	Create	CO 3	CMBB37.03
8	What is Monetary Policy and briefly explain the qualitative and quantitative measures of RBI under this policy?	Remember	CO 3	CMBB37.03
9	Explain the regulatory implications of Reserve Bank of India-1934	Understand	CO 3	CMBB37.03
10	How can a bank reduce its Non- Performing Assets (NPAs)? illustrate with provisions made by RBI to recover the NPAs of banks	Apply	CO 4	CMBB37.04
11	Explain banking sector requirements and banking problems in India	Remember	CO 3	CMBB37.03
12	What are the provisions of Performance and Non-Performance Assets of the banking services?	Understand	CO 4	CMBB37.04
13	Why commercial banks are still struggling to strengthen the Indian financial system	Apply	CO 3	CMBB37.03
14	What are the changes in the banking system with the implementation of Banking regulation act-1949	Analyze	CO 3	CMBB37.03
15	Explain the functions, subsidiaries, organization structure and committees of Reserve Bank of India?	Analyze	CO 3	CMBB37.03
16	Describe the role of various committees in banking sector reforms in India	Evaluate	CO 3	CMBB37.03
17	How the BFS and BPSS boards of Reserve Bank of India playing a key role in the credit control system of banks.	Create	CO 3	CMBB37.03
18	Briefly explain Monetary Policy and qualitative and quantitative measures of RBI under this policy?	Remember	CO 3	CMBB37.03
19	Write the importance and implications of Reserve Bank of India-1934	Understand	CO 3	CMBB37.03
20	Write the provisions of banks in reducing Non- Performing Assets (NPAs)?	Apply	CO 4	CMBB37.04
Part - C (Problem Solving and Critical Thinking Questions)				
1	What are efforts that are taking by the Reserve Bank of India and Indian government to reduce the Non-Performing Assets in the banks?	Remember	CO 3	CMBB37.03
2	Is there any separate association for Indian banks that concentrates on development of the member banks-explain any such organizations role and functions	Understand	CO 4	CMBB37.04
3	What is the present independent status of Reserve Bank of India?	Remember	CO 3	CMBB37.03
4	Give your opinion on the profit seizing assets of banks and recovery management system.	Understand	CO 4	CMBB37.04
5	What are the recent reformations introduced by the government and RBI to reduce frauds in Indian banking sector.	Remember	CO 3	CMBB37.03
6	Explain the role of Banks Board of Bureau in recruiting the officials for the public sector banks	Understand	CO 4	CMBB37.04
7	What is the reason behind the nationalization of Indian banking system and give your justification in this regard	Remember	CO 3	CMBB37.03
8	Existence of banking system now a day's become critical in India, give your opinion for this situation.	Understand	CO 4	CMBB37.04
9	Is there any requirement of new regulatory changes for banks to see the India as a developed country	Remember	CO 3	CMBB37.03
10	How the banking services concentrating in eliminating poverty in India	Understand	CO 4	CMBB37.04

UNIT -III

INTRODUCTION TO INSURANCE

Part - A (Short Answer Questions)

1	Recognize the need and importance of Insurance for the investors	Remember	CO 5	CMBB37.5
2	Explain the meaning and features of Insurance as per IRDAI	Understand	CO 5	CMBB37.5
3	Prepare the chart of different branches of insurance	Apply	CO 6	CMBB37.6
4	What is fact in the principles of insurance give your opinion	Analyze	CO 5	CMBB37.5
5	Judge the role of insurance agent in encouraging investments as per IRDAI rules	Evaluate	CO 6	CMBB37.6
6	What does the meaning of Life and Health insurance	Remember	CO 6	CMBB37.6
7	Extend various types of insurance products	Understand	CO 6	CMBB37.6
8	Evaluate the role of insurance agents and brokers in insurance companies	Apply	CO 6	CMBB37.6
9	What conclusions do you made about the present insurance system in India	Analyze	CO 5	CMBB37.5
10	Decide and suggest some changes for Indian insurance sector	Evaluate	CO 5	CMBB37.5
11	Why an individual person has to invest in Insurance	Remember	CO 5	CMBB37.5
12	What is the role of IRDAI regarding Investor Protection	Understand	CO 5	CMBB37.5
13	Explain different branches of insurance	Apply	CO 6	CMBB37.6
14	How the banks are involving in the bank assurance process	Analyze	CO 5	CMBB37.5
15	Examine the role of insurance agent in encouraging investments as per IRDAI rules	Evaluate	CO 6	CMBB37.6
16	Differentiate Life and Health insurance	Remember	CO 6	CMBB37.6
17	Briefly write about various insurance products	Understand	CO 6	CMBB37.6
18	Examine the functions of insurance agents and brokers in insurance companies	Apply	CO 6	CMBB37.6
19	Give your opinion on present insurance mechanism in India	Analyze	CO 5	CMBB37.5
20	What is the status of Indian insurance companies and suggest some changes for Indian insurance sector	Evaluate	CO 5	CMBB37.5

Part – B (Long Answer Questions)

1	Explain the concept of Insurance and its need for the every individual to prevent the unexpected threats of life.	Remember	CO 5	CMBB37.5
2	Express your opinion about the principles of insurance in protecting the investors funds with assured returns	Understand	CO 5	CMBB37.5
3	Produce the information about various branches of insurance and its role in fulfilling the insurers expectations	Apply	CO 6	CMBB37.6
4	What assumptions and conclusions that you come to know about insurance agents and brokers in promoting the insurance products.	Analyze	CO 6	CMBB37.6
5	Which is more logical and implacable insurance product, either life insurance or general insurance? explain with appropriate illustrations	Evaluate	CO 6	CMBB37.6
6	Give your opinion on characteristics of insurance contract for the legal protection of customers.	Remember	CO 5	CMBB37.5
7	"If a child, a spouse, a partner or your parents depends on you and your income then you need to take insurance policy", write your opinion on this insurance quote.	Understand	CO 5	CMBB37.5
8	Identify the pros and cons of different insurance products in both customers and organizations point of view.	Apply	CO 6	CMBB37.6
9	What conclusions do a customer seeks from each insurance policy before investing in any insurance scheme?	Analyze	CO 6	CMBB37.6
10	Explain the about bank assurance and procedural steps involved in the insurance process	Evaluate	CO 6	CMBB37.6
11	In what way an individual gains by investing his hard earned money in insurance policies	Remember	CO 5	CMBB37.5
12	How the principles of insurance are succeeded in protecting the investors' funds with assured returns?	Understand	CO 5	CMBB37.5
13	Explain different branches of insurance and its role in fulfilling the insurers expectations with illustrations	Apply	CO 6	CMBB37.6
14	What is the role and responsibilities of insurance agents and brokers in promoting the insurance products?	Analyze	CO 6	CMBB37.6
15	Differentiate the Life insurance and General Insurance products and illustrate with some examples	Evaluate	CO 6	CMBB37.6
16	Give your opinion on legal protection for an investor in insurance companies.	Remember	CO 5	CMBB37.5

17	What is the role of nominee in insurance process and what are the rights of a nominee.	Understand	CO 5	CMBB37.5
18	Explain the advantages and disadvantages of different insurance products in both customers and organizations point of view.	Apply	CO 6	CMBB37.6
19	What are the precautionary measures that an investor has to take while investing in the insurance policies	Analyze	CO 6	CMBB37.6
20	Who is an agent and what are his roles and responsibilities in selling insurance products.	Evaluate	CO 6	CMBB37.6

Part – C (Problem Solving and Critical Thinking)

1	Explain and compare the insurance laws in India with International insurance laws and methods.	Understand	CO 5	CMBB37.5
2	Does the provident fund investments and insurance investments are same? If not give your explanation.	Understand	CO 6	CMBB37.6
3	Is the insurance investment really helpful for the yielding of profits or not, give your opinion	Understand	CO 5	CMBB37.5
4	What is the difference between Insurance and Provident fund and Chit fund	Understand	CO 6	CMBB37.6
5	Describe the relationship between actuaries of India and insurance companies in promoting the insurance business in India.	Understand	CO 5	CMBB37.5
06	How the insurance facility playing a key role in promoting the international business activities.	Understand	CO 6	CMBB37.6
07	Summarize the insurance activities in different countries in promoting that countries economy.	Understand	CO 5	CMBB37.5
08	Discuss the claiming procedure at the maturity period of an insurance policy	Understand	CO 6	CMBB37.6
09	Write the provisions of IRDAI on insurance companies.	Understand	CO 5	CMBB37.5
10	Is the insurance companies belongs to only to an individual or to an Institution? Explain	Understand	CO 6	CMBB37.6

UNIT-IV

INSURANCE BUSINESS ENVIRONMENT

Part – A (Short Answer Questions)

1	Explain the economics of insurance in the contemporary India	Remember	CO 8	CMBB37.8
2	Extend the need for insurance as per new trends	Understand	CO 8	CMBB37.8
3	Show the legal framework in governing the insurance sector	Apply	CO 7	CMBB37.7
4	What conventions took place in the history of insurance sector	Analyze	CO 7	CMBB37.7
5	Decide and describe the new mindsets of people towards insurance	Evaluate	CO 8	CMBB37.8
6	Highlight the regulatory functions of IRDAI to the development of insurance sector	Remember	CO 7	CMBB37.7
7	Interpret the role of IRDAI in Indian financial system	Understand	CO 7	CMBB37.7
8	Produce the business purpose of insurance organizations	Apply	CO 8	CMBB37.8
9	What assumptions does an investor thinks while investing in the insurance sectors	Analyze	CO 8	CMBB37.8
10	Find the new trends in the insurance sector to prevent the money laundering activities.	Evaluate	CO 8	CMBB37.8
11	Write in brief about economics of insurance in India	Remember	CO 8	CMBB37.8
12	What is the importance of insurance as per the new tastes and preferences of the customers	Understand	CO 8	CMBB37.8
13	Explain the legal framework in governing the insurance sector by IRDAI	Apply	CO 7	CMBB37.7
14	Describe different phases in the history of insurance sector	Analyze	CO 7	CMBB37.7
15	Discuss various dimensions of insurance as per the new mindsets of people.	Evaluate	CO 8	CMBB37.8
16	Examine the regulatory functions of IRDAI to the development of insurance sector	Remember	CO 7	CMBB37.7
17	In which way IRDAI is a key component of Indian financial system	Understand	CO 7	CMBB37.7
18	Explain the business purpose of insurance organizations	Apply	CO 8	CMBB37.8
19	Summarize the assumptions of investors before investing in the insurance policies	Analyze	CO 8	CMBB37.8
20	What are the new trends in the insurance sector to prevent the money laundering activities?	Evaluate	CO 8	CMBB37.8

Part – B (Long Answer Questions)

1	Evaluate the business and economics of insurance for changing mindsets of insurers.	Remember	CO 8	CMBB37.8
2	Describe the regulatory and legal framework of IRDAI in governing the insurance sectors in India.	Understand	CO 7	CMBB37.7

3	Write different phases in the history of IRDAI and its functions to the development of insurances sectors.	Apply	CO 7	CMBB37.7
4	Why a business organization or an individual person has to invest in insurance sector for future returns-explain in brief	Analyze	CO 8	CMBB37.8
5	Which regulatory changes that are taken place in the recent years to strengthen the insurance sectors by the Indian Government?	Evaluate	CO 7	CMBB37.7
6	In what way the regulatory functions of IRDAI are different from the other regulatory agencies like SEBI, RBI and PFRDA?	Remember	CO 7	CMBB37.7
7	Explain the rules and regulations of IRDAI for insurance agents and brokers while selling the insurance policies.	Understand	CO 7	CMBB37.7
8	In what way the money laundering is preventing in insurance sector as per the codes of conduct of IRDAI.	Apply	CO 8	CMBB37.8
9	Write the procedural steps involved in the insurance process as per the guidelines of regulatory authority, IRDAI.	Analyze	CO 8	CMBB37.8
10	What are the terms and conditions that an agent must disclose to the customer before accepting the deposits for insurance?	Evaluate	CO 8	CMBB37.8
11	What are the business and economics of insurance as per changing mindsets of investors?	Remember	CO 8	CMBB37.8
12	Explain various regulatory issues and legal framework of IRDAI in governing the insurance sectors in India.	Understand	CO 7	CMBB37.7
13	Describe various phases in the history of IRDAI and its functions to the development of insurances sectors.	Apply	CO 7	CMBB37.7
14	What is the requirement for a business organization or an individual person to invest in insurance sector for future returns-explain in brief	Analyze	CO 8	CMBB37.8
15	Write in brief of regulatory changes in the recent years to strengthen the insurance sectors.	Evaluate	CO 7	CMBB37.7
16	Explain the similarities in the functions of IRDAI with other regulatory agencies like SEBI, RBI and PFRDA?	Remember	CO 7	CMBB37.7
17	Write the code of conduct of IRDAI for insurance agents and brokers in promoting the insurance products.	Understand	CO 7	CMBB37.7
18	How KYC rules are working in preventing the money laundering of insurance sector as per the codes of conduct of IRDAI.	Apply	CO 8	CMBB37.8
19	Describe the procedures involved in the insurance process as per the guidelines of regulatory authority, IRDAI.	Analyze	CO 8	CMBB37.8
20	What are the rules and regulations for an agent before accepting the deposits from insurer?	Evaluate	CO 8	CMBB37.8

Part – C (Problem Solving and Critical Thinking)

1	<p>Should an insurance claim be paid to insured or financier? Inder Singh Chauhan had purchased a bus by taking a loan from Swami Financers. The bus was being used as a private service vehicle, and not as a public transport one. It was insured under a comprehensive insurance policy issued by United India Insurance. The bus met with an accident, for which insurance was claimed. The insurance company appointed its surveyor, who assessed the loss at Rs 1,26,500. However, the company deducted Rs 33,125 from the assessed amount, on the ground that the driver did not have an endorsement on his licence to drive a transport vehicle. Even this amount was not paid to Chauhan, but was directly paid to the financier.</p> <p>Aggrieved, Chauhan filed a consumer complaint that ultimately reached the National Commission. It was held that once a person had a licence to drive a heavy goods carriage vehicle, it would mean that he/she was entitled to drive a transport vehicle, including a public service vehicle. Accordingly, the insurance company was directed to pay the balance amount, along with 12 per cent interest and costs of Rs 5,000. The commission also ruled that the practice adopted by insurance companies of directly paying to the financier, without informing the insured or without his consent, cannot be justified. If the insurance policy is taken in the name of the vehicle purchaser, there is no question of paying the amount straightaway to the financier. [United India Insurance Co Ltd v/s Inder Singh Chauhan – IV (2006) CPJ 15 (NC)]</p>	Analysis	CO 7	CMBB37.7
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2	Can an insurance company independently challenge the award under a professional indemnity policy? During a gall bladder surgery, Mohinder Kaur developed ventricular tachycardia, followed by ventricular fibrillation. She suffered cardiac dysrhythmia and went into coma due to medical negligence, becoming bedridden at the age of 45. A case was filed against the surgeon, the anaesthetist and the hospital. The insurance company was a party to the proceedings. The District Forum awarded a compensation of Rs 2 lakh, payable by the insurance company on behalf of the doctors under the professional indemnity policy. This was challenged in appeal before the State Commission, which upheld the Forum's order. The doctors did not continue further litigation, but the insurance company filed a revision petition before the National Commission. Observing that it was incumbent on the insurance company to indemnify doctors under the professional indemnity policy by paying the amount awarded by the consumer fora, the commission stated the challenging of the order by the insurance company without rhyme or reason is neither proper nor desirable. The commission expressed deep anguish that such petitions were being filed. It observed that such cases are not meant to be fodder for the legal department and the insurance company cannot go on a spree in filing such petitions. The commission stated it was restraining itself this time, but warned that if such petitions are filed in future, heavy cost would be imposed. The agony of a consumer must end at some stage. It is the duty of the insurance company to see that frivolous cases were not filed so as to clog the wheels of justice, which result in wastage of time. While dismissing the revision petition, the commission directed the order be sent to the chairman-cum-managing directors of all insurance companies. [New India Assurance Co Ltd v/s Hardip Singh & Others – II (2003) CPJ 103 (NC)]	Application	CO 8	CMBB37.8
3	What is the importance of regulatory authority for insurance companies?	Analysis	CO 7	CMBB37.7
4	Explain the economies of scale with reference to insurance sector in India.	Application	CO 8	CMBB37.8
5	Briefly discuss the changing mindsets of investors towards insurance.	Analysis	CO 7	CMBB37.7
6	Write the new trends in Indian Financial system, its growth and developmental activities	Application	CO 8	CMBB37.8
7	Summarize the governing factors of insurance as per the new scenario.	Analysis	CO 7	CMBB37.7
8	Is there any requirements of regulatory changes for insurance sector, explain in brief.	Application	CO 8	CMBB37.8
9	Write your own experience for investments in insurance and provident fund	Analysis	CO 7	CMBB37.7
10	Examine the role of agents and intermediaries in promoting the insurance business in India.	Application	CO 8	CMBB37.8

UNIT-V

INTRODUCTION TO RISK MANAGEMENT

Part - A (Short Answer Questions)

1	Which techniques are using to manage the risk?	Remember	CO 10	CMBB37.10
2	Identify the measures of risk while taking investment decisions.	Understand	CO 10	CMBB37.10
3	Describe the process of risk management before and after investment.	Apply	CO 9	CMBB37.9
4	State the view point of an individual towards the risk reduction	Analyze	CO 10	CMBB37.10
5	Journalize the business techniques for risk management	Evaluate	CO 10	CMBB37.10
6	Recognize different types of risks in financial institutions	Remember	CO 9	CMBB37.9
7	Explain about non insurance methods	Understand	CO 10	CMBB37.10
8	Prepare the tradeoff between risk and return while taking financing decisions.	Apply	CO 9	CMBB37.9
9	What is the fact involved in risk management method? give your opinion	Analyze	CO 9	CMBB37.9
10	Judge the risk reduction possibility through insurance.	Evaluate	CO 10	CMBB37.10
11	Explain the methods that are using to manage the risk?	Remember	CO 10	CMBB37.10
12	What is the measurement for risk in investment decisions?	Understand	CO 10	CMBB37.10
13	Discuss the steps involved in the risk management before and after investment.	Apply	CO 9	CMBB37.9
14	Describe the critical analysis of individual towards the risk reduction	Analyze	CO 10	CMBB37.10
15	Briefly write the business techniques for risk management	Evaluate	CO 10	CMBB37.10
16	Explain various types of risks for financial institutions	Remember	CO 9	CMBB37.9
17	Express your opinion about non insurance methods	Understand	CO 10	CMBB37.10

18	Write the tradeoff between risk and return before and after financing decisions.	Apply	CO 9	CMBB37.9
19	What are the risk management methods? illustrate with appropriate examples	Analyze	CO 9	CMBB37.9
20	Is it possible to reduce the risk through insurance? give your justification	Evaluate	CO 10	CMBB37.10
Part - B (Long Answer Questions)				
1	Highlight the risk identification methods before investing in the financial institutions and financial markets.	Remember	CO 9	CMBB37.9
2	Interpret the meaning of risk and different types of risks involved in business operations.	Understand	CO 9	CMBB37.9
3	Prescribe the risk management techniques while doing national and international investments.	Apply	CO 9	CMBB37.9
4	What assumptions do an individual investor assumes regarding the risk while investing his hard-earned money in the risky projects.	Analyze	CO 10	CMBB37.10
5	Find the various kinds of speculations and hedging techniques to increase the returns by reducing the risk in investments.	Evaluate	CO 10	CMBB37.10
6	What does the meaning of non insurance methods- explain in brief	Remember	CO 10	CMBB37.10
7	Extend the importance of risk management and risk assessment before and after investments in the financial markets.	Understand	CO 10	CMBB37.10
8	Show the new trends and technological developments in the management of risk.	Apply	CO 10	CMBB37.10
9	Explain the role of national and international institutions that deals with risk and returns of different financial institutions.	Analyze	CO 10	CMBB37.10
10	Describe the present economy conditions in Indian financial institutions in securing the investments.	Evaluate	CO 10	CMBB37.10
11	Summarize the risk identification methods while investing in the financial institutions and financial markets.	Remember	CO 9	CMBB37.9
12	Write in brief about risk and different types of risks involved in business operations.	Understand	CO 9	CMBB37.9
13	Which risk management techniques are suggestible for doing national and international investments?	Apply	CO 9	CMBB37.9
14	Briefly explain the individual investor assumptions regarding the risk while investing his hard-earned money in the risky projects.	Analyze	CO 10	CMBB37.10
15	Explain the speculations and hedging techniques to increase the returns by reducing the risk in investments.	Evaluate	CO 10	CMBB37.10
16	What is the difference between insurance methods and non insurance methods? explain in brief	Remember	CO 10	CMBB37.10
17	Examine the importance of risk management and risk assessment before and after investments in the financial markets.	Understand	CO 10	CMBB37.10
18	Describe the new trends and technological developments in the management of risk.	Apply	CO 10	CMBB37.10
19	Explain the role of national and international institutions that deals with risk and returns of different financial institutions.	Analyze	CO 10	CMBB37.10
20	Discuss the current economy conditions in Indian financial system in securing the investments.	Evaluate	CO 10	CMBB37.10
Part – C (Problem Solving and Critical Thinking)				
1	Given that you know the risk as well as the expected return for two stocks, discuss what process you might utilize to determine which of the two stocks a better buy is. You may assume that the two stocks will be the only assets held in your portfolio. You should be looking to maximize your expected return on an investment given the level of risk that such an investment requires the investor to bear. Therefore, you should compare the expected return and risk associated with each of the two stocks. If the stocks have the same expected return, then choose the stock with the lower risk. If the stocks have the same risk, then choose the stock with the greatest expected return. If the expected return and risk of the two assets have no common level, perhaps you should compare the ratio of the risk/expected return to see which stock contains the least risk per unit of expected return.	Analyze	CO 9	CMBB37.9
2	Suppose that the standard deviation of the returns on the shares of stock at two different companies is exactly the same. Does this mean that the required rate of return will be the same for these two stocks? How might the required rate of return on the stock of a third company be greater than the required rates of return	Apply	CO 10	CMBB37.10

	on the stocks of the first two companies even if the standard deviation of the returns of the third company's stock is lower? No. Because some risk can be diversified away, it is possible that two stocks with the same standard deviation of returns can have different required rates of return. One of these stocks can have a higher systematic risk than the other stock and, therefore, a higher required rate of return. The third stock can have a higher required rate of return if its systematic risk is greater than the systematic risk of the stock in the other two companies.			
3	In what way the Bank for International Settlements is concentrating on Risk Management activities in Banks?	Analyze	CO 9	CMBB37.9
4	What is the role of credit rating agencies regarding the risk identification and risk elimination?	Apply	CO 10	CMBB37.10
5	Explain the contemporary risk management techniques for sovereigns.	Analyze	CO 9	CMBB37.9
6	How to safeguard the investments by eliminating the risks and to gain maximum returns?	Apply	CO 10	CMBB37.10
7	Differentiate the individual risk management techniques with institutional risk management techniques.	Analyze	CO 9	CMBB37.9
8	Is it possible to make the risk as zero before investing any institution or market? justify your answer	Apply	CO 10	CMBB37.10
9	Write your own experience risk management techniques or any analysis that you have done in any investments made or seen by you.	Analyze	CO 9	CMBB37.9
10	Is the non insurance methods are suggestible of insurance methods for risk reduction? give your justification	Apply	CO 10	CMBB37.10

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