



SLIATE

SRI LANKA INSTITUTE OF ADVANCED TECHNOLOGICAL EDUCATION
(Established in the Ministry of Higher Education, vide in Act No. 29 of 1995)

Higher National Diploma in Business Administration
HNDBA 2nd Year, Second Semester Examination – 2016
2233- Banking and Insurance

Instructions for Candidates:
answer five questions only

No. of questions : 06
No. of pages : 02
Time : 03

Select minimum two (02) questions from Part I and minimum two (02) questions from part II

Part I

Question No. 01 (Total Marks 20)

- I. Distinguish between the following
 - a. Retail banking and corporate banking
 - b. Debit card and credit card (05 Marks)
- II. What is meant by online banking and what are the transactional and non-transactional tasks which can be performed through online banking. (05 Marks)
- III. “Non-performing loan is a big problem that commercial banks have to encounter”. What is meant by non-performing loan and list out remedial measures that can be applied to control this matter? (05 Marks)
- IV. Briefly discuss the role of commercial bank in the economy (05Marks)

Question No.02 (Total Marks 20)

- I. Briefly explain two(02) core objectives of Central Bank of Sri Lanka (05 Marks)
- II. Explain how central bank of Sri Lanka uses Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) to control liquidity in the economy. (05 Marks)
- III. “Financial system in Sri Lanka is regulated by the Central Bank of Sri Lanka”. What are the institutions regulated by central bank of Sri Lanka (05 Marks)
- IV. “When banks are operating, they have to face Credit risk, Operational risk and Market risk”. Briefly explain these risks. (05 Marks)

Question No. 03 (Total Marks 20)

- I. Distinguish between “Basel I” and “Basel II” banking supervisory framework. (05 Marks)
- II. Customer relationship management is one of the key topics in the modern business world. Explain the importance of customer relationship management for the banking industry. (05 Marks)
- III. Briefly explain general lending procedures for personal loan implemented by commercial banks having pointed out importance of CRIB report. (05 Marks)
- IV. Define and Distinguish between licensed commercial banks and licensed specialized banks with four (04) examples each for licensed commercial banks and licensed specialised banks. (05 Marks)

Part II

Question No. 04 (Total 20 Marks)

- I. What is meant by insurance? (04 Marks)
- II. Describe principle of insurance with necessary examples (08 Marks)
- III. Discuss the importance of insurance for people, organisations and society. (08 Marks)

Question No. 05 (Total 20 Marks)

- I. Distinguish between the followings
 - a. life insurance and general insurance
 - b. full insurance and third party insurance
 - c. assurance and insurance(Marks 4 x 3=12)
- II. Discuss the characteristics of an insurable risk (Marks 04)
- III. Who are the major parties of an insurance contract? (Marks 04)

Question No. 06 (Total 20 Marks)

Briefly explain on followings

- a. Fire Insurance
- b. Marine Insurance
- c. Cargo insurance
- d. Re-Insurance
- e. Under-writing (Marks 4x5=20)