



ANURAG GROUP OF INSTITUTION

SCHOOL OF BUSINESS MANAGEMENT

BANKING, INSURANCE AND RISK MANAGEMENT TEACHING PLAN 2017-2018

SL.NO	NO OF CLASSES REQUIRED	CONTENT	REFERENCES	CASES
1	I	INTRODUCTION TO BANKING BUSINESS	Reddy KS and Rao R.N	
2	2	Introduction , Meaning and Definition of Banking		CASE – I
3	1	History of Banking Sector in India		ASSIGNMENT
4	1	Types of Banks		
5	2	Indian Banking System, & Structure		
6	2	Nature and Types Of Accounts		
7	1	Advance and Deposits		
8	1	E – Banking		
9	1	M – Banking		
10	1	Net- Banking		
11	1	CRM		
12	1	Cheaque System		
13	1	KYC		
14	1	CASE STUDY		
15	II	Banking Reforms & Regulations	Reddy KS and Rao R.N	CASE – II
16	2	Banking Regulation Act 1949		ASSIGNMENT
17	1	RBI Act 1949		
18	2	RBI, Function		
19	2	Banking Sector Reforms In India		
20	2	Non Performing Assets		
21	1	CASE STUDY		
22	III	INTRODUCTION TO ISURANCE	Scott E. Harringam	
23	1	Introduction, Meaning & Types of Insurance		CASE – III
24	1	Need and Importance of Insurance		ASSIGNMENT
25	2	Principles of Insurance		
26	1	Principles of Insurance Contract		
27	1	Branches of insurances		
28	1	LIC & GIC		

29	2	Life Insurance Products		
30	1	Role of Agents and Brokers in Insurance		
31	1	CASE STUDY		
32	IV	INSURANCE BUSINESS ENVIRONMENT	Scott E. Harringam	CASE – IV
33	1	Regulation And Frame work in Insurance		ASSIGNMENT
34	2	IRDA		
35	2	History and Functions of IRDA		
36	2	Business and Economics of Insurance		
37	2	Need for changing mindset and latest trends		
38	1	CASE STUDY		
39	V	INTRODUCTION TO RISK MANAGEMENT	Scott E. Harringam	CASE – V
40	1	Introduction to Risk Management		ASSIGNMENT
41	2	Types of Risks in Business		
42	2	Types of Risk in Individual		
43	2	Risk Management Process		
44	2	Risk Management Methods		
45	2	Risk Identification and Measurement of Risk		
46	1	Risk Management Techniques		
47	1	Non Insurance Methods		
48	1	CASE STUDY		

***61 CLASSES REQUIRED**

QUESTIONS

UNIT - I

Introduction To Banking Business

SHORT QUESTIONS:

1. Banking
2. Types of Banking Accounts
3. Types of Bank Deposits
4. E-Banking
5. Online Banking
6. M- Banking
7. CRM
8. KYC
9. Cheaque

ESSAY QUESTIONS:

1. Define Banking System? Explain structure of Indian Banking System?
2. Explain Different types Bank Accounts with suitable examples?
3. What is meant by Online Banking? Explain Opportunities and Challenges through Online Banking?
4. Explain different kinds of Cheaques in Banking?
5. Explain emerging trends in Indian Banking system?

UNIT – II: Banking Reforms & Regulations

SHORT QUESTIONS:

1. NPA
2. RBI
3. RRB
4. CRR
5. SLR
6. OPEN MARKET OPERATIONS
7. REPO
8. REVERSE REPO
9. Commercial Bank

ESAY QUESTIONS:

1. Explain the features of Banking Regulation Act 1949?
2. Explain the features of Reserve Bank of India Act 1934?
3. What are the Tools and Techniques controlling Money Supply in India?
4. Explain Banking Sector Reforms in India?
5. Define Non Performing Asset? Explain the Reasons of NPA, and How to overcome this problem?

UNIT – III: Introduction to Insurance

SHORT QUESTIONS

1. Life Insurance
2. General Insurance
3. Principles of Insurance
4. Contract
5. Role of Agents

ESSAY QUESTIONS

1. Define Insurance? Explain various types of Insurance in India?
2. Explain Need and Importance of Insurance?
3. What is Insurance? Explain characteristics and Principles of Insurance?
4. Explain Role and Responsibilities of Insurance Agent/ Broker.
5. Explain different types of Life Insurance Products?

UNIT – IV: Insurance Business Environment

SHORT QUESTIONS:

1. IRDA
2. Business Environment
3. History of IRDA

ESSAY QUESTIONS:

1. Explain regulatory Frame work of insurance sector in India?
2. What is IRDA? Explain History and functions of IRDA?
3. Explain emerging trends in and Mindset towards Insurance?

UNIT – V: Introduction to Risk Management

SHORT QUESTIONS:

1. Define Risk
2. Types of Risk
3. Process of Risk Management
4. Business Risk
5. Individual Risk

ESSAY QUESTIONS:

1. Define risk? Explain various Determinants of Risk?
2. Explain different process of Risk Management?
3. Explain different methods of Risk Management?
4. What are the Techniques of Risk Management?

MODEL PAPER I

BANKING, INSURANCE AND RISK MANAGEMENT

A (Short Answer type question)

(5x4=20)

- Answer all Question, Each carry equal marks
- 1. E-Banking
- 2. NPA
- 3. Contract
- 4. IRDA
- 5. Define Risk

Section – B (Essay Questions)

(5x8=40)

6. A) Define Banking System? Explain structure of Indian Banking System?

OR

B) Explain Different types Bank Accounts with suitable examples?

7. A). Explain the features of Reserve Bank of India Act 1934?

OR

B) Define Non Performing Asset? Explain the Reasons of NPA, and How to overcome this problem?

8. A) Define Insurance? Explain various types of Insurance in India?

OR

B) Explain Need and Importance of Insurance?

9. A) Explain regulatory Frame work of insurance sector in India?

OR

B) What is IRDA? Explain History and functions of IRDA?

10. A) Define risk? Explain various Determinants of Risk?

OR

B) Explain different process of Risk Management?

MODEL PAPER II

BANKING, INSURANCE AND RISK MANAGEMENT

A (Short Answer type question)

(5x4=20)

- Answer all Question, Each carry equal marks
 1. KYC
 2. OPEN MARKET OPERATIONS
 3. General Insurance
 4. Business Environment
 5. Individual Risk

Section – B (Essay Questions)

(5x8=40)

6. A) what is meant by Online Banking? Explain Opportunities and Challenges through Online Banking?

OR

B) Explain emerging trends in Indian Banking system?

7. A). Explain the features of Banking Regulation Act 1949?

OR

B) Define Non Performing Asset? Explain the Reasons of NPA, and How to overcome this problem?

8. A) what is Insurance? Explain characteristics and Principles of Insurance?

OR

B) Explain different types of Life Insurance Products?

9. A) Explain regulatory Frame work of insurance sector in India?

OR

B) Explain emerging trends in and Mindset towards Insurance?

10. A) Explain different methods of Risk Management?

OR

B) Define risk? Explain various Determinants of Risk?

CASE – I: BANK ALTERS ITS RECORD OF CUSTOMERS DETAILS TO SHOW A FALSE NAME AND OCCUPATION:-

Mr. K, who had a current account and a credit card account with his bank, was very surprised to receive a credit card statement with the wrong name on it. The statement was clearly his, as the account number and all the transaction details were correct. However, the name on the statement appeared to have been made up and not a genuine name at all.

After making a number of phone calls to the bank, Mr. K was eventually told that the name change had come about because of a "*systems error*". The bank sent him a cheque for £25 for his out-of-pocket expenses in having to pursue the matter. Although the name on the cheque was closer to his own name than the name on the statement had been - it was still not right.

Given this further error, Mr. K remained most concerned about what was happening on his account. When he pursued the matter further, he discovered that the bank's record of his occupation stated that he was a "*professional shoplifter*". Mr. K. then brought his complaint to us.

COMPLAINT UPHELD:

It soon became clear that the alterations to Mr. K's details on his credit card account had not come about as a result of a systems error, as the bank had told him. The changes had been made deliberately, by a member of the bank's staff.

The bank had compounded the problem by failing to get Mr. K's name right when it sent him a cheque. It had also taken several months to amend his name on his credit reference history. The overall effect of all this was that Mr. K was caused a significant degree of distress and inconvenience. We said the bank should pay him £500 compensation for this.

CASE-II: CONSUMER HELD LIABLE FOR DISPUTED DEBIT CARD TRANSACTION

Acting as executor of his late wife's estate, Mr. M contacted the bank about a number of disputed cash machine withdrawals that had been made from his late wife's savings account.

The withdrawals, totaling over £6,000, had been made with the card that had been issued on the account. And the transactions had all taken place during the two-month period when Mrs. M had been seriously ill in hospital, following a stroke.

Mr. and Mrs. M's grandson, Mr. J, had subsequently been convicted for the theft of the money. Mr. J no longer had the money, so it was not possible to recover it from him. And the bank refused to refund Mrs. M's account as it considered she must have been "*grossly negligent in her care of the card and PIN*".

COMPLIANT UPHELD:

Mr. M did not dispute that his grandson had made the withdrawals. The circumstances in which Mr. J had obtained the card and PIN were distressing and unusual. He had arrived at his grandparents' home shortly after Mrs. M had a stroke. He had then stolen the card and PIN notification while Mr. M was preoccupied with attending to his wife and waiting for the ambulance to take her to hospital.

The bank said that, under the terms and conditions of the account, Mrs. M was liable for the withdrawals if she had failed to act with reasonable care. In its view, by keeping her card together with the PIN notification she had failed to act with reasonable care.

However, under the *Banking Code* a customer's liability is limited unless they acted fraudulently or with gross negligence. Clearly, there was no suggestion that Mrs. M had acted fraudulently. So the issue we had to decide was whether, in keeping a note of her PIN with the card, Mrs. M had been grossly negligent.

Except when Mrs. M took her card out of the house in order to withdraw cash, she had always kept it, together with the PIN notification, in a small box. This was hidden in a small cabinet in an upstairs room of the house. The card and PIN would not, therefore, have been accessible to any casual visitor.

It was reasonable to conclude that Mr. J had only discovered the whereabouts of the card and PIN because, over time, he had been able to search through the house while visiting his grandparents.

In all the circumstances, we did not consider Mrs. M could fairly be said to have acted with gross negligence. We upheld the complaint and said that Mrs. M's estate should be compensated by the bank re-working her account (including interest) as though the disputed withdrawals had never been made.

CASE - III: CONSUMER COMPLAINS THAT BANK FAILED TO TAKE PROPER CARE OF A SAFE DEPOSIT BOX – FROM WHICH JEWELLRY WENT MISSING:

As executor of her late mother's will, Miss J contacted the bank about the safe deposit box in which she said her mother had kept a large amount of jewellery. At first, the bank was unable to locate the box at all. Eventually, the box turned up. But when Miss J examined the contents she said that 30 individual pieces of jewellery - with a combined value of over £48,000 - were missing.

Miss J then made a formal complaint to the bank, enclosing a hand-written list that she said was evidence of the jewellery's existence. She said her mother had drawn up the list and attached it to her will, as she had intended Miss J to inherit all the items on the list.

Miss J also sent the bank a statement from her friend, Mr. M. He confirmed that he had seen at least 30 items of jewellery in the safe deposit box when he had accompanied Miss J and her mother on a visit to the bank some eighteen months earlier. Dissatisfied with the bank's response to her complaint, Miss J came to us.

COMPLIANT UPHELD IN PART:

Miss J told us she was aware that a significant amount of building work had been taking place at the branch where the safe deposit box was stored. And unsupervised contractors had been working in the secure area where the box had been kept. She said she was also aware that several members of staff had left the branch, and she believed that at least one of them had been dismissed for mis-conduct.

It was clear from our investigations that the bank had not taken proper care of the safe deposit box. The box had been moved at some stage, probably during the building work, and the bank had been unable to locate it when Miss J first asked to have access to it. When the box was eventually found, it had been inside another box but not in the secure area.

However, we noted that when the box was located, the seals on it had been intact. Miss J said she was sure it would have been possible for someone to ease the seals slightly and create a very small opening. We agreed that was a possibility. But it seemed extremely unlikely that even the smallest item of jewellery could have been removed from such an opening.

A number of items were still in the box, including several very valuable rings. It was unclear why they would have been overlooked by any thief who had managed to gain access to the box.

The hand-written list was the only evidence that the items of jewellery - now allegedly stolen - had ever existed. None of the jewellery was mentioned in Mrs. J's will, there was no inventory or valuation and the jewellery had never been insured. We noted several inconsistencies in Miss J's account of events. In particular, she gave us contradictory information about the dates when she had last had access to the box - and whether she had signed for it. And Mr. M's account of his visit to the bank differed in several essentials from Miss J's account of that same occasion. Mr. M later wrote to us to say that, on reflection, he thought the visit might well have taken place some months later than the date he had given originally.

Overall, we were not satisfied that Miss J's recollections were as accurate as she believed. Because of the lack of evidence about what had actually been in the box, we could not fairly say that the bank should pay Miss J's claim for the items she said were missing. But we accepted that she had been caused considerable upset and inconvenience by the bank's failure to look after the box properly. We said it should pay her compensation of £500 for this.

CASE - IV: CONSUMER LOST MONEY BECAUSE OF THE BANK MISTAKE IN THE WAY IT SET UP HIS SAVINGS ACCOUNT:

After selling his house, Mr. G transferred the proceeds from the current account he held in his sole name to a savings account that he asked the bank to open for him and his sister, Mrs. Y.

Mr. G had previously been bullied and intimidated by a Mr. D, who had - over time - persuaded Mr. G to pay him substantial amounts of money. It was to try and prevent a recurrence of this situation that Mr. G and his sister asked for the savings account to be set up so that both of them had to sign for all withdrawals.

Unfortunately, however, the bank ignored these instructions. Mr. G and his sister were each able to withdraw money from the account using just their own signature. And in less than a year, Mr. G had withdrawn and paid over to Mr. D some £11,000. In Mrs. Y's view, this had only been possible because of the bank's error. The bank disagreed so, together with her brother, she complained to us.

COMPLIANT UPHELD:

It was not in dispute that the bank should have set up the account so that both Mrs. Y and Mr G had to sign for any withdrawals. However, the bank said that the money in the account belonged to Mr. G and he was entitled to pay it over if he wanted to - which is exactly what he had done.

We did not agree that the position was as simple as that. Mrs. Y was adamant that they had told the bank, at the outset, exactly why it was so important that both of them had to sign for any withdrawals. We were satisfied, in the circumstances, that the bank should have understood the significance of the request.

A police crime report, spanning the relevant time period, confirmed that Mr. G had again been bullied and intimidated by Mr. D and had given him the money withdrawn from the savings account.

So although the bank had been correct in noting that Mr. G had made the withdrawals himself, he had received no benefit from the money. He had felt obliged to take it out of the account because he was being preyed upon by Mr. D - the very situation that he had hoped to avoid by opening the joint account with his sister.

We said the bank should re-work the savings account as though the disputed withdrawals had not been made (including making well the interest paid on the account). We also said the bank should pay Mrs. Y and Mr. G £500 as compensation for the distress and inconvenience caused by the error.

INSURANCE

CASE - V: MOTOR NON DISCLOSURE – NEGLINACE – WHETHER NEGLIGENT NON – DISCLOSURE CANCELLATION OF POLICY – WHETHER PROPORTIONAL SETTLEMENT FAIR:

Mrs. A insured her car through an insurance broker in August 1999. When her car was stolen in June 2001, she contacted the firm to make a claim. The firm discovered that she had a total of four convictions for speeding. In September 1994, September 1995 and April 1996 she had been convicted for driving at over 30 mph in a 30 mph area. In March 2000 she was convicted for exceeding a 60 mph limit.

The firm refused to meet Mrs. A's claim because she had not mentioned the convictions. It said that both when she first applied for the insurance, and again when she renewed the policy in August 2000, it had specifically asked whether she had received any convictions in the previous five years.

Mrs. A said that the broker had completed the proposal form for her and she had simply signed it. She said she had not intentionally concealed any information from the firm. However, since her offences were relatively minor, she considered that even if she had told the firm about them, it would still have insured her.

COMPLIANT UPHELD IN PART:

The question on the proposal form about convictions was clearly worded. And even though it was the broker, not Mrs. A, who had completed the form, Mrs. A should have checked the answers carefully before she signed it. However, we considered that her failure to do so was an oversight, rather than a deliberate attempt to conceal the convictions from the firm.

The firm agreed that the convictions were relatively minor. It also agreed that it would still have insured her if it had known about them. But it said that it would, initially, have charged her 12% more for her premiums. It would then have charged a further 5% when she renewed the policy in 2000. So her failure to disclose her convictions meant that she had paid less than she should have done.

In the circumstances, we felt that a fair and reasonable settlement would be for the firm to meet the claim on a proportional basis. The firm agreed and paid Mrs. A 85% of the value of her claim.

CASE- VI: CRITICAL ILLNESS – NON DISCLOSURE CONTINUING DUTY OF DISCLOSURE UNTIL POLICY IN FORCE – WHETHER FAILURE TO ADVISE FIRM OF MEDICAL REFERRAL INNOCENT – WHETHER FIRM TOOK SUFFICIENT STEPS TO MAKE ASURED AWARE OF CONTINUING DUTY:

In March 2000, Mr. M applied to the firm, through a financial adviser, for life assurance to protect his mortgage. He rang the firm on 9 May, as he still had not heard whether his application had been successful. He was told there had been a delay as the firm was still waiting for his medical records from his GP.

The firm finally wrote to Mr. M's adviser on 23 May, saying it had accepted the application and enclosing a letter of acceptance. This letter reminded Mr. M that he had a duty to notify the firm if there had been any change in his details since he applied for the policy.

The policy took effect on 12 June 2000. Some nine months later, Mr. M contacted the firm to say that he had been diagnosed with prostate cancer and that he wished to claim under the policy for the full critical illness benefit of £30,000.

When the firm obtained a report from Mr. M's GP, in connection with the claim, it saw that Mr. M had consulted his doctor on 3 May 2000 with symptoms for which he was referred to a cancer specialist. The firm cancelled Mr. M's policy. It said that when he received the acceptance letter, he should have disclosed the fact that his GP had referred him to a specialist.

Mr. M said that he had never received an acceptance letter. He also argued that, since the firm had not received his GP's notes until after the consultation had taken place; he had assumed it was aware of the situation.

COMPLAINT UPHELD:

We were satisfied that Mr. M had not received the acceptance letter. The adviser had failed to forward it to him and it was later found in the adviser's files.

The firm insisted that it was irrelevant whether or not the adviser had sent Mr. M the letter. It said its application form made it clear that anyone applying for insurance had to tell the firm of any change of circumstances that arose after they had completed the form. We did not agree that the application form made this sufficiently clear.

We also noted that although the firm had told Mr. M on 9 May 2000 that it was still waiting to receive his records from his GP, it had actually received them in early April, some weeks before the consultation in question took place.

We considered that the firm's practice of sending the acceptance letter to the customer's adviser, without requiring the adviser to post it on, was likely to cause confusion and was not consistent with good industry practice.

We concluded that Mr. M had not deliberately failed to disclose details of his referral to a specialist. We required the firm to meet the claim and to pay Mr. M £200 compensation for distress and inconvenience.

**CASE - VII: HOUSEHOLD BUILDING NON – DISCLOSURE SUB ORIDNACE
WHETHER POLICY HOLDERS ANSWER WAS TO THE BEST OF HIS KNOWLEDGE:**

When Mr. W took out a new household insurance policy in March 2001, he stated, in response to a question from the firm, that his house had never been affected by movement of any kind, such as subsidence, heave, landslip or settlement.

In August that year, Mr. W notified the firm that cracks had developed in the walls of his house. The firm's loss adjuster concluded that the damage was due to subsidence. The firm asked Mr W for a copy of the structural survey he had obtained before he bought the house in 1997. The surveyor's report concluded "*The property is affected by structural movement evident in severe cracking to the gable elevation. This appears significant and likely to be progressive.*"

During the firm's enquiries, it also became aware of a report on the house that had been prepared in 1996, shortly before Mr. W bought the property. Although this recommended repairs to the drains, they had never been carried out.

The firm cancelled the policy, saying it would never have been issued if the firm had known about the existing problems.

Mr. W said the firm should not have done this, as he had answered the questions on the application form correctly, to the best of his knowledge.

COMPLINAT REJECTED:

When we inspected the application form, we noted that the firm had asked a very clear question about any incidence of subsidence or other kinds of movement. However, Mr. W's reply had not fairly represented the true picture and had made no reference to the findings of the surveyor he consulted before he bought the house. We concluded that the firm had acted correctly in cancelling the insurance.

CASE - VIII: BILL BENNETT, HEALTH & SAFETY MANAGER

For any business, the safety of its employees and customers is a major concern. But complying with workplace health and safety regulations and completing detailed risk assessments was, in the past, a daunting administrative burden for many organizations.

Small businesses were often bewildered by the task of completing an assessment. Larger organizations sometimes found that the fast moving nature of their business meant it was difficult to keep up with the amount of detailed documentation required. Some would hire expensive external consultancies to complete assessments for them.

"We complete all our assessments in-house but because we have so many betting shops and the assessments themselves are so diverse - there are 26 generic risks to a typical small betting office - the paperwork volume was very high" admits Bill Bennett, Health & Safety Manager for Ladbrokes, the UK's biggest bookmakers. Ladbrokes currently have over 2,400 outlets across the UK, Ireland, Italy and Belgium.

But for this company, and thousands of other businesses, the time consuming complexities of health and safety risk assessments have now been simplified with the recent introduction of a one stop online service from the Health and Safety Executive.

Now, employers of all types can find all the guidance and information they need to complete their risk assessments in one place, on the website. Simple, easy to understand, industry-specific risk management plans are available to download as well as examples of common control measures.

Bill has worked in health and safety regulation for 16 years. He says this new online service for employers is a major step forward.

"Now it's all there for you, whatever type of risk your business faces. It's very simple. It's the best thing that has happened in the safety area for our industry - there's no reason why any betting shop, large or small, can't follow this online procedure."

"The new online service simplifies the whole thing so much; it's actually improved the industry standard. It's that simple."