

# UNIVERSITY EXAM QUESTION PAPER SOLUTION

## FYBA COMMERCE PAPER-2 Semester -II (INTRODUCTION TO COMMERCE)

**Note- All questions are compulsory.**

**Q.1- Answer any two of the following. (Out of three) (20)**

A. Discuss the various services offered by banks.

A **bank** is a financial institution licensed to receive deposits and make loans. ... There are two types of **banks**: commercial/retail **banks** and investment **banks**. In most countries, **banks** are regulated by the national government or central **bank**.

- Business loans.
- Checking accounts.
- Savings accounts.
- Debit and credit cards.
- Merchant services (credit card processing, reconciliation and reporting, check collection)
- Cash management (payroll services, deposit services, etc.)
- Accepting Deposit
- Advancing Of Loans
- Discounting Of Bill Of Exchange
- Cheque Payment
- Remittance
- Collection And Payment Of Credit Instruments
- Foreign Currency Exchange
- Consultancy
- Bank Guarantee
- Safe keeping
- Gift cards
- Car loans
- Education loans
- Fixed deposits

B. Discuss briefly the procedure for taking loan.

1. The Loan File
2. loan application,
3. credit report,
4. verifications of employment, income, assets (W2s, paystubs, tax returns, and bank statements, for instance)
5. valuation reports(inspections, appraisals, proof of insurance),
6. title reports(particularly noting any liens)
7. Public legal disclosures that must be signed by the loan applicant. The final product should be sent registered mail to the appropriate parties (most likely the lender or the underwriter).
8. Loan File Review
9. Certify and Deliver the File

C. Write a note on technology in banking.

**Internet Banking** has several **advantages** over traditional one which makes operating an account simple and convenient. It allows you to conduct various transactions using the **bank's** website and offers several **advantages**. Some of the **advantages** of **internet banking** are: **Online** account is simple to open and easy to operate.

- i. Debit card
- ii. Credit card
- iii. ATM
- iv. Internet banking
- v. Mobile banking
- vi. ECS

**Q.2. Answer any two of the following. (Out of three) (20)**

A. Discuss briefly the Principals of Insurance.

**Insurance** is a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses from an **insurance** company.

Principles of insurance

- i. Principle of utmost good faith
- ii. Principle of insurable interest
- iii. Principle of indemnity
- iv. Principle of contribution
- v. Principle of subrogation
- vi. Principle of mitigation of loss
- vii. Principle of causa proxima

B. Describe briefly the various policies of life insurance.

**Life insurance** is a protection against financial loss that would result from the premature death of an **insured**. The named beneficiary receives the proceeds and is thereby safeguarded from the financial impact of the death of the **insured**.

Policies of life insurance

Term policy, endowment policy, annuity policy, joint life policy, group policy etc.

c. Write a role on FDI in insurance.

When foreign companies or individuals make direct investment in a country in various sectors.

**Q.3. Answer any two of the following. (Out of three) (20)**

A. Examine the recent trends in retailing in India.

Recent trends in retailing in India.

- i. Market Size
- ii. Investment Scenario
- iii. Government Initiatives

- iv. Single-brand retail reforms approved
- v. Controversy over allowing foreign retailers
- vi. Opposition to retail reforms
- vii. **Current supermarkets**

B. Distinguish between organised and unorganised retailing.

- Meaning
- Employees
- Size
- Branches
- Tax
- Principle
- Employment
- Examples
- skills
- Use of technology
  
- Pricing strategy
- Service delivery
- Customer relationship
- Additional services
- Loyalty programs

C. What is Mall Management? Explain the facilities offered by Malls.

The organised and the systematic manner in which the malls are managed are known as mall management. The various facilities offered by malls are:

- Parking
- Variety of goods
- New goods
- Better technology
- Ambience
- Air conditioner
- Escalator
- Hygiene
- Baby changing rooms
- Entertainment
- Food
- All under one roof
- Festivals
- Sales, discounts and promotional offers

**Q.4. Answer any two of the following. (Out of three)**

**(20)**

A. Enumerate factors influencing macro environment.

The major external and uncontrollable factors that influence an organization's decision making, and affect its performance and strategies. These factors include the economic factors; demographics; legal, political, and social conditions; technological changes; and natural forces.

Specific examples of macro environment influences include competitors, changes in interest rates, and changes in cultural tastes, disastrous weather, or government regulations.

The Macro Environment consists of 6 different forces. These

are: Demographic, Economic, Political, Ecological, Socio-Cultural, and Technological forces.

- Changing age structure
- Changing age structure
- Geographic shifts in population
- development of wireless communication techniques
- trends in the ecological environment
- society's basic values, preferences and behavior
- GDP, GDP real growth rate, GNI, Import Duty rate and sales tax/ VAT,

Unemployment, Inflation, Disposable personal income, and Spending patterns.

B. What is the importance of SWOT analysis to business?

**Business environment** is the sum total of all external and internal factors that influence a **business**. You should keep in mind that external factors and internal factors can influence each other and work together to affect a **business**. The importance of SWOT analysis to business

Strengths

Weaknesses

Opportunities

Threats

C. Explain the main features of political environment in India.

It is important for organisations to monitor their political environment, because change in this environment can impact on business strategy and operations in a number of ways:

- The stability of the political system affects the attractiveness of a particular national market.
- Governments pass legislation that directly affects the relationship between the firm and its customers, its suppliers and other firms.
- Governments see business organisations as an important vehicle for social reform.
- The government is additionally responsible for protecting the public interest at large.
- The economic environment is influenced by the actions of government.
- Government is itself a major consumer of goods and services.
- Government policies can influence the dominant social and cultural values of a country.

**Q.5. A) Define the terms. (5X2)**

**(10)**

- a) Bank overdraft- when an account holder withdraws more than the balance available in the account.
- b) Credit card-credit is the card which the user uses to do shopping or to make payments. The money used in a credit card is the bank's money and not the account holders, which he/she is supposed to pay within the stipulated time to avoid any interest payment.
- c) Premium -Premium is the periodic payment which the insured has to pay to insurer to buy or renew the policy
- d) Franchising- It is a contractual agreement between franchisor and franchisee which allowed the latter to conduct the business under established name or according to given pattern of business.
- e) Distribution channel- the chain of distribution due to which goods exchange hands and are transferred from one hand to another.  
 Manufacturer-consumer, Manufacturer-retailer-consumer, Manufacturer- wholesaler-retailer-consumer, Manufacturer- wholesaler-jobber-retailer-consumer

**B) State whether following statements are True or False (5)**

- a. In NEFT the transfer of money takes place immediately. false
- b. Health insurance is a type of life insurance. false
- c. Unorganised retailing provides all kinds of facilities to the consumers. false
- d. Franchisee pays royalty to the franchisor. true
- e. Micro business environment are the conditions related to whole industry. false

**C) Match the following. (5)**

Column A	Column B
a. Core Banking Solutions	I. Discounts & schemes on purchases
b. Endowment Policy	II. Internal business environment
c. Organised retail	III. Most popular life insurance policy
d. Suppliers	IV. Micro Business environment
e. Capital of business	V. Anywhere banking

**a-V b-III c-I d-IV e-II**

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