

*Candidates are required to answer in their own words as far as practicable.  
The figures in the margin indicate full marks.*

Section "A"

**Very Short Answer Questions**

Attempt all the questions. [10×2]

1. What is international banking?
2. What are the methods of fund transfer between two countries through banking system?
3. Describe the swaps.
4. What is the function of SS Huebner Foundation?
5. What are the banking services offered by international banks?
6. Explain causes of exchange rate fluctuation.
7. Define the term "Ageing Problem" in the context of international insurance.
8. Explain the term "insurance penetration" and "insurance density".
9. Write short notes on "Nepal Reinsurance Company".
10. Define Loro and Mirror accounts.

Section "B"

**Descriptive Answer Questions**

Attempt **any six** questions. [6×10]

11. Explain the given statement "No strategy is perfect for predicting exchange rate trends".
12. Is Llyod's of London an insurance company? Explain the structure of Llyod's along with its 5 players.
13. How does an international insurance company help to mitigate the risk?
14. Discuss different options of international settlements and its process.
15. Explain the role of reinsurance company in development of national insurance market.
16. How does multinational insurer adopt the risk coping strategies?
17. Discuss the objectives and significance of International Association of Insurance Supervisors (IAIS) and major function of AIRDC.

Section "C"

Case Analysis

18. *Read the case situation given below and answer the questions that follow:* [20]

A summary of the study report published by Finaccord Ltd. in 2013 on Global Bancassurance: Strategies of the World's Top 125 Retail Banking Groups has been presented below.

The report is related to how bank and insurance companies are strategically alliance to promote the insurance products worldwide. The report gain access to a unique information source that will allow everyone to arrive at a rapid understanding of the bancassurance strategies of the world's top 125 retail banking groups. it highlights which groups maintain alliances with insurance providers that can be considered strategic and which work more loosely with a range of providers; it shows whether internationally diversified groups utilise the same insurance partners across multiple countries or whether they formulate their approach at a country-specific level; and it demonstrates which groups are reliant wholly or mainly on captive or joint venture underwriters.

Fifty two of the world's top 125 retail banking groups are classifiable as having a strategic alliance with an external insurance group, 15 of which have more than one strategic partner. Aviva Insurance company (with six) holds the most strategic relationships among the world's top 125 retail banking groups, followed by Allianz, Prudential and Zurich with four each. In total, 45 insurance groups have at least one such strategic alliance. By value of insurance underwritten via captive or joint venture entities, Crédit Agricole is the world's largest bancassurer although by number of countries in which captive or joint venture underwriters are present, BNP Paribas is the most internationally diversified. For either regulatory or strategic reasons, several banking groups are divesting their insurance interests naturally, this throws up opportunities for insurers seeking to increase their exposure to the bancassurance distribution channel.

**Questions:** [5×4]

- a) Who are benefitted by the above reports? Why?
- b) Why top banks of the world have strategic alliance with the insurers?
- c) Which banks have been succeeded in selling insurance products?
- d) List out the five important conclusion of the report.
- e) What is the status of bancassurance in Nepal?