

POKHARA UNIVERSITY

Level: Bachelor

Semester: Fall

Year: 2021

Programme: BBA-BI

Full Marks: 100

Course: Legal Aspects of Banking and Insurance

Pass Marks: 45

Time: 3 hrs.

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. Why do you think banks and insurance companies need to be regulated?
2. What four major documents should be submitted to Nepal Rastra Bank while incorporating a bank?
3. Define Corporate Reporting.
4. List out the provisions related to maintenance of accounts.
5. List out the ancillary services of bank.
6. Define Insurance as a conditional contract.
7. What do you mean by Ombudsman?
8. Define federal versus state regulation.
9. What are the major provisions of board meeting of a bank?
10. What is Banking Offence?

Section "B"

Descriptive Answer Questions

Attempt any six questions. [6×10]

11. Describe the special legal characteristics of an Insurance Contract with appropriate examples of each.
12. Discuss the major provisions of Insurance Act 1992.
13. Explain the claim settlement process of life insurance. Also, discuss the semi judiciary role of insurance board in claim settlement process.
14. Illustrate the banking history of Nepal. Why is 2040s regarded as milestone in banking history of Nepal?
15. Describe the concept 'Deposit Management'. Why it is necessary in banking.
16. What do you mean by corporate governance and discuss on principles of good corporate governance as mentioned in Unified Directives-2074?
17. What do you understand by general requirements of an enforceable contract?

Section "C"

Case Analysis

18. *Read the case situation given below and answer the questions that follow:*
- Nepalese financial system has a wide geographic reach and institutional diversification. After 1980, when Nepal adopted financial sector Liberalization, the door opened for foreign banks to open Joint Venture in Nepal. The structure comprises commercial banks, development banks, finance companies and micro finance financial Institutions which are popularly known as A, B, C & D class financial institutions. Recently amended BAFIA has mentioned about the infrastructure development bank but has not put Infrastructure Development Bank under any of the existing classification.
- Further, Nepal Rastra Bank has issued mandatory required instruction to bank and financial institution for increase of Paid-Up capital based on their categorization. However, some bank and financial institution have not full filled required minimum paid up capital till date. In this scenario, please provide your views on following:
- a) Mention the roles and functions of Nepal Rastra Bank for the smooth operation of the classification of banks and financial institutions. [10]
 - b) Discuss on capital requirement of banks and financial institutions based on their categories as per BAFIA and NRB Classification. What are the roles of capital in banking? [10]