

FREE OF COST

I.S.B.N : 81-7666-352-2

SCANNER'S APPENDIX

CS Final Gr. II

December 2005

Paper - 4

Financial, Treasury and Forex Management

Chapter - 1 : Nature and Scope of Financial Management

2005 - Dec [1] {C} (d) "Economic value added (EVA) concept is in conformity with the objective of wealth maximisation." Explain. (5 marks)

2005 - Dec [7] Daisy Ltd. is being floated with a project to manufacture a new product called 'Novo Fresh'. Currently it is being imported at a landed cost of Rs.8,500 per ton. Following data has been collected relating to the project:

	Rs.
(a) Investment in land	1,00,000
Investment in building	8,00,000
Investment in plant	12,00,000
(b) Cost of production – per annum:	
Imported raw material	6,50,000
Local raw material	6,26,000
Salary	1,35,000
Administrative expenses	50,000
Power	60,000
Repairs and maintenance	5% of plant cost; and 2% of building cost.
Depreciation	7% of plant cost; and 2.5% of building cost.
Steam	7,000 ton @Rs.16/ton
Packing drums	Rs.30/500 kgs.
(c) Working capital requirements:	
Imported raw material	6 months
Local raw material	3 months
Packing drums stock	3 months
Finished goods stock	1 month
Credit to customers	1 month
Credit from suppliers	1 month
Cash expenses	1 month

(d) Expected production : 250 ton per annum.

You are required to —

(i) calculate the total capital needed for the project; (14 marks)

(ii) assume that entire production can be sold at import rate, calculate percentage yield on investment and profit on sales; and (3 marks)

(iii) calculate rate of cash generation per year. (3 marks)

Chapter - 2 : Capital Budgeting Decisions

2005 - Dec [4] Differentiate between the following:

(ii) 'NPV and 'IRR' methods of capital budgeting, (4 marks)

2005 - Dec [5] (c) Madhuri Ltd. is evaluating a project for which the initial investment required is Rs.50 lakh to be met by internally generated funds of Rs.10 lakh, from a rights issue of Rs.15 lakh and the rest from a term loan @ 12% per annum. Rights issue will involve flotation cost of 5% and the term loan processing will cost 1%. Corporate tax rate is 40%. The risk-free rate of interest is 6.5%, market return is 15% and the relevant asset beta for the investment is estimated to be 1.5. Net operating cash inflows after tax from the project are:

Year-1 : Rs.15 lakh; Year-2 : Rs. 35 lakh; and

Year-3 : Rs.15 lakh.

Besides these cash inflows, residual value of Rs.5 lakh (net of taxes) is also expected at the end of third year. Should the project be taken up?

(8 marks)

Chapter - 3 : Capital Structure

2005 - Dec [3] (c) DIGI Computers Ltd. is a manufacturer of computer systems. The company is marketing its products in domestic as well as global markets. It has a total sales of Rs.1 crore. Its variable and fixed costs amount to Rs.60 lakh and Rs.10 lakh respectively. It has borrowed Rs.60 lakh @ 10% per annum and has an equity capital of Rs.75 lakh.

(i) What is company's return on investment?

(ii) Does it have favourable financial leverage?

(iii) If the firm belongs to an industry whose asset turnover is 1, does it have a high or low asset leverage?

(iv) What are the operating, financial and combined leverages of the firm?

(v) If sales drop to Rs.50 lakh, what will be the new EBIT? (10 marks)

2005 - Dec [5] (b) Following are the extracts from financial statements of Zipway Ltd.:

(Rs. in Lakhs)

Earnings before interest and tax	250
Less: Interest on debentures	<u>50</u>
Earnings before tax	200
Less: Income-tax (40%)	<u>80</u>
Net profit	<u>120</u>

Equity share capital (shares of Rs.10 each)	500
Reserve and surplus	250
10% Non-convertible debentures	<u>500</u>
	<u>1,250</u>

The market price per equity share is Rs.15 and per debenture is Rs.95.
Calculate the following:

- (i) earnings per share; and
- (ii) percentage of cost of capital to the company for the debenture fund and the equity. (8 marks)

Chapter - 4 : Sources of Company Finance

2005 - Dec [1] {C} (b) List out the benefits of public deposits to the company as well as to the depositors. (5 marks)

2005 - Dec [4] Differentiate between the following:

- (iii) 'Bonus issue of shares' and 'stock split'. (4 marks)

Chapter - 5 : Dividend Policy

2005 - Dec [2] (c) Following information is available in respect of EPS and DPS of Intelligent Ltd. for the last five years :

Year	2004	2003	2002	2001	2000
EPS (Rs.)	14.10	13.60	13.10	12.70	12.20
DPS (Rs.)	8.20	8.10	7.90	7.80	7.70

Dividends for a particular year are paid in the same calendar year. If the same dividend policy is maintained, it is expected that the annual growth rate of earnings will be no better than the average of last four years. The risk-free rate is 6% and the market risk premium is 4%. With reference to the market rate of return, the equity shares of the company have a β of 1.5 and is not expected to change in near future.

The company has received a proposal from Smart Ltd. to acquire its operations by paying the value of shares. You are required to value the equity shares of the company using (i) dividend growth model; (ii) earnings growth model; and (iii) capital asset pricing model (CAPM). (10 marks)

Chapter - 7 : Security Analysis and Portfolio Management

2005 - Dec [3] (b) The market portfolio has a historically based expected return of 0.10 and a standard deviation of 0.04 during a period when risk-free assets yielded 0.03. The 0.07 risk premium is thought to be constant through time. Riskless investments may now be purchased to yield 0.09. A security has a standard deviation of 0.08 and a co-efficient of correlation with the market portfolio is 0.85. The market portfolio is now expected to have a standard deviation of 0.04. You are required to find —

- (i) market's return-risk trade-off;
- (ii) security beta; and
- (iii) equilibrium required expected return of the security. (6 marks)

Chapter - 8 : Financial Services

2005 - Dec [1] {C} (c) "For the lessor, lease decision is akin to a capital budgeting exercise." Examine the statement and explain its implications.

(5 marks)

2005 - Dec [2] (b) A firm has total credit sales of Rs.80 lakh and its average collection period is 80 days. The past experience indicates that bad debt losses are around 1% of the credit sales. The firm spends Rs. 1,20,000 per year on administering its credit sales. This cost includes salary of one officer and two clerks who handle the credit checking, collection, etc., telephone and telefax charges. These are avoidable costs. A factor is prepared to buy the firm's receivables.

He will charge 2% commission. He will advance against receivables to the firm at 18% after withholding 10% as reserve. What is the cost of factoring? Should the firm avail factoring service?

(6 marks)

2005 - Dec [3] (a) Rex of Mumbai intends to set-up a plant involving a cost outlay of Rs.20 lakh. After vigorous persuasion, the bankers agree to finance the project and allow a moratorium period of 3 years, i.e., repayment will start from the end of third year with the condition that the loan as such will be squared up by Rex in three equal yearly installments along with interest @ 6% per annum. You are required to find out the amount of the yearly installment and also the amount to be paid on account of interest.

(4 marks)

2005 - Dec [4] Differentiate between the following:

(i) 'Factoring' and 'bill discounting'.

(4 marks)

2005 - Dec [5] (a) Write a short note on 'credit rating'.

(4 marks)

Chapter - 10 : Derivatives

2005 - Dec [4] Differentiate between the following:

(iv) 'Stock future' and 'index future'.

(4 marks)

(v) 'Futures contracts' and 'forward contracts'.

(4 marks)

2005 - Dec [6] (b) The following quotes are available for 3-months options in respect of a share currently traded at Rs.31 :

Strike price	Rs.30
Call option	Rs.3
Put option	Rs.2

An investor devises a strategy of buying a call and selling the share and a put option. Draw his profit/loss profile if it is given that the rate of interest is 10% per annum. What would be the position if the strategy adopted is selling a call and buying the put and the share?

(5 marks)

Chapter - 11 : Treasury Management

2005 - Dec [1] {C} (a) "Internal treasury control is a process of self-improvement." Explain.

(5 marks)

Chapter - 12 : Forex Management

2005 - Dec [2] (a) Mention any four tools available to cover exchange rate risk.

(4 marks)

2005 - Dec [6] (a) Syntex Ltd. has to make a US \$5 million payment in three months' time. The required amount in dollars is available with Syntex Ltd. The management of the company decides to invest them for three months and following information is available in this context:

- The US \$ deposit rate is 9% per annum.
- The sterling pound deposit rate is 11% per annum.
- The spot exchange rate is \$1.82/pound.
- The three month forward rate is \$1.80/pound.

Answer the following questions —

- (i) Where should the company invest for better returns?
- (ii) Assuming that the interest rates and the spot exchange rate remain as above, what forward rate would yield an equilibrium situation?
- (iii) Assuming that the US interest rate and the spot and forward rates remain as above, where should the company invest if the sterling pound deposit rate were 15% per annum?
- (iv) With the originally stated spot and forward rates and the same dollar deposit rate, what is the equilibrium sterling pound deposit rate?

(15 marks)

Paper - 5

Corporate Restructuring Law and Practice

Chapter - 1 : Introduction

2005 - Dec [7] Advise on the following with supporting judicial decisions, if any:

- (iv) Is it correct to say that the term 'agreement' has wider scope than 'compromise' under Section 390(b)? Give your considered views.

(4 marks)

Chapter - 2 : Strategies

2005 - Dec [5] (a) Desi Textiles Ltd. was incorporated in 1920. Ramchandra Rao, promoter of the company, was follower of the 'Swadesi Movement' and started this company with the objectives of — (i) generating employment for Indians; (ii) giving good price to the cotton growers; and (iii) giving quality cloth to the end users at affordable prices. Motto of the company was 'for Indians, by Indians and of Indians'.

The company was being run like a trust with nominal profits. The company did well till 1980s and was well managed by the second and third generation of promoters.

Due to changing business environment and problems like adverse government policies, advancement in technologies, fierce competition from foreign companies, opening-up of economy, the company's health deteriorated. At present, the factory is working at 60% of its capacity. There are statutory defaults and it is a capital starved company, hence, cannot replace old

machinery. Fourth generation promoters do not have the capacity to raise capital themselves. However, looking at the intangibles of Desi Textiles Ltd., like brand equity, loyal staff, and tangibles like-land and building, one of the foreign investors contacted by Desi Textile Ltd. through some intermediary is willing to infuse required funds in preferred capital on the condition that 50% of the Board members (6 out of 12 directors) would be nominated by them and the managing director would also be of their own choice.

The intermediary also brought in for discussion another foreign company, engaged as International Trading House. This foreign company, after proper scrutiny, expressed willingness to invest required funds on the condition that it will have 33% share in the equity of Desi Textiles Ltd. against which it will supply machinery matching the requirements of modern day fashion world to replace old and unusable machinery and it should be the sole marketing agent of the products of Desi Textiles Ltd. in Europe. It also demanded 6 positions of directors including the position of the managing director.

Prakash, the great-grandson of Ramchandra Rao, is in a dilemma because such infusion of foreign capital and changing composition of the Board with foreign nominees would hit at the very objective/purpose of its incorporation as a part of Swadesi Movement.

One more option was explored when Prakesh approached an Indian industrialist who agreed to infuse the required capital on the condition of getting 74% stake in the equity share capital and 7 nominees on the Board out of 12 directors and also the position of the managing director. This proposal was not acceptable to Prakash because he was losing the control on the affairs of the company without corresponding consideration to him.

If he refuses to accept any of the above proposals, the company has no chance of survival. Advise Prakash. (12 marks)

2005 - Dec [8] Write notes on the following:

(ii) Franchising. (4 marks)

Chapter - 3 : Mergers and Amalgamations

2005 - Dec [1] {C} (a) You are the Company Secretary of Strong Base Ltd., which has just now taken over Weak Links Ltd. pursuant to a scheme confirmed by the court. The court order has been received. Briefly mention the various steps required to be taken to give effect to the merger. Also mention the various authorities with whom you will file the order of merger to ensure that the records are updated properly in their offices. (12 marks)

2005 - Dec [2] (b) Draft a petition to the court for sanctioning the scheme of amalgamation covering in brief all the relevant points mentioned under Section 394(1). (8 marks)

2005 - Dec [4] (b) State whether the following statements are true or false and mention briefly the relevant provisions of law:

(i) Appeal can be made to a superior court against orders under Sections 391/394. (2 marks)

- (iv) Section 396 contemplates a situation where a merger can take place without the court's intervention. (2 marks)

2005 - Dec [7] Advise on the following with supporting judicial decisions, if any:

- (i) In a scheme of reconstruction by a multinational company listed in India, the company wanted the minority shareholders to get out of the company by selling their shares back to the promoters at a price determined by the promoters. The minority shareholders were not given a choice whether they wanted to tender their shares or not. In the meeting, there were six non-promoter shareholders who voted against the scheme, but the chairman declared that the motion was carried with an overwhelming majority of more than 90% of shareholding. However, the minority shareholders contended that they had a right to reject the offer. Will they succeed? (4 marks)
- (ii) Vivek Ltd. proposed to merge with Bidur Ltd. The motions in the respective court convened meetings were carried out with 99% of shareholders agreeing for the same. The scheme of merger provided for retention of all the employees, with terms of employment not adverse to the present terms. However, there was no assurance about retrenchment in future. The employees' union of Vivek Ltd. opposed it on the ground that it was against the interests of the employees and the merger should not be sanctioned, as it could lead to retrenchment of workers. Advise the employees' union. (4 marks)
- (iii) You are the Company Secretary of Grow Fast Ltd. which has just merged Agile Co. Ltd. with itself. The State government has sent a notice for payment of stamp duty on the court order. However, the financial controller of your company is of the opinion that as this is a court order, there is no liability to pay stamp duty. Advise the company. (4 marks)

2005 - Dec [8] Write notes on the following:

- (iii) Operational synergy. (4 marks)

Chapter - 4 : Takeovers

2005 - Dec [3] (a) In the context of corporate restructuring, briefly mention the provisions of section 395 relating to powers and duties to acquire shares of shareholders dissenting from scheme or contract approved by majority shareholders. (5 marks)

2005 - Dec [4] (b) State whether the following statements are true or false and mention briefly the relevant provisions of law:

- (ii) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 is applicable even if the acquirer is a person resident outside India. (2 marks)

2005 - Dec [5] (b) A listed company is controlled by three separate groups, out of which two groups are having family relations as per the definition of 'relative' and one group is absolutely outsider. In the light of regulation 11 of

the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, whether all the three groups shall be treated as 'person acting in concert' to each other? (4 marks)

2005 - Dec [6] {C} (c) Calculate the 'minimum offer price' under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in the following case:

- Negotiated price in three tranches Rs. 100, Rs. 125 and Rs. 75.
- Average weekly high-low of 26 weeks prior to public announcements Rs. 110-56.
- Average high-low of two weeks prior to public announcement Rs. 110-75; and
- Latest traded price Rs. 200. (6 marks)

2005 - Dec [8] Write notes on the following:

- (iv) Bail-out takeovers. (4 marks)

Chapter - 6 : Funding of Mergers and Takeovers

2005 - Dec [3] (b) Explain the concept of 'management buy-out'. (5 marks)

2005 - Dec [4] (a) Prudent Ltd. has agreed to acquire 51% of the holding of Volatile Co. Ltd. for Rs. 100 crore in cash and by issuing 10% non-convertible debentures of Rs. 100 each for Rs. 150 crore. As one of the promoters of Volatile Co. Ltd. demanded payment in cash instead of debentures, Prudent Ltd. decided to make cash payment in place of non-convertible debentures at a discount of 10%. The company does not have necessary cash to meet the obligation. How can the company raise necessary cash to make the payment? Suggest the ways the company can mobilise funds for meeting the cash requirement with their respective implications. (8 marks)

Chapter - 7 : Valuation of Shares and Business

2005 - Dec [6] {C} (a) 'Valuation of shares is more an art than science.' Do you agree? Also explain various aspects of valuation of shares. (5 marks)

Chapter - 8 : Corporate Demergers/Splits and Divisions

2005 - Dec [6] {C} (b) Explain the strategic reasons behind reverse mergers. (5 marks)

Chapter - 10 : Financial Restructuring

2005 - Dec [1] {C} (b) Amar Ltd. proposed a scheme of arrangement with its shareholders for the purpose of buying-back the small lot of shares held in physical form. The scheme was approved by majority of shareholders. However, the Registrar of Companies, representing the Central Government, raised an objection that the purpose of the scheme is to buy-back the shares and as such the company ought to have followed the provisions of Section 77A. Discuss in the light of judicial pronouncements. (8 marks)

2005 - Dec [3] (c) Explain the concepts of 'financial restructuring' in the cases of under-capitalised and over-capitalised companies. (6 marks)

2005 - Dec [4] (b) State whether the following statements are true or false and mention briefly the relevant provisions of law:

- (iii) A company can buy-back more than 25% of its paid-up capital in a single year. (2 marks)

Chapter - 11 : Alliances**2005 - Dec [8]** Write notes on the following:

- (i) Cross cultural alliances. (4 marks)

Chapter - 12 : Legal Documentation

2005 - Dec [2] (a) Allen Ltd., a listed company, is in the process of acquiring the entire paid-up share capital of Ben Ltd. The Board meeting of Allen Ltd. is to be convened for approving the issue of offer document. You are required to list out the documents to be placed before the Board meeting for its consideration. (8 marks)

Paper - 6

Banking and Insurance Law and Practice

Chapter - 1 : Relationship between Banker and Customer**2005 - Dec [1] {C}** Attempt the following:

- (i) A bank disbursed a loan to one of its customers after obtaining from him a demand promissory note. Later on, it is noticed that the promissory note was not stamped. Bank wants your advice on the following available options:
- to affix necessary stamp duty on the promissory note which has already been executed; OR
 - to obtain a fresh promissory note duly stamped and executed from the customer. (5 marks)
- (iii) Prakash is the managing director of a limited company. In his capacity as the managing director, he is authorised to sign alone for operating the company's bank account which is maintained with Kripa Bank Ltd. in Chennai. Prakash's personal account is also with the same bank, where he has maintained an average credit balance of Rs.15,000.

Prakash draws a cheque on the company's account in favour of himself for Rs.1.85 lakh and deposits it with the Kripa Bank Ltd. for credit to his personal account. The cheque is duly collected by the Kripa Bank Ltd. and the proceeds credited to his account. Subsequently, the company goes into liquidation and the liquidator files a suit against the Kripa Bank Ltd. for recovery of the money on the ground that there had been fraudulent conversion. What is the position of the Kripa Bank Ltd.? Give reasons for your answer.

(5 marks)

2005 - Dec [4] Attempt the following:

- (v) Distinguish between 'garnishee order nisi' and 'garnishee order absolute'. (3 marks)

Chapter - 2 : Law and Procedure Governing Banking Instruments**2005 - Dec [1] {C}** Attempt the following:

- (ii) A letter of credit is valid upto 10th April, 2005 for shipment and 25th April, 2005 for negotiation. Amendment is received extending the date

of shipment upto 10th May, 2005. What will be the validity period of the letter of credit? (5 marks)

- (v) Raju has a current account with a bank. His clerk forged his signature to a cheque for Rs.15,000 and encashed it at the bank. Raju, having come to know of this irregularity, claims the amount from the bank. Meanwhile, the banker claims that it has paid the cheque in due course. Can the banker escape from its liability? Give reasons. (5 marks)

2005 - Dec [3] (a) What precautions a bank should take before opening a letter of credit (L/C) limit for the use of importers? (5 marks)

2005 - Dec [4] Attempt the following:

- (iv) What is the amended definition of a 'cheque' under the Negotiable Instruments Act, 1881? (3 marks)

Chapter - 3 : Management of Assets and Liabilities

2005 - Dec [3] (b) Write notes on the following:

- (i) 'Treasury management' in banks. (5 marks)

Chapter - 4 : Lending Policies

2005 - Dec [1] {C} Attempt the following:

- (iv) The Blessed Bank Ltd. had advanced a loan for purchasing a truck and deed of hypothecation was executed by the owners in favour of the bank under that agreement, the truck was pledged with the bank for due repayment of the loan advanced by the bank. The truck remained in the possession of the owners and was plied by the driver engaged by the owners. The truck collided with a passenger bus due to which some passengers of the bus were injured. The injured persons preferred separate claim applications. It was claimed that the bank along with owners of the truck should be held liable vicariously. Decide whether the hypothecating bank can be held liable for payment of compensation to the victims of the accident caused by the owners' employee. What is the status of the hypothecating bank — only as a debtor or as a creditor? (5 marks)

2005 - Dec [3] (b) Write notes on the following:

- (ii) 'Approved' and 'non-approved' securities for banks. (5 marks)

Chapter - 5 : Development Banking

2005 - Dec [2] (b) State briefly the procedure followed by the National Housing Bank (NHB) for securitisation of housing loans granted by housing finance companies. (7 marks)

Chapter - 6 : RBI and its control on Commercial Banks

2005 - Dec [3] (b) Write notes on the following:

- (iii) 'Credit Information Bureau of India Ltd. '(CIBIL). (5 marks)

2005 - Dec [4] Attempt the following:

- (vi) Distinguish between 'quantitative credit control' and 'qualitative credit control'. (3 marks)

Chapter - 8 : Banking Sector Reforms in India

2005 - Dec [2] (a) "Financial sector reforms have changed the face of public sector banks in India." Do you agree ? Explain what should be the mission for banking sector in India. (8 marks)

2005 - Dec [4] Attempt the following:

- (ii) "Rating for banks is based on 'CAMELS' approach." Comment. (3 marks)
- (iii) What is meant by 'virtual distribution' of bank products? (3 marks)

Chapter - 9 : Risk and Insurance

2005 - Dec [5] {C} Attempt the following:

- (v) Identify the type of hazard in the following cases giving reasons therefor:
 - (a) Defective lock on a door.
 - (b) Leaving car keys in an unlocked car.
 - (c) Defective wiring.
 - (d) Inflating the amount of claim.
 - (e) Leaving the cheque book on the table. (1 mark each)

2005 - Dec [8] Attempt the following:

- (iv) Explain basic categories of risks. (3 marks)

Chapter - 10 : Insurance – Meaning, Nature and Significance

2005 - Dec [7] (a) State briefly the functions which are mandated for the Insurance Regulatory and Development Authority (IRDA). (5 marks)

2005 - Dec [8] Attempt the following:

- (iii) Explain rural sector definition for insurance companies as per the Insurance Regulatory and Development Authority (IRDA) regulations. (3 marks)
- (vi) What are the 'captive insurers'? (3 marks)

Chapter - 11 : Life Insurance

2005 - Dec [5] {C} Attempt the following:

- (i) Manoj applied for a life insurance policy. He stated in the application that he had never smoked cigarettes. In fact, he had been smoking cigarettes for the last 13 years and during the months before he applied for insurance, he was smoking approximately 10 cigarettes daily. About 10 months later, Manoj died of reasons unrelated to smoking. The beneficiary filed a claim for the death proceeds. The insurer discovered that Manoj smoked cigarettes and denied payment because of a material misrepresentation. Can the insurer deny liability because of Manoj's false statement? (5 marks)
- (ii) Joseph Basker Raj applied for a life insurance policy on his life. Five months after the policy was issued, he died. The death certificate named the deceased as Joseph Prakash Raj, his 'true name'. The insurer denied payment on the ground that Joseph had concealed a material fact not revealing his real identity. Is it correct on the part of the insurer to deny payment? Give reasons. (5 marks)

- (iii) Ganeshan assigned his policy to his minor son Kartik and appointed the mother as the guardian to receive the money till his son was a minor. After sometime, the family needed the money and decided to surrender the policy. Whether surrender of the policy is possible? Suggest any other alternative by which Ganeshan can take back the ownership over the policy? (5 marks)
- (iv) Suresh takes out an endowment policy for 15 years for Rs.15,000 and the premium payable is Rs. 1,200 per annum. He pays premium for 3 years and then stops. What is the surrender value of the policy' assuming that surrender value of bonuses already accrued is Rs.300? (5 marks)

2005 - Dec [8] Attempt the following:

- (ii) "Self-insurance is the same as insurance." Comment. (3 marks)

Chapter - 12 : General Insurance

2005 - Dec [6] (b) Explain the concept of 'subrogation'. How is the doctrine of subrogation applied on marine insurance policies, personal accident insurance policies and fire and miscellaneous insurance policies? (7 marks)

Chapter - 13 : Accident and Motor Insurance

2005 - Dec [8] Attempt the following:

- (i) Write short note on 'solatium fund scheme'. (3 marks)
- (v) Explain 'insured's declared value' (IDV) under the motor insurance. (3 marks)

Chapter - 15 : General Insurance Corporation

2005 - Dec [6] (a) Describe the role of the Export Credit Guarantee Corporation (ECGC) in risk management in international trade. (8 marks)

Chapter - 16 : Marine Insurance

2005 - Dec [7] (c) Explain different types of marine insurance policies generally being issued by insurance companies in India. (5 marks)

Chapter - 18 : Insurance Surveyorship

2005 - Dec [7] (b) Narrate the salient features of licensing of surveyors and loss assessors. (5 marks)

Chapter - : Introduction to Banking

2005 - Dec [4] Attempt the following:

- (i) "We should have small number of large banks rather than large number of small banks." Comment. (3 marks)

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