



BUSINESS STUDIES

BOOKS - VK GLOBAL PUBLICATION BUSINESS STUDIES (HINGLISH)

BUSINESS SERVICES

Case Problems

1. Zeenat has recently completed her course in Fashion Designing from NIFT. Now her father wants her to do something creative. He has no consideration for earning money. He wants that Zeenat should teach fashion designing to those girls who have great interest in it but have failed to get admission to the Fashion Designing Course because of their poor financial position. His aim is to help the girls from poor families. so he gave ₹ 10 lakh to Zeenat to establish a Fashion Designing Centre. 50 girls could take admission in this centre. Zeenat announced nominal fees

to be charged for admission. Within one week of the opening of the centre, all the seats were filled. After getting training in this centre, if popular. She spent ₹ 5 lakh out of the total ₹ 10 lakh on infrastructure and other things, and the remaining ₹ 5 lakh she deposited in the Savings Account of a bank. One of her friends was a bank employee. She advised Zeenat that instead of keeping ₹ 5 lakh in the Saving Account, She should keep them in Fixed Deposit Account. But Zeenat replied that she would need money any time and so she could not keep her money in such a bank account which would serve the purpose of both, the Savings Account and the Fixed Deposit Account. From this account she could withdraw money as and when needed and a definite amount would continue to get automatically transferred to the Fixed Deposit. Zeenat opened the account with her bank.

Identify and explain the type of Bank Account which Zeenat's friend advised her to open in the bank.



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2. Mr. Rajesh is employed in a branch of Panjab National Bank in Delhi. His friend, Mr. Vijay goes to the bank very often. One day, Vijay goes to the bank to get a Bank Draft issued. There in noticed that a customer of the bank told Rajesh that he wanted to transfer ₹ 40,000 to Chandigarh immediately. Rajesh explained to him that it was not possible to transfer the money immediately, it would be done after some time. When some such cases of transfer would come, all of them would be transferred in a batch. On another day, Vijay noticed that one of the bank customers came and asked Rajesh if he could get ₹ 3 lakh transferred to Mumbai immediately. Rajesh replied in affirmative. Vijay asked Rajesh why he refused to transfer ₹ 40,000 to Chandigarh immediately that day, and how ₹ 3 lakh got transferred to Mumbai immediately now. Rajesh explained this to Vijay, and he was satisfied.

What explanation must have been given by Rajesh to Vijay ?



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3. The owner of 'Govinda Fertilisers', Rehan opened a current account in 'The Punjab National Bank'. The customer can often withdraw money from the current account only up to the amount deposited in it. One day he needed money more than the balance in the account. He was worried about how to arrange the money. He needed this amount for about for about a day or so. One of his friends told him that the customers having a current account in the bank can get the permission to withdraw money more than the balance in the account after making an agreement with the bank.

Identify the facility provided by the bank referred to in the above case.



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4. Aditya gets his house insured against fire of ₹ 10 lakh with insurer A and for ₹ 5 lakh with insurer B. A loss of ₹ 3 lakh occurred. How much compensation can he claim from A and B ? Why ?



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5. Sukram has taken fire insurance policy for his factory. Due to fire he suffered a loss of ₹ 2 lakh and he gets the compensation for the same. The half-burnt goods can be sold for ₹ 30,000. Who has the right over it ? Why ?



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6. A factory owner gets his stock of goods insured, but he hides the fact that the electricity board has issued him a statutory warning letter to get his factory's wiring changed. Later on, the factory catches fire due to short circuit of wiring. Can he claim compensation ?



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7. Shubham has taken a loan from Saurabh against the security of his factory. Can Saurabh take a fire insurance policy of that factory ?



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8. Rishabh insured his factory for ₹ 5 lakh against fire. Due to fire, he suffered a loss of ₹ 2 lakh. How much amount he can recover from the insurance company ? Why ?



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9. Ashish took a marine policy to cover the goods exported by him. Under the policy goods have been insured against damage likely to be caused by sea-water. During the voyage a hole was caused in the bottom of the ship. Through this hole sea water entered into the ship which damaged the goods insured. Can Ashish claim compensation for the loss ?



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10. Sohan took the life insurance policy of his wife. After one year, the couple got divorced and after two years, his wife met with accident and died on the spot. Is Sohan entitled to get compensation from the insurance company, if Sohan was regularly paying the premium amount ?

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11. Madhav took a fire insurance policy of ₹ 20 lakh for his factory at the annual premium of ₹ 24,000. In order to avoid premium more than this amount, he did not disclose that highly explosive chemicals are being manufactured in his factory. Due to a fire, his factory gets severely damaged. The insurance company refused to make the payment for claim as it became aware about the highly explosive chemicals. Is Madhav entitled to receive the claim ? Give reason in support of your answer.

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12. A transport company took an accident insurance policy for all its vehicles. A truck of that company carrying oranges met with an accident. Due to that accident there was no damage to oranges but oranges were unloaded from the truck and reloaded to another. Due to time wasted in unloading and reloading the oranges got spoiled. Will the company get

compensation for loss of oranges from the insurance company or not ?

Which principle is related with this car ?



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13. Mr. Suman took an Insurance Policy against his car and after three months he sold it to Mr. Sunil. The car was stolen from outside of Mr. Sunil's house. Mr. Suman made a claim to the insurance company. His claim was rejected on the ground that Mr. Suman was no longer owner of the car, so he has no insurable interest and he has no financial loss with the loss of the car.

(a) Was Mr. Suman right in making claim ? Give reason in support of your answer.

(b) Who can claim compensation ?



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Multiple Choice Questions

1. DTH services are provided by _____.

A. Transport companies

B. Stocks

C. Cellular companies

D. None of these

Answer: C



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2. Overdraft facility is available only on

A. Current account deposits

B. Saving account deposits

C. Recurring deposits

D. Fixed deposits

Answer: A



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3. It is a type of saving bank account in which excess of a particular limit gets automatically transferred to fixed deposit account.

- A. Current deposits account
- B. Recurring deposits
- C. Multiple option deposit account
- D. None of these

Answer: C



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4. Current account is most suitable for the mobilisation of savings of the public. True/False ? Give reasons.



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5. The bank does not pay any interest on saving account deposit.

True/False ? Give reasons.



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6. Overdrafts are only allowed in current accounts. True/False ? Give reasons.



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7. Money can be withdrawn from fixed deposit accounts by cheques.

True/False ? Give reasons.



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8. Who can get an overdraft from a bank ?



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9. Which type of deposit account is suitable for business organisations ?

Why ?



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10. Which type of deposit account offers maximum interest on the deposits ?



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11. Mention any two methods of advancing loans by the commercial banks.



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12. Name the banking service in which the customers can conduct banking activities like managing savings, checking accounts, applying for loans, etc. over the internet.



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13. The bank issues a financial instrument, with the help of which money can be sent from one place to another. Identify this instrument.



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14. Match the columns :

- (i) Insured must have some economic interest in the subject matter of insurance
- (ii) After compensating the loss, insurer gets all the rights with respect to the subject matter of insurance
- (iii) Insured is entitled to recover the loss suffered by him, up to the limit of the sum insured



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15. A contract of insurance is a contract of indemnity in every case.

True/False ? Give reason.



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16. In fire and marine insurance, the insured event may or may not happen. True/False



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17. In a life insurance contract, insurable interest must exist both at the time of making the contract and at the time of payment under the policy.

True/False ? Give reason.



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18. In fire insurance, the policy-holder need to have insurable interest in the goods only at the time of taking the policy. True/False ? Give reason.



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19. Principle of inemnity is not applicable to which insurance ?



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20. A company has undertaken a fire insurance policy for ₹ 8 lakh. After two months due to fire it incurred a loss of ₹ 5 lakh. How much amount will the company get as compensation ?



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21. At what time the insurable interest must be present in case of life insurance ?

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22. Name the principle of insurance under which the insurer stands in place of the insured after settlement of claim, in relation to the insured property.

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23. Name the type of insurance wherein insurable interest need not exist when the policy is taken.

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24. When should insurable interest be present in fire insurance ?

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25. When should insurable interest be present in marine insurance ?



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26. Name the principle of insurance which states that it is the duty of the insured to take reasonable steps to minimise the loss or damage to the insured property.



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27. Ragini has insured her house for ₹ 5,00,000 against the fire. There is a fire and Ragini suffers a loss of ₹ 1,00,000. How much amount she can recover from the insurer ?



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28. Mention any two persons who have insurable interest in case of a marine insurance policy.



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29. In which type of insurance, insurable interest must exist both at the time of insurance and at the time of loss ?



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30. " The insured must have an interest in the subject matter of insurance." Which principle of insurance is referred to in this statement ?



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Remembering Based Questions

1. What is e-Banking ? Explain the benefits of e-Banking to customers and banks.



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Projects Assignments

1. Visit a nearby bank branch in your locality and collect information about various types of account available for customers to open as per their requirement.



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