

END SEMESTER THEORY EXAMINATION JANUARY-2021

Program:	B.COM (Hons.)	Year/Semester:	5th-Semester
Course/Subject:	Insurance and Risk Management	Duration:	3:00 Hrs.
Course/Subject Code:	06070506	Maximum Marks:	60
		Batch:	2017 & 2018

Instructions:-

1. Write Your Roll No. on the Question Paper.
2. Candidate should ensure that they have been provided correct question paper. Complaint(s) in this regard, if any should be made within 15 minutes of the commencement of the exam. No complaint(s) will be entertained thereafter.
3. All Questions are compulsory. Marks are indicated against each question.
4. Illustrate your answer with diagram wherever required.

SECTION-A**(Very Short Answer Type Questions)****Note: All Questions are compulsory: -****[12×1=12 Marks]**

S. No.	Question	Marks Allotted
1	How does objective risk differ from subjective risk?	1
2	Define chance of loss.	1
3	What do you mean by pooling of losses?	1
4	Define the term Risk transfer.	1
5	What are the two major differences between insurance and hedging?	1
6	Define Indemnification.	1
7	What do you mean by the term insurance?	1
8	What is payment of fortuitous loss?	1
9	Define double insurance.	1
10	What are the different types of General Insurance policies available in India?	1
11	What are the benefits of taking health insurance?	1
12	What do you mean by sea perils?	1

SECTION-B
(Short Answer Type Questions)

Note: All Questions are compulsory: -

[4×2=8 Marks]

S. No.	Question	Marks Allotted
13	List the major types of pure risk that are associated with economic insecurity.	2
14	Explain Principle of insurable interest with example.	2
15	What are the main features of a Term Insurance plan?	2
16	Write a short note on Marine Insurance.	2

SECTION-C
(Descriptive Answer Type Questions)

Note: All Questions are compulsory: -

[4×4=16 Marks]

S. No.	Question	Marks Allotted
17	Briefly explain each of the following risk-control technique for managing risk: 1. Retention 2. Noninsurance transfers 3. Insurance	4
18	Write a note on: a) Insurance claim b) Principle of full disclosure	4
19	Briefly explain whole life policy and endowment policy.	4
20	What are the characteristics of General Insurance?	4

SECTION-D
(Long Answer Type Questions)

Note: All Questions are compulsory: -

[4×6=24 Marks]

S. No.	Question	Marks Allotted
21	Risk managers use a number of methods for managing risks. For each of the following, what method for handling risk is used? Explain your answer. a) The decision not to carry earthquake insurance on a firms main manufacturing plant. b) The installation of an automatic sprinkler system in a hotel. c) The decision not to produce that might result in a product liability lawsuit.	6

22	Briefly write a note on the following: a) The basic characteristics of term insurance. b) Major types of term insurance. c) Major limitations of term insurance.	6
23	What is Insurance? Why is insurance important? Briefly discuss the Principles of Insurance.	6
24	What do you mean by Fire Insurance? What is the Importance and benefits of Fire Insurance?	6