

M.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2023.

First Semester

Commerce – Core

INSURANCE AND RISK MANAGEMENT

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The business of insurance is related to protection of
 - (a) status
 - (b) savings
 - (c) economic value of assets
 - (d) profits

2. The Insurance Act was enacted in the year
 - (a) 1930
 - (b) 1938
 - (c) 1956
 - (d) 1897
3. A life insurance contract is based on
 - (a) completed proposal form and personal statement made before the doctor
 - (b) proposal form and medical report
 - (c) proposal form and agent's report
 - (d) none of these
4. The premium is lowest for
 - (a) term insurance
 - (b) money back policy
 - (c) endowment policy
 - (d) whole life policy
5. Fire insurance is usually issued for
 - (a) two years
 - (b) a year
 - (c) three years
 - (d) four years
6. _____ insurance covers the insurance of the vessel and its equipments.
 - (a) Hull
 - (b) Cargo
 - (c) Freight
 - (d) Liability

7. The IRDA stands for
 - (a) Insurance Regulators and Development Activity
 - (b) Insurance Reconstruction and Development Activity
 - (c) Insurance Regulatory and Development Authority
 - (d) Insurance Regulators and Development Activity
8. _____ are agents but they can sell policies of several life and non-life insurance companies at a time.
 - (a) Surveyors
 - (b) Brokers
 - (c) Loss assessors
 - (d) Banks
9. Risk is evaluated on the basis of _____ theory.
 - (a) Variability
 - (b) Contingency
 - (c) Probability
 - (d) All
10. The first step in risk management process is _____.
 - (a) Risk identification
 - (b) Risk evaluation
 - (c) Risk transfer
 - (d) Setting objectives of risk management

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).
Each answer should not exceed 250 words.

11. (a) Explain the nature of insurance.
Or
(b) Discuss the ways of privatization of insurance.
12. (a) Explain the characteristics of an insurable risk.
Or
(b) Explain the factors influencing demand for insurance.
13. (a) Differentiate insurance and assurance.
Or
(b) Give an outline of marine losses.
14. (a) Explain the role of insurance brokers.
Or
(b) Explain briefly the provisions of the Insurance Act regarding licensing of agents.

15. (a) Describe the steps in risk management process.

Or

(b) Explain the various loss reduction methods.

PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the major types of insurance.

Or

(b) Explain the role of insurance in economic development.

17. (a) Discuss the principles of life insurance.

Or

(b) Explain the different plans of premium.

18. (a) Discuss the procedure involved in taking motor insurance.

Or

(b) What are the different types of marine losses? Discuss the total loss in detail.

Page 5 Code No. : 7524

19. (a) Explain the role of insurance ombudsman in redressing the grievances of policy holders.

Or

(b) Explain the concept of life and non-life insurers firms in India.

20. (a) Distinction between compulsion and voluntarism.

Or

(b) Explain the methods of managing investment risk.

Page 6 Code No. : 7524