III Semester M.Com. (F.A.)/M.F.A. Examination, Jan. 2017
(CBCS) (Semester Scheme)
COMMERCE
Paper – 3.4 : Insurance and Risk Management

Time : 3 Hours
Max. Marks : 70

SECTION – A

1. Answer briefly any 7 questions. Each question carries 2 marks. (2x7=14)
   a) What do you mean by 'Risk'?
   b) Define insurance.
   c) What is moral hazard?
   d) What is money back plan?
   e) What is a cover note?
   f) What is certificate of insurance?
   g) What is warranty?
   h) Define proximate cause.
   i) What is third party insurance?
   j) What is whole life insurance?

SECTION – B

Answer any 4 questions. Each question carries 5 marks. (5x4=20)

2. Write a note on the importance and various methods of risk management.

3. What do you mean by insurable interests? What are its various forms? State its importance.

4. 'All contracts are contracts of indemnity'. Do you agree? If so why? Discuss with its exceptions, if any.

5. What are the risks covered under marine cargo ICC 'B' cover?

6. Write a note on distribution of bonus.


P.T.O.
SECTION – C

Answer any 3 questions. Each question carries 12 marks. (12×3=36)

8. a) What do you mean by ‘Fire’ under a fire policy of insurance.
   b) What are the various points covered under a standard fire insurance policy?

9. Discuss the importance of utmost good faith in insurance.

10. What are the powers and functions of IRDA Act 1999?

11. What do you mean by underwriting of Insurance Policies?
    Pl. discuss what details are necessary for underwriting.
    i) a fire policy
    ii) a life insurance policy
    iii) a marine cargo insurance policy.

12. M/s Lokesh Industries have taken out a fire declaration insurance policy in respect of their stocks of raw materials. Semi finished product and finished products for a period of one year w.e.f. 1-4-2015.

The following are the 12 declarations received during the year. Please work out the additional premium payable or refund of premium allowed under the policy based on the following details.
Sum insured : Rs. 80,00,000/-
Rate of premium : Rs. 1.00 per thousand
Basis : Declaration basis.
Declarations are:

<table>
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<th>Date</th>
<th>Rs.</th>
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<tr>
<td>1. April 2015</td>
<td>65,00,000</td>
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<tr>
<td>2. May 2015</td>
<td>75,00,000</td>
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<tr>
<td>3. June 2015</td>
<td>85,00,000</td>
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<tr>
<td>4. July 2015</td>
<td>65,00,000</td>
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<tr>
<td>5. Aug 2015</td>
<td>80,00,000</td>
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<td>6. Sept. 2015</td>
<td>95,00,000</td>
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<td>7. Oct. 2015</td>
<td>1,20,00,000</td>
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<td>8. Nov. 2015</td>
<td>1,30,00,000</td>
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<td>9. Dec. 2015</td>
<td>1,20,00,000</td>
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<td>10. Jan. 2016</td>
<td>1,45,00,000</td>
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<td>11. Feb. 2016</td>
<td>1,50,00,000</td>
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<tr>
<td>12. March 2016</td>
<td>1,66,00,000</td>
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(Hint – In calculating the risk covered used the principle.
Amount covered = Declared amount – sum insured)
III Semester M.F.A. Degree Examination, January 2016
(Semester Scheme)
FINANCE & ACCOUNTING
3.6: Insurance and Risk Management

Time: 3 Hours Max. Marks: 80

SECTION - A

1. Answer any ten of the following briefly. (10 x 2 = 20)

a) What is an early claim?

b) Define indemnity.

c) Define warranty.

d) Cover note - its importance.

e) Name parts of a policy document.

f) Expand the following:
   ELSS, COPA, ULIP, IRDA.

g) What is presumption of death?

h) What is social insurance?

i) What is speculative risk?

j) What do the following symbols represent?
   \( l_x, p_x, q_x, d_x \)

k) What is assignment of a policy?

l) What is salary savings scheme?
SECTION - B

Answer any three of the following, each question carries 5 marks : (3×5=15)

2. Discuss the importance of utmost good faith in insurance.

3. Discuss different methods of valuation.

4. Explain the benefits under a money back type of plan.

5. What are the guidelines/regulations of IRDA relating to claim settlement?

6. Discuss relationship between indemnity, subrogation and contribution.

SECTION - C

Answer any two of the following, each question carries 15 marks : (2×15=30)

7. What is numerical underwriting and its advantages?

8. Write short notes on:
   a) Hit and Run accident.
   b) Distribution channels.
   c) Accident and disability benefits.

9. Discuss methods of risk management.

10. a) Discuss methods of revival.
    b) State requirements for revival of a lapsed policy.
    c) Calculate arrears of premium payable in the following example

   Date of application for revival : 20-12-2014 rate of interest 9% p.a. simple interest
   DOC 15-09-2009
   Last premium due paid 15-09-2011
   Mode half-yearly
   Sum assured Rs. 1,00,000
   H.I. premium Rs. 2,600

    d) What would be the benefits under the policy, if it is not revived?