



PG – 597

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. (2×7=14)
- What do you mean by 'Risk' ?
  - Define insurance.
  - What is moral hazard ?
  - What is money back plan ?
  - What is a cover note ?
  - What is certificate of insurance ?
  - What is warranty ?
  - Define proximate cause.
  - What is third party insurance ?
  - What is whole life insurance ?

SECTION – B

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

- Write a note on the importance and various methods of risk management.
- What do you mean by insurable interests ? What are its various forms ? State its importance.
- 'All contracts are contracts of Indemnity'. Do you agree ? If so why ? Discuss with its exceptions, if any.
- What are the risks covered under marine cargo ICC 'B' cover ?
- Write a note on distribution of bonus.
- Write a note on Consumer Protection Act 1986.

P.T.O.



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 :

	Rs.
1. April 2015	65,00,000
2. May 2015	75,00,000
3. June 2015	85,00,000
4. July 2015	65,00,000
5. Aug 2015	80,00,000
6. Sept. 2015	95,00,000
7. Oct. 2015	1,20,00,000
8. Nov. 2015	1,30,00,000
9. Dec. 2015	1,20,00,000
10. Jan. 2016	1,45,00,000
11. Feb. 2016	1,50,00,000
12. March 2016	1,66,00,000

(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. (10x2=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 ?

P.T.O.



## SECTION – B

Answer **any three** of the following, **each** question carries **5** marks : (3x5=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 : (2x15=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  
Hlf. premium Rs. 2,600
  - d) What would be the benefits under the policy, if it is not revived ?

