

**UNDERGRADUATE (C.B.C.S.S.) EXAMINATION, OCTOBER 2013****Fifth Semester****Open Course—INSURANCE AND RISK MANAGEMENT**

(Offered by the Board of Studies in Commerce)

Time : Three Hours

Maximum Weight : 25

*Answers may be written either in English or in Malayalam.*

**Section A**

*Answer all questions.*

*Each bunch of four questions carries a weight of 1.*

**I. Choose the correct options from the choice given below :—**

- 1 A fire insurance contract is a contract of :  
(a) Guarantee. (b) Bailment.  
(c) Indemnity. (d) Agency.
- 2 LIC was set up on :  
(a) 1st Sept. 1956. (b) 30th Sept. 1956.  
(c) 1st Oct. 1956. (d) None of these.
- 3 Burglary insurance covers the risks from :  
(a) By misusing cash and securities.  
(b) Theft and robbery.  
(c) Employers liability to employees.  
(d) None of these.
- 4 Which of the following policy is not a marine policy ?  
(a) Valued policy. (b) Open policy.  
(c) Voyage policy. (d) Average policy.

**II. Fill in the blanks :**

- 5 The voluntary relinquishment of a legal right is called \_\_\_\_\_.
- 6 The average clause is operative only in case of a \_\_\_\_\_.
- 7 Throwing some cargo into the sea from the ship internationally is known as \_\_\_\_\_.
- 8 All marine insurance contracts are subject to certain express and implied \_\_\_\_\_

**Turn over**

III. State whether the following statements True or False :

- 9 The Deposit Insurance and Credit Guarantee Act was passed in 1965.
- 10 A loss under a policy may be recovered even if it is not caused by any of the risks insured.
- 11 A marine policy is invariably subject to average clause.
- 12 In double insurance, the insured gets the amount from than one person.

IV. Name the following :—

- |                              |                       |
|------------------------------|-----------------------|
| 13 Social Insurance          | (a) Marine.           |
| 14 IRDA                      | (b) Fire insurance.   |
| 15 Voyage policy             | (c) Health insurance. |
| 16 Necessity of proof of age | (d) 1999.             |
|                              | (e) 2005.             |
|                              | (f) Life Insurance.   |

(4 × 1 = 4)

**Section B**

*Answer any five questions.  
Each question carries a weight of 1.*

- 17 Define Risk.
- 18 What is Acturial valuation ?
- 19 What is value at risk ?
- 20 State the meaning of "subrogation".
- 21 What is meant by Fidelity Insurance ?
- 22 What is endowment policy ?
- 23 What is a fire policy ?
- 24 State any *two* functions of IRDA.

(5 × 1 = 5)

**Section C**

*Answer any four questions.  
Each question carries a weight of 2.  
Answer should not exceed half a page.*

- 25 Distinguish between Re-insurance and Double insurance.
- 26 Explain the salient features of Jeevan Chhaya.
- 27 What are expressed warranty in marine insurance ?
- 28 Write a note on the process of risk management.
- 29 Briefly explain the role of surveyors and loss assessors.
- 30 "Like insurance is both a protection and an investment." Explain.

(4 × 2 = 8)

**Section D**

*Answer any two questions.*

*Each question carries a weight of 4.*

*Answer should not exceed four pages.*

- 31 What is Insurance ? Explain the fundamental principles of insurance.
- 32 Explain how mortality table is constructed.
- 33 Briefly explain the procedure for settlement of claim in fire insurance policies.

(2 × 4 = 8)