

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2010**Second Semester****Core Course 5—PRINCIPLES OF INSURANCE**

(Common for Model-I, Model-II (Vocational) and UGC sponsored programmes)

Time : Three Hours

Maximum Weight : 25

Answers may be written either in English or in Malayalam.

Section A

This section consists of 4 bunches of 4 questions each.

Each bunch carries a weight of 1.

Answer all questions.

I. Choose the correct answer from the choices given :

1 Insurance except life is a contract of :

- | | |
|----------------|----------------|
| (a) guarantee. | (b) indemnity. |
| (c) wager. | (d) bailment. |

2 Causa proxima means :

- | | |
|------------------------|-----------------|
| (a) remote cause. | (b) no cause. |
| (c) approximate cause. | (d) real cause. |

3 A marine insurance policy :

- | |
|---|
| (a) cannot be assigned. |
| (b) can be assigned before the loss. |
| (c) can be assigned after the loss. |
| (d) can be assigned before or after the loss. |

4 Every insurer seeking to carry out the business of insurance in India is required to obtain a certificate of registration from :

- | | |
|--------------------------|-----------|
| (a) IRDA. | (b) RBI. |
| (c) Ministry of Finance. | (d) SEBI. |

II. Fill in the blanks :

5 The amount payable to the insured when he decides to discontinue the policy is called _____.

6 In India, the first insurance company was established in the year _____.

Turn over

- 7 When the insurer insures the same risk with two or more independent insurers it is called _____.
- 8 The clause included in a marine insurance policy to claim the loss caused by collision with another ship is called _____.

III. State whether the following statements are True or False : —

- 9 A Valuation Balance Sheet is prepared by Marine insurance company.
- 10 Actuary is a person who determines the profit of life insurance companies.
- 11 The subject matter of insurance is risk.
- 12 Partnership firms can do insurance business in India.

IV. Match the following A with B : —

A

B

- | | |
|-----------------------------|------------------------|
| 13 Mediclaim. | (a) Marine insurance |
| 14 Endowment policy. | (b) Fire insurance. |
| 15 Lost or not lost clause. | (c) Life insurance. |
| 16 Comprehensive policy. | (d) Health insurance. |
| | (e) Vehicle insurance. |

(4 × 1 = 4)

Section B

Answer any five questions.

Each question carries a weight of 1.

17. What is utmost good faith with reference to insurance contract?
18. What is average clause ?
19. What is the minimum amount of capital required for starting an insurance company in India ?
20. What is Jettison clause in a marine policy.
21. What is the difference between "Subject matter of insurance" and "subject matter of contract of insurance".
22. Expand IDV.
23. What is solvency margin ?
24. What is a Joint Life policy?

(5 × 1 = 5)

Section C

*Answer any **four** questions.*

Each question carries a weight of 2.

25. What are the benefits of insurance ?
26. Explain the role of actuaries in insurance business.
27. Distinguish between Re-insurance and Double insurance.
28. What is surrender value ? How does it differ from paid-up value ?
29. Explain the procedures to be followed for making a fire claim.
30. Distinguish between Life Insurance and Fire insurance.

(4 × 2 = 8)

Section D

*Answer any **two** questions.*

Each question carries a weight of 4.

31. State and explain the different principles of insurance.
32. Describe the various clause in a Marine Policy.
33. Explain the provisions relating to registration of insurance companies in India.

(2 × 4 = 8)