

**C.B.C.S.S. – B.Com. DEGREE EXAMINATION, APRIL 2011****Second Semester****Core Course V—PRINCIPLES OF INSURANCE**

(Common for Model I, Model II and UGC sponsored B.Com. Degree 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 The consideration payable by the insured person to the insurer is called the \_\_\_\_\_.  
(a) Bonus. (b) Annuities.  
(c) Premium. (d) Fund.
- 2 Mr. X, the owner of a property insures it against fire for Rs. 75,000 with company A and Rs. 50,000 with company B. It is an example of \_\_\_\_\_.  
(a) Re-insurance. (b) Double insurance.  
(c) Fire insurance. (d) Renewal of Insurance.
- 3 The Insurance Regulatory and Development Authority Act was passed on \_\_\_\_\_.  
(a) 1972. (b) 1998.  
(c) 1992. (d) 1999.
- 4 Which of the following is not included in marine insurance ?  
(a) Social insurance. (b) Hull insurance.  
(c) Cargo insurance. (d) Freight insurance.

**II. Fill in the blanks :**

- 5 All marine insurance contracts are subject to certain express and implied \_\_\_\_\_.
- 6 General insurance policies are normally issued for a period of \_\_\_\_\_.
- 7 \_\_\_\_\_ is the party who agrees to compensate other person against possible loss.
- 8 All insurance contracts, except life are based on the principle of \_\_\_\_\_.

**Turn over**

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

- 9 Life Assurance Fund represents profit of the Life Insurance Company.
- 10 Valuation balance sheet is prepared to know surplus or deficiency of life insurance.
- 11 Final accounts of insurance concerns are prepared according to the provisions of the Insurance Act, 1938.
- 12 The insurance of cargo includes good and merchandise and not the personal belongings of the crew and passengers.

IV. Match the following A with B :

A	B
13 Health Insurance	(a) Policy holder.
14 Insured	(b) Life Insurance.
15 Hull Insurance	(c) Social Insurance.
16 Marine Insurance Act	(d) Insurance of Vessel.
	(e) 1961.
	(f) 1963.

(4 × 1 = 4)

### Section B

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

- 17 What is Joint Life policy ?
- 18 What do you mean by subrogation ?
- 19 What do you mean by assignment of policy ?
- 20 Define Fire Insurance.
- 21 What is floating policy ?
- 22 What do you mean by Hull Insurance ?
- 23 Distinguish between Re-insurance and Double Insurance.
- 24 How does a life insurance company ascertain its profit ?

(5 × 1 = 5)

### Section C

*Answer any four questions.  
Each question carries a weight of 2.*

- 25 Explain the procedures to be followed for making a fire claim.
- 26 What is the meaning of surrender value ? Is there a surrender value of General Insurance Policy also ?

- 27 What are the expressed warranty in marine insurance ?
- 28 Discuss the features of Fire Insurance Contract.
- 29 Explain the role of actuaries in Insurance business.
- 30 Define Insurance. Explain the uses of insurance.

(4 × 2 = 8)

#### Section D

*Answer any two questions.*

*Each question carries a weight of 4.*

- 31 State the procedure for taking a life insurance policy.
- 32 What are the powers and duties of Insurance Regulatory and Development Authority.
- 33 Define Marine Insurance. What are the kinds of marine insurance policies ?

(2 × 4 = 8)