

**B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2012****Second Semester****Core Course V—PRINCIPLES OF INSURANCE**

(Common for Model I, Model II and U.G.C. sponsored B.Com. Degree Programmes)

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 answer from the choices given :**

1 The subject matter of insurance is :

- (a) Income. (b) Risk.  
(c) Wealth. (d) Profit.

2 Life Insurance is a contract of :

- (a) Contribution. (b) Idemnity.  
(c) Property. (d) Guarantee.

3 A Marine Insurance Policy can be assigned :

- (a) After the loss. (b) Before the loss.  
(c) Cannot be assigned. (d) Before or after the loss.

4 The consideration payable by the insured person to the insurer is called :

- (a) Fund. (b) Bonus.  
(c) Annuities. (d) Premium.

**II. Fill in the blanks :**

5 The reserve for unexpired risk for fire business shall be \_\_\_\_\_ percent of the net premium.

6 Grace period allowed for annual, half yearly or quarterly payment of premium is \_\_\_\_\_.

7 Reinsurance of a reinsurer's business is called \_\_\_\_\_.

8 Marine total loss may be either an actual total loss or \_\_\_\_\_ total loss.

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

9 A fire policy does not carry any surrender value.

10 Life Assurance Fund represents profit of the Life Insurance Company.

11 A breach of warranty may be waived by the insurer.

- 12 The capital of an insurance company should consists only of ordinary shares each of which have a simple face value.

IV. Match the following :—

- |                      |                             |
|----------------------|-----------------------------|
| 13 Schedule C        | (a) Import-Export.          |
| 14 Motor Insurance   | (b) Revival.                |
| 15 Open cover policy | (c) 1999.                   |
| 16 Lapsed Policy     | (d) Third party.            |
|                      | (e) IRDA Regulations, 2000. |
|                      | (f) 2003.                   |

(4 × 1 = 4)

### Section B

*Answer any five questions.*

*Each question carries a weight of 1.*

- |                                   |                              |
|-----------------------------------|------------------------------|
| 17 What is reinsurance ?          | 18 What is solvency margin ? |
| 19 Define joint life policy.      | 20 What is average clause ?  |
| 21 Define Marine Insurance.       | 22 What is Time Policy ?     |
| 23 What is assignment of policy ? | 24 What is a rider ?         |

(5 × 1 = 5)

### Section C

*Answer any four questions.*

*Each question carries a weight of 2.*

- 25 Explain the various clauses in Marine Policy.
- 26 What is reverse fund ? State its need.
- 27 Explain the different types of risk.
- 28 Explain the role of actuaries in insurance business.
- 29 Describe the perils covered under Fire Insurance contract.
- 30 Describe the IRDA regulations with regard to final accounts of insurance companies.

(4 × 2 = 8)

### Section D

*Answer any two questions.*

*Each question carries a weight of 4.*

- 31 Discuss the importance of Insurance.
- 32 Define fire insurance. Explain the different types of fire insurance policies.
- 33 Explain the different principles of insurance.

(2 × 4 = 8)