

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MAY 2013**Second Semester****Core Course V—PRINCIPLES OF INSURANCE**

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

[For 2012 admission onwards]

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 Any contract that is based on speculation is called :
 - (a) Life insurance.
 - (b) Fire insurance.
 - (c) Wagering contract.
 - (d) Marine contract.
- 2 Mr. Balu, owner of a property insures it against fire for Rs. 1 lakh with company A and Rs. 50,000 with company B. It is called :
 - (a) Fire insurance
 - (b) Double insurance.
 - (c) Re-insurance.
 - (d) General insurance.
- 3 The premium is the lowest for :
 - (a) Endowment policy.
 - (b) Annuity policy.
 - (c) Whole life policy.
 - (d) Money-back policy.
- 4 The record of assets and liabilities of the general insurance company is :
 - (a) Balance sheet.
 - (b) Revenue account.
 - (c) Cash flow statement.
 - (d) Capital account.

II. Fill in the blanks :

- 5 _____ is the voluntary termination of contract by the policy holder during the currency of the policy.
- 6 _____ policy is usually for one year.
- 7 _____ refers to throwing a part of the goods overboard with a view to lighten the ship.
- 8 The IRDA Act was passed on _____.

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

- 9 All insurance contracts, except life and personal accident insurance are based on the principle of indemnity.
- 10 A fire policy does not carry any surrender value.

Turn over

- 11 Re-insurance enables wider distribution of risk.
- 12 A breach of warranty may be waived by the insurer.

IV. Match the following :

- | | |
|-------------------------|----------------------------|
| 13 Fire Insurance | (a) 1963. |
| 14 Marine Insurance Act | (b) Implied. |
| 15 Warranty | (c) Life Insurance. |
| 16 Health Insurance | (d) Contract of indemnity. |
| | (e) Social Insurance. |
| | (f) 1983 |

(4 × 1 = 4)

Section B

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

- 17 What is a valued policy ?
- 18 What do you mean by hull insurance ?
- 19 What is endowment policy ?
- 20 What is Causa-proxima ?
- 21 Expand IDV.
- 22 Write a short note on insurance ombudsman.
- 23 Write a short note on social insurance.
- 24 What is burglary insurance ?

(5 × 1 = 5)

Section C

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

- 25 Explain any four principles of insurance.
- 26 Explain the objectives of IRDA.
- 27 Describe the documents required by an insurance company for a contract with the proposer.
- 28 Discuss the features of Marine insurance policies.
- 29 What is motor insurance ? Explain the various types of Motor insurance policies.
- 30 What is Reserve Fund ? Briefly explain the need for Reserve Fund.

(4 × 2 = 8)

Section D

*Answer any **two** questions.*

Each question carries a weight of 4.

- 31 Explain in detail the procedure for settlement of claim in fire insurance policies.
- 32 Distinguish between Fire Insurance and Life Insurance.
- 33 Write short notes on :
 - (a) Insurance and economic development.
 - (b) Re-insurance and Double insurance.
 - (c) Solvency margin.

(2 × 4 = 8)