

**B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MAY 2014****Second Semester****Core Course V—PRINCIPLES OF INSURANCE**

(Prior to 2013 Admissions)

[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***Answer all questions.**Each bunch of four questions carries a weight of 1.***I. Choose the correct answer from the choices given :****1 Reserve for unexpired risk of marine hull business shall be :**

- |                       |                      |
|-----------------------|----------------------|
| (a) 50 % of premium.  | (b) 25 % of premium. |
| (c) 100 % of premium. | (d) None of these.   |

**2 A comprehensive policy is also known as :**

- |                      |                          |
|----------------------|--------------------------|
| (a) All risk policy. | (b) Partial risk policy. |
| (c) Nil risk policy. | (d) Tax benefits policy. |

**3 The policies under motor insurance are :**

- |                                |                                        |
|--------------------------------|----------------------------------------|
| (a) Act liability only policy. | (b) Third party liability only policy. |
| (c) Comprehensive policy.      | (d) All of these.                      |

**4 Submitting a policy back to the insurer before maturity is called :**

- |                 |                  |
|-----------------|------------------|
| (a) Revival.    | (b) Surrender.   |
| (c) Nomination. | (d) Termination. |

**II. Fill in the blanks :**

- 5 General insurance policies are normally issued for a period of \_\_\_\_\_.
- 6 The thing or property insured is called the \_\_\_\_\_ of insurance.
- 7 The principle of subrogation is an extension of the principle of \_\_\_\_\_.
- 8 The life insurance contract is expressed in a document known as \_\_\_\_\_.

**Turn over**

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

- 9 Solvency margin is the excess of the assets of the company over its liabilities.
- 10 Any contract that is based on speculation is called a wagering contract.
- 11 The rights of subrogation and contribution exist in life insurance.
- 12 Human life is the subject matter of a contract of life assurance.

IV. Match the following :—

- |                    |                              |
|--------------------|------------------------------|
| 13 Schedule 'C'    | (a) Revival.                 |
| 14 Floating policy | (b) Marine insurance.        |
| 15 Lapsed policy   | (c) IRDA, regulations, 2000. |
| 16 Time policy     | (d) Fluctuating stock.       |
|                    | (e) Surrender.               |
|                    | (f) Motor Insurance.         |

(4 × 1 = 4)

### Section B

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

- 17 Write a short note on the principle of "Utmost Good Faith".
- 18 What do you mean by the "subject matter" in insurance.
- 19 Define re-insurance.
- 20 What do you mean by subrogation ?
- 21 Write a short note on group insurance schemes.
- 22 Distinguish between Nomination and Assignment.
- 23 Explain Foreclosure.
- 24 What is Reserve Fund ?

(5 × 1 = 5)

### Section C

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

- 25 Distinguish between Life Insurance and General Insurance.
- 26 Write a short account on final accounts of General Insurance.
- 27 Describe the perils covered under fire insurance contract.
- 28 Explain the role of actuary in life insurance business.

- 29 What are the expressed warranty in marine insurance ?  
30 Write a short note on IRDA.

(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 Discuss the essential features of fire insurance policies.  
33 Write a short note on :  
(a) Burglary insurance. (b) Health Insurance.  
(c) Motor Insurance. (d) Fidelity Guarantee Insurance.

(2 × 4 = 8)