



PG – 597

**III Semester M.Com. (F.A.)/M.F.A. Examination, Jan. 2017
(CBCS) (Semester Scheme)
COMMERCE
Paper – 3.4 : Insurance and Risk Management**

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer briefly **any 7** questions. **Each** question carries **2** marks. (2×7=14)
- a) What do you mean by 'Risk' ?
 - b) Define Insurance.
 - c) What is moral hazard ?
 - d) What is money back plan ?
 - e) What is a cover note ?
 - f) What is certificate of insurance ?
 - g) What is warranty ?
 - h) Define proximate cause.
 - i) What is third party insurance ?
 - j) What is whole life insurance ?

SECTION – B

Answer **any 4** questions. **Each** question carries **5** marks. (5×4=20)

2. Write a note on the importance and various methods of risk management.
3. What do you mean by insurable interests ? What are its various forms ? State its importance.
4. 'All contracts are contracts of Indemnity'. Do you agree ? If so why ? Discuss with its exceptions, if any.
5. What are the risks covered under marine cargo ICC 'B' cover ?
6. Write a note on distribution of bonus.
7. Write a note on Consumer Protection Act 1986.

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SECTION – C



Answer **any 3** questions. **Each** question carries **12** marks.

(12×3=36)

8. a) What do you mean by 'Fire' under a fire policy of insurance.
b) What are the various points covered under a standard fire insurance policy ?
9. Discuss the importance of utmost good faith in insurance.
10. What are the powers and functions of IRDA Act 1999 ?
11. What do you mean by underwriting of Insurance Policies ?
Pl. discuss what details are necessary for underwriting.
 - i) a fire policy
 - ii) a life insurance policy
 - iii) a marine cargo insurance policy.
12. M/s Lokesh Industries have taken out a fire declaration insurance policy in respect of their stocks of raw materials. Semi finished product and finished products for a period of one year w.e.f. 1-4-2015.

The following are the 12 declarations received during the year. Please work out the additional premium payable or refund of premium allowed under the policy based on the following details.

Sum insured : Rs. 80,00,000/-

Rate of premium : Rs. 1.00 per thousand

Basis : Declaration basis.

Declarations are :

	Rs.
1. April 2015	65,00,000
2. May 2015	75,00,000
3. June 2015	85,00,000
4. July 2015	65,00,000
5. Aug 2015	80,00,000
6. Sept. 2015	95,00,000
7. Oct. 2015	1,20,00,000
8. Nov. 2015	1,30,00,000
9. Dec. 2015	1,20,00,000
10. Jan. 2016	1,45,00,000
11. Feb. 2016	1,50,00,000
12. March 2016	1,66,00,000

(Hint – In calculating the risk covered used the principle.
Amount covered = Declared amount – sum insured)