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M.Com. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2021

First Semester

Commerce – Core

INSURANCE AND RISK MANAGEMENT

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer :

1. Which was an oldest insurance company, found in 1906?
  - (a) LIC
  - (b) National insurance company
  - (c) Agricultural insurance company
  - (d) United India insurance company

2. Which of the following is the regulator of insurance sector in India?  
(a) RBI (b) AMFI  
(c) IRDA (d) SEBI
3. Compared to the premium for a whole life plan, the premium for an endowment plan will be \_\_\_\_\_ for the same age.  
(a) less (b) more  
(c) the same (d) double
4. The main purpose of having life insurance is:  
(a) As an avenue for long-term investment  
(b) As a medium for getting income tax benefits from savings  
(c) As a government programme for reducing poverty  
(d) None of the above
5. The minimum paid up capital required for a general insurance company is Rs. \_\_\_\_\_.  
(a) 25 crores (b) 50 crores  
(c) 75 crores (d) 100 crores
6. Health insurance can be availed by people aged between \_\_\_\_ and \_\_\_\_\_.  
(a) 10 and 100 (b) 7 and 75  
(c) 5 and 75 (d) 10 and 70

7. Objective of IRDA includes  
(a) policy holder protection  
(b) healthy growth of the insurance market  
(c) both (a) and (b)  
(d) only (a)
8. The IRDA was set up in  
(a) 1999 (b) 1991  
(c) 2000 (d) 2001
9. An exceptionally large risk is known as  
(a) Great risk (b) Jumbo risk  
(c) Giant risk (d) None of the above
10. Which of the following method reduces the chance of loss to zero?  
(a) Risk transferring (b) Risk avoidance  
(c) Risk retention (d) Risk reduction

PART B — ( $5 \times 5 = 25$  marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Explain Malhotra committee's insurance sector reforms in India.

Or

- (b) What are the recent trends in insurance in India?

12. (a) What is revival policy? Explain the types of revival offered by LIC?

Or

- (b) What are the factors to be considered while calculating the payment of insurance premium?

13. (a) Under baggage insurance plan, what are the items not covered? Explain.

Or

- (b) What is coinsurance? What is the difference between a deductible and coinsurance?

14. (a) Briefly explain the regulatory and business objectives of insurance rate making.

Or

- (b) What are the services offered by insurance brokers?

15. (a) What are the different types of insurance customers?

Or

- (b) Discuss the basic requirements of insurable risks.

PART C — ( $5 \times 8 = 40$  marks)

Answer ALL questions, choosing either (a) or (b)

Each answer should not exceed 600 words.

16. (a) State the current scenario of insurance due to privatisation.

Or

- (b) Explain the benefit category under insurance social security scheme.

17. (a) What are some factors that affect term life insurance premiums?

Or

- (b) Define the term bonus. What are the different kinds of bonus paid by insurers?

18. (a) What are the documents to be required for claim the general insurance?

Or

- (b) Write a short notes on functions of re-insurance.

19. (a) What are the roles and importance of IRDA in the insurance sector?

Or

- (b) Discuss the functions of tariff advisory committee.

20. (a) What is risk? How can you handle the insurance risk effectively?

Or

- (b) Explain the customer retention strategies in the insurance industry.
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