

(6 pages)

Reg. No. : .....

Code No. : 12077 E Sub. Code : CMCO 22

B.Com. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2022.

Second Semester

Commerce — Core

**PRINCIPLES OF INSURANCE**

(For those who joined in July 2021 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Insurance helps to \_\_\_\_\_.
- (a) Prevent adverse situations from occurring
  - (b) Reduce the financial consequences of adverse situations
  - (c) Make assets continuously productive
  - (d) Negate all consequences of adverse situations

2. The principle of \_\_\_\_\_ ensures that an insured does not profit by insuring with multiple insurers
- (a) Subrogation
  - (b) Contribution
  - (c) Co-insurance
  - (d) Indemnity
3. Which of the following terms matches closest with 'Family Floater'?
- (a) Health insurance
  - (b) Property insurance
  - (c) Accidental injury
  - (d) Consequential loss
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 governmental programme for reducing poverty
  - (d) None of the above
5. The transit risk caused by fire is covered under \_\_\_\_\_ policy.
- (a) Excess policy
  - (b) Floating policy
  - (c) All risk policy
  - (d) Transit policy

6. Time policies relate to \_\_\_\_\_.  
(a) Fire insurance  
(b) Hull insurance  
(c) Personal Accident Insurance  
(d) Workmen's Compensation Insurance
7. TAC stands for  
(a) Trade Advisory Corporation  
(b) Trade Advisory Committee  
(c) Tariff Advisory Corporation  
(d) Tariff Advisory Committee
8. The document which embodies the contract in insurance is called  
(a) Security  
(b) Policy  
(c) Certificate  
(d) None of these
9. The third party administrator's role mainly involves \_\_\_\_\_.  
(a) Issuing document on behalf of the insurer  
(b) Arranging for reinsurance  
(c) Sending renewal notice  
(d) Checking and party insurance claims

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10. Which of the following types of insurances is mandatory?  
(a) Motor own damages  
(b) Motor third party legal liability  
(c) Personal accident insurance  
(d) Product liability

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Explain the principles of insurance.  
Or  
(b) Briefly explain the importance of insurance to the society.
12. (a) Explain the various features of insurable risks.  
Or  
(b) Briefly explain about annuities.
13. (a) What are the types of losses covered by fire insurance policy?  
Or  
(b) What are the essential elements of fire insurance contract?

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14. (a) What are the documents required to claim import or export consignment under marine insurance?

Or

- (b) Explain about constructive total loss in marine insurance.

15. (a) Explain the types of health insurance policy.

Or

- (b) What are the documents required for motor insurance claims?

PART C — (5× 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Describe the functions of insurance.

Or

- (b) Define the term insurance and explain its characteristics of insurance.

17. (a) Discuss the objectives of life insurance corporations.

Or

- (b) Describe the classification of life insurance policies.

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18. (a) Describe the features of reinsurance policies.

Or

- (b) Discuss the kinds of fire insurance policies.

19. (a) Explain the kinds of marine insurance policies.

Or

- (b) Explain the nature of marine insurance.

20. (a) What are the various kinds of motor insurance policies?

Or

- (b) Describe the procedure for third party claims in motor insurance.

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