

2101200

BACHELOR OF VOCATION
Management Financial Services
Subject: Principles and Practices of Insurance
Subject Code: BFS606
Semester: Third
January 2021
Theory (External): 70 Marks
Time: 03 Hours

Instructions to the Students

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

Roll Number									

SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)
(10x2=20 Marks)

- A. A policy where the policyholder makes a one-time payment of premium, is known as a _____:
- a) Money-back policy
 - b) Single premium policy
 - c) Salary Savings Scheme policy
 - d) Annual policy
- B.is an amount in excess of the value of insurers assets over the amount of liabilities. This amount is prescribed by IRDA.
- a) Profit
 - b) Goodwill
 - c) Margin
 - d) Solvency margin.
- C. The _____ is the party who agrees to compensate the other person against possible losses.
- a) Insured
 - b) Insurer
 - c) Assured
 - d) None
- D. The Person whose risk is insured is called _____.
- a) Insured
 - b) merchandiser
 - c) marketer
 - d) Agents
- E. Uncertain events are broadly classified as _____.
- a) Predictable and Unpredictable.
 - b) Possible and Impossible

- c) Natural and Artificial.
- d) Rare and Continuous

F. _____ increases the frequency of loss.

- a) Peril
- b) Subjective risk
- c) Hazard
- d) Objective risk

G. A contract of insurance is a _____ agreement.

- a) Contingent
- b) Constant
- c) Both
- d) None of these

H. Human life is the subject matter of a contract of _____

- a) Life assurance
- b) Fire insurance
- c) Marine insurance
- d) None

I. In insurance the risk is _____

- a) Certain
- b) Uncertain
- c) Both (a) & (b)
- d) None

J. Marine insurance is for one year or for a specified _____

- a) Voyage
- b) Year
- c) Loss
- d) None

SECTION -B (ESSAY TYPE QUESTIONS)
(5x10=50 Marks)

1. Briefly explain the principles which form the foundation of insurance.
2. What do you mean by life insurance? Explain the different products offered by insurers.
3. "While general contracts work on the principle of "simple good faith" insurance contracts work on the principle of "utmost good faith". Explain the statement with reasons.
4. What are the factors influencing customer behavior when claim occurs? Explain with example.
5. What type of risks are faced by owner of assets? How the risks are managed?
6. What are the different type of classes? How insurance take care of unexpected eventualities?
7. 'Various products are used to reduce the risk for life insurance'. Comment.
8. Write a short on following:
 - a. Principle of contribution
 - b. Principle of Utmost good faith
 - c. Principle of subrogation
 - d. Principle of insurable interest

*****END OF PAPER*****