

**PARUL UNIVERSITY**  
**FACULTY OF COMMERCE**  
**B.Com. (Hons), Summer 2017 – 18 Examination**

Semester: 2

Subject Code: 16100154

Subject Name: Insurance Theory and Practice

Date: 11/05/2018

Time: 10:30am to 1:00pm

Total Marks: 60

**Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as directed.****A) Multiple choice type questions. (Each of one mark) (06)**

1. Which one of the following does not belong to the main products of life insurance?
 

a) Endowment	b) Term
c) Personal accident insurance	d) Whole life
2. When was the General Insurance Corporation of India incorporated?
 

a) 1971	b) 1972
c) 1973	d) 1993
3. Largest Life Insurance Company in India is:
 

a) The New India Assurance Company Limited	b) Life Insurance Corporation of India(LIC)
c) United India Insurance Company Limited	d) National Insurance Company Limited
4. The \_\_\_\_\_ is the party who promises to pay compensation for an insurance risk.
 

a) Insured	b) Assurer
c) Insurer	d) None
5. The Life Insurance Corporation of India (LIC) was formed in \_\_\_\_\_.
 

a) 1952	b) 1956
c) 1957	d) 1962
6. Insurance provides security against \_\_\_\_\_.
 

a) Risk	b) Losses
c) Both (a) & (b)	d) None of them

**B) Definitions / One- liners / Terms. (Each of one mark) (06)**

1. Insured
2. Claims
3. Double insurance
4. Risk
5. Premium
6. Indemnity

**Q.2 Write short note on following: (Each of 04 mark) (12)**

1. The basic principles of insurance
2. Underwriting of risk
3. Objectives of risk management

**Q.3 Answer the following: (Any Three) (18)**

1. What are the documents needed during the continuance of the insurance policy?
2. Write a detailed note on - Malhotra committee recommendations.
3. Explain the types of risks.
4. Justify the different theories of risk management.

**Q.4 Answer the following. (Any two) (18)**

1. Describe in detail different types of insurance.
2. Write a detailed note on Insurance Regulatory and Development Authority of India (IRDAI)
3. What are important elements required in the computation of premium?