

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com. (Hons) Winter 2018 – 19 Examination

Semester: 2
Subject Code: 16100154
Subject Name: Insurance Theory and Practice

Date: 10/12/2018
Time: 10.30 am to 1.00 pm
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. The key reason of covering Life insurance is _____
 - a) Meant for an opportunity for long-term investment
 - b) For a medium for getting income tax benefits from savings
 - c) Meant for an opportunity for short-term investment
 - d) None of the above
2. _____ principle of Insurance enables the insured to claim the amount from the third party responsible for the loss.
 - a) Insurable Interest
 - b) Principle of Subrogation
 - c) Principle of Contribution
 - d) Double insurance
3. The principle of _____ ensures that an insured does not profit by insuring with multiple insurers.
 - a) Subrogation
 - b) Contribution
 - c) Co-insurance
 - d) Indemnity
4. What is the Principle of Insurance called which is applicable when the loss is the result of two or more causes?
 - a) Double Insurance
 - b) Principle of Subrogation
 - c) Principle of Proximate Cause
 - d) Principle of Indemnity
5. Which is the principle of insurance by which a policy-holder is compensated for the loss incurred?
 - a) Insurable Interest
 - b) Utmost Good Faith
 - c) Indemnity
 - d) Proximate Cause
6. A nomination can be made only in favour of _____.
 - a) A bank
 - b) Spouse and children with guardian
 - c) Parents, spouse and children
 - d) Any individual

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

1. Premium
2. Insurer
3. Social Insurance
4. Co-insurance
5. Marine insurance
6. Reinsurance

Q.2 Numerical / Short Note Questions. (Each of 04 mark)**(12)**

1. Distinguish between reinsurance and double insurance
2. IRDA
3. Principles of insurance

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

1. State the types of risks involved in insurance.
2. Write a note on - Malhotra committee recommendations
3. Describe the underwriting of risk.
4. Which are the insurance documents needed at the stage of the proposal?

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

1. What are the factors necessary for the computation of premium?
2. What are the main characteristics of insurance which are applicable to all types of insurance?
3. Various conditions & privileges for affecting life insurance Policies