

Seat No: _____

Enrollment No: _____

**PARUL UNIVERSITY
FACULTY OF COMMERCE**

B.Com (Hons) - Mid Term Examination - April '17

Semester : II

Subject Code : 16100154

Subject Name: Insurance Theory and Practice

Date: 13/04/ 2017

Time: (2 hrs)

Total Marks: 40

Instructions:

1. Attempt all questions from each section.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.

Q.1 Choose the correct option.

(08)

(1) Which one of the following statements is correct?

- a. The information in the proposal form is used for underwriting.
- b. Wrong information in the proposal form can nullify the insurance contract.
- c. Both (a) and (b) statements are correct.
- d. Both (a) and (b) statements are wrong.

(2) Which one of the following statements is correct?

- a. FPR is cash receipt.
- b. Renewal Premium cannot be paid without the renewal notice.
- c. Both (a) and (b) statements are correct.
- d. Both (a) and (b) statements are wrong.

(3) Which one of the following statement is correct?

- a. If death occurs in grace period, the premium due is waived.
- b. The date of payment of premium is the date on which the cheque is cleared.
- c. Both (a) and (b) statements are correct.
- d. Both (a) and (b) statement are wrong.

(4) Which one of the following statement is correct?

- a. Premium have to be paid by cash or cheque.
- b. Premium can be paid electronically.
- c. Both (a) and (b) statements are correct.
- d. Both (a) and (b) statements are wrong.

(5) Which one of the following statement is correct?

- a. A premium paid within the grace period is payment made on the due date.
- b. A policy is not considered to have lapsed during the days of grace.
- c. Both (a) and (b) statements are correct.
- d. Both (a) and (b) statements are wrong.

(6) Which one of the following statement is correct?

- a. When a policy lapses, the policyholder loses everything.
- b. When a policy lapses, some benefits are protected.
- c. Both (a) and (b) statements are correct.
- d. Both (a) and (b) statements are wrong.

(7) Age is material for underwriting because it affects?

- a. The amount of premium. ✓
- b. The decision to call for medical examinations and tests.
- c. The plan that can be offered.
- d. All the three factors above

(8) Which one of the following statement is correct?

- a. Age is important for the underwriting to consider the need for medical tests.
- b. Age is material to decide on the plan that can be offered.
- c. Both (a) and (b) statements are wrong.
- d. Both (a) and (b) statements are correct.

Q.2 (a) Advantages and Disadvantages of Insurance (04)
(b) Essential elements of a contract of insurance. (04)

Q.3 (a) What is indemnity insurance and non-indemnity insurance? Explain in detail. (04)
(b) Explain types of insurance products in brief. (04)

Q.4 Attempt any two from below three questions. (08)
(a) Reinsurance & Coinsurance
(b) Various Insurance Documents and their special features
(c) Various conditions & privileges for affecting Life Insurance Policies

Q.5 Elaborate Principles of Insurance in detail. ✓ (08)

OR

Q.5 Role of insurance in economic development and its implications on economic indicators. (08)

- offer and acceptance
- consideration - premium
- legality or competency - age
- consensus ad idem
- legality - not illegal subject

Term of plan
endowment
life insurance
(08)