

(8 pages)

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Code No. : 5805

Sub. Code : WBAE 33

M.B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2024.

Third Semester

Business Administration

Elective — INSURANCE AND FINANCIAL SERVICES

(For those who joined in July 2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (15 × 1 = 15 marks)

Answer ALL questions.

Choose the correct answer :

1. The primary significance of insurance is to
- (a) Provide financial security and peace of mind
 - (b) Increase the insured's wealth
 - (c) Reduce the insured's tax burden
 - (d) Eliminate the possibility of loss

2. Risk transfer can be accomplished through
- (a) Ignoring the risk
 - (b) Investing in high-risk stocks
 - (c) Purchasing insurance
 - (d) Taking out a loan
3. What is the main purpose of the IRDA Act?
- (a) To regulate coverage the stock market
 - (b) To oversee and regulate the insurance industry in India
 - (c) To manage national banks
 - (d) To enforce tax laws
4. What is the primary purpose of a life insurance policy?
- (a) To provide coverage for property damage
 - (b) To compensate for medical expenses
 - (c) To provide financial security to beneficiaries upon the insured's death
 - (d) To insure against natural disasters

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5. Double insurance refers to
- (a) Having two life insurance policies
 - (b) Insuring the same risk with two or more insurers
 - (c) Insuring two different risks with the same insurer
 - (d) Insuring the risk twice with the same insurer
6. A 'reinstatement' clause in a fire insurance policy allows for
- (a) Immediate cash payment of claims
 - (b) Replacement of the destroyed property with a new one
 - (c) Increased premium after a claim
 - (d) Termination of the policy after a claim
7. Which of the following is not typically included in motor insurance terms and conditions?
- (a) Deductibles
 - (b) Coverage limits
 - (c) Maintenance costs
 - (d) Exclusions
8. Credit insurance is most useful for
- (a) Business with receivables
 - (b) Depositors in banks
 - (c) Government bonds
 - (d) Personal loans

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9. Marine insurance covers which of the following?
- (a) Life insurance for sailors
 - (b) Fire insurance for warehouses
 - (c) Health insurance for passengers
 - (d) Loss or damage to cargo
10. The primary role of an insurance surveyor is
- (a) To assess and evaluate insurance claims
 - (b) To sell insurance policies
 - (c) To market insurance products
 - (d) To manage insurance companies
11. What must an insurance surveyor obtain to legally operate?
- (a) A degree in finance
 - (b) A job with an insurance company
 - (c) A valid license from the regulatory body
 - (d) A certification from a private institution
12. In an insurance contract, what does the 'exclusions' section specify?
- (a) The premium amount
 - (b) The coverage details
 - (c) The risks that are not covered
 - (d) The claims process

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13. The DICCG was established to
- (a) Provide health insurance
 - (b) Guarantee credit for loans
 - (c) Insure bank deposits .
 - (d) Regulate insurance companies
14. The General Insurance Corporation of India (GIC Re) was set up to
- (a) Issue life insurance policies
 - (b) Provide reinsurance services
 - (c) Regulate insurance companies
 - (d) Manage bank deposits
15. What is the primary function of an insurance claim tribunal?
- (a) Selling insurance policies
 - (b) Settling disputes related to insurance claims
 - (c) Managing investment portfolios
 - (d) Conducting insurance examinations

PART B — (5 × 4 = 20 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 250 words.

16. (a) Describe the nature of insurance.
- Or
- (b) What are the primary objectives of the Insurance Regulatory and Development Authority (IRDA) Act?
17. (a) Discuss the concept of trust in life insurance policies.
- Or
- (b) Describe the nature of fire insurance.
18. (a) Describe the nature of accident insurance.
- Or
- (b) Explain the types of accounts are covered by deposit insurance.
19. (a) Outline the importance of regular inspections conducted by insurance surveyors.
- Or
- (b) Analyze the role of insurance surveyors in ensuring compliance with insurance contracts.



20. (a) Narrate the purpose of the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Or

- (b) What is the primary role of the General Insurance Corporation of India (GIC)?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b)
Each answer should not exceed 600 words.

21. (a) Explain the significance of insurance in modern society.

Or

- (b) Discuss various risk management methods.

22. (a) Discuss the general principles of life insurance.

Or

- (b) Explain the different types of general insurance.

23. (a) Discuss the steps involved in filing a claim for motor insurance.

Or

- (b) Explain the various types of marine insurance policies.

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24. (a) Describe the process of appointing an insurance surveyor.

Or

- (b) Evaluate the challenges faced by insurance surveyors in the current market.

25. (a) Explain the functions of insurance institutions.

Or

- (b) Evaluate the contributions of LIC and GIC to the Indian financial system.

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