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Fourth Semester MBA Degree Examination, Dec.2018/Jan.2019 Risk Management and Insurance

Time: 3 hrs.

Max. Marks:80

**Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.**

- 1 a. State difference between Perils and hazards. (02 Marks)
 b. Explain the features of life insurance. (06 Marks)
 c. Explain the various types of risk. (08 Marks)

- 2 a. What is fire insurance? (02 Marks)
 b. Explain objectives of risk management. (06 Marks)
 c. Explain in detail the risk management process. (08 Marks)

- 3 a. Define risk. What are direct loss and indirect loss? (02 Marks)
 b. Explain briefly the features of life insurance. (06 Marks)
 c. Explain the nature of Marine Insurance contract. (08 Marks)

- 4 a. Define insurance. (02 Marks)
 b. Give a brief note on IRDA Act of 1999. (06 Marks)
 c. Discuss the various classification of life insurance policies. (08 Marks)

- 5 a. What do you mean by Insurable Interest? (02 Marks)
 b. What are the essential documents required for an life insurer? (06 Marks)
 c. Explain the factors affecting the pricing of life insurance products. (08 Marks)

- 6 a. What is underwriting? (02 Marks)
 b. Explain the advantages of life insurance. (06 Marks)
 c. Explain briefly the classification of life insurance policies on the basis of time, premium payment, claim amount, number of persons insured and payment of policy amount? (08 Marks)

- 7 a. What are business risk exposures? (02 Marks)
 b. Explain the various factors to be considered for premium fixing in motor vehicle insurance. (06 Marks)
 c. Explain briefly the duties and powers of IRDA. (08 Marks)

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CASE STUDY:

Hydraulics Ltd manufactures and sells ladders that are used by construction firms. The products are sold directly to independent retailers in United States. The company risk manager knows that the company could be sued if a ladder is defective and someone is injured. Because the cost of products liability insurance has increased, the risk manager is considering other techniques to treat the company's loss exposures.

- a. Describe the steps in Risk Management Process. (08 Marks)
- b. For each of following risk management techniques, describe a specific action using that technique that may be helpful in dealing with company's products liability exposure;
 - i) Avoidance
 - ii) Loss prevention
 - iii) Loss reduction
 - iv) Non-insurance transfers (08 Marks)

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Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.