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18MBAFM402

Fourth Semester MBA Degree Examination, November 2020
Risk Management and Insurance

Time: 3 hrs.

Max. Marks:100

Note: *Answer any Five full questions.*

1 a. State the difference between systematic and unsystematic risk. **(03 Marks)**
  b. Explain the objectives of Risk Management. **(07 Marks)**
  c. Narrate the Duties and Powers of IRDA. **(10 Marks)**

2 a. What do you mean by Frequency and Security of loss? **(03 Marks)**
  b. Explain the basic characteristics of Insurance. **(07 Marks)**
  c. Explain the risk control and risk financing techniques. **(10 Marks)**

3 a. What do you mean by Hedging? **(03 Marks)**
  b. What are the factors to the considered in fixing premium in Motor Insurance? **(07 Marks)**
  c. Explain different classification of Life Insurance. **(10 Marks)**

4 a. What is Actuarial Science? **(03 Marks)**
  b. Explain the pooling arrangement and how it reduces risk. **(07 Marks)**
  c. Explain different types of risk. **(10 Marks)**

5 a. What is the difference between Insurance and Gambling? **(03 Marks)**
  b. Explain the unwriting process in Life Insurance. **(07 Marks)**
  c. Explain the clauses in Marine Insurance Policy. **(10 Marks)**

6 a. What do you mean by Marine Insurance? **(03 Marks)**
  b. Explain the difference between Life Insurance and General Insurance. **(07 Marks)**
  c. Explain the different types of Health Insurance. **(10 Marks)**

7 a. What do you mean by Insurance Underwriting? **(03 Marks)**
  b. Explain the potential loss exposures in Risk identification process. **(07 Marks)**
  c. Explain the process of chain settlement in Motor Insurance. **(10 Marks)**

8   Mrs X aged 35, is a single parent with two preschool children. She does not receive any maintenance support. She earns Rs 2,90,000 annually as a nurse in a community nursing home. She has no Insurance Policy. Although money is tight, she would like to purchase some Insurance Policy to protect her family. An insurance agent recently met her and presented several proposals. However, Mrs X does not know how to evaluate various policies. Assume you are a financial planner who is asked to make recommendations concerning the type of Insurance that Mrs X should buy :

Questions :

  a. Suggest which life policy would best meet the need for protection of Mrs X's family.
     (05 Marks)
  b. Explain which policy will meet the need for Education expenses of her children. **(05 Marks)**
  c. Can she think if any health insurance plans? **(05 Marks)**
  d. If you suggest all the three polices to Mrs X, in which way she can plan her savings?
     (05 Marks)

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