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Sub Code: NMBA042

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MBA

**(SEM IV) THEORY EXAMINATION 2017-18
INSURANCE & RISK MANAGEMENT***Time: 3 Hours**Total Marks: 100***Note:** 1. Attempt all Sections. If require any missing data; then choose suitably.**SECTION A**

- 1. Attempt all questions in brief. 2 x 10 = 20**
- a. Briefly explain the concept of insurance.
 - b. What is Mutual Fund?
 - c. Differentiate between life insurance and general insurance.
 - d. Discuss the role of underwriters in insurance.
 - e. Explain the important function of life insurance Corporation of India.
 - f. Discuss the difference between risk premium, net premium and pure premium.
 - g. Define mortality table? Discuss the source of mortality information.
 - h. Bring out the important difference between ombudsman and consumer forum.
 - i. Define the principle of utmost good faith.
 - j. Discuss the concept of enterprise risk management in business.

SECTION B

- 2. Attempt any three of the following: 10 x 3 = 30**
- a. Explain about the distribution channels in insurance business.
 - b. Discuss in brief the factors that affect the determination of premiums and bonuses.
 - c. Differentiate between term and endowment plans of insurance.
 - d. Briefly discuss the important provisions of IRDA Act 1999.
 - e. Insurance is substitution of certainty for uncertainty. Justify this statement and discuss the risk management process and various types of risk.

SECTION C

- 3. Attempt any one part of the following: 10 x 1 = 10**
- (a) What is insurance? Discuss the historical prospective of insurance.
 - (b) What do you understand by a financial system in country? Discuss its structure with particular reference in India.
- 4. Attempt any one part of the following: 10 x 1 = 10**
- (a) What are portfolio evolution tools, risk and solvency?
 - (b) Explain the terms surrender value and paid-up value. Find out loan available at 90% of surrender value on the basis of following data: SA- 1, 30,000 Date of commencement: 15.06.1992. Endowment with profit 30yrs. Due date of last premium paid 15.06.2007 mode half yearly. Accrued bonus 1500/- per thousand. SA.SVF 23%.

5. **Attempt any *one* part of the following:** **10 x 1 = 10**
- (a) How the insurance business is classified? What are the general principles of insurance?
 - (b) What are the requirements for settling Death Claim under early and non-early claim?
6. **Attempt any *one* part of the following:** **10 x 1 = 10**
- (a) Elucidate entire procedure of settlement of claims with respect to insurance.
 - (b) Discuss risk management techniques in India.
7. **Attempt any *one* part of the following:** **10 x 1 = 10**
- (a) Describe the main features of Wealth Tax Act 1957.
 - (b) A two year term insurance policy is issued to a life aged x . The benefit amount is Rs.100,000 if the life dies in the first year, and Rs.200,000 if the life dies in the second year. Benefits are payable at the end of the year of death.
 - (i) Write down an expression for the present value random variable for this benefit.
 - (ii) Calculate the standard deviation of the present value random variable assuming that $q_x = 0.025$, $q_{x+1} = 0.030$ and $i = 0.06$.