

5/11/20

# Maharaja Agrasen Institute of Management Studies

Internal Assessment Examination

BBA (B&I) I Semester

11438

## Principles of Insurance

Maximum Marks: 40

Duration: 2 Hours

Attempt the following questions,

Q.1 Risk is a condition in which there is a possibility of an adverse deviation from a desired outcome that is expected or hoped for. Comment on the statement. Explain the various methods of Handling Risk.

or

Explain the historical Background of Insurance in India. Also explain the characteristics of an Insurable risk

Q.2 Explain any four of the following terms:

- a) Perils and hazards
- b) Insurance vs Gambling
- c) Pooling of Losses
- d) Risk transfer
- e) Indemnification

OR

“Insurance plays a vital role in the economic development of a country as it affects the risk factor.” Comment on the above statement along with justifications. Also explain the relevance of Insurance to the emerging socio economic needs of all the sections of the society.

Q.3 “When we take a risk, we are betting on an outcome that will result from a decision we have made, though we do not know for certain what the outcome will be.” In the light of the above statement explain the concept of Risk. Briefly explain the various steps in Risk management.

OR

“Financial Sector reforms in India were targeted to achieve new heights in the entire financial sector including the Insurance sector.” Why Privatization of Indian Insurance sector was undertaken? What is the present scenario of Indian insurance industry?

Q.4 Enumerate the various principles of a valid insurance contract and explain the application of each of them to the contracts of Insurance.

OR

“Insurers are increasingly using multiple distribution channels to sell their products.” In reference to the above statement explain the major distribution channels used by insurers in India.