



**Avinashilingam Institute for Home Science and Higher Education for Women**  
(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)  
Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B  
Coimbatore - 641 043, Tamil Nadu, India

**Bachelor's Degree Examination – August 2020**  
**VI Semester**

**Class : III UG**  
**Major : Economics**

**Time : 2 Hours**  
**Max. Marks: 50**

**15BECC25 Economics of Insurance**

**Part A**  
**Choose the Correct Answer**

**10 x 1 = 10**

1. Higher the sum assured
  - a. higher the premium
  - b. lower the premium
  - c. higher the amount
  - d. lower the amount
2. Motor vehicles act was passed in the year
  - a.1984
  - b.1985
  - c.1986
  - d.1988
3. The club funding the consequence of risk is termed as
  - a. financing risk
  - b. monitoring risk
  - c. retaining the risk
  - d. reviewing the risk
4. A risk control technique that involves the creation of a backup plan is known as
  - a. avoidance
  - b. duplication
  - c. loss prevention
  - d. separation
5. Which one of the following is not included in the property insurance?
  - a. Earth quake insurance
  - b. Fire insurance
  - c. Credit insurance
  - d. Flood insurance
6. Which of the following is not the principle of insurance?
  - a. Utmost good faith
  - b. Principle of contribution
  - c. Maximisation of profit
  - d. Causa proxima
7. Health insurance premium is an \_\_\_\_\_ payment made on behalf of an individual
  - a. full
  - b. indirect
  - c. direct
  - d. cash
8. The process of Identification, Analysis and acceptance of uncertainty in investment Decision is termed as
  - a. risk management
  - b. risk control technique
  - c. risk evaluation
  - d. reviewing to risk
9. A risk control technique that involves dispersing key assets is termed as
  - a. loss reduction
  - b. loss prevention
  - c. avoidance
  - d. separation
10. Which plan covers the entire family in one health insurance plan?
  - a. Family floater plan
  - b. Hospitalization Plan
  - c. Disease cover plan
  - d. Pro active plan

**Part B**

**3 x 6 = 18**

Answer any **Three** questions

**Each answer should not exceed 400 words or two pages**

11. write a short note on motor insurance plans.
12. How to control risk?
13. Explain briefly why insurance is needed.
14. Explain the functions of insurance.
15. What is insurance contract? How it's formed?
16. Point out any three essentials of insurance contract.
17. Briefly explain the fundamentals of health insurance.
18. Write the short note on premium construction of health insurance.
19. What do you understand about general insurance?
20. Explain the importance of health insurance.

**Part C**

**2 x 11 = 22**

Answer any **Two** questions

**Each answer should not exceed 800 words or four pages**

21. Examine the importance of risk management.
22. What are the steps involved in risk management.
23. Enumerate the nature of insurance.
24. Discuss the different types of insurance.
25. Explain the general principles of insurance.
26. Analyse the specific principles of insurance in India.
27. Describe the functions of life and health insurance.
28. Narrate the different health insurance policies in India.
29. List out the types of general insurance, explain it.
30. Explain the role of general insurance in economic development. .

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