

11. The main purpose of insurance is to:
- provide security
 - distribute risks
 - encourage savings
 - all of the above
12. Insurance is classified into the following category from business point of view:
- Life insurance, Fire Insurance, Marine Insurance.
 - Life Insurance, General Insurance.
 - Personal Insurance, Property insurance, Liability Insurance.
 - None of the above.
13. An insurance agent is defined according to the:
- Insurance Act, 1938
 - Insurance Act, 1940
 - Insurance Act, 1956
 - None of the above
14. An agent can act only to the extent of authority granted to him by the principal. This authority may be:
- Expressed
 - Implied
 - Expressed or implied
 - None of the above
15. License once issued to an insurance agent shall be valid for the period of:
- 1 year
 - 2 years
 - 3 years
 - None of the above
16. Insurance intermediaries act on behalf of the:
- Insurers
 - Clients
 - Insurers as well as on behalf of clients
 - None of the above
17. The person who has made up his mind to go in for life insurance has to make an application, in the standard form, which is called the '.....' for insurance.
- Proposal
 - Invitation
 - Offer
 - None of above
18. The Actuary is responsible to evaluate the:
- Insurance risk
 - Cost of the risk
 - Efficient system to pay compensation
 - All of the above
19. The essential of a valid insurable interest is/are:
- There must be subject-matter to be insured.
 - The policy-holder should have monetary relationship with the subject-matter.
 - Both (a) and (b) of the above.
 - None of the above.
20. Which of the following is not a contract of indemnity?
- A fire insurance policy
 - A medical insurance policy
 - A liability insurance policy
 - A life insurance policy

(PART B : Descriptive)

Time: 2 hrs. 40 min.

Marks: 50

(Answer question no. 1 & any four (4) from the rest)

- Discuss the role and importance of insurance in the economic development of a country like India. (10)
- Discuss the following principles of insurance contract with suitable examples:
 - Insurable Insurance (5+5=10)
 - Doctrine of Subrogation
- What are the various rights and duties of an agent? (5+5=10)
- Write short notes on: (5+5=10)
 - Difference between Nomination and Assignment.
 - Duties of an Actuary.
- What do you mean by the term 'claim' in the context of life insurance? Discuss the procedure regarding settlement of claims. (2+8=10)
- Discuss briefly the important distribution channels to market different products. (5)
 - Write a note on pricing of product. (5)
- Explain some prerequisites for obtaining a license. (5)
 - "Insurance acts as one of the important social security tool." Explain. (5)
- What do you mean by financial underwriting? (5)
 - Explain some features of the Indian Contract Act 1872. (5)
