Directorate of Distance Education INTEGRAL UNIVERSITY – LUCKNOW

Semester Examination – June 2017

	: MBA Ouration: 3 Hours SECTION – A	Semester : 3 rd /4 th Total Marks: 80 ECTION – A	
*	Attempt All Ten (10) Questions. Each question is of Two (2) Marks.		
Q-1	Insurance that provides protection for a insurance.	stated period of time is defined as	
	A. Straight lifeC. Single-payment	B. Limited-payment D. Term	
Q-2	Risks that insurance firms will not assume a A. Uninsurable risks C. Endorsements	nre called B. Insurable risks D. Pure risks	
Q-3	A method for reducing the cost of health of and hospitals at discount rates or giving broffered by A. A preferred provider organization C. Health care insurance		
Q-4	Which risk management technique does self. A. Risk reduction C. Shifting risks	f insurance satisfies? B. Risk avoidance D. Risk assumption	
Q-5	To be insurable, a risk must have potential beautiful. A. Un-measurable C. Centrally located	losses that are B. Non-predictable D. Predictable	
Q-6	Extended coverage endorsements normallyA. Falling aircraftC. Nuclear radiation	do not cover damage caused by B. Vandalism D. Wind and hail	
Q-7	Which type of coverage pays for damages such as breaking a windshield in a parking back. Collision insurance C. Product liability coverage		
Q-8	When a firm buys insurance to cover losses A. Transferring	caused by riots, the firm is B. Using risk	

D. Risk assuming risk

C. Avoiding risk

Q-9	Upon the death of the insured, who receives the proceeds of the life insurance
	policy?

A. Beneficiaries **B.** Actuaries **C.** Policy holders **D.** Recipients

A type of insurance that has been around since the ancient Greeks and Romans is O-10 insurance.

A. Fire B. Marine **C.** Business liability **D.** Medical

SECTION – B (SHORT ANSWERS)

- Attempt any Five (05) Questions.
- Each question is of Six (6) Marks.
- Q-1 Explain the categories and risk and provide examples for each category.
- O-2 Which insurer carries more risk in losses and which carries more claims risk? Explain.
- 0-3What externalities are caused in the insurance market by moral hazard and adverse selection? How are they overcome in practice?
- Design a brief risk management policy statement for a small child-care company. **O-4** Remember to include the most important objectives.
- Find a company's income statement and show how the enterprise risk management O-5 functions contribute at least two actions to increase the firm's value.
- What types of insurance exist? Describe the differences among them. Q-6
- What actuarial adjustments are built into the pricing of life insurance premiums? 0-7

SECTION – C (LONG ANSWERS)

- Attempt any Three (03) Questions.
- Each question is of Ten (10) Marks.
- What are risk-based capital requirements, and what is their purpose? How do stock Q-1 insurers differ from mutual's with respect to their financial requirements?
- **O-2** Describe how agents can bring major liability suits from consumers against their insurers. Do you think insurers should really be liable for the actions of their agents?
- O-3 Assume you live on the Texas Gulf Coast, where hurricane damage can be extensive. Also assume that you own a two-story frame home valued at \$120,000. You insured the house for \$80,000, which was your purchase price four years ago. If you had a total loss, what reimbursement would you receive from your insurer? What if you had a loss of \$10,000? (Assume an 80 percent coinsurance provision.)
- Considering the factors involved in establishing responsibility for damages based O-4 on negligence, what do you think is your best defence against such a suit?
- How might the contingency fee system affect the frequency and severity of O-5 liability exposures?