

# **KAMARAJ COLLEGE (Autonomous)**

Accredited with A+ Grade by NAAC

(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

THOOTHUKUDI – 628 003

**(5 Pages)**

**Reg. No: .....**

**Question Code No : 25000415**

**Course Code: 24UECO22/**

**24UEBF22**

**UG Degree - End Semester Examinations, November 2025**

**Second Semester**

**B.Com / B.Com Banking and Finance**

**Insurance and Risk Management**

**(For those who joined in July 2024 onwards)**

**Time : 3 Hours**

**Maximum : 75 Marks**

**PART – A ( $10 \times 1 = 10$  Marks)**

**Answer ALL Questions**

**Choose the correct answer:**

1. \_\_\_\_ is the term for the payment made by the policyholder to the insurer.

(a) Claim

(b) Premium

(c) Commission

(d) Reinsurance

2. \_\_\_\_ risk is the primary purpose of insurance.

- (a) Eliminating
  - (b) Creating
  - (c) Transferring
  - (d) Increasing
3. \_\_\_\_ is not a type of life insurance policy.
- (a) Term insurance
  - (b) Wholelife insurance
  - (c) Marine insurance
  - (d) Endowment policy
4. If the policyholder stops paying premiums in a life insurance policy \_\_\_\_.
- (a) The policy lapses or becomes inactive
  - (b) The policy continues with full benefits
  - (c) The insurer pays double the benefit
  - (d) The policyholder receives a bonus
5. \_\_\_\_ is the principle of 'utmost good faith' in insurance.
- (a) Only the insurer must disclose all facts
  - (b) Both insurer and insured must disclose all facts honestly
  - (c) The insured can hide important information
  - (d) The insurer can deny claims without reason
6. Sum insured is the \_\_\_\_.
- (a) Premium amount
  - (b) Surrender value
  - (c) Agent's commission

- (d) Maximum amount the insurer will pay in case of claim
7. \_\_\_\_ is a key tool used in financial risk management.
- (a) Derivatives (b) Product development  
(c) Employee training (d) Marketing strategies programs
8. \_\_\_\_ is a risk management strategy which involves accepting the risk but preparing for its impact.
- (a) Risk avoidance (b) Risk reduction  
(c) Risk transfer (d) Risk retention
9. \_\_\_\_ appoints the chairperson and members of IRDAI 1999.
- (a) The president of India  
(b) The central Government  
(c) The Supreme Court of India  
(d) The Securities Exchange Board of India
10. The headquarters of IRDAI is located in \_\_\_\_
- (a) New Delhi (b) Mumbai  
(c) Hyderabad (d) Bengaluru

**PART – B (5X5=25 Marks)**

**Answer ALL Questions choosing either (a) or (b).**

**Answer should not exceed 250 words.**

11. (a) What are the characteristics of Insurance?

**(OR)**

(b) Write down role of insurance in economic development.

12. (a) Write about ULIP and give its features.

**(OR)**

(b) Write notes on with and without profit policies.

13. (a) Give the fundamental principles of general insurance.

**(OR)**

(b) Bring out the different types of fire insurance policies.

14. (a) Explain the concept of personal risk management.

**(OR)**

(b) Write a note on risk financing.

15. (a) Write about the exposure norms of IRDA.

**(OR)**

(b) Bring out the operational areas of IRDA.

**PART – C (5 X 8 = 40 Marks)**

**Answer ALL Questions choosing either (a) or (b).**

**Answer should not exceed 500 words.**

16. (a) Differentiate insurance from hedging.

**(OR)**

- (b) Give the definition of insurance. Write about its significance.

17. (a) Discuss the basic features of life insurance contracts.

**(OR)**

- (b) Explain life insurance products in detail.

18. (a) Write about the various types of marine insurance policy in detail.

**(OR)**

- (b) Elaborate the evolution of general insurance business.

19. (a) What is meant by risk financing? Give its types.

**(OR)**

- (b) How potential losses is identified and evaluated?

20. (a) Mention the significance of IRDAI.

**(OR)**

- (b) Explain the duties of IRDA.