(7 pages) **Reg. No. :** ....

Code No. : 12039 E **Sub. Code : CMCO 22**

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2025.

Second Semester

Commerce

PRINCIPLES OF INSURANCE

(For those who joined in July 2021 and 2022 only)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. What is the primary function of insurance?

   (a) To increase financial risks

   (b) To provide financial protection against risks

   (c) To eliminate all risks

   (d) To encourage reckless behavior

2. Which of the following is NOT a principle of an insurance contract?

   (a) Principle of Contribution

   (b) Principle of Indemnity

   (c) Principle of Monopoly

   (d) Principle of Utmost Good Faith

3. What is the primary purpose of life insurance?

   (a) To provide financial security to the insured's family after their death

   (b) To offer tax-free savings for retirement

   (c) To insure personal assets like cars and homes

   (d) To invest in the stock market

4. How are life insurance policies classified?

   (a) Term insurance, Whole life insurance, Endowment insurance

   (b) Fire insurance, Marine insurance, Health insurance

   (c) Investment insurance, Stock insurance, Pension insurance

   (d) Mutual funds, Bonds, Fixed deposits

5. What is the primary purpose of fire insurance?

(a) To provide financial protection against burglary

(b) To compensate for losses caused by fire

(c) To cover medical expenses of fire victims

(d) To protect against stock market losses

6. Which type of fire insurance policy covers fluctuating stock values?

(a) Floating Policy

(b) Valued Policy

(c) Reinstatement Policy

(d) Average Policy

7. What is the primary purpose of marine insurance?

(a) To protect goods and ships against marine risks

(b) To insure vehicles against accidents

(c) To provide health coverage for sailors

(d) To offer life insurance for seafarers

8. Which of the following is NOT a classification of marine insurance?

(a) Hull Insurance

(b) Cargo Insurance

(c) Life Insurance

(d) Freight Insurance

9. What is the primary purpose of Personal Accident Insurance?

(a) To cover medical expenses for any illness

(b) To provide financial compensation for accidental injuries or death

(c) To insure vehicles against theft and damage

(d) To provide life insurance coverage

10. Which of the following is NOT a recognized form of insurance in India?

(a) Rural Insurance (b) Burger Insurance

(c) Health Insurance (d) Liability Insurance

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words)

11. (a) State the nature of insurance.

Or

(b) Write any two principles of insurance.

12. (a) Explain the key features of a life insurance contract.

Or

(b) State the concept of annuity insurance.

13. (a) List out the uses of fire insurance.

Or

(b) Compare and contrast reinsurance and double insurance.

14. (a) What are the different types of marine losses?

Or

(b) What are the nature of marine insurance?

15. (a) Explain the benefits of personal accident insurance.

Or

(b) What is rural insurance? Give an example.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the functions of insurance.

Or

(b) Discuss the importance of insurance for businesses.

17. (a) Explain how life insurance companies invest their funds.

Or

(b) How is the premium calculated for the life insurance? and explain the factors influencing it.

18. (a) Explain the different kinds of fire insurance policies.

Or

(b) Describe in detail the various conditions that apply to a fire insurance policy.

19. (a) Describe the evaluation and growth of insurance business in India.

Or

(b) Describe the various policy condition in marine insurance.

20. (a) Discuss the role of health insurance in India.

Or

(b) Explain the benefits of having motor insurance.
