# Dr. Babasaheb Ambedkar Open University

## Term-End Examination July-2016

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| **Course** | **: BBAIB** | | |
| **Subject Code** | **: BBAIB - 108** | **Max. Marks** | **: 70** |
| **Subject Name** | **: Principle of Insurance** | **Duration** | **: 03 hours** |
| **Date** | **:** | **Time** | **:** |

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SAMPLE QUESTION PAPER

### Section A

**Answer the following (any three)** **(30)**

1. What do you mean by concept of Risk? What are different types of Risk?
2. Write a detailed note on the Intermediaries in Insurance Business.
3. What is contract as per Indian Contract Act, 1872? Give the essentials of valid contract.
4. What life and Non-life Insurance? Explain.
5. What is assignment? State the limitations of Assignment?

### Section B

**Answer the following (any four)** **(20)**

1. Distinguish between Risk and Uncertainty.
2. Write a short note on principles of utmost good faith
3. Distinguish between immediate annuity and deferred annuity.
4. Role of Insurance in Economic Development.
5. Transfer and Pooling of Risks- Explain.

### Section C

**A. MCQ** **(10)**

1. _____means any insurer being a co-operative society.
   (a) Risk (b) Insurance
   (c) Peril (d) Research Cost
2. Investments are made out of _____.
   (a) Salary (b) Savings
   (c) Both (d) None

3. ___ requires the state, within the limits of its economic capacity and development, to make effective provision for securing the right to work.

(a) Article 39 (b) Article 40
(b) Article 41 (d) Article 42

4. The term ____ is used to designate those situations that involve the chance of loss or no loss.
(a) Speculative Risk (b) Personal Risk
(b) Pure Risk (d) Property Risk

5. _____ involve those losses that occur even if there were no changes in the economy

(a) Static Risk (b) Fundamental Risk
© Dynamic Risk (d) Particular Risk

**B. Do as Directed** **(10)**

Explain following terms

1. Proximate clause
2. Subrogation
3. Indemnity
4. The Lloyd's Broker
5. Insurable Risk

SAMPLE QUESTION PAPER