

E 8497

(Pages : 2)

Reg. No.....

Name.....

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2019

Third Semester

B.A. Economics (Model II)

Vocational Course—ACTUARIAL SCIENCE AND THE ECONOMICS OF INSURANCE

(2013 to 2016 Admissions)

Time : Three Hours

Maximum Marks : 80

Part A

Define the following.

Each question carries 1 mark.

- | | |
|--------------------|-----------------------|
| 1. Risk. | 2. Demand. |
| 3. Hazards. | 4. Income elasticity. |
| 5. Mortality. | 6. Uncertainty. |
| 7. Social benefit. | 8. Premium. |
| 9. Insurance. | 10. IRDA. |

(10 × 1 = 10)

Part B (Short Answer Questions)

Answer any eight of the following questions in a paragraph, each not exceeding 100 words.

Each question carries 2 marks.

11. Write a note on application of actuarial science.
12. What are the factors determining the demand for insurance?
13. What are the social costs of insurance?
14. How do insurance companies assess risk?
15. What are the principles of risk management?
16. What do you mean by departmentalisation?
17. Explain the need of risk management.
18. Write a note on paradigm shift in insurance industry.
19. What is insurable interest?
20. Discuss the idea of Re-insurance.
21. What is social insurance?
22. Do you think that penetration of insurance is adequate in India?

(8 × 2 = 16)

Turn over

Part C (Short Essays)

Answer any six of the following questions in one and a half pages.

Each not exceeding 150 words.

Each question carries 4 marks.

23. What is the significance of Actuarial Science?
24. Explain the concept of cross elasticity of demand in the context of insurance.
25. What are the factors influencing mortality assumptions for a new insurance product?
26. Explain different forms of risk.
27. What are the social benefits of insurance?
28. How do insurance companies manage risk?
29. Discuss the product development process of insurance companies.
30. Discuss the need for security against economic difficulties.
31. Write a note on the important reforms introduced in insurance sector in the country.

(6 × 4 = 24)

Part D

Answer any two of the following questions not exceeding four pages each.

Each question carries 15 marks.

32. Discuss the factors affecting consumption of insurance.
33. Discuss the marketing strategies employed for insurance products.
34. Critically evaluate the functioning of IRDA.

(2 × 15 = 30)