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BBMBMC 351

**Credit Based VI Semester B.B.M. Degree Examination, September 2022
(2012 Scheme)
INSURANCE AND RISK MANAGEMENT**

Time : 3 Hours

Max. Marks : 120

SECTION – A (Two marks each)

1. Answer **any ten** questions in **two** or **three** sentences **each**. **(2×10=20)**

- a) What do you mean by Jettison ?
- b) Give the meaning of double insurance.
- c) What do you mean by active retention of risk ?
- d) What is a maintenance margin ?
- e) Give the meaning of a forward contract.
- f) What is meant by spot price ?
- g) Give the meaning of a voyage policy.
- h) What do you mean by uncertainty ?
- i) What is a call option ?
- j) What do you mean by causa-proxima ?
- k) What is an equity swap ?
- l) What is a fair premium ?

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SECTION – B (Eight marks each)

Answer **any five** questions.

(8×5=40)

2. Distinguish between forward contract and futures contract.
3. Write a note on marking to mark.
4. Write a note on fire-insurance claims.
5. Explain the various sources of pure risk.
6. Explain the stages in the new product development.
7. Give the meaning of swap. Explain its features.
8. Explain the essentials of an insurance contract.

SECTION – C (Twenty marks each)

Answer the following questions.

(20×3=60)

9. Explain the objectives and principles of underwriting of insurance.

OR

What are future contracts ? Explain the features and factors determining option price.

10. Give a detailed account of claims management in life insurance.

OR

What is insurance pricing ? What are its objectives ? Explain the different types of insurance pricing.

11. What do you mean by risk management ? Explain the process of risk management.

OR

Explain the meaning and principles of insurance.
