

Duration: 3 Hrs.

Marks: 100

Instructions:

1. Attempt any 5(five) questions
 2. All questions carry equal marks.
 3. Simple calculator may be allowed.
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Question 1.

- (a) Define Peril? From insurance aspect how many types of perils are there?
- (b) A risk is insurable only when it has certain fundamental characteristics. elaborate these characteristics.

Question 2.

Describe the functions of Insurance?

Question 3.

- (a) Define Insurable Interest? What are the essentials of Insurable Interest? How an Insurable Interest arises in Marine Insurance?
- (b) Define Principle of Indemnity? Describe application of Indemnity in Fire Insurance.

Question 4.

- (a) Define Subrogation? Elucidate the role of subrogation in Indemnity & its limitations.
- (b) What is Endorsement, why it is required? Which are the alterations that requires Endorsement?

Question 5.

- (a) Differentiate Insurance Vs Speculation.
- (b) In an Insurance Company's balance sheet, a reserve is an amount set aside to provide for a contingency which may arise, describe various types of such reserves.

Question 6.

- (a) Define Pure Premium? What are the components required to arrive at Final Premium, describe with suitable example?
- (b) M/s Raymond Industries have following fire insurance policies for their Diesel Generator:

Ins. Company	ABC Ins. Co.	XYZ Ins. Co.
Sum Insured	12 lakh	18 lakh
Excess under the policy	2% of Sum Insured	1.5% of Sum Insured

The machine is damaged in a fire. Following are the details of loss:

Cost of parts required to repair the machine Rs. 8,00,000

Depreciation 25%

Fitting Charges Rs. 75,000

Salvage Rs. 15,000

On the date of loss value of the property was Rs. 40 lakh. Calculate the amount of claim received by the insured from each insurer, if the policies are issued on:

1. Market Value Basis.
2. Reinstatement Value Basis



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(School of Insurance Studies)
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26 SEP 2025

Duration: 90 minutes

Marks: 50

Attempt all questions

(All questions carry equal marks)

Question 1.

As risk is the antithesis (opposite) of security, everyone naturally strive to manage the risk. Elaborate the common responses to risk or techniques of handling or managing risks

Question 2.

Enumerate the essential elements of contract of Insurance?

Question 3.

- (a) What is condition of Average in an Insurance Policy, explain with suitable example?
- (b) Describe Excess Clause? Why compulsory deductible is incorporated in insurance policies? What are the problems associated with compulsory deductible?

Question 4.

- (a) Define Insurable Interest, What are the essentials of Insurable Interest? Describe at what time the Insurable Interest should present in different policies?
- (b) What do you mean by Utmost Good Faith? There are certain material facts, which an insured need not to disclose, describe?

Question 5.

Calculate Rate of Pure Premium and Final Rate of Premium from the following figures:

Total of Values of the subject property	Rs. 100 crores
Losses on subject property	Rs. 5 crores
Loss Settlement Expenses	Rs. 25 lacs
Expenses of Management	Rs. 120 lacs
Income on sale of Salvage	Rs. 5 lacs
Income from Rent out building	Rs. 10 lacs
Margin for reserves	5% of Claims Cost
Profit	Rs. 34 lacs