

1. In insurance the subject matter insured is called the \_\_\_\_\_.

[1 Marks]

- (a)  Risk
- (b)  Profit
- (c)  Gain
- (d)  Income
- (e)  Not Attempted

**Correct Answer : Risk**

2. Policy is issued for Rs. 1,00,000 each to 100 persons. There are 100 persons from whom premium would be collected. 2 persons in 100 is expected to die, therefore the premium collected per person would be Rs. \_\_\_\_\_.

[3 Marks]

- (a)  5000
- (b)  2000
- (c)  3000
- (d)  4000
- (e)  Not Attempted

**Correct Answer : 2000**

3. This policy envisages one single payment of premium regardless of when the death would occur.

[1 Marks]

- (a)  Single Premium
- (b)  One-time Premium
- (c)  Not Attempted

**Correct Answer : Single Premium**

4. \_\_\_\_\_ are those which present the possibility of a loss or no loss but not a profit.

[1 Marks]

- (a)  Pure risks
- (b)  Physical risks
- (c)  Moral risks
- (d)  Objective risks
- (e)  Not Attempted

**Correct Answer : Pure risks**

5. Non life insurance can be classified into:

[1 Marks]

- (a)  All of the above
- (b)  Personal insurance
- (c)  Liability insurance

- (d)  Property insurance
- (e)  Not Attempted

**Correct Answer : All of the above**

6. This policy is issued for one year period and if the insured dies during the policy period, the insurer settles the claim.

[1 Marks]

- (a)  Yearly Renewable Maturity Insurance
- (b)  Yearly Renewable Life time Insurance
- (c)  Yearly Renewable Equity Insurance
- (d)  **Yearly Renewable Term Insurance**
- (e)  Not Attempted

**Correct Answer : Yearly Renewable Term Insurance**

7. Acceptable risk will always be influenced by financial consideration.

[1 Marks]

- (a)  FALSE
- (b)  **TRUE**
- (c)  Not Attempted

**Correct Answer : TRUE**

8. If the second party to whom an offer is made wishes to make a counteroffer, he may do so and the contract is valid only when the first party agrees to the terms proposed by the second party. This is called \_\_\_\_\_.

[1 Marks]

- (a)  **consensus ad idem**
- (b)  consensus ads idem
- (c)  consensus en idem
- (d)  consensus at idem
- (e)  Not Attempted

**Correct Answer : consensus ad idem**

9. A master policy, in the name of the employer or any association which takes the policy, is issued under Group Insurance Policy

[2 Marks]

- (a)  **TRUE**
- (b)  FALSE
- (c)  Not Attempted

**Correct Answer : TRUE**

10. Under \_\_\_\_\_, it is possible to insure practically all stationary and mobile machinery, mechanical and electrical equipments, machineries and apparatus used in industry.

[3 Marks]

- (a)  Mechanical Insurance Policy
- (b)  Machine Insurance Policy
- (c)  Motionary Insurance Policy
- (d)  **Machinery Insurance Policy**
- (e)  Not Attempted

**Correct Answer : Machinery Insurance Policy**

11. Mr. A takes an individual mediclaim policy. Let us say the short period rate for a policy of 3 months is 40% and the premium paid is Rs. 45,000. Mr. A cancels the premium after 3 months. The refund amount to Mr. A would be Rs. \_\_\_\_\_

[2 Marks]

- (a)  28000
- (b)  **27000**
- (c)  27500
- (d)  28500
- (e)  Not Attempted

**Correct Answer : 27000**

12. Under Fire insurance, all properties located in an industrial complex will be charged one rate depending on the product(s) made.

[2 Marks]

- (a)  **TRUE**
- (b)  FALSE
- (c)  Not Attempted

**Correct Answer : TRUE**

13. Along with the basic coverage against loss or damage by occasional fire, the standard fire and special perils policy provides protection from a host of other perils such as:

[1 Marks]

- (a)  any damage to the insured property caused either due to an aircraft falling on the property or any object dropped from the aircraft damaging the insured's property
- (b)  **All of the above**
- (c)  Impact damage due to rail/road or animal; other than insured's own vehicle
- (d)  Explosion/implosion
- (e)  Not Attempted

**Correct Answer : All of the above**

14. This ratio indicates the proportion of income which is used up towards loan repayments.

[1 Marks]

- (a)  **Debt Service ratio**
- (b)  Debt Recovery ratio
- (c)  Debt ratio

- (d)  Debt Amount ratio
- (e)  Not Attempted

**Correct Answer : Debt Service ratio**

15. No insurance agent shall:

[2 Marks]

- (a)  **All of the above**
- (b)  become or remain a director of any insurance company
- (c)  force a policyholder to terminate the existing policy and to effect a new proposal from him within three years from the date of such termination
- (d)  demand or receive a share of proceeds from the beneficiary under an insurance contract
- (e)  Not Attempted

**Correct Answer : All of the above**

16. Every person holding a licence of an insurance agent, shall adhere to the code of conduct which include(s) :

[2 Marks]

- (a)  identify himself (through an identity card issued by the insurance company) and the insurance company of whom he is an insurance agent
- (b)  disseminate the requisite information in respect of insurance products offered for sale by his insurer
- (c)  **All of the above**
- (d)  disclose his licence to the prospect on demand
- (e)  Not Attempted

**Correct Answer : All of the above**

17. A \_\_\_\_\_ is a process, which helps an individual to achieve his or her financial objectives.

[1 Marks]

- (a)  financial roadmap
- (b)  financial strategy
- (c)  financial documentation
- (d)  **financial plan**
- (e)  Not Attempted

**Correct Answer : financial plan**

18. These policies are issued for a term or a period of time and if the death of the assured occurs during the term of the policy, the policy pays the sum assured.

[1 Marks]

- (a)  Life time Insurance
- (b)  Equity Insurance
- (c)  Maturity Insurance
- (d)  **Term Insurance**

(e)  Not Attempted

**Correct Answer : Term Insurance**

19. \_\_\_\_\_ is a feature of an Insurance contract.

[2 Marks]

(a)  **Rules of insurable interest**

(b)  Rules of insurance interest

(c)  Rules of no liability interest

(d)  Rules of agreed interest

(e)  Not Attempted

**Correct Answer : Rules of insurable interest**

20. \_\_\_\_\_ is one of the principles of Insurance.

[2 Marks]

(a)  Distribution

(b)  Optionality

(c)  Redistribution

(d)  **Contribution**

(e)  Not Attempted

**Correct Answer : Contribution**