

Name:	 UPES <small>UNIVERSITY WITH A PURPOSE</small>
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, Dec 2019

Course: Principle and Practice of Insurance

Semester: 3rd

Program: B.com (Hons)Bank Management &Insurance

Time: 3 Hours

Course code: FINC 2027

Max. Marks: 100

Instructions: Section ‘A’ is for 20 marks. In section ‘A’, attempt all statements in question 1 as instructed, each statement carries 2 mark. Section ‘B’ is for 20 marks. In section ‘B’, attempt all (four) questions each question carries 5 marks. Section ‘C’ is for 30 marks. In section ‘C’, attempt all (three) questions each question carries 10 marks. Section ‘D’ is for 30 marks. In section ‘D’, attempt all questions each question carries 15 marks.

SECTION A (20 Marks)

Q1	Estoppel is a doctrine that prevents: <ol style="list-style-type: none"> a. A person from denying previous statement b. A person from making a new statement c. A insured from denying any fact in signed application d. A repetition of previous statement 	CO1
Q2	When someone is placed in the same financial position that he was in just prior to loss that is: <ol style="list-style-type: none"> a. Actual Cash value b. Consideration c. Contribution d. Indemnity 	
Q3	Estoppel is a doctrine that prevents: <ol style="list-style-type: none"> e. A person from denying previous statement f. A person from making a new statement g. A insured from denying any fact in signed application h. A repetition of previous statement. 	
Q4	Insurance is an essential element in the operation of sophisticated national economies throughout the world today? True/False	
Q5	-----is a situation that holds out only the possibility of loss or no loss or no loss. <ul style="list-style-type: none"> • Speculative risk • Dynamic risk • Pure risk • Static risk 	

Q6	Which of the following types of companies / organization issue ULIP <ul style="list-style-type: none"> • Insurance Companies • Banks • NABARD • RBI 	
Q7	Which one of the following is not a duty of an agent <ul style="list-style-type: none"> • Duty to exercise care and skill • Duty to take a commission • Duty to account • Duty to avoid a conflict of interest 	
Q8	The main purpose of insurance is to : <ol style="list-style-type: none"> Provide compensation Provide Security Shares of loss of few people among many Create Investment Income 	
Q9	What is the important function of insurance intermediaries, <ul style="list-style-type: none"> • Purchase of insurance • Placement of insurance • Both of these • None of these 	
Q10	Who of the following negotiate insurance contracts with retail broker and agents but not directly with consumers <ul style="list-style-type: none"> • Retail brokers • Wholesale broker • None of these • Both of these 	
SECTION B		(20 Marks)
Q11	What is the difference between Insurance Agent and Broker?	CO2
Q12	Is Sub Agents different from Substitute agent? Prove the statement with example?	CO2
Q13	Comment on the following : <ol style="list-style-type: none"> A delegate cannot further delegate . An agency is always revocable. 	CO2
Q14	What is the role and duties of insurance intermediaries?	CO2
SECTION-C		(30 Marks)
Q15	Insurance is a cooperative device to spread the loss caused by a particular risk over a number of persons, who are exposed to it , elaborate different forms of risk with example	CO3

Q16	There are various modes of Creation of Agency? Elaborate?	CO3
Q17	What is meant by agency ratification? State the conditions that must be fulfilled before the doctrine can apply to an act of agent?	CO3
SECTION-D (30 Marks)		
Q18	Z a wholesale cloth dealer appoints Y as his agent for the sale of cloth on the basis of 5% commission on the sale made by him .Y had an agreement with his principle Z that Y could retain the part of sale amount of goods to adjust the commission due to him .Z terminates the agency of Y .Y refuses to handover the cloth in his possession to Z and claim that he is vested with authority coupled with interest and that agency cannot be terminated? How would you decide?	CO4
Q19	<p>Jake borrowed \$8000 from the Gateway bank to purchase a fishing boat. he keeps the boat at a dock owner by the Harbor company .he use the boat to earn income by fishing .Jake also has a contract with the White Shark fishing company to transport tuna from one port to another</p> <ul style="list-style-type: none"> • Do any of the following parties have an insurable interest in jake or his property? if an insurable interest exist, explain the extent of the interest. <ol style="list-style-type: none"> 1 Gateway bank 2 Harbour Company 3 White Shark fishing Company • If Jack did not own the boat but operated it on behalf of the white shark fishing company would he have an insurable interest in the boat explain? 	CO4