

**E 1201**

(Pages : 2)

Reg. No.....

Name.....

**B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2015**

**Third Semester**

Economics (Model II)

Vocational Course—ACTUARIAL SCIENCE AND THE ECONOMICS OF INSURANCE

(2013 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Define the following.  
Each question carries 1 mark.*

- ✓ 1. Actuarial science.
- ✓ 2. Risk.
- ✓ 3. Insurance.
4. Elasticity.
5. Social insurance.
- ✓ 6. Hazards.
7. Under writing.
8. Cross elasticity.
- ✓ 9. Insurance product.
- ✓ 10. Premium.

(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. Scope of actuarial insurance.
12. New insurance products.
- ✓ 13. Classification of risk.
- ✓ 14. Demand for Insurance.
15. Social cost of Insurance.
16. Explain risk management.
17. Explain dynamic and static risk.

**Turn over**

Sources of Insurable fund.

18. Social benefits of Insurance.
19. Functions of actuarial science.
20. What is departmentalism?
21. Explain the types of re-insurance.
22. What is insurable interest?

(8 × 2 = 16)

### 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. Explain the areas of application of actuarial science.
24. What are the significance of actuarial science?
25. Explain different forms of elasticity of demand for insurance.
26. What are the factors affecting insurance consumption?
27. Explain different forms of risk.
28. How is risk assessed by the insurers? Which are the important documents for assessment of risk?
29. Explain the principles of risk management.
30. Analyse the need for security against economic difficulties.
31. Explain the need for risk management.

(6 × 4 = 24)

### Part D

Answer any **two** of the following questions not exceeding **four pages** each.  
Each question carries 15 marks.

32. Explain the marketing strategies for Insurance Products.
33. What are the product development process of insurance companies?
34. Explain the functions of IRDA.

(2 × 15 = 30)