

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2025  
(Sixth Semester)

Branch – COMMERCE (BANKING & INSURANCE)

**MAJOR ELECTIVE COURSE – II : INSURANCE ENVIRONMENT**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 A policy schedule typically contains:
  - i) List of policy exclusions
  - ii) Details of insured sum and premium payment dates
  - iii) Customer grievance details
  - iv) Steps for claim settlement
- 2 What is the primary remuneration for an agent in the insurance industry?
  - (i) Bonus (ii) Fixed salary
  - (iii) Commission (iv) Gratuity
- 3 Which of the following is a key function of an agent under agency law?
  - (i) Making contracts on behalf of the principal
  - (ii) Enforcing laws
  - (iii) Framing policies for businesses
  - (iv) Overseeing government regulations
- 4 Which type of underwriting is primarily used for initial public offerings (IPOs)?
  - (i) Life insurance underwriting (ii) Facultative underwriting
  - (iii) Securities underwriting (iv) General insurance underwriting
- 5 What is a major challenge in micro insurance delivery?
  - (i) Lack of demand among low-income groups
  - (ii) High operational costs and limited infrastructure
  - (iii) Excessive government intervention
  - (iv) Over-saturation of rural markets

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a How can an insurance policy be altered after issuance?  
OR  
b Explain the significance of attestation in an insurance policy schedule.
- 7 a What are the types of agents under agency law.  
OR  
b List the steps for becoming an insurance agent.
- 8 a Explain the difference between a captive agent and an independent agent.  
OR  
b Pinpoint three reasons why an agent's license may be canceled.
- 9 a State the fundamentals of underwriting in insurance?  
OR  
b Why is tariff/rate-making important in general insurance?
- 10 a Analyse the need for micro insurance in developing countries?  
OR  
b Identify the relationship between micro insurance and micro finance.

Cont...

**SECTION -C (30 Marks)**

Answer any **Three** questions

**ALL** questions carry **EQUAL** Marks (3 x 10 = 30)

- 11 Elaborate the features of an insurance policy, highlighting how these elements impact the policyholder's decisions.
- 12 Examine the functions and responsibilities of an agent under agency law.
- 13 Design a step-by-step procedure for obtaining and maintaining an insurance agent's license.
- 14 Discuss the requisites of good underwriting and their impact on an insurer's profitability.
- 15 Assess the importance of micro insurance in promoting financial inclusion.

Z-Z-Z

END