PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BVoc DEGREE EXAMINATION MAY 2025
(Second Semester)

Branch - BANKING, STOCK & INSURANCE

INSURANCE SYSTEM

Time: Three Hours   Maximum: 75 Marks

SECTION-A (10 Marks)
Answer ALL questions
ALL questions carry EQUAL marks   (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	What is the primary purpose of insurance? a) To make profits b) To manage risks c) To save money d) To borrow money	K1	CO1
	2	Which of the following is a characteristic of insurance? a) Guaranteed returns b) High-risk investment c) Pooling of risks d) No risk involved	K2	CO1
2	3	What is the term for the amount paid by the insured to the insurer? a) Policy b) Deductible c) Claim d) Premium	K1	CO2
	4	What is the purpose of reinsurance? a) To reduce risk b) To increase profit c) To manage claims d) To regulate insurers	K2	CO2
3	5	Which organization regulates the insurance industry in India? a) Reserve Bank of India (RBI) b) Insurance Regulatory and Development Authority (IRDA) c) Securities and Exchange Board of India (SEBI) d) Ministry of Finance	K1	CO3
	6	What is the purpose of the Insurance Ombudsman? a) To regulate insurers b) To settle claims c) To resolve policyholder grievances d) To promote insurance business	K2	CO3
4	7	What is the primary function of an insurance broker? a) To distribute insurance products b) To issue policies c) To settle claims d) To advise policyholders	K1	CO4
	8	What is bancassurance? a) Insurance distribution through banks b) Insurance distribution through brokers c) Insurance distribution through agents d) Insurance distribution through online platforms	K2	CO4
5	9	Which risk management technique involves transferring risk to another party? a) Risk retention b) Risk transfer c) Risk avoidance d) Risk mitigation	K1	CO5
	10	Which risk management technique involves monitoring and reviewing risk? a) Risk avoidance b) Risk mitigation c) Risk retention d) Risk monitoring	K2	CO5

SECTION - B (35 Marks)
Answer ALL questions
ALL questions carry EQUAL Marks   (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Explain the classification of insurance.	K2	CO1
		(OR)		
	11.b.	Demonstrate the benefits of E-Insurance.		
2	12.a.	Experiment with the principles of insurance.	K3	CO2
		(OR)		
	12.b.	Construct the advantages of reinsurance.		
3	13.a.	Identify the challenges of insurance sectors in India.	K3	CO3
		(OR)		
	13.b.	Make use of the Indian insurance market.		
4	14.a.	Examine the role of insurance intermediaries.	K4	CO4
		(OR)		
	14.b.	Inference the essential qualities of a successful agent.		
5	15.a.	Inference the techniques risk avoidance.	K4	CO5
		(OR)		
	15.b.	Analyse the types risk assessment tools.		

SECTION -C (30 Marks)
Answer ANY THREE questions
ALL questions carry EQUAL Marks   (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Inference the methods of handling risk.	K4	CO1
2	17	Examine the factors affecting demand for insurance.	K4	CO2
3	18	Give your opinion about the current scenario in Indian insurance sector.	K5	CO3
4	19	Examine the types of insurance brokers.	K4	CO4
5	20	Justify the advantages and disadvantages of risk retention.	K5	CO5

Z-Z-Z   END