23CBI629N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2026
(Sixth Semester)

Branch – **COMMERCE (BANKING AND INSURANCE)**

MAJOR ELECTIVE COURSE – II INSURANCE ENVIRONMENT

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	The regulatory authority for insurance business in India is --- (i) RBI (ii) SEBI (iii) IRDAI (iv) LIC	K1	CO1
	2	Aduplicate policy is issued when --------- (i) Premium increases (ii) Policy matures (iii) Original policy is lost (iv) Policy is transferred	K2	CO1
2	3	The relationship between insurer and agent is based on the principle of ------- (i) Indemnity (ii) Subrogation (iii) Agency (iv) Contribution	K1	CO2
	4	The remuneration of an insurance agent is mainly in the form of -------- (i) Salary (ii) Bonus (iii) Commission (iv) Profit share	K2	CO2
3	5	The duration of an insurance agent's license is generally----- (i) 1 year (ii) 2 years (iii) 3 years (iv) 5 years	K1	CO3
	6	The code of conduct requires an agent to act--------------- (i) Carelessly (ii) Secretly (iii) Honestly and fairly (iv) Aggressively	K2	CO3
4	7	In life insurance underwriting, the most important factor considered is------------- (i) Colour of house (ii) Age and health condition (iii) Type of vehicle (iv) Business turnover	K1	CO4
	8	In general insurance, tariff mainly applies to------------ (i) Life policies (ii) Fire and motor insurance (iii) Health only (iv) Pension plans	K2	CO4
5	9	Micro insurance is primarily designed for--------------- (i) High-income groups (ii) Corporate clients (iii) Low-income groups (iv) Government employees	K1	CO5
	10	Micro insurance products generally have----------------- (i) High premium and high coverage (ii) Low premium and low coverage (iii) No premium (iv) Unlimited coverage	K2	CO5

Cont...

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.	List the main features of the Insurance Act, 1938.	K1	CO1
		(OR)		
	11.b.	What is the procedure for alteration of a policy?		
2	12.a.	Explain the functions of an insurance agent.	K2	CO2
		(OR)		
	12.b.	Outline the remuneration structure and Code of Conduct for Insurance Agents as per IRDAI regulations.		
3	13.a.	Identify the Fundamentals of Agency Law and its application in Insurance.	K3	CO3
		(OR)		
	13.b.	Construct the duration and renewal of an insurance agent's license.		
4	14.a.	List the kinds of underwriting in insurance.	K4	CO4
		(OR)		
	14.b.	Examine tariff and rate making in general insurance.		
5	15.a.	Define micro insurance and explain its concept.	K1	CO5
		(OR)		
	15.b.	Name the various delivery mechanisms of micro insurance.		

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	Show in detail the licensing and registration procedure of insurance companies under the Insurance Act.	K1	CO1
2	17	Summarise the procedure for becoming an Insurance Agent and explain the regulatory framework governing agents.	K2	CO2
3	18	Identify the procedure for licensing of insurance agents and the pre-requisites required.	K3	CO3
4	19	Categories the requisites of good underwriting and its impact on insurer's profitability	K4	CO4
5	20	Find the concept, need and importance of micro insurance in detail.	K1	CO5

Z-Z-Z END